



Strategic Development Plan for the Tourism Sector

The Long-Term Outlook for Estonian Tourism 2025-2035

Creating Value Sustainably

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Introduction

Tourism serves as Estonia's business card, enhancing the country's international recognition and elevating the quality of life for residents. Encompassing sectors such as accommodation, food service, conferences, and travel services, tourism bolsters business relationships and attracts investments, influencing business decisions, contributing to economic growth, and increasing revenues for both the state and its regions. In 2023, tourism accounted for 16% of Estonia's service exports. Beyond major cities, tourism promotes employment and small enterprises, distributing value across Estonia. Alongside its economic impact, tourism supports international relations, enhances the nation's appeal, and aids the success of other sectors. Natural landscapes, culture, and heritage are foundational to tourism, which in turn contributes to their preservation. Moreover, many of our daily services—such as dining, cultural events, and transportation—benefit in quality and sustainability from the combined demand of tourists and locals.

Estonia's ambition in the tourism sector—to create value sustainably—requires deliberate action to achieve a competitive edge in the future. Being a compact tourist destination with a leading digital society, pristine nature, rich cultural diversity, and authentic gastronomy is a significant advantage. However, we must develop these and other unique features into innovative products, tourism revenue, and substantial growth in hospitality.

"Estonia's Tourism Long-Term Outlook 2025–2035" is a comprehensive development document that defines long-term objectives and sets strategic directions for the tourism sector. This perspective emphasizes that only through the collective and consistent efforts of all tourism stakeholders—entrepreneurs, municipalities, tourism organizations, and the state—as well as other economic sectors influenced by and influencing tourism, can we achieve nationwide tourism success and establish an attractive and sustainable destination.

The development discussions for this long-term perspective involved nearly 300 representatives from tourism and other sectors. The inclusion and co-creation processes were guided by strategic foresight principles and methodologies, which were chosen as the primary approach for developing this perspective. Strategic foresight allowed us to consider various influencing factors and potential futures, exploring a broad spectrum of changes.

The foundation and integral components of the "Tourism Long-Term Outlook 2025–2035" are its 18 annexes, which this perspective synthesizes; therefore, this document does not reference original sources. The vision serves as an umbrella for the formulation of action plans in the tourism sector. In collaboration with the sector, four-year action plans—tourism strategies—will be developed. The Tourism Council, established under the Ministry of Economic Affairs and Communications and led by the minister responsible for tourism, will monitor the achievement of results.



Summary

According to Estonia's Tourism Long-Term Outlook, by 2035, Estonia will be a renowned, sustainable, and innovative destination offering products that meet expectations, having doubled the added value of tourism. Satisfaction with tourism among both Estonian residents and international visitors must be high. This implies that we will be a distinguished destination for future tourists, attracting responsible business and leisure travelers. The sector itself will be competitive, resilient, and collectively committed to achieving longer stays throughout the year.

To realize the vision and objectives of the Tourism Long-Term Outlook, it is necessary to:

- **Increase the share of higher value-added tourism**, particularly business tourism, by aligning Estonia's tourism with its digital nation image and fostering interest in visiting one of the world's leading digital societies.
- **Significantly enhance Estonia's recognition and awareness as a tourist destination** among informed and responsible visitors by smartly leveraging future technologies.
- **Make a developmental leap in tourist mobility options, product availability, and digital accessibility of information** by developing innovative mobility information and transport solutions characterized by accessibility and user-friendliness.
- **Support the development of strong tourism products** outside key centers to offer authentic experiences and exceptional hospitality. This is bolstered by robust regional tourism empowered by Destination Management Organizations (DMOs).
- **Enhance the tourism sector's reputation** as a valued employer by investing in high value-added education and skill development, and by adapting business models to labor market conditions.
- **Ensure a broader enabling role of the public sector in tourism development** by analyzing and considering the impacts of state policy decisions on the tourism economy, and by providing entrepreneurs with a competitive operating environment.
- **Establish a strong and smart tourism economy across Estonia**, ensuring that tourism entrepreneurs are business-savvy, sustainable, efficient using technology and digitalization, and capable of creating innovative business models and unique tourism products.

As a result of achieving these objectives, by 2035 the following changes will have occurred:



More Renowned

- Estonia will be well-known in target markets, partly due to exciting international events held year-round and high-quality business tourism opportunities.
- Tourism will be a reputable field for self-fulfillment and entrepreneurship.



More Sustainable

- We will be hospitable and open to guests, motivating even first-time visitors to engage in environmentally friendly practices during their stay.
- We will have contributed to the preservation of our natural environment, culture, and heritage.
- Access to and movement within Estonia will be seamlessly convenient and accessible to all.



More Innovative

- We will have creatively integrated our uniqueness into tourism products, converting them into revenue.
- We will proactively understand customer desires through technology and data-driven tourism products.
- We will offer exceptional tourism experiences through the intelligent use of digital technology.
- Tourism entrepreneurs will be committed to sustainability and capable of demonstrating it.

1. Vision and Goal

Vision: By 2035, Estonia is recognized as a renowned, sustainable, and innovative destination, with the added value of tourism doubled.

The goal is to enhance Estonia's visibility by transforming our unique features into competitive advantages through smart marketing. The Estonian tourism sector is efficient, digitally advanced, environmentally friendly, and offers authentic year-round tourism products across the country. High-quality hospitality ensures high satisfaction among all tourism stakeholders, residents, and visitors.

Key Metrics:

- Doubling the added value of the tourism economy.
- Increased satisfaction with tourism among Estonian residents and international visitors.

VISION

By 2035, Estonia is recognized as a renowned, sustainable, and innovative destination, with the added value of tourism doubled.

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We aim to achieve a twofold increase in the added value of the tourism sector, grounded in high quality and satisfaction with the experience among both Estonian residents and international visitors. Considering that Estonia's price level has risen significantly, competition in tourism within our region is intensifying, and the number of sector employees is not expected to grow, achieving efficiency is essential, and we must implement innovative solutions. To reach this goal, it is crucial to further develop Estonia's unique features into competitive advantages by utilizing future technologies, environmentally friendly solutions, data-driven management, and even smarter marketing to ensure our tourism offerings reach the right target groups. Estonian friendliness and

openness, a clean environment, unique stories, and our digitally seamless lifestyle are values that need to be highlighted and communicated more strongly to appeal to target groups and encourage repeat visits. We require innovative collaboration models both within the tourism sector and in cooperation with other sectors (e.g., research and development, IT, food, health, creative industries, and the public sector). The focus is on increasing the share of business tourism, which helps fill the low season and boosts the number of international visitors, as business travelers often return as leisure tourists to explore different regions of Estonia. Enhancing the quality of hospitality must exceed visitor expectations (see Figure 1).

