

EXPLORING TOURISM DYNAMICS: CHALLENGES IN TIMES OF CRISIS

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ABSTRACT: *This article aims to present an overview of tourism flows evolution in Romania during the last decade and discuss its recent dynamics, taking into account challenges of the global economic crisis. Accordingly, we synthesize the results of some comparative analyses of the main indicators reflecting the flows of visitors (foreigners and residents) based on official statistics. Thus, after presenting the trends of yearly evolution in 2000-2008 comparative with 1990, we analyze monthly dynamics in 2007, 2008 and the first seven months of 2009 looking for the early signs of crisis. In addition, we point out the main evolutions and challenges of the tourism industry, as identified by recent studies of some representative organizations in the world and EU.*

KEY WORDS: *tourism industry; tourist flow; arrivals of foreign visitors (inbound tourism); departures of visitors abroad (outbound tourism); overnight stays; international tourist arrivals; global economic crisis*

1. INTRODUCTION

The various stakeholders in Romanian tourism have increasingly spoken over the past two decades about the considerable potential justifying the efforts for supporting the development of this industry. In addition, many works, studies, also official papers in the field have pointed out this potential, the need for its unlocking, and possible ways of approaching the specific issues at the national and regional level (e.g. Olaru, 2005; Popescu et al., 2005; Băleanu et al., 2006; MT, 2007).

Unfortunately, implementing some effective actions had a slowly pace if we consider the tourism evolutions as reflected by the main indicators statistics. As a barometer of the degree of capitalizing on tourism potential, the tourist flow in Romania registered significant variations, with a tendency to decrease comparative

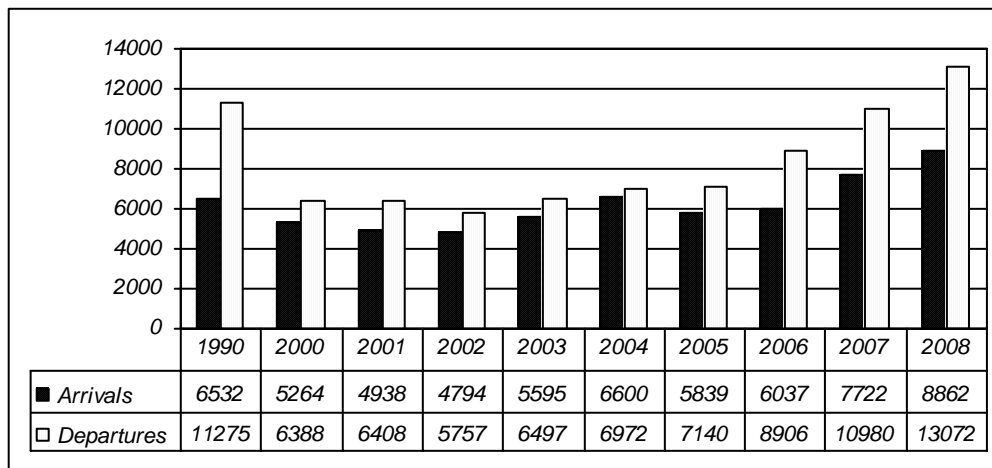
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with 1990, mainly explained by the specific context of socio-economic and political changes during transition period. A positive sustained trend appeared only after 2005. This allowed an optimistic reconsideration of chances for the so long expected revitalization, implicitly related to the expectations of some new opportunities in Romanian tourism, following the integration into the European Union (EU).

After presenting an overview of the general evolution previously described on brief, our paper investigates and discusses the recent dynamics of tourism flows, in an attempt to find how and when were felt some early signs of global economic crisis. Finally, the paper synthesizes the main international evolutions and challenges of tourism industry relative to the crisis, as recently described by representative organizations in the world and EU.

2. AN OVERVIEW OF THE ROMANIAN TOURISM FLOWS OVER THE LAST TWO DECADES

The tourist flow or the flows of visitors that define inbound and outbound tourism of Romania (arrivals of foreign visitors in the country and departures of Romanian visitors abroad) visible fluctuated after 1990, with an overall decrease tendency kept also during the first years of the current decade. The evolution of these two indicators in 2000-2008 period show some differences, but the number of departures registered at border points (in thousand) exceeds constantly the number of arrivals. This fact is visible also in 2007 and 2008 when their levels become comparable with, and respective higher than, those attained in 1990 (see figure 1).

