

BRIEF OVERVIEW OF THE E.U. TOURISM

Adrian Liviu SCUTARIU

“Ștefan cel Mare” University of Suceava, 720229, Romania

livius@seap.usv.ro

Abstract

This article aims to highlight how tourist activity is distributed in the EU. Europe continues to hold a significant share of international tourism, although other destinations of the world (such as Asia-Pacific) are increasingly popular. In general, the tourist activity of the EU is concentrated in a few countries, which record the largest number of overnight stays (residents and non-residents) and the highest income obtained from international tourism; in this case tourism has a great significance for economy. There are smaller countries where tourism is of great importance, too. A number of opportunities, in terms of attracting tourists from the EU, with positive effects for economy, are also evident in Eastern and Central Europe, the EU's newer members.

Key words: *E.U., nights spent, receipts, tourism, tourism intensity*

JEL Classification: *L83*

I. INTRODUCTION

In time, tourism has experienced various forms of defining, each bearing the imprint of the author's vision and that of the period in which it was elaborated.

To carry out the most comprehensive delineation of the tourism phenomenon from a conceptual point of view, one can use the inductive method, with the focus on the main elements that are specific to the tourist activity (Neacșu, Baron and Snak, 2006, p.21):

- movement of people;
- stay in a place away from home (permanent residence) of a travelling person;
- stay for a limited period of time;
- temporary stay will not turn into a permanent residence.

Tourism has become an important component of the tertiary sector, becoming an industry with significant potential. Even if, in general, the term "tourist industry" is already common, however, at academic level, it is still subject to debate, especially because tourism product consists of some goods and services used not only by tourists. It seems that the first reference to the tourism industry was made in 1936 by A.J. Norval (Norval, 1936 apud Leiper, 2008, p.239), but this has gained recognition and consistency much later. At the same time, tourism has an increasing role in the economy of a country, as a factor underlying economic growth. This implies a sustainable increase of macroeconomic outcomes under efficient use of production factors, reflected in increasing GNP, GDP, NNP as total and per capita (Gogonea, 2005, p.3). Tourism came to be in 2010

ranked fourth in the categories of goods and services subject to export (after fuels, chemicals and automotive products) (*UNWTO Tourism Highlights, 2010 edition*, World Tourism Organization (UNWTO), p.2).

II. CURRENT TRENDS IN WORLD TOURISM WITH EMPHASIS ON THE E.U. POSITION

Nowadays, tourism is an important sector of economy, achieving spectacular growth in the last six decades. The main factors which have contributed to this development are: technical progress, higher income and more leisure time for tourist activities.

From 1950 to 2010, the number of tourists arriving from foreign countries increased by 37 times, exceeding 900 million in 2010. Predictions made by experts in this field estimate a figure of 1.602 million international tourists in 2020, under an annual increase of 4,3% (Neacșu, Baron and Snak, 2006, p.492). All over the world, the growth rate was different, which led to changes in the shares of the big regions of the world in total. The highest increases were registered in Asia-Pacific and the Middle East (which reached scores of over 21% and over 6%, respectively), while Europe and America scored moderate increases (their shares of the total number decreased to about 50% and 16% respectively).

The countries in the Asia-Pacific area have intensified their tourist activity with a growth rate higher than the global average; thus these destinations achieved a larger share of the international tourism. A significant development of tourism has been registered in the Middle East, too, in the last decades. The economic development of Asian countries was one of the factors leading to this progress, along with other

factors that affected Europe and America: decreasing competitiveness of tourism products offered or saturation of tourism demand in those particular areas. However, Europe still has a large share of international tourism.

Higher increases have also been noticed in the international tourism receipts, which multiplied by over 400 times in the last 60 years. The trends were similar to those of the number of arrivals. The new tourist destinations (Asia-Pacific and the Middle East) have growing shares, but Europe continues to attract the most receipts (about 45%) from international tourism.

Between 1950 and 2010, the number of arrivals did not increase in the same pace with the receipts, so that the number of tourists increased by over 30 times while the receipts increased more than 400 times. One reason for this situation is the fact that the population's income and standard of living increased, which gave people the opportunity to spend more money on tourist activities. One should not ignore the presence of the inflation phenomenon, which sometimes caused the increase in the absolute income obtained from tourism.

The EU, which includes a big part of the European countries, has a large share of world tourism. Given that the growth rate is lower in Europe compared to the world average, the EU share of the total number of foreign tourists declined from 49% to 39%, remaining quite high (39,2% in 2011), though (Scutariu, 2013b, p.53).

