TOURISM IN ICELAND IN FIGURES

JUNE 2017

TOURISM IN ICELAND IN FIGURES
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REPORT BY: ODDNÝ ÞÓRA ÓLADÓTTIR

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ECONOMIC STATISTICS IN ICELANDIC TOURISM

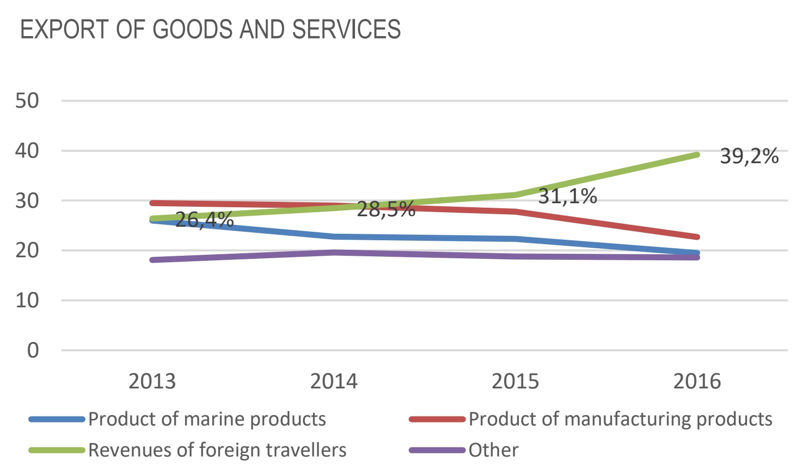
THE SHARE OF TOURISM IN EXPORT REVENUE

Tourism's share of foreign exchange earnings has grown from 23.7% to 39.2% between 2012-2016 according to measurements on the export of goods and services.

	Export of goods and services (ISK billion)	Tourism* (ISK billions)	Share of tourism
2012	1012,182	239,544	23.7%
2013	1047,908	276,634	26.4%
2014	1068,320	304,637	28.5%
2015	1188,744	369,536	31.1%
2016	1189,270	466,287	39.2%

*Total activity of Icelandic companies operating in Iceland and abroad.

Tourism generated higher foreign exchange earnings than exports of marine products and industrial products in the years 2013–2016.



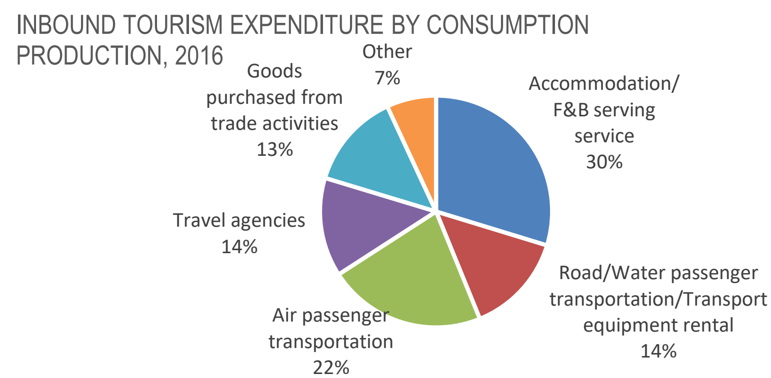
SPENDING OF FOREIGN VISITORS

Revenue from foreign tourists amounted to ISK 359.7 billion in 2016 i.e. ISK 96.5 billion more than in 2015[1]. This represents a year-on-year increase of some 36.7%.

	Visitors, total	Tourists (Overnight visitors)	Same day visitors (Cruise arrivals)
2012	137.456,5	135.640,7	1.815.8
2013	165.850,0	163.873,3	1.976.,8
2014	197.267,5	195.141,4	2.126,1
2015	263.213,5	260.827,4	2.386,1
2016	359.751,6	357.049,5	2.702,1

[1] ISK at each year's levels.

The Tourism Industry 2016 overview from Statistics Iceland breaks down tourism expenditure by sector. Almost a third of expenditure, or 107 billion, is attributable to holiday accommodation and catering services; 22%, or 79.3 billion, to passenger transport by air; 14%, or 50.8 billion, to passenger transport by land and sea; 13.8%, or 49.7 billion, to travel agencies; 13.4%, or 48 billion, to various retail enterprises; and 6.9%, or 24.7 billion, to other.

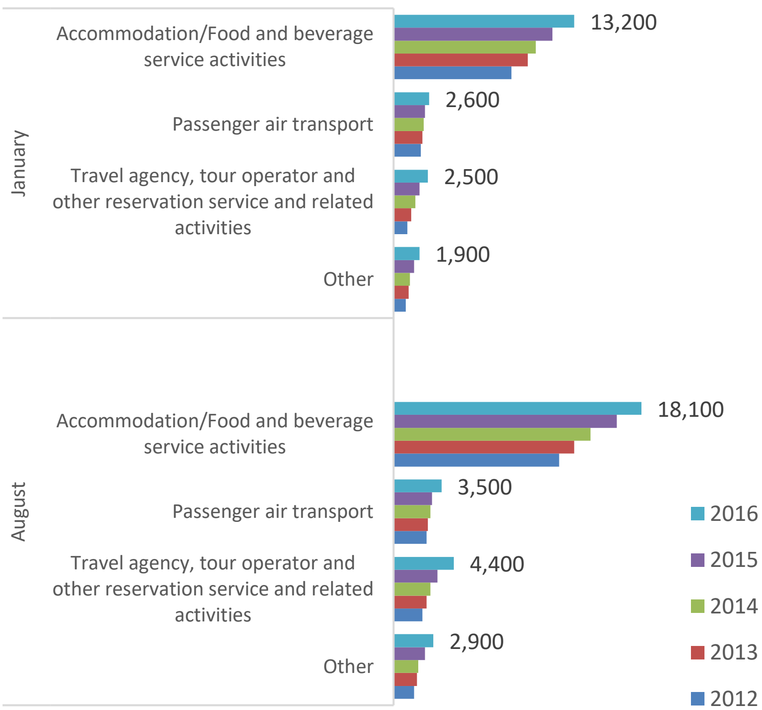


Source: Statistics Iceland.

JOBS IN TOURISM-RELATED INDUSTRIES

The total number of people employed in tourism-related sectors was 19,500 in January 2016, or the month the fewest were employed, and 28,900 in August 2016, when the most were employed. Most employees worked in accommodation and at restaurants, 13,200 in January and 18,100 in August. However, the percentage increase of employees was greatest among travel agencies, tour operators, booking services and in sectors classified as other. Since 2012, the number of employees in tourism-related sectors has increased yearly by more than 60%.

NUMBER OF EMPLOYEES IN ACTIVITIES RELATED TO TOURISM 2012-2016



TURNOVER IN ACTIVITIES RELATED TO TOURISM

Total turnover in typical tourism sectors increased on average by 19% between 2012 and 2016. The greatest increase was from 2015–2016, or by 41%. In relative terms, turnover increased most in the operating of holiday accommodation and in the rental of cars and light motor vehicles, or on average by 25% between years. Turnover increased on average by 15% between years in restaurant sales and services and about 7% in passenger transport by air. Regarding the comparison of the turnover figures for travel agencies and passenger transport, it should be noted that this activity was exempt from VAT until the beginning of 2016.

	Turnover (ISK millions)				
	2012	2013	2014	2015	2016
Total turnover	**301.582**	**334.750**	**360.484**	**420.059**	**591.454**
Passenger air transport	196.824	211.390	214.723	242.701	258.511
Accommodation	33.662	41.624	51.422	61.878	83.758
Food and beverage service activities	48.600	55.080	61.853	72.157	86.327
Renting/leasing of cars & light motor vehicles	18.045	21.583	26.336	35.273	45.279
Travel agencies[1]	3.773	4.502	5.523	7.323	95.979
Passenger land transport[1]	679	571	628	727	21.600

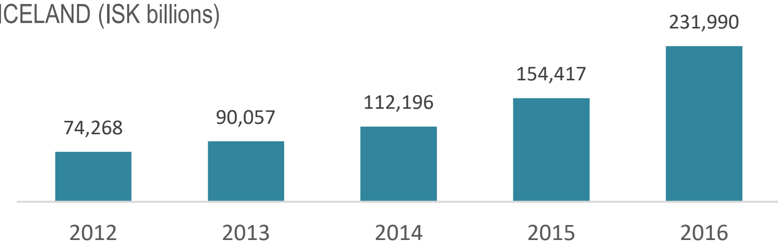
[1]At the beginning of 2016, changes to the law on value added tax came into effect, and passenger transport (other than scheduled services) and travel agency services were then subject to value added tax, from which they had previously been exempt.

Source: Statistics Iceland.

FOREIGN CARD TURNOVER

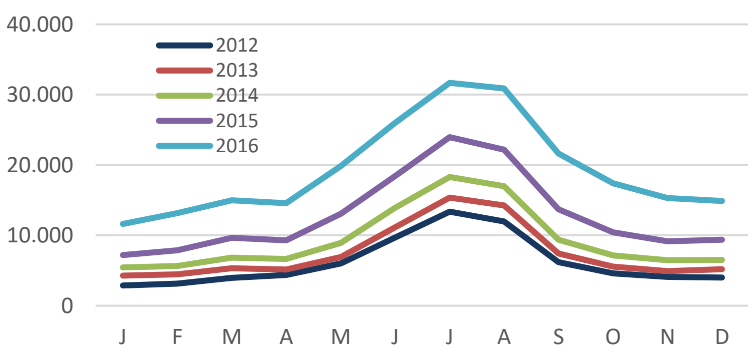
Foreign payment card turnover in Iceland tripled from 2012–2016. In 2016, payment card turnover was ISK 232 billion, 50.2% higher than in 2015, when payment card turnover was ISK 154 billion. Payment card turnover increased by 21.3% from 2012–13, by 24.6% from 2013–2014 and by 37.6% from 2014–2015.

TOTAL USE OF FOREIGN DEBIT AND CREDIT CARDS IN ICELAND (ISK billions)



Foreign card turnover has been the highest during the summer, but the share of the summer card turnover has fallen steadily in line with the increase of tourists visiting outside the summer months. The yearly share of foreign card turnover during the summer was about 47% until 2012, but by 2016, it was 38.2%.

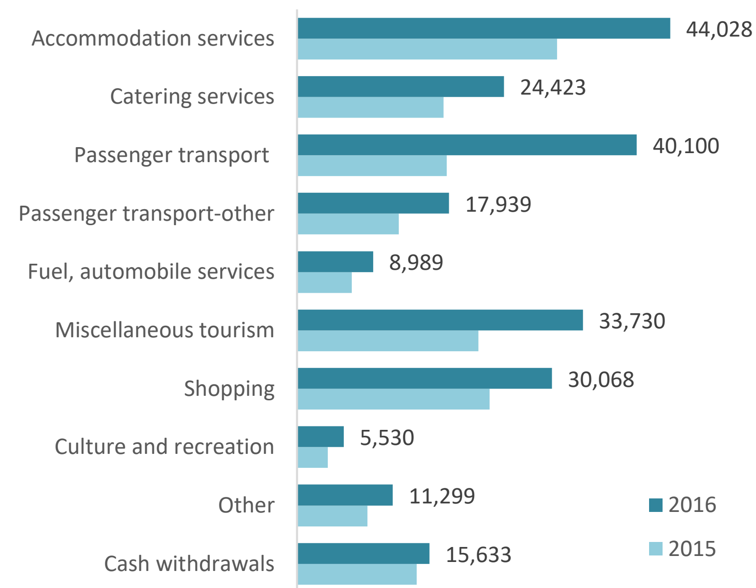
CARD TURNOVER BY MONTH (ISK billions)



FOREIGN CARD TURNOVER BY EXPENSE ITEMS*

In 2016, a little less than a third (29.5%) of foreign payment card turnover was spent on accommodation and restaurant services, 17.3% on passenger transport and 11.6% for various services related to passenger transport and for petrol stations, repair and maintenance services. About 14.5% went to different types of tourism, 13% to commerce and 2.4% to cultural, recreational and leisure activities, and 5.5% went to other aspects connected to tourism. Cash withdrawals made up 6.7% of card turnover.

CARD TURNOVER BY EXPENSE ITEM (ISK billions)



* The data on card turnover by expense items contains all payment card use, both debit and credit cards. The card turnover of foreigners who purchase travel tickets or package tours to Iceland from their home countries is not included unless the card turnover is channelled through Icelandic acquirers.

Source: Centre for Retail Studies.

INTERNATIONAL VISITORS AND CRUISES

FOREIGN TOURISTS TO ICELAND

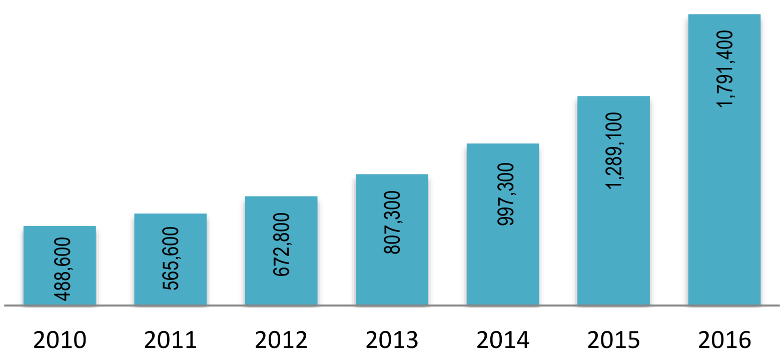
The number of foreign visitors to Iceland has nearly quadrupled since 2010. The average yearl y growth rate has been 24.4% since 2010. The biggest increase was from 2015 to 2016, or 39.0%.

	Number of visitors
2010	488,600
2011	565,600
2012	672,800
2013	807,300
2014	997,300
2015	1,289,100
2016	1,792,200

	Proportional increase
2010-11	15.7%
2011-12	18.9%
2012-13	20.0%
2013-14	23.5%
2014-15	29.2%
2015-16	39.0%
2010-16*	24.4%

*Average yearly growth rate

INTERNATIONAL VISITORS TO ICELAND 2010-2016



Sources: Icelandic Tourist Board, Austfar, Isavia and Air Iceland Connect.

