

## TOURISM EVOLUTION IN ROMANIA AND THEIR STRUCTURAL PROBLEMS

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**Abstract:** *Tourism, as well as its development, is of particular importance to the economy of each country. The main objectives of this paper are to observe the evolution of tourism in Romania, and also to identify those causes that slow down the development in this sector. In order to achieve these objectives, I will analyze the evolution of the number of overnight stays and the profits obtained, both at the level of Romania and at the level of the countries of the European Union, and I will synthesize the identification problems of various authors in the literature, and the results obtained in the analysis will be interpreted to determine the current position of our country compared to the other analyzed countries and then we will identify solutions that will support the evolution in this field, the more efficient exploitation of the tourism resources, as well as the obtaining of a profit of the activities unfolded in the field of tourism*

**Keywords:** *tourism potential, evolution, profit, efficiency, development.*

**Clasificare JEL :** M40, M41

### 1. Introduction

Tourism is a journey away from home for a period of more than 24 hours, but no longer than one year, for recreational purposes, for sports, for spending the holiday or for participating in various manifestations.

Being a very popular recreation activity on a global scale, the role of tourism is highlighted by its contribution to the growth of gross domestic product and national income by increasing the volume of revenue. It also has an indirect economic role due to the development of other branches. Romania has very high tourist potential, which is not fully exploited. In order to develop the quality of tourism in our country, it is necessary for economic operators to choose the appropriate financing policies for the concrete conditions of each enterprise, which can not be established once and for all, but they are constantly changing, developing and improving.

The main forms of tourism practiced are:

- Recreational and recreational tourism - being a form of common tourism, offers tourists the opportunity to learn new places and customs, and capitalizes on the aesthetic features of the natural environment;
- Balneary tourism - this has grown from the desire to prevent some occupational diseases, being closely related to the known resorts for mineral or thermal waters, nomols, as well as for their therapeutical properties;
- Educational tourism - this includes camps and trips aimed at improving the educational process;
- Shopping for tourism;
- Religious tourism;
- Social tourism;
- Cultural tourism.

We can notice, especially in Europe, a luxury tourism market in recent decades, which is based on short-haul trips. Interested tourists generally have high incomes, as well as considerable rest and good education.

Demand is due to higher quality, which has led to the fragmentation of the tourism market, tourists wanting more distinct versions, quieter resorts, or holiday resorts.

Due to the development of the strategy, many forms of tourism are much more accessible. Changes in lifestyle have taken place, which sustains tourism throughout the year, thus facilitating online sales of travel products. There have also been some regressions in tourism due to terrorist attacks or natural disasters.

## 2. The actual stage of the researcher

Croitoru Mihai, in the paper "Competitiveness Index in Tourism - Imperial Analysis Romania vs. Bulgaria" analyzed the position of Romania in relation to the main regional competitors using an analysis undertaken after Blanke, where the main indicators were the index of tourism competitiveness, legislative and regulatory framework, business environment and infrastructure, natural, cultural resources and human, Romania ranks 9th out of 12 with 4.17 ICT, 4.85 for the legislative and regulatory framework and 4.05 for natural, cultural and human resources.

The Czech Republic, Slovenia, Croatia, Montenegro, Hungary, Bulgaria, Poland and Slovakia ranked the top eight in the top three places, Serbia, Ukraine and Moldova. The author also pointed out that "the result is all the more interesting, as it can be noticed that some of the countries before Romania (the Czech Republic, Hungary, Poland, Slovakia) can not benefit, for example, from the opportunities offered by a seaside that can be exploited in terms of tourism."

In the opinion of N. Constantinescu, for a country that wants to do tourism, it is imperative to develop the tourist potential, to ensure the preservation and to develop the quality of tourism. Mirela Diaconu, in his book entitled "The Co-ordinates of the Romanian Tourism Evolution and Its Qualities in European Competition", calls tourism as a linking binder and is also the way in which humanity can develop and change and through which cultural identities can be shared.

## 3. The situation of tourism in Romania. European comparisons

Tourism is a growing business. The analysis of its evolution in Romania over the period 2006-2017 from the point of view of the number of overnight stays is systematized in Table 1.

