

## **TOURISM SECTOR IN ROMANIA: MAIN FEATURES**

Lect. Liliana Popescu Ph. D  
University of Craiova  
Faculty of Social Sciences, Geography Department  
Craiova, Romania  
Assist. Amalia Bădiță Ph. D Student  
University of Craiova  
Faculty of Social Sciences, Geography Department  
Craiova, Romania  
Assist. Sorin Avram Ph. D Student  
University of Craiova  
Faculty of Social Sciences, Geography Department  
Craiova, Romania

**Abstract:** Tourism is, for many countries, the main economic driver and a priority domain for any future sustainable development strategies. Romania, despite being endowed with many natural and cultural sites, ranks behind most of the European countries in terms of tourism competitiveness due to the improper marketing, as well as the incapacity to have a correct and proper vision and to update existing products and tourist services. The paper aims at analysing the current features of the tourism sector in Romania, focusing on the most recent trends of the sector as well as inbound tourism, receipts and expenditure. Great attention was paid to the key drivers for the tourism market, analysing the country's position in international ranking regarding the travel and tourism competitiveness.

**JEL classification:** F14, F59

**Key words:** tourism development; tourism receipts; tourism expenditure; inbound tourism; tourism intensity

With a rich natural and cultural landscape, the potential for tourism in Romania is considerable. Still, despite its diversity, Romania has not asserted its place among the top destinations at European level, losing even its privileged position and traditional international markets during the communist period, mainly as a result of a poor management of tourist products and marketing at all levels.

### **1. RECENT TRENDS**

The number of tourism nights spent by the residents and non-residents is a major indicator for the tourism development. The number of nights spent by tourists in Romania amounts to more than 20 million in 2008, having raised by 17% since the year 2000. Although the figure may seem quite high, Romania accounts for only 0.9% of the total nights and 1.4% of the nights spent by non-residents in the European Union. However, it is worth mentioning that the number of nights spent by non-resident tourists in Romania in 2008 increased by 56% as compared to the year 2000.

The number of nights spent by foreigners has slowly increased during the last fifteen years, lately reaching 17% of the total nights spent in structures of tourist receptions with functions of tourist accommodation. Until 2006, Germany was the main country of origin, accounting for almost 16% of the international tourism nights, followed by Italy (12.5%) and France (8%). Together with the USA, Hungary and Great Britain, these countries made for more than half of the total international nights spent in Romania [3].

By analysing the changes in the structure of the number of tourism nights spent by non-residents by tourist destinations, the role of the tourism business becomes obvious: the number of nights spent by foreign tourists in towns has increased during the last fifteen years, now accounting for more than two thirds of the total number of nights [6]. On the other hand, the importance of the Romanian seaside and spas on the European market collapsed, with sharp decrease in the number of nights spent by foreign tourists on the seaside resorts (from 31% in 1994 to only 10% in 2008) and spas (only 4%), as a result of the poor infrastructure, out of date accommodation structure and rather poor services.

