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Policy measures

Work report for the scenarios in the "Sustainable Destination
Norway" project

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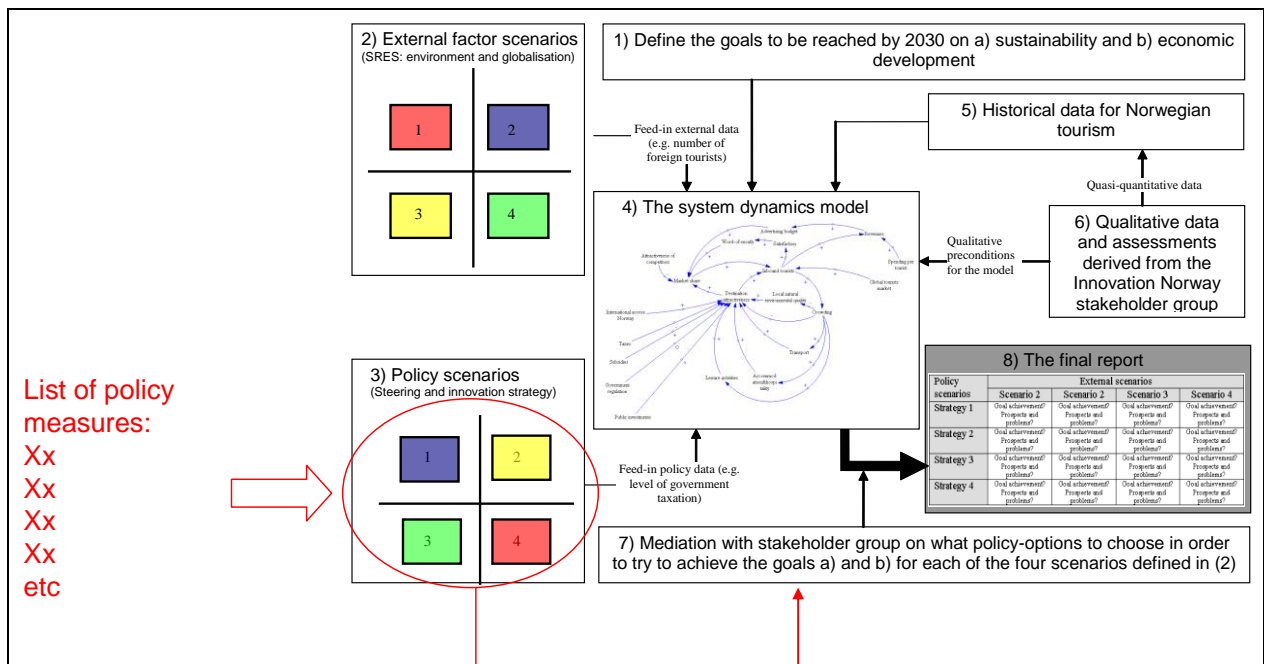
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1 Policy measures

In this document, we will present a list of policy measures as an input to (1) the policy scenarios, and (2) the policy discussions we are going to arrange with the tourism stakeholders (cf. figure below). Regarding (1) we need a list of relevant policy measures together with an assessment of what we think might be the effect of using each type of measures when it comes to influence on a) value creation and b) GHG emissions in tourism. Regarding (2) we need a list of relevant policy measures and their anticipated effect in order to create something the tourism actors can “play around with” in our discussion with them.



Some important clarifications:

- We are limiting ourselves to policy measures operated by national, regional or local government; that is: we are *not* discussing measures that can be operated by the tourism industry itself (self regulation).
- We are limiting ourselves to “Norwegian” policy measures. “International” policy measures are to be covered by the External Factor Scenarios (see box 2 in figure above).
- We first start by summing up *existing* Norwegian policy measures; then we supply with *possible* measures that might add up to what already exists in Norway.
- For each identified policy measure we will suggest a) possible mechanism when it comes to effects on value creation as well as GHG emissions from the tourism sector, and b) how strong this effect might be.

This document summarises the different measures relevant for the tourism industry in Norway. The main grouping is according to the traditional functional organisation of measures:

- Economic, taxes and subsidies
- Juridical, prohibition, command, but also approval
- Physical (often based on planning measures)
- Informational (e.g. information campaign)
- Co-operational, voluntary agreements etc.

In this report we have focused on economic and juridical measures.

The other categorisation of measures is in general and specific measures. Most of the taxes and the juridical measures relevant for the tourism industry are general measures not only addressed to the tourism industry but to society in general. Therefore we may differ between:

- *General* policy measures: Measures that have an effect on tourism (value creation and/or GHG emissions) but developed for other sector-specific purposes (e.g. regulation on local food) or for non-sector specific purposes (e.g. tax on petrol).

