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Russia's competitive position in the Arctic tourism

Abstract

The Arctic is one of the few corners of the Earth where the unique nature has been preserved almost in its original form as well as the traditional way of life of the indigenous people. Therefore, the Arctic region has attracted an increasing number of tourists in recent years. The Arctic territory of Russia contains a significant potential for the development of Arctic tourism. This article is devoted to the study of tourist potential of the Russian Arctic and identification of the opportunities and constraints of such development. It also presents an analysis of the main competitors of Russia in the field of Arctic tourism (Norway, Finland and Sweden), as well as the formats of their international cooperation in its development in conjunction with the preservation of the fragile ecosystem of the Arctic and sustainable development of the region. The research shows that development of Arctic tourism in Russia is complicated due to lack of infrastructure, undeveloped logistics as well as the high cost of the Arctic tourism product. The simplification of the visa regime may significantly increase the flow of foreign tourists.

Key words: Arctic tourism; attractions; tourism potential; Russian Arctic

Introduction

Tourism becomes an increasingly important component of export diversification for emerging and developed economies. It has demonstrated to hold a high compensation potential for lost profits in many oil-exporting countries. Development of tourism is particularly relevant for Russia currently, due to sanctions, experiencing a decline in oil prices.

According to the World Tourism Organization (UNWTO), with 24.3 million tourists in 2017, Russia ranked 16th in the world in terms of the number of foreign tourists and 9th in Europe (UNWTO, 2017). Between 2011 and 2015, Russia was on the 9th place in terms of foreign tourist arrivals, but in 2016 the total number of foreign tourists decreased to 24.6 million people (from 33.7 million in 2015) and Russia fell to the 15th place.

The main regions of Russia visited by foreign tourists in 2017 were Moscow (4.8 million foreign tourists in 2017) and St. Petersburg (3.75 million). Also, among foreign tourists were popular Krasnodar region (900 thousand tourists), Primorsky Krai (640 thousand, including 420 thousand from China), the Republic of Crimea (more than 500 thousand), the Republic of Tatarstan (278 thousand) and Moscow region (230 thousand) (Turstat). Among the regions belonging to the Russian Arctic, only the Republic of Karelia entered the top 20.

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The Arctic is the region of Earth with the unique natural and climatic features where tourists are attracted by landscapes with the glaciers sliding down into the sea, the Arctic tundra with colonies of migratory birds, the seas in which whales and seals, narwhals and polar bears live. Thanks to the inaccessibility the Arctic have not lost its original purity. Indigenous people of the Arctic are keeping its traditional way of life, unique culture and beliefs.

Russia has the longest borders in the Arctic - 22,600 out of 38,700 km (58.4%). Russia's land territories in the Arctic cover 3.7 million sq. kilometers with a population of about 2.4 million. It occupies 21.6% of the entire territory of the Russian Federation, but it is home to only 1.7% of the population. The level of urbanization in the Russian Arctic is one of the highest in the country – 89. (Fauzer & Smirnov, 2018). In spite of its huge territory, its tourism development is yet to be tapped. At the same time, Arctic tourism is actively developing in Norway, Finland, Sweden, Iceland and other countries which offer unique, internationally popular Arctic tours. Therefore, the aim of this paper is to analyse tourism potential of Russian Arctic together with the competitor analysis, identify the main opportunities as well as constraints of tourism development in the region.

Research on the Arctic tourism began in the 1980th but, so far, there is a body of literature which can be grouped into four broad themes: tourism patterns, tourism impacts, tourism policy and management, and tourism development (Stewart, Draper & Johnston, 2005). Over the period of 35 years research on polar tourism was spread widely from the Antarctic to the Arctic (Stewart, Liggett & Dawson, 2017). The innovation of recent publications on this issue is the connection of tourism with politics and geopolitics (Butler & Suntikul, 2010; Timothy & Saarinen; Viken, 2016). For the purpose of the article, the researches on tourism in the European Arctic, defined as the northern mainland part of Scandinavia, Svalbard, Greenland, Iceland, and Northern Russia are important (Amundsen, 2012; Brouder, 2014; Bystrowska & Dawson, 2017.). There is the lack of English-language works on tourism in Russia in general and tourism in Russian Arctic in particular (Ovcharov, Vasiljeva & Shirin, 2015; Pashkevich, 2013; Pashkevich & Stjernström, 2014).

