

## Tourism Profiles in Romania and Bulgaria. Cross-Country Comparisons

Andreea-Clara Munteanu\*, Milena Filipova\*\*, Mariya Stankova\*\*

\* Institute of National Economy, Romanian Academy, Calea 13 Septembrie no. 13, Bucharest, Romania  
e-mail: andreeaclara\_munteanu@yahoo.com

\*\* South-West University “Neofit Rilski”, Faculty of Economics, Department of Tourism, 66 Ivan Mihailov str., 2700 Blagoevgrad, Bulgaria  
e-mail: mzstan@yahoo.com

### Abstract

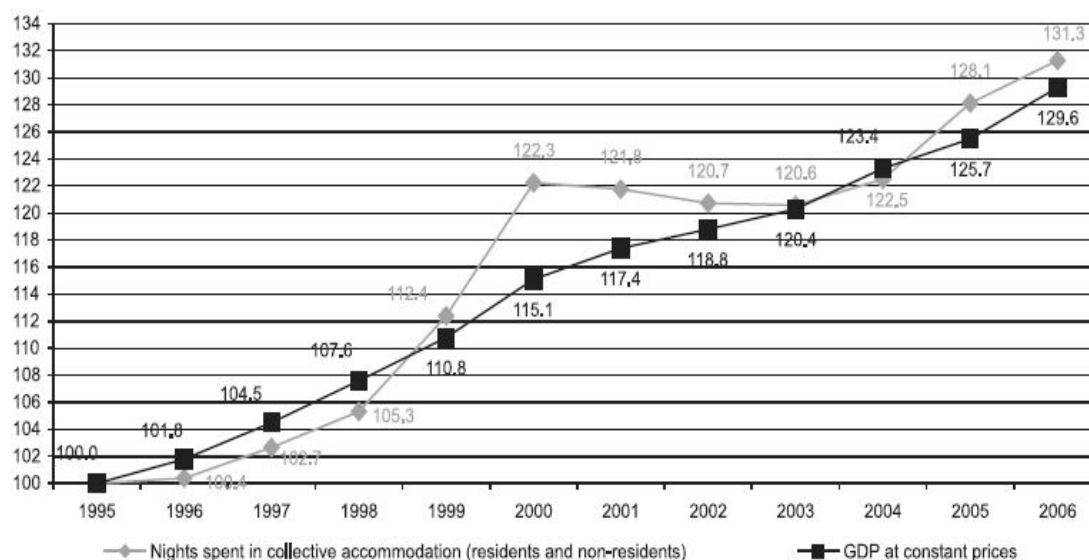
The aim of this study is to reveal the main factors of tourism divergent evolution in Bulgaria and Romania. This paper represents an intermediate version of a larger study and presents the first results.

**Key words:** tourism, structural similarity, competitiveness

**JEL Classification:** L83, O18, P25

### Overview

In recent decades we have witnessed a great increase in tourism flows and receipts. Statistical data analysis reveals a spectacular increase in number of trips with at least 4 overnight stays and number of tourists (e.g. 413.62% and 323.73%) and a significant lower rhythm for the number of bed places in hotels and similar establishments (around 22%).