Table 1. Evolution of the number of overnight stays in Romania, between 2007 - 2017 -

| Anul      | 2007    | 2008  | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    |
|-----------|---------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Indicator | 20593,3 | 20726 | 17325,4 | 15967,1 | 17914,1 | 19091,4 | 19301,8 | 20230,2 | 23455,4 | 25274,9 | 26915,6 |

Source: [www.insse.ro](http://www.insse.ro)

We notice that the number of overnight stays increased even though in 2009 and 2010 it decreased compared to 2007. Compared to 2006, in 2015 the number of overnight stays increased by about 23.45% and in 2017 compared to 2015 by 41, 72%. These increases indicate that tourism is making some progress.

However, Romania has € 3 billion in revenue with 291,000 accommodation places, while in other countries, the amounts collected are much higher. Thus, Finland has tourism revenues of € 7 billion to 254,000 accommodation places, Ireland € 8 billion to 215,000 accommodation places, and Belgium's 26 billion euro to 373,000 accommodation places. Other examples of countries that are hard to compare with Romania are: the US with € 200 billion, Germany with € 96 billion and 3,500,000, England with € 70 billion with 3,500,000 accommodation places, Spain with 58 billion € with 3,500,000 accommodation places. (Www2.unwto.org)

Although the number of overnight stays has increased in recent years, the number of

tours for personal purposes over a minimum of four nights decreases considerably, so that if in 2012 we had 1648173 participations (9.14% of the total population) in 2016 , 1362303 participations were registered in Romania (8.26% of the total population). (Eurostat)

In terms of number of units, we recorded an increase of 47.81% in 2016 (7028 units and 326098 beds) compared to 2008 (4884 accommodation units and 294210 beds).

Table 2: Number of overnight stays in EU countries

| Year<br>The<br>country | 2008      | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016     |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| <b>Belgium</b>         | 13611137  | 13799364  | 14128,350 | 14655977  | 14834795  | 14936459  | 15536809  | 19528328  | 19792020 |
| <b>Bulgaria</b>        | 6391469   | 5816078   | 5592004   | 6229338   | 6800598   | 7247048   | 7620593   | 8045535   | 9035330  |
| <b>Czech Republic</b>  | 19296452  | 18915299  | 18542864  | 18810249  | 21484472  | 21163383  | 20836817  | 23807391  | 25428808 |
| <b>Denmark</b>         | 19108832  | 18192060  | 18164955  | 18719949  | 18432111  | 18586564  | 19038780  | 19637924  | 20266251 |
| <b>Germany</b>         | 267636330 | 260021970 | 265780765 | 275939999 | 282187922 | 283679063 | 291722145 | 299220311 | 30890495 |
| <b>Estonia</b>         | 1669550   | 1381830   | 1496959   | 1650527   | 1721498   | 1824707   | 1890165   | 2011663   | 2213547  |
| <b>Spain</b>           | 151937093 | 148002725 | 151514295 | 150489310 | 139281970 | 136764221 | 144327228 | 152808273 | 16040082 |
| <b>France</b>          | 194048978 | 195984460 | 270832690 | 277779224 | 275487105 | 275874900 | 271406467 | 279587890 | 28085001 |
| <b>Italy</b>           | 211869278 | 211268511 | 210340052 | 210420670 | 200116495 | 191992233 | 190978299 | 200155956 | 20343150 |
| <b>Cyprus</b>          | 1171421   | 1337006   | 1352630   | 1172135   | 1088446   | 895939    | 830943    | 824517    | 844182   |
| <b>Malta</b>           | 336426    | 352312    | 352539    | 320108    | 333808    | 328740    | 352733    | 373242    | 348753   |
| <b>Austria</b>         | 29978727  | 30608853  | 31356359  | 31692337  | 32382289  | 32253827  | 32341680  | 33060945  | 34558881 |
| <b>Poland</b>          | 46472281  | 45410620  | 45729839  | 46527989  | 50138291  | 50488184  | 53587348  | 57476764  | 63814635 |
| <b>Portugal</b>        | 19202121  | 19340064  | 19648921  | 18997755  | 17747121  | 17809486  | 19349092  | 20522609  | 22054931 |
| <b>România</b>         | 17366737  | 14657744  | 13284554  | 14912557  | 15799875  | 15830616  | 16467780  | 18985269  | 20462595 |
| <b>Slovakia</b>        | 7114284   | 6545330   | 6490913   | 6425337   | 6730918   | 7068043   | 6928868   | 7791475   | 8856568  |
| <b>Finland</b>         | 13963066  | 13677332  | 14242989  | 14480403  | 14514623  | 14380610  | 14075320  | 14227773  | 14572158 |
| <b>Sweden</b>          | 35620762  | 36073474  | 36715303  | 37078238  | 37286517  | 38267737  | 40019659  | 41998923  | 43236883 |
| <b>Iceland</b>         | 778603    | 835853    | 847747    | 787964    | 845336    | 914433    | 1085049   | 930643    | 1044289  |
| <b>Norway</b>          | 20448582  | 20501657  | 20637311  | 21230072  | 21974364  | 21617188  | 22162724  | 22739800  | 23301585 |

