

## ROMANIAN TOURISM IN THE CURRENT ECONOMIC CRISIS

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### ABSTRACT

*Romania's seaside is 245 km long; we have 134 national parks and 13 natural reservations that cover 7% of the country's surface; one third of Europe's natural springs are located in Romania; 30 monuments are in the UNESCO patrimony; we have 6,600 monuments of national importance and over 670 museums; in Romania, there are 5,560 accommodation facilities but, unfortunately, 70% have two stars or less; 56% of the accommodation places are at the seaside; only 25% of the hotels are five-star hotels. Despite all this patrimony, why is the Romanian tourism experiencing a crisis?*

### International tourism in the current economic crisis

The crisis effects have been felt back in 2009, a year that brought the decrease of all the indicators of the international tourism. A report of the World Tourism Organisation (UNWTO) for 2009 shows that, at a worldwide level, international tourism had a 4.2% decrease due to the crisis, to a number of 880 million foreign tourists last year. 52.3% of them visited Europe, 20.6% visited Asia-Pacific, 15.9% visited the two Americas, whereas 6% and 5.2%, respectively, visited the Middle East and Africa.

The state of foreign tourist entries, that is, of the incomes, represents an important comparative analysis indicator for each country's achievement. Strangely enough, this report does not give information about Romania. The relevant numbers for the national tourism can be taken from the statistics done by the National Institute for Statistics and by the Romanian National Bank. Thus, according to the National Institute for Statistics, there were 1,275 million foreign tourists in touristic accommodations in 2009. The data from the Romanian National Bank regarding the balance of payments from tourism shows an income of 882 million euro in 2009 (approx. 1.2 billion dollars).

Although comparisons with countries such as France, Spain, Austria, Turkey, Greece or Italy seem to be inconvenient, the data shows the gap that Romania must recover in order to reach an adequate exploitation of this resource. Table 1 shows a series of European and non-European states that have remarkable results even during the current crisis.

World tourism made a strong recovery this year, after the global financial crisis, the highest increase being in Asia and the Middle East, according to the

same source – the World Tourism Organisation (UNWTO). The international arrivals – 421 million during the first 6 months of 2010 – brought a 7% increase as compared to the same period last year, which means a 2% decrease comparing with the record reached in 2008. This period’s minimum was reached in April, when the European aerial space was affected by the eruption of the volcano in Iceland, but the results could be noticed in May and June. The UNWTO report shows that “the tourism increase was positive in all the regions of the world, supported by a solid achievement of the emergent markets, which had a 8% increase, compared to a 6% increase of the developed markets”.

Table 1 Total number of foreign tourists entries/Incomes in 2009

No.	Country	Foreign tourists entries (mil. people)	Incomes from foreign tourists (billion \$)
1	Austria	21	19,4
2	Belgium	7	9,8
3	Bulgaria	5,739	3,72
4	Czech Republic	6,12	6,5
5	Cyprus	2,1	2,1
6	Croatia	9,3	8,88
7	Switzerland	8,3	14
8	France	74,2	49,4
9	Greece	15	14,5
10	Ireland	7	4,9
11	Israel	2,3	3,6
12	Italy	43,2	40,25
13	Netherlands	10	12
14	Poland	11,89	9
15	Spain	52	53
16	Sweden	4,8	12
17	Turkey	25	21,25
18	Hungary	9	5,63

(source: www.unwto.org)

### **Romanian tourism achievements during the crisis**

Romania attracted in 2009 almost five times less foreign tourists than Bulgaria and received over three times less money from this resource, and the gap is even bigger when compared to other countries such as Hungary, the Czech Republic or Poland, given that this financial crisis affected the entire world. Although UNWTO announced a worldwide recovery of tourism in 2010, Romania does not follow the global trend.

During the first 8 months of 2010, compared to the same period of the previous year, the arrivals and the nights spent in touristic accommodations had a 3.7 and 10.8% decrease, respectively. Thus, there were 4,109 million arrivals to the tourist accommodations, and 10,889 million nights spent there. The index showing the net usage of the accommodation places from January through August was

25.5% for all tourist accommodations, that is, a 3.8% decrease compared to the same period of the previous year.

