STUDIA UBB NEGOTIA, LXIV, 4, 2019, pp. 51-78
(RECOMMENDED CITATION)
DOI:10.24193/subbnegotia.2019.4.03

TOURISM INDUSTRY EVOLUTION IN CASE OF BULGARIA AND ROMANIA

MANUELA LILIANA MURESAN[1], RALUCA ANDREEA POPA[2]

ABSTRACT. Tourism is not only a fast expanding global industry, but also a bridge that brings closer cultures and civilizations. The present paper proposes to analyse the tourism sector and environment in the case of Bulgaria and Romania, two countries with high potential in terms of tourism yet unexplored, comparing the two countries from the economic and social perspective. The main objective of the research is to identify the main differences between the two countries and to make recommendations for the development of the tourism sector. The results obtained should show a similarity between the two countries in terms of tourism, as well as the economic and social impact of policies on the evolution of the tourism industry.

Keywords: tourism industry, employment, value added, Romania, Bulgaria, development, SWOT analysis

JEL Classification: J40, J62, L83**,** R41, Z33

Recommended citation: Muresan, M.L., Popa, R.A., *Tourism Industry Evolution in Case of Bulgaria and Romania*, Studia UBB Negotia, vol. 64, issue 4 (December), 2019, pp. 51-78, doi: 10.24193/subbnegotia.2019.4.03

[1] *Bucharest University of Economic Studies, Romania, manumuresan@gmail.com*
[2] *Bucharest University of Economic Studies, Romania, raluca.popa@yahoo.com*

I. Introduction

The last decade of the twentieth century is marked by a major expansion of the tourist area, just as in 1989, the walls fell the borders opened, the bipolar world ended. Western people have become curious to discover the countries of Central and Eastern Europe that have long been rooted behind the Iron Curtain, such as East Germany, Poland, Hungary, Romania and Bulgaria.

Nowadays tourism is an important sector in many countries' economies providing material resources for economic agents and contributing to the development of the national economies. In the case in the European Union, which is the world's number one tourist destination, tourism is the sector that got the attention in the last years. For a large number of EU countries, tourism has been a significant driver of the national economy and for the national level of employment. It does not contribute only to the economic development of countries and regions providing material resources but also brings more than that in terms of social and cultural development creating in the end well-being. With other words it is an important aspect in the lives of Europeans who like to travel.

At present, it was observed how the free time and the right to paid leave for the employees increased, a phenomenon that appeared since the post-war period so that the employees now can engage in new forms of consumption such as tourism. These changes were described as being part of what was called the "entertainment society", a term coined by sociologists in the 1970s. Through studies on the future of work and how society changes, but especially the traditional forms of employment, new services related to jobs, leisure time and new work habits (such as employment) have disappeared flexible working hours and part-time jobs) (Ariosenei, Stanciu & Morosan, 2014).

The tourism industry worldwide is one of the largest and fastest growing economic sectors relevant to the development of societies. Tourism plays a key role in creating new jobs, export revenues and internal added value and contributes directly, on average, to 4.2% of GDP, 6.9% of employment and 21.7% of exports of services from OECD member countries. Following the evolution at global level, international tourist arrivals increased to over 1.2 billion in 2016, arrivals in OECD countries representing just over half and match the overall growth rate of 3.9% compared to 2015 (OECD, 2018).

According to the United Nations World Tourism Organization (UNWTO) publication, International Tourism Highlights 2019 Edition, Europe accounts half of the world's international arrivals and represents almost 40% of international tourism receipts, followed by Asia and the Pacific with almost one third. In 2018 Europe had 710 million international tourist arrivals (51% of the global level) increasing by 5% comparing with 2017 and in terms of money it had 570 billion USD international receipts (39% from the total at global level).

Eurostat database estimates more than 1.8 million businesses related to tourism industry, primarily SMEs, employing approximately 5.2 % of the total workforce (approximately 9.7 million jobs, with a significant proportion of young people) and it generates more than 5 % of EU GDP. When we talk about workforce it is important to mention tourism industry is particularly important in offering job opportunities to young people, who represent twice as much of the labor force in tourism than in the rest of the economy. Numbers prove tourism industry is the third largest socioeconomic activity in the EU after the trade and distribution and construction sectors.

European Union started to increase the attention for tourism sector and in collaboration with the Member States has taken action in the past years to implement changes to strengthen European tourism and its competitiveness. The Commission adopted in March 2006 a renewed Tourism Policy with the main objective to contribute to "improving the competitiveness of the European tourism industry and creating more and better jobs through the sustainable growth of tourism in Europe and globally". The "*Agenda for a sustainable and competitive European tourism*" fulfils a long-term commitment taken by the European Commission and further supported by the other European institutions[3]. It builds on the Tourism Sustainability Group report and on the results of the ensuing public consultation exercise. The agenda represents a further contribution to the implementation of the renewed Lisbon Strategy for Growth and Jobs and of the renewed Sustainable Development Strategy.

There are a series of analysis on how the tourism industry should find the balance between the tourist's welfare, natural and cultural environment and development and competitiveness of destinations. From this arises a considerable number of challenges for tourism like "sustainable conservation and management of natural and cultural resources, minimizing resource use and pollution at tourism destinations including the production of waste, managing change in the interests of the well being of the community, reducing the seasonality of demand, addressing the environmental impact of transport linked to tourism, making tourism experiences available to all without discrimination, and improving the quality of tourism jobs" (European Commission, 2007). In this context countries should make efforts to remain competitive, sustainable, not focused only on increasing GDP share of tourism and to improve their policies regarding tourism.

In the context of EU being top destination for tourists and being interested in developing tourism industry this article proposes to analyse the tourism sector and environment in the case of Bulgaria and Romania, two countries with high potential in terms of tourism yet unexplored.

In terms of previous studies we found few studies regarding tourism industry especially for Romania and Bulgaria. Here we can mention Virgil Nicula, Simona Spânu, Roxana Elena Neagu (2013) where they analyzed a series of indicators of tourist movement in the eight development regions of Romania. Another author Alina Ioana Mihaela Tapescu (2015) studies the main differences between the two countries' labor markets and relates them to the differences existing in the overall tourism market.