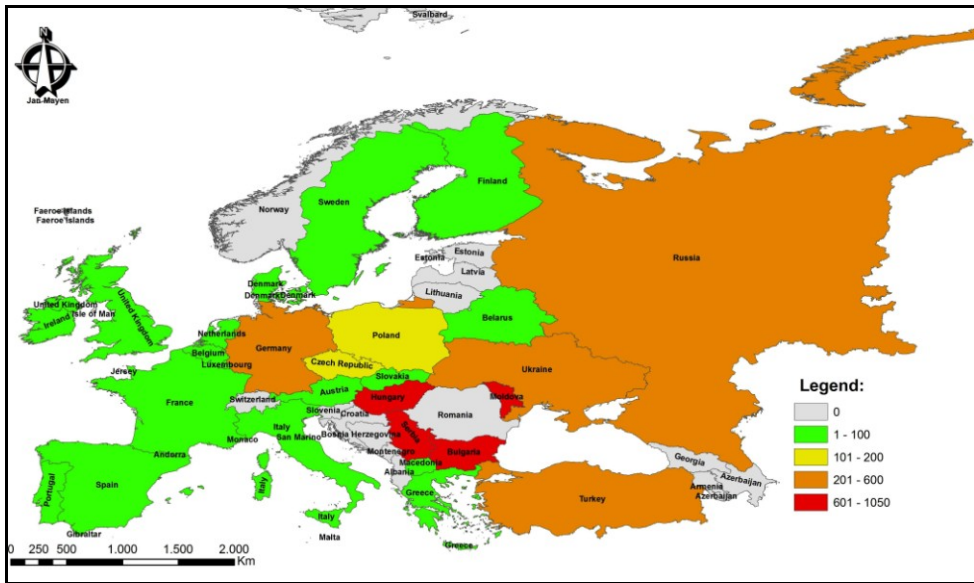
### ***Tourism intensity***

Tourism intensity, i.e. the number of nights spent per 1000 inhabitants, places Romania on the last places in the European Union, together with Lithuania, with 963 and 965 respectively, the increase during the last year being quite modest, of only 20%, way below the neighbouring countries, such as Bulgaria, where this indicator has almost tripled during the last eight years. When analysing the tourism intensity on major regions (NUTS 1 level), Macroregion 3 has had the best performance, with an overall increase of almost 60%, mainly due to the increase in the tourism intensity in Bucharest-Ilfov Development Region, where it doubled during the analysed period as a result of the ever increasing business trips to the capital city and surrounding area. The weakest performance was registered by Macroregion 2, where this indicator was almost constant, and where the South-Eastern Development Region, including the seaside resorts, was the only one with a negative increase (-3%).

## **2. INBOUND TOURISM**

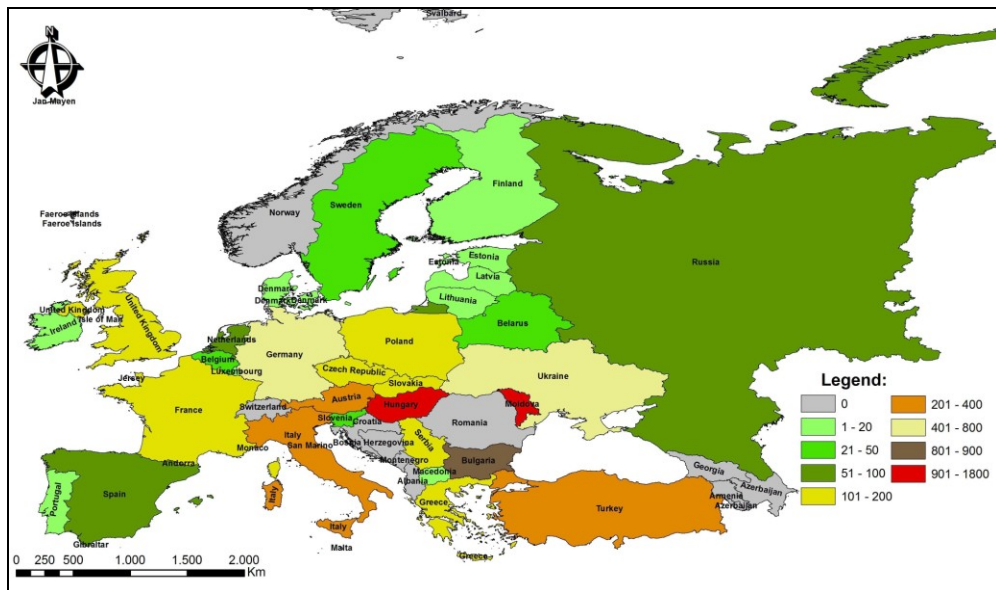
During the last twenty years, great structural changes were registered in the inbound tourism flows. In 1990, immediately after the fall of communism, 6.5 million foreigners visited Romania. The number of foreign tourists, although having a positive trend, oscillated, decreasing from 1992 to 1998 with almost 25%, followed by a short period of a 10% increase (1998-2000) and 10% decrease (2000-2002). After a steady increase from 2002 to 2004, the number also decreased. However, in 2007 and 2008, there was registered the maximum number of foreign tourists coming to Romania – 7.7 million persons.

At the beginning of the 1990's, the main tourism markets for inbound tourism were represented by the neighbouring countries: Bulgaria, Hungary, Ukraine and Serbia (varying between 10 and 16% of the total number of foreign tourists). The Western European countries had a very small share, with less than 4% of the total inbound flows (Fig. 1).