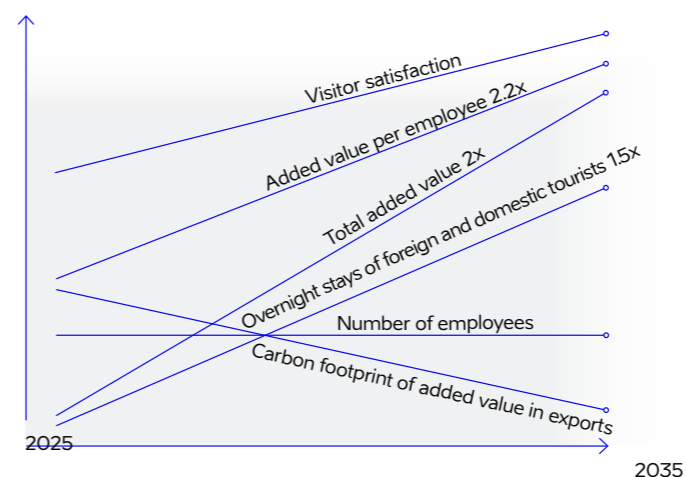


Figure 1: Estonia's Tourism Trends 2035

To implement the vision, we rely on five pillars:

1. Tourism generates export revenue year-round as an attractive destination.
2. Smooth and diverse transport and digital connections are prerequisites for tourism development.
3. Diverse, hospitable, and vibrant tourism beyond key centers supports local life and empowers Estonia's uniqueness.
4. Tourism, as a stable and profitable business sector, provides good working conditions and career opportunities for employees.
5. The smartness, innovation, and sustainability of tourism enterprises create conditions that enhance competitiveness.

For further details, see: Annex 1 (Development Process, Implementation), Annex 12 (Connections with Others), Annex 14 (Metrics), Annex 15 (Methodology), Annex 16 (Overview of Participants).

ENABLERS

DIGITAL TRANSFORMATION INNOVATION SUSTAINABILITY, including GREEN TRANSITION

CORE PRINCIPLES

We are all ambassadors of Estonia's positive image	We understand and promote the broader socio-economic benefits of tourism across various sectors in Estonia	We value local uniqueness and emphasize our distinctiveness	As Estonians, we appreciate Estonia as a special travel destination
We exceed visitor expectations	We feel responsible towards future generations	We are honest and transparent	We develop tourism collaboratively

STRATEGIC PILLARS

Tourism generates export revenue year-round as an attractive destination	Smooth and diverse digital and transport connections are prerequisites for tourism development	Diverse, hospitable, and vibrant tourism beyond key centers supports local life and empowers uniqueness	Tourism, as a stable and profitable business sector, provides good working conditions and career opportunities for employees	The smartness, innovation, and sustainability of tourism enterprises create conditions that enhance competitiveness
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WORKSTREAMS

<ul style="list-style-type: none"> ➤ Tourism Marketing ➤ Product Development (export, seasonality, uniqueness, e.g., digital nation productization) ➤ Business Tourism and Infrastructure ➤ International Events and Infrastructure ➤ International Networking 	<ul style="list-style-type: none"> ➤ International Connections ➤ Sustainable and Integrated Transport Network ➤ Innovative Transport Solutions ➤ Seamless Travel Experience ➤ Accessibility of Tourism Information ➤ Tourism Data Capability ➤ Digital Connectivity ➤ Accessibility of Physical Environment 	<ul style="list-style-type: none"> ➤ DMOs as Regional Competence Centers and Collaboration Network Promoters ➤ Capacity of Regional Tourism Entrepreneurs ➤ Heritage Preservation ➤ Destination Quality Labels ➤ Regional Impact of Tourism ➤ Visitor Satisfaction 	<ul style="list-style-type: none"> ➤ Effective Collaboration with Other Sectors ➤ Consideration of Tourism ➤ Reputation of Tourism Entrepreneurs as Employers ➤ Tourism Education ➤ Knowledge and Skills ➤ Empowering Legislation ➤ Fair Competition ➤ Minimal Regulatory Burden 	<ul style="list-style-type: none"> ➤ Innovative Solutions and Business Models ➤ Digital Capability ➤ Data Capability of Enterprises ➤ Real-Time Economy ➤ Environmental Footprint and Sustainability of Enterprises ➤ Ethical Business Practices
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OUTCOMES

<ul style="list-style-type: none"> ↑ Export of tourism services ↑ Share of business tourism ↓ Seasonality 	<ul style="list-style-type: none"> ↑ International connections ↑ Adequacy of transport within Estonia ↑ Quick accessibility of tourism information 	<ul style="list-style-type: none"> ↑ Number of overnight stays outside Tallinn ↑ Internationally recognized sustainable tourism destinations 	<ul style="list-style-type: none"> ↑ Added value per employee in tourism enterprises ↑ Research related to tourism 	<ul style="list-style-type: none"> ↑ Digitalization of tourism enterprises ↓ Environmental footprint of the tourism sector
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2. Tourism Trends and Enablers

MEGATRENDS

- **Extreme and Rapidly Changing Weather Conditions:** Weather influences travel decisions, general values, policies, and the economy.
- **Sustainability Challenges and Overregulation:** Sustainability is crucial, but adherence can be costly, and altering consumer travel preferences is challenging.
- **Generational Shifts and Aging Population:** New target groups with diverse needs, including services related to health and longevity.
- **Technological Advancement and Data Utilization:** Technology and data offer new opportunities in customer interaction and process management, necessitating a balance between human contact and digital services, along with enhanced data literacy and utilization skills.
- **Technology Fatigue and Importance of Human Interaction:** Growing desire to disconnect from technology and seek more human interaction.
- **Geopolitical Tensions:** Increasing uncertainty requiring flexible strategies and adaptability.

TOURISM MEGATRENDS

- **Desire to Travel and Virtual Tourism:** People continue to travel inherently, including virtual travel.
- **Concentration on Tourist Destinations:** A significant portion of travelers focuses on a few popular global destinations, while local travel is on the rise.
- **Destination Carrying Capacity:** Climate change necessitates adherence to sustainability principles and goals, considering destinations' load-bearing capacity. Simultaneously, environmental awareness is increasing, leading to phenomena like "flight shame."
- **Growth of Niche Tourism and Authenticity:** Lesser-known destinations gain popularity, influenced by opinion leaders, as tourists seek authentic experiences, with exceptional hospitality adding significant value.
- **Interest-Based and Unconventional Travel:** Travel purposes diversify, including isolation tourism and altruistic travel, reflecting new generation preferences.
- **Trend of Slow and Flexible Travel:** Growing desire to blend travel with lifestyle, favoring longer and more leisurely experiences.
- **Rise of Silence and Exclusive Tourism:** Luxury tourism and the offering of tranquility become opportunities for niche destinations.
- **Growth of Regenerative Tourism:** Increasing travel aimed at actively restoring destinations and communities, creating positive impacts.

