

COMPARISON BETWEEN FOREIGN TOURISM IN ROMANIA AND IN EUROPE

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Abstract: *According to the World Travel & Tourism Council, out of 185 countries, Romania holds the 59th position as regards the relative importance of this sector to the total contribution to GDP. Europe is the most important tourist destination in the world, having the greatest number of international visitors each year and a market share of 51% in 2017. However, Romania is not adaptable enough to attract foreign citizens, losing the competition with the countries in the region and continuing to be a transit country.*

Keywords: *Foreign tourism, Travel & Tourism industry, Europe, Romania.*

1. Introduction

The Romanian tourism has seen an improvement in recent years, with more and more people choosing to allocate a part of their spending on holidays at home or abroad. However, numbers not always translate into higher earnings for companies operating in this sector. As the spending for Romanian citizens is considerably lower because of the smaller wages, compared to other EU countries, tourist accommodations should concentrate on attracting foreign citizens with greater purchasing power. In this sense, Romania is lagging substantially behind other countries in Europe. For example, Croatia attracts more than 90% of its tourists from abroad.

Romania should take advantage of its geographic position (South East Europe), the historical heritage and member status of the EU to attract more foreign tourists. We should mention that Europe is an important tourist destination for citizens coming from America, Asia or other continents. According to the World Tourism Organization (World Tourism Organization, 2018), Europe was the most visited region in the world in 2017 and its market share is 51% of the total international tourist arrivals (an estimate of 672 million people visited this region in 2017). In terms of international tourism receipts, Europe is yet again number one, with a market share of 39% in 2017 (a growth of 8% from 2016).

The scope of this paper is to draw a comparison of the situation related to foreign tourism in Romania and in Europe, highlighting some important goals for the future. The paper will start with a brief literature review, followed by the methodology and the main

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findings. The paper will suggest some important steps to improve foreign tourism and will end with bibliographic references.

2. Literature Review

Foreign tourism is an important part of the overall tourism sector, influencing total arrivals and earnings. Attracting citizens from other regions is a goal for most of the tourist destinations in the world. For small countries that have invested substantially to cater for foreign citizens' needs, the receipts earned from them greatly contribute to national GDP. European countries like Greece, Portugal, Croatia or the Czech Republic, with a small population, land mass and few natural resources, have allocated important funds for developing their tourist destinations and attract foreign citizens.

In 2017, 10.4% of the worldwide total GDP was generated by the travel and tourism sector, which has also supported 10% of the jobs (World Travel & Tourism Council, 2018). By 2028, this sector will have contributed to almost 12% of total GDP, supporting 12% of total employees.

Central European countries and especially Romania have a long way to catch up to the big players in the European tourism market like France, Spain or Italy (Ana, 2017), which have made important investments in setting up their infrastructure (airports, highways, railways, museums etc.) and their tourism resorts. Every year, France and Spain have more than 80 million international tourist arrivals each, and, if the growth pace continues (about 5%/year), these countries will have reached 100 million arrivals/year by the end of 2025.

According to the literature, foreign tourists contribute significantly to creating a favourable or a negative image about a country. Tourism can be a marketing and branding tool for a state if its infrastructure and destinations are well managed, civilized and clean, diversified in the sense of having different possibilities to spend one's leisure time, and the prices paid by visitors are in line with the packages offered. In Romania, we have negative publicity regarding our tourist destinations. In the media, we often hear about the fact that the infrastructure (roads, railways and airports) is not suited for the modern necessities (people spend too much time on the road; there are few highways to link airports with tourist destinations). The tourist accommodation is not at the same level compared to other countries in the region and does not have diversified packages (Nicolescu, 2008). This image and lack of investments and improvements regarding accommodation and infrastructure are important reasons why foreigners do not visit Romania. The other countries of Central Europe have managed to catch up to the West by investing in modern tourist infrastructure, with travel agencies and information centres promoting different destinations and by emphasising the preservation of the natural environment and cultural landscape (Banaszkiewicz, 2017). According to Ana (Ana, 2017), the countries of Central and Eastern Europe with the most developed tourism industry are Poland, the Czech Republic, which are also economically developed, and Croatia, which benefits from its seaside resorts.

We should not exclude the potential of attracting foreign investment if we encourage foreign tourism. When we think about tourism, we think about people spending their

free time on holidays, leisure recreation or visiting friends and relatives. Nevertheless, it involves also business and professional visits (13% of the total international tourist arrivals in 2017, WTO). These business trips can bring about foreign investment for a country and can facilitate the sharing of new ideas.

