

EVALUATING THE COMPETITIVENESS OF THE TOURISM IN ROMANIA

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Abstract: *The tourism competitiveness is a relative, multidimensional, complex concept when its applicability area includes national economies and tourist destinations, due to the variety of the economic, ecologic, social, cultural and political factors that provoke it. Therefore, the economic literature abounds in definitions and quantifications methods of competitiveness in tourism, most of them being independent, each expressing however different points of view and pointing out the preceding factors. The competitiveness of tourism is defined as being the ensemble of the policies and actions that sketch out the ability of a country of creating and maintaining an environment that supports the value for its companies and prosperity for its residents. The International Economic Forum has developed an index of the competitiveness of the tourist attractions that reflects, in this particular study, the facto state of the Romanian tourism.*

Key words: *competitiveness, tourism, factorial endowments*

1. Theoretical background

The travel and tourism (T&T) competitiveness index is based on three categories of variables that determine the T&T competitiveness. These categories are summed up into three subindexes: (1) the regulatory frame of the T&T; (2) the infrastructure and the business environment; (3) natural, cultural and human resources. The first subindex catches the elements that will make the governmental politics become the object of discussion, the second subindex incorporates the elements of the business environment and of the infrastructure of each economy; the third subindex includes human and cultural elements of the factorial endowments of each country.

Each of these indexes consists in exchange of 13 pillars of the T&T competitiveness. They are: (1) Regulations in the domain of the tourism policies; (2) Environment regulations; (3) Safety and security; (4) Health and hygiene; (5) Prioritization of travels and tourism; (6) The infrastructure of airway transportation; (7) Infrastructure of the terrestrial transportation; (8) The infrastructure of the tourist attraction; (9) Informational technology and communications infrastructure; (10) Price competitiveness in the T&T industry; (11) Human resources; (12) The perception of the national tourism; (13) Natural and cultural resources.

The regulations in the tourism policies area refers to how much do the political environment influences the developing of the tourism and travels sector in each country. This pillar facilitates the foreign direct investments, the protection of the rights of intellectual property, the visa request as a barrier before entering a country, the opening for bilateral agreements of air service transportation.

The importance of the natural environment in ensuring an attractive tourist location is incontestable, the environment regulations being a premise of the fact that a country will continue to be an attractive destination in the future as well.

The safety and security are determinant factors of the competitiveness in the tourism and travel sector of one country. The tourists avoid the countries or the regions with a high degree of dangerousness, thus contributing at diminishing the attractiveness of tourism in these locations. In the case of this pillar, the criminality rate, the violence, the terrorism, and how the police gets involved in ensuring the protection against crimes, are evaluated.

Health and hygiene are as well determinant factors of T&T, through the access within the targeted country, to tap water and sanitary system for the comfort and health of the travelers.

Travel and tourism prioritization is concerned with clearly acknowledging the fact that the tourism and travel sector is a priority which has to be reflected in its budgetary priorities.

The infrastructure of the airway transportation is very important because it facilitates the access to tourist destinations. The airway transportation is appreciated both from a quantitative point of view – the number of departing planes, number of kilometers, the density of airports, the number of airway operators - , as well as from a qualitative point of view, including the domestic flights, as well as the international ones.

What is essentially in order to move around in a developed country is the quality of the infrastructure of the terrestrial transportation. In this case, the quality of the roads, highways, ports comes first, as well as the way in which the national transportation network allows efficient movement and accessible to the main business centre and tourist attraction in one country.

The tourist infrastructure includes the accommodation infrastructure (the number of hotel rooms), the existence of the rent a car type companies and the financial infrastructure (the ATMs' availability).

Given the growing importance of the online environment for a modern T&T industry, in order to plan itineraries and organize travels and accommodation, incorporating the ICT infrastructure quality becomes vital, in the structure of the competitiveness index of the tourism and travel sector.

In this case, the rates of penetration of the informational technology and communication (Internet and phone lines etc) become the object of evaluation, namely the usage of Internet for doing business transactions in an economy.

The price competitiveness in the travel and tourism industry is, obviously, an important element of the T&T competitiveness through the fact that the diminishing of costs increases the attractiveness in some countries for many tourists. In order to quantify the price competitiveness of a country, factors such as airport taxes, the price of the tickets, the level of the price for gas compared to other countries, the purchasing power parity, are taken into account.

The human resources are evaluated through the level of health, education and training in each economy. The education and training evaluate the rate of participation to the early education, as well as the quality of the educational system in each country. From the perspective of the formal educational system, it is appreciated the involvement of the private sector in improving the human resources, including the availability of the services of specialized training. This subpillar practically measures the qualified work availability and evaluates the degree in which the employments and the firings are prevented by the regulations, and whether the work legislation facilitates or limits the employment of the foreign manpower. The health subpillar of the manpower takes into consideration a series of health indicators such as the prevalence of some specific diseases and the average life hope of the citizens of a country.

