

Opportunities and Threats for Romania as a Tourist Destination after the World Economic Crisis

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Abstract: Through the geopolitical position that it holds within the continent, Romania enjoys a great advantage over competing countries. Romania is located at the crossroads of the most important trade routes of the continent: midway between the northern and southern Europe, and on the road linking Western Europe to Asia. This advantage can be developed in terms of transit tourism, but also in terms of relaxation tourism due to the relatively small distances between Romania and the western countries. The imperativeness of the road infrastructure development at the western standard will reduce the time spent on the road, given that road trips have the largest share of transport preferences of foreign tourists arriving in Romania. If one mentions the possibility of the future oil and gas pipe from the Caspian Sea to transit Romania, the country's geopolitical importance in the Central European area is more and more increased.

However, Romania has ceased to be an attractive tourist destination because of the competition, limited offers, inadequate infrastructure and services, according to the tourism development strategy published by the Romanian National Tourism Authority (NTA). According to the strategy, the Romanian tourism offer faces more problems. All types of programs offered by Romania encounter fierce competition on Western European markets, while the competing destinations offer a wide range of facilities for all the tourists.

Also, the Romanian offer is relatively limited, confined to a few resorts, and within these to only a few hotels. The services are inferior to those of the competing destinations such as Bulgaria, Turkey, Greece and Cyprus, while entertainment does not match the offer of other destinations. To these problems we can add the inadequate road and technical infrastructure, lack of superior hotels in major cities and in tourist resorts of international interest.

In terms of quality-price ratio, Romania has ceased to be an attractive tourist market.

Key-Words: world economic crisis, development, tourism.

1 Introduction

The main reasons, compared with the other central and east-European countries, Romania has a very modest presence regarding the economic performances of the tourism industry are:

- the lack of a coherent and stable action program regarding the development of tourism and
- the lack of funds for the investments for the development, the modification and the rehabilitation of the general and specific infrastructure, as a consequence of the slow and complicated process of privatisation, the application of an improper taxation,
- the inexistence of facilities in the field of bank loans.

Also, the reform of the tourist sector started very late, even if some attempts of economic reform have been made starting with the 1990s, but their application has stretched on a long period of time.

The representatives of the National Authority for

Tourism – ANT consider that the tourism field has not proved too attractive for the foreign investors (under 1% of the foreign currency capital subscribed in the period 1990-2000 per total economy). On the Romanian market, very high interests are practiced by the banks, which are unattractive, along with the permanent depreciation of the national currency, as well as the persistence of a high inflation rate.

Tourism in our country is suffering and a large period is required for recovering the private property in the case of the nationalised assets, the reduction of the purchase power of the population and the reorder of priorities and the reorientation of a part of the internal tourist request towards external destinations.

The ANT representatives offer solutions for the recovery of Romanian tourism as well, solutions which depend on a bold strategy, proper to the sector, drawn up in collaboration with the persons responsible for the operations, which could offer a

vision, a model capable to direct the production and the trade of the tourist products.

Romania can count on its natural and cultural resources, on the improvement of the accommodation conditions and services, and last but not least on the modernisation of the infrastructure to facilitate the access to the tourist potential areas, but also on the activity of internal and international presentation of the tourist potential.

The effects of the crisis will be felt next year – 2010 – on the Romanian market through the reduction of the hotel occupancy rates, the reduction of the accommodation tariffs and the reduction of the corporate tourism, the market being predicted to record a growth rate similar to that of last year, of maximum 8% (Paul Marasoiu, president and CEO of Peacock Hotels / Global Hotel Management).

Next year, the tourism market will keep the same level as this year, with a growth of maximum 6-8%, and at least until September 2008, this growth was visible due to the supplementation of the accommodation capacity from 2008, with 1200-1300 places.

The average percentage of occupancy is relatively constant, of approx. 69% at the level of the hotel units, a decrease of the occupancy rate of up to 60% being expected in the case of the luxury hotels, if the business tourism is affected by the current financial crisis. Thus, the tough loan conditions and the decrease of transactions will lead to a reduction of the corporate traffic in the next period.

2 Problem Formulation

According to these measures, the investors should not be afraid, but review the funding arrangement, knowing the fact that any crisis period is the best period of growth for the ones that have financial resources.

According to a report from the World Travel and Tourism Council (WTTC), tourism will attract this year 7.3% of the total capital investments from Romania, compared with the average of the European Union of 8.9% and the global level of 9.4%.