Russian Arctic tourism

The land part of the Arctic zone of the Russian Federation (Russian Arctic) includes Murmansk region, Nenets, Yamalo-Nenets and Chukchi Autonomous Okrugs as well as Arkhangelsk region, the Republic of Karelia, Komi, Sakha (Yakutia) and Krasnoyarsk Krai.

Figure 1
Arctic administrative areas



Source: <https://www.arctictoday.com/u-s-rhetoric-about-the-strategic-importance-of-the-arctic-is-out-of-step-with-its-spending-priorities/>

The Arctic zone of Russia is characterized by the territorial contrasts and contradictions of economic interests. In addition to the extensive mainland exceeding 3.7 million sq. kilometers, the Arctic zone of Russia includes 185 thousand sq. kilometers of archipelagoes including a few large (Wrangel, Vaygach & Kolguev) and many small islands (The Solovetsky Islands, Franz Josef Land, Novaya Zemlya, Severnaya Zemlya, New Siberian Archipelago). There are six types of administrative and territorial division of this huge territory. The overlapping of economic activities of the largest corporations and traditional resource use, the widespread and unique systems of resettlement, the territory of active economic development and the special conservation status coexist here.

The Soviet Arctic tourism began to develop in 1966 when the first steam-ship cruise "Václav Vorovsky" was organized. After the Soviet period, since the beginning of the 1990th till 1998, there was no interest to develop Arctic tourism by the Russian government. By 1998 the demand began to grow, but because of the world economic crisis of 1998 decreased again. Since the beginning of 2000 the interest in the Arctic is steadily growing once again.

There are eleven state nature reserves, three national parks and seven state nature reserves in the Russian Arctic with the total area of 27.1 million hectares, including 9.7 million hectares of the sea area. Russian Arctic National Park located on two polar archipelagoes of Novaya Zemlya and Franz Josef Land (Arkhangelsk region) was visited by 1142 tourists in 2017. In summers of 2011-2016 the Arctic cruises with the visiting of Franz Josef Land and the northernmost tip of Novaya Zemlya were organized by the "Quark Expeditions LTD", "Poseidon Expeditions", "Oceanwide Expeditions", "Hapag Lloyd" cruises companies. During these years Russian Arctic National Park was visited by 5.5 thousand tourists from more than 60 countries. The number of visitors was 639 people in 2013; 738 people in 2014; 1225 people in 2015; 954 in 2016. In 2016 the Russian Arctic National Park was visited by the tourists from 40 countries, most of them from China (28.2%) and Germany (17.3%). The number of Russian tourists is on about the same level of 5.5% (National park "Russian Arctic").

Cruise Arctic tourism development

Cruise Arctic tourism unites the most developed countries of the world – Norway, Denmark, Canada and Russia. The development of cruise Arctic tourism, the main consumers of which are well off foreign visitors, contributes to the promotion of a positive image of the country in the international arena.

Figure 2
Cruise Arctic tourism



Source: <http://www.rus-arc.ru/ru/News/NewsContent/5d36018e-ca4f-4741-b533-1c1b8834515d>

Thanks to the Soviet era of development of the Arctic, when a huge infrastructure was created, including the icebreaker fleet, ports, settlements, weather stations, Russia has a number of exclusive Arctic tourism offers. It is the only country in the world that transport tourists to the North Pole by sea. Since 1999 the company "Poseidon Expeditions", together with the state company "Rosatomflot", organizes annually cruises to the North Pole and the Russian Arctic National Park on ice-breakers. The first season of the cruises to the North Pole aboard a nuclear icebreaker "Yamal" was held in 2001. The "Yamal" is departing to the North Pole from Murmansk, using a unique Russian ice floe seasonal station Borneo, set up exclusively for this purpose. In order to reduce cruise traveling time from Svalbard to Franz Josef Land, sea border crossing was set up on Franz Josef Land archipelago, reducing the traveling time by three days as it was before when the border control was in the port of Murmansk.