- *Specific* policy measures: Measures developed in order to have a defined effect on tourism (e.g. restrictions on the commercial use of snowmobiles), and which also have an effect on value creation and/or GHG emissions.

In this report we deal with both general and specific measures.

2 Current economic measures

Economic measures could be divided into:

- Taxes. Two types; taxes with an environmental motivation and other kinds of taxes
- Subsidies. Two types; subsidies directed to a specific sector or branch (e.g. tourism) and general subsidies.

2.1 Taxes

We have chosen taxes relevant for tourism. In the following taxes on these competent of activities is described:

- CO2
- Fuel
- Mineral oil
- Specific vehicle related taxes
- Road toll
- NOx
- Electricity
- Chlorine components
- Waste
- Aviation
- Tourism
- Employers national insurance contribution
- Value added tax
- Import tariffs

Tax on alcohol and tobacco, sugar and chocolate is not described. ¹

2.1.1 CO2 taxes

The CO2 tax was implemented in 1991. For diesel the tax is divided in ordinary tax rate and low tax rate for tractors and construction machineries.

Table 1: CO2 taxes 2007

CO2 fuel tax	NOK per litre	NOK per Tonnes CO2
Gasoline	0.80	345
Diesel (light mineral oil)	0.54	203
Heavy mineral oil	0.54	172
Diesel (low tax rate)	0.27*	101
Heavy mineral oil (low tax rate)	0.27*	86
Domestic use of gas	0.47	201

*The reduced rate is permitted for tractors (agriculture) and construction machines

¹ Where data source is not mentioned explicitly the source is: NOU 2007: nr. 8 En vurdering av særavgiftene (An assessment of specific taxes). Finansdepartementet. <http://www.regjeringen.no/nb/dep/fin/dok/nouer/2007/nou-2007-8/8.html?id=478063>

Biodiesel was in 2007 not included in CO2 tax. Ships in overseas trade, aircrafts in foreign trade and sea fishing activities are exempted from mineral oil CO2 tax. Gasoline for aircrafts in foreign trade is exempted from CO2 tax.

2.1.2 Fuel tax

Tax on gasoline and auto mineral oil (diesel) has the purpose to pay external costs due to local pollution, noise, traffic jam, accidents and road tear. It is presented here because of the possible reduction of the total transport volume as a consequence of the tax due to the higher fuel price.

Table 2: Fuel taxes, 2007

Fuel tax, year 2007	NOK per. litre
- Gasoline	4.17, 4.21*
- Auto diesel oil	3.02, 3.07*

* Sulphur free and low sulphur fuel

Fuel used in tractors and construction machines is exempted from this tax.

2.1.3 Basic tax on fuel oil (heating oil)

Fuel oil which is not included in auto fuel tax (see above) has a basic tax duty. This was implemented in year 2000 when the electricity tax was increased in order to avoid transfer to oil heating. The basic tax on mineral oil was 0.43 NOK per litre in 2007. There are several exempted sectors, e.g. aviation and passenger and freight boat transport.

2.1.4 Specific vehicle related taxes

There are several taxes on vehicle not influenced by the use extent, but with an influence on energy consumption due to changes the last years. The most important ones is nonrecurring tax, annual tax and tax dependent on weight.

Vehicles of less than 7500 kilo have a *nonrecurring tax*. In 2007 the taxes was changed to stimulate the consumers to buy vehicles with low CO2 emission. Minibuses pay a lower tax. The tax is not paid for vehicles longer than 6 metres and with more then 17 seats.

The purpose of the *annual fee* on vehicles less than 7500 kilo is to gain state income. But, it is suggested to change the tax in a way to reflect the extent of CO2 emission.

For vehicles of more than 7500 kilos there is an annual tax based on *weight and emission* (NOx) to reflect local pollution and road tear.

2.1.5 Road toll

There are two kinds of toll roads in Norway: 1) Around cities and 2) Specific infrastructure construction projects (tunnels, bridges etc.). The first group is priced at the level of 10-30 NOK per passing. In the second group the prices could be much higher. There is an ongoing discussion about road pricing systems, no such system is established.

Total vehicle km on roads in Norway in year 2008 was 43 000 mill. km². The total income from road tax the same year was 4.7 billion NOK³. This gives a road toll cost at 0.11 NOK per km for every driven km.

² <http://www.ssb.no/kreg/tab-2009-06-29-01.html>

³ Personal information from Seielstad, Norwegian Public Roads Administration

2.1.6 NOx taxes

Some other environmental taxes could have a possible influence on the extent of GHG emission due to their influence on energy price. Examples of such taxes are; sulphur taxes, NOx taxes, lube oil tax.