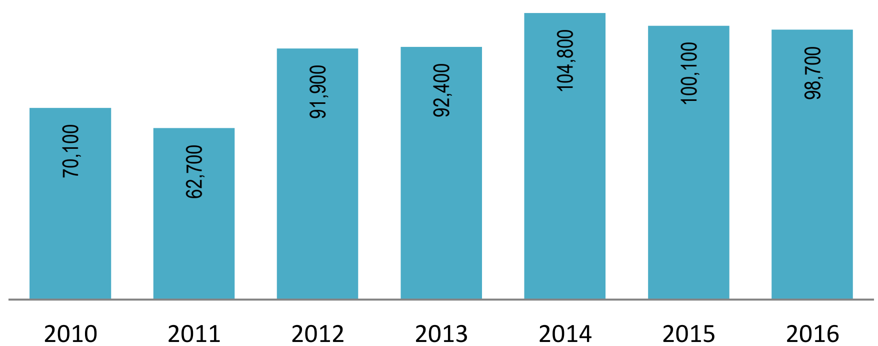
INTERNATIONAL CRUISE SHIP PASSENGERS *

Since 2010, cruise ship passengers to Iceland have increased significantly from 72,000 in 2010 to 101,000 in 2016. The mean annual increase has been 7.3% per year. Approximately 97% of cruise ships stopover in Reykjavik, but many ships stay in more than one port.

	2014		2015		2016	
	Passengers	Vessels	Passengers	Vessels	Passengers	Vessels
Reykjavík	104,800	91	100,100	108	98,700	113
Akureyri	72,700	78	72,150	86	85,400	93
Ísafjörður	40,300	45	54,000	64	73,803	82
Seyðisfjörður	6,700	10	19,100	28	16,100	32
Vestmannaeyjar	8,200	22	8,000	31	11,400	41
Grundarfjörður [1]	5,400	19	12,600	28	11,100	28

[1] In 2016, 4,900 passengers came to Djúpavogur, 4,700 to Húsavík, 3,900 to Hafnarfjörður, 3,200 to Siglufjörður, 2,200 to Eskifjörður, 2,000 to Stykkishólmur and 1,900 to Grímsey.

INTERNATIONAL CRUISE SHIP PASSENGERS TO REYKJAVÍK 2010-2016



Sources: Faxaports and Cruise Iceland.

* Cruise-ship passengers are defined as day-trip passengers, as they do not spend the night in Iceland. They are counted separately.

INTERNATIONAL VISITORS TO ICELAND 2014-2016

The total number of foreign visitors was around 1.8 million in 2016, a 39% increase from 2015, when foreign visitors numbered around 1.3 million.

Around 1,790,000 tourists came on flights through Keflavík International Airport in 2016, or 98.7% of the total number of visitors. Around 20,000 came with Norræna through Seyðisfjörður, or around 1.1% of the total. Around 3,800 came on flights through Reykjavík Airport or Akureyri Airport, or 0.2 % of the total. It must be assumed that there are variations in counts at Keflavik International Airport, as they cover all departures, including foreign nationals resident in Iceland.

INTERNATIONAL VISITORS BY POINT OF ENTRY

				Change between years	
	2014	2015	2016	14/15	15/16
Keflavik Airport	969,181	1,261,938	1,767,726	30.2%	40.1%
Seyðisfjörður seaport	18,115	18,540	19,795	2.3%	6.8%
Other airports	10,048	8,661	4,680	-13.8%	-46.0%
Total	**997,344**	**1,289,139**	**1,792,201**	**29.2%**	**39.0%**

Sources:
-The Icelandic Tourist Board counts visitors when they leave through Keflavík Airport according to nationality and publishes the figures every month on its website.
-Austfar estimates visitor numbers with Norræna based on sales figures.
-Isavia and Air Iceland Connect estimate visitor numbers through other airports based on passenger and sales figures.

VISITORS THROUGH KEFLAVÍK AIRPORT

By Nationality

	2014	2015	2016	14/15	15/16
Canada	38,790	46,654	83,144	20.3%	78.2%
China	26,037	47,643	66,781	83.0%	40.2%
Denmark	48,237	49,225	49,951	2.0%	1.5%
Finland	15,415	16,021	19,895	3.9%	24.2%
France	58,293	65,822	85,221	12.9%	29.5%
Germany	85,915	103,384	132,789	20.3%	28.4%
Italy	19,870	23,817	31,573	19.9%	32.6%
Japan	13,340	16,547	22,371	24.0%	35.2%
Netherlands	26,222	29,546	39,098	12.7%	32.3%
Norway	53,647	51,402	51,012	-4.2%	-0.8%
Spain	20,932	27,166	39,183	29.8%	44.2%
Sweden	40,992	43,096	54,515	5.1%	26.5%
Switzerland	19,315	25,935	28,682	34.3%	10.6%
UK	180,503	241,024	316,395	33.5%	31.3%
USA	152,104	242,805	415,287	59.6%	71.0%
Other	169,569	231,851	331,829	36.7%	43.1%
Total	**969,181**	**1,261,938**	**1,767,726**	**30.2%**	**40.1%**

By Market Area

	2014	2015	2016	14/15	15/16
Nordic countries	158,291	159,744	175,373	0.9%	9.8%
UK	180,503	241,024	316,395	33.5%	31.5%
Central/S-Europe	230,547	275,670	356,546	19.6%	29.3%
N-America	190,894	289,459	498,431	51.6%	72.2%
Other	208,946	296,014	420,981	41.7%	42.2%
Total	**969,181**	**1,261,938**	**1,767,726**	**30.2%**	**40.1%**

VISITORS THROUGH SEYÐISFJÖRÐUR SEAPORT

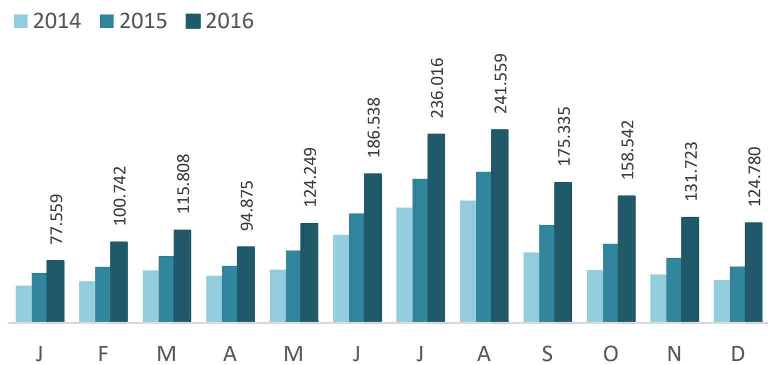
	2014	2015	2016	14/15	15/16
Nordic countries	5,340	4,806	2,512	-10.0%	-47.7%
Germany	7,705	8,489	9,959	10.2%	17.3%
Centr./S-Europe*	3,314	3,431	3,815	3.5%	11.2%
Other	1,756	1,814	3,509	3.3%	93.4%
Total	**18,115**	**18,540**	**19,795**	**2.3%**	**6.8%**

*Netherlands, Belgium, Austria, Switzerland, France, Spain and Italy.

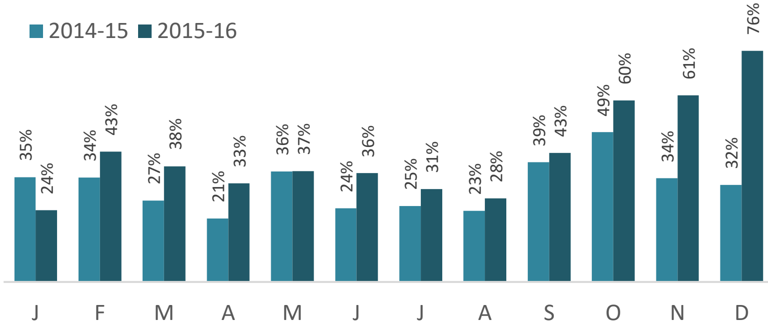
INTERNATIONAL VISITORS BY MONTHS

Over the past three years, the increase in the number of tourists has been proportionately greater in winter than in spring, summer and fall. Records were broken in all months of 2015 and 2016 in comparison with the same months in preceding years. The increase was more than 30% for seven months from 2014–2015 and ten months from 2015–2016, but the largest increase was from 2015–2016 in October, November and December, when it exceeded 60%.

DEPARTURES FROM KEFLAVÍK AIRPORT BY MONTH



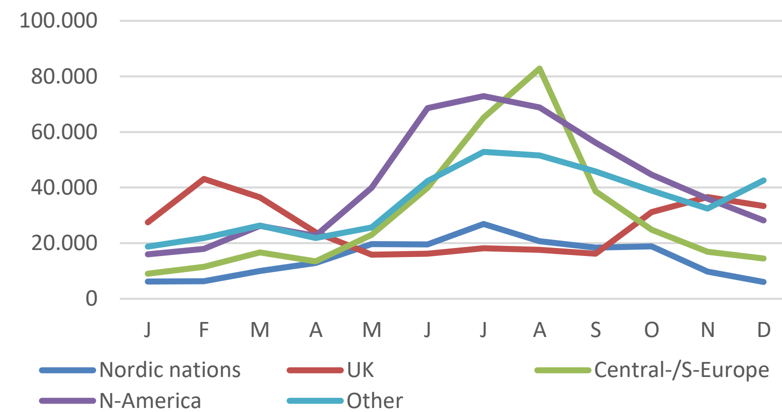
INCREASE OF VISITORS 2014-2016



DEPARTURES FROM KEFLAVÍK AIRPORT BY MARKET

Travellers from individual market areas were widely distributed in 2016. Thus, travellers from Central and South Europe were prominent during the summer months, while travellers from the Nordic countries, North America and from countries categorised as "elsewhere" were distributed evenly over the year. Travellers from the UK were the exception, as around half of these visitors came during the winter months.

TRAVELLERS THROUGH BY MARKET REGION 2016



Source: Icelandic Tourist Board.

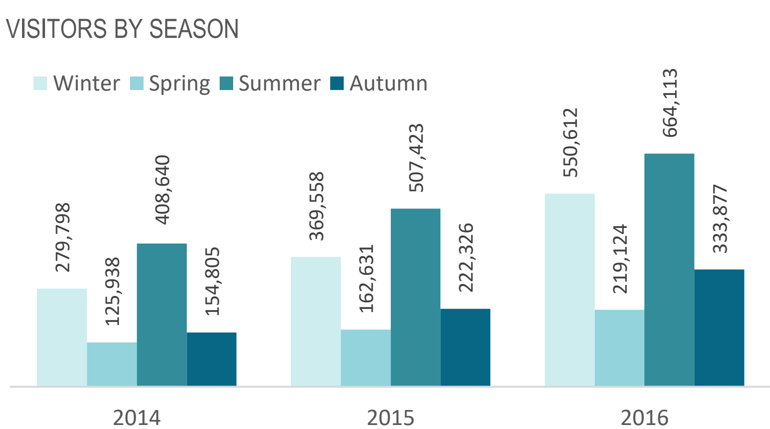
INTERNATIONAL VISITORS BY SEASON

VISITORS 2014 - 2016

Approximately 38% of tourists in 2016 visited during the summer months, while the proportion of total summer visitors was higher in 2014 (42.2%) and 2015 (40.2%). In 2016, almost a third visited during the spring or autumn and almost a third during the winter. The share of winter visitors has risen over the years, and the same is true of the share of tourists in spring and autumn.

	2014		2015		2016	
	Number	%	Number	%	Number	%
Winter	279,798	28.9	369,558	29.3	550,612	31.1
Spring	125,938	13.0	162,631	12.9	219,124	12.4
Summer	408,640	42.2	507,423	40.2	664,113	37.6
Autumn	154,805	16.0	222,326	17.6	333,877	18.9
Total	**969,181**	**100**	**1,261,938**	**100**	**1,767,726**	**100**

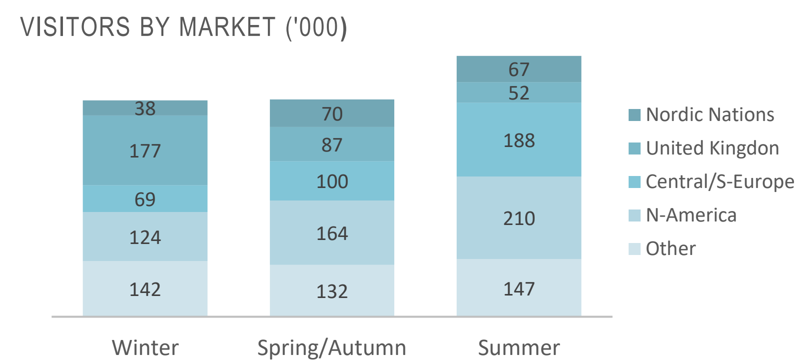
Winter: Jan.-March/Nov.-Dec, Spring: April-May, Summer: June-August, Autumn: Sept.-Oct.



VISITORS BY MARKET 2016

In 2016, 53% of Central and Southern European visitors came during the summer, as did 42% of North American visitors, 38% of Nordic visitors, 16% of UK visitors and 35% of those categorized as from "elsewhere". Some 40% of Nordic visitors came in the spring or autumn, as did 28% of UK visitors and 23% of North American visitors. Approximately half (56%) of UK visitors came in winter, as did approximately one-fifth of Nordic visitors, one-fourth of North American visitors and one-third categorized as coming from "elsewhere".

	Winter		Spring		Summer		Autumn		Total
	No.	%	No.	%	No.	%	No.	%	No.
Nordic c.	38,403	21.9	32,576	18.6	67,189	38.3	37,205	21.2	175,373
UK	177,157	56.0	39,850	12.6	51,909	16.4	47,479	15.0	316,395
C/S-Europe	68,587	19.2	36,447	10.2	187,920	52.7	63,592	17.8	356,546
N-America	124,411	25.0	62,710	12.6	210,388	42.2	100,922	20.2	498,431
Other	142,054	33.7	47,541	11.3	146,707	34.8	84,679	20.1	420,981
Total	**550,612**	**31.1**	**219,124**	**12.4**	**664,113**	**37.6**	**333,877**	**18.9**	**1,767,726**



Source: Icelandic Tourist Board.