Regarding the receipts obtained from international tourism, due to a slower growth pace, as compared to other destinations, the EU share is slightly decreasing, still remaining significant - more than a third of the amounts recorded in the world.

From the issues posed, it is obvious that tourism is particularly important for the EU economy, for several reasons, like: amount of the receipts obtained, stimulation of other economic sectors through the multiplier effect. The tourism multiplier means that the tourist's initial expense, in a region or a country, successively turns into revenue for other sectors of economy, directly or indirectly related to tourism, until those amounts of money leave the country, the reference area or the economic sector (Minciu, 2004, p.305). Moreover, the tourism sector is also an important source of jobs, considering the fact that any tourist activity requires a lot of staff.

III. TOURISM ACTIVITY AT E.U. STATES LEVEL

In the last decades, the general trend of the tourist activity has been an increasing one, meeting with some fluctuations over time. Also, the share of tourism in the economies of different countries vary, depending on potential, infrastructure and other factors.

Regarding the tourism activity in Europe, it had a rapid development at the end of the last century. The demand fell between 2001 and 2003, due to economic setbacks, terrorist risks, epidemics and natural disasters. After this period, low-cost companies boomed, which contributed to a revival of tourism. Europe remains one of the world's major tourist destinations and five EU countries (France, Spain, Italy, UK and Germany) are among the top ten destinations for tour operators (*UNWTO Tourism Highlights, 2013 Edition*, World Tourism Organization, UNWTO, p.6,13).

There are big differences among the EU countries in terms of holiday destinations. On the one hand, in the case of countries such as Belgium, Denmark, Ireland, Luxembourg, the Netherlands and Slovenia, more than half of the residents' vacations were spent abroad, and, on the other hand, in Greece, Spain, France, Portugal, only about 10% of holidays had other countries as tourist destinations (Eurostat, European Commission - *Europe in Figures, Eurostat Yearbook 2010*, Luxembourg: Office for Official Publications of the European Communities, p.388). The differences are mainly determined by factors such as: extent of the country, geographical position, tourism potential and standard of living.

The EU countries which attract most foreign tourists are Spain, Italy, France, the United Kingdom of Great Britain and Northern Ireland, Austria, Germany and Greece. Regarding the number of overnight stays of foreign tourists, Romania has relatively modest scores. In 2012, Spain recorded over 243 million overnight stays of non-residential tourists, that is approximately 21,8% of the total number of nights spent by non-residents in the EU. Spain is followed by Italy (180 million nights) and France (120 million nights), these three countries totaling almost half the total number of nights spent by non-residents in the EU (Figure 1). The number of foreign tourists is lower in the Baltics and Luxembourg, where the tourist offer is limited since the areas of these countries are also small. Romania is also included among the destinations rarely visited by foreign tourists, and the number of nights spent by non-residents registered by our country is much lower than that of other smaller countries.

