

# TRAVEL AND TOURISM:

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## Enhancing and Selling Estonia as a Top European Destination:

The American Chamber of Commerce Estonia (AmCham Estonia) believes that Estonia must act decisively on several key tourism and travel issues in the short-term to assist the state and industry in making Estonia one of the top European destinations, in terms of total travel expenditures that will enhance the state's economic vitality through job creation, increased tax revenues, and new investments in this sector.

Problem Definitions with Corresponding Recommendations:

- : A Critical Need of a Convention Center in Estonia  
Convention centers prove to be extremely useful and effective when promoting business travel to a certain country. AmCham Estonia Travel & Tourism Committee finds that one of the vital projects that the Estonian government can help and support is finding the right team and resources to make this goal a reality by 2020.

### **Recommendations:**

- o Re-activate the project full speed and make it one of the priorities for both the Estonian government and city government.
- o Provide necessary public support and funding, not just from the private sector

- : Little promotion of Estonia as "more than Tallinn"  
Focus on targeting special groups such as, health care or medical tourism, sporting events, unique hobbies, saunas and spas, manor houses, cultural visits, business travelers, and more..

### **Recommendations:**

- o Contact tourism and travel committees, programs, or groups in the surrounding geographical area (Sweden, Finland, Latvia, Lithuania, Poland, etc.) to use ideas or imitate strategies of neighboring markets
- o Create a joint initiative with other travel and tourism places across Estonia to promote events, activities, travel deals, etc, with a special focus on new ideas and projects for during January-April (low season)

• Limited Infrastructure

There is a strong need for an international travel connection and joint venture between Estonia, the Baltics, and Central/ Western Europe. Access to the country is one of the critical points in promoting Estonia as a travel destination, so a well-coordinated infrastructure is key to success.

**Recommendations:**

- o Provide the necessary support to the Rail Baltic project that will unite Estonia with the other Baltic States, Poland and Germany not only for cargo business but a great passenger connectivity
- o Provide the necessary/extra support to the National Airline Carrier (Estonian Air) that secures direct air routes to/from Tallinn in strategic locations

• Taxation issues and lack of Immigration support to visitors from outside of the EU and outside of the Schengen Area.

One of the bigger challenges for the tourism& hospitality sector is securing the necessary human resources to respond to the needs of the every day operations. The lack of staff on the local market presents businesses with a challenge of bringing staff from abroad on feasible terms. The high social taxes, as well as a very cumbersome migration procedure, make it extremely difficult to bring in staff from other countries.

**Recommendations:**

- o Consider capping social tax or separating it into parts with some (like mention tax and medical insurance) being optional.
- o VAT should not increase, will hurt most aspects of the tourism and travel industry
- o Simplify some of the migration procedures for short-term workers and work&travel programs
- o Enhance the usage of the local staff by creating language requirements which are sensitive to specific job descriptions

• Promote and sell Estonia to the U.S. market

**Recommendations:**

- o Organise more trade missions to the U.S., that will also focus on travel and tourism companies
- o EAS should develop a specific marketing plan for North America and showcase Estonia as the location which is safe to visit

• Lack of promotion in Asia and Far East to attract a new market of tourists

**Recommendation:**

- o Structured and joint effort with Finnair for Asian tourists to come to Tallinn with a special package/deal, create a new passenger flow into Europe