---

[3] Council Resolution of 21.05.2002 on the future of European tourism (2002/C 135/01), Council conclusions on the sustainability of European tourism (8194/05, 19.04.2005), European Parliament Resolution on new prospects and new challenges for sustainable European tourism (2004/2229 INI)

Porto Natalia, Rucci Ana Clara, Darcy Simon, Garbero Noelia, Almond Barbara, (2019) built an exploratory nationally comparative tourism accessibility measure (TAI) through developing an objective set of metrics in the spirit and intent of the international treaties and missions regarding the rights of persons with disabilities. According to them this measure is a useful tool to provide information about the critical elements, stages of development, evolution and understanding of the accessible tourism approaches in each of the studied countries. Amin Sokhanvar (2019) finds that the high level of GDP shares of tourism receipts and FDI in these countries indicates that policy makers consider tourism receipts and FDI as critical factors in accelerating the economic growth. Anyu Liu, Doris Chenguang Wu (2019) conclude in their study that the impact of tourism productivity on economic growth and illustrate the spill-over effects between tourism and other sectors caused by the externalities of physical and human capital and public services. The simulation results further disclose that when the productivity of overall economy improves, inbound tourism demand expands more than domestic tourism demand, whereas when the productivity of tourism sector improves, domestic tourism consumption increases more than inbound tourism consumption.

Tourism, as a statistical definition, refers to the activity of visitors taking a trip to a destination outside their usual environment, for less than a year. The definition does not refer only to private, leisure trips but also business trips and visits to relatives. Tourism is viewed from an economic perspective so the tourists (people who travel for leisure of business) have the same consumption, travel, accommodation patterns.

II. Labor market and tourism Industry. The case of Bulgaria and Romania

One of the most relevant aspects when we speak about tourism is the capacity to generate jobs especially for young people. It is known, according to EUROSTAT database (2020), that the number of people employed in tourism at European level is more than 13 million people, 13 % of people employed in the tourism industries were young workers (15-24), while this share was 9 % in services and in the non-financial economy. All these aspects that refer to the employment/labour market of this sector in countries like Bulgaria and Romania may show the level of development of the industry and also its productivity.

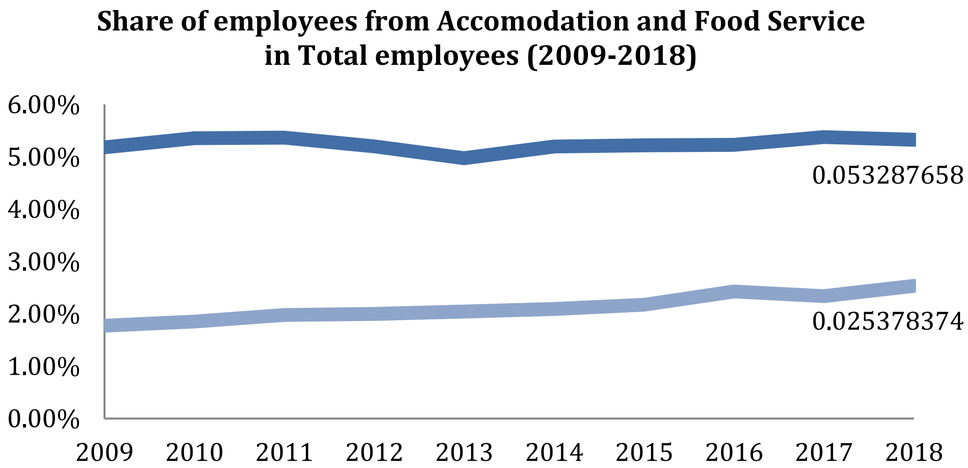
Accommodation and food services sector is one of the most important sectors from the tourism industry. At the European level it gives the highest number of employees for the industry. In the case of the two countries the numbers are shown in Table 1:

Table 1. Evolution of the employees in accommodation and food sector

Employees/ thousands persons	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bulgaria	168,7	164,8	159,2	152,7	146,1	155,1	158,3	157,8	169,5	168,0
Romania	164,5	161,9	169,2	172,1	175,0	180,6	186,0	205,4	203,1	220,5

Source: Eurostat Database, 2020, Full-time and part-time employment by sex and economic activity (from 2008 onwards, NACE Rev)

The data available shows that the absolute number of employees in this sector increased constantly starting with 2014 for both countries. For Bulgaria after the crisis the sector faced a struggle and the number of employees decreased until 2013, arriving in 2017 higher than the level of the employees when the financial crisis ended. In 2018 decreased by 0.9%. Comparative with Bulgaria, in Romania employment in this sector did not face any decrease starting with 2010, and in 2018 it is above the level of employees from 2009 with 55 thousands employees which means an increase in 2018 of 34% comparative with 2009 and comparative with 2017 an increase of 8.6%. This shows that in the last years this sector gain importance in the case of Romania becoming bigger and more attractive for people to work. The development of the tourism sector is reflected also by the share of its employees in total number of the employees at national level. This share for the both countries can be seen in the Figure 1.



Source: Own work, data from Eurostat Database, 2020, Full-time and part-time employment by sex and economic activity (from 2008 onwards, NACE Rev)

Figure 1. Share of employees from accommodation and food service in total employees (2009-2018)

Numbers show that Romania made a constant progress by increasing the share of accommodation and food services employees in the total number of employees starting with a share of 1.8 in 2009 and arriving to 2.54 shares in 2018. Instead in Bulgaria the share of employees in total remained almost constant during 2009-2018 increasing from 5.2% to 5.33%. If we compare the two countries Bulgaria has a higher share of employees in this sector than Romania which shows a higher activity in terms of tourism.

Table 2. Total labor cost for accommodation and food services sector

	Per employee in full-time equivalents, per month (euro)			Per employee in full-time equivalents, per hour (euro)		
Total labour costs/year	2008	2012	2016	2008	2012	2016
Bulgaria	233	319	385	1,55	2,16	2,62
Romania	394	368	495	2,55	2,38	3,19

Source: Eurostat database 2020, Labor costs NACE R2

The data available in terms of labor cost from Table 2 show that the increasing number of employees is correlated with the increasing wages and salaries from this industry. In Bulgaria the labor costs per month increased by 65% and in Romania by 25.6% (2016 compared to 2008). Still the increase in the number of employees for Bulgaria was not so high comparing with the costs which my show that the sector arrived close to its maximum capacity where in Romania there are still opportunities to be explored. In the other sectors related to tourism industry the situation is almost the same. In case of Travel agency, tour operator and other reservation service and related activities sector in Bulgaria the wages and salaries per month increased in 2016 comparing with 2008 by 121% and for Romania by 35,7%. This shows that tourism industry became more attractive for both countries especially for Bulgaria, this sector developing more than in Romania in terms of wages and salaries.