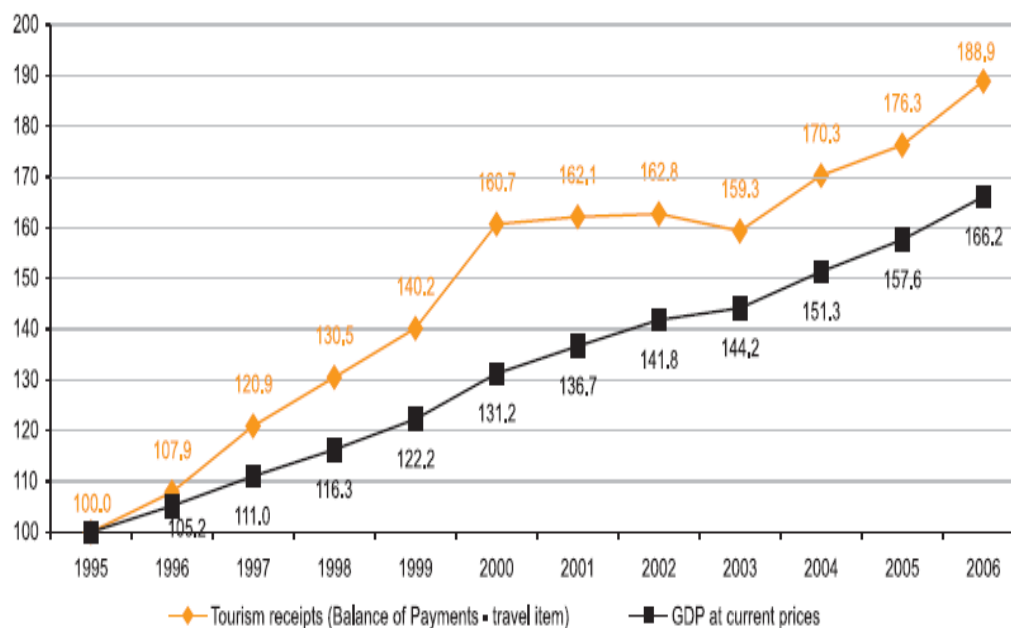


1) Nights spent: include estimates for RO for 2002-2005.

**Fig. 1.** Evolution of the number of tourism nights in collective accommodation establishments in the EU-27 compared to the economic activity, (1995=100)

Source: *Tourism statistic*, Eurostat, 2008, p.30

From Figure 2 it can be noticed the superior pace of tourism receipts compared with GDP.



**Fig. 2.** Evolution of tourism receipts in the EU-27 compared to the economic activity (1995 = 100)

Source: Tourism statistic, Eurostat, 2008, p.21

Statistical data reveal important increase in tourism expenditures, for the majority of EU countries the balance of payment in tourism being positive (Table 1).

**Table 1.** Tourism receipts and expenditures (mil. Euro)

		EU27	BG	CZ	EE	HU	PL	RO	SK	DE	FR	UK
2000	<b>Receipts</b>	215316	1172	3235	548	4067	6195	393	519	20240	33301	23702
	<b>Expend.</b>	211403	587	1387	221	1794	3611	466	371	57427	19227	41641
	<b>Balance</b>	3913	585	1848	327	2273	2584	-73	148	-37187	14074	-17939
2006	<b>Receipts</b>	253161	2063	3993	812	3373	5744	1033	1210	26091	36905	26833
	<b>Expend.</b>	244757	1171	2119	472	1687	4574	1034	842	58849	24840	50305
	<b>Balance</b>	8404	892	1874	340	1686	1170	-1	368	-32803	12065	-23422

Source: *Tourism statistic*, Eurostat 2008, p.33

## Country Profiles

Romania is an emerging country of destination and origin of tourism. Hotel accommodation supply expanded steadily between 2000 and 2006. The number of hotels grew by +8.5% on average each year (from 2 533 to 4 125) and the number of bed places by +2.1% (from 199 333 to 226 383). Consequently, the average size of hotels declined from 79 bed places in 2000 to 55 bed places in 2006.

As regards the demand, all tourists spent about 19 million nights in Romania in 2006, as compared to 17.6 million in 2000 (+1.2% on average each year). During the same period, domestic nights – representing about 83% of total nights – were more or less stable (+0.3% on average each year), while international tourism increased steadily (+7.1% on average each year, from 2.1 to 3.2 million nights).

Germany, Italy and France were the main countries of origin of international tourism in the country, accounting for about 36% of total international nights in 2006. The ratio of tourists to residents in internal tourism (domestic + inbound) was 0.9 in 2006.

In terms of national tourism (domestic + outbound), the number of total holiday trips plunged by a third from about 10.4 million in 2004 to about 6.9 million trips in 2006 (-33.6%). Both a dramatic reduction in short trips (1-3 nights, -42,8% from 2004 to 2006) and a fairly sizeable decrease in long trips (4+ nights, -21.7% from 2004 to 2006) caused this crash.