TIES TO THE FUTURE OF ESTONIAN TOURISM

Considering current trends and their possible growth, we see effects on Estonia's tourism development:

➤ Climate Change Alters Tourism Flows and Destination Preferences in Europe

Estonia's moderate summers, extended warm autumns, and distinct seasons, including the "fifth season" in Soomaa, enhance its attractiveness in neighboring regions.

➤ Increased Valuation of Commitment to Sustainability

Implementation of environmental management systems and sustainability certifications becomes essential. Sustainability becomes a baseline expectation in Estonian tourism, necessitating maintenance of high rankings in international sustainable destination indices and educating visitors on sustainable tourism.

➤ Rise of Slow Tourism

Estonia's strengths include high-speed internet and remote work opportunities nationwide, stable infrastructure, and a safe living environment.

➤ Expectations for Personalization and Accessibility

Leveraging Estonia's digital society achievements to meet diverse target group expectations in tourism.

➤ Technology Facilitates Seamless Travel Experiences

Utilizing digital platforms and data to create travel products that align with tourist interests and enhance discoverability.

➤ Preference for Unique Destinations Free from Mass Tourism

Enhancing Estonia's visibility as a sustainable destination appealing to responsible explorers.

MEGATRENDS

TOURISM MEGATRENDS

TIES TO THE FUTURE OF ESTONIAN TOURISM

Beyond aligning with trends, the success and future resilience of the tourism sector depend on integrating sustainability, green transition, digitalization, and innovation into business models, alongside the overall competitiveness of Estonia's business environment:

SUSTAINABILITY AND GREEN TRANSITION

Sustainable tourism considers economic, social, and environmental impacts, ensuring the well-being of visitors and local communities. It aims to conserve natural resources, preserve culture and heritage, and provide long-term local economic benefits. Tourism activities should align with the UN's Sustainable Development Goals, contributing to environmental protection, circular economy, and conservation of natural resources. Tourism enterprises can reduce their carbon footprint by adopting renewable energy solutions and supporting local ecosystems. The local transport sector and service providers must embrace green transition goals to move towards carbon neutrality.

DIGITAL TRANSFORMATION:

Digitalization offers numerous opportunities for the tourism sector, from optimizing resource use to enhancing data-driven decision-making. Digital solutions can significantly reduce costs, increase competitiveness, and improve visitor experiences. Additionally, digitalization transforms the tourism ecosystem by diminishing intermediaries' roles and enhancing direct communication between clients and providers. Tourism businesses must acquire new digital skills and invest in technological advancements, in collaboration with the IT sector, to maintain competitiveness.

INNOVATION LEAP

Innovation is a key driver of tourism development, though currently underutilized. Emerging technologies like augmented reality, automation, and artificial intelligence enable the creation of unique and personalized experiences, distinguishing destinations and businesses from competitors. Collaboration with research institutions and other sectors, such as IT, health, food, logistics, etc., is essential to develop new business models and services that support both economic and environmental sustainability.

COMPETITIVENESS OF THE BUSINESS ENVIRONMENT

Sustaining long-term growth in Estonia's tourism requires a business environment that offers a stable and enabling legal framework, including a tax system, minimal bureaucracy, and seamless investment opportunities. Successful and sustainable development necessitates robust (digital) infrastructure, including fast and reliable internet and energy availability. Considering geopolitical factors, it's crucial for the state to ensure security and defense capabilities, fostering confidence among entrepreneurs and encouraging long-term investments in the tourism sector.



For further details, see: Annex 2 (Trends), Annex 8 (Economic Analysis), Annex 10 (Development Prerequisites), Annex 11 (UN Sustainable Development).

3. Overview of Tourism in 2023

5-7%

direct and indirect contribution of tourism to Estonia's GDP

16%

share of tourism in Estonia's service exports

€1.9 billion

annual tourism service exports

€1

spent in tourism generates €0.46 of added value in other sectors

€0.26

of every euro spent by tourists goes to taxes

Tourism significantly contributes to Estonia's economy, especially in enhancing service exports. It supports employment and small enterprises across the country, particularly outside major cities, aiding in the equitable distribution of added value among regions. Most of the sector's added value arises from accommodation, food services, maritime transport, and travel agencies. Beyond

its economic impact, tourism bolsters Estonia's culture and heritage, aids in preserving nature and history, and amplifies the nation's cultural and diplomatic influence. It serves as a "soft power" tool, fostering positive international relations and shaping Estonia's global image. Through tourism, international solidarity grows, enhancing Estonia's global standing and security.



For further details, see: Appendix No. 8 (Economic Analysis)

3.1. Estonia's Tourism Ecosystem and Business Environment in 2023

ca 87%

share of micro-enterprises in the tourism sector

5,000

tourism enterprises in Estonia

2.3%

tourism's contribution to the total added value of businesses



A tourism sector aligned with governmental collaboration

7

DMOs supporting regional tourism

In 2023, the tourism sector employed approximately 30,000 individuals, accounting for 4.8% of total employment. In 2022, there were about 5,000 businesses in accommodation, food services, and travel agencies, representing 3.4% of all enterprises and contributing 2.3% to the total added value of the business sector. The high proportion of micro-

enterprises indicates that the potential for innovation has been limited. The tourism ecosystem collaborates towards a unified goal: creating memorable experiences for visitors, empowering tourism businesses, and simultaneously supporting the well-being of local communities and environmental conservation (see Figure 2).