Table 1
Arctic expedition-cruising statistics

		2000	2011	2012	2013	2014	2015
Norway (Svalbard)	Ships	n.d.	n.d.	151	159	182	n.d.
	Cruise passengers	3,417	9,706	9,277	10,530	12,519	
	Total number of tourists	23,486	33,893	51,640	46,787	47,673	
Danmark (Greenland)	Ships	n.d.	50	65	82	83	81
	Cruise passengers						
	Total number of tourists		29,826 including cruise passengers	23,339 including cruise passengers	21,434 including cruise passengers	20,216 including cruise passengers	22,390 including cruise passengers
Canada (Northwest Passage)	Ships	5	16	16	23	26	29
	Cruise passengers	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
	Total number of tourists						
Russia	Ships	3	11	10	5	6	11
	Total number of tourists	232	1,093	1,003	646	738	1,225

*n.d. – no data

Source: Bystrowska & Dawson (2017), Reiselivstatistikk for Svalbard, data from Tourism Greenland Canadian Coast Guard, NORDREG, data from Russian Arctic National Park.

Arctic cruise tourism in Russia besides Franz Josef Land archipelago includes the fjords of the West coast of Novaya Zemlya, the shores of Kolguev island, where the ice of ancient glaciers, the Nenets temple on mount Bolvanskaya (Vaygach island), the Greenland walrus rookery on the West coast of Vaygacha and the island of Long as well as Wrangel island can be viewed by the tourists.

Another popular tourist destination in the Arctic is the Svalbard archipelago. According to the cruise company "Poseidon Expeditions", there is a steady tourists demand for visiting the Russian part of Svalbard – town of Barentsburg. Russian coal mining unitary enterprise "Arktikugol" (the company of the Ministry of Energy of the Russian Federation - the main Russian organization on the Norwegian archipelago Svalbard) is planning to promote tourism. Since 2015 "Arktikugol" has organized snowmobile tours as well as tours to Barentsburg. However, everyone who wants to get to Svalbard, including Russians, must fly through the Norwegian airport, because it is the only one operating on the island. Describing the situation, experts note that small Russian agencies offer their services to foreign tour operators because they are unable to compete internationally and demand for their services is absent due to the high price and low level of comfort.

The main problems complicating the development of Russian cruise Arctic tourism are the high cost of tours, lack of ice-class ships and coastal tourism infrastructure. For example, the price for the tour of "Poseidon Expeditions" company along the route Spitsbergen – Greenland – Iceland began at 7,600\$ in 2017. The high price for the Arctic tours is mainly due to the high cost of shipping. Distant-water cruises are carried out on ice-class ships or icebreakers, so they can visit areas inaccessible to cruise ships due to ice. In doing so, there are usually between 50 and 110 tourists on board. The organization of cruises in the Russian Arctic is dominated by foreign companies. The total number of tourists in the segment of the distant-water cruises to the Arctic is small. Every year about 1.000 foreign tourists visit the Russian Arctic and the North Pole on cruise tours. In order to further promote cruise tourism in the Arctic, it is necessary to develop a flexible system of tariffs on the entire Northern sea route and rates of port charges for passenger ships. This will allow new Russian players to enter the Arctic tourism market.