NOx tax is 15 NOK per kilo NOx. The tax does not include road traffic, but large ships, aircrafts and diesel dependent trains. Due to the reduction of sulphur in ordinary mineral oil and gasoline the tax has little effect on road transportation. Lube oil tax is motivated to increase the collection of used oil.

2.1.7 Electricity tax

This tax was implemented in 1955 with the purpose of contributing to the development of electricity infrastructure. The tax has been changed lately in 2004 due to European Union and the inner marked competition policy. In 2007 the tax was 0.10 NOK per kWh. There are several exemptions according to sectors and geographical area. In addition a tax of 0.01 NOK per kWh is implemented with the purpose of financing environmental energy change in buildings. The tax is administered by Enova.

2.1.8 Tax on hydro fluoride carbons and per fluoride carbons

This tax was implemented in 2003 both on products produced in Norway and imported products. The tax is determined by the global warming potential (GWP) of the gasses. In 2007 the tax rate was ca. NOK 194 per tonnes CO₂ – eq.

2.1.9 Waste tax

Waste delivered to land fill has a tax per tonnes according to production of CH₄ emission. Waste delivered to burning has a CO₂ tax.

2.1.10 Aviation

Payment for the use of airports and airport service include: start tax, passenger tax, security tax, on the way tax and frost removal tax. Most of these taxes are payment for airport services and construction facilities. The only tax of interest for our purpose is the passenger tax. In 2007 this tax was:

- 34 NOK per passenger (included transfer passengers) where the next arrival is on a Norwegian airport
- 57 NOK per passenger (included transfer passengers) where the next arrival is on a foreign airport

Tax has not to be paid for passengers less than 2 years old, transit passengers and returns due to weather conditions.

There is no other air transport tax.⁴

2.1.11 Tourism tax

Norway has no specific tourism tax. Furthermore, there are no national second home taxes. Municipalities have the authority to determine real estate tax for all kinds of houses.

2.1.12 Employers' national insurance contributions

All kinds of employment are imposed the employers' national insurance contributions as a percentage of total wages costs. There are seven different categories of branches. In addition the tax varies according to geographical location of the employer in Norway. The general and agriculture tax is given in the table below.

⁴ FORSKRIFT OM AVGIFTER VEDRØRENDE STATENS LUFTFARTSANLEGG OG -TJENESTER (TAKSTREGULATIVET) Fastsatt av Samferdselsdepartementet 22. desember 2006 med hjemmel i lov 11. juni 1993 nr 101 om luftfart § 7-26, jf. § 15-4.

Table 3: Employers national insurance contribution, 2007⁵

Zone	Ordinary business	Agriculture and fisheries
I	14.1	14.1
Ia	10.6 (*14.1)	10.6
II	10.6	10.6
III	6.4	6.4
IV	5.1	5.1
IVa	7.9	5.1
V	0	0

* When enterprises have reached an advantage (compared with a tax rate at 14,1 percentage) about 0.5 mill. NOK, 14.1 % have to be used.

Very roughly we can say that central eastern and southern part (and Rogaland) of Norway is zone 1. Mountain and valley regions of eastern Norway are zone 2, in addition to western Norway. Trøndelag is a mix from zone 1-4, Nordland and Troms is mainly 4 and Finnmark zone 5.

2.1.13 Value added tax

The general rate is 25 percentages. For food articles tax rate is 14 %, and for culture activities 8%. This implies that serving in a restaurant the value added tax is 25, while take away food from the same restaurant is 14%. Tourism guiding and other kinds of exploring activities in tourism are suggested to pay 8 % value added tax in 2010.⁶

2.1.14 Import tariffs

As a non member of the EU, Norway has in principle a national agriculture policy. I write "in principle" because Norway is part of the international negotiations for liberalisation of agricultural products in WTO and as development paragraph in the EEA (EØS) agreement.

However, the aim of the import protection regime on agricultural products is to contribute to Norwegian agricultural policy, both according to a quantified production goal, and to secure the farmers product prices according to the yearly agreement between the farm organisations and the state. If the internal prices exceed the price agreement, toll is reduced to the level of price agreement so the internal prices decrease. This is called administrative toll reduction and can be used at a general or individual (specific enterprises) level.

In addition the Norwegian import regime consists of four other elements:

- Import quota with reduced toll for specific products, see table 4.
- Gradually reduction in toll tariffs for EU-products according to the EEA agreement
- Reduced import tariffs on processed products from EU-countries according to the EEA agreement (RÅK products)
- Trade agreement for specific countries
- Free import for a group of countries (less developed)

Import of agricultural based products increased with 187 percent from 1995 till 2008, and it is estimated to 10.2 billion NOK in 2008. Import of processed products increased from 2.6 billion NOK in 1995 till 6.8 billion NOK in 2008, an increase of 157 percent.