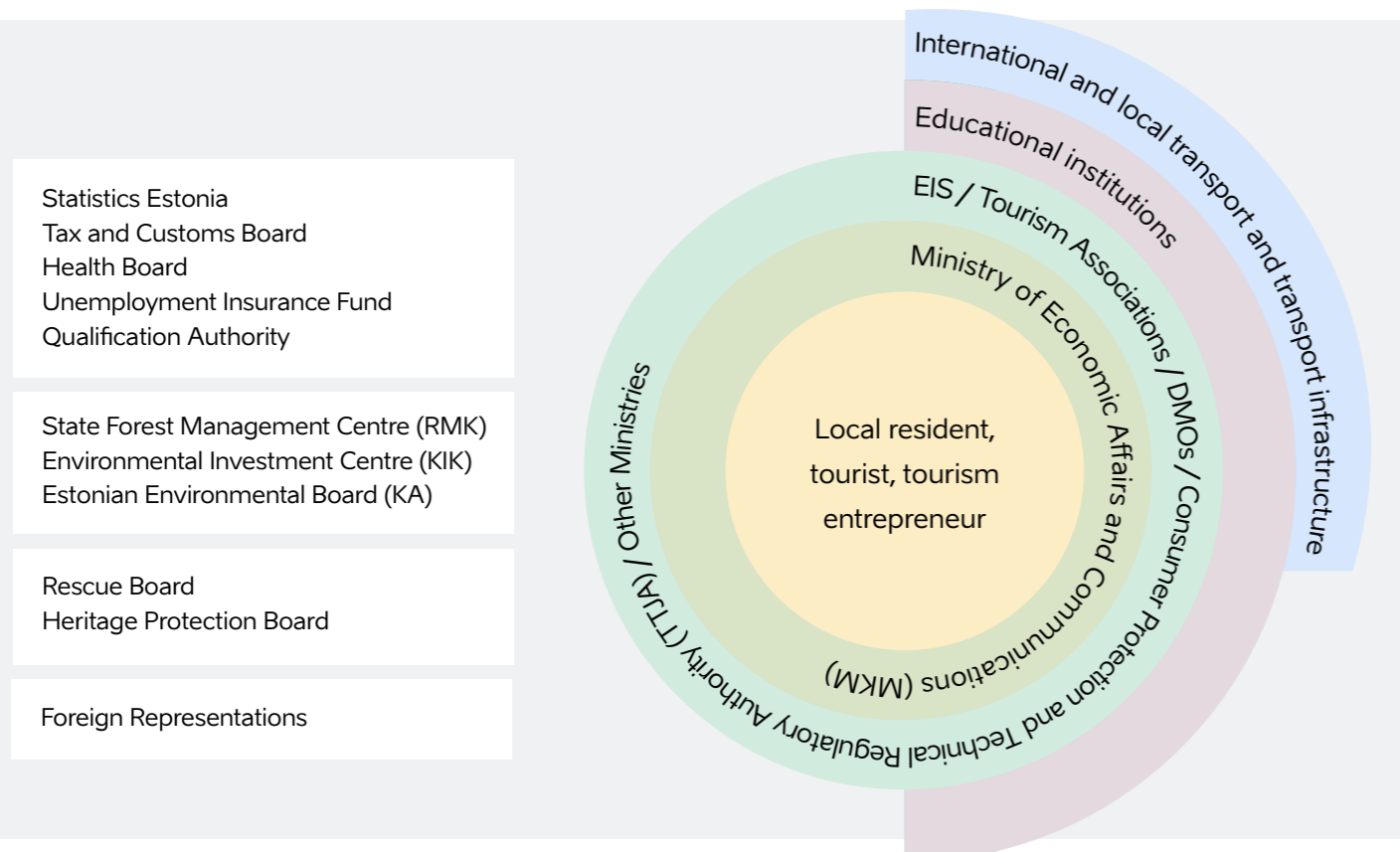



Figure 2: Estonian Tourism Ecosystem and Connections¹

The main stakeholders in the Estonian tourism ecosystem were included in 2022 in the tourism council established by the minister responsible for tourism: EIS, other ministries (Ministry of Culture, Ministry of Education and Research, Ministry of Climate, etc.), tourism associations, DMOs, and enterprises. The general framework for tourism activities (travel services, accommodation services) has been established in the Tourism Act and its sub-regulations. Supervision of regulations is carried out by the Consumer Protection and Technical Regulatory Authority.

 For further details, see: Appendix No. 3 (Tourism Ecosystem)


¹ MKM – Ministry of Economic Affairs and Communications Other Ministries (RM – Ministry of Finance REM – Ministry of Regional and Rural Affairs HTM – Ministry of Education and Research KUM – Ministry of Culture KLIM – Ministry of Climate VÄM – Ministry of Foreign Affairs SIM – Ministry of the Interior JUM – Ministry of Justice) EIS – Enterprise and Innovation Foundation (Estonian abbreviation for EAS) TTJA – Consumer Protection and Technical Regulatory Authority Tourism associations: MTÜ Estonian Hotels and Restaurants Association, MTÜ Estonian Spa Association, MTÜ Estonian Travel and Tourism Association, MTÜ Estonian Estonian Spa Association, MTÜ Estonian Travel and Tourism Association, MTÜ Estonian Rural Tourism, MTÜ Estonian Convention Bureau, MTÜ Estonian Nature Tourism, Estonian Guide Association, MTÜ Estonian Tourism Board, RMK – State Forest Management Centre, KA – Environmental Board

3.2. Estonia as an Attractive Tourism Destination in 2023

2nd place UN E-Government Development Index for digital public services (2024)	4th place global ranking for remote work destinations (Global Citizen Solutions 2024)	1 of 7 countries meeting WHO air quality standards (IQAir 2023 World Air Quality Report)	Michelin Guide introduced in Estonia (from 2022)	4th place Sustainable Travel Index (Euromonitor International 2023)
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Estonia is a leading digital society and a recognized sustainable tourism destination, providing advantages on the international stage. In the 2023 Euromonitor Sustainable Travel Index, Estonia ranks fourth. Easy access and convenient mobility within the destination enhance its appeal to tourists. Safety is also crucial, valued by both residents and visitors (88% of Estonians consider Estonia a safe country).

Estonia's attractiveness is further elevated by its clean air, authentic gastronomy, high-quality hotels and restaurants, rich history, culture, and events, including esteemed conferences and event management.


 For further details, see: Appendix No. 4 (Attractive Tourism Destination), No. 8 (Economic Analysis), No. 13 (DMO Objectives)