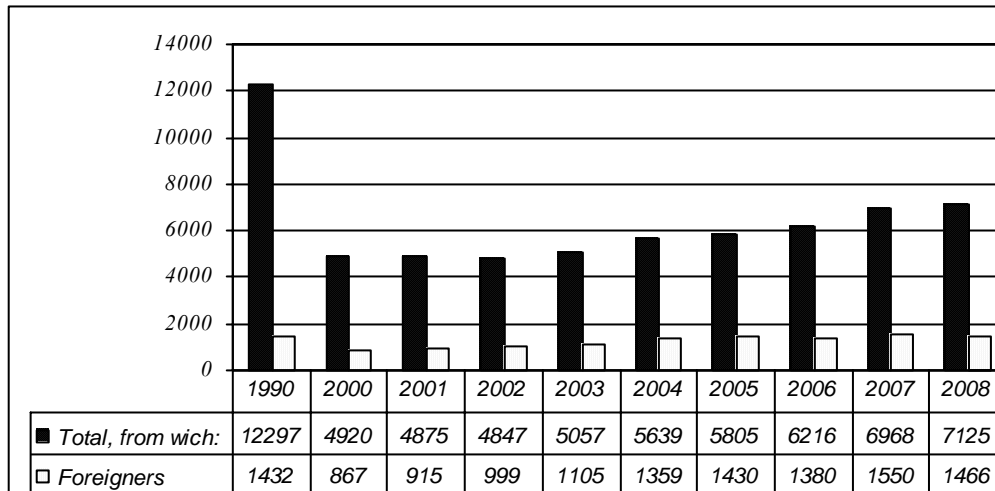


Primary data sources: NIS, 2007a; 2007b; 2008b

Figure 1. Tourist flow in Romania (arrivals & departures at border points) – yearly evolution 2000-2008, comparative with 1990

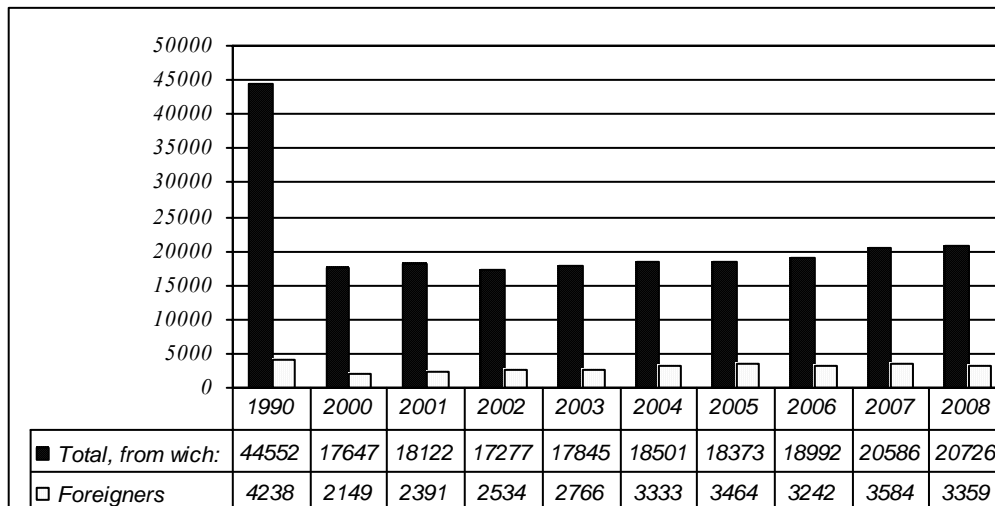
The positive dynamics of arrivals and departures, outlining an increase tendency during the last part of the considered period (2005-2008), could relate to the January 2007 moment, when Romania became member state of EU. In order to verify

if this tendency is consistent with other important tendencies for tourism activity, we extended analysis on the statistics about the main indicators of using tourist accommodation capacity. Accordingly, our attention focused on yearly evolutions of arrivals and overnights stays registered in the main establishments of tourist reception with functions of tourist accommodation during the same period, by total and by foreign tourists (figure 2 and figure 3).