Attractions of the Russian Arctic

Table 2 shows the positions of the Arctic regions in the state rating of Russia on tourism development in 2017, compiled by Rostourism¹. The system of indicators includes the state of tourism infrastructure, availability of accommodation facilities, management efficiency, economic mechanisms to stimulate tourism development, investment attraction and implementation of investment projects, development of transport infrastructure, promotion of regional tourist products, availability of tourist information centers, participation of the region in Russian and international exhibitions, development and promotion of tourist brands and tourist products. The rating includes 85 regions of the country and the first places were taken by Moscow (93.8 points), St. Petersburg (93.0 points), the Republic of Tatarstan (93.0 points), and Krasnodar region (90.3 points). The group of regions with relatively high rates of tourism development from the Arctic regions include the Republic of Karelia. Krasnoyarsk region, Arkhangelsk region, Republic of Sakha (Yakutia), Murmansk region, Yamal-Nenets Autonomous district are referred to the regions with average indicators of tourism development. Chukotka Autonomous Okrug is an outsider of the rating, it is referred to the regions with relatively low indicators of tourism development.

Table 2
Positions of the Arctic regions in the national tourist rankings

	Rating of Russian regions for tourism development 2017		Ranking travel brands in the regions	
	Score	Rank	Attractions	Total
Arkhangelsk region	47.1	46	Solovetsky archipelago, White Sea, tours icebreakers, Cod, bone products, the Kargopol toy	6
Nenets Autonomous Okrug	24.8	78	-	0
Murmansk region	37.2	66	Northern lights tour	1
Republic of Karelia	60.6	18	The island of Valaam, the Museum on Kizhi Island, Fish festival Ladoga Skerries, Festival "Kizhi regatta", Festival "the Olonets games of Santa Clauses"	5
Komi Republic	28.8	75	-	0
Yamal-Nenets Autonomous Okrug	33.8	70	Arctic circle, The Reindeer Herder's Day	2
Krasnoyarsk Kray	50.7	36	-	0
Republic of Sakha	44.2	49	Sliced frozen meat or fish	1
Chukotka Autonomous Okrug	6.10	85	Sea voyage to Cape Dezhnev, Fjords of Providence Bay	2

This table also includes data of the National rating of tourist brands of regions of Russia², which is compiled by the center of information communications "Rating" and the magazine "Rest in Russia".

The main function of the rating is to identify the most famous, recognizable and attractive regional brands for tourists. Regional tourist brands of Russia (425 brands) are divided into 5 groups: "Attractions (sights, places of rest, geographical and industrial objects)", "Tourist routes", "Event tourism", "Gastronomic brands" and "Folk arts and crafts". According to experts, foreign tourists have almost no information about regional brands in Russia except for Moscow and St. Petersburg. Recognition of regional brands in domestic tourism is significantly different from the situation with foreign tourism. Most recognizable in addition to the capital are the resorts in Krasnodar region; then go travel brands of the Arctic regions. Arctic regions are represented in all five categories of the rating of tourist brands. The Arkhangelsk region has the largest number of recognizable brands, the Republic of Karelia takes the second place. According to experts, the Arctic regions have unique attractions. For example, Northern lights in Murmansk.

Figure 3
Reindeer Herders festival, Yamal, Siberia



Source: <https://dmitryarkhipov.com/reindeerfestival-yamal2019>

Some regions are not presented at all in the ranking of tourist brands. In fairness, at these regions have their own tourist brands – Krasnoyarsk region (Putorana Plateau - the world's oldest plateau of volcanic origin; Khatanga Underground Mammoth Museum, carved into the glacier; The Permafrost Museum in Igarka; cruises along the Yenisei) as well as the Komi Republic (The Seven Strong Men Rock Formations; Kara sea; "National day holiday reindeer herders") and Nenets Autonomous Okrug (Smelt fish Festival, Arctic Tourism Center).

Tourism demand

As table 3 shows, in most Arctic regions the tourist arrivals increased during the period 2009-2017 (excluding the Nenets Autonomous Okrug and the Chukchi Autonomous region). The most significant increase was shown by the Republic of Karelia, Yamal-Nenets Autonomous Okrug and Krasnoyarsk Kray.

