The Tourism Industry in South Eastern Europe –

Development and Competitiveness

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Contents

INTRODUCTION

Tourism, either as a timeless social phenomenon or as widespread way of entertainment, an attempt is made to establish itself as a concept just as it is in 1937, when is designated as the tourist the person who travels and stays for more than 24 hours in a country other than his own. However, a precise definition does not exist but can be mentioned as general characteristics of the individual or group travel (travel - accommodation - food) to a place other than permanent stay, short stay and return, as well as the visit to destinations for tourist and leisure or professional purposes or otherwise. Today, among other things, the technological development of transport means, the comfort of accommodation and specialized services provided a rapid increase in population movement for tourist’s reasons.

The classification of tourism as a geographic phenomenon is based on the fact that it is closely related to the specificities of a particular space when is also perceived as a movement and as a lasting socio-economic activity.

It is well known that global tourism is not homogeneous. This inherent characteristic is explained by objective preconditions such as: the geographic contrasts imposed directly linked to the distribution of resources and their degree of tourist absorption, capacity and attendance; quantitative and qualitative indicators of the developed structure of tourism; the spread of innovation in the industry, as well as by the manifestation of a number of other phenomena of a public nature, immediately or indirectly affecting its full development. On the planetary level, these differences on the ground place the basis of tourist regionalization of the world, representing a peculiar macro-frame of the original geographic presented in the structuring of the tourist area.

As a rule, the term region is considered to be a geographical of the widest spatial order (as opposed to the area that primarily affects the administrative-territorial division - Autonomy), using mainly a macro-level for separating the largest territorial entities - geopolitical, geo-economic, physico-geographic. One of the shortest definitions of this term is "a particular kind of territory characterized by specific integrity". This integrity should be understood as genetic territorial unity, which naturally affects the common features of the morphological structure, climate or natural landscapes, but in the public sphere.

The socio-economic aspect is expressed through a number of indicators of a public nature, as well as the degree of interconnection and interdependence in the economic development of space. Regarding the observed territorial homogeneity, it should be clarified that not always the economic geographic (or tourist) region overlaps with the physico-geographic, because in the first they take into account to a much higher degree the socio-cultural aspects of the environment, as well as its specificity in the international division of labor (sectorial and territorial).

The regionalization of the geographical area is considered objective a process that results from the natural, historical and socio-economic material filling and development. This process is therefore traditionally qualified as one of the ways to explore the objectively existing one reality.

CHAPTER 1

TYPES OF TOURSIM

1.1. Definition of tourism

Tourism is an important socio - economic phenomenon with spectacular dynamics, especially over the last fifty years. In this time, tourism has changed form and intensity, and it is constantly evolving and differentiating according to developments and economic and societal standards in which it operates and is growing. It can, in proportion, as a first form of tourism, to recognize the tour, based on an individual search for the roots of the past, curiosity about other cultures and wandering in unknown places, an activity for the few. But on the scale and extent which has taken in modern times, tourism has developed as mass phenomenon after the middle of the twentieth century.

Based on the individual need for rest, it has now evolved as a social need, as a "right" for recreation, a phenomenon of great importance, both on the part of the world economy and the development of a place. There are plenty of definitions for the term "tourism". Defining the concept is a difficult affair as it is a cultural, social and at the same times an economic phenomenon. In particular, from a cultural point of view, tourism refers to a movement that is made for the individual to explore others cultures and cultures and generally communicates with societies presenting the different cultural values (Zacharatos and Tsartas, 2008).

At the same time, a major aspect of the tourism industry is the main one social, as tourism refers to the process of moving from one place to another, aiming to meet the needs of the individual for new experiences. The third dimension is economic. At a time characterized by difficult economic circumstances, this dimension is probably the most important if it is considered that the tourist industry is very large and is constantly evolving offering significant economic benefits to a destination country.

The British Tourism Organization defines tourism as each activity related to the temporary movement of people to destinations outside the place where they reside and work, and their activities against the duration of stay in these destinations. According to the World Tourism Organization: "Tourism is the movement and the residence of persons in areas outside their daily environment (residence and labor) for a period of less than a year, for reasons recreation, work and avoiding the problems of everyday life "(UNWTO 1995). In this definition the concept of everyday environment has two dimensions, the proximity and frequency (SETE, 2014). Concerning the proximity, the sites located near the place of residence of a person are part of the usual even if he does not visit them frequently. Also, regarding the visit frequency, sites visited frequently (once on week or more often on average) are part of the normal environment of a person, even if they are at a significant distance (or elsewhere) from its place of residence.

A different, broader definition for tourism is given by Hunzinger and Krapf (1942): "Tourism is all the phenomena and relationships that are created during the trip and stay of foreigners in one place, who is other than his place of permanent residence, and in which he is not exercised some speculative activity". The key element of this definition is that considers tourism to be a complex phenomenon with a wide range of relations between travelers and the local population. The concept of tourism is not only about making a move like in the previous definition, but includes "all relationships and relationships phenomena" created by the movement and the temporary stay of a person (eg social relations, health issues, policies, etc.).

Considering the above, it is understood that tourism constitutes a complex phenomenon, which makes it difficult to conceptualize it. For a better understanding of it, then some definitions are given are presented in the literature.

Today tourism is not just an economic activity but is a right, an opportunity for knowledge and an approach to the environment, a factor of international solidarity and peace. It's a way of using leisure time and social provision that contributes to psychological balance. Tourism is the most important sector of economic activity worldwide. The wider tourism sector contributes as much as anyone else to the formation of Gross National Product in most countries of the world, both in terms of income generation and in terms of growth employment and investment, the travel sector comes first, and with difference between all other sectors.

The modern perception of tourism development is based on quality, the certification, enlargement and diversification of tourism services, the linking them to the local economy and completing a number of projects infrastructures and the environment. Tourism is a giant economic activity. It is the first in the world. Its particular feature is that it is the only one perhaps activity that really has a global dimension. The tourism industry is a key factor in the global economy and shows the fastest growth. It also accounts for between 10 and 12% of World Gross Product. In the new macroeconomic environment tourism is the key to success in growth and development of social well-being of each country.

Europe, with its diverse sights and the quality of tourist services, is the first tourist destination in world tourist traffic with a figure of around 64%, which it is expected to maintain, albeit slightly. The enlargement of the European Union has increased the diversity of Europeans tourist destinations and products, offering numerous natural and cultural attractions that were often unknown to many European citizens.

Tourism has become a necessity for modern person, every person depending on his / her needs, his / her demographic characteristics, social and economic characteristics economic position of the psychological state it is, leisure time possesses, chooses differently the kind of entertainment, time, place and place type of holiday.

Today's tourist demand is markedly different segmentation, wholly foreign to the patterns of mass tourism it had internationally prevailing postwar decades. The development of these trends has internationally led to the development of new specific forms of tourism that are targeted to provide quality services to these new tourist segments. Today's tourist presents completely different requirements than the traditional tourist of mass tourism.

Recognizing holidays as an essential part of normal life each in addition to raising income, led to an increase in claims of modern tourists. The tourist product must therefore present one quality upgrade to meet these new requirements. The new market segments are developed by tourists looking for new forms of tourism and require more qualitative and personalized services.

The development of these trends has therefore led to the development of new ones worldwide alternative forms of tourism that aim to provide quality services to these new tourist segments.

1.3.The subjects of the tourist system

Another definition comes from Leiper (1979, 1990) who sees tourism as an open system consisting of five elements. The five elements of the Leiper system are:

- The human element - the tourist who is his protagonist system, as long as his desire for experience provokes interconnections between the other elements of the system.
- Three geographic features: the place (region) of origin, the route and the place (destination) area. The region of origin of tourists represents the tourist market and, in a sense, provides the "push" for making the trip. In this area are conducted tourist market, travel planning and departure. The place of destination is the main reason for tourism, since in this place the visitors experience the feelings of a tourist experience through a multitude of sites of particular cultural, historical and natural importance, which differentiate the reception area from the familiar tourist environment. The "attraction" of visiting a destination triggers all

the tourist system and is the leading cause of travel demand in the region of origin, with the result that different tourism planning and promotion policies. The transit routes tourists do not simply represent the short period of the trip to the tourist arrives at the destination, but also their intermediate places which the tourist can visit on the road.