The largest import value related to branches is oil- and fat, fish products, beverages and other products. From 1995 till 2008 the relative increase has been largest for oil and fat, tobacco, beverages and bakery products.

⁵ <http://www.skatteetaten.no/Alt-om/Arbeidsgiveravgift/>

⁶ <http://www.skatteetaten.no/Alt-om/Merverdiavgift/>

Dairy and meat products and preserved food has the lowest increase in import with about 10 percent.

According to discussion with Carlo we could handle toll tariffs as an internal or an external factor in the model. In the following, I give some arguments for the selection of one or the other. On the one hand, it could be argued that the Norwegian import regime is highly dependent on the results from international negotiations in WTO and with EU according to the EEA agreement. There is however a national freedom of action in the short term, but the direction is given in these international negotiations. Norwegian food industry market share for cereal and bakery products has decreased from 85 and 90 % in 1995 till 69 and 83 % in 2007 respectively. Taking a medium and a long time perspective we have to handle it as an external factor.

On the other hand it could be argued that in a short time perspective there is a large freedom of action in how to design the import regime to protect national production. The EEA agreement is about 15 years old and the Norwegian production inner market share is stable according to main products as meat, milk and fruit and vegetables which is a probe of the freedom of action in national policy. If we select this option we have to construct a product basket with the actual toll tariffs to use in the model. Then we have to specify kind of product and time of the year imported due to the different tariffs rate. The table below gives the first data for this basket.

Table 4: Ordinary tariff 2007, and tariff for quota products and total import (SSB)⁷

	Product nr.	General tariff 2007	Tariff according to limited quantity, quota						Total import SSB ³
			NOK/kg	Quota	Import 2007 ¹	Quote utilization 2007	Proceeds of an auction		
							2007	2006	
Product			Ton	ton	%	NOK per kg	NOK per kg	Ton	
Cattle	02.02.	32.28	1 084	958	88	45.80	32.34	4 952	
Pork	02.03.2110	24.64	1 381	1 215	88	0.02	0.03	1 215	
Sheep and goat meat	02.04.1000/2100/3000/4100	24.15-32.49	206	203	98	7.11	1.66	2 780	
Pork ham	02.04.1211	54,99	200	191	96	21.32	5.10	285	
Butter	04.04.1000	25.19	575	255	44	0.01	0.05	289	
Cheese (EU)	04.06.1001	24.68	4 500	4433	99	-	-	8 215	
Cheese (EFTA)			60	31	52	2.20	-	33	
Chicken egg (EU)	04.07.0019	12.59	290	77	26	1.47	0.94	2 630	
Chicken egg (WTO)	04.07.0019	12.59	1 295	1 280	99	0.65	0.02	2 435	
Honey	04.09	24.47	192	190	99	6.27	6.26	191	
White cabbage	07.04.9013	1.63	134	43	32	0.01	0.01	1 360	

⁷ <http://www.regjeringen.no/nb/dep/fin/dok/regpubl/stprp/2008-2009/stprp-nr-1-2008-2009--2.html?id=530351>

Chinese cabbage	07.04.9060	0,64						
Carrot 1/5-31/8	07.06.1011	2,53						
Carrot 1/9-30/4	07.06.102	1,07						
Iceberg Lettuce, 1/3-31/5	07.05.1112	16,31	300	524	87	-	-	5 629
Iceberg Lettuce, 1/6-30/11	07.05.1122	10,95						
Iceberg Lettuce, 1/12-29/2	07.05.1130	0						
Potato 15/5-15/7	07.01.9011/ 9018	2,17						
Potato 16/7-14/5, processed	07.01.9021	100%.						
Potato, 16/7-14/5	07.01.9029	1,12						
Tomato; 10/5-10/7	07.02.0022/ 0023	10,21						
Tomato; 11/7-14/10	07.02.0030	6,86						
Tomato; 11/10-15/10	07.02.0040	0						
White onion	07.03.1012	1,09						
Apple (EU), 1/5-30/11	08.08.1011	4,58	2 000	1 891	95	0.01	3.57	15 045
Apple (WTO), 1/5-30/11	08.08.1011	4,83	8 000	7 332	92	0.55	3.64	27 780
Pear, 11/8-30/11	08.08.2021	4,41	250	247	99	3.83	4.30	7 873
Wheat	10.01.1000	2,13	124 000	109 844	89	0.01	0.01	
Sausage	16.01.1000	84,31	200	171	86	39.54	35.62	1 071

¹ Registered import within the current quote.

³ Data from Statistics Norway adapted to adjust factors and countries.

2.2 Subsidies

In this report we have data on transport and food productions subsidies.

The public subsidies for the development of the tourism industry in Norway are not described here. These are about 1 billion NOK in 2007. This includes funding to marketing of Norway, tourism information, destination development, enterprise network projects and R&D projects. These data could be described according to the actual regions used in this project.