Tourism could increase the GIP of Romania with up to 4%. Currently, it represents only 2% of the GIP of Romania, while in Bulgaria or Greece the percentage reaches 15% of the GIP.

The tourism from the grey and black areas could contribute to the GIP of the country with up to two percent each, admitting that such problems exist regarding the hostels or hotels operating without a license and that do not pay the afferent taxes to the state. The majority of these units which function illegally are located in areas with rural, ecologic or

cultural tourism, like for instance Vrancea, and offer very low quality services.

According to the market researches, more than half of the 1100 hotels from Romania operate in compliance with the European standards, and 45% of them are open only during the summer season. During the summer season of 2008, the number of foreign tourist who visited Romania dropped with 20% in comparison with the same period of the previous year. On the contrary, the number of Romanians who chose to spend their holidays abroad rose with 30% this summer, in comparison with the similar period of the year 2007.

The entry of Romania into NATO did not create immediate opportunities as it was wrongly thought many times. This event had an important significance for us – as a state – due to the clear break up from the past, as well as for the new allies, through the clear affirmation of the democratic values. For the foreigners, Romania's adherence to NATO meant the safety, the stability, the warranty of a country that, even during economic recovery, believed in the world democratic values and whose interests were connected to the interests of the adherent countries.

The general Wesley Clark, the former leader of the American troupes in Iraq, declared while visiting Bucharest: "Romania's adherence to NATO will bring billiards and billiards of dollars from foreign investments, education for thousands of people and thousands of workplaces, a real transformation from economic, military and cultural points of view, /.../ the western business people will come to invest in Romania, because they know that now their investments are safe, but also because they will be able to take part in the transformation of Romanian society, so that this becomes compatible with the western ones."

From a tourist point of view, the entry into NATO can bring immediate benefits only through the placement of foreign military bases (American) on the territory of Romania in the areas of interest (the seaside, Timisoara, Targoviste), military bases which will bring an important currency contribution, which, through the induced effects, will develop more and more branches of the economy.

The safety of Romania, in comparison with the other European states receiving tourists, can be an opportunity that has to be exploited, as the terrorist attacks are felt in countries that, until recently, did not present any danger. Turkey and Spain are among these countries, both of them representing very important destinations for the seaside tourism.

On November 15th, 2003, in Turkey, at two synagogues from Istanbul, bomb attacks took place that ended up with 25 deaths and 300 wounded. After

only five days, at the British consulate and at the offices of the British bank HSBC, both located on the European side of Bosphorus, bloody explosions took place in which the British Consul together with other 26 victims died and other over 450 persons were wounded. According to the administration from Ankara, the attack was claimed by the Al Qaeda group and by the Islamic Block of the Combatants from the Great Orient (IBDA) – a Turkish network, whose leader is sentenced to life imprisonment.

These attacks had immediate negative results and not only on the Turkish economy. The transactions of the Turkish lira were suspended, after the currency devalued with 7 percent, immediately after the explosions.

The transactions at the stock market in London crashed immediately after the news that the attacks were aimed at the British objectives from the Turkish metropolis. The news of the attacks caused the drop in the quotations of the tourism and insurance companies' shares as well.

The investors preferred selling the shares and buying bonds or gold. In Germany, where Turkey was one of the best sold tourist destinations, the shares of the tourism companies dropped with almost six percent. A serious blow was felt by the airline companies and the hotels with businesses in Turkey. The analysts say that the tragic events like the ones from Istanbul would not have a major economic impact in the following months. If new attacks took place, it is very likely that a great part of the tourists to Turkey redirect themselves to other safer destinations.

The attacks from Madrid, from March 11th, 2004, with 199 deaths and 1400 wounded, were committed three days before the parliamentary elections from Spain and are the bloodiest in the history of modern Spain and in Europe, after the attack from Lockerbie (Scotland), which in 1988 ended up with 270 deaths. Thus, a member state of EU, as well as NATO, was struck by an attack whose effects would extend on all the member states of EU.

The attack from Madrid triggered the reduction of the economic growth of EU because of the lower expenditure rates and savings growth. Among the most affected sectors of the economy, we have to mention the aeronautics, the tourism and the luxury goods, but the fields of home appliances and cars are not excluded. Among the experts in the field, there is Herve Gouletquer, the coordinator of European studies from Credit Lyonnais, who declared: "We must not wait for a patriotic reaction like in the United States, where the Americans had been forced to consume in order to keep the economy afloat after the attacks".

