

ROMANIAN TOURISM IMPORTANCE AS
AN ELEMENT FOR INCREASING THE
COMPETITIVENESS OF THE NATIONAL
ECONOMY

Abstract

The tourism industry has an important contribution to the GDP of a country, both through domestic consumption of tourist services and receipts from international tourism. According to data provided by the National Statistics Institute, domestic tourist movement in 2014 slightly exceeded the 6.5 million residents. This paper is a theoretical approach and presents an empirical research on tourism potential and its importance in the development of tourist activity. It can be said that Romania's tourism potential is of great complexity and of inestimable value due to various forms of territory and history of the Romanian people.

Keywords: tourism, competitiveness, economy, Romania, development

JEL CODES: Z30, Z32

**IMPORTANȚA TURISMULUI
ROMÂNESC CA UN ELEMENT
PENTRU CREȘTEREA
COMPETITIVITĂȚII
ECONOMIEI NAȚIONALE**

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Rezumat

Industria turismului are o contribuție importantă la PIB-ul unei țări, atât prin consumul intern de servicii turistice și încasările din turismul internațional. Conform datelor furnizate de Institutul Național de Statistică, mișcarea turistică internă în anul 2016 a depășit cifra de 7 milioane de locuitori. Lucrarea este o abordare teoretică și prezintă o cercetare empirică asupra potențialului turistic și importanța sa în dezvoltarea activității turistice. Se poate afirma că potențialul turistic din România este de o mare complexitate și valoare inestimabilă datorită diferitelor forme de teritoriu și istoria poporului român.

Cuvinte cheie: turism, competitivitate, economie, România, dezvoltare



1. INTRODUCTION

General characteristic aspect of contemporary international economic relations is that, although domestic factors remain decisive, national economic performance depends to a large extent on its participation in the international economic circuit as part of the global economy. Tourism was established as a complex phenomenon, taking a special scale in the context of overall development of economy and society in the world, standing out both by high growth rates and its presence in geographically more extensive. This is currently the most profitable and dynamically developing economy, the stimulating factor for raising living standards in many countries (Bari, 2005). Sectorial Operational Program "Increase of Economic Competitiveness" is the main instrument for achieving two of the thematic priorities of the National Strategic Reference Framework, namely, long-term growth of economic competitiveness in Romania. Although the economy has progressed substantially in recent years, Romania has important gaps in competitiveness compared to western and central Europe. Everything is reflected ultimately in low productivity, which defines competitiveness issue in Romania. One element that may have an important role in boosting economic competitiveness in the medium and long it may be increasing competitiveness and improving the image of Romanian tourism in Romania by promoting tourism potential (Buruiana, 2008). This objective requires strengthening measures to develop and promote international development in Romania as a tourist destination, with a national sustainable tourism industry.

2. CONSIDERATIONS ON THE MEANING OF THE NOTION OF COMPETITIVENESS

In the globalized economy fierce competition for economic benefits from international markets is essential for economic development. Consequently, any differences in social, cultural, economic, institutional, legal, etc. may become decisive factors in gaining an economic advantage over competing states (Băcanu, 2009). Given the complexity of the forms of economic advantage, they have formulated various theories and many famous authors have elaborated on the concept of economic advantage. Moreover, the term economic advantage appears in theories of development, mainly dedicated to international trade. A quick review shows that economics are aimed at identifying elements that generate an economic advantage. Thus, Adam Smith, who is considered by many as the father of economics, showed how specialization and division of labour increases productivity and achieve an advantage theory of Adam Smith was taken and refined by David Ricardo in his famous theory of international trade, which demonstrates how a country can get through a lower cost of production compared with its competitors, a comparative economic advantage. Both economic theory, although

different in international trade implications, highlights the same: technical superiority as the main factor generating an economic advantage and superiority can be achieved through effective investment in capital and infrastructure (Stiglitz, 2010). Productivity determines a country's ability to sustain a high level of income is one of the determinants of return on investment, which explains such growth potential of an economy (Florea, 2007).