Table 3

Number of Russian citizens accommodated in collective accommodation facilities (in thousand people)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Republic of Karelia	113.2	166.2	212.1	196.6	227.8	228.0	205.8	379.40	375.73
Arkhangelsk region	219.1	255.3	274.1	271.5	254.6	250.2	261.2	262.53	257.46
Nenets Autonomous Okrug	24.5	19.5	16.9	14.9	17.9	17.2	18.6	12.42	7.40
Komi Republic	163.8	180.8	153.0	205.1	197.6	178.1	239.4	208.08	192.98
Murmansk region	190.1	191.5	165.3	175.7	186.7	177.9	179.7	214.09	266.05
Yamal-Nenets Autonomous Okrug	91.0	88.9	98.3	152.8	132.6	102.7	138.2	135.90	151.35
Krasnoyarsk Krai	425.1	460.2	457.9	440.1	505.4	480.1	384.1	662.71	662.58
Republic of Sakha	129.6	124.3	136.6	142.6	142.1	138.5	137.9	172.72	185.92
Chukotka Autonomous Okrug	23.9	23.2	21.4	26.7	26.8	9.1	9.3	12.61	17.53

Source: Rostourism. Retrieved 1 March, 2018, from <https://www.russiatourism.ru/contents/statistika/statisticheskie-dannye-po-rf-2018/>

Majority is made of domestic tourists (2,116.3 thousand people in 2017), with only 131.6 thousand of foreign origin³. Foreign tourists were from more than 40 countries. Generally international tourists come from China, the countries of the Middle East, the USA, Japan, and Korea.

Essential to the development of Arctic tourism in Russia is the construction of new hotels, the opening of restaurants and cafes, cultural and entertainment facilities. These measures are partially included in the Federal target program "Development of domestic and inbound tourism in the Russian Federation (2011-2018)". Thus, the program envisages the construction of several tourist and recreational clusters in the Arkhangelsk region ("The White sea", "The Kargopol area", "Kotlas-Solvychegodsk"), tourist cluster "Finno-Ugric ethno-cultural reserve" in the Komi Republic, the cluster "Orto Doydu" in the Republic of Sakha (Yakutia). To enter the world market of cruise tourism and expand cooperation with the leading tour operators, it is necessary to combine the resources of the Arkhangelsk, Murmansk regions, Karelia with the Krasnoyarsk territory, which is actively developing tourism in the Arctic.

Development of Russian Arctic tourism

Russia has great potential in Arctic tourism, but its development requires relaxing visa rules. According to the management of Rosturizm, it is necessary to provide a visa-free stay in Russia for 72 hours for passengers of cruise ships arriving in Russia (including transit passengers) through international airports. This measure will allow tourists to stay for 2-3 days in the Russian port cities before boarding the ship or after the cruise. In addition, the Federal Agency for Tourism proposes to consider the possibility of visa-free stay in Russia for up to 15 days for river cruise passengers who travel in organized groups and live on board, as well as to expand the bilateral practice of issuing group visas. The issuing of group visas, as experience has shown, produces 20-30 percent increase of tourist flow in the segment of organized tourism. An important state task for the Russian government is to promote environmental Arctic tourism.

Business in Russia needs government assistance in promoting the attractions of the Russian Arctic, as does most countries with Arctic territories: subsidizing participation in major international exhibitions, printing booklets, promotion of domestic tour operators in the foreign market. With proper management, the tourism sector can contribute to the economic growth of Russian regions, social inclusion, and the protection of cultural and natural heritage.

The leaders of the entities of the Russian Federation are aware of the need to have their own regional brands, to work towards the growing interest in the entities. The tourist brand allows forming stable recognition of a certain territory, to increase its attractiveness for domestic and inbound tourism. Regional departments of culture and tourism are tasked with drawing attention to their tourist sites, routes and events. Creation and promotion of tourist brands is a good example of public – private partnership, teamwork of authorities and business. In 2017 according to the National tourism portal Russia.travel four Arctic brands were included in the top 100 tourist brands: "Solovetsky archipelago" (Arkhangelsk region) – 51st place, "White sea" (Arkhangelsk region) – 56th place, "Stroganina" (Republic of Sakha (Yakutia)) – 80th place and "Polar circle" (Yamalo-Nenets Autonomous district) – 100th place.