Table 3 shows the labor productivity for each subsector of Accommodation and Food Services. Labor productivity is calculated as gross value added per person employed. It gives information about efficiency of this sector for both countries.

Table 3. Labor productivity for subdivisions of Accommodation and Food sector for Bulgaria and Romania (thousands euro)

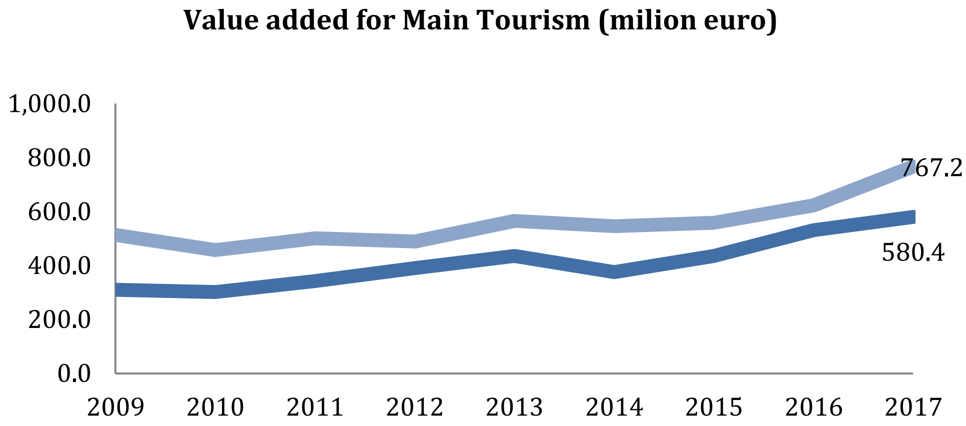
	Hotels and similar accommodation									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bulgaria	7,5	6,3	6,5	7,0	8,7	9,0	7,9	9,0	10,8	11,4
Romania	14,5	8,8	8,6	9,5	9,2	9,0	11,1	10,7	12,2	13,8
	Holiday and other short-stay accommodation									
Bulgaria	n/a	1,5	-0,7	1,9	3,5	4,5	4,3	3,1	5,2	5,9
Romania	3,1	8,7	5,3	6,0	4,4	2,9	5,2	5,2	5,3	6,8
	Camping grounds, recreational vehicle parks and trailer parks									
Bulgaria	n/a	1,2	3,1	4,2	4,9	5,2	5,8	7,0	6,5	7,9
Romania	6,2	4,8	3,3	3,2	2,6	3,3	6,6	6,4	7,4	6,9
	Other accommodation									
Bulgaria	1,7	2,2	3,0	3,2	3,5	3,6	4,6	4,1	2,8	5,7
Romania	9,3	4,3	4,8	6,0	4,1	3,6	5,7	8,8	5,7	8,9
	Restaurants and mobile food service activities									
Bulgaria	3,1	2,6	2,7	2,8	3,1	3,3	3,4	3,8	4,1	4,5
Romania	4,8	4,3	4,0	3,9	3,4	3,3	4,8	5,5	6,5	7,1
	Event catering and other food service activities									
Bulgaria	3,9	4,2	3,8	3,9	4,0	4,3	4,3	4,5	5,0	5,4
Romania	6,7	5,5	6,6	4,9	5,1	5,3	5,1	7,1	7,3	10,5
	Beverage serving activities									
Bulgaria	1,8	1,8	1,7	2,0	2,2	2,3	2,4	2,4	2,8	3,0
Romania	4,5	3,1	2,8	2,8	2,7	2,2	2,4	4,1	6,1	6,2

Source: Eurostat Database, 2020, Services by employment size class (NACE Rev. 2, H-N, and S95)

In terms of accommodation sector's productivity Romania registered superior values comparing to Bulgaria even though the differences are small. The highest value is registered by Romania in the case of hotels and similar accommodation (13.8 thousands euro) but still it is bellow the level before the financial crisis. The hotel infrastructure and similar accommodation is more performant in Romania. The two countries are on an ascending trend regarding labor productivity registering progresses in the last years. Regarding food subdivision, for each of them Romania is more efficient comparing to Bulgaria. Here the differences between the two countries are higher, for example for Beverage serving activities Romania has a double value for productivity. The trend is ascendant for both countries in the last years. The increasing performance shows the countries started to give attention to tourism industry; still they are bellow European average for all the subdivisions. For the whole sector of accommodation and food Romania registered in 2017 a productivity of 8.6 thousands euro higher with 38.7 than Bulgaria. In the last 3 years the two countries had higher values of this indicator yoy.

III. Tourism sector's value created in Romania and Bulgaria

Tourism is important not only for the number of jobs it creates but also for the value this sector brings for the national economy. Further it is analyzed the status of value added for main tourism sector and total tourism sector. By Main Tourism sector it is understood the definition given by Eurostat including the following NACE codes: H511, I551, I552, I553, and N791. For Total Tourism was used the definition given by Eurostat adding to Main Tourism sector the following NACE codes: H491, H4932, H4939, H501, H503, I561, I563, N771, N772, N799.

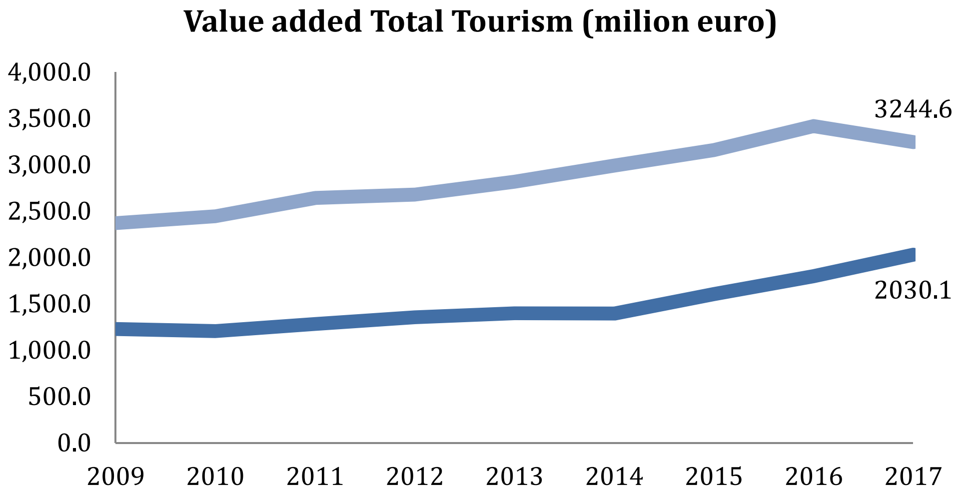


Source: Own calculation, data from Eurostat, 2020, Services by employment size class (NACE Rev. 2, H-N, S95) [sbs_sc_1b_se_r2]