Primary data sources: NIS, 2007a; 2007b; 2008b

Figure 2. Arrivals in the main establishments of tourist accommodation, 2000-2008 evolution, comparative with 1990



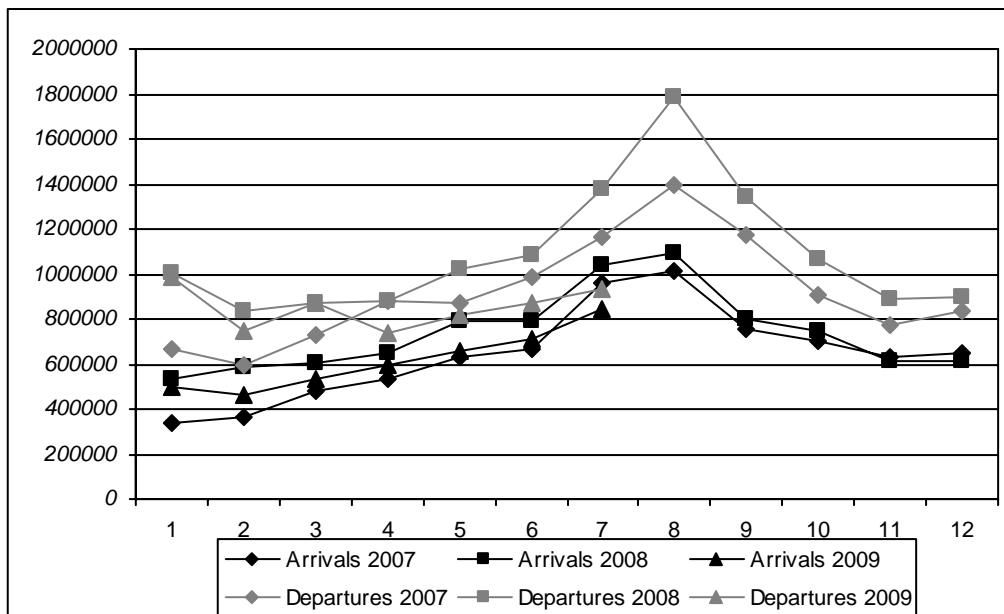
Primary data sources: NIS, 2007a; 2007b; 2008b

Figure 3. Overnight stays in the main establishments of tourist accommodation, 2000-2008 evolution, comparative with 1990

As it can be seen in the two precedent graphs (figure 2 and 3), the main customer segment of the tourist accommodation activity in our country is that of the resident tourists (Romanians). Both in the case of arrivals and overnight stays, foreigners represent less than 1/3 of total, in each year of the 2000-2008 period (with an average of 22% in the first case and 16% in the second). On the other hand, even if the overall evolution of the two indicators shows a similar increasing trend starting from 2005, the growing rates are obviously smaller than the ones of the flows of visitors at border points. Moreover, the figures in the last year (2008) show that the number of foreigners' arrivals and overnight stays decreased against precedent year. This suggested us that beyond the appearances of maintaining the positive trend (as resulted from overall analysis of yearly evolutions), a shift in demand of the foreign tourists segment occurred somewhere during 2008.

3. DYNAMICS OF TOURIST FLOWS AFTER INTEGRATION OF ROMANIA INTO THE EU

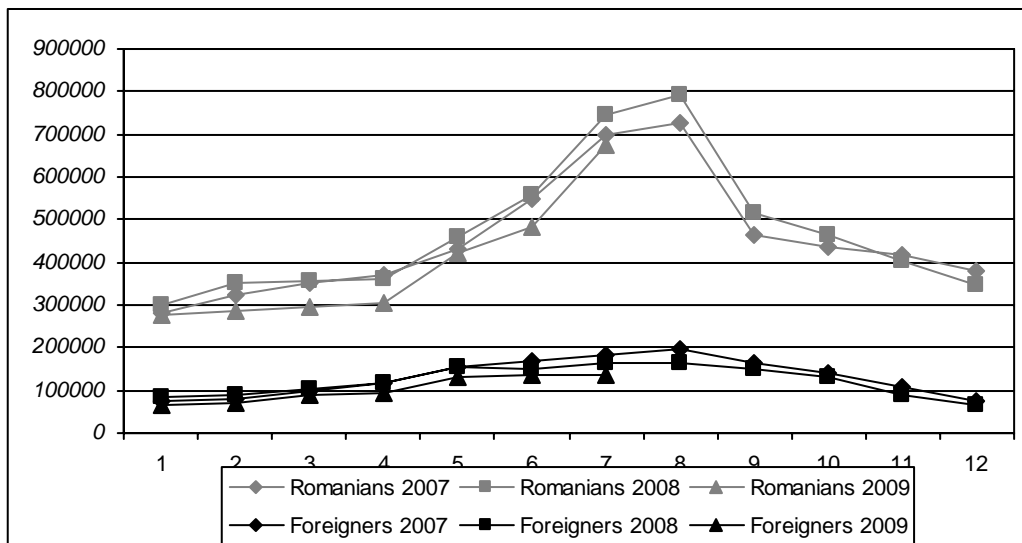
Based on the aspects revealed in the previous section, we considered useful a more deeply approach, through a comparative analysis of monthly dynamics, since 2007 (when Romania became member state of EU) until now (2009, available data on seven months). Dynamics of first two indicators analyzed (number of arrivals and departures registered at border points, in thousand) is shown in the graph below (figure 4).