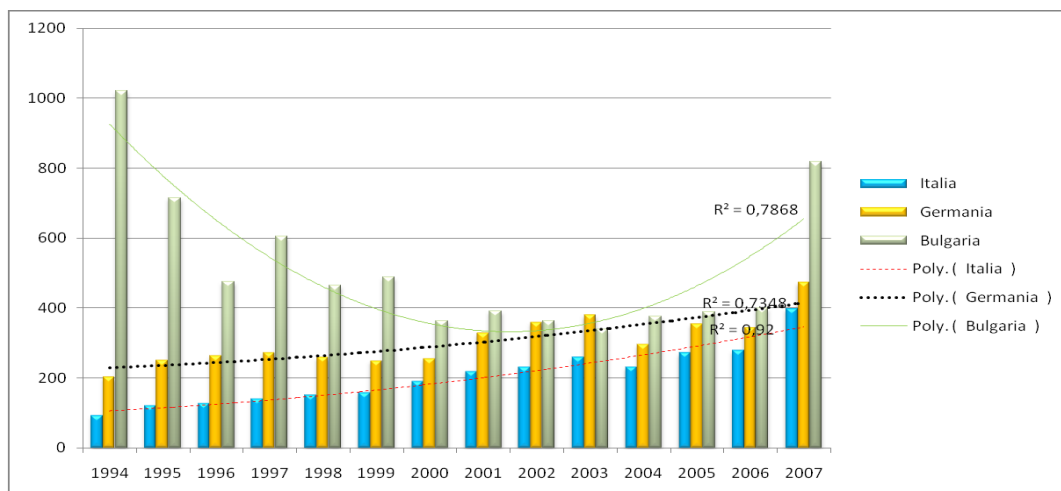


**Figure no. 1 Romania's inbound tourism at the beginning of the 1990's**

Once Romania joined the European Union, there is no longer any border strict control, and thus there is no mechanism for collecting data regarding touristic flows. There is no direct information about the volume of inbound and outbound tourism, most of the figures being estimated using the National Study of Households, Tourism Demand of Romanian Residents and other market studies. According to these studies, in 2007, 94% of the foreign visitors in Romania came from the European countries, and most of them from the neighbouring countries: Hungary 23%, Republic of Moldova 14%, Bulgaria 11% and Ukraine 9% (Fig. 2). Germany and Italy are the only Western countries that account for more than 5% of the inbound flows during the last years (Fig. 3).



**Figure no. 2 Romania's inbound tourism (2007)**



**Figure no. 3 The evolution of the tourist flows from specific countries and the polynomial function of values**

### 3. TOURISM RECEIPTS AND EXPENDITURE

Tourism's contribution to the Romanian economy is very low, the proportion of international tourism receipts in the country's GDP being around 1%, despite the fact that international tourism receipts grew steadily during the last years, from 359 million US\$ in the year 2000 to 2 billion US\$ in 2008 [4], the annual increase in the international tourism receipts being much higher than that of the European Union. Still, Romania is well behind the neighbouring EU countries in terms of tourism receipts, cashing only half of Bulgaria's revenues from international tourism.

The estimations for 2009 indicated that in 2009 tourism activities would contribute to 2.1 per cent of the direct industry and 5.9 per cent of the total GDP. Although the studies indicate a decline of the travel and tourism activities to the GDP and to the economy employment in the year 2009, between 2010 and 2019, the travel and tourism economy is expected to grow by 6% annually. That means a more steady growth than that of the European Union, estimated at 2.7% / year and 4% worldwide.

Tourism expenditure has also increased significantly during the last years, exceeding 1 billion € in 2006, reaching 1.36 billion in 2008, multiplying almost four times since 2000. According to the EU classification of countries (Panorama on tourism), Romania is considered a mainly origin country<sup>1</sup>, together with Western countries with high income, such as Denmark, Germany, the Netherlands and Sweden, since the balance between receipts and expenditure has been almost always negative.

The ratio of international tourism receipts to expenditure oscillated around 1.00; this fact indicates that although the share of number of nights spent by non residents is

<sup>1</sup> Origin countries are those countries where the number of nights spent by resident tourists abroad exceeds the number of nights spent by foreign tourists in the country, or where the international tourism expenditure exceeds receipts.

quite low, the foreign tourists have a relatively high 'expenditure capacity', which is typical for business tourism [3].

#### **4. KEY DRIVERS FOR TOURISM MARKET**

In order to have a comprehensive picture of Romania's competitiveness in the international market, two studies published by the World Geographic Forum were analysed: The Global Competitiveness Report 2009-2010 and The Travel & Tourism Competitiveness Report 2009. Among the new EU members, Romania and Bulgaria are the weakest economic performers, at rank 64, being in the transition from the first economic stage (factor driven economy) to the second economic stage (efficiency driven economy).

