

AN OVERVIEW ON THE TOURISM MARKET DEVELOPMENTS IN THE CURRENT ECONOMIC CONTEXT

Roxana Elena POPȘA ¹

Lucian Blaga University of Sibiu

Abstract

Globally, tourism is a complex economic and social phenomenon defining for the contemporary society whose expansion has turned it into a real industry. In this sense, tourism is different from other sectors of the economy through the specificity of its content, the forms of concretization and not least through the market evolution tendencies. The reality of today's world show that tourism has been imposed in the overall development of the economy, which makes necessary and appropriate the knowledge of issues such as: inbound tourism expenditure; domestic tourism expenditure; internal tourism consumption; number of nights spent at tourist accommodation establishments; travel receipts and expenditure in balance of payment.

Keywords: international tourism, tourist arrivals, overnight stays

JEL classification: F20; L83

1. Introduction

At the end of this century, the travel and tourism industry is universally considered the most active sector of economy and, at the same time, the most important and valuable job generator. It should also be noted that political and socio-economic changes have caused in many countries of the world, to grow from year to year, the number of holidays and tourism trips inside and outside borders. Thus, the variety of tourism activities, the links between these and other branches of the national economy, have made tourism become a billion business with many national economies that depend on it. Tourism is also a major source of recovery of the national economies of those countries that have significant tourism resources and make good use of them.

¹Teaching Assistant PhD., Faculty of Economic Sciences, "Lucian Blaga" University of Sibiu, Romania , roxana.popsa@ulbsibiu.ro

Furthermore, in developed countries tourism annual increase faster than the average growth of the economy.

The tourism movement is carried out on a lot of plans, from the activation of the economic development to the specialization of the social structure, from the advanced exploitation of the resources to the optimization and the rehabilitation of the living conditions. In this context, an essential requirement lies in a multidisciplinary approach and a good knowledge of tourism market developments.

2. Tourism market – present and perspectives

2.1. General consideration regarding tourism market

Tourism industry, refers to a supposedly single entity operating across all places where tourism occurs (Leiper, 2008, p. 237). Although it has been affected by several economic crisis driven by economic and non-economic circumstances, tourism has managed to recover and record a significant growth for the global economy. (Eugenio-Martin and Campos-Soria, 2014; Čerović et al., 2015).

Specialized studies indicate that tourism industry is becoming a dynamic force in economies worldwide (Weaver and Lawton, 2010), which is reflected in tourism consumption – part of the GDP that tourists use for tourism purposes.

Tourism affects a wide range of areas, such as: employment, the environment, education, regional development, health, culture, finance and taxes. Therefore, it is, one of the fastest growing industries in the world and a key driver that can contribute to the socio-economic development as well as to the growth of political power and prestige (Burns and Novelli, 2007).

Currently, tourism is among the top growing industries in Europe and worldwide, with a major contribution to the development of the tertiary sector. In addition, it should be mentioned that tourism has undergone fundamental changes in the last period and will continue to develop in the future. It is estimated that in the long term the following issues will become more important, and will increase the tourism industry's share in GDP: the trips will take longer; the number of elderly and young tourists will grow; cultural and environmental activities will be targeted; tourists will perform more than one holiday per year.

2.2. Developments in the international tourism market

According to Eurostat statistics, in 2016, the number of nights spent in tourism accommodation establishments in the *European Union* (EU) have reached more than 2.8 billion, up by 2.2% compared with 2015. Furthermore the statistics indicate the fact that since 2009, there has been an increase in the number of nights spent in tourist accommodation establishments in the EU, mainly due to growth of the number of nights spent by non-residents.

In 2016, *Spain* (454 million nights, +7.8% compared with 2015) accentuated its lead, ahead of *France* (395 million nights, -4.6%) and *Italy* (395 million nights, +0.5%), *Germany* (390 million nights, +2.8%) and the *United Kingdom* (292 million night, -4.5%).

In this context, it should be noted that in the European Union, the number of nights spent by non-residents – between 2015 and 2016 – recorded a higher growth (+3.6%) compared to those spent by residents (+0.6%), as it can be observed from the analysis of table 1.