- The economic element, the tourist industry, which can be characterized as a cluster of businesses and organizations involved in the distribution of the tourist product and are active in all three geographic "spaces" within the tourist system (Williams, 2004:59).

1.4.Categories / Tourism Distinctions

There are many types of tourism and vary according to which country the tourists come from the visitor's time for tourist activities, on how much tourist activity will keep at the time of stay as well and what is the purpose of the trip. There are many reasons why this increased interest in attracting tourists to a place:

- First, because each place is different and can – no potentially - based on its particular characteristics to attract the interest of some visitors.
- Second, because with globalization, new technologies and the diffusion of information, each place can show its tourist attractions all over the world.
- Third, because there is a wide range of needs (e.g. leisure, education, etc.) and consequently attractors (sun and sea, snow, natural beauties, gastronomy, antiquities etc.) that modern man seeks.
- Fourthly, because the development of tourism at one place contributes catalytically to the support and development of other economic activities, as tourism has multiple links with other sectors (agriculture, fisheries, trade, construction, transport, etc.) and significant multiplier effects on the economy.

- Fifth, because tourism, if developed properly, can also contributes to the promotion and protection of cultural and natural heritage in one place, to upgrade them services and for residents, contributing to social development in general (Williams, 2004: 68).

1.4.1.Mass / Individual Tourism

Mass tourism is characterized by the group participation of tourists in various phases of tourist activity. The character of mass tourism is due to the way the trip is organized and to the chosen holiday destination. Massive tourism and space-time gatherings basically interpret the modern tourist phenomenon. At a time when scientists "bang" the bell of risk of adverse effects of global pollution, "mass tourism" is considered one of the main culprits. This kind of tourism is unfortunately not an environmentally friendly industry. However, this is mainly due to local over-development and the depletion of natural resources.

Individual tourism opposes mass tourism and is characterized by independent individual organization and the execution of travel by tourists. The development of this category of tourism is largely combined with individual- private means of transport, such as cars, yachts etc., both against the transition as well as during the stay of the tourist in the country or host countries. The main character of this category of tourism is a tour guide (Williams, 2004: 94).

1.4.2 External/ domestic tourism

Domestic tourism is carried out by the local population of a country inside it, always within its natural boundaries i.e. within its territory. This category of tourism presents significant economic and other benefits for the country in which it develops. One of them is its containment foreign exchange outflow due to non-tourism part of the local population.

The development of domestic tourism requires the creation of appropriate and at the same time affordable accommodation facilities for local tourists as well the improvement and development of the various networks and means of transport, so that travel of local tourists on the territory of the country permanently resident be faster and safer.

External tourism is carried out by people permanently residing in one country and leave it temporarily to visit another or some other countries for tourism purposes in order to satisfy specific needs their tourist needs or desires consequently foreign tourism has any country where residents of other countries visit it or when its permanent residents visit other countries for tourist purposes. At the first case the external tourism is characterized as energetic, since as a main of its characteristic is the inflow of currency. In the second case the external tourism is characterized as passive, as a main of its feature is the outflow of precious currency (Williams, 2004: 106).

1.4.3. Continuous / seasonal tourism

A distinctive feature of continuous tourism is that it lasts all year round, meaning that its activities are by no means influenced by climatic conditions prevailing in all seasons, that is to say, throughout over time. The most representative forms of tourism of this is the conference tourism, tourism is motivated by tourism exhibitions, city tourism and cultural tourism. A distinctive distinction of seasonal tourism is that it does not last all time mean that contrary to the continuous tourism its activities are decisively affected by the climatic conditions prevailing in different seasons that is why they are temporarily suspended for a small or long time each year. The most representative forms of tourism of this category is general tourism during the summer, the winter tourism and winter sports tourism (Page, 2009: 145).

1.4.4 Static/ mobility tourism

Based on mobility during the stay of each tourist at the place where he visits it is the distinction in static and mobility tourism. We have static tourism when the tourist usually goes to a hotel and stays there for the duration of his stay, usually because he pressed for time or the reasons for the trip are professional or want to pass a few days of rest without intense moments that will make him tired (Page, 2009: 148).

We have mobile tourism when tourism is constantly on the move. That is, the tourist wishes to explore the country he visits and is constantly in movement.

1.4.5. Youth / Third age tourism

On the basis of the age structure of tourists, tourism is distinguished to youth tourism and senior tourism.

Youth tourism consists of 18-30 year olds who prefer special forms of tourism (adventure, winter sports, participation in events, festivals etc.). Young people prefer destinations where they will experience intense moments with prime to meet their needs. For example, young people feel and would not prefer places where a quiet place prevails climate. Youth tourism is more mobile than older people which is compounded by rising incomes, the tendency to independence from them family ties, the autonomy of private ownership transportation and inherent curiosity to discover other places, folks and habits.

Old-age tourism acquires more significance in our time. This is because of the increase average life a very important part of the population now consists of senior citizens. Moreover, with the rise of living standards all the time older people have a significant part of their free time in travel trips. Of course they prefer comfort will travel e.g. with a motorcycle or hiking, nor will they camp on the banks of a river or in a campsite (Page, 2009: 151).

They also require special facilities and other amenities, as well as several of them have motor or other problems. They also prefer organized trips with participation in large groups. From the categories of tourism for which are particularly demanding, apart from the general, they prefer the healing, cultural and religious tourism.

1.5. Alternative Forms / Types of Tourism

1.5.1. Agrotourism

Agro tourism characterizes the forms of tourism and recreation that grow in rural areas and exploit the characteristics of rural ones activities and rural life. Agro tourism is a type of holiday it has devised by small landowners-farmers which are aimed at people who want to live the traditional forms who often want to participate actively in the agro tourism characterizes the forms of tourism and recreation that grow in rural areas and exploit the characteristics of rural ones activities and rural life. Agro tourism is a type of holiday it has devised by small landowners-farmers which are aimed at people who want to live the traditional forms who often want to participate actively in them (Tribe, 2009: 132).

Typically agro tourism is developed in two different forms:

In the first form tourists are hosted on different farms, where if they do they also want to participate in their agricultural activities. They also have the opportunity to taste local traditional products and to come into contact with the traditions and customs of every farmer.

The second form of agro tourism concerns the creation of rented rooms in the form of hostels in exotic areas where they do not necessarily have the farm character in activity but more on site (Tribe, 2009: 134).

1.5.2. Cultural Tourism

It is a form of tourism where individuals have as their main purpose training and monitoring of cultural or educational events. Many tourist places that have developed this form of tourism to combine cultural tradition and sights with parallel educator activities (language learning, economic and business seminars) interest, etc.). So tourists have the ability to combine the education with recreational and other educational activities (visits of historical monuments and archaeological sites, theatrical performances, etc.). As is logical, the specific needs of this form of tourism are particularly important increased and combine the classic tourist infrastructure (hotels, restaurants) etc.), specific cultural infrastructure (cultural and educational events, libraries, educational staff, educational institutions, etc.) (Lichrou et. al., 2008).

1.5.4. Health tourism

It is a form of tourism where we see it to grow constantly and to be addressed mainly in elderly people who are looking for various alternative methods of treatment where physical and mental well-being will be improved or restored their health. The main feature of this form of tourism is the existence of appropriate natural resources to attract tourists (natural healing sources, etc.) (Lichrou et. al., 2008).

1.5.5. Religious tourism

It is short-term tourism (usually one to three days, up to one week) and is a form of tourism aimed at people who are visiting religious destinations who are either in their own country or in some other country for religious reasons loyalty (participation in religious events or ceremonies, fulfillment of a voucher etc.) (Lichrou et. al., 2008)

As tourist packages, religious tourism is and should be accessible because it is not luxury tourism, does not require the development of a particular infrastructure and is addressed to all social strata, while the economic benefits for the religious places and, by extension, for the economies of the countries in which these are relatively important. Religious tourism can be grown all year round, but it has particular peaks at specific dates associated with events of particular religious nature of importance.