Figure 2. Value added for Main Tourism sector

In the last years main tourism increased the value it creates in Romania but also in Bulgaria. Romania registers a value added in 2017 higher by 32.2% comparing to Bulgaria. Romania started to increase constantly the value added in the main tourism sector starting with 2013 and Bulgaria with 2014. This shows the importance of this sector increased in the last 4 years.

If we look at the Total tourism sector in Figure 3 Romania is also here above Bulgaria but in 2017 comparing with 2016 it registered a decrease of 5%. It is the first decrease after many years of constant increase. Starting with 2014 Bulgaria has a high increase of the value added for total tourism. Even so between the two countries remains a difference of 59%.



Source: Own calculation, data from Eurostat, 2020, Services by employment size class (NACE Rev. 2, H-N, S95) [sbs_sc_1b_se_r2]

Figure 3. Value added created by Total Tourism sector 2009-2017

The level of development of the tourism sector is given also by the share it has at Business sector level and also National level. In this sense we calculated the share of Total Tourism sector in Value added of the non-financial business economy and in Gross Value added for all activities. The numbers are presented in Table 4.

Table 4. Share of Value Added of Total Tourism

	2011	2012	2013	2014	2015	2016	2017
	Share of Value Added of Total Tourism in Value added of the non-financial business economy						
Bulgaria	7,26%	7,43%	7,43%	7,01%	6,98%	7,25%	7,40%
Romania	5,47%	5,53%	5,30%	5,36%	5,79%	5,66%	4,85%

	Share of Value Added of Total Tourism in Gross Value Added for all activities						
Bulgaria	3,56%	3,73%	3,88%	3,74%	4,07%	4,29%	4,49%
Romania	2,28%	2,29%	2,22%	2,25%	2,24%	2,24%	1,91%

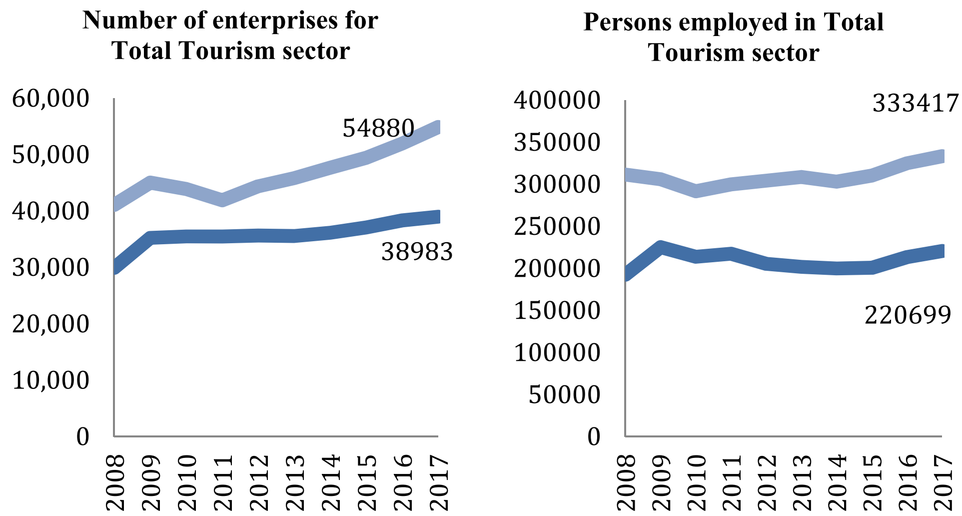
Source: Own calculation, data from Eurostat, 2020, Services by employment size class (NACE Rev. 2, H-N, S95) [sbs_sc_1b_se_r2] and Gross value added and income by A*10 industry breakdowns [nama_10_a10]

For Bulgaria numbers show tourism industry plays an important role for the business sector and for the whole economy, in 2017 representing almost 7.5% for the business sector and 4.5% for the whole economy. In the last years Bulgaria invested and also attracted foreign investors in the tourism industry and this is reflected in numbers. In case of Romania, due also to a more complex structure of the economy where other subdivision of business sector are much more developed and create more value, tourism industry doesn't play a major role even though in the past years at the national level it was shown in increasing interest for this sector. There is a high difference, approximate three percentage points, between Romania and Bulgaria in terms of share in non-financial business sector and in all activities at the national level. Here Romania has to exploit the potential of the tourism industry and to create proper visibility, promotion, public policies to support this sector.

The ecosystem created by tourism industry is growing year to year for both countries, this industry registered in 2017 in the case of Bulgaria almost 39000 enterprises and for Romania almost 55000 (Figure 4).

In Romania the number of enterprises increased sharply in the last 5 years, in 2017 comparing to 2012 by 23.6% and in Bulgaria only by 9.3%. Persons employed in the case of Romania increased in 2017 comparing to 2012 by 9.6% and in Bulgaria by 7.4%. This shows for Romania that the number of new companies between 2012-2017 generated on average 3 new jobs per year/ per company instead in

Bulgaria 4.5 jobs on average per year/per company. In Romania the dynamics of the enterprises was higher in this period but the enterprises we can conclude are mainly small sized, generating a lower number of jobs.