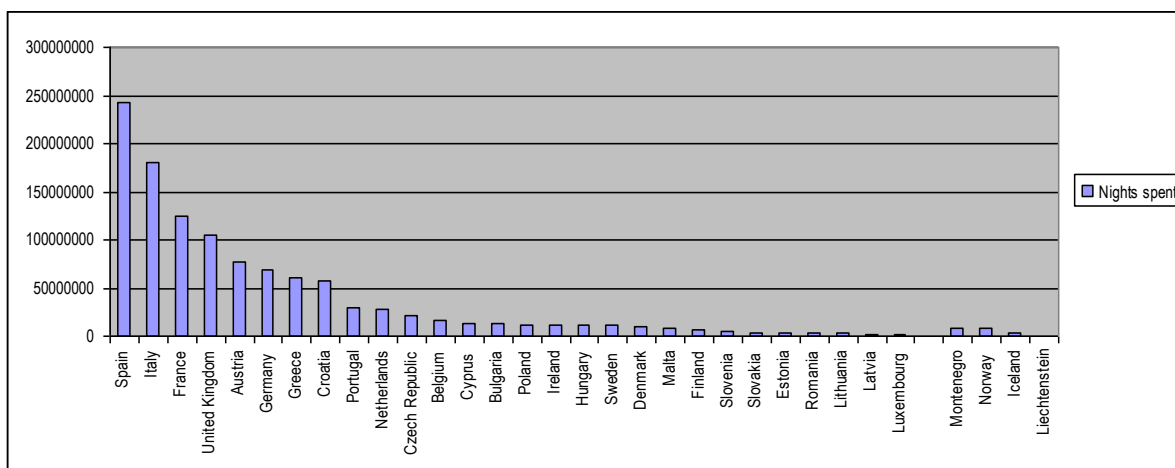
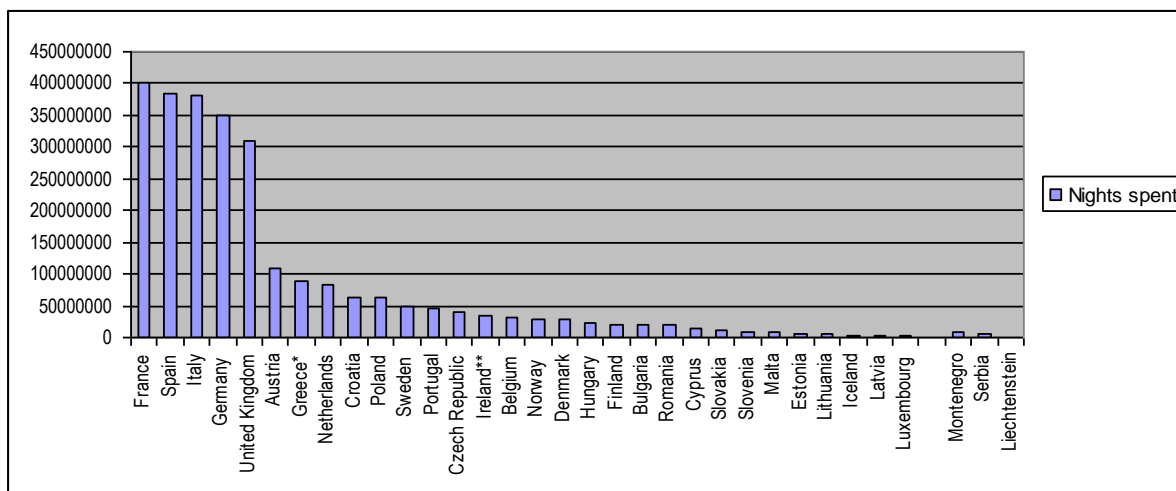


Figure 1. EU tourist destinations in 2012 - nights spent at tourist accommodation establishments by non-residents

Source: graph elaborated using data from Eurostat (http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en)

Worldwide, the EU countries which provide most international tourists are France, Spain, Italy, Germany and United Kingdom, followed at a distance by Austria and Greece. In 2012, almost half the number of nights spent by the EU citizens outside their country of residence were scored by the French, Spanish and Italian. The number of people travelling

abroad depends largely on the living standards existing in the country of origin. It is surprising that countries such as Hungary or Bulgaria, with a population considerably smaller than that of Romania, have a higher number of overnight stays outside the country, fact that can be explained by the higher income of the residents (Figure 2).



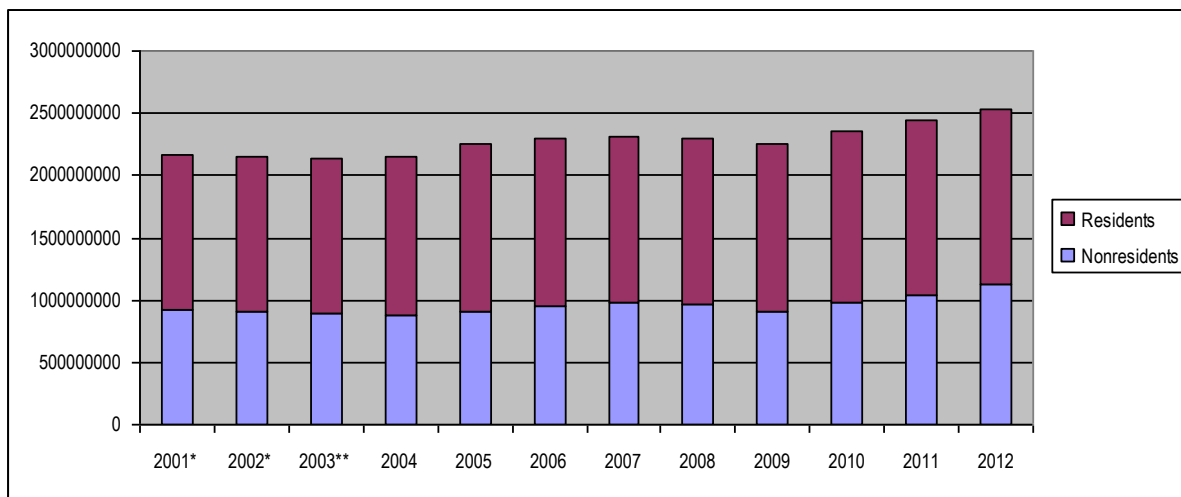
*2011; **2008.