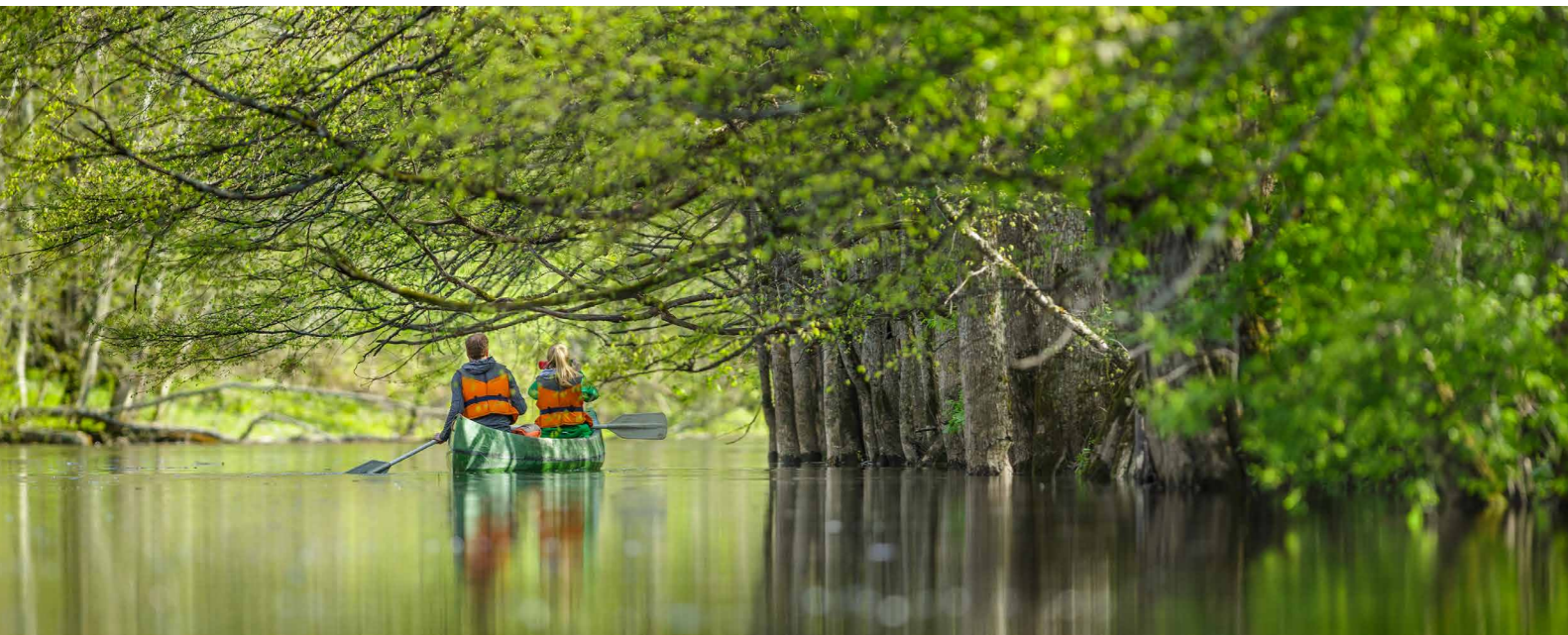
3.3. Tourism Demand in 2023

6.37 million total overnight stays by domestic and international tourists	37% overnight stays during the three summer months	52% overnight stays outside Tallinn	23% overnight stays by business tourists	39% overnight stays by foreign tourists from Finland
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Estonia's tourism demand is primarily characterized by interest from neighboring countries (as of 2023, the main tourists are from Finland, Latvia, as well as Germany and Lithuania). A 2023-2024 survey of foreign tourists indicated high satisfaction with Estonia's tourism services, with 82% of respondents likely to return within the next five years. Estonia's unique features and sustainability provide a solid

foundation for future growth and development. Often, Estonia is visited in conjunction with neighboring countries like Finland, Latvia, Lithuania, and Sweden. During challenging crisis years, Estonian tourism entrepreneurs and organizations have proactively worked towards new growth. They offer increasingly unique experiences, essential for boosting demand.

 For further details, see: 5 (Tourism Demand), No. 8 (Economic Analysis), No. 13 (DMO Objectives)



3.4. Connectivity and Accessibility in 2023

1st place

among European airports (ASQ Awards 2024)

16

new visits per minute on the VisitEstonia.com portal

44

flight destinations from Tallinn Airport

1st place

port of Tallinn named "Best Smart Port" (Global Smart Ports Summit 2023)

5,500

ship visits between Estonia, Finland, and Sweden

The comfortable and cozy Tallinn Airport and the modern Port of Tallinn ensure a quality and pleasant travel experience from the moment of arrival. Our main flight hubs are Stockholm, Frankfurt, Helsinki, and Riga. International connections are gradually improving. Smooth ferry connections with Finland and cruise options with Sweden support continuous and dense movement of guests between countries, enhancing Estonia's position as an attractive and

accessible tourist destination. A 2023-2024 survey of foreign visitors showed satisfaction with the availability of tourism information in Estonia. However, there is less satisfaction with domestic public transport and its accessibility. Digitalization is important among entrepreneurs, but broader sector visibility in digital channels, effective reach to target groups, and information exchange are still developing, supported by the growth of various digital solutions in the market.



For further details, see: Appendix No. 6 (Connectivity), No. 8 (Economic Analysis)

3.5. Tourism Education and Workforce in 2023

30,000

employed in tourism-related activities

75%

of women employed in accommodation and food services

30%

Share of employees aged 15–24 in accommodation and food services

19

institutions offering tourism-related higher and vocational education

Since 1996

tourism higher education available in Estonia

Economic conditions, demand for labor, and an aging population have led to a decrease in the number of new entrants to the labor market. Foreign labor (including Ukrainian war refugees) has helped alleviate the labor crisis in accommodation and food services, but no employment changes in the tourism sector are projected for the 2022–2031 period. Despite 19 educational institutions offering tourism-related education—four universities and 15 vocational

schools—and numerous continuing education courses, employers in accommodation, food services, and commerce perceive a labor shortage, mainly due to seasonal demand, labor turnover, job nature, and working conditions. Thanks to the Michelin Guide's presence in Estonia and various awareness activities, professions like chef and restaurateur have gained more positive attention among youth, yet there remains a shortage of chefs in the labor market.



For further details, see: Appendix No. 7 (Education, Workforce)

4. Core Principles

The core principles for the tourism sector are values that lay the foundation for responsible and sustainable development, benefitting visitors, local communities, and businesses. Consistent collaboration is essential to preserve local traditions and nature while offering unique and high-quality experiences. By adopting these values, all stakeholders in the sector—entrepreneurs, municipalities, tourism organizations, and the state—can collectively create a more attractive and sustainable tourism environment.

We are all ambassadors of Estonia's positive image.

We represent Estonia and our tourism businesses, nature, cuisine, and culture both domestically and abroad, adhering to Estonia's positive tourism destination marketing messages and narratives.

We promote tourism's broader socio-economic benefits.

We understand and communicate the wider impact of tourism across Estonia as an integral horizontal aspect of societal life, beyond its contribution to GDP or sectors outside the tourism industry.

We value the local and highlight our uniqueness.

We prioritize local products and services, keep tourism revenues in Estonia, and emphasize Estonian identity. We aim to enhance quality and enable visitors to experience the authentic Estonia. We care for local communities and develop destinations holistically and collaboratively, ensuring the preservation of natural habitats, traditions, and heritage while fostering entrepreneurship and culture. We also influence and guide visitors to respect and value Estonia's nature and people.

We exceed visitor expectations.

We are visitor-centric, systematically improving the tourism experience to ensure every tourist leaves Estonia with positive emotions and a strong desire to return.

Estonia is a valued destination for locals too.

Alongside international visitors, we also appreciate domestic tourists, raising awareness of Estonia's natural, culinary, and cultural heritage among our own citizens. We aim to reduce the outflow of spending abroad and minimize environmental impact.

We are responsible to future generations.

Tourism in Estonia is economically, environmentally, culturally, and socially sustainable. All our activities uphold a sense of place, stand the test of time, and harmoniously integrate with our traditions and nature. Estonia consciously avoids mass tourism, focusing on quality and unique experiences.

We are honest and transparent.

We prioritize fair business practices in our dealings with partners and customers, balance quality with price, and ensure we deliver on our promises.

Collaboration is the foundation of Estonia's tourism development.