3. Methodology

The comparison between Romania and other countries in Europe in relation to the tourism sector involves analysing a number of important indicators, compiled from different sources like Eurostat, the World Tourism Organization, Romanian National Institute of Statistics, the World Bank and the World Travel and Tourism Council.

The indicators used in this research are the number of arrivals at tourist accommodation, total contribution to GDP of the tourism sector, total nights spent in tourist accommodations and the number of nights spent by individuals, the minimum net wage, international tourist receipts.

4. Main findings

As regards the contribution of travel and tourism to GDP, in 2017, the percentage was 5.3% of GDP for Romania, forecast to be at 5.5% in 2028. This value is considerably smaller than other countries in Europe or in the region (Fig.1), which have less biodiversity and land features. For Albania and Croatia, tourism accounts for more than a quarter of national GDP.

TRAVEL & TOURISM'S TOTAL CONTRIBUTION TO GDP		2017 % share
26	Albania	26.2
27	Croatia	25.0
38	Greece	19.7
54	Austria	14.8
64	Italy	13.0
72	Bulgaria	11.5
	World	10.4
	European Union	10.3
116	Hungary	8.0
119	Czech Republic	7.8
144	Slovakia	6.3
159	Romania	5.3

Fig. 1. *Total contribution of Travel&Tourism to GDP*

Source: *World Travel & Tourism Council, 2018. Economic Impact 2018 Romania*

When analysing arrivals of international tourists in Romania, it is very important to distinguish between arriving at the border crossings or airports and arriving at tourist accommodations. In 2017, the total number of foreign people passing the Romanian

borders was 12.7 million people, but only 2.7 million chose to stay in a Romanian accommodation. Most of them were passing the country to other tourist destinations. The retention rate for foreign tourists is about 22%, a rate maintained also in 2018. In Europe, Romania has one of the smallest numbers of foreign tourists (Table 1), approximatively the same as much smaller countries, like Slovakia, Estonia or Denmark and lower than Ireland, Hungary, Slovenia or Iceland.

Arrivals at tourist accommodation establishments (foreign country) Table 1

	2014	2015	2016	2017
Liechtenstein	61.251	56.666	69.084	79.262
North Macedonia	417.090	479.152	508.300	626.879
Luxembourg	1.038.475	1.089.576	1.053.653	1.045.883
Serbia	976.221	1.127.284	1.277.956	
Malta	1.399.301	1.428.801	1.468.143	1.662.358
Lithuania	1.356.835	1.388.487	1.517.890	1.583.801
Latvia	1.431.038	1.474.765	1.573.632	1.778.973
Montenegro		1.559.924	1.662.121	
Slovakia	1.459.974	1.700.746	1.995.812	2.129.507
Estonia	1.983.315	1.929.164	2.056.526	2.156.147
Cyprus	1.935.641	1.874.323	2.268.176	2.488.611
Romania	1.911.817	2.234.232	2.471.411	2.749.258
Denmark	2.465.447	2.630.938	2.767.651	2.871.593
Finland	2.731.256	2.622.039	2.788.903	3.180.254
Slovenia	2.373.990	2.669.204	2.990.794	3.543.009
Ireland	2.242.815	2.666.848	3.172.440	
Bulgaria	2.791.578	2.864.371	3.386.932	3.655.830
Iceland	2.596.740	3.376.068	3.977.547	
Hungary	4.617.751	4.928.511	5.301.843	5.650.077
Norway	4.854.610	5.303.531	5.920.859	
Poland	5.470.335	5.689.570	6.378.793	6.803.667
Sweden	5.455.363	6.267.866	6.550.337	6.840.963
Belgium	7.887.426	8.354.753	7.481.422	8.384.573
Czech Republic	8.095.885	8.706.913	9.321.440	10.160.468
Switzerland			10.385.876	
Portugal	9.688.312	10.839.925	12.343.982	14.299.650
Croatia	11.438.806	12.543.509	13.707.444	15.581.704
Greece	14.401.895	15.500.471	15.664.091	17.929.023
Netherlands	13.924.881	15.007.135	15.829.488	17.924.191
Austria	22.246.197	23.544.384	24.677.596	25.906.005
Germany	32.859.540	34.831.012	35.404.924	37.307.331
United Kingdom		44.274.119	43.469.604	
France	46.073.942	46.797.708	44.958.968	48.919.374
Italy	51.635.500	55.033.682	56.764.239	60.523.190
Spain	52.359.130	55.426.615	61.341.839	65.233.045