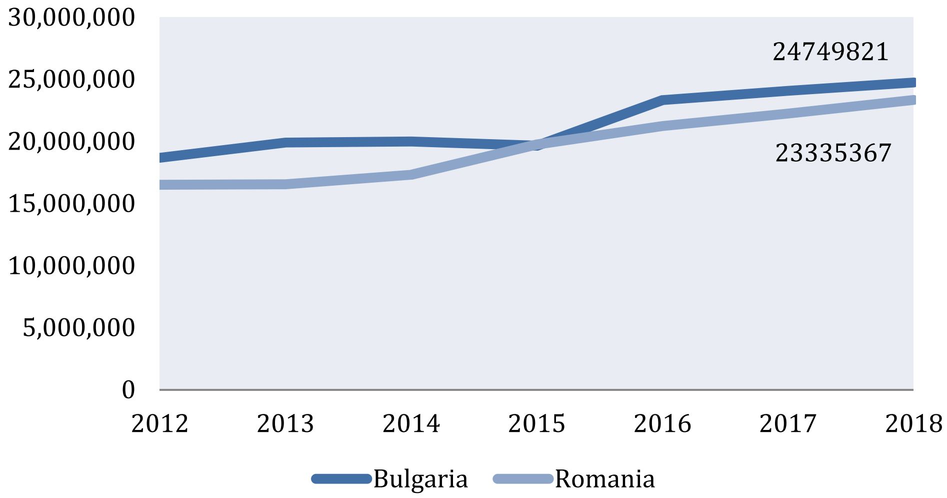


Source: Own calculation, Data from Eurostat database, 2020

Figure 4. Number of enterprises and persons employed in total tourism industry

After the analysis of the dynamics and evolution of the Tourism industry for the two countries, in order to understand the perspectives to develop further it is needed to evaluate the predisposition of the tourists for these countries.

We focused on the statistics regarding the number of nights spent by residents and non-residents at accommodation establishments. This indicator is calculated as each night a guest/tourist (resident or non-resident) actually spends (sleeps or stays) or is registered in a tourist accommodation establishment. Figure 5 shows the evolution of this indicator between 2007-2018 for Bulgaria and Romania.



Source: Data from Eurostat Database 2020, Nights spent at tourist accommodation establishments by residents/non-resident

Figure 5. Nights spent at tourist accommodation establishments by residents/non-residents (2007-2018)

Bulgaria is the leader in terms of nights spent by tourists starting with 2015, being ahead of Romania with 1.4 million nights in 2018. Comparing to 2012 both countries registered in increased interest from tourists, Romania in the last two years had a percentage increase close to 5% and Bulgaria close to 3%. If Romania continues on this trend, in the next years will overpass Bulgaria.

According to Eurostat statistics in terms of the number of tourists for 2017-2018 Romania had more that double than Bulgaria (4.4 mill persons in 2018) of tourist for personal purpose. Romania, by the potential activities for leisure, attracts more tourists aged between 25-34 years (1.03 mil. persons in 2018) and 35-44 years old (1.01 mil persons in 2018) and Bulgaria from the age category 35-44 years (0.48 mil. persons in 2018) and after 25-34 (0.39 mil persons in 2018). Romania has 2.3 times more young tourists than Bulgaria that makes us conclude Romania is more attractive for your people and middle aged. If we correlate the number of tourists with the number of nights spent in accommodation establishments, we may conclude Romania is more attractive for short visits like city breaks instead Bulgaria for longer visits.

Table 5. Nights spent in tourist accommodation establishments, January to June 2019 and January to June 2018 (thousand nights)

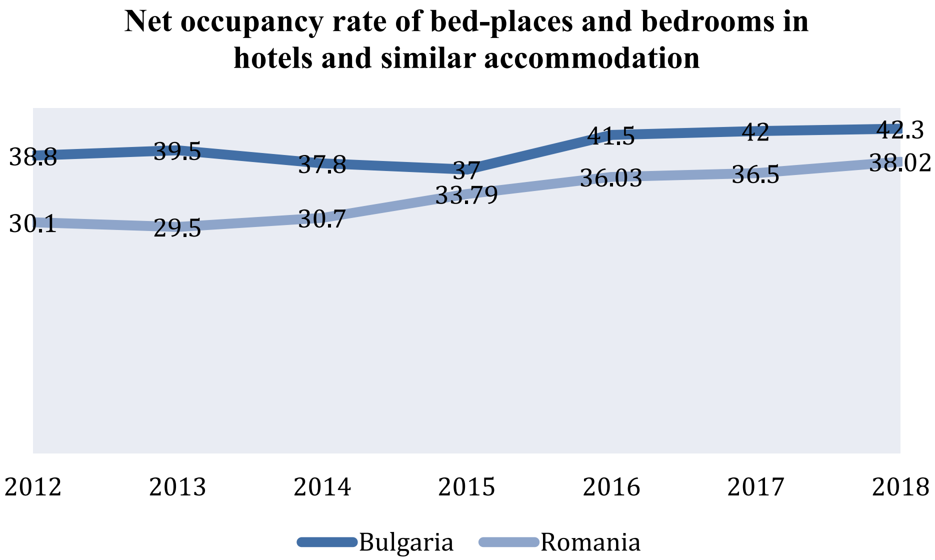
	January to June 2019		January to June 2018		2019/2018 change (%)	
	Tourist accommo-dation establish-ments	Hotels and similar accommo-dation	Tourist accommo-dation establish-ments	Hotels and similar accommo-dation	Tourist accommo-dation establish-ments	Hotels and similar accommo-dation
Bulgaria	9117	8497	9214	8636	-1,1	-1,6
Romania	11409	9298	10361	8459	10,1	9,9

Source: Eurostat (online data code: tour_occ_nim)

Table 5 shows in case of Romania the nights spent in tourist accommodation establishments in January-June 2019 increased by 10% comparing with the same period in 2018 and in the same time in Bulgaria for the same period decreased by 1.1%. In this rhythm of growth it may be possible Romania to improve the tourism industry and to go above Bulgaria in the next years.

The attractiveness of the tourism industry is reflected by the net occupancy rate of bed-places and bedrooms and similar accommodation.

The net occupancy rate of bed places in reference period calculated by Eurostat is obtained by dividing the total number of overnight stays by the number of the bed places on offer (excluding extra beds) and the number of days when the bed places are actually available for use (net of seasonal closures and other temporary closures). The result is multiplied by 100 to express the occupancy rate as a percentage. Figure 6 presents the results of the net occupancy rate in case of Romania and Bulgaria.