We design and implement tourism policies inclusively, creating innovative cooperation models that engage stakeholders at all levels (state, institutions, organizations, associations, businesses, educational institutions, destination management organizations, municipalities, and regional development organizations).



For further details, see: Appendix No. 1 (Vision Development), Appendix No. 8 (Economic Analysis), Appendix No. 9 (Future Scenarios), Appendix No. 10 (Development Preconditions)

5. Objectives, Targets, Strategic Directions, and Responsibilities

Our goal is to double the added value of the tourism sector by focusing on enhancing Estonia as an attractive and renowned tourism destination. To achieve this, we need to invest in innovative and sustainable development, strengthen transport opportunities and digital connectivity, and create a favorable environment for business operations. It is important to enhance the capacity of entrepreneurs to operate smartly and efficiently, and to develop tourism's reputation as a prestigious and attractive business sector. Collaboration with other industries creates opportunities for higher value-added outcomes, ensuring Estonia's international competitiveness in tourism.

Tourism supports several goals of the long-term development strategy "Estonia 2035," contributing to economic development, the green transition, and innovation, while strengthening Estonia's position on an international level and supporting local communities and regional development. Tourism directly contributes to the goals of **The Estonian Research and Development, Innovation and Entrepreneurship Strategy 2021–2035 (TAIE)** in increasing added value and export growth, and in raising the share of focus areas (including directly contributing to the focus area "A Viable Estonian Society, Language, and Cultural Space"). Tourism is an integral part of the state's "**Long-term Economic Policy Plan 2035.**"

KEY METRICS

Added value of tourism (direct and indirect impact, Statistics Estonia)
 Estonian residents' satisfaction with tourism (under development)
 Foreign visitors' satisfaction with tourism services in Estonia (EIS, % of foreign visitors who would recommend Estonia to friends)

	2023 BASELINE	2035 TARGET
Added value of tourism (direct and indirect impact, Statistics Estonia)	€2.2 billion	€4.3 billion
Estonian residents' satisfaction with tourism (under development)	To be determined (TBD)	(TBD)
Foreign visitors' satisfaction with tourism services in Estonia (EIS, % of foreign visitors who would recommend Estonia to friends)	73%	75%



Refer to: Appendix No. 12 (Interconnections with Other Sectors), Appendix No. 14 (Metrics)



5.1. Strategic Pillar No. 1: Estonia as a Year-Round Attractive Tourism Destination

To enhance Estonia's attractiveness as a tourism destination and increase tourism demand, it is essential to offer products that meet international expectations. Smart marketing activities must effectively reach our target groups and understand client expectations even before they arrive in Estonia. Achieving this requires the implementation of future technologies and the development of high-value-added services in areas

such as nature, culture, heritage, food, business tourism, and other unique characteristics to transform them into tourism revenue. Strengthening international cooperation networks is also necessary. Additionally, tourism offerings and events must extend the length of foreign tourists' stays, reduce seasonality, and balance regional concentration. Increasing the number of digital nomads also contributes to growth in recognition and revenue.

ESTONIA AS AN ATTRACTIVE TOURISM DESTINATION

Share of business tourism in all foreign overnight stays (Statistics Estonia)
 Tourism services export (Statistics Estonia)
 Tourism seasonality (Statistics Estonia)

	2023 BASELINE	2035 TARGET
Share of business tourism in all foreign overnight stays (Statistics Estonia)	23.3%	27%
Tourism services export (Statistics Estonia)	€1.867 billion	€3.9 billion
Tourism seasonality (Statistics Estonia)	37%	35%



Additionally, we will monitor but not target:

- The number of overnight stays by domestic and foreign tourists (Statistics Estonia)
- Estonia's position in the International Sustainable Tourism Index (Euromonitor Sustainable Travel Index)
- Estonia as a recommended attractive tourism destination in international publications.
- The presence of a multifunctional conference center
- A venue suitable for year-round international sports and cultural events that meets sector needs

Workstreams (Responsible Parties):

1. Development of high-value-added tourism products: Develop tourism products based on local uniqueness and Estonia's digital nation strengths to expand export potential. Empower other tourism products in synergy with primary travel motivators (e.g., Tallinn Old Town, a UNESCO World Heritage Site). (MKM, EIS, DMOs, entrepreneurs)

2. Development and marketing of international business and conference tourism and events: Improve the image of international events and increase awareness and motivation among potential visitors to choose Estonia. Strengthen the role of cultural and heritage tourism and sports and cultural events in tourism development by clearly linking them to mitigating low seasonality and increasing regional attractiveness. Develop business tourism and incentive travel, including necessary infrastructure (e.g., a multifunctional conference center meeting international standards and a venue suitable for sports and events) and increasing international visibility. Estonia will be recognized year-round for its attractive festivals, cultural and sports events, and business events. Strengthen the image of international events to motivate visitors, including repeat visitors, to choose Estonia. (MKM, KUM, EIS, DMOs, Tallinn City Government, entrepreneurs)

3. Development of international networking and cooperation in the tourism sector: Collaborate closely with the Baltic and Northern European countries to create synergy and streamline international travel experiences. *(MKM, EIS, DMOs, associations, entrepreneurs)*

4. Enhancing Estonia's reputation as an attractive destination for digital nomads: Utilize Estonia's digital image, unique characteristics, and regulatory opportunities to create conditions that make Estonia appealing to digital nomads. Collaborate with digital nation and e-residency initiatives and other EIS teams to amplify messages targeted at digital nomads. *(MKM, SIM, EIS, entrepreneurs)*

5. Significantly increasing Estonia's visibility and recognition as a tourism destination: Leverage Estonia's strengths and uniqueness to enhance its recognition in priority and high-revenue potential target markets. Boost Estonia's visibility as a tourism destination through smart, data-driven marketing targeting end consumers, travel organizers in target markets, and media in target countries, focusing on the entire decision-making journey of potential tourists. This includes promoting Estonia as a world-class innovative gastronomy destination, with recognition such as the Michelin Guide and other independent international quality labels. Develop tailored messages for Estonia as an attractive and safe destination at all levels, from businesses to state representatives. *(MKM, EIS, DMOs, entrepreneurs)*

5.2. Strategic Pillar No. 2: Seamless and Diverse Transport and Digital Connectivity

Over the next ten years, it is essential that Estonia develops well-functioning and diverse international and domestic transport connections, as well as digital visibility for tourism platforms and businesses, to support the sustainable development of the tourism sector. The Finland-Estonia Green Corridor ensures environmentally friendly and seamless movement between the two countries, fostering conference and business tourism. For cruise tourism, it is crucial to ensure local economic benefits while avoiding destination overloading, maintaining a balance between sustainable development and visitor satisfaction.