3. IMPACT OF EUROPEAN INTEGRATION ON TOURISM DEVELOPMENT

Tourism is an extremely important internationally, growing strongly in recent years, a sector generating new jobs (Băltărețu, 2009). According to statistics from Eurostat (Table 1) were tourist destinations of the preferred internal and claim that it is known that about three quarters of their preferred to visit their native (75.3%), the rest of the destinations are outside country of residence. In some Member States of the European Union, more than half of tourist trips of 2014 were destined for abroad, the most visited countries are Luxembourg, Belgium, Malta, Slovenia, and Switzerland. However around 10% of trips made by tourists from Greece, Spain, Romania and Portugal were foreign travels. It may be noted both that in 2008-2010 due to the financial crisis experienced by all countries, there has been some decrease in the short term the number of nights spent in a tourist accommodation (in 2008 number of tourism nights spent in EU-28 decreased by 0.6% and by a further 2.1% in 2009). In 2016 the positive development continued growth accelerating to 3.5% and 4.4% in 2016. In the latter year, the EU-28, the number of tourism nights spent in hotels and accommodation agro-tourism has peaked at 2.8 billion, up 2.4% compared to 2013.

| | Number of trips (thousands) | | | Breakdown of all trips by destination and duration (%) | | | | Share of the population (aged 15+) taking part in tourism trips for personal purposes (%) |
|--------------------|-----------------------------|--------------------------|------------------------|--------------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-------------------------------------------------------------------------------------------|
| | All trips | Short trips (1-3 nights) | Long trips (4+ nights) | Short domestic trips (1-3 nights) | Long domestic trips (4+ nights) | Short outbound trips (1-3 nights) | Long outbound trips (4+ nights) | |
| EU-28 (*) | 1 106 743 | 636 831 | 469 912 | 50.8 | 24.5 | 6.8 | 17.9 | 50.9 |
| Belgium (*) | 13 330 | 4 989 | 8 361 | 13.0 | 6.9 | 24.3 | 55.8 | 49.2 |
| Bulgaria | 3 966 | 2 179 | 1 787 | 49.9 | 36.1 | 5.0 | 8.9 | 22.2 |
| Czech Republic | 31 280 | 19 679 | 11 601 | 59.3 | 23.3 | 4.6 | 13.8 | 73.5 |
| Denmark (*) | 29 164 | 20 947 | 8 217 | 62.5 | 10.9 | 9.3 | 17.3 | 83.0 |
| Germany (*) | 248 582 | 132 711 | 115 871 | 45.1 | 19.7 | 6.3 | 26.9 | 77.9 |
| Estonia | | | | 53.4 | 6.4 | 19.2 | 21.0 | 82.9 |
| Ireland | | | | 40.6 | 9.7 | 15.9 | 33.8 | 70.6 |
| Greece | | | | 39.6 | 52.2 | 1.6 | 6.5 | 36.0 |
| Spain | 132 351 | 91 134 | 41 217 | 68.3 | 28.2 | 2.6 | 5.0 | 53.3 |
| France (*) | 225 025 | 120 875 | 104 149 | 59.8 | 38.3 | 2.9 | 8.0 | 72.1 |
| Croatia | 9 151 | 5 175 | 3 976 | 42.1 | 25.9 | 14.4 | 17.5 | 47.2 |
| Italy | 52 687 | 25 135 | 27 551 | 41.5 | 37.0 | 6.2 | 15.3 | 42.5 |
| Cyprus (*) | 2 545 | 1 379 | 1 166 | 43.3 | 10.5 | 10.8 | 35.3 | 51.6 |
| Latvia | 4 402 | 3 361 | 1 041 | 64.0 | 7.7 | 12.4 | 16.9 | 61.4 |
| Lithuania | 4 353 | 2 680 | 1 673 | 47.5 | 12.0 | 14.1 | 26.5 | 56.2 |
| Luxembourg | 1 680 | 741 | 938 | 3.0 | 0.3 | 41.1 | 55.6 | 84.9 |
| Hungary | 16 050 | 10 561 | 5 489 | 63.3 | 20.9 | 12.5 | 13.3 | 36.8 |
| Malta | 526 | 256 | 270 | 32.0 | 4.1 | 16.8 | 47.2 | 50.6 |
| Netherlands | 43 247 | 22 646 | 20 601 | 42.8 | 17.0 | 9.6 | 30.7 | 83.5 |
| Austria | 22 401 | 12 355 | 10 037 | 36.3 | 16.0 | 16.9 | 28.8 | 75.6 |
| Poland | | | | | | | | |
| Portugal | 14 940 | 9 817 | 5 123 | 63.5 | 27.6 | 2.2 | 6.7 | 36.7 |
| Romania | 17 682 | 10 490 | 7 192 | 58.7 | 35.9 | 0.7 | 4.8 | 25.1 |
| Slovenia | 4 637 | 2 990 | 1 647 | 35.6 | 7.9 | 28.7 | 27.7 | 61.4 |
| Slovakia | 6 894 | 3 856 | 3 038 | 50.0 | 19.1 | 5.9 | 25.0 | 56.0 |
| Finland | 39 083 | 29 573 | 9 510 | 63.7 | 14.3 | 11.9 | 10.1 | 88.5 |
| Sweden | | | | | | | | |
| United Kingdom (*) | 161 113 | 91 696 | 69 417 | 50.6 | 18.0 | 6.4 | 25.1 | 65.7 |
| Switzerland (*) | 18 752 | 8 609 | 10 142 | 23.1 | 12.4 | 22.9 | 41.7 | 83.4 |