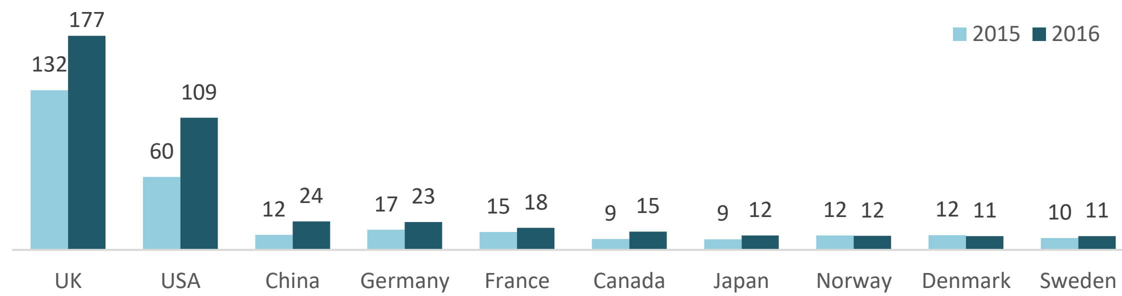
NATIONALITIES THROUGH KEFLAVIK AIRPORT 2016/2015

Winter: Around 551,000 visitors came in 2016, 49% more than during the winter 2015. Broken down by nations, the largest proportion came from the UK (32.2%) and US (19.9%). Travellers from China (4.3%), Germany (4.2%), France (3.3%), Canada (2.7%), Japan (2.2%), Norway (2.1%), Denmark (2.1%) and Sweden (2.1%) came thereafter. The total number of visitors from these ten nations was 75.1% of visitors during the winter of 2016.

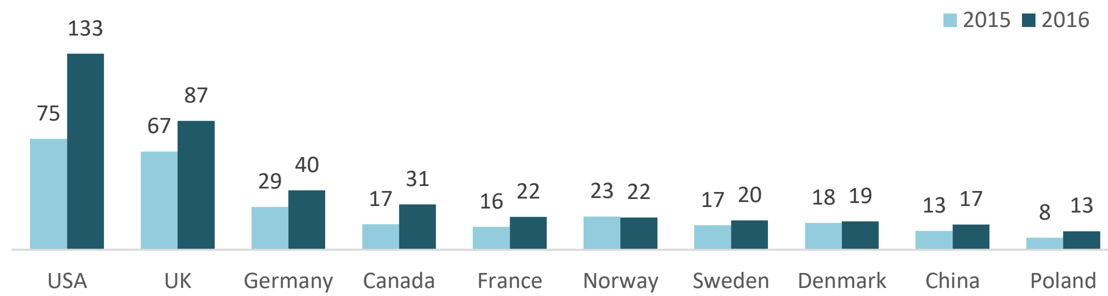
SPRING/AUTUMN: 553,000 visitors came during the spring or autumn in 2016, 43.7% more than in 2015. Most came from the US (24.0%) and the UK (15.8%). Travellers from Germany (7.3%), Canada (5.6%), France (4.0%), Norway (4.0%), Sweden (3.6%), Denmark (3.5%), China (3.1%) and Poland (2.3%) came thereafter. Together, these ten nations made up 73.2% of travellers during spring or autumn in 2016.

SUMMER: Around 664,000 came during the summer 2016, 30.9% more than in 2015. Most summer visitors in 2016 came from the US (26.1%), Germany (10.5%), UK (7.8%), France (6.7%), Canada (5.6%), China (3.9%), Sweden (3.5%), Spain (3.1%), Italy (3.0%) and Denmark (2.9%). In total, these ten nations comprised 73.2% of visitors during summer 2016.

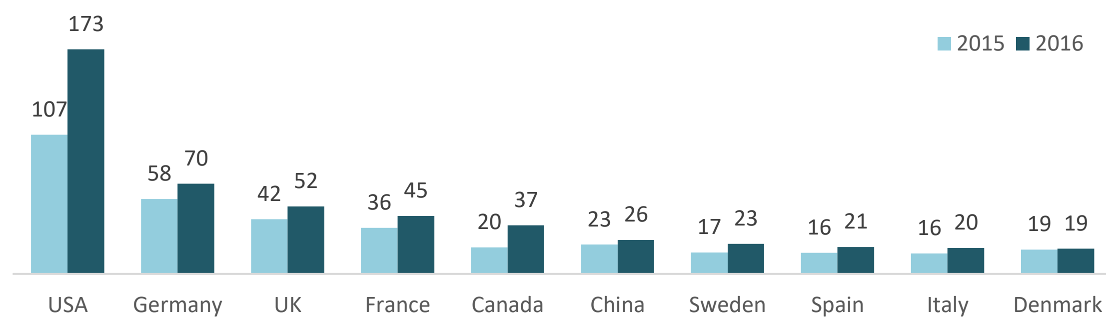
WINTER (´000)



SPRING/AUTUMN (´000)



SUMMER (´000)



Source: Icelandic Tourist Board.

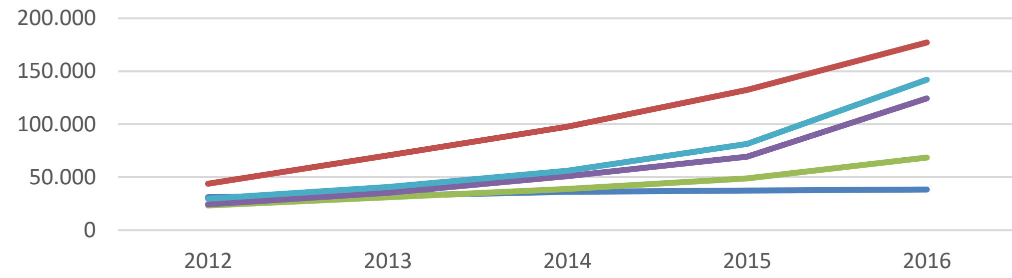
MARKETING AREAS THROUGH KEFLAVIK AIRPORT 2012-16

WINTER: The number of winter visitors in 2016 was quadruple that of those counted in 2012. The average annual increase has been 38% since 2012. Visitors from Britain were about one-third of winter visitors in 2016, whilst visitors from North America made up almost a fifth. These two market areas, as well as those classified as “other”, have increased the most since 2012.

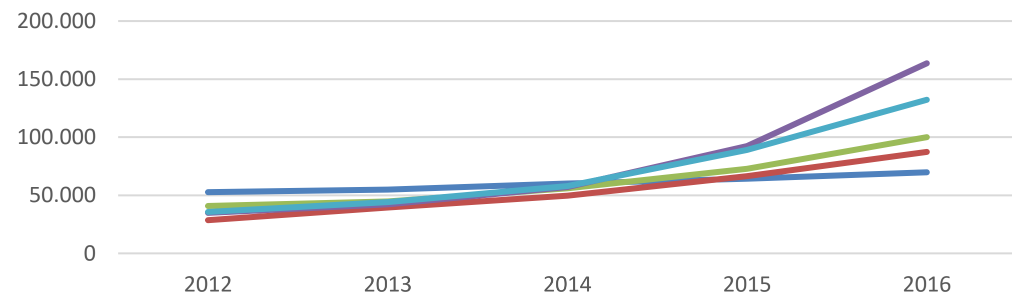
SPRING/AUTUMN: Visitors in the spring/ autumn have increased from 192,000 in 2012 to 533,000 in 2016, an almost threefold increase. The increase has been around 30.6% per year. In the past, most visitors came from the Nordic countries, or around 25% of the market share, but by 2016, the share from North America was highest, at around 30%. The share of those classified as “Other” became a quarter in 2016.

SUMMER: Travellers in summer have more than doubled since 2012, from 301,000 in 2012 to around 664,000 in 2016. The average annual increase has been 22%. Visitors from North America were the largest market in the summer of 2016, or 31.7% of the total. Their share has grown year after year, and they have surpassed visitors coming from Central and Southern European countries, who made up the largest group of visitors during the summer for the longest time.

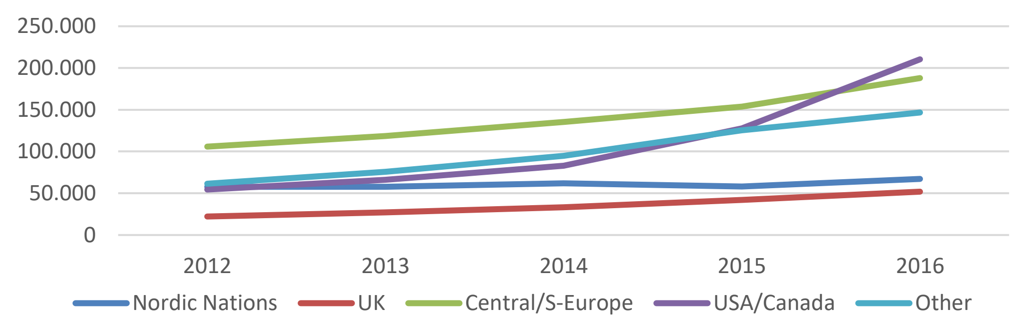
Winter



SPRING/AUTUMN



SUMMER



Source: Icelandic Tourist Board.

DEPARTURES FROM KEFLAVÍK AIRPORT 2016

By nationality		By season*				By month											
	Total	Winter	Spring	Summer	Autumn	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Canada	83,144	9,053	6,902	20,370	10,329	1,569	1,611	2,601	2,540	7,421	13,087	12,305	11,955	10,845	9,943	5,465	3,802
China	66,781	12,368	3,984	22,545	8,746	3,322	4,452	3,382	2,005	2,475	7,850	8,328	9,938	6,118	6,474	2,935	9,448
Denmark	49,951	12,246	8,348	18,803	9,828	2,063	1,761	3,265	3,955	4,519	4,560	8,982	5,792	5,308	5,362	2,588	1,796
Finland	19,895	3,271	3,275	5,986	3,489	498	551	1,125	1,300	2,595	2,576	2,578	1,933	2,150	2,897	905	787
France	85,221	14,749	7,545	35,521	8,007	2,518	3,596	4,483	4,170	5,629	9,234	14,508	20,844	7,213	5,318	3,884	3,824
Germany	132,789	16,649	10,493	57,741	18,501	3,268	3,733	6,099	4,318	9,641	17,433	25,203	26,872	16,849	9,480	5,864	4,029
Italy	31,573	2,969	2,137	15,801	2,910	556	630	1,110	1,023	1,196	3,158	5,439	11,424	2,868	1,467	1,560	1,142
Japan	22,371	8,858	1,229	2,513	3,947	1,800	2,688	2,597	555	737	835	1,028	1,869	3,059	2,377	2,406	2,420
Netherlands	39,098	7,500	3,609	13,607	4,830	1,346	2,012	2,212	1,680	3,437	3,971	5,900	6,596	3,737	3,468	2,471	2,268
Norway	51,012	11,967	10,818	16,847	11,770	1,940	2,238	2,996	4,476	6,475	5,643	6,276	5,591	5,114	5,838	2,804	1,621
Poland	39,613	6,384	3,366	12,479	4,850	1,171	1,153	1,490	2,055	3,326	5,210	6,101	4,525	3,819	3,412	2,867	4,484
Russia	6,320	1,031	581	2,426	839	220	132	142	200	475	803	1,104	1,372	633	467	487	285
Spain	39,183	3,065	2,871	16,244	4,986	782	573	1,663	980	1,538	2,887	6,882	11,010	5,153	2,652	2,423	2,640
Sweden	54,515	9,896	8,470	16,547	8,183	1,738	1,720	2,652	3,187	6,069	6,750	9,073	7,435	5,791	4,745	3,507	1,848
Switzerland	28,682	4,042	2,454	15,014	4,425	554	949	1,158	1,244	1,591	3,213	7,256	6,090	2,879	2,508	660	580
UK	316,395	132,296	29,647	42,203	36,878	27,521	43,123	36,530	23,990	15,860	16,189	18,165	17,558	16,274	31,205	36,594	33,389
USA	415,287	60,340	31,137	107,234	44,094	14,428	16,339	23,587	20,186	32,563	55,510	60,607	59,924	45,378	34,756	30,580	24,429
Other	285,896	52,874	25,765	85,542	35,714	12,265	13,481	18,716	17,011	18,702	27,629	36,230	33,831	32,147	26,173	23,723	25,988
Total	**1,767,726**	**369,558**	**162,631**	**507,423**	**222,326**	**77,559**	**100,742**	**115,808**	**94,875**	**124,249**	**186,538**	**236,016**	**241,559**	**175,335**	**158,542**	**131,723**	**124,780**

By market		By season*				By month											
	Total	Winter	Spring	Summer	Autumn	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nordic countr.	175,373	37,380	30,911	58,183	33,270	6,239	6,270	10,038	12,918	19,658	19,529	26,909	20,751	18,363	18,842	9,804	6,052
UK	316,395	132,296	29,647	42,203	36,878	27,521	43,123	36,530	23,990	15,860	16,189	18,162	17,558	16,274	31,205	36,594	33,389
Cent-/S-Europe	356,546	48,974	29,109	153,928	43,659	9,024	11,493	16,725	13,415	23,032	39,896	65,188	82,836	38,699	24,893	16,862	14,483
North America	498,431	69,393	38,039	127,604	54,423	15,997	17,950	26,188	22,726	39,984	68,597	72,912	68,879	56,223	44,699	36,045	28,231
Other	420,981	81,515	34,925	125,505	54,096	18,778	21,906	26,327	21,826	25,715	42,327	52,845	51,535	45,776	38,903	32,418	42,625
Total	**1,767,726**	**369,558**	**162,631**	**507,423**	**222,326**	**77,559**	**100,742**	**115,808**	**94,875**	**124,249**	**186,538**	**236,016**	**241,559**	**175,335**	**158,542**	**131,723**	**124,780**

** Winter: January-March/November-December, Spring: April-May, Summer: June-August, Autumn: September-October.*

Source: Icelandic Tourist Board.