There were 5,192 million arrivals of foreign visitors to Romania recorded at the customs, meaning a 0.1% decrease. Most foreign visitors come from European countries (94.8%). 60.3% of the foreign citizens arrivals were from the European Union states. Most of the arrivals from the European Union states were from: Hungary (38.8%), Bulgaria (16.8%), Germany (8.8%), Italy (7.1%) and Poland (5.9%). During the first eight months of the year there were 7,534 million departures of Romanian citizens going abroad, recorded at the customs, meaning a 7.8% decrease.

A classification established by the National Institute for Statistics that considered the period from June 2009 through June 2010 shows the Constanța county occupying the second position from the point of view of tourist entries, after Bucharest, which was visited by 986,106 tourists during the same period. The biggest flow of visitors was in August 2009, with a total of 278,659 arrivals. In June 2010 there were 22% less tourists at the seaside compared to the same period of the previous year.

### **Solutions for the Romanian tourism**

Niche tourism needs to be more and more highlighted to the detriment of mass tourism. Specialists say that, currently, in our country 95% of the tourism is mass tourism and that only 5% is niche tourism. In Romania, this quite poorly exploited segment could represent an attraction for foreigners, in fields such as cultural trips, nature tourism, rural tourism, active and adventure tourism, balneary and wellness tourism city-break packages and weekend tourism.

#### **▪ Cultural trips**

Cultural inheritance is, why not, a tourist attraction itself. Besides the 30 monuments that are part of the UNESCO patrimony, we have 6,600 other monuments of national importance and over 670 museums. Some of them could be included in these cultural trips. We can already experience an increase in the demand for religious trips as a form of tourism. This is the only domain that has not been affected by the crisis. There are two main pilgrimages in Romania: the one to Iași, on Saint Parascheva's Day, which begins on the 14<sup>th</sup> of October and lasts for a week, and the one to Bucharest, which also lasts for a week, starting on the 27<sup>th</sup> October, on Saint Dimitrie Basarabov Day. According to suppositions, each of them attracts approximately one million believers.

The wine and food tourism, much too little exploited in Romania, could also be included in the cultural tourism. The Wine Road was made during 2000-2004 and it includes Valea Călugărească, Urlați and Tohani, and other towns or villages renowned for the wine production. This road goes through 13 villages and all through the road tourists can stop over. Nevertheless, the Romanian vineyards are far too little known abroad, and, in the same way, the Romanian kitchen failed to promote many unique specialties, which would represent real long-lasting competition advantages on the food tourism market.

Tourism companies in Austria and Germany organise cruises on the Danube river, but they do not stop on the Romanian shore because they do not have the proper facility.

▪ **Nature and rural tourism**

There are more and more tourists requesting this type of tourism. They want to see the untouched nature or popular traditions. Accommodation in the tent or in a rural household will do for them. But, due to their wish to attract more and more customers, rural households expand and they are more and more far away from the authentic rural style which actually attracts the tourists. Thus, in a short period of time, this thread can become extinct: tourists are not interested in PVC window profiles or concrete walls. They want to take photos of genuine gates from Maramureş, not of automatically controlled gates.

▪ **Active and adventure tourism**

Despite the crisis, the adventure tourism, which many times means having a backpack, sleeping in the tent and much physical work, is a developing niche. People who love adventure spent approximately 89 billion dollars last year globally for extreme experiences. Our country is on the 92<sup>nd</sup> position out of 192 countries in the classification of the most attractive destinations for adventure tourism, after countries like Zambia, Armenia, Yemen, Belarus, Iran, Mali, Oman, Mongolia or Sudan. Bulgaria occupies the honourable 7<sup>th</sup> position.

The study made by the Adventure Travel Trade Association from the George Washington University, USA, classifies the 192 world countries according to the opportunities offered for extreme experiences, from mountain bike to rafting, paragliding or canoe, taking into account several factors, from security and culture to tourism infrastructure and hospitality, and including the protection of the environment. According to this study, the average cost of such a holiday varies globally between 450 and 800 dollars, and the average age of the tourist is 36, contrary to what one would expect.