2.2.1 Coach transport

Each county administration is responsible coach transport within the counties, called local transport. In the table below the subsidies for these are given. Express coaches between cities in different counties do not receive any subsidies. However, in some counties express routes are also used to local transport and therefore they receive subsidies equivalent to other local transport.

Table 5: Subsidies bus coaches, tram line and subway⁸

Subsidies 1000 NOK	2006	2007	2008
0100 Østfold fylkeskommune	210374	286008	294912
0200 Akershus fylkeskommune	428821	405686	440690
0300 Oslo	845536	927381	1228863
0400 Hedmark fylkeskommune	212975	216825	227205
0500 Oppland fylkeskommune	174163	204436	307935
0600 Buskerud fylkeskommune	188966	200737	227056
0700 Vestfold fylkeskommune	94996	141606	162849
0800 Telemark fylkeskommune	155749	163606	182688
0900 Aust-Agder fylkeskommune	55615	53551	66622
1000 Vest-Agder fylkeskommune	166322	170669	151151
1100 Rogaland fylkeskommune	0	9595	6750
1200 Hordaland fylkeskommune	384 623	542075	679 601
1400 Sogn og Fjordane fylkeskommune	132436	166269	178406
1500 Møre og Romsdal fylkeskommune	169206	218837	219122
1600 Sør-Trøndelag fylkeskommune	261162	203459	224324
1700 Nord-Trøndelag fylkeskommune	146486	152528	165475
1800 Nordland fylkeskommune	190976	198350	126031
1900 Troms fylkeskommune	162589	175317	224452
2000 Finnmark fylkeskommune	56231	71514	73562

Fylkeskommune=County

2.2.2 Boat

The county administration is also responsible for subsidies to boats passenger routes. In table below the data consist of both local and regional transport routes.

⁸

http://statbank.ssb.no/statistikkbanken/Default_FR.asp?PXSid=0&nvl=true&PLanguage=0&tilside=selecttable/hovedtabellHjem.asp&KortnavnWeb=samf_kostra

Table 6: Subsidies for local and regional boat routes⁹

Subsidies in 1000 NOK	2006	2007	2008
0100 Østfold fylkeskommune	2632	2806	4816
0200 Akershus fylkeskommune	29170	56889	28719
0400 Hedmark fylkeskommune	0	0	0
0500 Oppland fylkeskommune	0	0	0
0600 Buskerud fylkeskommune	0	0	0
0700 Vestfold fylkeskommune	483	586	0
0800 Telemark fylkeskommune	138	0	0
0900 Aust-Agder fylkeskommune	2872	3030	3328
1000 Vest-Agder fylkeskommune	5235	5923	0
1100 Rogaland fylkeskommune	0	0	0
1200 Hordaland fylkeskommune	57577	57335	76678
1400 Sogn og Fjordane fylkeskommune	81264	101149	104953
1500 Møre og Romsdal fylkeskommune	37932	47031	65255
1600 Sør-Trøndelag fylkeskommune	33756	41795	52522
1700 Nord-Trøndelag fylkeskommune	20065	21969	21773
1800 Nordland fylkeskommune	216534	231376	249419
1900 Troms Romsdal fylkeskommune	36078	41412	39514
2000 Finnmark fylkeskommune	84619	93175	87688

2.2.3 Ferries

The Ministry of Transport and Communications is responsible for national ferries, ferries mainly between different counties.

Table 7: Subsidies to national ferry routs, in mill NOK¹⁰

	2006	2007	2008
Purchase of national ferries services	1357	1451	1722

The county administration is responsible for subsidies to local ferries.

Table 8: Subsidies to local ferries

Subsidies in 1000 NOK	2006	2007	2008
0100 Østfold fylkeskommune	0	0	0
0200 Akershus fylkeskommune	0	0	0
0400 Hedmark fylkeskommune	0	0	0
0500 Oppland fylkeskommune	0	0	0
0600 Buskerud fylkeskommune	0	0	0
0700 Vestfold fylkeskommune	0	0	0
0800 Telemark fylkeskommune	0	0	0
0900 Aust-Agder fylkeskommune	0	0	0
1000 Vest-Agder fylkeskommune	0	0	0
1100 Rogaland fylkeskommune	14501	17389	25719
1200 Hordaland fylkeskommune	12889	13052	14307
1400 Sogn og Fjordane fylkeskommune	21907	21344	24555
1500 Møre og Romsdal fylkeskommune	39330	41555	54088

⁹

http://statbank.ssb.no/statistikkbanken/Default_FR.asp?PXSid=0&nvl=true&PLanguage=0&tilside=selecttable/hovedtabellHjem.asp&KortnavnWeb=samf_kostra