OVERNIGHT STAYS – ALL TYPES OF ACCOMMODATION*

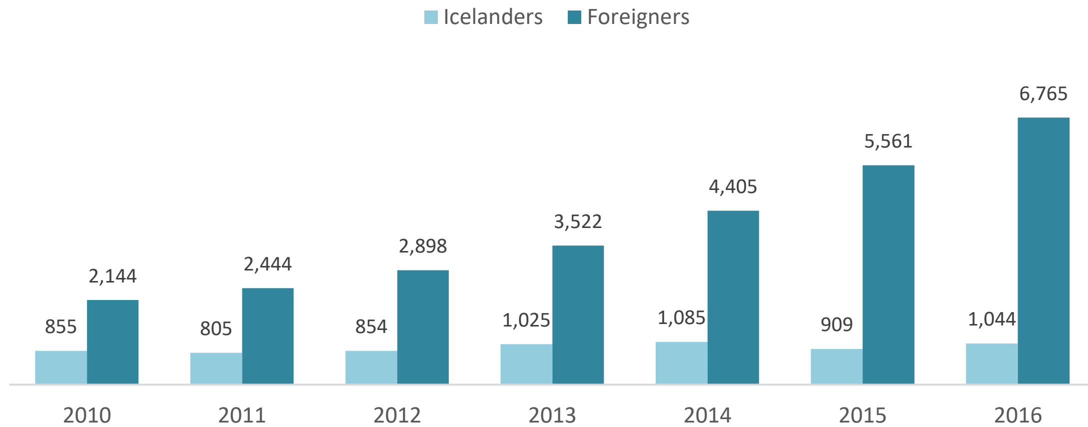
The total number of registered overnight stays in Iceland was around 7.8m in 2016. The overnight stays of foreign visitors were around 6.8m in 2016 and have increased by 21.2% annually since 2010. Overnight stays of Icelanders were around one million in 2016 and have increased by 4.1% since 2010.

OVERNIGHT STAYS BY SEASONS

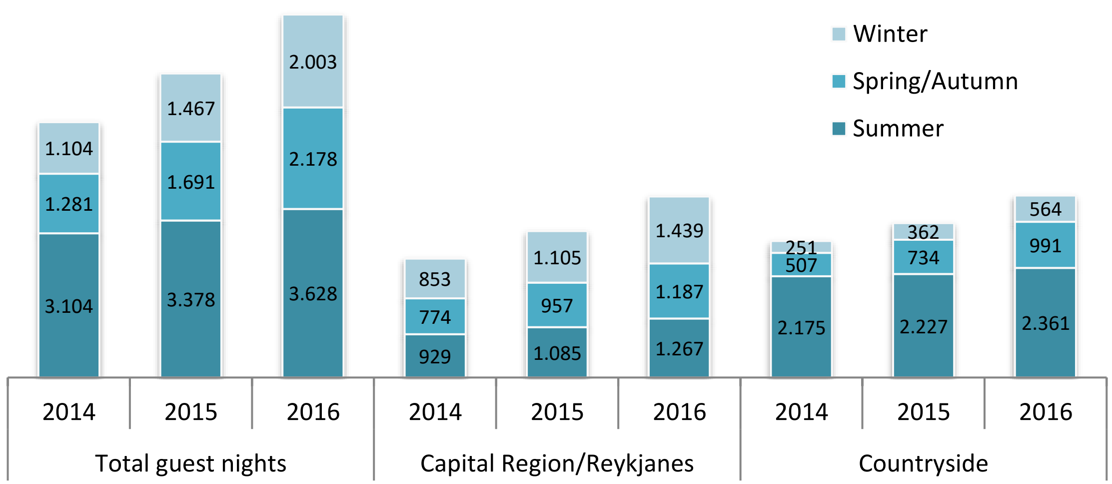
During 2016, 46.5% of registered overnight stays were during the summer, 27.9% during the spring or autumn and 25.7% during winter. About 3.9 million overnight stays were spent in the greater Reykjavík area and in Reykjanes peninsula in 2016, or about half of the total overnight stays, of which 37.0% were during winter, 32.5% in the summer and 30.5% in the spring or autumn. About half (50.1%) of overnight stays, or about 3.9 million, were spent in other parts of the country, of which 60.3% were during the summer, 25.3% in spring or autumn and 14.4% in winter.

* A summary of overnight stays takes into account overnight stays which are listed in Statistics Iceland's database and does not include a million unlisted overnight stays that have been estimated by Statistics Iceland.

OVERNIGHT STAYS IN ALL TYPES OF REGISTERED ACCOMMODATION 2010-16 ('000)



OVERNIGHT STAYS 2016/2015/2014 ('000)



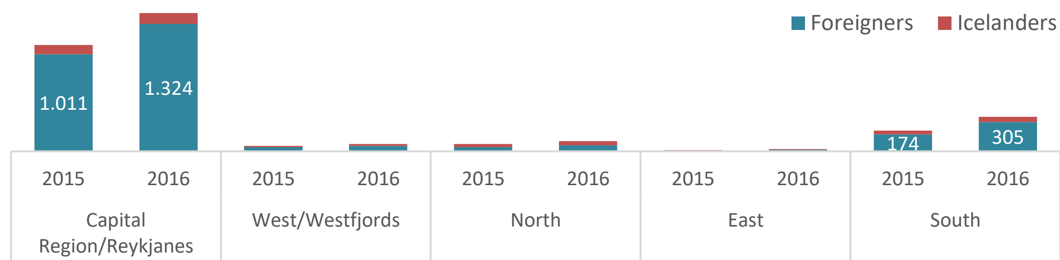
GUEST NIGHTS BY REGION 2016/2015

Winter: Some 2 million guest nights were spent in the winter of 2016, i.e. 37% more than in 2015. Some 75% of guest nights (i.e. 1.4 million) were spent in the Capital Region and Reykjanes peninsula, 92% of which were spent by foreigners. Outside of the Capital Region and Reykjanes peninsula, most guest nights were spent in South Iceland (15.2% of the total).

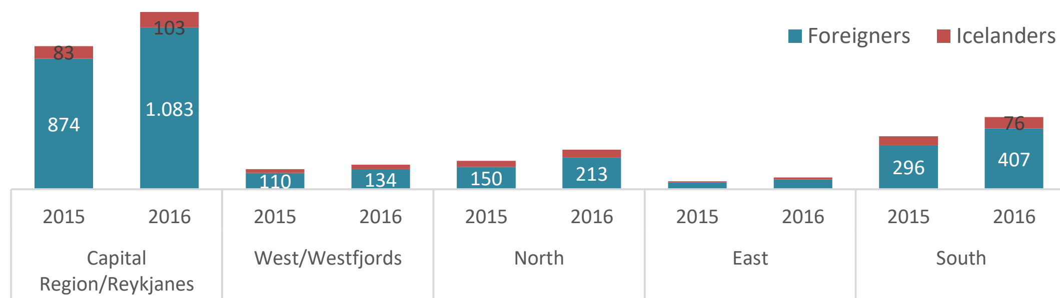
Spring/Autumn: Just less than 2.2 million guest nights were spent in the spring and autumn of 2016, i.e. 28% more than in the same period in 2015. Around 54.5% of total guest nights were in the Capital Region and Reykjanes, 22.2% in South Iceland, 12.1% in North Iceland, 7.5% in West Iceland/Westfjords and 3.7% in East Iceland. Foreigners accounted for 87.4% of total guest nights in the spring and autumn of 2016.

Summer: Some 3.6 million guest nights were spent in the summer of 2016, i.e. 9.5% more that in the summer of 2015. Around 35% of total guest nights were in the Capital Region and Reykjanes peninsula, 26.1% in South Iceland, 18.5% in North Iceland, 13.1% in West Iceland and Westfjords and 7.5% in East Iceland. Foreigners accounted for 85.3% of total guest nights in Iceland in the summer 2016.

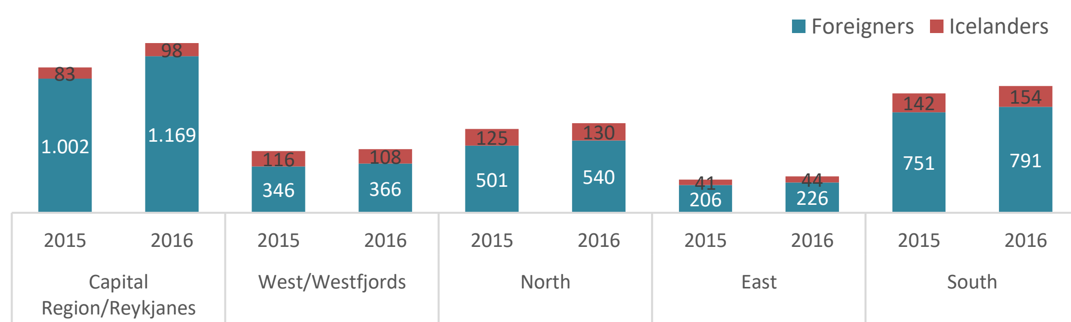
WINTER (´000)



SPRING/AUTUMN (´000)



SUMMER (´000)



Source: Statistics Iceland.

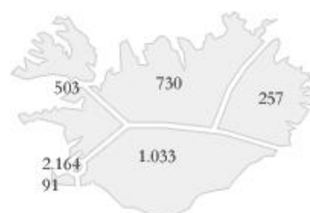
AVAILABLE ROOMS AND OCCUPANCY RATE

AVAILABLE ROOMS IN HOTELS AND GUESTHOUSES

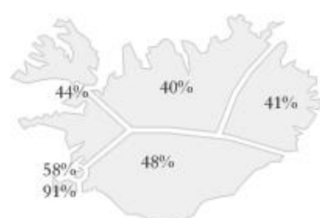
In July 2016, there were 14,787 rooms available in 470 hotels, hotel apartments and guesthouses in Iceland, 39.8% thereof in the Capital Region. Room availability in 2016 in Iceland was 4.3% higher than in 2015.

	2015		2016		Changes between 2015 and 2016
	No.	%	No.	%	
Capital Region	5,223	36.8%	5,881	39.8%	12.6%
Reykjanes	679	4.8%	682	4.6%	0.4%
West	995	7.0%	1,023	6.9%	2.8%
Westfjords	615	4.3%	616	4.2%	0.2%
Northwest	642	4.5%	607	4.1%	-5.5%
Northeast	1,864	13.1%	1,926	13.0%	3.3%
East	951	6.7%	883	6.0%	-7.1%
South	3,211	22.6%	3,169	21.4%	-1.3%
Total	**14,180**	**100%**	**14,787**	**100%**	**4.3%**

Rooms in hotels and guesthouses in all of Iceland have increased by 5,012, or 51.2%, since 2010. The most increase has been in the Capital Region, where 2,164 rooms have been added since 2010.



However, the number of rooms has proportionally increased the most in the Reykjanes peninsula since 2010, as the number has almost doubled. The next largest increase has been in the Capital Region, or 58.2%, and in the South, or 48.4%.



From 2016, overnight stay ratios for the municipality of Hornafjörður were categorised with Southern Iceland instead of with the Eastern Fjords.

OCCUPANCY RATES IN HOTELS (%)

Nationwide room occupancy in year-round hotels was 71.2% in 2016, which is 51.8% increase from 2010 when it was 46.9%.

In 2016, the best utilization was in the Capital Region, or 85.5%, followed by Reykjanes with 72.7%.

HOTEL ROOM OCCUPANCY 2016

There was an annual increase in room occupancy from 2015 to 2016 during 11 months of the year in the Capital Region, in South Iceland and in North Iceland, 9 months of the year in Suðurnes, in West Iceland and the Westfjords and 8 months in East Iceland.

Occupancy was more than 75% in the Capital Region ten months of the year in 2016. In the Reykjanes peninsula, occupancy was more than 75% five months of the year in 2016. Occupancy was at its highest in the summer months (July/August) outside the Capital Region. Outside of the capital area and Reykjanes, the utilisation went below 25% for a few months during the winter of 2016.

	Capital Region		Reykjanes peninsula		West, Westfjords		North		East		South	
	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16	'15	'16
J	73	72	37	40	25	16	18	17	6	7	20	24
F	88	92	60	59	32	31	26	27	12	13	39	49
M	85	89	62	67	32	37	25	35	20	16	45	56
A	70	73	55	55	26	34	30	49	20	26	33	43
M	75	79	72	51	43	45	41	45	37	40	45	53
J	81	88	84	86	72	74	64	70	70	73	72	74
J	90	94	88	98	87	87	79	88	90	84	90	89
A	86	93	82	97	76	82	76	89	87	84	82	87
S	74	85	70	93	55	61	55	72	51	58	59	66
O	77	86	61	87	34	36	32	47	26	26	48	62
N	76	91	44	74	24	35	24	27	12	14	32	48
D	66	85	39	66	13	22	14	16	7	8	26	50
Total	**78**	**86**	**63**	**73**	**43**	**47**	**40**	**49**	**37**	**38**	**49**	**59**

>75% utilisation	50-74% utilisation	25-49% utilisation	<24% utilisation

Source: Statistics Iceland.

Further information may be seen on the Statistics Iceland website.

GUEST NIGHTS BY TYPE OF ACCOMMODATION

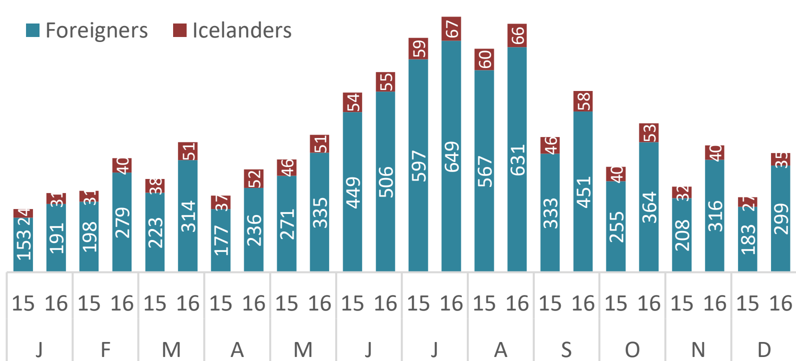
GUEST NIGHTS IN HOTELS AND GUESTHOUSES

In 2016, the total number of guest nights in hotels and guesthouses was approximately 5.1 million, i.e. 25.8% more than in 2015. Guest nights spent by foreigners were 88.4% of the 2016 total and accounted for 90.4% increase in guest nights between years (2015-2016).