In 2006, about 93% of total trips were in the country (6.4 million). Of the remaining trips abroad (451 000), 91% were long trips. Italy, Greece and Spain were the main countries of destination, accounting for about 51% of total 4+ night trips abroad in 2006. Tourism expenditure and receipts were almost equal in 2006

Along with Romania, Bulgaria joined the EU in 2007 and is an emerging country of tourist origin and destination. Accommodation supply recorded further growth in 2006, after a boom in the first five years of the 21st century. The number of tourist establishments increased by 9.6% in 2006 and at an average rate of +13.7% each year from 2000 to 2005. During the same period, bed places rose by +10.6% on average each year and by +5.3% in 2006.

Consequently, the average size of hotels and similar establishments decreased from 187 bed places in 2000 to 157 in 2006. As regards the supply, tourism demand also grew rapidly during that period. Nights spent by residents recorded an average growth of +8.1% each year (from 3.4 million in 2000 to 5.4 million in 2006), while nights spent by international tourists increased by +15.0% on average each year (from 5.2 million in 2000 to 11.9 million in 2006). In 2006, foreign tourism accounted for about 69% of total tourist nights in the country, against around 60% in 2000. Germany, the United Kingdom and Sweden were the top markets of origin, accounting for about 50% of total international tourist nights (about 56% in 2000).

The ratio of tourists to residents in internal tourism (domestic + inbound) was 2.2 in 2006. Comparing expenditure and receipts, tourism presented a positive balance of 892 million Euro in 2006.

In 2006 Romania recorded the lowest productivity in the EU (Figure 3), even if the gap between Romania and EU medium level decreased with almost 4 points. Bulgaria records a significant decrease in its gap as compared to the EU average, from 174% to 121% in terms of productivity.

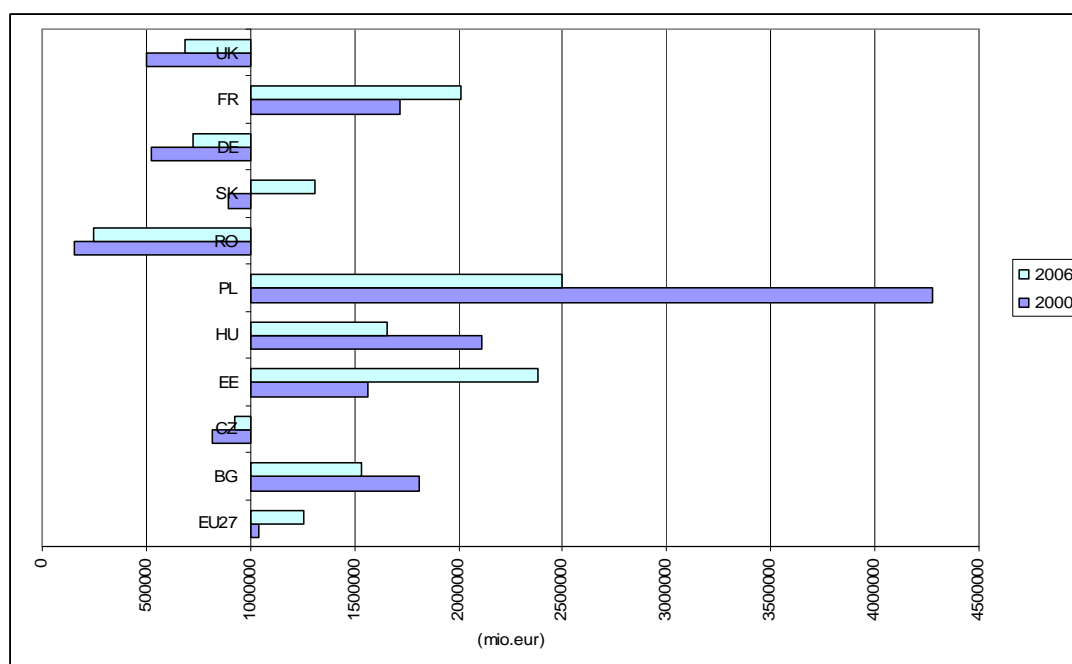


Fig. 3. Medium productivity in tourism

Source: own calculations with Eurostat data

In our opinion, this lack of productivity emerges from several sources: low level of infrastructure development, low level of personnel education and low level of services quality.

