

ON THE COMPETITIVENESS OF THE ROMANIAN TOURISM

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Abstract: Romania has improved its position in the ranking of travel and tourism competitiveness, gaining 8 positions in the last 10 years (2007-2017), which represents an important step in the direction of internationalization and development. The analysis of the current stage of the Romanian tourism competitiveness reflects its weaknesses and implicitly the necessary actions to revive tourism and to position Romania as an attractive tourist destination on the international tourism market. New approaches are required to make the progress on improving competitiveness even more evident, both from the public and private sectors, so that Romania turns into a truly international destination, recognized as such. An integrated planning of the Romanian tourism, the practical application of the concept of destination management, the collaboration between the central and regional public authorities and the private sector entities would be other actions aimed at ensuring a sustainable growth of the Romanian tourism and its competitiveness on the international tourism market.

Keywords: Romania, Travel, Tourism, Competitiveness.

JEL Classification Codes: Z320, Z300, O140.

1. INTRODUCTION

Despite its remarkable tourism potential (Cândea et al, 2003), Romania faces many problems related to the contribution of tourism to the national economy, the quality of tourism services and products, the image as a tourist destination (Țigu, 2012), the training of tourism personnel and the tourism competitiveness on the international market (prioritizing the tourism and travel sector, the efficiency of marketing and branding in attracting tourists, the sustainability of tourism and travel industry development).

Taking these issues into account, the investments in modernizing and increasing the quality of tourism products and services, general and tourist infrastructure, promoting the destination through targeted marketing (Țigu et al, 2010) and training of tourism personnel are imperative actions for Romania to become a successful international tourist destination.

Romania's image on the international tourism market is that of an undiscovered tourist destination, with unexplored and wild places, with unique traditions and customs. The proximity to the European tourist-emitting countries and the hospitality to foreigners make our country an accessible destination, with Western aspirations, Balkan features and unique roots.

2. MATERIALS AND METHODS

This paper relies on studying the literature in this field and on processing the statistical data published by World Economic Forum (Travel and Tourism Competitiveness Report). The



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graphical modeling and calculations using the application Microsoft Office Excel resulted in pertinent conclusions.

Travel and Tourism Competitiveness Report was first published in 2007 by the World Economic Forum (WEF). The 2007 report targeted 124 states, but has now expanded to 136 countries (2017). The travel and tourism competitiveness index (TTCI) measures "the set of factors and policies that allow the sustainable development of the travel and tourism sector, which, in turn, contributes to the development and competitiveness of a country" (WEF, 2017). It is an in-depth annual analysis of the competitiveness of tourism in each country that allows all stakeholders to work together to improve the competitiveness of the tourism industry within the national economy. The analysis is based on data provided by the World Economic Forum and presents the economic policy indicators that impact the tourism and travel industry, comparing national statistics, government policies and commitments, showing the importance of strategic planning and the need for the tourism and travel industry to be included in the government policies and decisions.

The report ranks the selected states according to the Travel and Tourism Competitiveness Index, which drops from 1 to 7 (1 represents the lowest value of the index and 7 the highest). The general index is made up of three main sub-indices: (a) regulatory framework; (b) business environment and infrastructure; and (c) human, cultural, and natural resources, incorporating 14 indicators: business environment; safety and security; health and hygiene; human resources and labour market; ICT readiness; prioritization of travel and tourism; international openness; price competitiveness; environmental sustainability; air transport infrastructure; ground and port infrastructure; tourist service infrastructure; natural resources; cultural resources and business travel. The report also includes a profile for each of the evaluated countries, including the scores received for the TTCI estimate and additional information on some key economic indicators provided by the World Bank and country indicators provided by the World Travel and Tourism Council.

3. RESULTS AND DISCUSSIONS

According to the Travel and Tourism Competitiveness Report for 2017, the destination Romania was visited by 2,234,520 international tourists, collecting 1,712 million USD (respectively an average revenue of 766.1 USD / tourist). The GDP of the industry represented only 1.3% of the value of the national GDP. The number of employees in tourism was 189,769, which represented 2.2% of the total jobs in Romania.

The value of Romania's competitiveness index of 3.8 in 2017, placed our country on the 68th place out of a total of 136 countries, regarding the competitiveness of the tourism and the travel industry on the world tourism market. The low value of this index is the result of many weaknesses in Romanian tourism development (the index had higher values: 3.91 in 2007, 4.00 in 2009 and 4.17 in 2011). Romania lost two positions compared to 2015, when it was ranked 66th out of 141 countries analyzed (WEF, 2017).