Source: [ec.europa.eu](http://ec.europa.eu)

The classification has excluded countries whose data are not complete, are estimated or have interruptions over time in the provision of data. We note that most countries, except Italy and Cyprus, recorded increases in overnight stays in 2016 compared to 2008. In terms of overnight stays, Romania is overtaken by countries such as Germany (with the highest number of overnight stays ), France, Italy, Spain, Poland, Sweden, Austria, the Czech Republic, Norway and Portugal.

An analysis of the evolution of the mentioned indicator shows, in 2016 compared to 2008, the fact that Romania ranks 10th in the studied countries, with an increase in the number of overnight stays by 17.82%, being overcome by countries like: Belgium , 41%), France (44.73%), Bulgaria (41.36%), Poland (37.31%), Iceland (34.12%), Slovakia (24.49%) and Sweden (21.38%). Although Germany has the highest number of overnight stays, it is behind Romania in terms of evolution in 2016 compared to 2008, with a 15.41% close, followed by Austria (15.27%). , Portugal (14.85%), Norway (13.95%), Denmark (6.05%), Spain (5.57%), Finland (4.36%) and Malta (3.66%). Although Italy is among the most overnight countries, it drops by 3.98%, followed by Cyprus with a decrease of 27.9%.

In order to observe the time evolution of tourism revenue by the top ten countries in the European Union, we compared both their income and expenditure. So, we compared 2010 with 2015 and 2011 with 2016, respectively.

Table 3: Top 10 countries in Europe, in terms of profit in 2015 (millions)

| Nr. | The<br>country | Income<br>from<br>tourism<br>2010 | Income<br>from<br>tourism<br>2015 | Costs<br>2010 | Costs<br>2015 | Profit<br>2015 |
|-----|----------------|-----------------------------------|-----------------------------------|---------------|---------------|----------------|
| 1.  | Spain          | 41218                             | 50892                             | 12788         | 15654         | 35238          |
| 2.  | Turkey         | 17202                             | 24004                             | 3923          | 4842          | 19162          |

|     |          |       |       |       |       |       |
|-----|----------|-------|-------|-------|-------|-------|
| 3.  | Italy    | 29257 | 35555 | 20415 | 22013 | 13542 |
| 4.  | Greece   | 9611  | 14126 | 2156  | 2038  | 12088 |
| 5.  | Austria  | 14027 | 16420 | 7717  | 8206  | 8214  |
| 6.  | Portugal | 7600  | 11451 | 2953  | 3612  | 7839  |
| 7.  | Croatia  | 6221  | 7954  | 629   | 681   | 7273  |
| 8.  | France   | 35464 | 41387 | 29016 | 34628 | 6759  |
| 9.  | Hungary  | 4235  | 4797  | 1821  | 1649  | 3147  |
| 10. | Poland   | 7259  | 9440  | 6505  | 7154  | 2286  |

Source: [www.ec.europa.eu](http://www.ec.europa.eu)

In 2015 at Europe level, the difference between revenues and expenditures was 14783 million euros, and in Romania the spending was 313 million euro higher than the proceeds, placing Romania on 29th place out of 37 countries in Europe analyzed. Compared to 2010, when Romania recorded tourism revenues of EUR 860 million, in 2015 it grew by almost 79.30%, with revenues of EUR 1542 million. Expenditure in 2010 was 1238 million euros, increasing by about 49.83%, amounting to 1855 million euros.