	2015		2016		Increase/decrease 2015-16
	Number	%	Number	%	
Foreigners	3,613,046	87.9%	4,571,713	88.4%	26.5%
Icelanders	495,844	12.1%	598,019	11.6%	20.6%
Total	**4,108,890**	**100%**	**5,169,732**	**100%**	**25.8%**

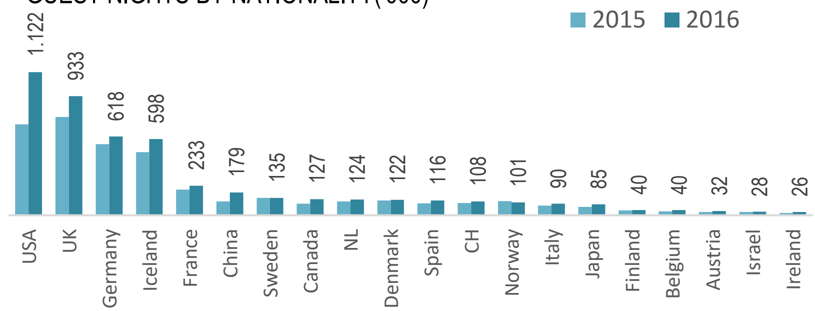
Guest nights in hotels and guest houses increased every month in 2016 as compared to the previous year. The proportional distribution of guest nights across the seasons in 2015 was as follows: 38% in summer, 31% in spring and autumn and 31% in winter. Seasonal fluctuations applied to a lesser extent to Icelanders.

OVERNIGHT STAYS IN HOTELS AND GUESTHOUSES ('000)



Twenty nationalities accounted for 94% of guest nights in hotels and guesthouses in 2016. The vast majority of overnight stays in hotels and guesthouses were from visitors from the US, Britain, Germany and Iceland, or 67.4% of the total.

GUEST NIGHTS BY NATIONALITY('000)



OTHER ACCOMMODATION ('000)

Registered overnight stays in accommodation other than hotels and guesthouses was 2.6 million in 2016, 8.7% more than in 2015. Most of them were spent in camping sites (35.5%), residential housing (21.0%) and hostels (18.5%). Overnight stays by foreigners were 83.1% of the total in other accommodation, 10% more than in 2015, and the highest growth rates were for overnight stays in camp sites.

	Foreigners		Icelanders		Total	
	2015	2016	2015	2016	2015	2016
Camping sites	534	665	258	272	792	937
Apartments	482	525	20	29	502	554
Youth hostels	440	456	38	32	478	488
Holiday centres	223	246	42	61	265	306
Private home acc.	206	229	27	20	233	250
Lodges/sleeping bag	63	71	27	33	90	104
Total	**1,993**	**2,192**	**435**	**447**	**2,427**	**2,639**

Source: Statistics Iceland.

INTERNATIONAL VISITORS IN ICELAND 2015-2016

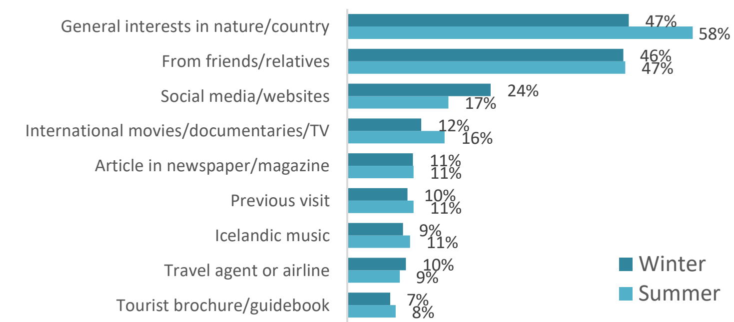
The Icelandic Tourist Board asked Maskina to carry out an Internet survey among international visitors in the period October 2015 to August 2016, based on e-mail addresses collected at Keflavík Airport. The final sample was 9,286 people, with a response rate of 45%. In processing the statistics, the travel year was divided into two periods, i.e. winter (Oct.-May) and summer (June-August). Nine demographic categories were used: nationality markets, gender, age, career, income, education, career, type of trip and means of travel to Iceland.

	WINTER	SUMMER
GENDER		
Female	65.6%	58.5%
Male	34.4%	41.5%
AGE (average age)	37,0 yrs	38,0 yrs
34 years and younger	47.0%	51.7%
35-54 years	33.4%	32.4%
55 years and older	19.6%	15.9%
LEVEL OF TOTAL HOUSEHOLD INCOME		
Low/low average	16.3%	21.7%
Average	42.8%	39.7%
High average/high	41.0%	38.7%
RESPONDENTS BY MARKET		
Nordic countries	6.3%	6.4%
United Kingdom	19.6%	8.0%
Central-/South Europe	17.8%	47.3%
North America	46.2%	31.3%
Other	10.1%	7.0%
TYPE OF TOUR		
Package trip	19.9%	11.1%
Individually arranged trip	79.9%	89.0%
Work-related trip	2.1%	1.3%
Package trip/individually arranged trip	1.6%	1.3%
PURPOSE OF VISIT		
Vacation/holiday	91.4%	90.9%
Conference/meeting	1.6%	1.3%
Visiting friends and relatives	5.2%	5.1%
Event in Iceland	4.7%	5.9%
Business/employment	2.2%	1.2%
Study/research	3.1%	2.1%

WHY DID THE VISITOR COME TO ICELAND (%)

As in earlier surveys performed by the Tourist Board, the majority of respondents mentioned interest in nature and the country when asked why they decided to come to Iceland. Many mentioned friends and relatives, the Internet, international footage, from articles about Iceland and a previous visit. Other aspects had less of an influence.

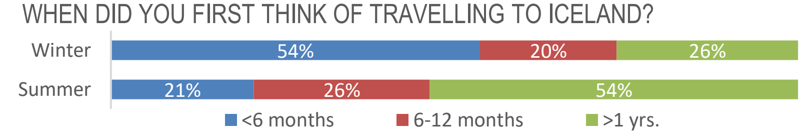
WHERE DID YOU GET THE IDEA OF COMING TO ICELAND?



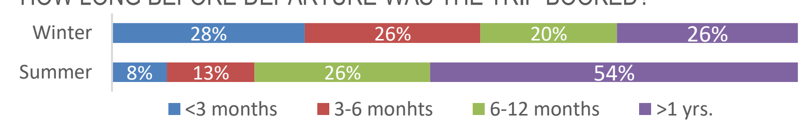
WHEN WAS THE DECISION MADE AND THE TRIP BOOKED

About 54% of tourists in the winter and 21% in the summer had the idea to travel to Iceland within 6 months. The time from booking to departure was shorter than 6 months in 28% of cases with tourists during the winter and in 54% of cases during the summer.

WHEN DID YOU FIRST THINK OF TRAVELLING TO ICELAND?

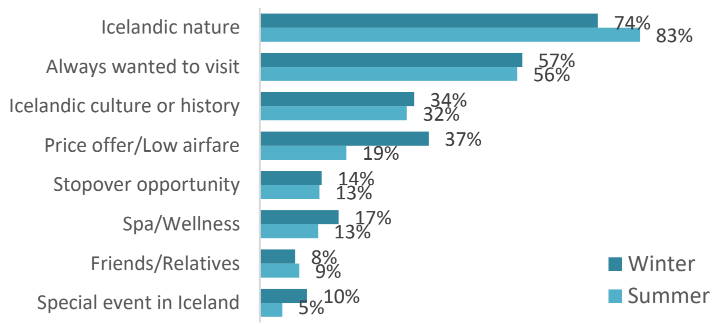


HOW LONG BEFORE DEPARTURE WAS THE TRIP BOOKED?



FACTORS INFLUENCING DECISION TO TRAVEL TO ICELAND

A large majority of winter and summer visitors said that nature had influenced their decision to come to Iceland. Many mentioned that they had always wanted to visit the country and there were many who mentioned the culture and history. Favourable price offers were often mentioned by winter visitors. Other aspects, however, lagged far behind.

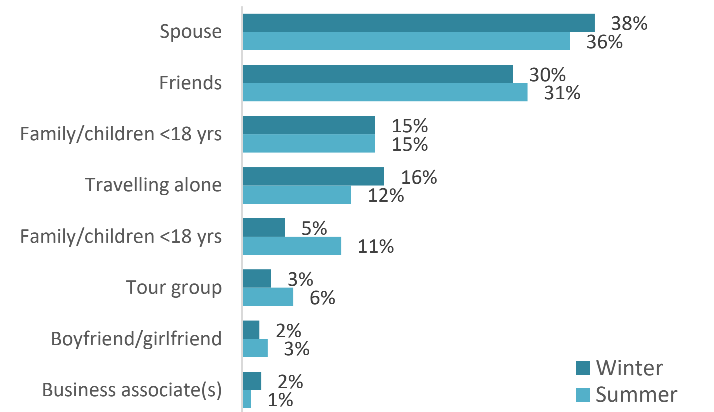


SOURCE OF INFORMATION ON ICELAND (%)

The Internet is the main source of information about Iceland. When asked specifically about the use of social media on the eve of a trip or while travelling around Iceland, it was found that such media is used extensively to send a private messages, when planning a trip and to get ideas about travel opportunities as well as posting updates.

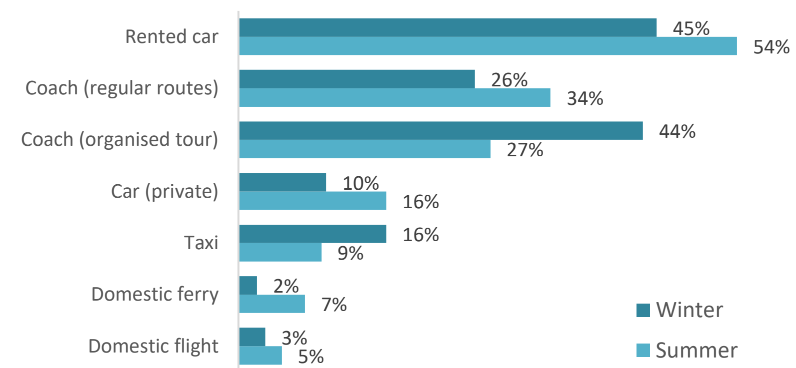
TRAVELLING COMPANION

Most visitors travelled to Iceland with their spouses, friends and family members. Few travelled with a tour group or business partners.



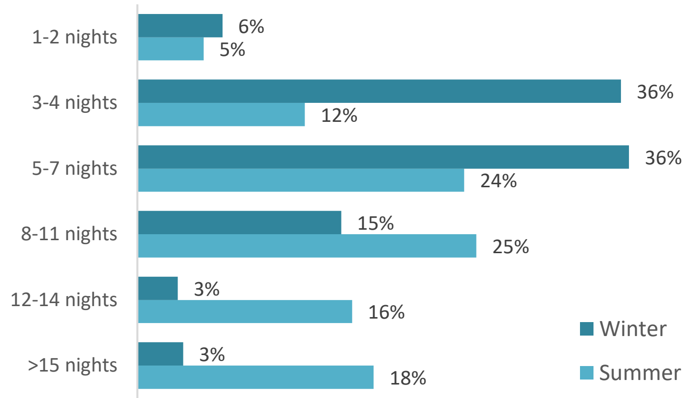
MEANS OF TRAVEL

Tour coaches were used extensively during the winter. The same can be said of scheduled coaches and rental cars, although a larger proportion used rental cars during the summer than in the winter.



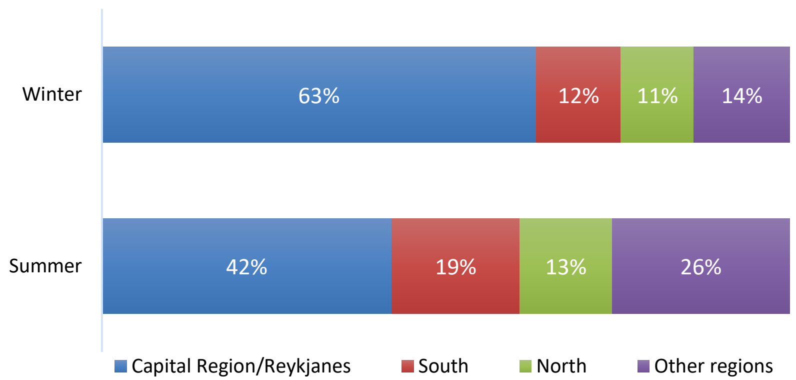
LENGTH OF STAY

Foreign visitors stayed on average 10.3 nights in Iceland during the summer and 6.8 nights during winter. About 41% of tourists during the summer spent seven nights or fewer and about 42% in winter four nights or fewer.



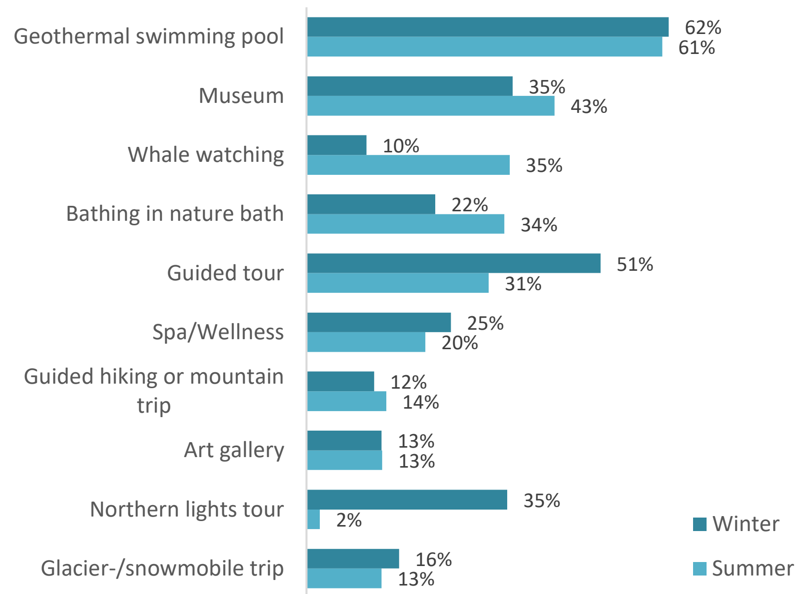
OVERNIGHT STAYS BY REGION

Approximately 63% of overnight stays during the summer were spent in the capital area and around 42% of overnight stays during the winter.