Source: Eurostat

Croatia, Greece or Hungary have invested considerable funds in tourism infrastructure. They have marketed themselves to attract more foreign tourists, as their internal tourism has not been sufficient to generate revenues to have a bigger impact on GDP. By 2028, Croatia will have had more than 26 million international tourist arrivals, compared to 9.5 million for Romania. However, Croatia has a retention rate of about 90% of its foreign tourists in tourist accommodations, which is considerable higher than that of Romania.

The number of foreign tourists represents only a small picture of the situation found in Romania or in Europe. To assess the attractiveness of the country, it is important to analyse the total number of nights spent at tourist accommodations (Table 2). Romania is remarkably low on the list regarding the total nights spent by foreign tourists in established accommodations. More than half (57.6 %) of the total nights spent by foreigners were spent in Spain, the United Kingdom, Italy and France, people spending more than 6 nights in the UK, about 5 nights in Spain, 6.7 nights in Cyprus. In Romania, a foreign tourist spent almost 2 nights per visit.

Table 2

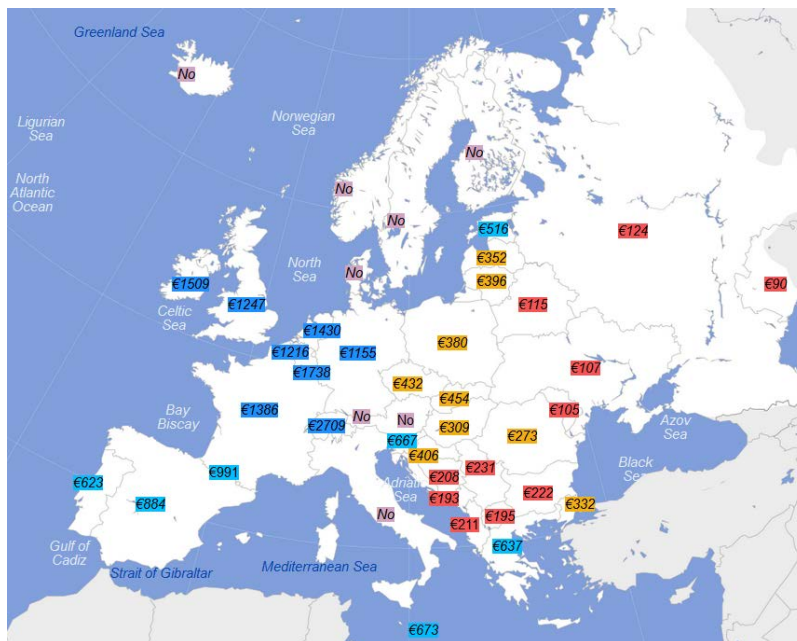
Nights spent at tourist accommodation establishments, total and nights spent/person (foreign country)

	2014	2015	2016	2017	2014	2015	2016	2017
Liechtenstein	130.202	110.465	127.747	146.892	2,1	1,9	1,8	1,9
North Macedonia	900.148	1.020.943	1.050.917	1.289.111	2,2	2,1	2,1	2,1
Luxembourg	2.513.585	2.655.733	2.637.701	2.573.589	2,4	2,4	2,5	2,5
Serbia	2.074.680	2.402.065	2.735.528		2,1	2,1	2,1	
Latvia	2.875.934	2.873.885	3.044.532	3.406.527	2,0	1,9	1,9	1,9
Lithuania	3.033.826	3.010.727	3.273.420	3.431.233	2,2	2,2	2,2	2,2
Estonia	3.919.299	3.770.207	4.014.581	4.150.419	2,0	2,0	2,0	1,9
Romania	3.762.465	4.460.017	4.812.050	5.267.970	2,0	2,0	1,9	1,9
Slovakia	3.852.147	4.384.800	5.038.214	5.316.945	2,6	2,6	2,5	2,5
Finland	5.710.702	5.510.350	5.771.275	6.742.834	2,1	2,1	2,1	2,1
Iceland	4.404.834	5.605.634	6.764.038		1,7	1,7	1,7	
Slovenia	6.004.623	6.529.086	7.252.070	8.478.019	2,5	2,4	2,4	2,4
Malta	8.428.215	8.542.055	8.622.438	9.184.162	6,0	6,0	5,9	5,5
Norway	8.451.333	8.851.422	9.672.993		1,7	1,7	1,6	
Montenegro		10.307.371	10.528.475			6,6	6,3	
Denmark	10.608.119	11.171.416	11.630.004	11.914.787	4,3	4,2	4,2	4,1
Hungary	12.351.330	12.962.395	13.802.045	14.941.781	2,7	2,6	2,6	2,6
Sweden	12.260.712	13.612.924	13.997.265	14.638.702	2,2	2,2	2,1	2,1
Cyprus	12.884.399	12.550.320	14.504.702	15.946.809	6,7	6,7	6,4	6,4
Poland	12.992.241	13.757.657	15.579.225	16.705.215	2,4	2,4	2,4	2,5
Bulgaria	14.077.798	13.352.281	16.150.666	17.105.567	5,0	4,7	4,8	4,7
Ireland	11.276.424	13.462.348	16.190.381		5,0	5,0	5,1	
Belgium	17.068.872	18.852.087	17.063.194	18.656.843	2,2	2,3	2,3	2,2