1.5.6. Professional tourism

Professional tourism is presented when the person travels to another country and does so for purely business reasons and not for holidays. Professional tourism is an alternative form of tourism provided that travel is not only professional but enriched by some side of tourism activities, that is, while the primary reason the person travels is due to work if time allows it can combine holidays and work together. Business tourism also includes incentive tourism, where a company donates tourist packages to its employees on the occasion of a seminar to enrich their knowledge or to reward their performance (Leiper et. al., 2008).

1.5.7. Conference tourism

It is the tourism that takes place during a conference in which the participants have a professional status and can be informed about pioneering working methods or new products, etc.

The pursuit of every country hosting tourists for this purpose is visibility of the competitiveness of each country, the qualitative upgrading of the provided services, the creation of imposing buildings to serve its desires of congress tourism, which are usually created in the largest and developing cities in each country. Each country is trying to win a big share from the pie of the international competitive market and be established as an ideal choice and destination for conferences, incentive trips and personalized events (Leiper et. al., 2008).

1.5.8.Adventure tourism

Adventure tourism is one of the most interesting alternative forms of tourism after combining them all, fun, site exploration, adventure and generally engaging in new activities. Those interested in this kind of tourism is young people, usually with good physics state and appetite for new adventures (Leiper et. al., 2008).

1.6.Positive and Negative impacts of tourism

Every human activity has an impact on the physical and social environment and tourism has favorable and negative changes to it. The most important areas that usually affects either positively or negatively is economy, society and the environment.

For the economy:

Positive:

Tourism has undoubtedly been recognized as the first economic form of global activity, so they also use the term "tourist industry". The rate of contribution of tourism to income generation and employment rate is estimated at 8% for our country and a little less globally level. These rates relate to the main tourist sector. If added to those of the support sectors as well as all sectors of the economy are favored by transactions arising from tourism, and then the importance of the tourism sector becomes obvious.

How it affects the economy:

1. By creating new jobs (reducing unemployment).

2. by generating income.

3. by regional development.

4. with additional investments.

5. And improving the balance of payments.

Worldwide, tourism is considered to be a major economic activity in the fight against poverty since new ones are being increased investments that directly and indirectly involve national income. These investments such as the construction of a hotel, the construction of an airport, etc. So jobs are created for people involved in business belong to the wider construction sector and consequently to increase employment and to create new and additional income (wages, interest, rents and rents) business profits) for employees and mainly in areas where others such as industry or agriculture are unable to create. Consequently, a significant part of the well-being of the peoples that depend on tourism is due to it. Undoubtedly, tourism is creating employment (Hall and Lew, 2009).

Tourism development is focused on areas traditionally characterized by low level of growth and income, ie in the countryside and smaller residential centers. It has thus offered an alternative field of activity of local populations over the shrinking rural sector over time. They are sure that without the development of tourism the migration to the big cities would be more intense and would have led to deforestation of most of the territory and the countryside. At the same time, tourism has contributed to the reduction of regional disparities.

Infrastructure in the economy means the projects that help the transport (roads, railways, ports, airports etc.), water supply, sewerage, telecommunications, electricity etc. The creation of new facilities of this form, usually by government agencies, are the investments that help better and more economical conduct of economic activities and therefore tourism. These beneficial effects on the economy are called "external economies" since they are not directly affected and not influenced by each company. Tourism, as an important sector of the economy, is a strong factor in generating these investments (Hall and Lew, 2009).

The foreign exchange receipts from inbound tourism, which is very much important in countries of Southeastern Balkans, help to cover a part of their deficit trade balance (payments and receipts for imported and exported goods). The tourism significantly contributes to the reduction of the balance of payments deficit is determined by foreign exchange inflows and outflows related to tourism products (deficit = inflows - outflows) (Hall and Lew, 2009).

Negative:

Notwithstanding the obvious advantages that tourist activity attributes to a country's economy, however, there are also the disadvantages such as:

1. Inflation (rising prices and goods):

It is known that where there is increased demand in relation to the supply of prices goods and services are increasing, with adverse effects on the standard of living of residents, especially those who do not directly benefit from tourism. The value of land is unfavorable.

2. Seasonality:

The tourist phenomenon is seasonal. It usually takes 7-8 months a year and so it does not offer the employees a certainty. The tourism profession leads to seasonal unemployment. The problem of seasonality in tourism is one of the most important facing the tourism economy of Greece.

3. Loss of income in other countries:

The financial benefits will not be enough if the costs incurred by the tourists are leaking to other countries. A significant part of these costs is collected as income from foreign enterprises, e.g. foreign airlines, tour operators etc. Also a part of the expenses incurred by foreign tourists in Southeastern Balkan countries concerns imported products, such as imported beverages and food.

For the society:

Positive

It helps:

1. to contain the population in urban centers
2. in the approach of peoples, in the discovery of new cultures and cultures
3. to additional cultural activities.

Without tourism a large part of the world cultural stock (monuments, traditions, lifestyles, etc.) would have been lost forever. The tourism, offering work and income to innumerable families and businesses, has contributed to curbing population leakage in many areas. This has of particular importance to remote regions.

Economic development, which is directly and indirectly attributable to tourism, reducing unemployment has contributed to reducing the social phenomena that have due to it, such as immigration, crime, drugs etc. With mainly tourism outgoing people are approaching each other through the continual contact of residents of tourist sites with visitors coming from other countries or regions. So they understand that they are all members of a larger community.

Negative

The negative social and cultural consequences due to tourism are obvious. Increased crime, prostitution, proliferation of sexually transmitted diseases, drugs, the loosening of morals and family cohesion are some of the consequences of the host-guest relationship.

The personalized tourist who visits another country, haunted by his desire to get to know him, perhaps does not account for his own behavior, the way of dress and his habits seem foreign to his cultural context of host country. Having prepaid a reward for his vacation, believes that it is allowed to go beyond cultural boundaries and to interfere the informal codes set by societies.

Mass tourism is causing visitors to "crowded" hotels of complexes and areas with recreational infrastructure, which leads to overrun the "carrying capacity" of the respective area and the corresponding "system" - environmental or cultural.

For the environment:

Positive

Accurate assessment of the environmental impacts of tourism development is a complex problem, which makes it necessary to design an integrated tourism-environmental policy. The environment is an important asset for tourism and all tourist company. In this context, the importance of preventing and resolving problems related to tourism development and the environments are of great importance.

Factors that affects positively:

1. Protection of biotope and fauna and flora sites.

2. Noble competition for improving tourist sites.

3. Upgrading and regeneration of degraded areas.

4. Increasing ecological sensitivity.

Tourism increases:

- Residents' interest in nature and environmental sensitivity.
- Awareness of the importance of preserving the natural environment.
- The effort to improve and protect archaeological sites, monuments,

- Areas and buildings.
- The rescue of archaeological sites, monuments, areas and buildings.

Tourism helps to preserve and develop important natural and natural resources protected areas which are tourist attraction poles. It does improve environmental aesthetics through its conservation programs of landscape, design and better maintenance of buildings. Tourism improves road, air infrastructure, water infrastructure, sewerage, waste, wastewater treatment and communications.

Negative

- Pollution of the natural environment by the means of transport of tourists.
- Pollution of air, soil and water from thousands of tourists who flood the areas.
- Safe of energy and natural resources.

CHAPTER 2

ECONOMIC CRISIS AND IMPACT ON SEA COUNTRIE'S TOURISM

2.1. General about the global crisis

Economists use different expressions to describe economic problems: delay, stagnation, stagflation, recession, depression. However, the most known is the crisis expression that appears along with various prefixes to facilitate the understanding: global, economic, debt, structural, circular, growth, etc.