The development of Arctic tourism in Russia is complicated by infrastructure and logistics challenges as well as high cost of the tourist product. In addition, according to experts, the factors that hinder the development of Arctic tourism include natural and climatic factors: the short duration of a favorable "high" season; a long cold, rainy and snow period during the year, strong winds, high humidity; the lack of primary health-care system and system of tourists' safety.

Arctic tourism as a special segment of the tourism industry, which has specific security requirements in the harsh, often extreme conditions of the Arctic, can effectively develop only with the active collaboration between business and authorities. In 2015, the Union of "Northern industrialists and entrepreneurs" represented by the Chairman Fedotovskiy A.V. and Vice- Kanavin A.V. submitted draft Strategy for the development of Arctic tourism until 2030⁴. National experts believe that tourism in the Arctic zone of the Russian Federation can become as popular as in Alaska, Canada and Norway, Iceland and Finland. As a goal, the Strategy proclaims the creation of a modern competitive tourist complex of all the territories of the Russian Arctic (including nature reserves and specially protected natural areas), providing increased capacity to meet the environmental, aesthetic, cognitive and recreational needs of Russian and foreign citizens and contributing to the development of conservation of the Arctic natural complexes. Among the priority directions of the implementation of the Strategy will be:

1. Developing of the handicrafts of small indigenous peoples of the North and the Far East;
2. Event and ethnographic tourism development, creation of the ethnic settlements;
3. Simplification and harmonization of ski and adventure tourism routes, liability insurance of travel agencies;
4. Domestic (intra-urban) tourism development in the cities of the Russian Arctic;
5. Cognitive tourism and ecotourism development;
6. Establishment of a unified telecommunication system "Electronic Arctic" for tourism needs. After the establishing of separate digital spaces within each region of the Russian Arctic, their integration within the entire Arctic will take place and a new "Electronic Arctic" system will appear. It unites all coastal and continental settlements, including the Northern sea route.

According to the authors of the Strategy, the "Electronic Arctic" system will ensure the safety of tourist routes throughout the Russian Arctic. The creation of a recreation cluster will simultaneously develop several tourist segments and will contribute to the integrated promotion of the territory of the Russian Arctic. In the future it will be able to absorb more than 100 thousand Russian and international tourists annually.

Competitors of Russia in the Arctic tourism

The main competitors of Russia in Arctic tourism are Sweden, Norway, Finland, Denmark and Canada. Each of them has a strong position in the international travel market. The competitive advantage of the Scandinavian countries and Finland is that they are in the Schengen area and, excluding Norway, in the European Union. The Schengen area currently includes 26 European countries with populations of over 400 million people, for whom there are no visa restrictions, which simplifies cross-border movements and have a positive impact on the growth of tourist flows.

There are a lot of eco-tourism companies in the northernmost Swedish Counties - Norrbotten ("Swedish Lapland") and Västerbotten. The competitive advantage of the Swedish regions is the accessibility in comparison with other Arctic regions. There are regions with a well-developed public roads and daily flights from Stockholm (to nine airports), as well as a railway along the coast to the mountains in Northern Sweden. The growth of tourism in Sweden, measured by guest nights, increased from 25 million (1999) to 34 million (2011) in slightly more than a decade (Brouder, 2014). During 2000-2012 international tourism sector growth in Sweden was 115%. In addition to natural and cultural resources, Sweden's attractiveness is enhanced by the high quality of service, including medical care and well-developed infrastructure in the Northern regions of the country, which creates the potential for tourism development. The government's tourism strategy of 2010, which aims to double tourism revenue by 2020, has initiated several new ways of tourism developments as well as the expansion of the hotel chains in the North of the country.