	2014	2015	2016	2017	2014	2015	2016	2017
Switzerland			23.982.739				2,3	
Czech Republic	22.110.112	23.286.515	24.268.149	26.257.013	2,7	2,7	2,6	2,6
Netherlands	34.423.552	37.297.588	39.623.541	44.169.041	2,5	2,5	2,5	2,5
Portugal	35.630.345	38.897.329	43.959.295	48.884.842	3,7	3,6	3,6	3,4
Croatia	61.072.661	65.683.010	72.064.582	80.176.804	5,3	5,2	5,3	5,1
Germany	74.805.253	78.827.773	79.946.914	83.111.219	2,3	2,3	2,3	2,2
Greece	74.675.156	78.254.524	80.025.756	89.284.386	5,2	5,0	5,1	5,0
Austria	78.099.096	80.304.956	83.398.372	86.044.321	3,5	3,4	3,4	3,3
France	130.908.700	130.464.997	123.913.410	133.499.991	2,8	2,8	2,8	2,7
Italy	186.792.507	192.607.930	199.421.814	210.658.786	3,6	3,5	3,5	3,5
United Kingdom		275.650.028	279.453.071			6,2	6,4	
Spain	259.635.794	269.418.103	294.556.428	305.907.462	5,0	4,9	4,8	4,7

Source: Eurostat and INS

The net minimum wage varies greatly across European countries (€273 in Romania, €222 in Bulgaria, €1216 in Belgium or €2709 in Switzerland – Figure 2). This has an influence on spending in relation to tourism. Countries with small wages should attract more foreign tourists with higher purchasing power.

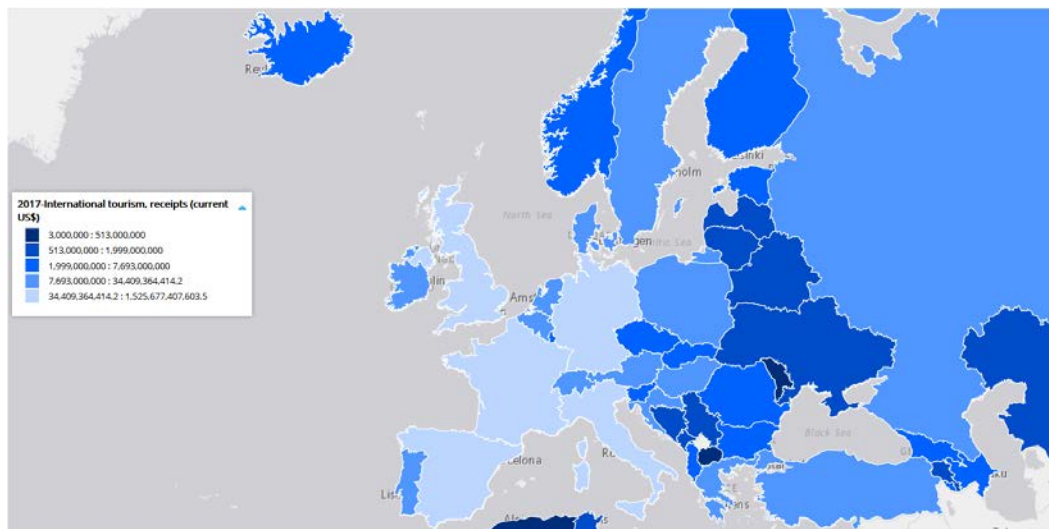


Source: Eurostat

Fig. 2. Net minimum wages in Europe

The growth of 8% in international arrivals in Europe in 2017 was mirrored by an increase in international tourism receipts by 8%. All regions saw a solid increase in receipts. The depreciation of the British pound made UK destinations more affordable.