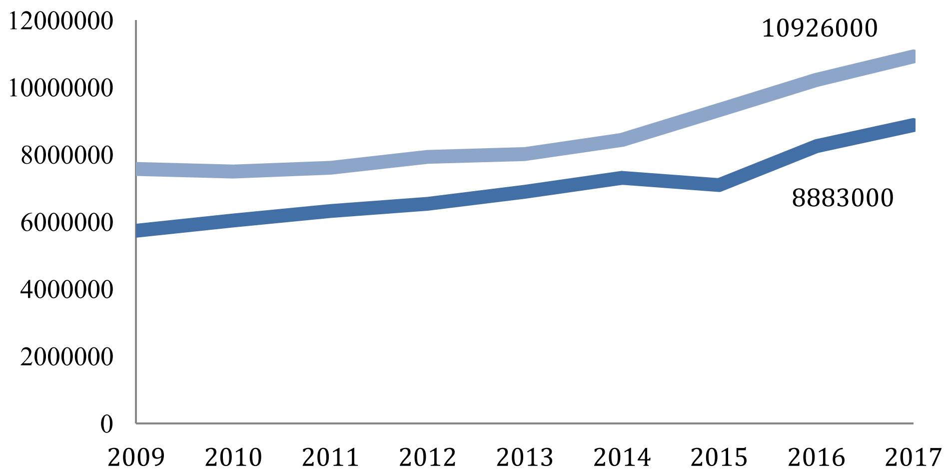


Source: Eurostat database 2020

Figure 6. Net occupancy rate of bed-places and bedrooms in hotels and similar accommodation

Both countries have a net rate bellow the EU 27 average (48.82% in 2018). Bulgaria has a higher occupancy rate but both are improving the level starting with 2015. None of the EU countries have an occupancy rate close to 100%, the highest level is Spain with 62% and the lowest is of Luxembourg (31% in 2018).

International inbound tourists (overnight visitors) according to the World Development Indicators (2020) are the number of tourists who travel to a country other than that in which they have their usual residence, but outside their usual environment, for a period not exceeding 12 months and whose main purpose in visiting is other than an activity remunerated from within the country visited. The data on inbound tourists refer to the number of arrivals, not to the number of people traveling. Thus a person who makes several trips to a country during a given period is counted each time as a new arrival.



Source: World Bank, World Development Indicators, 2020

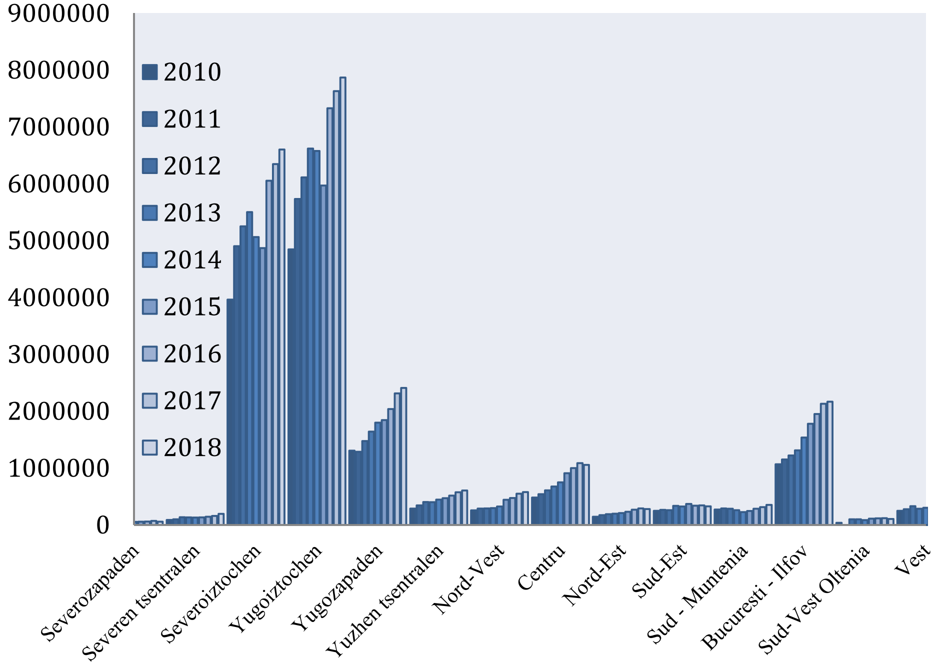
Figure 7. International inbound tourists (overnight visitors)

According to Figure 7, Romania managed to be above Bulgaria for all the period analyzed. This underlines once again Romania is attractive for tourists and started to show its potential.

If we look more into detail, at the regional level we will see in Figure 8 which regions from the 2 countries are most visited.

Bulgaria is splited in 6 regions (Severozapaden, Severen tsentralen, Severoiztochen, Yugoiztochen, Yugozapaden, Yuzhen tsentralen) and Romania in 8 regions (Nord-Vest, Centru, Nord-Est, Sud-est, Sud-Muntenia, Bucuresti-ilfov, Sud-Vest Oltenia, Vest). In the case of Bulgaria there is a very big difference between the two regions, Severoiztochen and Yugoiztochen, in terms of tourism. Both region are from the sea side part of Bulgaria.

The third region has more or lees the same evolution as Bucuresti-Ilfov region from Romania. It is the region where the capital is and the most famous mountain resort Bansko. Most visited parts of Romania are Bucuresti-Ilfov and Center. Bucuresti-Ilfov is the most developed region of Romania and it may have such a high score also because of business trips, festivals and the capital. The Center Region is the region with the mountains and cultural cities. The most unexploited region of Romania is South-West which could be promoted more for tourism.



Source: own work, data from Eurostat database 2020, code tgs00111

Figure 8. Nights spent at tourist accommodation establishments by NUTS 2 region

IV. SWOT analysis of Bulgaria and Romania

To examine the evolution of the tourism industry in Bulgaria and Romania, a SWOT analysis has been conducted. This method, SWOT analysis is one of the most important tools in tourism destination management whereas, tourism destination management is the process of setting and achieving goals, taking advantage of the human, material, natural and information resources (Goranczewski, 2010). According to (Goranczewski, 2010) this algorithm is used to identify the country's current status and development potential. A SWOT analysis will be used to determine Bulgaria's and Romania's market situation. It will examine the country's strengths (S), weaknesses (W), opportunities (O) and threats (T).

The SWOT analysis can be used further as part of the Marketing plan of both countries. Table 6 represents the SWOT analysis of Bulgaria as a tourism destination.