Figure 2. Nights spent at tourist accommodation establishments by country of residence of the tourist, 2012

Source: graph elaborated using data from Eurostat (<http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>)

Regarding the movement of tourists in the EU, it is remarkable that the share of the non-residents is over 40% of the total. In 2012 this share has reached the highest value since 2000, namely 44, 47%. In

Figure 3 we can notice the general trend of increase in the number of overnight stays, with a small decline in 2002, 2003 and 2009.



* without Malta and Estonia; ** without Malta.

Figure 3. Nights spent at tourist accommodation establishments in EU-27

Source: graph elaborated using data from Eurostat

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en

Figure 4 graphically illustrates that, in countries like Sweden, Germany, Poland and Romania, most tourists are residents (up to 75%), while in Croatia, Spain, Austria, Greece, Portugal and Slovenia, non-residents have a higher proportion (over

half). This suggests that countries like Slovenia were more successful in attracting foreign tourists, most of them from the EU (opportunity which was made possible by the EU accession).

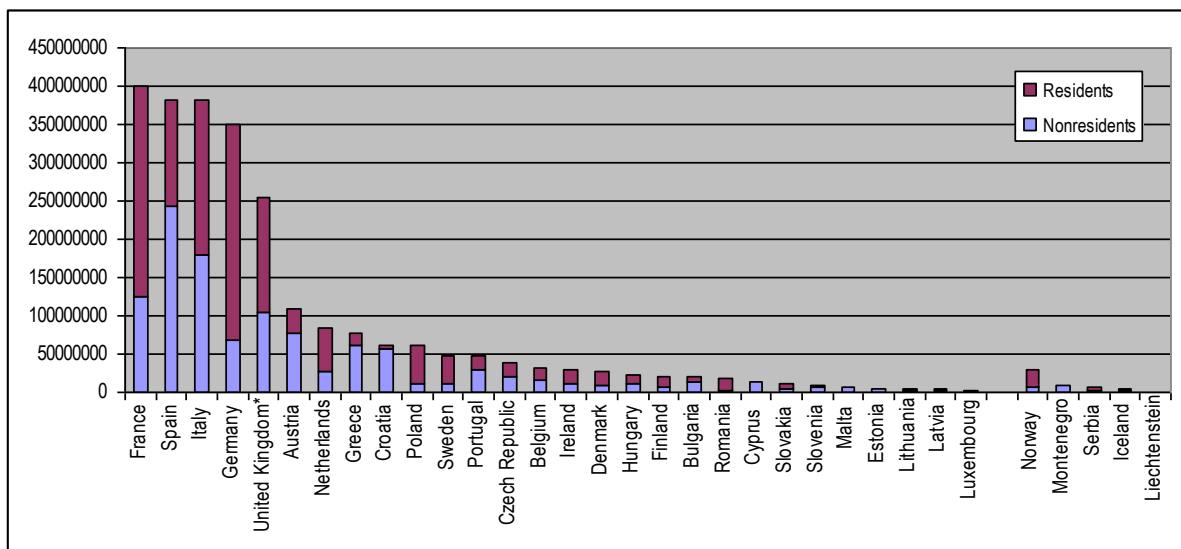


Figure 4. Nights spent at tourist accommodation establishments, 2012

Source: graph elaborated using data from Eurostat

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en

In Figure 5 we can see the shares scored by the member states of the total number of tourists' overnight stays registered in the EU. Thus, the largest shares are held by France, Spain, Italy and Germany; these four countries have about 60% of the total and

they also hold significant shares of world tourism. In the total number of overnight stays registered at the EU level, UK has a share of 10%, followed by Austria with almost 5%.