Under particularly difficult circumstances, we use the expressions of economic chaos and crash. Over the past two years Nobel laureate economist Paul Krugman used expressions that have a stronger impact on collective sense, such as economic destruction, pit (as well as immersion or hell). Each expression can be described by various regulatory and theoretical definitions. Unfortunately, these do not fully differentiate even from professionals, provoking semantic, theoretical and political differences over and over again.

The global financial crisis that we are still experiencing these days began in 2007 of the first "bubbles" appearing in the real estate market in the United States (by tapping construction and automotive industries after reaching the financial and banking sector also). The crisis came to Europe from the debt crisis that became dramatic in 2010 and started off the economic collapse of PIIGS (Portugal, Ireland, Iceland, Greece and Spain). Furthermore, the European Economic and Monetary Union was equally wobbly.

These factors have not only brought about the usual problems in any event a similar crisis (rising unemployment, shrinking GDP, falling production, losing of economic confidence, general uncertainty and the appearance of the fear of the future), but revived also the theoretical, political and cultural battles between free market enthusiasts and the interventionism.

Not even the best economists in the world, nor the most successful entrepreneurs and traders or futurists are able to appreciate how long the crisis will hold and what it will have. Similarly, the battle between economic doctrines representing different views does not shrink.

The global financial crisis that began in the US in 2007 brought mostly formal financing problems similar to other crises: rising unemployment, GDP decline, economic crisis of confidence and the emergence of general mistrust and fear for the future.

The 2008 crisis was systemic and was created by the financial system and mainly the banking system, which was basically struck. A series of events that, until years ago, were imagining unlikely to happen, led world growth to a sharp decline and triggered unemployment and insecurity in nearly all countries. As the crisis unfolded, its intensity and extent continued to rise, forcing governments, central banks, analysts, investors, entrepreneurs and consumers to constantly review their perceptions and expectations. In attempts to tackle the crisis immediately took a series of measures and policies that were unthinkable before the crisis could ever happen necessary to be implemented, such as the nationalization of banks. The previous perceptions of a new era of low volatility of economic magnitudes, continuous prosperity and self-regulation of the markets collapsed in the face of the rapid rise deterioration of the situation.

Although the current crisis was born in the secondary mortgage market, was generalized to all other markets through a complex creation mechanism of structured bonds. So, around subprime loans created a profitable trading system with the main features of complexity, the opaque, inappropriate use of borrowed funds and the use of derivatives financial products. The attempt to remove credit and interest rate risk from banks, converting stagnant funds into tradable securities and the transfer of the composite investment securities to states of specific entities, caused a "domino" chain reactions in the American and European banking and real estate sectors.

The fact is that the phenomenon of the recent global crisis is complex, is a product of many years of processes, is not explained by complex and impressive mathematics and equation systems, and there is no cause, but have interrupted over time, cumulatively and combined, with varying intensity, multiple regulatory, supervisory, financial, psychological and political factors. It is also certain that the globalization of the financial system has created significant interdependencies between markets, economies and countries degree, local financial crises are being transported at high speed and tension in the rest of the international financial area, and even more impressive the speed of transfer of the financial crisis to the real economy in local and global level.

The panic, caused by the bankruptcy of Lehman Brothers, led immediately the global banking system in a huge liquidity crisis, fleeing deposits to safer alternative investments (Government Bonds); cash and freeze on interbank markets and money and capital markets.

Foreign trade collapsed and, most importantly, due to its relative size, for the first time in the last thirty years, consumption has fallen. As a consequence we had the impressive reduction of global GDP, the reduction in employment and rising of unemployment (Hall and Lew, 2009).

The reaction of almost all governments to the crisis was the expansionist of a fiscal policy, the creation of significant deficits and the increase in debt as a percentage of GDP. According to analysts, the state of the recent economic recession is likened to that of the 1929 global crisis and that will happen an effort to show up whether or not it is. If something can be said, initially, like an introduction to the comparison between these two cases is that the collapse of 29 began as a mild economic downturn, it turned into a major stock market crisis, ended in banking and eventually we were led to the big one financial disaster. While the 2007 crisis started from the financial sector of the United States, has been rapidly transformed into an international capital market crisis to come to significant global economic downturn. Below we will analyze the recent financial crisis of 2008 so that the causes, consequences, solutions and ultimately the conclusions to be made more clearly and accurately.

The globalization of economies and money and capital markets and the internationalization of the economic and financial activities of the latter two decades have not been accompanied by the required parallel upgrading, internationalization and appropriate macroeconomic coordination policies, oversight and the regulatory framework for the international operation of financial space. At the same time, the importance of dynamics and degradation has diminished complex phenomena that were in full swing in the financial sector.

Above all, the systemic risks that emerged from the principles were not perceived by the authorities the ingenious, hypertrophic growth of the global financial area, with a result, the resulting significant damage to the sector would, ultimately, taxable citizens for the coming decades.

2.2. The beginning of the crisis

The global economic recession of 2008 is the result that has been caused the international financial crisis of 2007. The financial crisis is due to large extent in the subprime mortgage market mortgages). It also began, as in 1929, in the United States and was rapidly transformed into crisis of the global financial system that was transferred to real economy at a rapid pace. However, this crisis was not unpredictable. The reports that predicted it were quite, and several years before the event, but they were rather unnoticed in a climate of general euphoria.

In recent years, the US had historically low interest rates and continuous house price rises. The first "bubble" broke when large amounts were granted for high-risk, insolvent home loans and low-income borrowers. To a large extent, these homes had been purchased with high leverage and low credit mortgage loans. When interest rates began to rise, and house prices to decline, many borrowers found themselves in difficulty unable to meet the requirements of repayment of their loans. In August 2008, about 10% of housing loans in the United States were either in late payment or in auction process, whereas the previous year the banks had preceded seizure of about one million homes.

The underlying causes of such a crisis are summarized in greed and the greed of the US banking system for overweight. This became more noticeable after excessive use of borrowing funds, up to the explosion of the property bubble, which facilitated over-consumption, resulting in over-heating of the economy and current account deficit. Under the pressure of competition, banks were lending to households, which they should not normally have borrowed, with the revaluation of the home as a safeguard. Then they transferred the risk from their balance sheets to the public and to the investors through securitization, which allowed them to lend safely to non-residents of solvent borrowers and then get liquidity for extra lending, without having to find new depositors.

2.3. Impact of economic crisis on SEA countries tourism

Since the autumn of 2008, the financial crisis has now been consolidated, and to the real economy. The financial crisis went on real economy in two ways: First, through the reluctance of credit institutions to grant loans and, second, through the destruction of wealth households and businesses by breaking into bubbles. Lack of administration of loans to business have led to a general economic slowdown, while consumers, were unable in their turn to borrow money, not just for acquiring a home or car, but even to meet basic needs since part of these needs were covered in the past through the of the mortgaged property they had acquired and whose value had grown. The result was that growth rates were reduced to extremely low levels; consumption, and GDP shrinking globally. Employment also declined hence the rise in unemployment.

Businesses under the weight of negative expectations and psychology and while, at the same time, demand will fall sharply and liquidity will significantly reduced, they made a sharp and drastic reduction in stocks, staff redundancies and cost and production cuts resulting in unemployment galloping in a short time. Thus, the global financial crisis, has been rapidly transformed into a global recession (Hall and Lew, 2009).

The crisis and its effects on the real economy did not leave international trade. The collapse of international trade is a hallmark of recession and an important factor for its deepening. The world trade fell more than expected in 2009 exceeded -10%. This fall was synchronized; it concerned all economies and all categories of goods. The causes of the very large fall were, according to researchers, the composition of world trade and globalization in the impact of globalization and the creation of international production chains.

Overall uncertainty has made global variables very volatile financial markets. In a time of globalization and internationalization, manifestations of the crisis of the financial system, are changing very quickly in crisis of real economies, causing chain reactions. In Europe, the financial crisis was not recorded with the same intensity and the same extent, it can in the different EU Member States to be different manifestations of the crisis, but in all the real economies its generalization recession is a given (Hall and Lew, 2009).