For instance, looking at the personnel education in EU countries (Table 2), we can notice Romania is not far from the EU average (Figure 4).

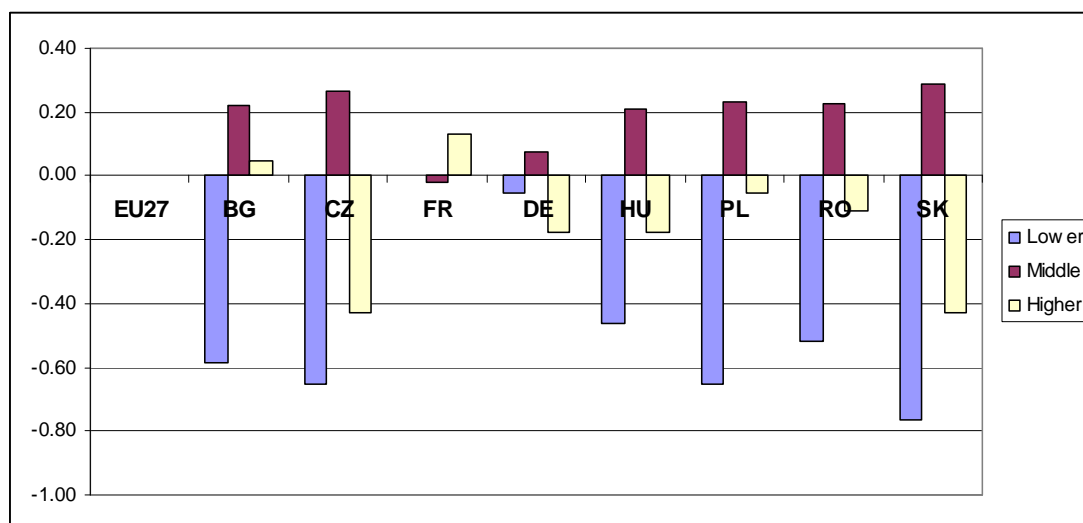
**Table 2.** Share of persons employed, by economic activity and by educational level (2007)

	All economic activities			Hotels& restaurants		
	Lower	Middle	Higher	Lower	Middle	Higher
EU27	25	49	26	38	51	10
BG	15	60	25	9	80	11
CZ	6	79	15	8	88	4
EE	10	56	34	...	70	...
FR	25	45	30	38	49	13
DE	15	59	25	34	59	7
HU	13	66	22	14	78	7
PL	10	68	23	8	82	9
RO	25	61	14	12	81	8
SK	4	79	16	5	92	4

Source: selection from Statistics in focus no. 90/2008, Eurostat, p.16

Looking at Bulgaria we mention the very low share of personnel with lower degree of education, only 9% as compared to 38% at EU and, compared to Romania, the higher share of higher education employment.

According to our calculations, the real distance between Romania and Bulgaria, which has the highest productivity is between 0.22 for higher and 0.006 for lower education (Figure 5).



**Fig. 4.** Personnel education structural similarity<sup>1</sup> with EU average

Source: own calculations based on table 2 data

<sup>1</sup> The structural similarity is calculated using the normalized Bray-Curtis Manhattan distance

$$d_{jk} = \frac{\sum |x_j - x_k|}{\sum x_j + x_k}$$

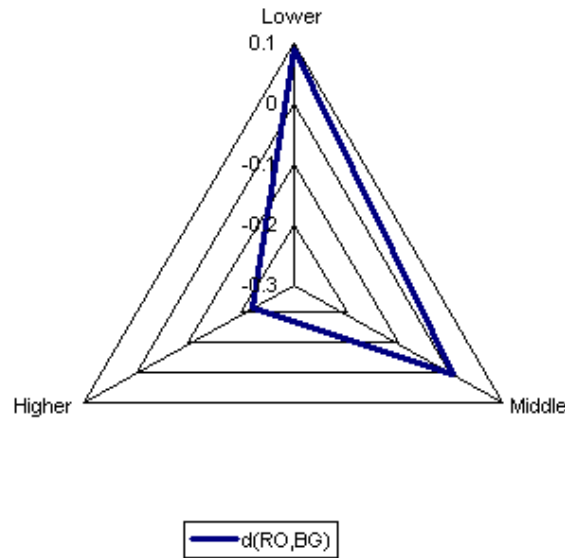


Fig. 5. The real distance between Romania and Bulgaria in personnel education area