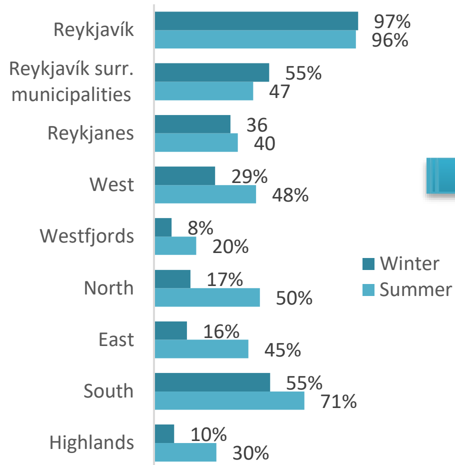


RECREATIONAL PURCHASED IN ICELAND

Tourists in winter, as in the summer, were particularly interested in activities related to nature, health and well-being. Swimming was the activity that most tourists paid for during winter and summer. A much larger proportion of visitors went on various guided tours during the winter, whilst more visitors went on visits to geothermal pools, whale watching tours, boating and horse riding tours during the summer. Summer tourists visited museums and exhibitions to a much greater extent. Numerous other activity options were utilised.



TO WHAT REGIONS AND PLACES DID VISITORS TRAVEL



	Winter	Summer
Reykjanes	**36.2%**	**39,8%**
Blue Lagoon	26.3%	23,4%
Reykjanes lighthouse & surr.	14.0%	18,1%
Reykjanesbær	15.7%	17,1%
West	**29.0%**	**48,4%**
Borgarfjörður	14.9%	23,0%
Húsafell/Reykholt	9.5%	18,2%
Snæfellsnes national park	19.4%	36,0%
Stykkishólmur	8.8%	20,3%
Búðardalur/Dalir	5.8%	13,4%
Westfjords	**8.4%**	**20,0%**
Ísafjörður	3.9%	11,9%
Hólmavík/Strandir	3.8%	10,7%
Arnarfjörður/Dynjandi	2.8%	8,6,%
Látrabjarg	1.6%	7,2%
Hornstrandir	1.2%	3,5%
North	**17.3%**	**50,2%**
Akureyri	14.5%	46,2%
Skagafjörður	6.4%	20,1%
Mývatn	12.6%	45,3%
Húsavík	6.2%	33,3%
Hvammstangi/Hvítserkur	4.7%	14,3%
Ásbyrgi/Dettifoss	8.2%	40,1%
Melrakkaslétta/Þórshöfn	1.3%	4,2%

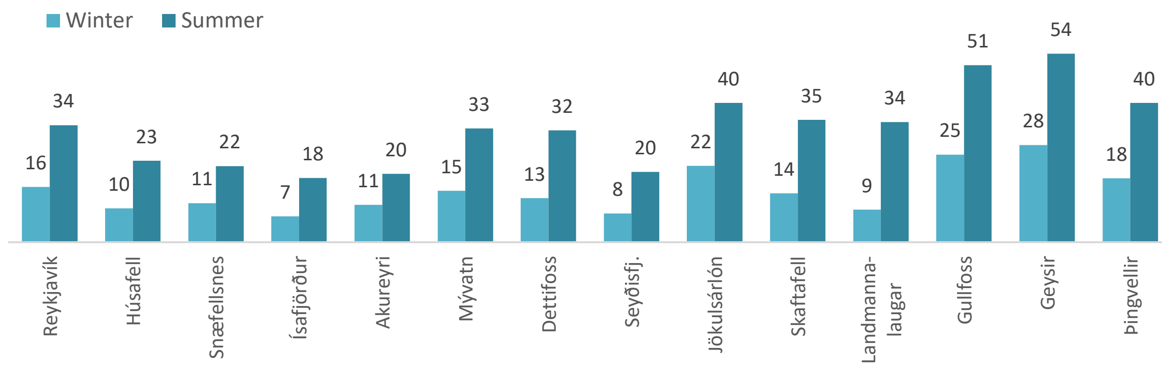
	Winter	Summer
East	**15,6%**	**44,8%**
Egilsstaðir/Hallormsstaður	7,8%	31,8%
Djúpivogur	7,0%	18,9%
Borgarfjörður eystri	3,3%	13,4%
Eskifjörður	3,5%	15,6%
Seyðisfjörður	6,3%	28,0%
Neskaupsstaður/Norðfjörður	2,5%	8,3%
Stöðvarfjörður	4,0%	11,5%
South	**55,0%**	**71,2%**
Þingvellir	41,4%	56,8%
Geysir/Gullfoss	48,0%	62,6%
Vestmanna-islands	2,7%	7,9%
Vík	41,5%	56,6%
Skógar	31,8%	48,6%
Eyrarbakki	8,7%	13,4%
Hornafjörður	9,3%	16,8%
Jökulsárlón (glacier lagoon)	30,6%	50,2%
Skaftafell National Park	27,7%	46,4%
Þórsmörk	10,4%	25,8%
Highlands	**9,6%**	**29,6%**
Landmannalaugar	2,4%	19,8%
Kjölur (incl.Hveravellir)	2,9%	9,4%
Sprengisandur	1,5%	4,7%
Kárahnjúkar	0,3%	1,4%
Herðubreiðalindir/Askja	0,7%	7,7%

MOST VISITED LOCATIONS

Of 42 places and areas surveyed, Iceland's most visited tourist destinations were in the Southwest and South Iceland:

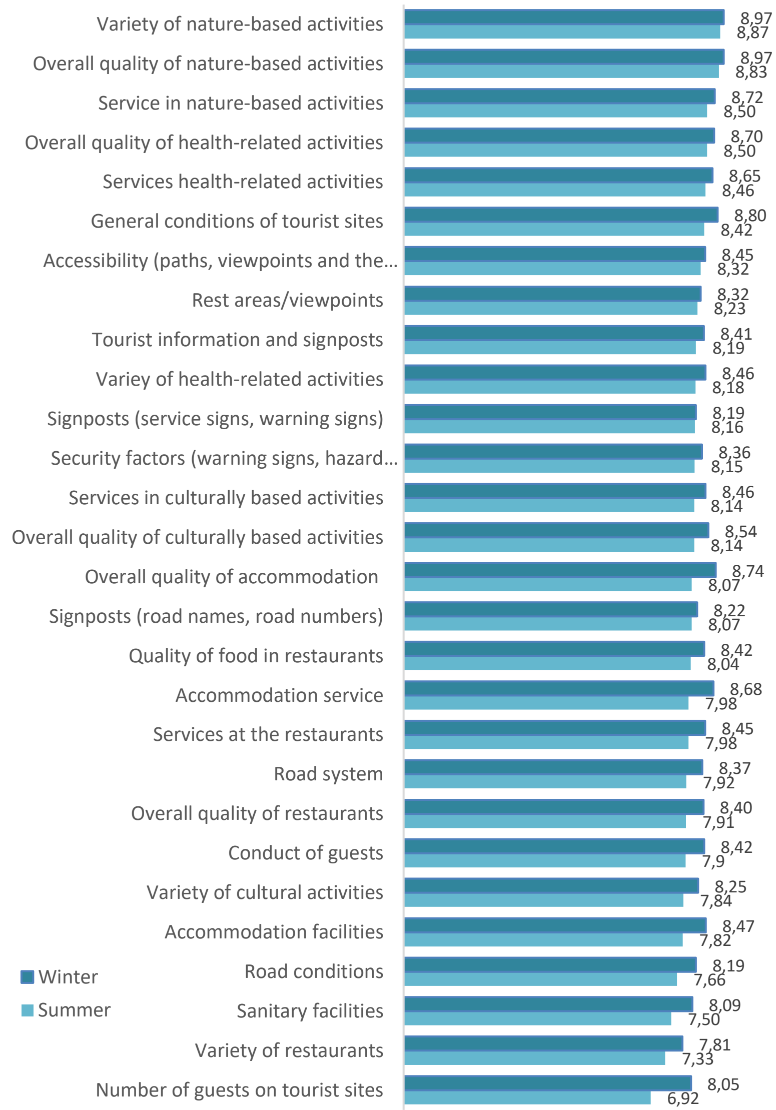
As can be seen from the graph to the side, there was a big difference in the response between tourists arriving in summer and in winter concerning their thoughts on the number of tourists at a few destinations. About 54% of summer tourists felt there were too many people at Geysir and Gullfoss, 40% that there were too many at Jökulsárlón and Þingvellir and one-third that they were too many in Landmanna-laugar, Reykjavík, Mývatn and at Dettifoss.

GUEST NUMBERS - RESPONDENTS WHO FELT THERE WERE TOO MANY TOURISTS (%)



EVALUATION OF TOURISM SERVICES

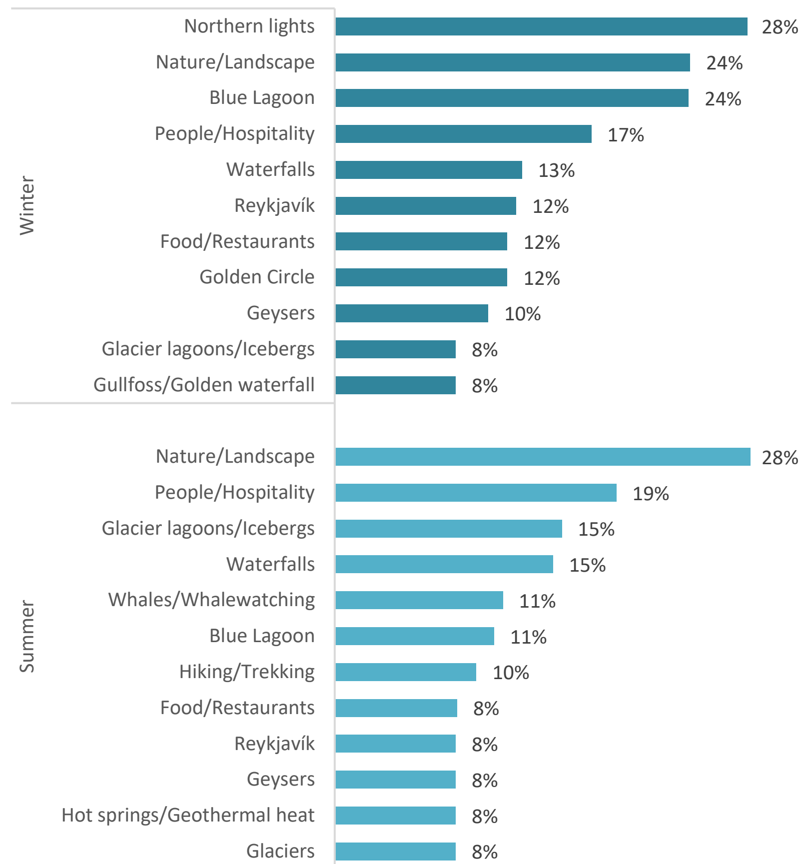
In the survey, respondents are asked to evaluate 28 aspects of Icelandic tourism and score them in the range 0–10*.



*Aspects relating to nature and health-related recreation scored the highest and aspects relating to the number of visitors, range of restaurants, hygiene facilities and road conditions scored the lowest.

MOST MEMORABLE ASPECT OF VISIT TO ICELAND

The vast majority of winter and summer tourists mentioned nature-related aspects, specific locations or nature-related activities when asked what three things had been most memorable about their trip to Iceland. Many mentioned also the people, generous hospitality, the food and the restaurants.



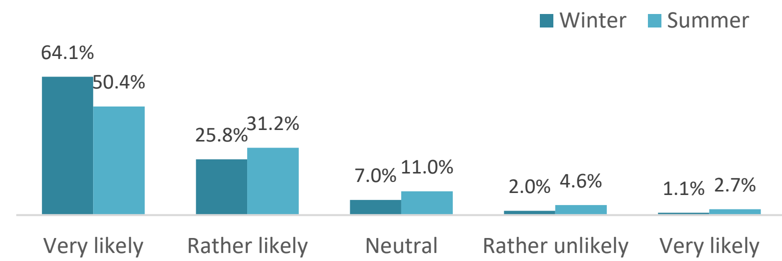
WHAT CAN BE IMPROVED IN ICELANDIC TOURISM?

Foreign visitors during the winter and summer felt that there could be a number of improvements to Icelandic tourism, and numerous aspects were mentioned in this regard, e.g. road conditions, restriction of the number of tourists, public toilets, food costs, nature conservation, high prices and road signs.

	Winter	Summer
Road conditions	10.3%	18.6%
Limit tourist numbers	7.1%	16.9%
Public restrooms	12.5%	16.0%
Food expenses	8.2%	13.4%
Nature conservation	6.4%	11.7%
Prices very high (in general)	12.0%	11.2%
Camping	0.7%	10.5%
Road signs	12.7%	9.1%
A variety of tour options	6.9%	7.6%
Price of accommodation	1.9%	6.7%
Variety of accommodation	2.1%	6.7%
Maps	2.0%	6.4%
Public transportation	10.6%	6.0%
Garbage disposal	0.9%	5.0%
Panoramic viewpoints/Rest areas	2.6%	4.5%
Marking and organisation of footpaths	0.9%	4.5%
Airport	3.4%	4.3%
Services and variety of food/restaurants	7.7%	3.8%
Offers/Discounts	0.6%	3.8%
Quality of accommodation	1.8%	3.3%
Bus-/Public transport	2.2%	2.9%
Information in other languages	2.8%	2.9%
Arrangement/Organisation	-	2.6%
Safety	2.0%	2.6%
Hiking	-	2.6%
Information availability	4.7%	2.1%
Cost of transport	-	2.1%
Impolite people/staff	2.5%	2.1%

SATISFACTION WITH THEIR TRIP TO ICELAND

Trips to Iceland exceeded expectations of 95% of respondents in the winter and summer. Approximately 90% of winter visitors and 80% of summer visitors thought it very likely or likely that they would return to Iceland.



Approximately 56% of winter guests thought it likely that they would come back during summer, 30% in spring or autumn and 14% in winter. Approximately half of the summer visitors expected to come back in the summer, about 30% in spring or autumn and about a quarter in winter.

NET PROMOTER SCORE

Based on the survey findings, NPS was calculated for Iceland as a tourist destination. This is a scale that is widely used to predict the proportion of people willing to recommend, for example, a tourist destination, company or product and the proportion of those who are more likely to advise against the same factors.

The NPS score was 80.7 points for winter respondents and 71.6 points for summer respondents.

> The survey consists of questions about the reason for the trip to Iceland, travel behaviour, spending, spending habits and tourism attitudes towards various aspects of Icelandic tourism and can be accessed on the Icelandic Tourist Board website.