Table 1: Nights spent at tourism accommodation establishments

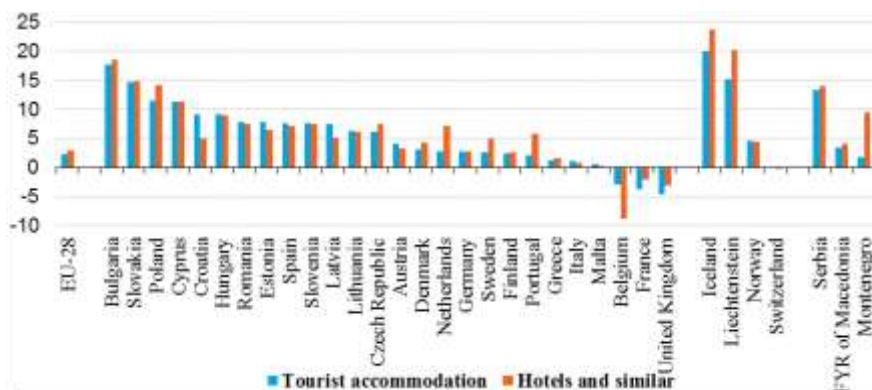
	2016*, in millions			Change 2016/2015, %		
	Total	of which:		Total	of which:	
		Non-residents	Residents		Non-residents	Residents
EU	2 842	1 312	1 530	+2.2	+3.6	+0.6
Bulgaria	25.2	16.2	9.1	+17.9	+21.0	+12.8
Czech Republic	49.7	24.1	25.6	+5.6	+3.7	+7.5
Denmark	32.2	11.6	20.6	+4.5	+4.6	+4.4
Germany	389.6	79.9	309.7	+2.8	+1.2	+3.2
Estonia	6.2	4.0	2.2	+7.7	+6.4	+10.2
Greece	99.8	78.4	21.4	+1.2	+0.2	+4.9
Spain	454.3	294.3	160.0	+7.8	+9.3	+5.1
France	394.6	121.8	272.8	-4.6	-8.7	-2.6
Croatia	77.7	72.0	5.7	+7.7	+9.6	-11.9
Italy	394.6	195.7	198.9	+0.5	+1.6	-0.6
Cyprus	14.8	14.1	0.8	+10.9	+12.0	-5.8

Latvia	4.4	3.0	1.4	+7.3	+5.8	+10.8
Lithuania	7.1	3.3	3.8	+7.3	+9.8	+5.2
Hungary	29.1	13.7	15.4	+8.1	+7.5	+8.7
Malta	8.8	8.5	0.3	-0.8	-0.5	-8.2
Netherlands	106.7	39.6	67.1	+3.0	+6.6	+1.0
Austria	118.8	84.2	34.6	+4.8	+4.8	+4.8
Poland	79.6	15.6	64.0	+11.8	+13.1	+11.4
Portugal	60.6	40.5	20.0	+1.7	+4.0	-2.7
Romania	25.4	4.9	20.6	+8.5	+8.9	+8.4
Slovenia	10.6	6.9	3.7	+7.3	+10.3	+1.9
Slovakia	14.1	5.1	9.0	+16.0	+15.6	+16.3
Finland	20.1	5.6	14.5	+1.8	+1.9	+1.7
Sweden	56.1	13.9	42.2	+2.5	+3.1	+2.3
United Kingdom	291.9	119.8	172.1	-4.5	+1.6	-8.3
Iceland	8.0	6.8	1.2	+18.7	+18.5	+20.0
Liechtenstein	0.1	0.1	0.0	+15.6	+15.0 +	+48.5
Norway	33.2	9.8	23.4	+4.8	+11.4	+2.3
Switzerland	35.4	19.2	16.3	-0.5	-1.9	+1.2
Montenegro	11.2	10.5	0.7	+1.6	+2.0	-4.5
FYR of Macedonia	1.7	1.0	0.6	+3.2	+2.6	+4.1
Serbia	7.5	2.7	4.8	+13.0	+12.2	+13.4

Source: Eurostat, 2017

Although, most of the countries mentioned in table above, have registered an increase in the number of nights spent at tourism accommodations establishments, in 2016 compared to 2015, there are several exceptions that are worth mention, namely: *France*, where this number decreased by 4.6% and *United Kingdom*, where the number of nights decreased by 4.5%. In this context, it should be highlighted that *Romania* registered an increase by 8.5% of the total number of nights spent by tourist – in accommodations establishments – in 2016, compared with 2015 (see figure 1)

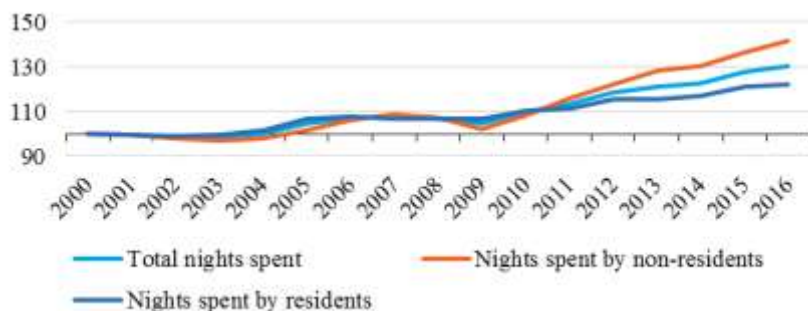
Figure 1: Percentage change in number of nights spent in tourist accommodation establishments, 2016 compared with 2015 (%)



Source: Eurostat, 2017

In 2016, the EU tourism accommodation sector continued its recovery that started in 2010 following the two years of decline, in 2008 and 2009. Meaning an increase with 20.25% in 2016 compared with 2010, in the total nights spent (see figure 2.)