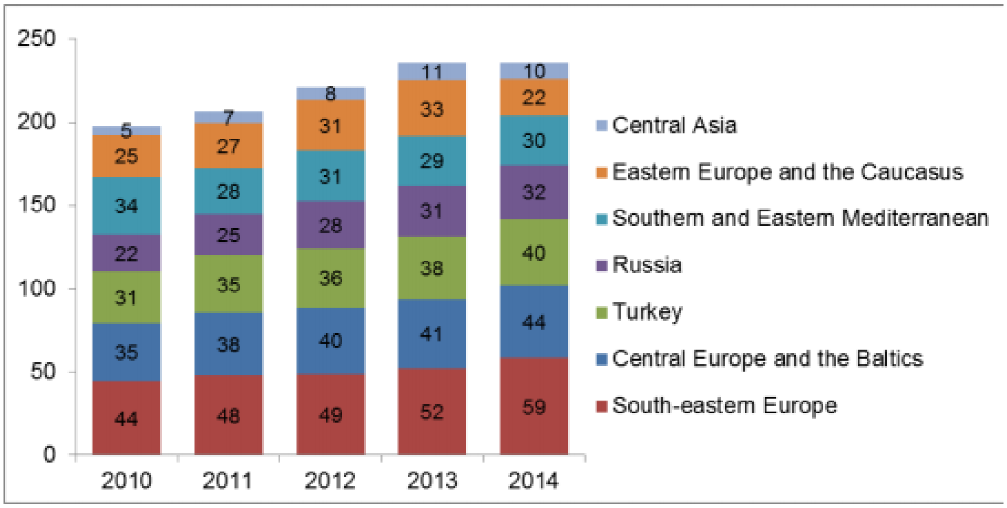
There is inactivation of the real multipliers of the economy, which was caused mainly by the lack of liquidity. Destruction of data liquidity, financial stress, shrinking the interbank market and the phenomenon of the "deleveraging" of the financial system have brought about a great deal blows to the real economy. But it is generally accepted that the crisis does not affect only the actual financial figures, but also the human factor.

It is a fact that the manifestation and escalation of the global economic crisis had impact on all sectors of activity in the Member States of the European Union and in SEA countries. The relatively high growth rates in many of its states of Europe before 2008, gave way to an extended recession, increasing the reduction in production, degradation of the average living standard. From this situation, world tourism, although with some delay, is not unaffected. On the contrary, according to the World Tourism Organization, international tourism began to decline at the end of 2008 and became one of the last sectors that have suffered the effects of the global recession. This trend was depicted in the tourist regions of both the country and the regions of other countries, with a reduction in tourist arrivals and overnight stays, but also reduction of the money consumed in the tourist areas by their visitors. However, it appears that the impact of the crisis on tourism industry was not the same, or was not at the same level and intensity for all regions (Hall and Lew, 2009).

The manifestation and escalation of the global financial crisis had an impact on all sectors of activity in the Member States of the European Union. Relatively high growth rates in many States of Europe before 2008, gave way to a widespread recession, increase in unemployment, decrease in production, degradation of the average level of living conditions. From this situation, world tourism, though with some delay, has not been left unaffected. On the contrary, according to the World Tourism Organization, international tourism began to decline in end of 2008 and became one of the last sectors to accept effects of the global recession. This trend was marked in the forefront tourist regions of both the Greece and the other SEA countries with reduction of tourist arrivals and overnight stays, but also a decrease in the number of visitor's money consumed in tourist areas by their visitors. However, it appears that the impact of the crisis on the tourism industry was not the same, or was not at the same level and intensity for all regions

Despite the difficulties stemming from the financial crisis there are some preconditions that favor the successful development of tourism in Bulgaria. Among these favorable circumstances can indicate: better organization in tourism, broad publicity and promotion of the Bulgarian resorts, conditions and access to bank lending, improving the business environment of small and medium-sized enterprises.

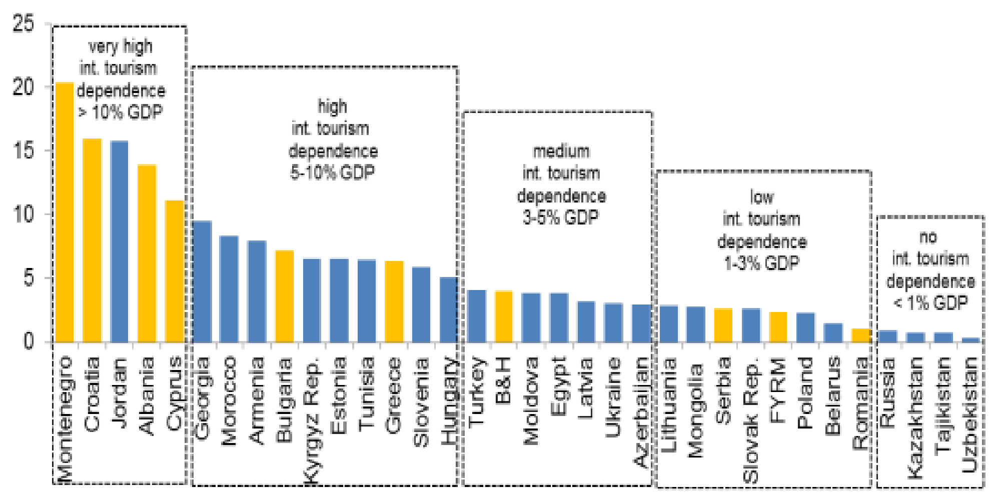
Figure 1- International tourist arrivals (in millions): EBRD regions



Source: World Bank, World Development Indicators

Tourism has become an increasingly important source of revenue and employment across the EBRD region, which now accounts for 20 per cent of more than 1 billion global international tourist arrivals. Within the EBRD region, SEE accounts for one quarter of these arrivals, or 59 million (see Figure 1). SEE has also experienced the largest increase over the last five years, with an increase in arrivals of around 15 million since 2010. Access to the Mediterranean Sea and close proximity to the main source markets of Western Europe and Russia are prominent factors behind the region's popularity as a major tourist destination.

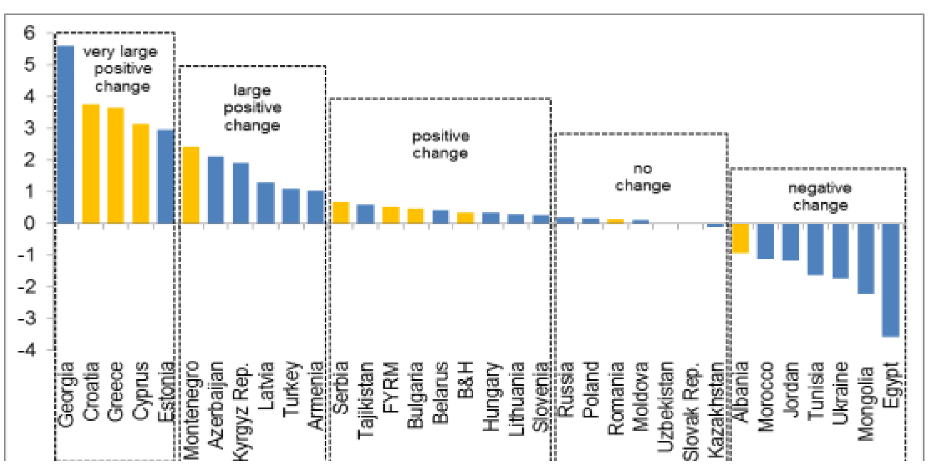
Figure 2- International tourism receipts, per cent of GDP, 5 year average



Source: World Bank, World Development Indicators

For most on the countries in SEE foreign tourist arrivals are more than 5% of their GDP: Greece, Montenegro, Croatia, Albania, Cyprus and Bulgaria, as presented in figure 2. Since 2010 the international tourist receipts has increased significantly in Croatia, Greece, Cyprus and Montenegro especially.