The perception of the national tourism measures the opening of the society towards tourism and its foreign visitors. The general attitude of the population towards tourism and foreign travelers has a great impact on the T&T competitiveness. In this case, it is evaluated to what extent the population of one country has a positive attitude towards the foreign tourists, to what extent the business leaders are disposed to recommend rest travels in their country to the important business partners and the degree of the tourism opening (the tourist expenses and gains as a percent from GDP).

The countries that are capable to offer the tourists access to their cultural or natural assets definitely hold a real competitive advantage. Within this pillar, are included the appreciation of the cultural heritage, quantification of the attractiveness of the environment and estimating the health risks, especially in the case of some tropical diseases.

2. Travel & tourism competitiveness index. The case of Romania

Table no. 1. indicates the fact that Romania is positioned among the less competitive states in the world regarding tourism and travel, the 76th place held by our country out of 124 countries being due to, mainly, the deficiencies that characterize the airway and terrestrial infrastructure. In ensemble, Romania has totalized 3.9 points out of 7 compared to 5.6, the points obtained by the leader of the classification, Switzerland, and 2.6 given to Chad, that has occupied the last position, out country occupying the position between Azerbaijan and El Salvador.

Table no. 1. The T&T competitiveness index for Romania

	<i>Rank/124</i>	<i>Scor</i>
<i>The T&T competitiveness index</i>	76	3.9
<i>The environment of the T&T regulations</i>	87	3.9
<i>The regulations within the tourism policies area</i>	67	4.6
<i>Environment regulations</i>	101	3.3
<i>Security and safety</i>	72	4.3
<i>Health and hygiene</i>	99	3.7
<i>Travels and tourism prioritization</i>	82	3.4
<i>The infrastructure and the business environment</i>	74	3.2
<i>The infrastructure of the airway transportation</i>	93	2.4
<i>The infrastructure of the terrestrial transportation</i>	77	3.0
<i>The tourist destinations infrastructure</i>	50	3.5
<i>The ICT infrastructure</i>	56	2.8
<i>The price competitiveness within the T&T industry</i>	87	4.2
<i>Natural, cultural and human resources</i>	71	4.7
<i>Human resources</i>	76	5.0
<i>Training and education</i>	52	4.9
<i>The availability of the qualified manpower</i>	91	3.9
<i>The health condition of the manpower</i>	76	6.1
<i>The perception of the national tourism</i>	95	4.4
<i>Natural and cultural resources</i>	46	4.6

Source: World Economic Forum, Travel and Tourism Competitiveness Report, 2007

The first places of the 2007 top are occupied by European states such as Switzerland, Austria, Germany and Island, followed by USA, Hong Kong, Canada, Singapore, Luxemburg and United Kingdom. Bulgaria occupies the 54th place, with a total of 4.3 points and France, the most popular tourist destination in the world, occupies the 12th position, situation which is determined mostly because of French people's attitude towards foreign tourists.

The most critical aspects that our country faces in tourism are the business environment and the infrastructure that have accumulated 3.2 points. The lowest credits have been given to the airway transport infrastructure (2.4 points), ICT infrastructure (2.8 points) and the terrestrial infrastructure (3 points). The airway transportation has received a derisory mark first of all because of the insufficient number of airports in our country and again, because of their limited area. The terrestrial transportation and ICT have received low scores because of the insufficient development of their infrastructure. Out of 13 categories taken into consideration in calculating the competitiveness index of the tourism and travel sector, Romania has had competitive advantages in only 6 categories: the natural and cultural resources (the evaluation takes into account the level of carbon dioxide, the number of national reservations and places protected by UNESCO) – 46th position, norms and regulations (the requirements for visa for tourist purposes and the opening for bilateral agreements of airway service transportation) – 67th position, tourism infrastructure - 76th position. The chapters where Romania faces difficulties are: safety and security – 72nd position, environment regulations – 101st position, health and hygiene – 99th position, tourism promotion – 82nd position, tourism tariffs competitiveness – 87th position, the weight of spending of the foreign visitors on the tourist services – 95th position.

Romania has been penalized in what concerns the regulations as well which have totalized 3.9 points. In this case, the environment regulations have received the lowest score, 3.3 points, at the other end being the rules and regulations in the domain of tourism policies with 4.6 points.

Romania has received the highest score for the human, natural and cultural resources (4.7 points). Thus, the highest score has been given to human resources (5 points), followed by the natural and cultural resources (4.6) and national perception of tourism (4.4 points). The evaluation of human resources has taken into account the population percentage of elementary, secondary education, the existence and preventing of certain diseases, such as HIV and tuberculosis, and the life span hope.

Romania occupies the 107th position by the importance that the government of our country gives to the tourism sector compared with the other domains of the national economy. According to the same criteria, Bulgaria occupies the 58th position. From the point of view of the importance that the government offers to the long term development of tourism and transportations, Romania occupies the 115th position, the first three places being held by Singapore, New Zealand and Tunis.

The promoting of the Romanian tourism has received a score of 3.4 points which has placed our country on the 82nd position in the world, and the low efficiency of the marketing strategies and branding have ensured us the 111th position in the world top.