Figure 2: Number of nights spent in tourist accommodation establishments, EU, 2000-2016



Source: Eurostat, 2017

From an economic point of view the importance of international tourism can be appreciated by the ratio of international travel receipts relative to GDP. Therefore, tourism is a key driver for the economic development of European Union member states, especially for the ones with a higher ratio of travel receipts to GDP, namely: *Croatia* (18.1 %), *Malta* (13.4 %) and *Cyprus* (12.7 %); as it can be observed from table 2.

Table 2: Travel receipts and expenditure in balance of payments, 2010–2015

	Receipts			Expenditure			Balance (million EUR) 2015
	(million EUR)		Relative to GDP 2015 (%)	(million EUR)		Relative to GDP 2015 (%)	
	2010	2015		2010	2015		
EU	76117.1	115808	0.8	86503	101026	0.5.	14 783
Belgium	8 620	10788	2.6	14313	17066	4.2	-6 278
Bulgaria	2 574	2 838	6.3	626	1006	2.2.	1 832
Czech Republic	5419	5 465	3.3	3 216	4304	2.6	1 161
Denmark	4 420	6 028	2.2	6 809	8042	3.0	- 2014
Germany	26 159	33265	1.1	58934	68 859	2.3	- 36594
Estonia	809	1 287	6.4	478	885	4.4	402
Ireland	3 106	4 320	1.7	5 358	5 121	2.0	- 801
Greece	9 611	14126	8.0	2 156	2 038	1.2	12 088
Spain	41218	50 892	4.7	12788	12654	1.5	35 238
France	35464	41 387	1.9	29016	34 628	1.6	6 759
Croatia	6 221	7 954	18.1	629	681	1.6	7 273
Italy	29257	35 555	2.2	20415	22 013	1.3	13542
Cyprus	1 629	2 241	12.7	956	961	5.4	1 280
Latvia	484	807	3.3	490	554	2.3	253
Lithuania	729	1 040	2.8	644	858	2.3	182
Luxembourg	3 128	3 873	7.4	2670	2 988	5.7	885
Hungary	4 235	4 797	4.4	1821	1 649	1.5	3 147
Malta	814	1 247	13.4	234	332	3.6	915
Netherlands	8 850	11 907	1.8	14473	16 138	2.4	- 4231
Austria	14027	16 420	4.8	7 717	8 206	2.4	8 214
Poland	7 259	9 440	2.2	6 505	7 154	1.7	2 286
Portugal	7 600	11451	6.4	2 953	3 612	2.0	7 839
Romania	860	1 542	1.0	1 238	1855	1.2	-313

Slovenia	1926	2257	5.9	923	822	2.1	1435
Slovakia	1684	2192	2.8	1471	1917	2.4	275
Finland	2301	2307	1.1	3251	4305	2.1	-1998
Sweden	6324	10201	2.3	9172	12997	2.9	-2796
United Kingdom	24923	41116	1.6	41631	57192	2.2	-16075
Iceland	-	1459	9.6	-	901	6.0	558
Switzerland	11128	14756	2.4	8461	14458	2.4	297
Montenegro	-	813	22.4	-	40	1.1	773
FYR of Macedonia	-	240	2.7	-	144	1.6	97
Serbia	-	944	2.8	-	993	3.0	-49
Turkey	17202	24004	3.1	3923	4842	0.6	19162
Albania	-	1352	13.2	-	1116	10.9	236
Kosovo	328	717	12.3	105	176	3.0	541

Source: Eurostat, 2017

Taking into account the absolute terms, and analyzing the data contained in the table above we can say that the top five countries with the highest international travel receipts in 2015 were: *Spain* (EUR 50.9 billion), *France* (EUR 41.4 billion), *United Kingdom* (41.1 billion), *Italy* (35.6 billion) and *Germany* (33.3 billion).

At the same time, *Germany* was the country with the highest level of expenditure on international travel (EUR 69.9 billion), followed closely by the *United Kingdom* (EUR 57.2 billion) and *France* (EUR 34.6 billion).

The data provided above also indicate that *Spain* recorded the highest level of net receipts from travel in 2015 (EUR 35.2 billion), while *Germany* was the EU Member State with the biggest deficit (EUR -36.6 billion).

Not least, the importance of tourism industry for the economic development and population welfare is highlighted by the fact that according to Eurostat studies tourism generated 4.8 million jobs in the nine countries for which data were available, with Spain leading the way. In 2011 for example there were 2.3 million tourism-related jobs in Spain, representing 48% of the total for all nine reporting countries. At the same time, Netherlands represented 12.6% of the total (606.000 tourism-related jobs), and Romania 8.1% with 388. 871 tourism-related jobs.

3. Conclusions

Analysing the data mentioned in the paper we can say that tourism market has the potential to contribute towards employment and economic growth of many countries, especially for the European Union Member States – on which the study was focused on – and thus to the development of European regions.

Therefore, the continuous growth of tourism accommodation sector, starting with 2010 and up to now, justified by the increase with 20.25% in 2016 compared with 2010 – in the number of total nights spent in tourist accommodation establishments – but also the ratio of travel receipts to GDP indicate the importance of the hospitality industry in the economic development of a country.

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