¹⁰ Personal information from C. Roti, Norwegian Public Road Administration

1600 Sør-Trøndelag fylkeskommune	17908	20311	24336
1700 Nord-Trøndelag fylkeskommune	5135	5213	5537
1800 Nordland fylkeskommune	67891	72040	73475
1900 Troms Romsdal fylkeskommune	38049	38942	41118
2000 Finnmark fylkeskommune	34844	33514	36137

Source:

http://statbank.ssb.no/statistikkbanken/Default_FR.asp?PXSid=0&nvl=true&PLanguage=0&tilside=selecttable/hov edtabellHjem.asp&KortnavnWeb=samf_koetra

2.2.4 Aviation subsidies

Ministry of Transport buy transport services mainly on regional routes.

Table 9: Purchase of air passanger transport services, Mill NOK

	2006	2007	2008
Purchase of transport services	417	474	509

Source: <http://www.regjeringen.no/nb/dep/sd/dok/statsbudsjettet/statsbudsjettet-2010.html?id=579461>

2.2.5 Railway subsidies

Norwegian Railway Company (NSB) is the main producer of railway transport services in Norway. The Ministry of Transport and Communications purchase transport services from NSB. Some of the routes is however, commercially managed; Oslo-Bergen, Oslo-Trondheim and Oslo-Gothenburg. These are important in the case of tourism.

In 2007 The Ministry of Transport and Communications purchased transport services from NSB for 1525 mill NOK. In 2008 the figure was 1524 mill. NOK.¹¹

2.2.6 Hurtigruten subsidies

The Ministry for Transport and Communications purchases transport services from Hurtigruten (Coast route) from Bergen to Kirkenes.

Table 10: Purchase of sea passanger transport, Bergen_Kirkenes, mill. NOK¹²

	2006	2007	2008
Purchase of transport services	245	258	412

2.2.7 Local-food/products subsidies

The intention with the program “value creation of food” is to contribute to increase the value creation in the primary and processing industry, and to change-over to increase in innovation and product diversity in Norwegian agriculture. The objective is to create innovation and diversity in the food sector where Norwegian raw material is used. During the period 2001-2007 the program has granted 577 mill NOK to different development project in the value chain, both enterprise specific and more networks projects. In the table below the allocation for three years is shown. The total sum for these years is 218.704.508 NOK

¹¹ <http://www.regjeringen.no/nb/dep/sd/dokument/proposisjonar-og-meldingar/prop/2009-2010/prop-1-s-20092010/5.html?id=581170>

¹² <http://www.regjeringen.no/nb/dep/sd/dokument/proposisjonar-og-meldingar/prop/2009-2010/prop-1-s-20092010/5.html?id=581170>

Table 1: Grants for innovation and food diversity, 2006-2008, NOK¹³

Year 2006-2008	Competence	Mobilization	Innovation	Sum	%
Primary farm industry	7134005	86548	15105575	22326128	10
Farm food producer	2333700	386000	12180290	14899990	7
Processing industry	14755399	770000	37721452	53246851	24
Tourism industry	2098400	844000	1576500	4518900	2
Sal and trade	7449465	4106750	10468800	22025015	10
Others	61453300	8746359	31487965	101687624	47
Sum	95224269	14939657	108540582	218704508	100

The category “Others” consists of regional officers for advising and mentor tasks, mobilisation measures carried out by County Governors, and at least market development measures as Farmers market, festivals and participation in international arrangements such as Grüne Woche.

Market for food products

Matmerk has estimated the production value for local or speciality food in Norway to 1.6 billion NOK in 2008/2009 with a marketing value at the shop level/consumer level at 3.5 billion NOK.

The Norwegian grocery market (shops, supermarkets, kiosks etc.) was in 2006 130 billions excluded value added tax (Rustad 2008). In addition to this, there is commercial kitchen, private and public.

2.2.8 Agriculture subsidies

The national Norwegian measures towards agriculture could be split in two different types: subsidies and market protection. Here we are going to estimate subsidies on a regional basis.

The subsidies could be divided in two: subsidies independent of production volume, and price subsidies. The first one count for 2/3 of the total subsidies and the figures is given in the table below.

Table 11: Agriculture subsidies, mill. NOK, 2008.