Source: own calculations based on Table 2 data

### Key Factors of Tourist Evolution. A Global Approach

Looking for the sources of these evolutions, we have tested several factors of influence, like GDP-capita, the number of hotels and similar establishment, expenditure on tourism (total, inbound and outbound) and employment.

The partial correlation results showed (Table 3) important relations between the number of tourists and GDP/capita trend and number of hotels.

Table 3. Partial correlation results

Variable	Correlations of Regression Coefficients B; DV: NrT (Spreadsheet1)							
	TCh	PIB_C	NrH	NrSos	PO	Cost_T	C_Inbound	C_Outbound
TCh	1.00000	0.75894	-0.95476	-0.59063	-0.82597	0.94078	-0.96192	-0.97020
PIB_C	0.75894	1.00000	-0.59886	-0.45052	-0.98378	0.85517	-0.83276	-0.81898
NrH	-0.95476	-0.59886	1.00000	0.51809	0.68781	-0.84476	0.90526	0.89836
NrSos	-0.59063	-0.45052	0.51809	1.00000	0.38716	-0.60220	0.49158	0.61900
PO	-0.82597	-0.98378	0.68781	0.38716	1.00000	-0.89015	0.89303	0.86325
Cost_T	0.94078	0.85517	-0.84476	-0.60220	-0.89015	1.00000	-0.96317	-0.98835
C_Inbound	-0.96192	-0.83276	0.90526	0.49158	0.89303	-0.96317	1.00000	0.96321
C_Outbound	-0.97020	-0.81898	0.89836	0.61900	0.86325	-0.98835	0.96321	1.00000

Regression Summary for Dependent Variable: NrT (Spreadsheet1)						
R= .87512234 R²= .76583912 Adjusted R²= -----						
F(8,1)=.40882 p<.84355 Std.Error of estimate: 31882.						
N=10	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1)	p-level
Intercept			762064	1290665	0.59044	0.66045
TCh	4.02947	7.62172	0	0	0.52868	0.69039
PIB_C	5.18148	15.2586	46	135	0.33957	0.79159
NrH	-2.3716	2.9197	-11	13	-0.81226	0.56571
NrSos	1.33426	3.0989	0	0	0.43055	0.74117
PO	-8.9041	18.1262	-32	65	-0.49122	0.70931
Cost_T	1.8122	7.5950	0	0	0.23860	0.85088
C_Inbound	-1.9592	4.1801	-0	0	-0.46869	0.72097
C_Outbound	-2.8023	8.0036	-0	0	-0.35013	0.78559

Statistic	Value
Multiple R	0.88
Multiple R <sup>2</sup>	0.77
Adjusted R <sup>2</sup>	-1.11
F(8,1)	0.41
p	0.84
Std. Err. of Estimate	31882.10

The Durbin-Watson test reveals a weak tendency to autocorrelation (2.9 could be considered slightly above 2.82 – standard upper value for our number of variables and recordings).

We have also tested some partial models and we intend to develop a stronger model taking into account quarterly data for all EU countries.

## References

1. Eurostat, Eurostat database
2. Eurostat, *Statistics in Focus* collection
3. Eurostat, *Tourism statistics*, 2008

## Profiluri turistice în România și Bulgaria. Comparații între țări

### Rezumat

*Scopul acestui studiu este acela de a identifica principalii factori ai evoluției divergente din cadrul turismului din Bulgaria și România. Articolul reprezintă o versiune intermediară a unui studiu mai larg și furnizează un set de rezultate preliminare.*