TABLE 1 - TOURIST TRIPS OF RESIDENTS IN 2016
 Source: Eurostat Tourism Highlights

4. ROMANIAN TOURISM COMPETITIVENESS

Indisputable tourist potential of Romania is marked by two components: natural component represented by scenic landscapes, diverse mix of relief, favourable climatic conditions, therapeutic value and abundance of natural healing factors and anthropogenic component represented by artefacts civilizations that succeeded in Romania in dark times, monuments and art secular or religious, museums and museum collections, ethnographic and folklore elements of great beauty and originality, current prestigious achievements (Cândea and Erdeli, 2003).

These are highly attractive elements of Romanian tourism offer, presenting a wide range of forms of tourism: subsistence hunting and fishing, itinerant tourism with cultural values, professional tourism, etc. Future Romanian tourism depends to a decisive manner its ability to harness the great potential it has, to adapt the requirements of the expansion of tourist demand and raising quality in all aspects of its work. As the number of foreign tourists who arrived in Romania in the period 2012-2016 can be seen that the number of tourists increased annually but at a reduced scale starting from the figure of 1.343 million foreign tourists in 2010 climb to the 1.715 million tourists foreigners in 2016. As a share of world tourism number of foreign tourists in Romania accounted for 0.7% of total tourists worldwide. In the first four months of 2016 compared to the corresponding period of 2015, the number of foreign tourists who arrived in Romania increased by 4.9%.

Of the total arrivals, arrivals of Romanian tourists in the establishments of tourist reception with functions of tourists represented in April 2015 75.4%, while the foreign tourists were 24.6%, weights close to those of April 2016. In terms of foreign tourist arrivals in tourist reception, the biggest share was held by those from Europe (77.7% of total foreign tourists), and of these, 86.3% were from countries belonging European Union (Pistol and Gurgu, 2010). Of the total overnight stays, Romanian tourists 'overnight stays in the establishments of tourists' reception with functions of tourists represented in 2014 76.8%, while foreign tourists accounted for 23.2%. Regarding foreign tourists in the tourist reception, the biggest share was held by those from Europe (75.6% of total foreign tourists), and of these 85.8% were from countries belonging to the European Union.

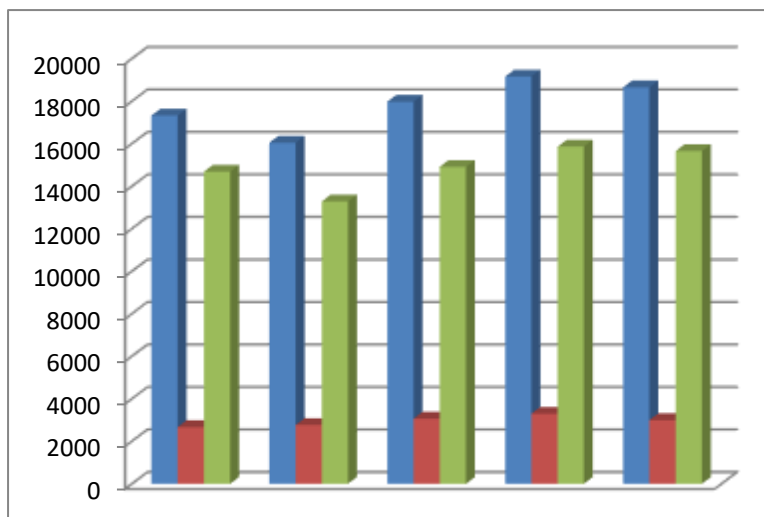


FIGURE 2 - OVERNIGHTS IN ACCOMMODATION UNITS (2012-2016)
 Data source: INS 2012-2016

Increasing the number of units for the period under review due to the support of European programs for financing rural construction and development of tourist facilities and the willingness of investors with financial resources from other industries, to invest in hotel establishments (especially in cities).