3 Problem Solution

Among the threats Romania could deal with as a tourist destination, we can mention the deterioration of the economic situation of the West European countries and especially of the great issuers of tourists: Germany, Great Britain, Holland, France, Italy, Austria, to which we can add the threats of new terrorist attacks (after the Turkish and Spanish ones) which will reduce even more the tourist request.

The FMI report emphasizes the weakness of the economies in the euro zone in comparison with the rest of the world. The European Union has recorded a growth tendency based on a more vigorous external request, the internal consumption remaining at a very low level. The growth of the consumption is still waited, although the unemployment rate gives signs of reduction. The last macroeconomic indicators at the level of EU maintain the uncertainty of clearly exceeding the recession period.

Thus, the maintenance of the consumption at a low level, even in the conditions of an economic growth, is not going to favour the travels, instead it will favour the investments and the expectation for better moments.

The raise of the oil price on a world level will have negative effects on the tourist fluxes, through the raise of the plane ticket prices because of the high share of the costs related to the fuel in the total of the operational costs of an airline company. The oil price influences the economic situation of the tourist issuer countries, slowing the rhythm of economic growth with negative effects on the consumption.

If to the economic uncertainty of the majority of the EU countries the perspectives of some terrorist attacks or the reactivation of the war zones from the Balkans (Kosovo) are added, it is certain that we will assist to the constant maintenance or even a reduction of the tourist request at a European level, when all the countries from the region (Bulgaria, Hungary, Romania, Turkey, Greece) want to increase the international receiver fluxes. There will be a very strong competition among them from which Romania may be disadvantaged because of the tourism policy.

Globalisation can bring negative effects besides the positive effects related to the increase of investments, the growth of the number of work places. The negative effects will be felt on the cultural level through the deterioration, for great profits, of the customs and of the traditional way of life. Thus, the traditional food will adapt to the tourists' tastes, the folk customs will be in danger of becoming synonymous with the Kitsch, and the cultural values of the people will change after the dominant culture values, currently the American one.

For instance, although we have a specific holiday

dedicated to the lovers “Dragobete” (February 24th), celebrated for hundreds of years in Romania, we replace it with an imported holiday “Valentine’s Day” (February 14th), due to its afferent profit: small and big gifts between the loved ones, flowers, parties. In the folk tradition, this holiday has its origins in the nature’s cycles, especially the birds’ world. Not by accident, the bird is considered one of the oldest divinities of nature and love.

This is one of the negative effects of globalisation, the tourist being interested not only in the natural anthropogenic resources of the country, but also in aspects related to the cultural values, customs and traditions, specific holidays.

The great diversity of the components of the tourist consumption has lead to the need to establish the value indicators of comparison for this specific consumption of goods and services. Thus, the researchers turn to the so-called “tourist basket”, which expresses the total value of the services and the goods consumed by the average tourist during the holiday (day of stay, average stay etc) in a tourist destination.