**Table 2 The most wanted destinations for adventure tourism**

<b>Top 10 – developed countries</b>	<b>Top 10 – developing countries</b>
<b>1 – Island</b>	1 – Slovakia
<b>2 – Switzerland</b>	2 – Israel
<b>3 – New Zealand</b>	3 – Czech Republic
<b>4 – Finland</b>	4 – Estonia
<b>5 – Australia</b>	5 – Slovenia
<b>6 – Great Britain</b>	6 – Chile
<b>7 – Luxemburg</b>	7 – Bulgaria
<b>8 – Germany</b>	8 – Latvia
<b>9 – Ireland</b>	9 – Botswana
<b>10 – Spain</b>	10 – Lithuania

(study made by Adventure Travel Trade Association from George Washington University, SUA, published in March 2009)

Romania has a huge potential for this form of tourism. For those willing to experience tough sensations, there is always mountain climbing, an adventure on the river, meaning a day of rafting, a 4-7-day trip by bicycle in the woods of Bucegi or Făgărași, or visiting the caves. Bungee jumping is also one of the offers. In our country you can practice it in the Postăvaru Mountain – the Râșnoava opening, and in Făgărași – the Vidraru lake.

▪ **Balneary and wellness tourism**

One third of the natural springs in Europe are located in Romania. Unfortunately, the bathing resorts in the West of the country lose thousands of tourists yearly because they failed at developing the services. The tourist resorts recommended for their baths are almost empty during the low season because the indoor hot-water swimming pools are missing. What happens is that tourism hibernates six months a year.

At a few scores of kilometres away from the Felix Baths, the Buziaș or Lipova Baths, across the border, in Hungary, the thermal resorts are full every weekend. The Hungarian swimming pools succeed to attract thousands of tourists from Romania, who pay for leisure and fun services. We are part of the same basin of thermal waters, we have almost the same geography, and the economic power of people in Eastern Hungary equals the economic power in Western Romania. Nevertheless, our neighbours found a successful business model. They understood the customer needs, from children to adults and aged people, and they developed the services area.

▪ **City-break packages and week-end tourism**

Due to the changes in the holiday consumer patterns (at a global level), this type of mini-holidays draws more and more attention. The requests for this are first of all for capital cities, and after that for other points of interest. Thus, Bucharest receives the highest number of tourists, the Capital being visited by over a million Romanian and foreign tourists. In order to adapt to the crisis, hotel owners were forced to cut tariffs. Therefore, according to the price index given by Trivago, in Bucharest this year the tariffs had a 34% decrease – among the highest decreases in Europe. According to the index, that takes into account the accommodation tariffs in 50 most important European cities, the only Eastern markets that recorded an increase were Istanbul (8%) and Cracow (7%). Nevertheless, 40 of the 50 cities that were monitored have lower tariffs now than they had in September 2009.

Brașov, the Prahova Valley and Sibiu are among the first favourite places of the visitors. During one year, the Bran castle recorded 196,238 tourists. The capital city and the seaside occupy the first two positions in the national classification regarding the number of tourists during the last year. Counties such as Olt, Teleorman or Călărași occupy the last positions.

Weekend tourism is a branch of mass tourism. It becomes more and more widespread, being the solution of Romanian people with average to low income, who cannot afford to travel to a foreign country because of the financial situation or lack of time.

Another type of tourism is conference tourism. The demand for events such as conferences or congresses is constant, and hotels that have special conference rooms and provided them with all the necessary equipment cannot but win.

Tourism is one of the most dynamic domains of the economy. Romania must place its offer on the world touristic map and adapt to more and more demanding tourists. A study made on eight target markets (Germany, Great Britain, Italy, Russia, Austria, USA, France and Hungary) show that they have approximately 170 million tourists that travel abroad, and 40% of them are willing to visit Romania. What they would like to find here: landscapes and nature, local culture and history or lifestyle.

If increasing the incomes from tourism is one of our priorities, then we should re-think this priority as a long-term investment.

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