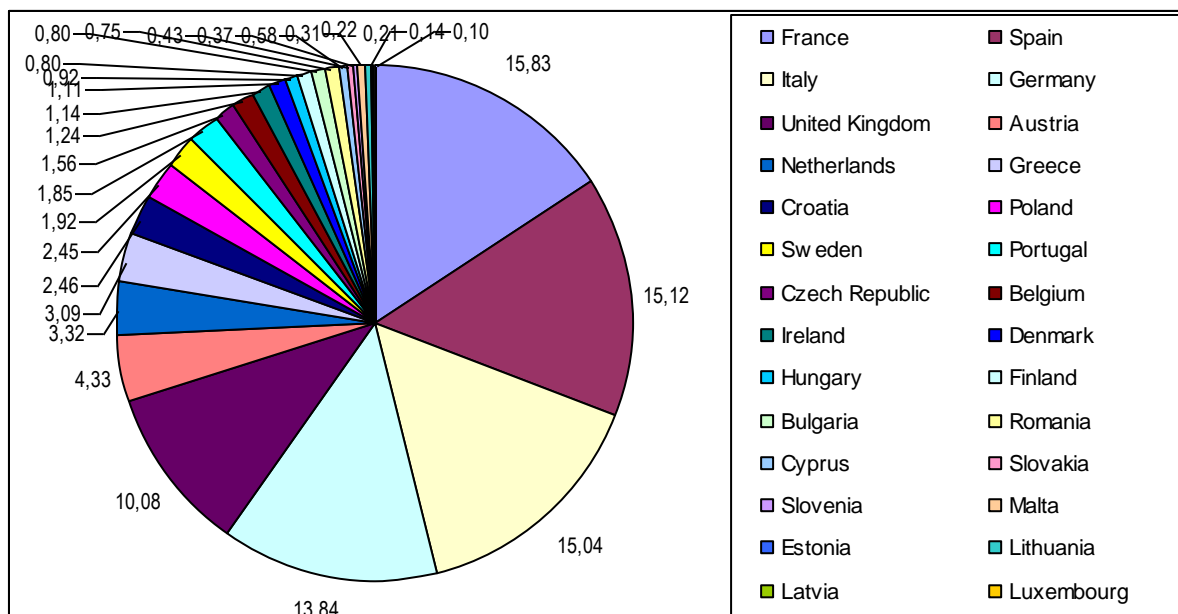


Figure 5. The share of the member states in total tourists nights spent in EU, 2012 (%)

Source: graph elaborated using data from Eurostat

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en

There are some EU countries (for example, Malta, Cyprus, Croatia) where the foreign tourists have a high proportion in the total number of tourists. This proportion exceeds 90% of the total number of nights spent by tourists. It is surprising that in

Bulgaria over 60% of overnight stays belong to non-residents, while in Romania the share is below 20%. Non-residential tourists have a significant proportion in other European countries, too, like Liechtenstein, Montenegro and Iceland (Figure 6).

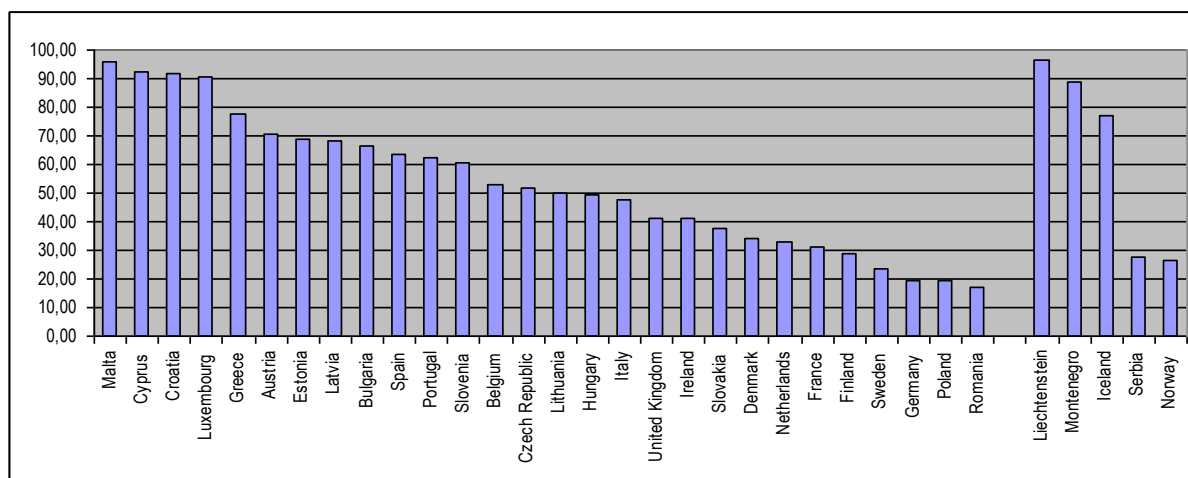


Figure 6. Nights spent of the non-residents in hotels and other collective accommodation units, in 2012, (the % share in total nights spent of the residents and non-residents)