Primary data sources: NIS, 2007b; 2008b; 2009

Figure 4. Monthly dynamics of arrivals and departures registered at border points in Romania (01.01.2007 - 31.07.2009)

At the same way, we graphically represented dynamics of the other indicators previously analyzed on a yearly basis. These graphs reveal relative similar shapes of the monthly evolutions in number of arrivals and overnight stays corresponding to the two customer segments of tourist accommodation activity (Romanians and foreigners). Based on this observation and considering the limited space available for the paper, we present below just one of these graphs, of dynamics arrivals in the main establishments of tourist accommodation (as number, in thousand) grouped by Romanian and foreign tourists (figure 5).

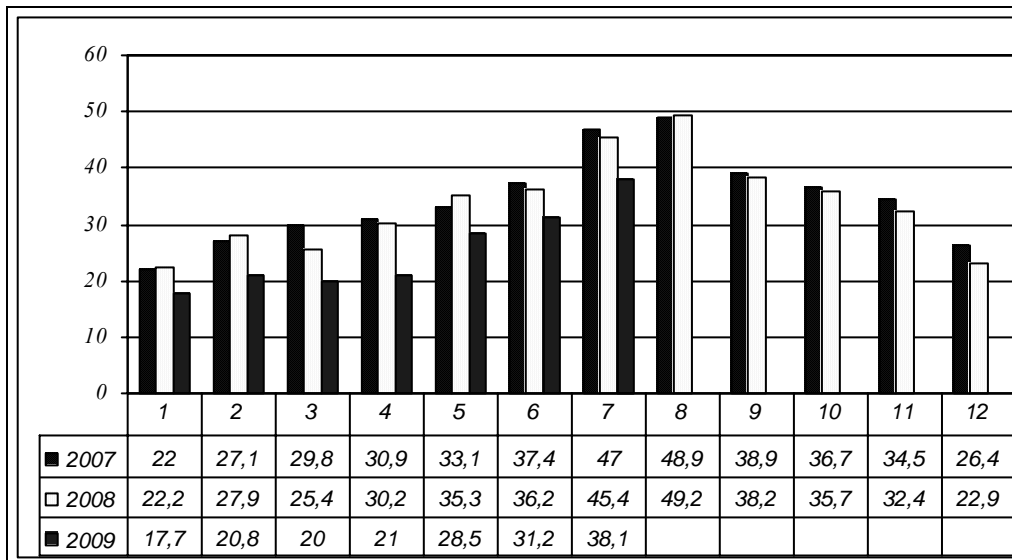


Primary data sources: NIS, 2007b; 2008b; 2009

Figure 5. Monthly dynamics of Romanians and foreigners arrivals in establishments of tourist accommodation (01.01.2007 - 31.07.2009)

To substantiate our analysis with more data about the concrete results of tourism activity, we investigated also the way of using the existent tourist accommodation capacity, based on the idea that this can complete the picture so as the interpretations to be more realistic. Thus, we considered and another indicator used in Romanian tourism statistics, namely "index of net use of tourist accommodation bed places" (expressed as percentage) having the comparative monthly evolutions presented in the next graph (figure 6).

All the results of analysis show that the overall obvious decline of tourism evolution in the current year was preceded by some slower rates of monthly dynamics related to the foreign tourists, in the last 4-5 months of 2008 as against same period of 2007. This is consistent with our above-mentioned idea of occurrence a shift in demand of the foreign tourists segment, and admits as a rational explication the difference between foreign and Romanian tourists as concerns the timely understanding of the crisis dimensions. In addition, what we wish to point out is that a more careful analysis of the main indicators of tourist flows would be able to reveal the early signs of crisis.