Finland began to develop tourism in Lapland in the 1980s. Snowmobile trips, visiting reindeers and dog sledding are very popular among tourists in Finnish Lapland. In 1990 the Finnish Lapland was visited by 1.3 million tourists, but by 2013 the number almost doubled, to 2.4 million (Maher et al, 2014). The real figures are likely higher as a significant part of the guest nights are unregistered. In 2013 foreign tourists came to Lapland mainly from the UK, Russia, Germany and Japan. It should be noted that the number of Russian tourists to Finnish Lapland is also growing at a faster pace. The main tourist season lasts from February to April. Summer and autumn seasons attract primarily hikers. The Christmas season with British and Russian tourists starts in November and lasts until January. The tourism companies' turnover in Lapland amounted to 471 million euros in 2011. Tourism makes a significant contribution to the economic development of the Northern regions of Finland. For the period 2006-2011 employment in tourism rose by 3.5%, which is 1.5 times more than growth in forestry and almost 4.5 times than in mining. As a result of the state policy, young people find jobs in the tourism sector. The importance of tourism in employment is highlighted in the municipalities of Western Lapland, where the share of the tourism industry in employment varies from 39% to 46%.

Norway is the strongest competitor of Russia in Arctic tourism. Norway has world-famous Arctic destinations - fjords, mountains, waterfalls, pristine natural environment, historical and cultural attractions as well as "Viking brand". The development of tourism in Norway is handled by the state company "Innovation Norway", created by the merger of Norwegian Industrial and Regional Development Fund, the Norwegian Trade Council, the Norwegian Tourist Board and Government Consultative Office for Inventors (SVO). "Innovation Norway" is engaged in project financing in the field of tourism, international cooperation and coordination between the state and business. The main markets for Norwegian tourism products are Germany, Sweden, Denmark, Great Britain and the Netherlands. In 2014, Norway received 8154 million international tourists and earned 151 billion Norwegian kroner (about 4.3% of GDP) (Nøkkeltall for norsk turisme 2015). In 2015, the number of international tourists increased to 8.8 million. As a result of the state tourism policy, there is a shift

towards the creation of thematic networks in which the basis for cooperation becomes a common theme, not location. Examples of such networks are Norske Fjell ("Mountains of Norway"), Norske Spor ("Roads of Norway"), Hesti Turistnæringen ("Horses in the tourism industry") and Cycle Tourism in Norway (Ignatiev & Zakharov, 2013). The activities of these networks are mainly in marketing, product development and quality management.

The geo-economic rivalry of the countries in the Arctic does not exclude their international cooperation. Sustainable tourism development in the Arctic region with its fragile ecological and cultural systems depends on the ability of the countries concerned to draft and implement clear rules for all Arctic tourism entities, which determines the need for international cooperation in this field. The joint efforts of the Arctic states to promote environmental and cultural sustainability in the region are closely related to the activity of the Arctic Council, established in 1996 by the eight states - Finland, Canada, Denmark, Iceland, Norway, Sweden, the United States and Russia. The Arctic Council has participated in creating the University of the Arctic (UArctic) - a joint network of universities, colleges, research institutes and other organizations involved in education and research in the North. Since 2001 UArctic has established the thematic network on Northern Tourism, proclaiming the sustainability as the main key principle of the researches (Northern Tourism. Overall Goals). The Northern Arctic Federal University (NARFU, Arkhangelsk), Murmansk Arctic State University, National Research University Higher School of Economics represent Russian Federation in the University of the Arctic. The master's degree programme "Tourism in the Northern dimension" is implemented in the NARFU. This program is practical-oriented and master students elaborate the drafts, which can be demanded by the regional tourism market. The partners of this educational program are the participants of the University of the Arctic (the thematic network on Northern tourism) – The Arctic University of Norway and the University of Lapland (Finland).