Table 1 shows a comparative analysis of the travel and tourism competitiveness index between Romania and other neighboring countries or located in the central south-east and east Europe or in Asia Minor, that are Romania's main competitors on the tourism market. Some of them recorded an upward trend of tourism in the period 2007-2017 (Russia, Poland, Bulgaria, Turkey, Croatia, Slovenia).

Table 1. Comparative ranking of the travel and tourism competitiveness between the destination Romania and its competitors, in 2007 and 2017

Tourist destination	Rank in 2017	Travel and tourism competitiveness index	Rank in 2007	Score
Greece	24	4.51	24	0
Croatia	32	4.42	38	+6
Czech Republic	39	4.22	35	- 4
Slovenia	41	4.18	44	+3
The Russian Federation	43	4.15	68	+25
Turkey	44	4.14	52	+8
Bulgaria	45	4.14	54	+9
Poland	46	4.11	63	+17
Hungary	49	4.06	40	-9
Slovakia	59	3.90	37	-22
Romania	68	3.78	76	+8
Ukraine	88	3.50	78	-10
Macedonia	89	3.49	83	-6
Serbia and Montenegro	95	3.38	61	-34
Albania	98	3.35	90	-8
Bosnia and Herzegovina	113	3.12	104	-9
Moldavia	117	3.09	95	-22

Source: data processed from the Travel and Tourism Competitiveness Reports, WEF 2007, 2017

Although it has climbed 8 positions in this ranking over a period of 10 years (2007-2017), Romania does not seem to be competitive, failing to surpass any of the compared countries, since neighbors like Hungary and Bulgaria are at a considerable distance (23 positions from Bulgaria and 19 positions from Hungary).

A detailed analysis of this report, on pillars, indicators and sub-indicators shows the critical aspects of Romanian tourism competitiveness, but also its strengths, as seen in table 2 and figure1.

Table 2. Romania's competitive performance on the international tourism market (2017)

Pillar	Indicator	Competitiveness index	Romania's rank in 136 countries
1	Business environment	4.36	76
2	Safety and security	5.78	39
3	Health and hygiene	6.14	31
4	Human resources and labour market	4.45	81
5	ICT readiness	4.70	60
6	Prioritization of travel and tourism	3.81	108
7	International openness	3.93	45
8	Price competitiveness	4.68	85
9	Environmental sustainability	4.41	43
10	Air transport infrastructure	2.37	82
11	Ground and port infrastructure	2.80	92
12	Tourist service infrastructure	4.37	62
13	Natural resources	2.99	68
14	Cultural resources and business travel	2.27	46

Source: data processed from the Travel and Tourism Competitiveness Reports, WEF, 2017

Romania has notable competitive advantages in terms of safety and security (with a maximum score for the incidence of terrorist attacks, but with lower values regarding the confidence in the police services); health and hygiene; ease of hiring foreign labor; ICT readiness; hotel price index; presence of major car rental companies; road density; number of World heritage cultural sites (places 36 and 25).

Romania is less competitive in terms of the following aspects which considerably reduce its competitiveness as a tourist destination: the business environment (the efficiency of the legal framework in resolving regional disputes and challenges, the effect of taxation on incentives to work and invest); the human resources and labor market (primary education enrollment rate, extent of staff training, difficulty of finding skilled employees – rank 130!); the prioritization of travel and tourism (government prioritization of travel and tourism industry - rank 131!, travel and tourism government expenditure, effectiveness of marketing and branding to attract tourists - rank 131!); the international openness (especially in the case of air service agreements); the price competitiveness (especially the ticket taxes and airport charges and the fuel price); the sustainability of travel and tourism industry (rank 130!); the quality of the air transport infrastructure; the quality and efficiency of the road and port transport infrastructure; the tourist service infrastructure (especially the quality of tourism infrastructure - rank 129!).