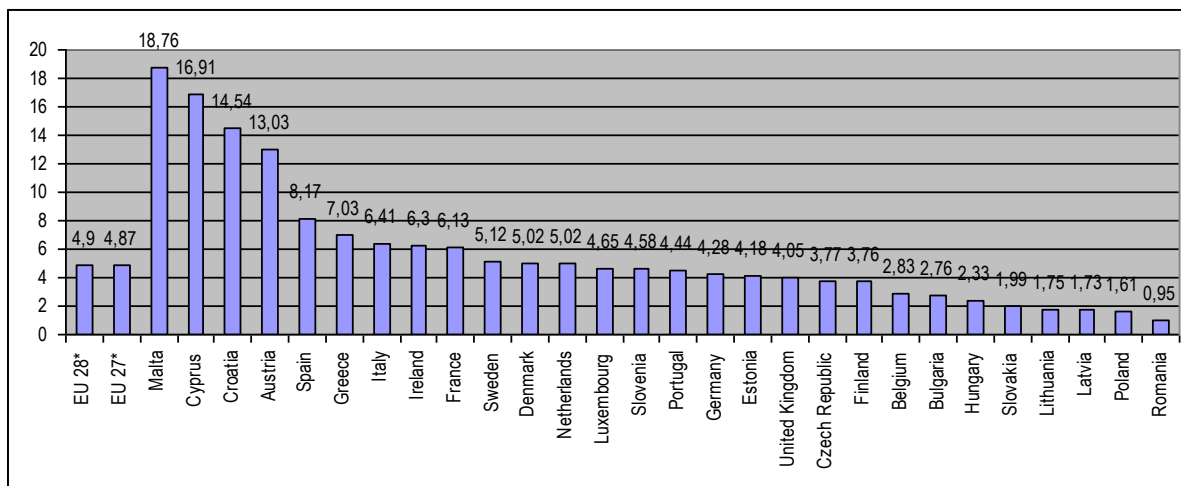
Source: graph elaborated using data from Eurostat

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en

Given the different areas of the EU countries, in this context, the indicator nights per capita (intensity of tourism) is relevant, and provides information on the relative importance of tourism in economy.

Figure 7 points out the intensity of tourism, that is the number of nights spent by tourists, reported to the population of the host country. Thus, Malta, Cyprus, Croatia and Austria are on top (with about 19,

17, 14 and 13, respectively, overnight stays per capita) and the last places are held by Lithuania, Latvia, Poland and Romania (with 1,75, 1,73, 1,01, and 0,95 nights per capita, respectively). The EU average is about 4,9 nights per capita. Croatia, the newest EU member, registers a high number of tourists, of whom the share of non-residents is considerable. Also, we notice that, in Croatia, tourism intensity has one of the highest values of the EU states.



* 2011

Figure 7. Tourism intensity in 2012 (the share of residents and nonresidents night stays in collective accommodation units per inhabitant)

Source: graph elaborated using data from Eurostat

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en and http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en

We notice that Romania has the lowest value of the EU on this indicator. The issues previously reported prove that tourism still has relatively low importance in the Romanian economy, its development being far below the existing potential.

The economic importance of tourism can be noticed by observing data on income from international tourism. Statement of receipts and expenditures from international tourism is illustrated in Figure 8.

We can see some similarities between the countries ranking of non-resident tourists (Figure 1)

and the countries ranking of income from international tourism. The issues presented point to the fact that Romania has weaknesses in attracting foreign tourists, resulting in reduced receipts from international tourism.

In absolute terms, the highest receipts from international tourism have been recorded in Spain, France, Germany and the United Kingdom. In terms of expenditures on international tourism, Germany recorded the highest values, followed by the UK (Figure 8).

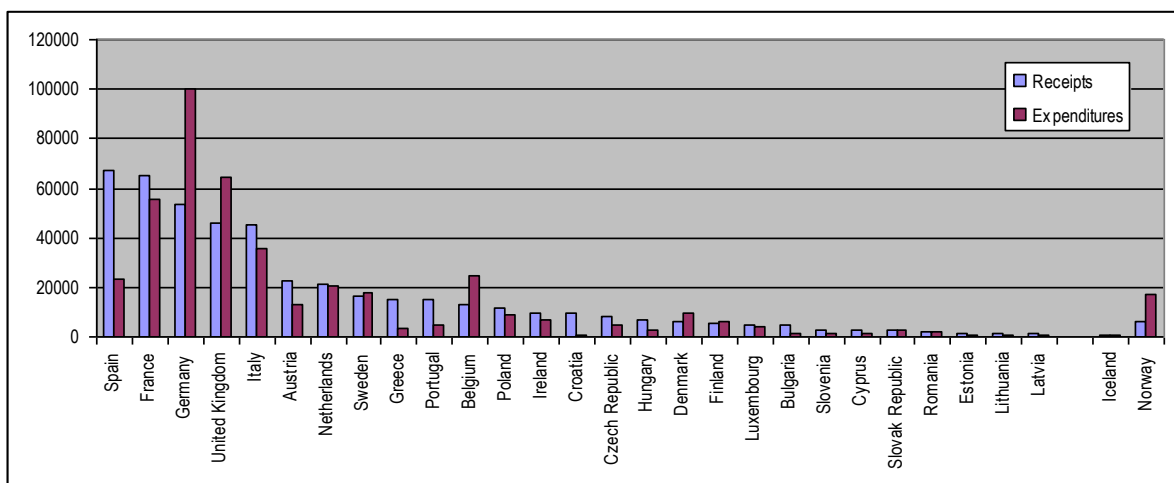


Figure 8. Receipts and expenditures in international tourism, 2011 (millions USD)