Midnight sun Norway	848
Central Norway	1294
Fjord Norway	2435
Scenic Norway	2645
Capital Norway	324

2.2.9 Tourism industry subsidies

On the expense from Ministry of Trade and business Oxford Research mapped public subsidies to the tourism industry from 2004 till 2007 (Research 2009). The tourism definition used is:

*Public money to the tourism industry funded from a public budget with the direct goal to contribute till tourism business development through funding to:

- Promotion of Norway or the actual region as a tourism destination
- Tourism information
- Business, cooperation and competence projects
- Destination development
- Research and development projects
- Project in other sectors then tourism, with the aim to develop the tourism industry

¹³ Annual report 2006,2007,2008 Innovation Norway

In addition to the municipality administration, the County Administrations and the County Governor at the regional level is included. The largest amount of money came however from different state agencies: Ministry of Industry and Trade, Ministry of Agriculture and Food, Ministry of Environment, Directorate for Nature Management, SIVA, Norwegian Research Council, Norwegian Public Roads Administration, Norwegian Agriculture Authority, Innovation Norway. Indirect is also Ministry of Transportation and Ministry of Local Government and Regional Development because they are funding money to these primary institutions. Institution not included is e.g. Directorate for Cultural Heritage.

The figures show that the increase in public subsidies to the tourism sector increased with 56 percentage from 2004 till 2007, or from 694,0 mill. in 2004 till 1 085,2 billion in 2007. The funding varies a lot from County to county. The total amount of public money is roughly distributed on the region as this:

Table 12: Public subsidies in relation to tourism regions in the project. Source: Oxford Research, 2009.

Midnight sun Norway	230
Central Norway	70
Fjord Norway	205
Scenic Norway	545
Capital Norway	35

This shows that the Nordic part of Norway receive a large amount of public money in relation to population and tourism business.

Table 13: Public subsidies to tourism sector in 2007, Source: Oxford Research, 2009

Promotion of Norway or region as tourism destination	318
Business, development and competence projects	242
Other sectors	192
Administrative expenses	117
Tourism office information	103
Destination development	85
R & D projects	27
Sum	1 084

In the figure below these numbers is shown as bar graph.

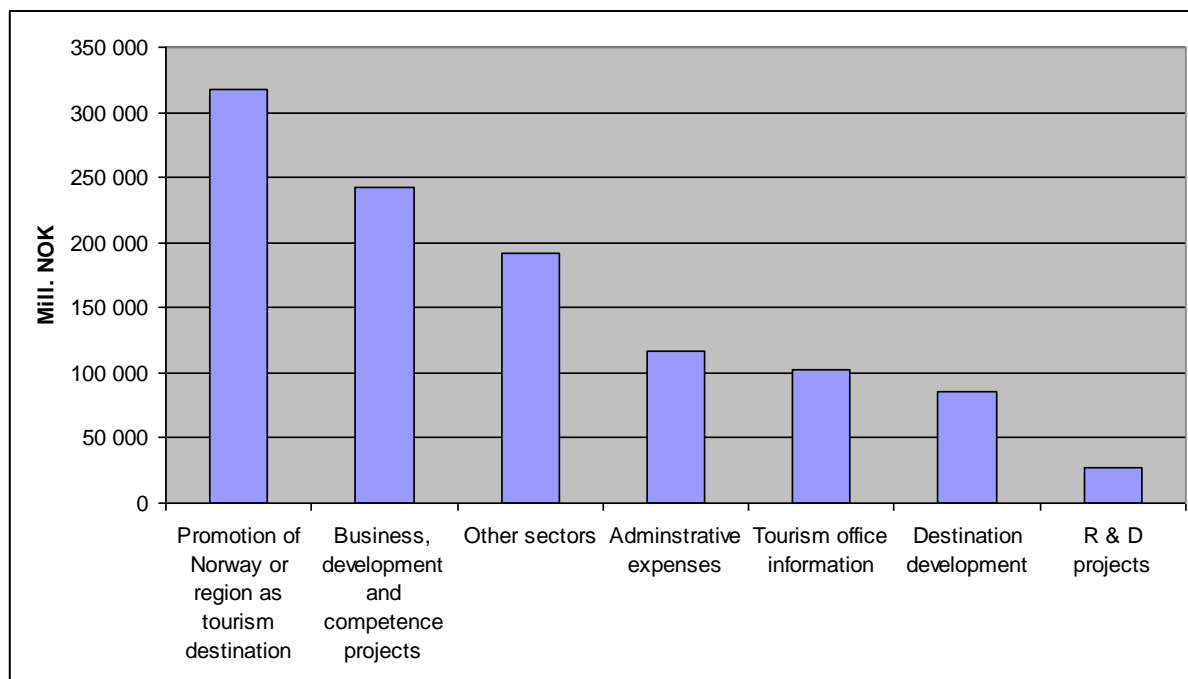


Figure 1: Subsidies from state, county and municipalities to the tourism sector in 2007, Source: Oxford Research, 2009

One problem with this kind of mapping is that all infrastructure in society, which also the tourism sector are highly depended on, is not included, e.g. airport and public roads investment.

3 Regulations

3.1 Regulations rental cars

There are no specific care regulations for rental cars.