The competitiveness of the tariffs from the Romanian tourism has placed us on the 87th position, with a score of 4.1 points. The competitiveness of the tariffs has been calculated according to the airway transportation taxes, the purchasing power and the price of carburant.

The amount spent by the foreign visitors on the tourist services in the country has placed us on the 95th position, with a score of 4.4 points. The access to improved sanitary facilities and to the adequate sources of potable water has placed us on the 85th, respectively on the 103rd positions.

The airway and terrestrial transportation has placed us on the 93rd place in the world with a score of 2.3 points, respectively on the 77th place with a score of 3 points. The quality of the land transportation, ruttier and maritime has ensured for Romania the 111th place, respectively 54th place, and regarding the maritime infrastructure, Romania has occupied the 75th position.

The Romanian infrastructure from the tourism and ICT sectors have placed us on the 50th position in the world, with a score of 3.5 points, respectively on the 56th position with a record of 2.8. Regarding the safety and security, Romania has occupied the 72nd position in the world with a score of 4.2, and for health and hygiene in the Romanian tourism, we have occupied the 99th position in the world with a score of 4.2.

The taxes in Romania are relatively high given the specific conditions of the state, our country occupying the 108th position from this point of view. The lowest taxes are in Bahrain, and the highest in Brazil.

The degree of freedom offered to the foreign properties in the country has ensured us the 81st position, and respecting the property rights which concerns as well the financial assets, has placed us on the 76th position in the world top.

The degree of trust in the police force concerning protecting the business in Romania has placed us on the 79th position, the first positions being occupied by Finland and Germany.

The states with the most appreciated governmental rules for foreign direct investment are Singapore and Ireland, Romania occupying the 88th position after Ethiopia and before Greece. Regarding the people's attitude towards the tourists, Romania occupies the 76th position.

The analyze of regional competitiveness, based on the data offered by the Tourism World Council, makes a comparison between 8 countries close to Romania which are considered to be competing countries in tourism: Bulgaria, Croatia, Serbia and Montenegro, Hungary, the Czech Republic, Slovakia, Poland and Ukraine.

The competitiveness index of the tourist industry has been obtained by calculating the arithmetic average between the following indexes: price, infrastructure, environment, technology, human resources, opening and social issues, whose values on a scale from 0 to 100 shows the performance of each country compared to the other states. The data sources for these indicators consist mainly of development indicators elaborated by the World Bank, but of UN and Tourism World Council reports as well. According to this calculation, the competitiveness index of the Romanian tourism industry is 58.91. In the plan of the tourist competitiveness, Romania is surpassed by the most representative that adhered to the European Union on the 1st of May 2004, Hungary (78.44), the Czech Republic (74.47), Slovakia (62.84), Poland (66.03), as

well as Bulgaria (68.57) and Croatia (68.04). Even so, our country keeps an advantage towards Ukraine, Serbia and Montenegro.

Romania is more competitive compared to some of its competitors in the prices, environment, opening towards commerce and tourism and in the social areas, and less competitive in the technology, human resources and infrastructure areas. Compared to Bulgaria, Romania is more competitive when it comes to prices (regarding the fares for the hotel rooms, in 2004; the parity index of the purchasing power; the level of taxing in tourism), infrastructure (only regarding the roads and the railways – with superior indexes to Bulgaria), environment (less carbon dioxide emissions than Bulgaria, but a higher density of the population), technology (only for the high-tech exports chapter), social (for the TV sets and newspapers indexes).

Compared to Croatia, Romania is more competitive in the prices area (only at taxing level chapter in tourism), environment (less carbon dioxide emissions than in Croatia, but a higher population density), international opening (only for the level of taxing in the international commerce) and the social domain (the TV sets and newspapers indexes).

Compared to Hungary, Romania is more competitive only in the prices area (fares for the hotel rooms, in 2004 and the level of taxing in tourism) and social domain (only for the TV sets index).

Compared to Slovakia, Romania is more competitive only in the prices area (fares for hotel rooms, in 2004), human tourism (only for the people's involvement in the tourism), environment, technology (only for the high-tech exports), international opening area (visas) and the social area (TV sets and newspapers indexes).

Compared with the Czech Republic, Romania is more competitive only when regarding the prices (fares for hotel rooms, in 2004 and the level of taxing in tourism) and the social domain (only for the TV sets and newspapers indexes).

Compared to Poland, Romania is more competitive only when it comes to prices (fares for the hotel rooms, in 2004 and the level of taxing in tourism), human tourism (the economic impact in tourism), technology (only for high-tech exports), international opening (the index of opening in tourism and the index of opening in commerce) and the social domain (only for the TV sets and newspapers indexes).

Compared to Ukraine, Romania is more competitive in the prices area (for the fares on hotel rooms, in 2004, the purchasing power parity and the level of taxing in tourism), human tourism (the population's involvement in tourism), environment (less carbon dioxide emissions than in Ukraine, but a higher population density), technology (the number of Internet users, mobile telecommunication, high-tech exports), the international opening (visas, the level of taxing in the international trade) and the social domain (human development indexes, newspapers index, computers and TV sets indexes).

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