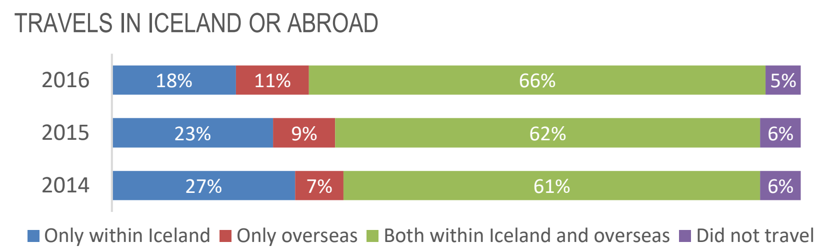
TRAVELS OF ICELANDERS 2016/2015/2014

The Icelandic Tourist Board has for many years conducted surveys among Icelanders on their domestic and international travels. A survey from January 2017 was based on a 1,370-person sample selected randomly from MMR's 18,000-person opinion group, which was randomly selected from the National Register. The response proportion was 66.4%. The results were processed according to several demographic categories: gender, age, residence, education, employment, income and length of stay.

GENDER	2014	2015	2016
Female	47%	49%	49%
Male	53%	51%	51%
AGE			
18-39 years	47%	44%	44%
40-59 years	40%	36%	36%
60-80 years	13%	19%	19%
RESIDENCY			
Capital Region	62%	64%	64%
Communities near the Capital Region	14%	12%	12%
Rest of Iceland	24%	24%	25%
HOUSEHOLD INCOME (ISK)			
Less than 249,000	14%	12%	8%
250,000-399,000	17%	15%	14%
400,000-599,000	21%	21%	22%
600,000-799,000	17%	17%	16%
800,000 and more	31%	35%	40%
JOB			
Managers and experts	28%	29%	27%
Technicians and office workers	13%	14%	17%
Waiters and shop assistants	12%	15%	12%
Tradesmen & industrial specialists	8%	9%	8%
Machinists/workers/seamen/farmers	9%	8%	12%
Students	15%	11%	10%
Not employed outside the home	15%	14%	14%

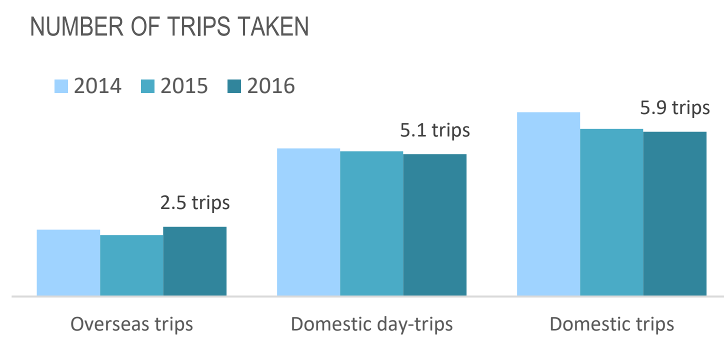
TRIPS UNDERTAKEN IN ICELAND OR OVERSEAS

Approximately 84% of respondents travelled domestically in 2016, slightly fewer than in 2014 and 2015. However, more respondents went abroad in 2016 than in previous years, or 77%, while 67% went abroad in 2014 and 71% in 2015.



NUMBER OF TRIPS

Those who went abroad in 2016 went on average 2.5 trips, as many trips as in 2014 and 2015. Those who went on a day trip also did as many day trips, or around five in total. Those taking domestic trips away from home with at least one overnight stay took, on average, 5.9 trips, fewer than in 2014.

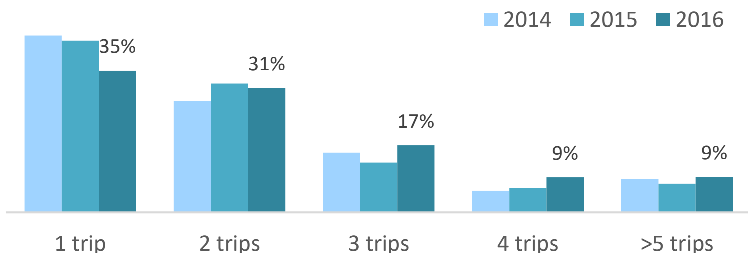


- OVERSEAS TRIPS

NUMBER OF TRIPS AND LENGTH OF STAY

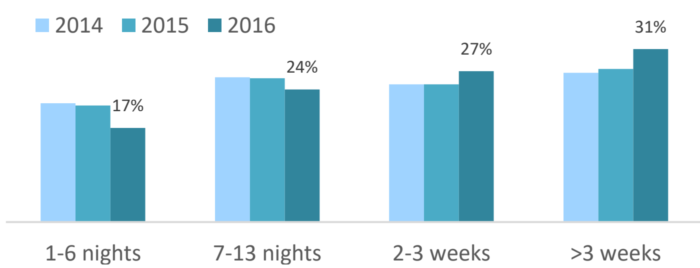
Some 77% of respondents went abroad in 2016 and went on an average of 2.5 trips. The largest number, or 35%, took one trip, 31% took two trips, 17% took three trips and 18% took four trips or more.

HOW MANY OVERSEAS TRIPS WERE TAKEN?



The average length of stay for overseas trips was 18.8nights [1] in 2016, around one night longer than in 2014 and 2015. Around 17% stayed between one and six nights, almost a quarter stayed seven to thirteen nights, about a quarter stayed two to three weeks and about a third stayed more than three weeks.

HOW MANY NIGHTS WERE SPENT OVERSEAS?

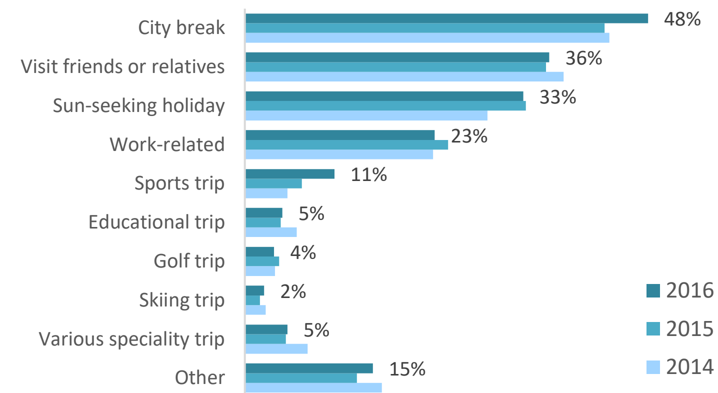


[1]Those staying longer than 100 nights were not included in the data.

WHAT KIND OF TRIP AND WHERE?

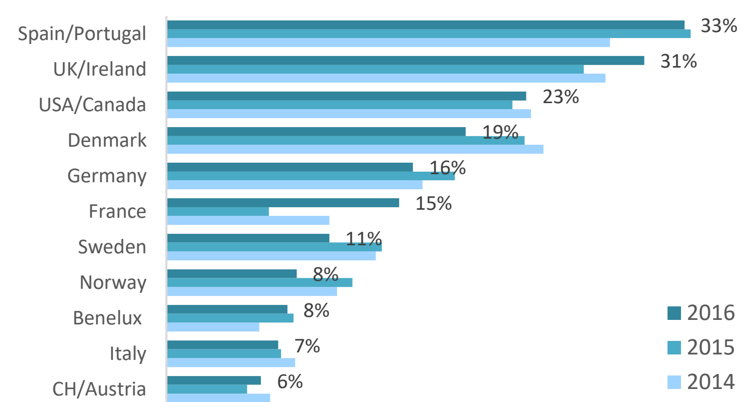
The majority went on a city or town break overseas, a visit to friends or relatives, sun-seeking holidays and a work-related trip in 2016.

WHAT KIND OF OVERSEAS TRIP WAS TAKEN?



Travels of Icelanders in 2016 were largely limited to Spain, Portugal, the UK, USA, Canada, Scandinavia, Germany and France.

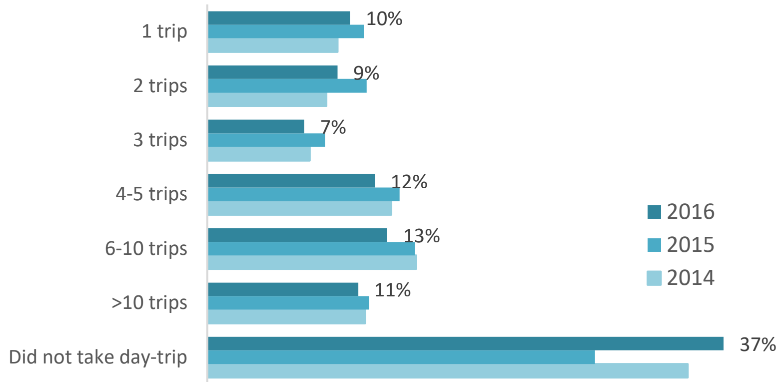
WHICH COUNTRIES WERE VISITED?



- DOMESTIC DAY TRIPS [1]

Some 63% took a day-trip in 2016, on average 5.1 times. One-quarter went on one to three trips, about 12% on four to five trips and almost a quarter on six trips or more.

HOW MANY DAY-TRIPS WERE TAKEN?



Most day-trips were to South Iceland, followed by West Iceland, Reykjanes, Greater Reykjavík, Reykjanes and North Iceland.

WHERE WERE DAY-TRIPS TAKEN IN 2016?

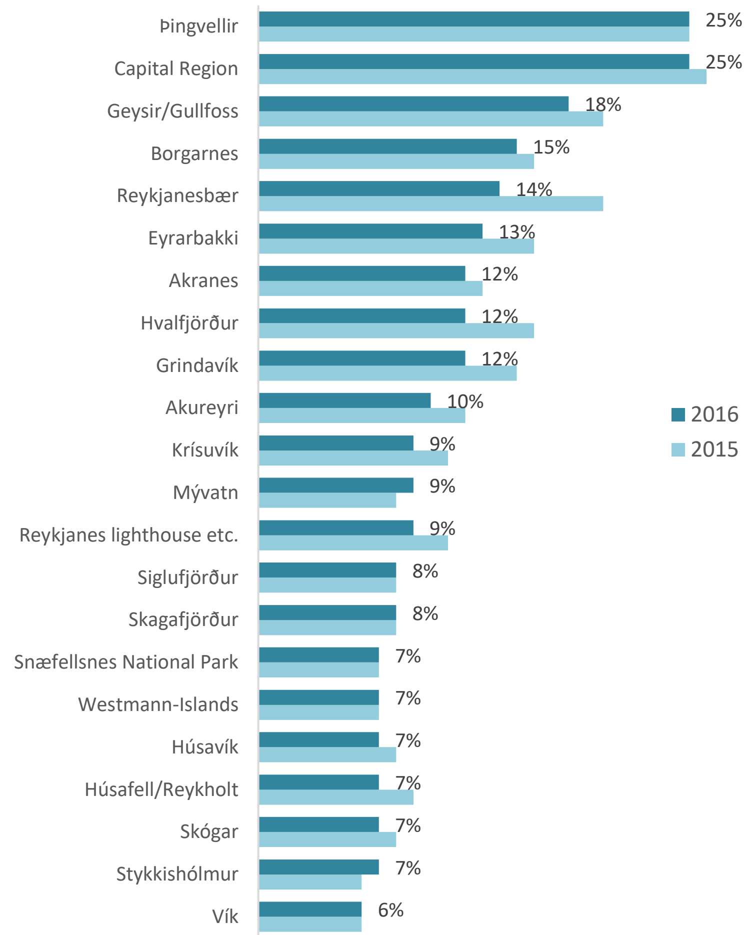
	Took a day-trips	Average no. of trips	% of day-trips
South	59%	4,6	33%
West	33%	3,2	13%
Capital Region	25%	6,4	19%
Reykjanes	24%	2,6	8%
North	22%	5,9	16%
East	7%	7,9	7%
Westfjords	7%	3,7	3%
Highlands	5%	2,5	1%

[1] *Recreational trip lasting at least 5 hours and spent away from the home without staying overnight.*

LOCATIONS VISITED ON DAY-TRIPS

Of the 56 locations asked about in various part of Iceland, the following were most often visited.

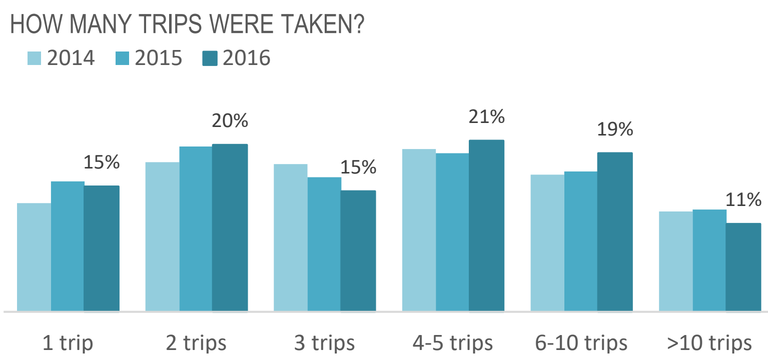
WHICH AREAS/PLACES WERE VISITED ON DAY-TRIPS?



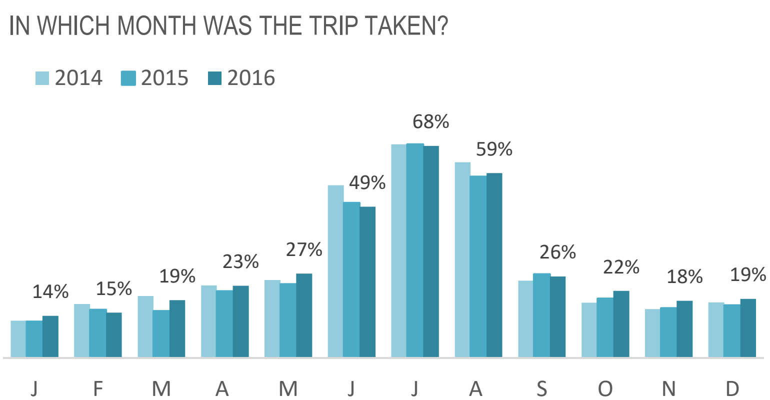
- DOMESTIC TRAVELS [1]

LENGTH OF STAY IN ICELAND

Approximately 87% travelled domestically in 2016, on average six times. Just over a third went on 1–2 trips, just more a third on 3–5 trips and just less than a third on six or more.