In Estonia, it is important to promote safe travel options for cars and bicycles, providing interconnected public transport solutions that enable convenient travel to destinations beyond Tallinn. Travel should be accessible, and planning should be straightforward, combining different modes of transportation. The accessibility of

tourism businesses and products (information, digital, physical environment, products, services) must be improved. Through the development of accessible and inclusive tourism, Estonia can offer a calm and personalized experience for all travelers, including the elderly and those with special needs.

Digital solutions and system integration should support quick discovery of travel options and easy usability, ensuring seamless data sharing and real-time availability. This increases sector productivity and allows better responses to visitor expectations, making tourism in Estonia even more accessible and attractive.

The success of tourism businesses also depends on the availability of ultra-fast internet across Estonia, and the security and reliability of Estonia's cyberspace form a horizontal foundation for entrepreneurship. Awareness of cyber threats and the ability to protect operations are crucial for tourism businesses as well.

SEAMLESS AND DIVERSE (DIGITAL) CONNECTIONS

	2023 BASELINE	2035 TARGET
Number of direct international regular flight destinations (weeks 2 and 24, AS Tallinna Lennujaam)	32/32	42/50
Number of direct international regular flight departures (weeks 2 and 24, AS Tallinna Lennujaam)	242/273	370/450
Number of passengers on international regular ferry lines (Statistics Estonia)	7.7 million	10 million

Additionally, we will monitor but not target:

- Adequacy of transport solutions for visiting tourism destinations
- Availability of suitable ferry connections both internationally and domestically
- Completion of Rail Baltica
- Safety of Via Baltica
- Availability of ultra-fast internet across Estonia
- Number of accessible tourism products
- Availability and use of online booking and sales channels

Workstreams (Responsible Parties):

6. Development of suitable international connections for foreign tourists: Ensure appropriate transport options (airplane, ship, train, etc.) for traveling to Estonia. Promote the growth and marketing of new international flight routes and frequencies. Support the sustainable development of passenger shipping (including cruises). Facilitate the development of tourism-oriented services in small harbors. *(MKM, KLIM, EIS, AS Tallinna Lennujaam, AS Tallinna Sadam, entrepreneurs)*

7. Development of domestic mobility options in Estonia: Improve domestic travel routes, multimodal transport solutions, and opportunities for longer-term travel planning, including low-carbon mobility options (public transport, comprehensive cycling networks, walking). Turn innovative modes of transport into an advantage for Estonia. *(KLIM, REM, TRAM, entrepreneurs)*

8. Development of digital connectivity: Enhance the accessibility and visibility of tourism information and products in digital channels, improving the usability of mobile devices and digital platforms for both foreign and domestic tourists (e.g., websites, booking systems, etc.). *(MKM, EIS, DMOs, entrepreneurs)*

9. Development of equal access: Analyze the economic potential and opportunities for developing accessible and inclusive tourism in Estonia. Improve the accessibility of tourism businesses, products, and information (both digital and physical), ensuring that public space information is discoverable and understandable for non-native speakers traveling in Estonia. *(MKM, EIS, DMOs, associations, municipalities, entrepreneurs)*



5.3. Strategic Pillar No. 3: Diverse, Hospitable, and Vibrant Tourism Beyond Key Centers Supports Local Development and Engages Communities

Diverse and hospitable tourism, characterized by the ability to create unified value propositions and promote collaboration in developing holistic tourism products, supports local development beyond urban centers. It helps preserve the natural environment, creates a balanced economic and cultural environment, and lays the foundation for a robust tourism ecosystem. This requires focusing on dispersing foreign tourists across Estonia and developing regions or tourism products with significant potential. Domestic mobility and travel planning solutions are crucial, as are digitalization and digital skills (e.g., marketing services through

digital channels and using innovative digital solutions to make services more attractive).

It is important to strengthen cooperation between businesses, destination management organizations (DMOs), and local governments, enhance the awareness and involvement of local communities in tourism development, provide visitors with memorable hospitality experiences, and ensure the sustainable operation of strong and independent DMOs. Regional DMOs serve as tourism collaboration and competence centers for businesses, communities, other destinations, and the state.



TOURISM ACROSS ESTONIA'S REGIONS

Share of overnight stays outside Tallinn (Statistics Estonia)
Number of internationally recognized tourism destinations (quality certifications)

2023 BASELINE

52%
10

2035 TARGET

55%
All destinations

Additionally, we will monitor but not target:

- Economically viable and independent DMOs

Workstreams (Responsible Parties):

10. Development of regional tourism: Support the creation of strong DMOs operating as regional tourism collaboration and competence centers, driven by the contributions of businesses and strategic state support and partnerships. Promote collaboration between various local service providers to create comprehensive tourism products. Link events, conferences, and other attractions in larger cities with tourism opportunities outside urban areas. Enhance tourism entrepreneurs' business and development capabilities. Increase awareness of sustainability among destinations, including sustainability quality certifications. Ensure excellent discoverability of regional tourism services for visitors, using digital tools to improve the visibility of smaller locations. Provide information on the regional impact of tourism. *(MKM, EIS, DMOs, REM, KUM, local governments, entrepreneurs)*

11. Raising awareness of tourism and engaging locals in tourism development: Establish a clear image of tourism within the country and increase awareness of the broader impact of tourism. Engage local residents and communities in tourism development. Analyze visitor satisfaction, including the price-quality ratio. Systematically develop hospitality as a skill by learning from other countries. *(MKM, EIS, DMOs, REM, local governments, associations, entrepreneurs)*



5.4. Strategic Pillar No. 4: Tourism is a Stable and Profitable Business Sector and a Reputable Career Opportunity with Good Working Conditions

To achieve stability and growth in the tourism sector, it is necessary to focus on investing in employees. Entrepreneurs' contributions to retaining and developing the workforce are critically and increasingly important for ensuring the competitiveness of the tourism sector. To enhance employee loyalty and motivation, it is essential to offer development opportunities, recognition, and fair remuneration, which improve customer experiences and increase productivity. Education, further training, and retraining programs must meet the sector's needs, providing practical skills that make the field attractive to both young people and career changers. Closer collaboration between educational institutions

and entrepreneurs is also necessary to ensure the integration of theory and practice.

Tourism research and academic cooperation support innovation and sector development, providing practical benefits to businesses and policymakers. Through academic and practical collaboration, new solutions and knowledge emerge, which in turn support business development and enable companies to create innovative products and services. Government and public sector support is needed to create a favorable business environment for tourism-related entrepreneurship. Additionally, research and sector development projects are key to the overall progress of the industry.