Table 4: Top 10 European countries in terms of gross profit in 2016 (Million Euro)

| Nr. | The Country | Income from tourism<br>2011 | Income from tourism<br>2016 | Costs<br>2011 | Costs<br>2016 | Profit<br>2016 |
|-----|-------------|-----------------------------|-----------------------------|---------------|---------------|----------------|
| 1.  | Spain       | 44711                       | 54660                       | 12493         | 17437         | 37223          |
| 2.  | Italy       | 30891                       | 36358                       | 20584         | 22547         | 13811          |
| 3.  | Turkey      | 17927                       | 16911                       | 3509          | 4312          | 12599          |
| 4.  | Greece      | 10505                       | 13207                       | 2266          | 2006          | 11201          |
| 5.  | Portugal    | 8146                        | 12680                       | 2974          | 3849          | 8831           |
| 6.  | Austria     | 14267                       | 17400                       | 7531          | 8799          | 8601           |
| 7.  | Croatia     | 6608                        | 8627                        | 632           | 853           | 7774           |
| 8.  | Hungary     | 4243                        | 5121                        | 1781          | 1954          | 3167           |
| 9.  | Poland      | 7680                        | 9908                        | 6055          | 7204          | 2704           |
| 10. | Bulgaria    | 2669                        | 3285                        | 647           | 1227          | 2058           |

Source: [www.ec.europa.eu](http://www.ec.europa.eu)

In the year 2016, Europe recorded a total of 13,246 million euros, with Spain ranked first, as in the previous year, with a profit of 37,223 million euros. Romania is ranked 28th out of 36 European countries analyzed, with a spending level higher than revenue of € 362m in 2016. Income in 2011 was 1019 million euros, and in 2016 they increased by 53.87%, amounting to 1568 million euros. The expenditure level in 2016 was higher than that of spending in 2011 by 37.07%, in 2011 it was 1408 million and in 2016 it was 1930 million.

#### 4. The tourism sector and its structural problems

Over time, several authors have tried to identify tourism issues and find ways to remove them.

Dan Popa, based on the statistics that place Romania in the queue of tourism receipts statistics (as we have seen in the following subchapter, even Hungary with a lower tourist potential has higher revenues than our country), identified a series of five major issues facing the Romanian tourism: the infrastructure is pitiful, the staff is extremely poorly paid, the tourism is copy-paste for the price but not for the services (we copy the prices practiced by other countries, but the services are inferior, which determines them tourists to opt for tourist destinations outside of the country), lack of imagination (although we have famous characters there is no marketing initiative), and the last one refers to state policies that do not encourage

tourism.

Valentin Lazea identifies 10 structural problems of Romanian tourism, starting from the idea that Romania has a deficit of 0.2-0.3 per cent of GDP, while countries such as Bulgaria and Croatia account for exogenously over 4-6 per cent of GDP. It classifies the issues as follows:

- Foreign investors were kept at a distance, which is due to the confusion of assets;
- There is no separation between the luxury and the rest of the other categories;
- Reluctantly counts on seaside tourism, other types of tourism that can be practiced in other areas, being neglected;
- Airports are not developed in areas with important tourist attractions, which causes foreigners to opt for other tourist attractions;
- Confusing fiscal policy (international tourism should be exempt from VAT);
- The low salaries of tourism employees, which influence its quality;
- Weekly rates are not considered to be productive;
- Travel agencies are less focused on bringing foreign tourists to Romania;
- The people in charge of this system did not have the interest to revolutionize the system.

Problems such as poor infrastructure, poor promotion were also identified by Ghinea Raluca, but also by other authors such as Paicu Claudia Elena, Hristache Diana Andreia who identified problems caused by:

- Instability of an institutional framework;
- An unequally developed tourist offer at the level of the regions;
- Economic crisis;
- Old accommodation structures.

## 5. Conclusions and personal contribution

Following the analysis and the data from the present paper, we can conclude that:

- The problems with which tourism is confronted are diverse, ranging from infrastructure to low employee wages, lack of motivation and imagination in the promotion of tourist objectives;
- In recent years, Romania has made progress in terms of number of overnight stays, number of units, arrivals of foreigners and revenue;
- The recorded birth rate is much lower than that of other countries;
- Although tourism revenues have increased, they have continued to be outpaced by spending, placing Romania at the top of the European Union level in this respect;
- Among the many identified problems, there are some identified by several authors: infrastructure (including lack of airports in tourist areas), tourism is not accentuated in some areas and tourist offer is uneven, staff is poorly paid, prices are too high with the quality of services provided and also with state policies.

Both investments from the state and from the economic agents are needed to reduce the number of current problems in the sector. The main issues that these need to target are:

- Investment in infrastructure development;
- Investing in the modernization of accommodation units;
- Using methods of motivating human resources;
- Qualification of human resources;
- Promotion of tourism objectives all over the country.

Some of the problems in this sector are included in the 2014-2020 Regional Operational Program, and will be solved until the program is completed.

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