3.2 Second home building regulations.

There is no specific regulation for second homes. Buildings are regulated by The Plan and Building Act. According to this act, the municipalities have the authority to plan and regulate land use for buildings and also the specific buildings requirements.

The act regulating the transfer of property ownership gives the municipalities opportunities to claim settlement the whole year in all-year residence. The intention is to avoid transfer of all-year residence to second homes. In 2008 69 municipalities have such regulation (Forbord and Storstad 2008).

In the table below municipalities with regulation by 2008 is presented, in addition municipalities that have suspended the regulation.

Table 14: Municipalities with regulation to prohibit all-year residence to second homes¹⁴

Regions	Regulation by 2008	Suspended regulation by 2008
Midnight sun Norway	Dønna, Herøy, Hamarøy, Vågan, Steigen	Lurøy, Fauske, Grane, Gildeskål, Lurøy, Lødingen
Central Norway	Oppdal, Røros, Meldal, Meråker Finnøy, Modalen, Granvin, Forsand, Osterøy	Inderøy, Ørland, Verran Sogndal, Sandøy, Vindafjord, Balestrand, Aurland, Suldal, Smøla, Hjelmeland, Ulvik, Vik, Radøy
Fjord Norway	Krødsherad, Bykle, Bamble, Gol, Drangedal, Sarpsborg, Skjåk, Kragerø, Tjøme, Lillesand, Larvik, Tvedestrand, Lindesnes, Vinje, Svelvik, Nord-Odal, Ål, Porsgrunn, Risør, Øystre-Slidre, Hjartdal, Lesja, Hurum, Stokke, Nissedal, Kvitseid, Mandal, Eidskog, Tokke, Nes, Fredrikstad, Fyresdal, Sirdal, Grimsdal, Hol, Hvaler, Hemsedal, Arendal, Dovre, Gausdal, Lyngdal, Søgne, Nøtterøy, Kvinesdal, Vang, Vågå, Vestre-Slidre, Øyer,	Engerdal, Tinn, Farsund, Folldal,
Scenic Norway	Sigdal	
Capital Norway	Frogn, Vestby	

3.3 Camping regulations (wild camping)

Camping is permitted in outlying fields for two days at the same place, as long as it takes place at least 150 metres away from houses and cabins. In the mountains camping is permitted several days at the same place. In other areas camping is only allowed at regulated camping grounds.

3.4 Wilderness access rules

Everybody have access to hiking in outlying fields in Norway, but people have to take care of nature and wilderness. Access is regulated in The outdoor recreation law.¹⁵ Regulation with legal authority in this law says

¹⁴ Forbord, M. and Storstad, O. (2008), 'Konsesjon på boligeiendommer i fritidskommuner: sikrer det helårsbosetting', in Bygdeforskning (ed.), *Rapport* (Trondheim: Bygdeforskning

¹⁵ http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/all/nl-19570628-016.html&emne=friluftsløv*&&

that organised large groups (more than 50 people), as sport events and other kind of people gathering require permission from land owner.

In protected areas specific regulations for people's access is carried out, but these differ dependent on the kind of area and conservation regulation (natural reserve, national park and landscape protected area).

3.5 Hunting/fishing permits

Hunting is regulated according to the Game Act. At a general basis the land owners have the right to hunt, but he/she could hire the right to others. There is different ownership: state land, individual private land, community land and co-ownership. The municipalities have a responsibility to make conditions for public access to small game hunting.

There are two levels of permission. At the general level you have to pass a hunter examination. Foreign hunters must document that they fulfil the requirements for hunting in their own country. This documentation, along with a postal money order covering the Norwegian hunting license fee (tax), must be sent to the Norwegian Hunter Registry. For reindeer, deer and moose the tax is 355 NOK per year. For other game the tax is 280 NOK per year¹⁶.

The local level of permission: it is necessary to obtain permission from landowners for anyone wishing to hunt or fish in Norway. For small game hunting you could many places buy a hunting card (licence) for a specific area. For big game hunting you need a specific licence for the game you want to hunt. The price differs. Price examples: Moors and deer: from 3000/4000 NOK till 20.000 dependent on size and kind of moors, Reindeer from 1200 (calf) till 5000 (free game)¹⁷.

As for hunting you need a national fish licence (tax) if you are fishing salmon, salmon trout and sea charr in fresh water, the tax is 220NOK per year. In addition, a local fishing permit (a fish card) must be acquired from landowners in order to fish on lakes and rivers, which are often privately owned.

Litterature

- Forbord, M. and Storstad, O. (2008), 'Konsesjon på boligeiendommer i fritidskommuner: sikrer det helårsbosetting', in Bygdeforskning (ed.), *Rapport* (Trondheim: Bygdeforskning).
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¹⁶ <http://www.brreg.no/jeger/>

¹⁷ www.inatur.no