Source: graph elaborated using data from The World Bank (<http://data.worldbank.org>)

The receipts from international tourism have great importance for economy, because they are the equivalent of export receipts (export of tourism). The amount of such receipts is proportional to the number of foreign tourists. The countries with the largest share are Spain, France, Italy and Germany; they managed

to collect over 50% of the receipts from the EU international tourism (Figure 9). Other countries with significant share are the United Kingdom and Austria, followed by Greece and the Netherlands.

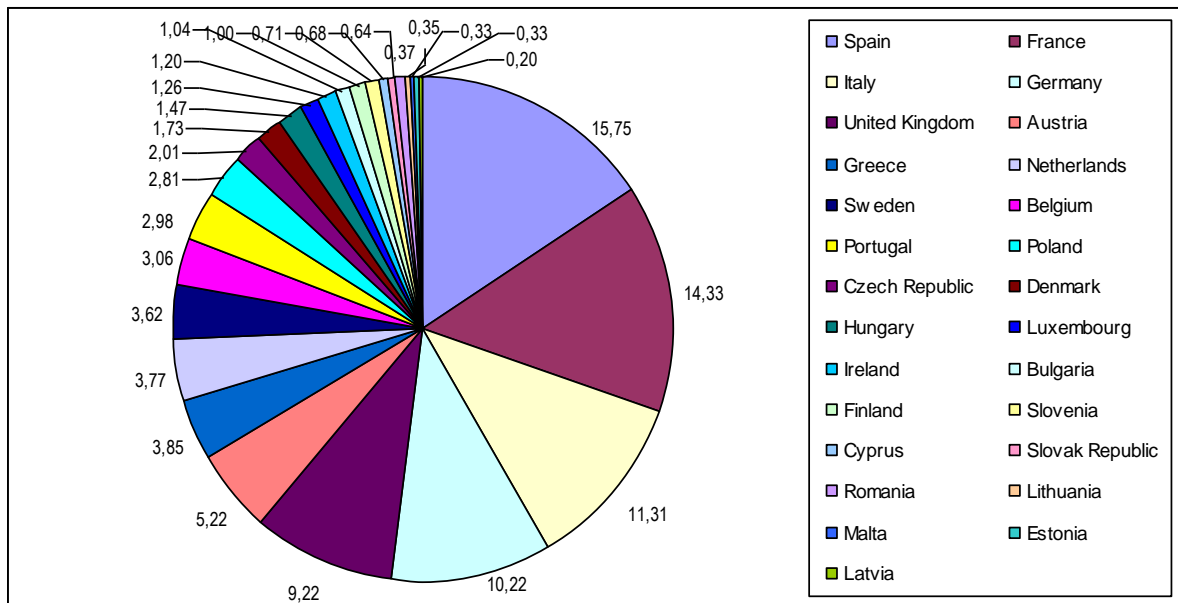


Figure 9. The share of the member states in total receipts from international tourism of EU, 2011 (%)

Source: graph elaborated using data from *UNWTO Tourism Highlights, 2013 Edition*, World Tourism Organization (UNWTO), pp.8-12

As already mentioned, the share of Europe among the world tourist destinations has diminished. Here, smaller increases in international tourist flows, compared to other destinations, were also determined by the prices increase in the Euro area (Scutariu, 2013, p.144). In the same time, the locations of Asia and the Pacific have become more attractive, while those of Europe became less popular among tourists.

After the transition to a market economy, in the countries of the Eastern bloc, the tourist activity has dropped, mainly due to the decline of social tourism, organized in a centralized manner by some companies and trade unions, which had an important role before 1990. In the period that followed the collapse of communism, the decrease of the social tourism was due to the fact that, in the new context, it could not be financed anymore. Even if, after 1990, tourism declined, recently, this activity has become more intense, especially in Croatia, Czech Republic, Hungary, Poland and Slovenia (Hall, Marciszewska and Smith, 2006, p.68).

The communitary policies do not focus heavily on tourism. The Tourism Unit of the European Commission draws up regulations in the field, develops projects related to sustainable tourism and development to tourism activities, in general; however, the support for this sector is still low. For this reason, many countries create their own tourism policy.