PROFITABILITY OF THE TOURISM SECTOR AND TOURISM AS A REPUTABLE CAREER OPPORTUNITY

Average added value per employed person in accommodation, food services, and travel agencies (Statistics Estonia)

2023 BASELINE

€21,839 per employed person

2035 TARGET

€48,000 per employed person

Additionally, we will monitor but not target:

- Net profitability of tourism enterprises
- Investments in fixed assets, averaged over the last three years
- Growth in average wages in the tourism sector relative to the national average wage
- Share of employed persons aged 20–34 with vocational or specialized education one year and five years after graduation
- Number of research studies related to tourism

Workstreams (Responsible Parties):

12. Development of tourism collaboration models and networks: Collaborate with ministries, public sector organizations, and research institutions. Ensure that the needs of the tourism sector and the impacts of changes are calculated and considered in policymaking. Share information about new regulations and involve tourism service providers early in discussions. Develop clear collaboration models for effective cooperation. (MKM, ministries, EIS, entrepreneurs, associations)

13. Development of the labor market and working conditions: Strengthen collaboration with labor market stakeholders to alleviate labor shortages and improve workforce utilization. Work on increasing the attractiveness of the tourism sector as an employer and create stable, long-term employment relationships. Promote the adoption of workplace-based learning. Improve working conditions to meet employee expectations, support workforce diversity (e.g., linguistic, age-related, etc.), and offer flexibility for adopting new work formats. Seek solutions for addressing labor shortages, including using foreign labor. (Associations, entrepreneurs, MKM, HTM, SIM)

14. Development of education and skills: Integrate tourism education and the working world into a cohesive system (contributing to reforms in the qualification system and vocational education). Support the development of applied higher education related to tourism and ensure the availability of appropriate further training and retraining programs, including programs aimed at career changers. Promote flexible learning opportunities to allow individuals to acquire necessary professional skills while working. Strengthen the role of the tourism education roundtable to foster collaboration between businesses and educational institutions and ensure a qualified workforce. Develop high-value-added skills, including digital and data literacy as well as language skills (considering increasing multiculturalism among foreign tourists and foreign labor). Recognize outstanding research results related to tourism. (HTM, MKM, associations, entrepreneurs, tourism education providers)

15. Development of an enabling business environment: Create a business-friendly environment with minimal administrative burdens (regulations, taxes) to ensure stability and enable competitiveness growth. Proactively safeguard the interests of Estonian entrepreneurs and consumers in EU legislation. Ensure knowledge-based policy decisions and interventions that create a fair competitive environment. Develop a clear policy on short-term rental properties and reduce the shadow economy in the tourism sector. (MKM, HTM, KLIM, REM, RM, EIS, MTA)

16. Development of digital solutions in oversight and communication between entrepreneurs and the state: Develop and digitalize TTJA oversight services. Promote the use of data-driven reporting solutions to simplify reporting for tourism enterprises, save resources, and reduce administrative burdens. Increase awareness among entrepreneurs and consumers about their rights and obligations. (MKM, TTJA, Statistics Estonia, entrepreneurs)



5.5. Strategic Pillar No. 5: Estonia's Tourism Sector Operates Smartly, Innovatively, and Sustainably

To ensure the competitiveness of the tourism sector and identify sources of growth in the future, it is crucial that Estonia's tourism sector operates intelligently and efficiently by adopting innovative technologies and business models. Tourism enterprises must be smart, implementing new business models and technologies while employing skilled workers capable of sensibly utilizing innovations and technologies. This approach enables a better understanding of future tourist needs and supports knowledge-based business decisions with high-quality data. Focus lies on enhancing data quality and analytical capabilities

(internal capacity of companies to collect, organize, and ensure data quality).

It is essential to promote public-private collaboration to support comprehensive digitalization and the use of automation to reduce unnecessary work. To bring innovation into the tourism sector, cross-sectoral collaboration must be strengthened, including cooperation with research and development institutions, startups, IT, creative industries, and other sectors, to accelerate innovation and the adoption of new solutions. Emphasis should be placed on systemic changes and long-term planning to achieve these goals.

SMART, INNOVATIVE, AND SUSTAINABLE OPERATIONS OF ESTONIAN COMPANIES

	2023 BASELINE	2035 TARGET
Digitalization of tourism enterprises (MKM)	TBD	TBD
Carbon footprint of the Estonian tourism sector (the European Tourism Organization)	TBD	TBD
Innovation cooperation with other sectors (MKM)	TBD	TBD

Additionally, we will monitor but not target:

- Use of online booking and sales channels by enterprises
- Number of companies using environmental management systems, sustainability certifications, and labels
- Public sector leadership in organizing sustainable events and procuring sustainable catering and accommodation services

Workstreams (Responsible Parties):

17. Developing digital capacity: Enhance the digital skills of tourism enterprises and implement technology solutions to improve efficiency. Support the digitalization and automation of processes, including the use of digital tools for process automation, customer interaction improvement, workflow optimization, and more. Increase awareness and skills in cybersecurity, data protection, and digital accessibility among tourism enterprises. (MKM, JUM, RM, STAT, EIS, DMOs, associations, entrepreneurs)

18. Enhancing data capacity: Develop tourism data capabilities (data collection, organization, and quality assurance). Support tourism enterprises in improving data literacy and using data more effectively for business decisions. Regularly assess the direct and indirect economic impacts of tourism at national and regional levels (tourism satellite account). Implement real-time economy solutions to ensure standardized, digitalized, and automated data use in policymaking and business decisions. Promote the benefits of data spaces for tourism enterprises. (MKM, RM, JUM, STAT, EIS, DMOs)

19. Developing innovation capacity: Analyze and identify optimal ways in which new technologies, artificial intelligence, and robotics can benefit tourism. Promote the adoption of AI and other innovative technologies. Facilitate collaboration with startups to launch technological developments. Encourage balanced and innovative business models that protect the environment and raise awareness of Estonia's natural and cultural heritage. Integrate with EU digital solutions (e.g., data spaces) to support the development of new services, foster collaboration between tourism enterprises, and create innovative solutions to enhance competitiveness in the EU tourism market. (MKM, EIS, DMOs, associations, entrepreneurs)

20. Advancing sustainable tourism and supporting the green transition: Increased awareness of sustainability among entrepreneurs and integrate sustainability into all business activities to enhance the perceived value for tourists. Lead by example in the public sector in applying sustainability practices (event organization, catering, accommodation, etc.). Recognize sustainable enterprises and encourage experience-sharing. Assist tourism enterprises in acquiring knowledge and skills necessary for the green transition and adapting to climate change. Support tourism enterprises in developing energy efficiency, circular economy initiatives, and systematically addressing environmental issues (e.g., implementing environmental management systems and certifications). Promote the adoption of tools for measuring carbon and environmental footprints. Develop methods for measuring and reducing the environmental footprint of Estonia's tourism sector. Analyze the benefits and requirements for joining international sustainability declarations. Foster collaboration between the transport sector and tourism enterprises to make tourism travel and products more environmentally friendly. Implement visitor management methods and set thresholds if needed to preserve natural and cultural heritage (both tangible and intangible). (MKM, KLIM, HTM, KUM, EIS, DMOs, associations, entrepreneurs)





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