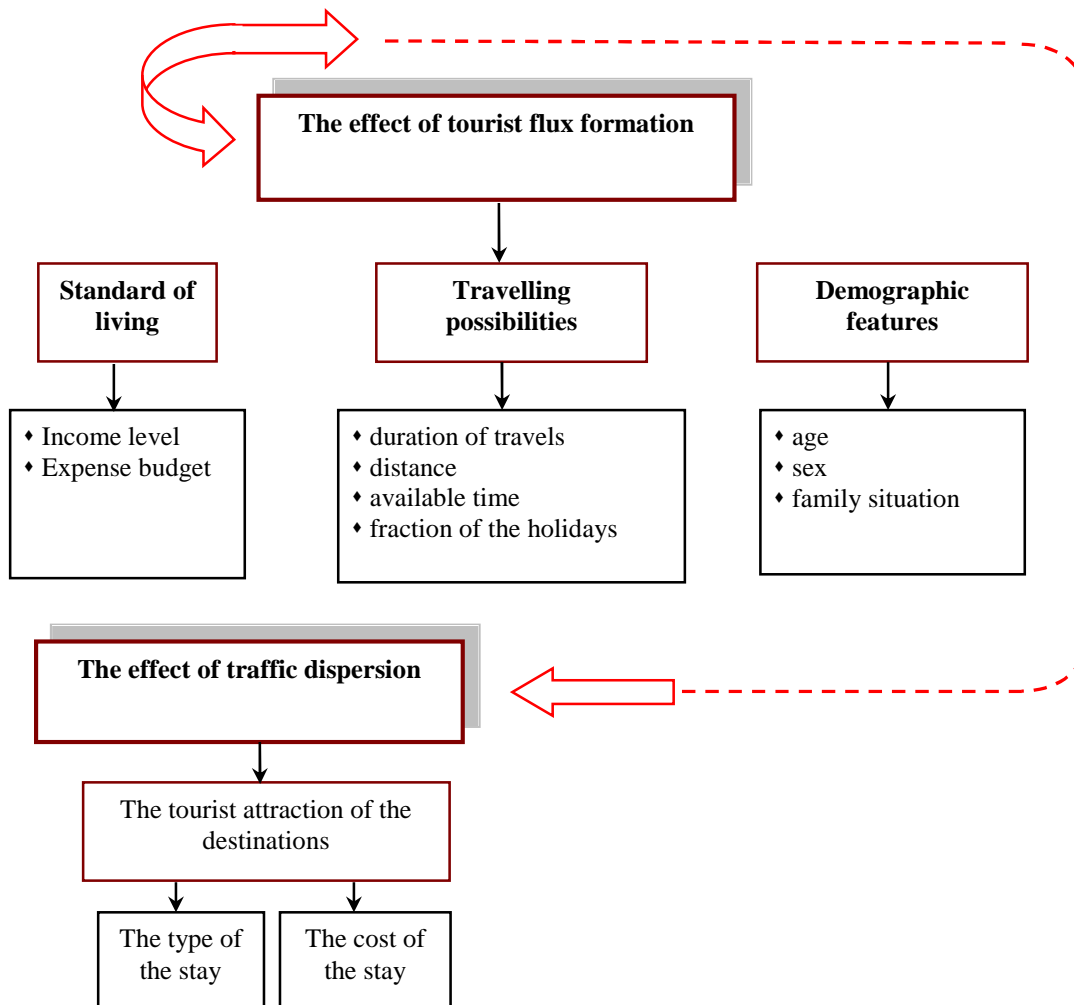
We can appreciate that such models of tourist

fluxes include two effects:

- a formation effect of the tourist fluxes: the traffic issued by different countries according to the influence of the factors connected to the standard of living (the level of the available incomes, the budget of the expenses allocable for the holiday etc.), the travelling possibilities (the duration, the distance, the available time and the fraction of the holidays etc.) and to the demographic features (age, sex, family situation etc.);

- a dispersion of the traffic effect, which depends on the relative tourist attraction of different possible destinations (according to the type of the stay – organised, semi-organized, on one’s own etc.) the cost of the stay, the various means of transport used etc.

Also, when estimating the request for tourist services, the appearance on the tourist market of new categories of consumers must be taken into account, seen not only from the point of view of the growing volume of the request, as well as of the diversification of the social structure of the request, characteristic for the market segments from which these new categories of clients are recruited (tourism for the youth, social tourism, treatment tourism).



In this sense, in tourism, the analysts distinguish three main categories of tourists, with sensitive differences regarding their aspirations and their manifestations related to the requests for the tourist products and for the holiday destinations during the crisis, like:

- tourists for whom the economic constraints are not influencing in a restrictive manner the choice for the forms and the holiday destinations and who constitute the category of luxury clients;

- “active” tourists who dispose of the financial resources or who are looking for resources to establish a financial balance between the economic means and the travel requests;

- “passive” tourists (or, in some analysts’ opinion, the so-called “captive” tourists), whose aspirations for the procurement of tourist products do not exceed the limits of their economic conditions.

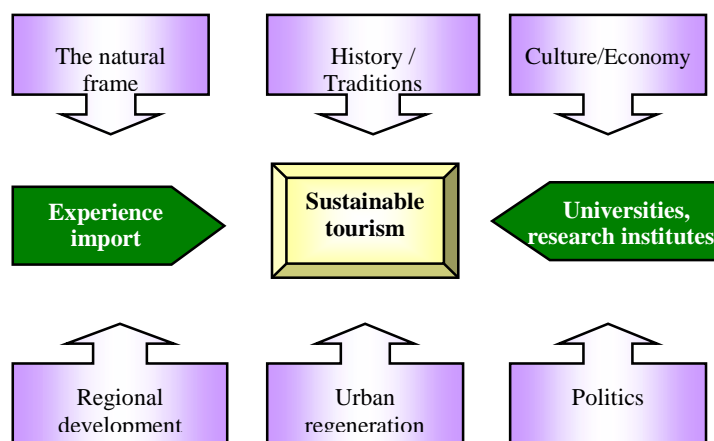
The limits of the results obtained through these models, which stimulate the behaviour and the motivations of the potential tourist clientele, represent the first stage of the researches undertaken by the field of the tourist request study. These limits are dictated by the static aspect of these models, which mirror the tendencies of the tourist traffic at a certain moment and allow only an approximation of the fluxes in their chronological evolution, from where a series of specific problems derive related to the elaboration and the interpretation of the models for analysis.