The implications of the EU membership is manifested in many forms, and the accession to the EU brings, including for tourism, certain advantages, such as (Hall, Marciszewska and Smith, 2006, p.306):

- More jobs and new opportunities for migrant labour;
- Freedom of movement for the EU citizens;
- More possibilities of investment in business;

- Access to the EU funds;
- Liberalization of the civil aviation leading to the increasing of low-cost airline sector;
- Simplification of trade with the Member States;
- Better information about the protection of nature and cultural heritage;
- Higher standards of living and quality of life.

However, we also perceive a negative aspect concerning the visa applications required by the citizens living in non-EU countries, and this restriction is a barrier to cross-border tourism. On the other hand, the low-cost air transport had a favorable impact on the number of arrivals from the new EU member states, with positive implications for some secondary destinations, as well.

Consequently, the accession to the EU produces a number of advantages for the tourist activity, and they are far superior compared to the disadvantages (higher competition, more stringent regulations, etc.). Tourism development will have beneficial effects on the economies of Central and Eastern Europe, the countries having a medium development level. One argument in this respect is also the fact that, according to some studies (Eugenio-Martin, Morales and Scarpa, 2004 apud Lee and Chang, 2008, p.181), it is considered that, usually, the development of tourism causes some economic growth, especially in low and middle income countries.

IV. CONCLUSION

Tourism has become an important branch of economy, the increases in the last six decades being spectacular. They were especially due to technological progress and population's higher income. Given that growth rate was not the same all over the world, the share of different destinations in total has changed. The "classic" destinations of Europe and America recorded a smaller share, while other areas such as Asia-Pacific and the Middle East have registered growing shares of the international tourism.

Europe remains the first destination of the world, with a share of almost 50% of international tourism, much of the tourism activities taking place in the EU. The EU tourism activity is concentrated mainly in four countries, France, Italy, Spain and Germany. These countries score more than half the number of

the EU overnight stays and income from international tourism. In the case of some developed countries with a high standard of living, such as Germany or the UK, the amount of money spent for tourist activities outside the country exceeds the income obtained from international tourism.

To emphasize the relative importance of tourism to a country, it is important to consider the tourism intensity values. The highest values are recorded in Malta, Cyprus, Croatia and Austria, which means that the economies of these countries depend heavily on tourism. Spain, Greece, Italy, Ireland and France have moderate values and in the countries of Central and Eastern Europe the values are below the EU average. The greatest opportunity for the countries of eastern and central Europe is to attract tourists from the EU, opportunity which manifested along with their accession to the community bloc and which was partially exploited.

V. REFERENCES

1. Eugenio-Martin, J.L., Morales, N.M., Scarpa, R. (2004) *Tourism and economic growth in Latin American countries: A panel data approach*, Social Science Research Network Electronic Paper
2. Gogonea, R.M. (2005) *Metode statistice aplicate în analiza turismului rural*, Teză de doctorat, A.S.E., București
3. Hall, D.R., Marciszewska, B., Smith, M.K. (2006) *Tourism in the new Europe: the challenges and opportunities of EU enlargement*, CABI Publishing
4. Lee C.C., Chang C.P. (2008) *Tourism development and economic growth: A closer look at panels*, Tourism Management, 29
5. Leiper, N. (2008) *Why 'the tourism industry' is misleading as a generic expression: The case for the plural variation, 'tourism industries'*, Tourism Management, 29
6. Minciu, R. (2004) *Economia turismului*, Ediția a 3-a, revizuită și adăugită, Editura Uranus, București
7. Neacșu, N., Baron, P., Snak, O. (2006) *Economia turismului*, Editura Pro Universitaria, București
8. Norval, A.J. (1936) *The tourist industry: A National and international survey*, London: Pitman
9. Scutariu, A.L. (2013a) *Cercetarea fenomenului turistic din perspectivă regională*, Teză de doctorat, Universitatea "Alexandru Ioan Cuza" din Iași
10. Scutariu, A.L. (2013b) *The place of E.U. tourism within the frame of world tourism*, The USV Annals of Economics and Public Administration, Volume 13, Issue 2(18)
11. *** *Europe in Figures, Eurostat Yearbook 2010*, Eurostat, European Commission, Luxembourg: Office for Official Publications of the European Communities
12. *** *UNWTO Tourism Highlights, 2010 edition*, World Tourism Organization (UNWTO)
13. *** *UNWTO Tourism Highlights, 2013 Edition*, World Tourism Organization (UNWTO)
14. http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_occ_ninat&lang=en [accessed at 31.03.2014]
15. <http://data.worldbank.org> [accessed at 31.03.2014]