Primary data sources: NIS, 2007b; 2008b; 2009

Figure 6. Index of net use of accommodation bed places - monthly evolutions from 01.01.2007 to 31.07.2009

The effects are facts beyond the figures of recent statistics, as resulted from our comparative analysis and visible in the graphs of dynamics presented in figure 5-7. Among these (to mention just a few), we can notice the followings:

- The departures of Romanian visitors abroad registered at border points decreased by 3.3% during the first seven months of 2009, as against the same period of 2008, but the arrivals of foreign visitors decreased by 13.9% at the same conditions.
- The total arrivals registered in the main establishments of tourist accommodations had a decrease of 13.6% over the first seven months of 2009, comparative with the same period of 2008. In the case of Romanian tourists, the decrease was around 12.7%, while in the case of the foreign tourists the decrease was about 16.5%.
- The index of net use of accommodation bed places was 26.9% per total tourist accommodation establishments during the first seven months of 2009, decreasing by 6.5 percentage points as against the same period of 2008. Moreover, in 2009 each monthly index is under the levels attained in the same month both in 2008, and in 2007.

4. IN PLACE OF CONCLUSIONS: CHALLENGES OF TOURISM INDUSTRY IN TIMES OF CRISIS

Discussing on brief the results of our analysis, we could say that because 2008 was the second year after Romania became member state of the EU, was expected to maintain the increasing trend of tourism flows, that seemed to be started in 2005. This,

the more so as the EU tourism industry has become over the last decade a sector of major importance in the European economy, which can play an important role in attaining the goals of Growth and Jobs set in Lisbon Strategy. However, at the same time tourism has become a global phenomenon implying that Europe has to compete with other destinations worldwide (ECORYS SCS Group, 2009).

Europe has maintained its position of the leading tourism destination in the world during 2000-2007 years having a growing number of international tourist arrivals. It was an increase from 393.5 millions in 2000 to 484.4 millions in 2007 (comparative with the 903 millions per total in world) resulting in a market share of 53.6%. The dynamics of international tourist arrivals in different regions in the world between 2000 and 2007 years as reflected by the growth (number, in millions) and change in market share (as percentage) is presented in table 1.

Table 1. Dynamics of international tourist arrivals in the world (in 2007 against 2000)

Region (number/market share in 2007)	Dynamics 2007/2000 as:	
	Growth in number (millions)	Change in market share (%)
Total world (100%)	+220.0	*
Europe (53.6%), of which:	+90.9	-4.0
- EU-27 (42.2%)	+54.7	-5.6
Asia and the Pacific (20.4%)	+75.0	+4.4%
Americas (15.8%)	+14.3	-3.0
Middle East (5.3%)	+23.2	+1.7
Africa (4.9%)	+16.5	+0.8

Source: Adapted from ECORYS SCS Group, 2009, p.11

As we can see in table 1, despite keeping their top rankings in terms of international tourist arrivals, EU-27 and Americas have lost from market share in 2007 as against 2000. On this background, for the most part of world, 2008 was the year when the rumours of global economic crisis began to transform in visible signs and effects. This, because “Growth in international tourism is closely aligned to economic variables, which at a microeconomic level influence the consumer’s decision to undertake overseas travel” (Chaiboonsri & Chaitip, 2008, p.7).

According to United Nations World Tourism Organization (UNWTO), “...tourism has been seriously impacted, although resisting comparatively better than other sectors. Tourism demand experienced a sharp turn in trend in the middle of 2008, accumulating a decrease of 1% between July and December 2008, after a very sound start of the year, with worldwide growth in international arrivals at around 6% in the first six months.... Following negative results since September last year, all of the first seven months of 2009 showed negative growth: January -8%, February -10%, March -13%, April -1%, May -10%, June -7% and July -4%” (UNWTO, 2009, p.1).

In these times, competitiveness of the tourism industry becomes more important and some of the challenges such as sustainability, branding or diversification strategies should receive more attention than before the crisis. In particular, the

competitiveness of EU tourism industry was related to six key challenges as follows: (1) reinforce the industry as a high quality service sector; (2) better position the EU as the leading tourism destination in the world; (3) make the tourism industry part of knowledge economy; (4) develop EU tourism in a sustainable manner; (5) increase the value generated from available resources; (6) ensure sufficient „oxygen” for tourism businesses (ECORYS SCS Group, 2009, p.163).

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