##### ***Market and accessibility factors***

The governments' prioritization of the travel and tourism sector greatly impacts on the travel and tourism competitiveness on the international market. Despite the fact that there was a Master Plan for the development of tourism in the 90's, no concrete actions were undertaken. Lately, the Romanian Government considered that it was highly necessary to have a Master Plan for tourism development, in order to set up the baselines for implementing a sustainable approach of tourism development in Romania [7].

Although the Master Plan has been drawn up and that the government and particularly the Ministry of Tourism engaged in fulfilling it, for 2009, Romania has a very poor score for the prioritization of the travel and tourism sector, at rank 102 out of 133 countries analysed, mainly as a result of the low ranks for most of the indicators of the 5th pillar. Only the government expenditure for travel and tourism is seen as a competitive advantage on the international market, at rank 42 (4.4% of the total budget), above Slovenia, Czech Republic or Bulgaria, that have much more foreign visitors. The development of the travel and tourism industry is hardly seen as a priority for the Romanian government, Romania lagging at the bottom of the ranking, together with Chad, Cameroon, Bangladesh or Burundi. The effectiveness of marketing and branding to attract tourists is also very bad, Romania trailing behind the performance of all the EU countries, except for Slovak Republic. The T&T fair attendance index is not good either, Romania attending less than half of the 13 major T&T fairs in 2007-2008.

The price competitiveness in the T&T industry is also highly important, lower prices increasing attractiveness. Unfortunately, Romania is a very weak performer at this category too, at rank 110 in the general classification of countries, ticket taxes and airport charges, extent and effect of taxation, fuel price levels and hotel price index placing our country on the last third of the ranking.

The T&T business environment and infrastructure, although having a better score than the other indicators, is also seen as a competitive disadvantage in most of the cases, due to the poor quality of the infrastructure in terms of air transport, roads and railroads.

##### ***Technology factors***

During the last decade, many countries have taken great advantage of the development of internet and e-commerce, the ICT technologies and multimedia to promote their tourist offer on the international market. Unfortunately, despite the fact that Romania is considered to have a competitive advantage in terms of internet users, broadband internet subscribers and mobile telephone subscribers, with very good scores, the extent of the business internet use is rather limited, Romania being ranked on the 69th, most of the

time failing to reach the potential tourists on the internet and to impact on their travel decision when choosing a destination.

The design of the Romanian tourism sites are considered as out of date by most of the Western tourists, and, most important, it is not upgraded and some of the information presented there is not correct. Romania has only recently been present on major independent travel web sites, such as Lonely Planet or [www.europe-travelers.eu](http://www.europe-travelers.eu), the latter having only a link to the official tourism web site of Romania, which is only in Romanian and English, and is partially out of date, presenting in the Events section only past events. For a better communication and information for potential tourists, the web sites must be the absolute priority, together with registration on some relevant web pages for travel and tourism [7].

## 5. CONCLUSIONS

Romania is an emerging country on the map of main tourist destinations, as well as for the origin of touristic flows. Since the number of foreign visitors is not significant, Romania's tourism depends heavily on the touristic demand. The main problem is the poor infrastructure of the country, which is a must for any future sustainable development of tourist activities, as well as the services offered, the hospitality sector requiring well trained and specialized personnel, having the proper attitude and mentality. The quality of the touristic products must be a strategic component and a key factor for the promotion of the country on the international market, in the present economic context, when there is a rapid and continuous diversification of touristic destinations and products.

## REFERENCES

1. Cianga, N. România. Geografia turismului, Presa Universitara Clujeana, Cluj-Napoca, 2001
2. Minciu, Rodica, Popescu, Delia, Padurean, Mihaela, Homoiu, R. Economia turismului. Aplicatii si studii de caz, Uranus, Bucharest, 2007
3. \* \* \* EUROSTAT, Panorama on Tourism, European Communities, Luxembourg, 2008
4. \* \* \* UNWTO, World Tourism Barometer, Madrid, Spain, 2009
5. \* \* \* UNWTO, International Recommendations for Tourism Statistics 2008, Madrid, 2008
6. \* \* \* Romanian Statistical Yearbook, Institutul National de Statistica, Bucuresti, 2008
7. \* \* \* Master Plan for the Development of the National Tourism. 2007-2016, Ministry of Tourism