Figure 3- International tourism receipts, per cent of GDP, percentage point change over the previous 5 years



Source: World Bank, World Development Indicators

CHAPTER 3

DEVELOPMENT AND COMPETITIVENESS

3.1. Development of tourism in SEA countries

Tourism has long been of major global importance. The long-term forecast for tourist arrivals is also rising, as growth is expected to continue, so as to reach 1.8 billion by 2030, with total tourist arrivals increasing by an average of 3.3% per year. In particular, international arrivals at destinations with emerging economies are expected to continue to grow at a double rate (+ 4.4% per annum) in advanced economies (+ 2.2% per year). Into the absolute terms, developing economies will have an average of 30 million arrivals per year, compared with 14 million for traditional destinations with advanced economies in North America, Europe and Asia and Pacific.

As a result, the sector is expected to grow continuously over the next 20 years, providing immense opportunities for the economies of Southeast Europe, as it could stimulate economic growth, social progress and the sustainability of the environment by offering a new model of society and increasing the quality of life.

Although SEA Europe countries record significant differences in arrivals and travel expenses, seaside destinations representing a larger market share, trends in international tourism and growth forecasts for the whole area, along with the widespread trend towards alternative tourism and special interest, do also, the chances of development for domestic destinations are relevant.

Tourism does not only support jobs in accommodation and related tourism services but also induces a market for products and services in various sectors such as transport, retail, construction, culture, food processing, fisheries and agriculture in SEA countries.

3.2. Tourism in Romania

In the sense of the central public authority in the field of tourism in Romania, investments of interest in national tourism are those investments made in the public or private area that is targeted in construction, rehabilitation, modernization and development of tourism infrastructure and leisure, which have the effect of significantly increasing tourist traffic.

According to Government Decision no. 907/2016 regarding the development stages and the content of the technical and economic documentation related to the investment objectives / projects financed by public funds, the terms below have the following meanings:

- public investment - total public or initial public expenditure, intended for the realization of fixed assets of the public and / or private domain of the state / administrative-territorial unit, including the replacement of the used fixed assets, as well as the costs of replacing them, which are totally or partly from public funds; is deemed to be public investment and total expenditure investment, initial or subsequent, intended for the realization of fixed assets of a nature of private property of individuals and / or legal entities, including the replacement of assets of fixed wastage, as well as the costs of replacing them, which are finances all or part of public funds;
- investor - public entity, legal or physical person, who carries out expenses investments which are financed in full or in part from public funds, having the right resultant achievement of investment objectives / projects;
- beneficiary of the investment - public entity, legal or physical entity, having the right to execute the construction works according to the provisions of Law no. 50/1991 on the authorization of the construction works, republished, with the modifications and further additions.

At the beginning of 2010, Government Decision no. 120/2010 on the List of tourism investment programs and projects, funding sources of documentation of technical and execution of tourism investment programs and objectives, as well as to approve the eligibility criteria. This document has facilitated the funding of some investment projects in tourism, as well as the completion of the ongoing investment objectives and whose funding was discontinued after 2013.

In 2015 Romania registered about 120 new investments in tourism (according to the press office of the Ministry of Economy, Trade and Business Environment Relations of the year 2016), amid an increase in the number of tourists and the amounts spent on average by one person. The Government has decided to spend about 13,500 thousand lei to promote tourism in 2016. Also in 2016, the executive approved the unblocking of 43,000 thousand lei for completion of ongoing investments, whose funding was interrupted in 2013.

The Government of Romania announced in 20161 plans to improve the environment business. As part of its economic priorities, it intends to put more emphasis on the promotion and diversification of exports and foreign direct investment, support entrepreneurship and SMEs, facilitating access to finance, stimulating development creative industries, tourism, agriculture and research as business sectors priority, as well as the restructuring of the mining and defense industries.

The entire portfolio of measures initiated in the first part of 2016 by the Ministry Economy, Commerce and Business Environment Relations contribute to capitalizing on the tourist patrimony of the country, the development of tourist destinations and the increase of the quality of services from tourism, in order for this sector to become a priority activity in the national economy.

Of the total turnover in the country, those related to tourism activities in the year 2015 were only 9.3%. In 2016, investments in tourism amounted to 14,700,000 thousand lei, representing 8.1% of the total national investment, decreasing compared to the previous year. Tourism investment was increases by 3.5% in 2017 and with 2.6% per annum over the next ten years, up to ROL 19,800,000 thousand in 2027, which would represent 8.4% of total investments in Romania. The investments made generated 197,500 jobs in the tourism industry, respectively 2.4% of the total number of jobs at national level. The WTTC report predicts for 2017 a total of 203,000 jobs in tourism, with the same weight percent. The total contribution to support for jobs in tourism was in 2016 of 513,500 and 6.2% respectively of the national total. It was increased by 2.0% in 2017, to 524,000 places (6,3% of all jobs).

Investments are also determined by the accumulation of income and profit from tourism consumption internal. There is also a situation that runs counter to the market orientation of the economy, which is given by the relatively small number of employees in the households (0,8 employees / household), which explains the existence of reduced incomes and the impossibility to practice tourism. Only 2.8% is the household spending that is allocated to tourism services in 2015, the highest share having households with employees.

There is a slight strengthening of the purchasing power of the population, which was favored by the downward trend in the aggregate level of consumer prices printed mainly by expanding the scope of the reduced VAT rate of 9% to all foods, non-alcoholic beverages and public catering services (June 2015) and continued decline fuel prices. Currently, Romania is on the last place in the EU to practice tourism (for example, in 2014 about 26% of the population left holidays and vacations, from recent data from Eurostat).

There is an obvious tendency of braking the dynamics of the tourism industry as a result of inadequate infrastructure, which strikes on transport costs and limits possibilities the expansion of production capacities and tourist flows. At the same time, it appears the phenomenon of accelerated demographic decline and an educational system that proves to be inadequate in terms of the requirements of the economy, both from the point of view of the range of competencies created, as well as the quality of the training.

Romania's economy will continue to grow in 2017 on the fund for fiscal relaxation, stimulating public or private investment.

How to apply tax codes - on the ratio between expenses and profits. Business people and tourism consultants are of the opinion that this area of services needs a number of more specific tax measures. One of the tax measures for new investments in tourism (especially in spas or leisure) would be for a period of 3-5 years to be exempt from corporation tax, to support the creation of new companies. Nowadays, so many new companies do not appear in tourism.

Another dilemma is that of the flat tax, which is only a component of the taxation issue, while taxation is only a part of the competitiveness issue and an investment in tourism. Facilities can also be envisaged for each tourist region, one for delta and seaside area, another for high mountain areas, dominated by cottages and small guesthouses or camping areas. Therefore, prices are changed according to taxation, and investment in the industry declines when it is too high.

Economic globalization - identifying itself with the external business environment. Idea of globalization is present in all areas of socio-economic life: in art, culture, science, technology, ethics, financial systems, transport and means of transport of communication, in technology, in the military field, in the environment.

For what it means public investment in tourism, achieved through support of local governments, they are not at the level of current statistical records. Even if annual revenue and expenditure budget reports are sent to each locality to the finance ministry, financial data for tourism are not separately quantified, to provide a real and objective picture of the public investments made. Basically, only major categories of expenditure - capital, personnel, purchase of goods and services, subsidies, etc. without a detailed presentation, so to be visualize the financial-accounting tourism field. There is also no revenue to be earned through local tourism.

In 2006-2016, 60 investment projects in tourism infrastructure were recorded in the records of the central public authority in the field of tourism. Of these, one 42 projects were finalized, accounting for 70% of the total number of projects investment. A total of 11 projects were in progress, of which 7 had a works contract out of date. Also, a further 7 projects had only completed technical and economic documentation.

More than half of the investment projects are part of the two programs investments targeting the mountain area, 13 projects in the infrastructure development program spa tourism, 6 projects target the Danube Delta and the Black Sea coast, 4 projects in the program for the development of leisure tourism infrastructure and 4 in the program of cultural tourism infrastructure of spa tourism, 6 projects target the Danube Delta and the Black Sea coast, 4 projects in the program for the development of leisure tourism infrastructure and 4 in the program of cultural tourism infrastructure.