The modifications in the tourist consumption, as a consequence of some changes of the clientele’s tastes (so motivational changes) can provoke the reduction of the tourist attraction, but these mutations will turn up with a certain delay in the global number of arrivals in the considered destination.

The analysed aspects that influence the volume, the structure and the intensity in time and space of the convergent tourist currents towards certain areas receiving tourists fully reflect the great diversity and the complexity of the problems related to the research of the tourist request.

Tourism represents a field of recreation and knowledge of the persons, and for the economy of the countries – a means of activation of the economic processes and an efficient source of income. The article is focused on the analysis of opportunities and threats occurred in the development of tourism; the general problems, common for the most diverse tourist activities are formulated. The author proposes a systematic approach to the tourism branch through the elaboration of the mathematical models of the tourist processes (the economic aspect). The contribution of tourism to the development of the national economies is huge. Tourism through its specific features contributes to the solutions of the economic problems,

including the ones afferent to the tourism. The problems of the tourist activities in Romania are analysed in this article. Arguments are brought for determining the specific solutions for Romania and taken over by other countries, the dynamic of the tourist activities is analysed, the tourist activities in Romania for the previous years and finding the mechanisms for ensuring the sustainable development of tourism in Romania are studied. The evolution of the tourist activities including the conceptual approach to the sustainable development of tourism in Romania are analysed and manners of operation of tourism are proposed in the context of the European tourism, underlining the permanent inter-conditions imperative – sine-qua-non condition for the success of the sustainable tourism (see picture 2).



Picture 2: Imperative inter-conditions in the success of a sustainable tourism

The sustainable strategies in the field of tourism have all these attributes, plus other very important ones like:

- Encouraging the dialogue between the partners involved, the constitution of multi-disciplinary teams (govern, entrepreneurs, local communities, other parties interested in the future of the region and the role of tourism);
- Guiding and encouraging the investors; the contribution to the improvement of the local transport, communication infrastructure with great advantages for the local population;
- Ensuring the long term security of the investments in tourism;
- Including the idea of the preservation of nature and the cultural heritage specific to the region in the tourist development strategy;
- Protecting the monuments, the reservations of the area through the chosen strategy;
- Educating the tourists from an ecologic point of view;

- Encouraging the new-comers in tourism;
- Establishing clearly the purposes of protection for each natural area with the participation of specialists and of all those interested in their revaluation;
- Managing all the natural and cultural features that can constitute the basis of the tourist potential and the analysis of all the information;
- Identifying the values that can form the basis for the sustainable tourism;
- Determining the capacity of support for different areas, which can constitute component parts of the tourist areas;
- Stimulating the rural economies through a supplementary request for the agricultural products and a contribution to the financial capital;
- Encouraging the improvement and the use of poor productive land in agriculture, which allows the preservation of the surfaces filled with natural vegetation;
- Applying a specific management of the destination.

4 Conclusion

We consider that, although the road taken in the elaboration of a sustainable strategy in the field of tourism is hard, long and full of obstacles, it is worth trying to find the way to satisfy the needs of people as well as the ones of the environment protection and, implicitly, the rural one, which is so fragile. The evaluation of the local tourist potential of a tourist destination, as a prerequisite and a condition of the sustainable development means two initial phases:

- The analysis of the existing tourist situation, within which the offer, the request, the competition and the market tendencies are evaluated;
- The diagnosis that, taking into account the results of the situation analysis, will allow to identify the strong and weak points of the territory, to determine the opportunities and risks, and in the end to decide the possible development of tourism in the area.

Only a through evaluation, taking into account the offer, the request, the competition, the market's tendencies, will allow experts to affirm that indeed a territory possesses a tourist potential that justifies the investments in the field and the elaboration of projects of tourist development.

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