Table 6. The SWOT analysis of Bulgarian tourism

STRENGTHS	WEAKNESSES
• diverse nature • geographic location • climate and temperature • favorable nature for sea tourism • favorable nature for ski/mountain tourism • different types of alternative tourism such as balneology, wellness and spa, adventurous, hunting tourism, ecotourism • rich cultural and historical heritage, UNESCO sites • many 5 star hotels and resorts • cuisine- bio products produced by the locals • price- quality ratio	• mismanagement of the brand • not coherent marketing strategy • seasonality - tourism concentrated in winter and summer • lack of qualified personnel • poor infrastructure • perceiving the country as a cheap tourist destination • lack of tourist information • lack of facilities for disabled • people • lack of collaboration between the different industries • crowded sea areas • poor social media presence and e-marketing

STRENGTHS	WEAKNESSES
• clear icon of the country- the Bulgarian rose • member of the European Union • good quality of nightlife	
OPPORTUNITIES	**THREATS**
• changing consumer behavior (seeking for authenticity, the roots of tourism, for basic and simple trips • emerging trends for alternative types of tourism • exploring the less popular countries such as Cuba, Romania, Croatia, Bulgaria • political problems in neighbor countries • partnerships with foreign agencies • trainings in hospitality industry • increasing industry partnerships • participation in European projects • accessibility • developing better infrastructure • aging population - baby boomers • gastro travel • tour operators offer customized trips	• competitors summer season: Spain, Turkey, Greece, Croatia • competitors winter season: Austria, France • economic situation in Russia / visa problem- Russians main visitors • strong online media presence of other destinations • tourists becoming more rational about spending

Source: Malcheva (2017)

All of the above-mentioned factors show that Bulgaria has the chance to use its various strengths and differentiate itself among its competitors. As can be seen, if Bulgaria uses the opportunities, it has a chance to eliminate most of its weaknesses. Another key point is using the strengths in order to overcome the threats. Overall, based on its strengths, Bulgaria has the chance to overcome the threats that it might face. For example poor social media presence and e-marketing combined with strong online media presence of other destinations: might help to eliminate the threat of Bulgaria's competitor's strong social media influence (Malcheva, 2017).

Table 7. The SWOT analysis of Romanian tourism

STRENGTHS	WEAKNESSES
• natural resources • climate, fauna, and vegetation • heritages: historical monuments and archaeological remains, (monasteries, fortresses Dacian fortified churches) folk traditions, art institutions, folklore, architecture, and cultural and artistic events • Romanians hospitality • transport accessibility • increasing investment in rural areas • diversification of accommodation capacity and implementation of best practices in ecotourism models • Spa Resources • legal framework • the safety Romania offers to tourists in the current geopolitical context • qualified staff with language skills and qualifications above average • mobile and fixed network operators • travel agents and tour operators • participation in national and international tours, fairs, and tourism exhibitions • promotional packages • traditional cuisine and regional specialties • apply the rules on reduced VAT in the tourism sector.	• limited capacity and low-quality standards of tourism and leisure infrastructure • poor development of tourism services • limited access for people with disabilities to numerous tourist attractions • lack of infrastructure at the European close • forced urbanization of the rural population • difficulties in tourist capitalization of traditional crafts • the gap between the skills offered by the school and labor market requirements in tourism • black market labor • failure in considering traditional architecture in the construction of new buildings, located inside parks or in their surrounding area • low level of implementation of quality management system in the tourism sector • the high beach erosion • low salaries of staff in tourism • lack of training courses and training in tourism • poor involvement of the authorities to specific areas of tourism • non-involvement of the media in promoting tourism internally and externally • lack of an adequate legislative package • the lack of an integrated Business Travel offer • sseasonal fluctuations due to the lack of promotion that Romania is a tourist destination 365 days.

OPPORTUNITIES	**THREATS**
• exchange of know-how • accessing EU funds • online communication channels • MICE (Meetings, Incentives, Congresses & Events) • the geopolitical position on the continent • recovery of financing for development of human resources in the field • upward trends in terms of evolution of quality tourism offer • increasing the number of airlines • unlocking the potential of cross-border tourism (Bulgaria, Serbia), especially in the context of Danube Strategy • growing appeal of rural tourism • the desire of all actors in the field in developing a tourism law harmonized with international law • increased demand for resorts and spas • the positive development for tourism operators • request for growing tourism niche forms of tourism that are on the Romanian territory.	• the strong international competition, including unfair competition practices • lack of institutional communication • continuing migration of skilled workers • maintain an inconsistent nature of this industry • gradual dilution of Romanian traditions and customs • low awareness of the benefits of the country's tourism potential • exclusion of the business from the national development priorities • the degradation of rural architectural heritage due to the depopulation of rural communities • massive migration of young people • the destruction and degradation of the natural environment through continues pollution • insufficient budget allocated to the Ministry of Tourism to promote tourism • lack of tourism law.

Source: Muresan & Nistoreanu (2017)

SWOT analysis gives us the opportunities that best fit the strength points, overcome weaknesses in pursuing opportunities, identifying how to use the strengths to reduce vulnerability to external threats and not least to establish a defensive plan to prevent a situation where weaknesses become very vulnerable to external threats. For example, the SWOT identifies weakness: the absence of a corresponding legislative package to support the development of tourism investments and facilities given in this regard.

We note that regarding opportunities, there is a willingness of all actors in the field in developing a tourism law into line with international law, and its absence is a threat to the Romanian tourism (Muresan & Nistoreanu, 2017)

V. Conclusions

Globally, the tourism sector has grown steadily over the last two to three decades, changing tourism activities in a major industry. In the new millennium, we are witnessing another approach to how people choose to travel. Thus, there is great interest in improving what people "consume" in their leisure time, especially during travel and vacation periods. With increasing interest in spending leisure time, accompanied by a better standard of living, tourism demand has increased. Globally, we can see people's perceptions of spending their free time and diminishing their time spent at work, even the option of working from a distance, all of which lead to employment in a new form of consumption, such as tourism.

After the entry of Romania and Bulgaria into the European Union, their tourism sector has undergone a considerable period of expansion, thus the two countries have developed in recent years in terms of tourism industry and its promotion. In the case of Bulgaria, the policies were more focused on attracting tourists than in Romania. Even so, Romania has a larger tourism sector in terms of size, employment and added value. However, it has a high potential that has not been sufficiently exploited so far.