If a form of tourism is made, more than half (56%) of investment projects targeted mountain tourism, while spa tourism has returned more less than a quarter of the total number of projects (22%). Only 7% of the projects were under consideration seaside tourism, 7% cultural tourism and 8% targeted the Danube and the Danube Delta. It should be noted that there is no total equivalence between the number of projects per types of programs and number of projects per form of tourism, as long as the projects in the program related to the leisure tourist infrastructure was reallocated on forms of tourism.

It is also interesting to look at the distribution of the total value of investments on forms of tourism with relevance to tourism. Most of them are in the field of cultural tourism (35%), followed closely by urban tourism (33%). A more significant weight is also held by mountain tourism (18%). Balneary and seaside tourism are less represented (8%, respectively 5%). At the same time, the Danube Delta - Danube Delta has an insignificant share (1%).

It is also necessary to compare this distribution with the number of registered tourists in tourist destinations in Romania (grosso-modo identified with forms of tourism) in the year 2016. It is noticed that just over half the number of tourists accommodated in reception facilities are registered in Bucharest and the county seat cities. This category is identified in lines with urban tourism, but also with a large part of cultural tourism (in the case of county residences).

It is remarkable that the share of tourists staying in spa resorts (7.7%) is very close to the share of investments in the sphere of tourism, in total investments relevant to tourism (8%); the same thing, but with a slightly larger spread it is possible also says mountain tourism (15.9% compared to 18%) and seaside tourism (8.9% comparative 5%). It is also important to follow the evolution in dynamics (compared to the previous year) and the number of tourists in the tourist destinations in Romania during 2009-2016. Far, mountain tourism (9.7%) and Bucharest and county cities (8.6%) have a rate annual net growth rate higher than the total country (7.6%). It can be speculated that this is also a consequence of tourism-related investments made in the mountain and in the mountains the cities of the county, or tourism investments have been the ones that facilitated development of tourist traffic.

As a confirmation of the above evolution, the same trend is valid in the case existing accommodation capacity (expressed by the number of existing places). Thus, in the area of the mountain resorts, the accommodation capacity increased on average by 6.2% during the 2009- 2016. A slightly lower growth rate was recorded for Bucharest and cities county residence (3.6%), but still higher than the average for the country (1.0%). All other areas (according to INS classification) reported decreases in accommodation capacity.

At the same time, it must be kept in mind that in the category Bucharest and cities residence of the county is concentrated most of the accommodation (26.1%). Within easy reach is the area (24.8%), but given the relatively short period of the summer season, they do not have a major influence in the total tourist traffic registered at the level of a calendar year in Romania. Mountain resort area accounts for 17.4% of the accommodation capacity of Romania, and spa resorts have an even smaller share (10.9%).

Therefore, it can be observed that both the tourist traffic data (the number of arrivals) as well as data on accommodation capacity (number of existing seats) show that in the period 2009-2016 mountain resort area and county seat cities were by far the most dynamic tourist destinations in Romania (taking into account the average annual rate growth over the previous year). At the same time, the high share of investments with relevance for tourism owned by these two types of tourist destinations (grosso-modo identified with forms of mountain tourism and urban / cultural tourism) undoubtedly proves to be the investment have played a role as facilitator of the increase of tourist activity in these destinations.

However, although they have undoubtedly pushed the demand for tourism, investments did not have a definite (decisive) role in increasing tourism activities in Romania, and this is evidenced especially by the absence of some counties obvious links between the value of investments carried out in the period 2009-2016 and the dynamics of tourist traffic. Certainly there were other factors29 that determined the growth / declining tourism, factors that had a greater influence than investments made in tourism or related areas. This does not mean, however, that there is no need for investment in tourism, but their impact on the significant increase in traffic tourism is no longer to be seen as a certainty.

The tourism industry has the capacity to exploit the natural and anthropic potential of which has Romania (spa resources, protected natural areas, historical monuments of interest national and international, UNESCO World Heritage, intangible cultural heritage, seaside Black Sea, Danube Delta, mountain areas, etc.), but this requires more involvement of the public sector, in partnership with the private sector, in making important investments in tourist infrastructure.

The role of investment policy is to provide guidelines for development of tourist destinations. These guidelines will be a valuable tool for allocation investment funds for tourism development, by optimizing the use of natural and cultural heritage.

Developing a tourism investment policy that provides direct and solid investment in order to achieve economic and social goals is extremely important. Thus, any effort to encourage investment in tourism businesses that support development policies economic and social local and regional is welcome. The Master Plan for Tourism Investment, run by the Ministry of Tourism, aims to encourage national economic growth, to stimulate the development of regional economies and supporting local communities in an inclusive and sustainable manner through a program investments implemented at national level. Large-scale investment projects will stimulate diversifying the offer of existing tourism products at local level, but will also create, growth opportunities for neighboring areas.

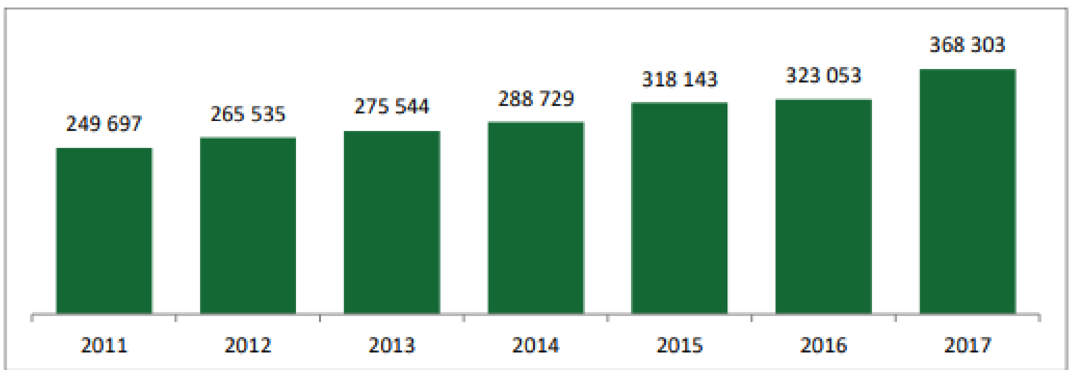
The trust that the central public authority, namely the Ministry of Tourism, manifest for the development of tourism sector and capitalizing on tourism potential of Romania, is mainly reflected by the volume of investments allocated for projects infrastructure and rehabilitation of tourist interest objectives. Diversification of leisure offer and leisure at the tourist destination level also allows operators deprived to develop their tourist packages with attractive and innovative offers to come in meeting the requirements and wishes of customers interested in unique, unique experiences at the local level.

3.3. Tourism in Bulgaria

In recent years, Bulgaria has imposed itself on international markets mas a tourist destination mostly with its relatively cheap winter and summer resorts. Nevertheless, the role of tourism as a source of tourism economic growth for Bulgaria is extremely important. In the current profile of Bulgarian economy tourism has a significant contribution of approximately 13% of GDP by 2015 and provides over 150,000 jobs. The economic performance of the sector is mostly contributed by the masses forms of tourism related to the staying of a large number of organized tourists in large resort sites. In recent years, however, it has been observed a tendency to increase the interest of the Bulgarians foreign tourists to more unconventional forms of tourism, among which are rural, eco- and cultural tourism. Massively visited locations give way to their authentic and diversified positions experiences, especially amongst active users.

In January 2017, the total number of visits to foreign tourists in Bulgaria is 368 303. Their number is 14.0% higher than in January 2016.

Figure 4- Visits to foreign tourists in Bulgaria in January (number)



Source: NSI

There is an increase in holiday and holiday visits - 204 866 visits and growth of 7.0%, and visits for visits - 37,055 visits and growth of 28.5%. Business visits totaled 77,542, up 27.6%. Vacation and holiday visits account for 56% of all tourists visits.