Tourism activity increasing economic competitiveness as long as they bring out all constituents. Regarding the share of tourism in GDP of Romania can be seen (Figure 3), that if in 2012 we find a value of 1.8%, in 2016 it reached a value of about 2%.

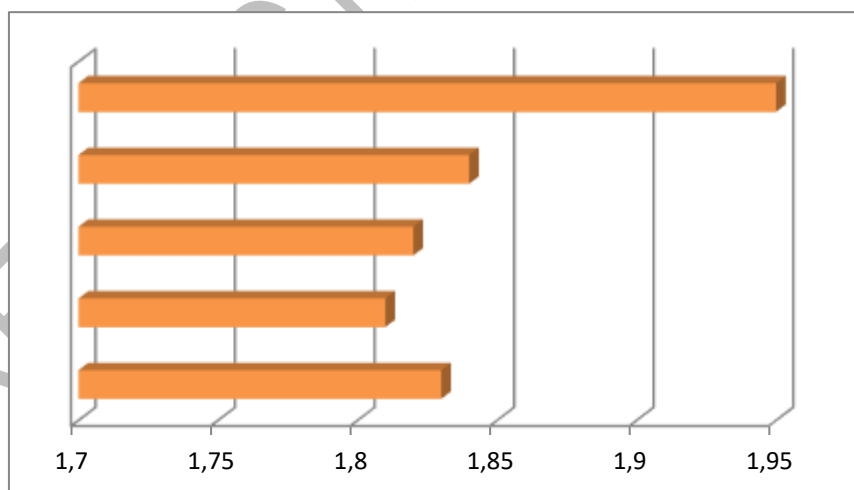


FIGURE 3 - THE CONTRIBUTION OF TOURISM TO GDP (2012-2016)
 Source: INS, 2016

5. DEVELOPMENT OF NATIONAL TOURISM

Recovery attractions in different parts of the country can contribute to the growth of urban centers in decline, by favouring the emergence and development of local firms, transforming areas with low economic competitiveness in areas attractive to investors. In all developing regions, development of tourist attractions is largely limited by the quality of tourist areas infrastructure, services in general, and of accommodation and entertainment, in particular, were the major obstacles to tourism development. Tourism development must take into account the principles of sustainable development, conservation, and protection of natural and cultural heritage, and reducing human pressure on the environment, inherent in the practice of large-scale tourism (Olaru, 2011).

| | 2011 | 2016 | 2021 | 2026 |
|--------------------------------------|-------|-------|--------|--------|
| Romania's GDP (billion euros) | 106,2 | 142 | 181,4 | 231,3 |
| Total income from tourism (bn. Euro) | 4,562 | 7,008 | 10,714 | 16,082 |
| Revenue as a percentage of GDP | 4,3 | 5 | 6 | 7 |

TABLE 2 -ESTIMATES OF TOTAL TOURISM REVENUES AS A PERCENTAGE OF GDP
Source: National Bank of Romania

Tourism creates opportunities for diversifying local economies, due to the capitalization of local revenues can contribute to economic growth by stimulating different parts of the country the emergence and development of local companies, transforming areas of low economic competitiveness in areas attractive to investors. This will be achieved by improving infrastructure and tourism services, tourism diversification and development of eco-tourism, health tourism, cultural and historical. The main opportunities for tourism development in the short term are natural and cultural resources: resorts, areas of historical buildings, monuments, museums, art. These cultural preservation initiatives proposed by local authorities will be supported by a territorial planning consistent conservation (and, where possible, restoring) historical areas adjacent towns and villages, maintaining traditional architectural styles and conservation areas medieval history. Tourism has an impact on reducing gender disparities in unemployment structure by using a predominantly female workforce.

CONCLUSIONS

The first conclusion is that tourism contributes one of the economic sectors that have experienced the most rapid expansion in recent decades. The economic benefits of tourism industry are manifold. The

tourism industry generates a significant number of jobs and investments in this area have a relatively short payback period. Tourists create additional demand for services and consumer goods, thereby stimulating the economy tertiary sector, services, trade and craft industries. Meanwhile, tourist destinations tend to be urban infrastructure and services developed. Tourism is a specific socio-economic phenomenon of modern civilization rooted in society and, as such, influenced its evolution. Addressing the broad social segments and responding fully to their needs, tourism stands out by a high dynamism, both nationally and internationally. Through its mass and its contents complex, it involves a potentially vast material and human, with important implications for development of economy and society, on national and international human relationships. The main indicative actions aimed at investment in the rehabilitation and development of tourism infrastructure, creating adequate infrastructure in health tourism, winter sports.

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