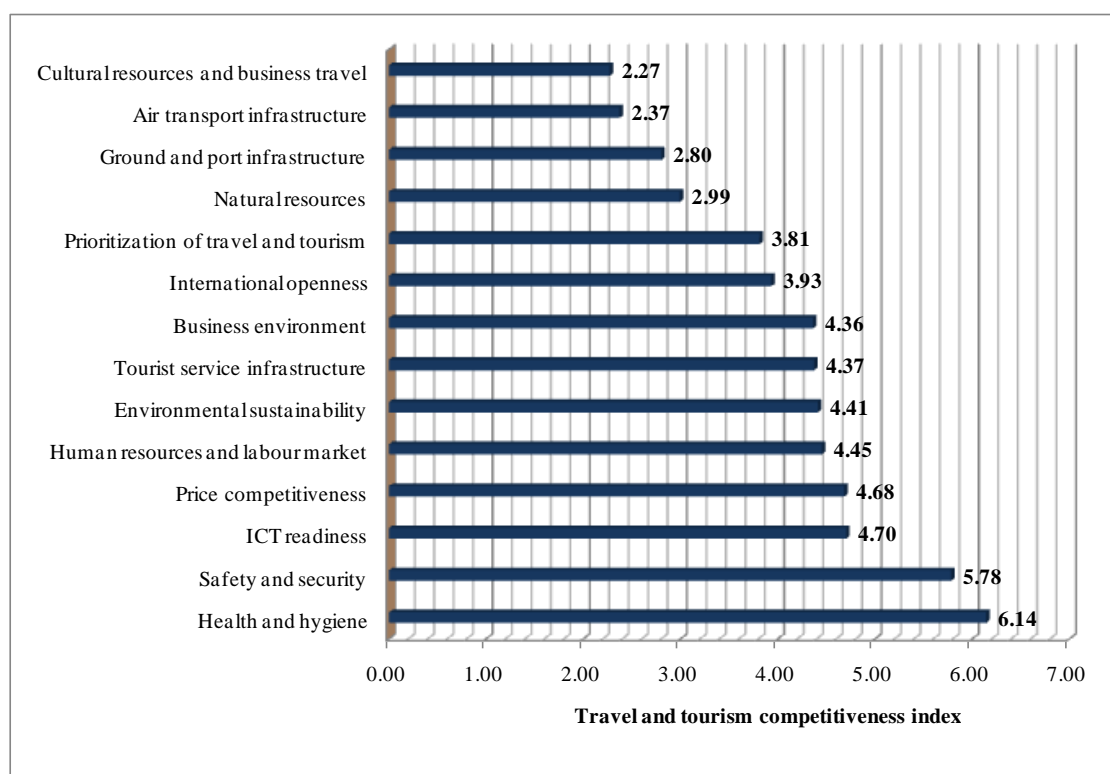


Figure 1. The competitiveness of Romanian tourism on indices and indicators, in 2017

Source: data processed from the Travel and Tourism Competitiveness Reports, WEF, 2017

4. CONCLUSIONS

We consider that the Romanian tourism has a high potential for development, but this can be capitalized to its entire capacity only through an efficient coordination and management of the hospitality industry, as a whole, as well as at local and regional levels. There is a need for a new vision to develop Romanian tourism, the Government and the private sector stakeholders need to collaborate, in order to create a sustainable and favorable strategic framework for business development in the tourism field.

Improving the business conditions in the tourism sector, in order for the companies to operate in a more competitive environment, requires finding the most feasible solutions regarding land ownership, urban and construction regulations, taxation and other areas still in conflict, which still restrict the attractiveness and implicitly the competitiveness of the Romanian tourism industry.

In addition, the transformation of the Romanian tourism industry into a truly competitive one, with a strong positive impact on the national economy, will be possible by implementing an efficient and effective tourism destination management system. Beyond the local conflicts and interests, they must be professionally developed and managed so that they can gradually deliver more competitive, sustainable and responsible tourism products that meet the potential tourists' needs and requirements and promote them accordingly, taking advantage of the diversity of available tourist assets (Romanian natural, cultural and social resources), in order to attract as many international tourists as possible.

The future competitiveness of the Romanian tourism industry depends on the ability to create this cooperation at national level, understanding and developing the concept of competitive quality at all levels of the national tourism value chain, as a solid and healthy basis for future development.

Inspired by the successful experiences of implementing the development practices of tourism industry in the countries from south-eastern Europe, but also from central and eastern Europe, Romania must reconsider its vision of tourism development, focusing on international market penetration models, through a more diversified offer, including higher quality and higher value added tourism products, for targeted niche market segments, promoted globally, through modern and appropriate marketing techniques.

The way of designing new, competitive products, addressed to the global tourism market, should start by developing some innovative and qualitative processes and concepts, aimed at excellence in the entire tourist value chain, while ensuring and protecting the unique Romanian character and identity. Romania must identify the most appropriate ways to convert its major and unique tourist assets into experiences and products of global level. The model of penetration of international markets should not lack the marketing of the hidden values of the country, in which tourism represents the ambassador and promoter of the main natural and cultural values.

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