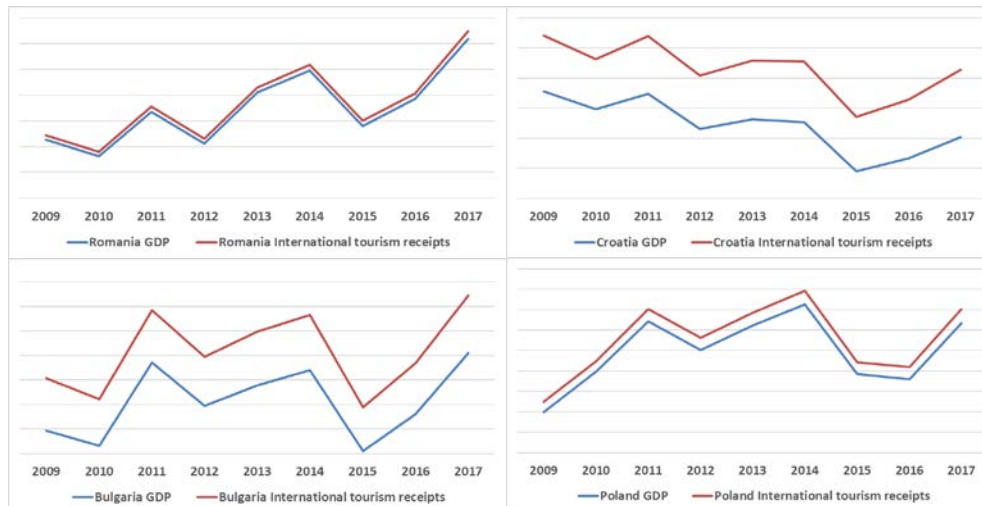
For Romania, the receipts from foreign tourists amounted to almost 3 billion dollars in 2017. The map below shows the situation in Europe regarding international inbound receipts from tourism (Figure 3). Currently Romania is in the range 2-7.7 billion dollars earned from international tourism. France (\$69.9 billion), Spain (\$68.4 billion) and Germany (\$56.2 billion) earned the most from international tourists in 2017. In Central and Eastern Europe, many states reaped the benefits from development made to attract foreign visitors, Bulgaria earning \$4.7 billion, Albania \$2 billion, Hungary \$8.5 billion, Poland \$12 billion, Czech Republic \$7.7 billion or Croatia \$11.1 billion. Romania must catch up with the countries in the region if it desires to be a relevant tourist destination in the future.



Source: *World Bank-World Development Indicators*

Fig. 3. *International tourism receipts*

Measuring the contribution of foreign tourism to the gross domestic product can be solved in several ways and by using different statistical methods. In the figure below (Figure 4), the research used a data visualization method of the trend between gross domestic product and total international receipts, calculated in current dollars. The analysis compiled these data for four countries in Europe (Romania, Bulgaria, Croatia and Poland). At a first glance, it is clear that there is a direct link between foreign tourism receipts and GDP. Periods characterized by diminishing earnings from foreign tourism match intervals in which the gross domestic product decreases. For Romania, the trend between the two indicators is almost the same, with an upward trend for GDP and receipts from international tourists, showing a strong link.



Source: *World Bank-World Development Indicators*

Fig. 4. *GDP and International tourism receipts, current US dollars*

4. Conclusions

International tourism has recovered greatly after the 2008 financial crisis, all European regions have seen an increase in international arrivals each year. At present, Romania is more a transit country for visitors than a tourist attraction, many citizens choosing other destinations in Central and Eastern Europe, like Croatia, the Czech Republic, Hungary or Poland, or in Western Europe (France, Italy, Spain). To mend the situation, Romania should first rethink and improve its infrastructure. Without fast access to tourist destinations, it will lose visitors to its competitors in the region each year. Tourism should concentrate on catering for the needs of the visitors (diversified packages) and adapt policies at nation level (concentrate on rural tourism, create smartphone apps to increase visibility, take advantage of smart tourism technology).

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