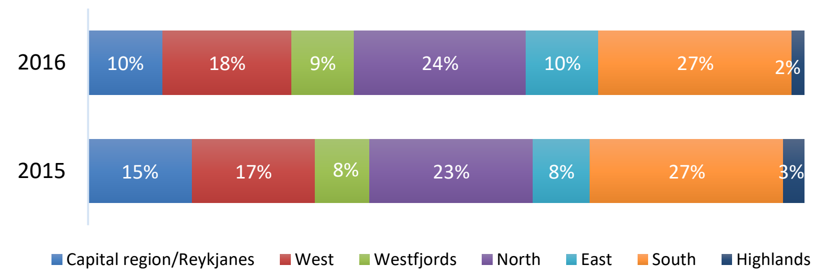
July was the most popular month for trips in 2016, closely followed by August and June. Fewer travelled at other times.



[1] *Travel away from home and staying away for one or more nights.*

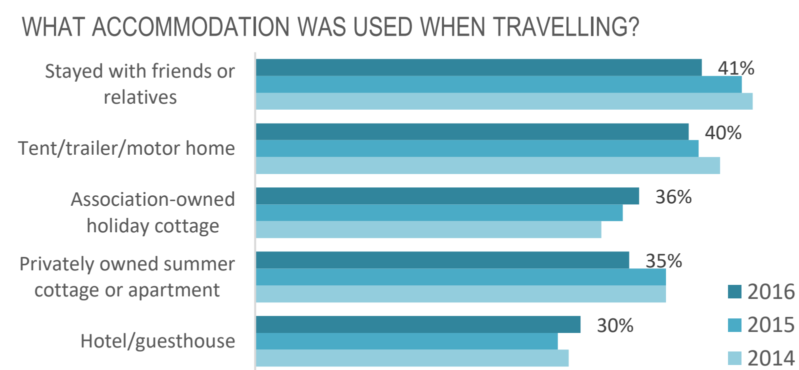
OVERNIGHT STAYS BY REGION

The average length of stay was 14.5 nights in 2016, i.e. the same as in 2015. Around 30% stayed for less than a week, 31% for one to two weeks, 19% for two to three weeks and 20% more than three weeks. The findings on length of stay by region show that around half of guest nights were spent in South Iceland and North Iceland in 2016, similar to 2015.

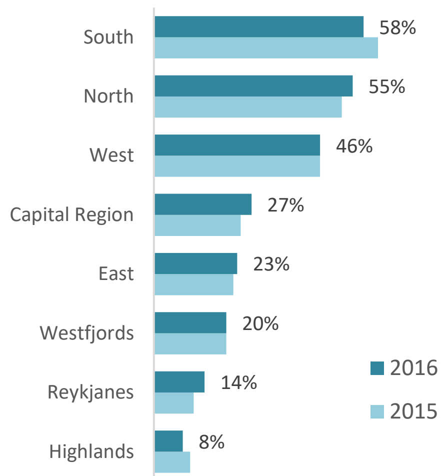


ACCOMMODATION OPTIONS USED DURING TRAVEL

The majority stayed with friends or relatives, in tent, trailer tent or motor home and in summer cottages or privately owned apartments. Stays in cottages or apartments owned by associations were also extensively used, while hotels and guesthouses came thereafter. Other form of accommodation were less used.



REGIONS AND PLACES VISITED BY ICELANDERS



MOST VISITED DESTINATIONS

Of the 56 locations specifically mentioned in the survey carried out by the Tourist Board, the following were most visited in 2016:

1.	Akureyri	38%
2.	Capital Region	27%
3.	Borgarnes	21%
4.	Egilsstaðir/Hallormsstaður	15%
5.	Húsafell/Reykholt	14%
6.	Þingvellir	14%
7.	Geysir/Gullfoss	14%
8.	Skagafjörður	14%
9.	Stykkishólmur	13%
10.	Siglufjörður	12%
11.	Mývatn	12%
12.	Hvalfjörður	12%

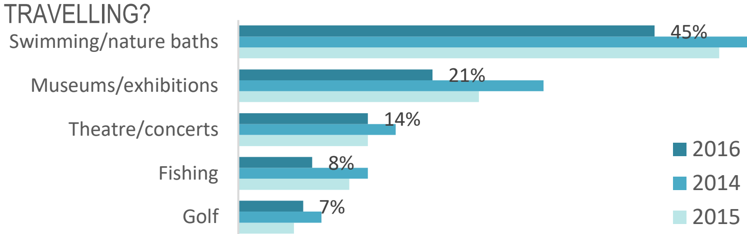
	2015	2016
Reykjanes peninsula	**11%**	**14%**
Reykjanesbær	8%	9%
Grindavík	5%	5%
Sandgerði	3%	2%
Reykjanes lighthouse & surr.	2%	2%
Krísuvík	2%	2%
Blue Lagoon	2%	1%
West	**46%**	**46%**
Borgarnes	20%	21%
Húsafell/Reykholt	14%	14%
Stykkishólmur	11%	13%
Snæfellsnes National Park	12%	11%
Hvalfjörður	10%	12%
Dalir	8%	8%
Akranes	8%	7%
Westfjords	**20%**	**20%**
Ísafjörður	10%	10%
Hólmavík/Strandir	7%	7%
Patreksfjörður	6%	6%
Djúpavík	2%	3%
Hrafnseyri	3%	2%
Látrabjarg	3%	2%
Hornstrandir	2%	2%
Flatey in Breiðafjörður	1%	2%
North	**52%**	**55%**
Akureyri	35%	38%
Skagafjörður	15%	14%
Siglufjörður	12%	12%
Mývatn	10%	12%
Húsavík	9%	10%
Hvammstangi	6%	7%
Ásbyrgi	5%	5%
Dettifoss	5%	3%
Þórshöfn	3%	3%

	2015	2016
East	**22%**	**23%**
Egilsstaðir/Hallormsstaður	13%	15%
Seyðisfjörður	4%	6%
Djúpivogur	5%	5%
Borgarfjörður eystri	5%	4%
Eskifjörður	5%	4%
Stöðvarfjörður	3%	3%
Vopnafjörður	3%	2%
South	**62%**	**58%**
Þingvellir	18%	14%
Geysir/Gullfoss	17%	14%
Vík	9%	11%
Kirkjubæjarklaustur	10%	9%
Vestmanna-islands	10%	9%
Skógar	9%	8%
Hornafjörður	8%	8%
Jökulsárlón (glacier lagoon)	6%	7%
Eyrarbakki	8%	6%
Skaftafell	6%	5%
Þórsmörk	3%	4%
Highlands	**10%**	**8%**
Landmannalaugar	3%	3%
Kjölur (incl. Hveravellir)	2%	3%
Sprengisandur	2%	2%
Herðubreiðalindir/Askja	1%	2%
Kárahnjúkar	1%	1%
Kverkfjöll	0%	1%
Lakagígar	0%	0%

RECREATIONAL ACTIVITIES

Of activities paid for during the trip in 2016, many visited the swimming pools/baths, museums/exhibitions, concerts/theatres and took part in fishing and golf. Concerts/town festivals were asked about specifically in the 2017 survey, and 12% stated that they had paid for them; the same applies to skiing trips, where 8% paid for them. Other activities were used to a lesser extent, such as spa and fitness activities and excursions of various kinds, e.g. whale watching, horse-riding and glacier trips. Around 34% did not pay for activities.

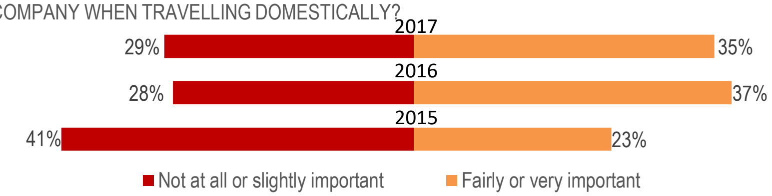
WHAT RECREATIONAL ACTIVITIES WERE PAID FOR WHEN TRAVELLING?



QUALITY AWARENESS

Around one-third of respondents in the survey in 2016 and 2017 claimed that having a recognised quality/environmental certification would have a major impact on their choice of tourism company, a higher proportion of respondents than in 2015.

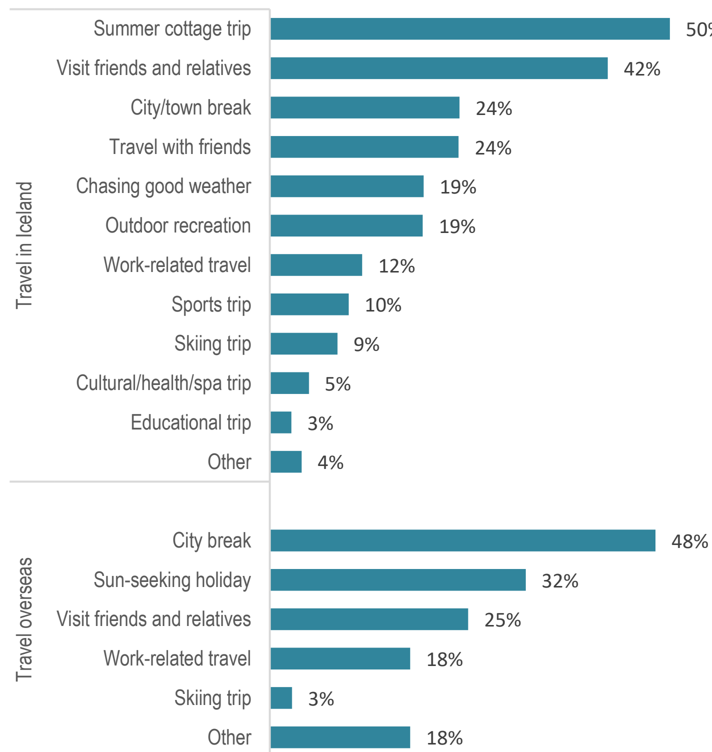
HOW MUCH OR LITTLE EFFECT DOES A QUALITY OR ENVIRONMENTAL CERTIFICATION HAVE ON YOUR CHOICE OF A TRAVEL SERVICE COMPANY WHEN TRAVELLING DOMESTICALLY?



TYPE OF TRIPS PLANNED FOR 2017

Approximately 90% have plans for travel in 2017. Of these, 58% are planning a trip to a summerhouse within Iceland, around 51% will visit friends or relatives, 42% will go on a city trip abroad, 32% on a trip within Iceland with friends, 28% on a holiday in the sun, 28% on a city or town trip within Iceland, 18% on an outdoor activities trip of some kind and 24% intended to simply follow the good weather. Approximately 11% have no plans for travel.

WHAT KIND OF TRIPS ARE PLANNED FOR 2017?

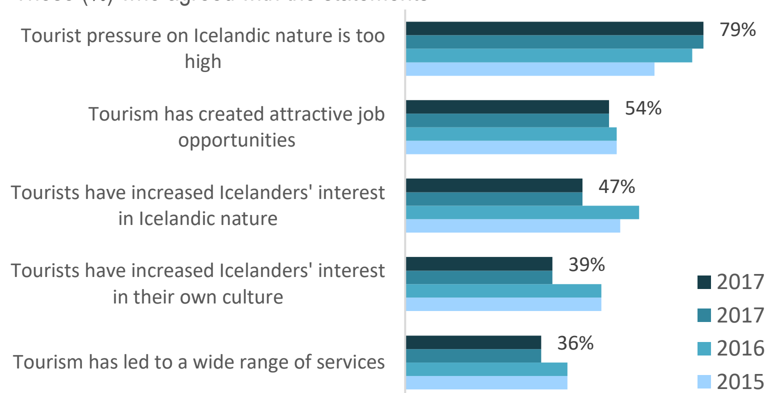


- SUBJECTIVE ASSESSMENT

EFFECTS OF TOURISM AND FOREIGN TRAVELLERS

The majority of respondents of the survey in 2017, or 79%, felt that the burden of tourists on Icelandic nature was too high. The proportion of respondents with this view has increased year after year, i.e. according to surveys, the percentages were 63% in 2014, 66% in 2015 and 76% in 2016. Nearly half believed that tourists have increased Icelanders' interest in nature, less than before. Around a third believed that tourism has resulted in a wider range of services that they were able to take advantage of, which is somewhat lower than previous surveys show. More than half of respondents suggested that tourism had created desirable jobs in their home town, but this rate seems to be falling, as 59% agreed with this statement in 2014 and 56% in 2015 and 2016. About 40% agreed that tourists had increased Icelanders' interest in their own culture, which is a much lower rate than has been observed in previous surveys.

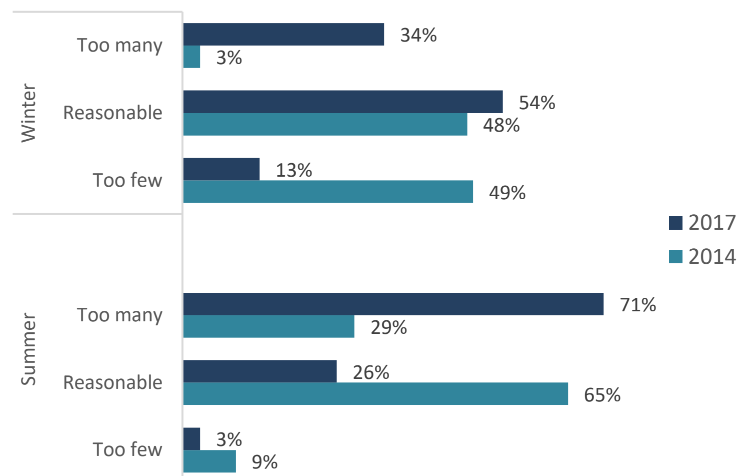
ASSESSMENT OF THE EFFECTS OF TOURISM
-Those (%) who agreed with the statements



NUMBER OF TOURISTS

When respondents were asked how they felt about the number of tourists, 71% said the number of tourists was slightly or far too high during the summer and about a third said the same about winter. More than half thought it was reasonable during the winter and about a quarter that it was reasonable during the summer. Only 3% considered tourists to be too few in the summertime, while 13% considered tourists to be too few in winter. The same question was submitted in a survey conducted by the Social Sciences Institute on behalf of the Icelandic Tourist Board at the end of 2014, but the results were somewhat different. Then, 2% felt that the number of tourists during the summer was too high and only 3% felt the same about winter.

WHAT DO YOU THINK OF THE NUMBER OF TOURISTS?



Survey among Icelanders may be found on ITB website.