Another important platform where the states discuss Arctic tourism is the Barents Euro-Arctic Council (BEAC), established at the meeting of the foreign Ministers of Russia, Denmark, Iceland, Norway, Finland, Sweden and the European Union in 1993. Supporting tourism is one of the key objectives of the BEAC, along with the sustainable development of the region, cooperation in the field of economy, environmental protection as well as closing the gap on Indigenous disadvantage in the North (García-Rosell, Hakkarainen, Ilola, Paloniemi, Tekoniemi-Selkälä & Vähäkuopus, 2013). The Barents Euro-Arctic Council provides the possibility for inter-regional and cross-border cooperation. The Barents Regional Council operates under supervision of the BEAC and includes the heads of the administrative units constituting the Barents Euro-Arctic region. Russia is represented by Arkhangelsk and Murmansk regions, Nenets Autonomous district, Republic of Karelia, Republic of Komi; Norway – by Nordland, Finnmark and Troms counties, Sweden – by Norrbotten and Västerbotten counties and Finland – by provinces of Lapland, Kainuu and Northern Ostrobothnia. In April 2017 Russia chaired the First Barents Indigenous Peoples' Summit, which addressed issues of support for the indigenous peoples of the North through the development of Arctic tourism, including the creation of new jobs and attracting additional investment.

The public-private partnership project with international participation "BART Public-Private Partnership in Barents Tourism" was supported by the EU program Kolarctic ENPI CBC in 2011-2013. Participating countries were Finland, Sweden, Norway and Russia (Arkhangelsk and Murmansk regions) as well as the universities of Northern countries. Based on the results of the project surveys have also been carried out and Tourism Information Center of Monchegorsk had been created.

Conclusion

Tourism is one of the most important socio-economic spheres forming the image of the country, its economy and employment. Russia's geo-economic priorities in the development of Arctic tourism should become part of national geo-economic strategy, such as the formation of transport and energy infrastructure; development of the Northern latitude geo-economical belt; promotion of transregional transport networks integrating rail, road and water transport.

Russia has competitive advantages in the Arctic tourist market – icebreaking fleet, a variety of flora and fauna, a large number of national parks, historical and ethnographic heritage, the Northern Sea Route. The regional authorities of the Arctic regions are interested in the development of tourism. The development of Arctic tourism requires the adoption of state policy measures to facilitate the visa regime. The development of Arctic tourism in Russia is complicated by the problems of infrastructure, logistics, and the high cost of the tourist product. In our opinion, the simplification of the visa regime will significantly increase the flow of foreign tourists. An additional factor in favor of increasing the tourist flow of foreign tourists are lower prices for goods and services in Russia compared to Russia's competitors in the field of Arctic tourism - Norway, Sweden, Denmark, etc.

The Arctic countries, implementing their geo-economic strategies, have a unique opportunity of joint actions in obtaining economic benefits, combining their efforts and cooperating in such areas as marketing, development of a joint tourist product as well as visa regime simplification. The needs of sustainable development of the Arctic, safety of navigation and tourism, preservation of natural and cultural heritage of the Arctic territories require the resort to the development of rules of Arctic tourism in order to minimize the negative impact on the environment. The development of the Code of Arctic tourism is possible on the basis of interstate cooperation with the involvement of international organizations – UNWTO, World Wildlife Fund, organizations of indigenous peoples of the North. The development of tourism in the Arctic is an area where geo-economic rivalry is inextricably linked with international cooperation, which has a positive impact on the climate of international relations in this extremely important region of the world.

Notes:

¹ Rating of subjects of the Russian Federation on tourism development. Retrieved 1 March, 2018, from <https://www.mkrf.ru/press/news/rejting-subektov-rossijskoy-federatsii-po-razvitiyu20171006160552>.

² National rating of travel brands (TOP 100). Retrieved 1 March 2018, from <http://russia-rating.ru/info/11539.html>.

³ Russian exotics: how Russia will attract tourists to the Arctic // ТАСС. 28.03.2017. Retrieved 10 August, 2018, from <http://tass.ru/obschestvo/4130719> (In Russian).

⁴ Outlines of the Federal strategy for Arctic tourism until 2020 and for the planning period until 2030. Retrieved 12 July, 2018, from <http://www.rspp-arctic.ru/stati/konturyi-federalnoj-strategii-arkticheskogo-turizma-do-2020-g.-i-na-planovij-period-do-2030-g.html> (In Russian).

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