In the first part of the research paper, important information was presented on the current state of the tourism industries, from the two neighboring countries with a similar tourism offer, Romania and Bulgaria. It was continued with the analysis of a set of statistical data provided by Eurostat, data on labor markets in the accommodation and food services sector in both Romania and Bulgaria. The analysis of the data provided by Eurostat shows how they are supports the results of the literature reviews according to which tourism is an activity influenced by seasonality, which offers flexible working conditions, such as temporary or part-time jobs, and where staff fluctuation is one of the biggest problems. To mention a few differences and similarities identified from the research analysis: compared to Bulgaria (the share of employees in total remained almost constant in the period 2009-2018 increasing from 5.2% to 5.33%), in Romania employment in this sector has not experienced any decrease since 2010, and in 2018 it is above the level of employees since 2009, so Bulgaria has a higher share of employees in this sector than Romania, which shows a higher activity from a tourist point of view. From the analysis of the labor cost, it can be seen that for the Bulgarian industry the labor costs per month increased more than for the Romanian industry, during the analyzed period. However, the increase in the number of employees for Bulgaria was not so great, compared to the costs which show that the sector has reached its maximum capacity if there are still opportunities to explore in Romania. This shows that the tourism industry has become more attractive for both countries, especially for Bulgaria, this sector developing more than in Romania in terms of wages.

Regarding the productivity of the accommodation sector, Romania registered higher levels compared to Bulgari, though the differences are small. The hotel infrastructure and other accommodations are more efficient in Romania. However, both countries have an upward tendency for productivity during the last several years. In 2017, for the entire accommodation & food sector, Romania recorded a productivity of EUR 8.6 thousand, with EUR 38.7 higher than in Bulgaria.

In recent years, Bulgaria has invested and attracted foreign investors in the tourism industry, and this is visible. For Romania, due to a more complex structure of the economy in which other subdivisions of the business sector are much more developed and create more value, the tourism industry does not play a major role, even if in the past years at the national level it has been observed the increase of interest for this sector by public and private authorities.

In the analysis of the two countries from the perspective of the tourism industry, we observe differences, but also similarities. Thus, a major difference is made by the inbound tourism from Romania, mainly from five top countries (Germany, Italy, France, Hungary and the United States of America), while for the Bulgarian tourism the main five source markets are: Romania, Greece, Germany, the Former Yugoslav Republic of Macedonia and the Russian Federation.

But regarding the tourism offer of the countries, we observe similarities: the main tourism offer in Romania consists of rural tourism, cultural tourism, historical tourism, ecotourism, health and wellness and, more recently, business tourism, and in the case of Bulgaria, also the main tourist offer consists of cultural tourism, health, spa and wellness, rural and adventure tourism and coastal tourism (European Commission, 2014b).

If Bulgaria is the leader in terms of the number of nights spent by tourists, Romania has 2.3 times more young tourists than Bulgaria, which makes us conclude that Romania is more attractive for middle-aged people. If we compare the number of tourists with the number of nights spent in accommodation units, we can conclude that Romania is more attractive for short visits such as city breaks than Bulgaria for longer visits.

From the SWOT analysis of Bulgarian and Romanian tourism, the following recommendations are needed for the development of the tourism industry in both Bulgaria and Romania: development of transport infrastructure and investments with the help of European funds, elaboration of legislation to support the hospitality industry at all levels: economic, social, educational, etc., identifying how all actors in the industry are involved in the lobbying process, promotion strategies in the online environment competitive with the first five countries in Europe, to attract tourists from areas with overcrowding problems and not in the last make public authorities aware of the economic role of tourism in developing countries, to increase the budget allocated to this sector.

REFERENCES

Arionesei, G., Stanciu, P. & Morosan, A.A. (2019), Tourism day: why is it a global phenomenon? International Coference "Sustainable Development in Conditions of Economic Instability" - 3rd Edition, 20-21 June 2014, Satu-Mare, Romania.

European Commission (2019) Tourism Satellite Accounts in Europe 2019 Edition, ISBN 978-92-76-12188-6 ISSN 2529-3222.

European Commission, (2010) Communication from the Commission to the European Parlament, the Council, the European Economic and Social Committee and the Committee of the Regions - Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe.

European Commission, (2019) Eurostat Regional Yearbook.

Goranczewski, P. (2010). SWOT analysis in the formulation of tourism development strategies for destinations.

Liu, A. & Chenguang Wu, D. (2019) Tourism productivity and economic growth, Annals of Tourism Research 76 (2019) 253–265.

Muresan, M.L., Nistoreanu, P., (2017). The impact of legislation on the Romanian tourism sector. Vol. 1. Bucharest: Editura ASE. 462-469.

Nicula, V., Spânu, S., Neagu, R., E., (2013) Regional Tourism Development in Romania - Consistency with Policies and Strategies Developed at EU Level, Procedia Economics and Finance, vol 6, 530 – 541.

Porto, N., Rucci A., Darcy, S., Garbero, N., Almond, B., (2019) Critical elements in accessible tourism for destination competitiveness and comparison: Principal component analysis from Oceania and South America, Tourism Management 75 (2019) 169–185.

Sokhanvar, A. (2019) Does foreign direct investment accelerate tourism and economic growth within Europe? Tourism Management Perspectives 29 (2019) 86–96.

Tapescu, A., I., M. (2015) Romanian versus Bulgarian Tourism Labour Market Analysis, Procedia Economics and Finance 27 (2015) 375 – 384.

World Tourism Organization (2019) International Tourism Highlights.

Web Resouces:

European Commission, 2014a. Country Report: Romania, available online at http://ec.europa.eu/enterprise/sectors/tourism/ tourism-businessportal/documents/business/ internationalisation/romania_country_report.pdf.

European Commission, 2014b. Country Report: Bulgaria, available online at http://ec.europa.eu/enterprise/sectors/tourism/tourism-businessportal/documents/business/ internationalisation/bulgaria_country_report.pdf.

https://ec.europa.eu/eurostat/statistics-explained/index.php/ Tourism_industries_-_employment

https://ec.europa.eu/eurostat/web/tourism/data/database

https://ec.europa.eu/eurostat/web/tourism/smap2

https://www.unwto.org/country-profile-inbound-tourism

Malcheva, K. (2017). *Analyzing the potential for developing luxury tourism in Bulgaria, Bachelor Thesis of Business Administration in Tourism and Hospitality Management, Modul Vienna University,* https://www.modul.ac.at/uploads/files/Theses/Bachelor/ undergrad_2017/Thesis_1411047_MALCHEVA_Katrin.pdf

OECD (2018), *OECD Tourism Trends and Policies 2018*, OECD Publishing, Paris, https://doi.org/10.1787/tour-2018-en.