In January 2017, the countries of the European Union remain the most important generating country market for international tourism in Bulgaria with a relative share of 49.1% and a total volume of 180. 768 tourist visits (growth of 29.6%). Revenue from international tourism in the current account of the balance of payments by data of the BNB in 2016 amounted to EUR 3,283.7 million, which is 15.7% more than 2015. The expenses of Bulgarian citizens for trips abroad in 2016 are common EUR 1,226.6 million or 21.9% more than in 2015. In January 2017 Bulgarian citizens made a total of 369,495 trips in Bulgaria abroad for all types of purposes. The increase compared to January 2016 is 20.4%.

More than 8.8 million visitors are visiting foreign tourists in Bulgaria in the period January – November 2018, according to the data from the National Statistical Institute. This is 4.9% more than in the same period in 2017 and it is a clear signal that the number of foreigners will be 9 million by the end of the year - something that has not happened so far

There is also an increase in revenues generated by international tourism, but the Bulgarian National Bank reports them with a month's delay. For the January-October period, the figures are 3.4 billion, which is 6.8% more than in the same months a year earlier. However, it is more likely that this growth will be due to the strengthening of low-budget companies, which this year continued to grow as a number of flights and tourists both in Sofia and in the two maritime cities - Burgas and Varna. The capital, for example, saw nearly 10% growth in visits (including the effect of the presidency). Another major part is due to the strengthening of neighboring markets. The data show that almost the entire growth in the number of foreign tourists is due to Romanians, Ukrainians, and guests from the UK and Israel. On the other hand, the decline is mainly among Russians, Greeks, Germans, Belarusians and Austrians.

Most of the foreign visitors from Romania - over 1.3 million. There are visits from Greece - just over 1 million, from Germany - almost 833 thousand, and from Turkey - 580 thousand. Interestingly, due to the continuing decline in visits from Russia, Macedonia is ranked 5th in the ranking, with nearly 520,000. Tourists from the European Union account for 56.6% of all who visited Bulgaria in December 2018. This is 5.5% more than the same period in 2017. There is a significant increase in tourists from the UK - 46.3% more than Germany - 14% more, Romania - by 8.5% more. Given that these are the main markets for our winter tourism, we should be optimistic. Especially satisfactory is the growth of Britons and Germans who, after a period of decline, return to Bansko, Borovets and Pamporovo.

A decline compared to December 2017 is seen for tourists from the Czech Republic - 12.6%, Greece - 3%, Austria - 4.7%.

3.4. Tourism in Greece

Tourism is a complex economic activity in a country and is directly affected by various economic and political conditions. Thus, it is perceived that there will be varied trends. One of the most important elements characterizing Greece is the feeling of hospitality, which has a positive effect on the country's image. Apart from that, however, Greece, like all countries, has certain disadvantages besides advantages. Initially, there is a lack of a realistic policy and an integrated program that boosts tourism development, while its promotion is inadequate or deferred. At the same time, Greece is a fairly expensive travel destination compared to competing countries and has problems with transport and reception facilities, such as ports. An important role in this is played by the fact that tourism is almost exclusively addressed to international travelers. Apart from these, there is a high seasonality and therefore the price and quality of the product is affected accordingly. Finally, another disadvantage is the tourist market, which depends on the pressure of the agents to the owners of the hotels (Papatheodorou et. al., 2010).

The sector has a high percentage of people under 35, half of whom are under 25, about 10-15% of those under the age of 18. The discrepancies between qualifications and reality in the workplace are observable for women who make between 60 and 70% of the workforce. It has been found that consumer behavior is constantly changing and influenced by various factors (Alegre et. al., 2013). Undoubtedly one of the most important factors is the economic crisis. In fact, there is a strong change in behavior such as spending cuts, cheaper products, economic holidays, and more. The main reason for the change in consumer behavior is the general feeling of anxiety and anxiety among consumers (Smeral, 2010).

The financial crisis that hit Greece had the effect of influencing its productive basis and the level of income of its inhabitants. Due to austerity measures imposed on Greece by its lenders (the IMF and the European counterparts) inevitably all the attention was paid to the country and not to each region separately. However, the effects of the crisis on a regional level is so intense that we should not ignore them. Initially, the conditions that prevailed before the crisis (market size, geomorphology, access, natural resources etc.) was quite different between the Greek regions. Then, the austerity measures applied were the same for all regions without being taken into account of the inequalities they have experienced. Consequently, the effects of these measures vary from region to region. Finally, in many cases the application of policies is hindered in countries that are in a precarious economic situation. Therefore, the unequal impact of the crisis is primarily the result of homogeneity of the austerity measures implemented in the regions without considering the inequalities that characterize them (Stabler et. al., 2010).

The austerity measures included, among others:

- extensive privatizations,
- increase of state revenue from taxes of 2-5%
- a 20-30% reduction in public sector wages,
- cuts in pensions,
- 34% reduction in public spending on education, health and public constructions,
- Anti-labor institutional changes (Hadjimichalis, 2011).

The international economic crisis has negatively affected tourism in Greece, while the international economic crisis is responsible exclusively for the decline of Greek tourism. The Greeks who choose to spend their holidays within the Territory are the part of the domestic Greek tourism in the country. The financial crisis that has hit in recent years has a direct impact on the Greek holidays (Travel Agent Magazine, 2015)

According to the latest ELSTAT data available for the overnight stays of domestic tourists in Greece, it appears that they decreased by 22.6% in the period 2008-2013, while non-residents' nights increased by 20.8% over the same period. At the same time, there is a decrease in the share of overnight stays in hotels of domestic tourists from 26.3% in 2008 to 19.8% in 2012 and to 18.6% in 2013 (Travel Agent Magazine, 2015)

The most popular destination for the Greek voyages in the country is Central Macedonia, which accounted for 2.8% of the nights spent by domestic tourists in 2013 (2012: 3.1%, 2008: 4.3%). The less developed tourist regions of the country, such as Western Macedonia and Epirus, also attract the highest rates of Greek tourists. Thus, the share of the stay of domestic tourists in Western Macedonia in 2013 was 85.7%, compared to 90.6% in 2008. The respective rates for Epirus were 73.1% in 2013 and 77.5% in 2008 (Travel Agent Magazine, 2015).

In contrast, island tourist regions in the country, such as Crete and the South Aegean Islands, record the lowest rates of overnight stays for domestic tourists. In Crete, the percentage of Greeks' nights spent in hotels in 2013 was down to 4.6% from 7.3% in 2008, while in the southern Aegean islands, from 11.1% in 2008, it fell to 6.5% in 2013 (Travel Agent Magazine, 2015).

A significant decrease is also recorded in the tourist expenses of the Greeks for the trips they made in 2013 compared to 2014 (it concerns travel with more than 4 nights). All in all, their travel expenses for these trips declined by 68.8% in 2013 compared to 2008, while the decrease in tourist spending for the corresponding trips abroad decreased by 72.6%. The largest decrease was recorded in tourist spending for accommodation in hotel accommodation and was of the order of 76% (Travel Agent Magazine, 2015).

Inbound non-resident travel traffic in Greece based on size it can be separated from the mid-2000s to the present day two periods: the period 2005-2012, where -with some fluctuations- Average arrivals were 15.6 million people, and the 2013-2016 period with an average arrival limit of 24.6 million people. Therefore, what is observed is that by 2013 there is a huge amount of change that is almost on the table doubling the number of visitors, which in 2016 reached the level of 28 million people.

The contribution of Greek tourism to the recovery of the Greek economy and the reduction of the foreign trade deficit in 2017 is expected to be decisive. Tourism industry activity has grown considerably, not only by the number of visitors arriving, but also by the amount of travel receipts last year. In particular, tourist arrivals in the first half of 2017 recorded a significant increase of 6,6% on an annual basis, compared with a decrease of 1,6% in the first half of 2016. The number of incoming travelers stood at 7.9 million. in the period January-June 2017, compared with 7.5 million in the corresponding period of 2016, reaching the highest level in recent years. At the same time, travel receipts grew significantly, by 7.1%, in the first half of 2017, against a fall of 7.9% in the corresponding period of 2016 to 4.1 billion, reaching the level of the corresponding 2015 period.

The contribution of the tourism sector to the Greek economy is in a continuous upward trend. The level of contribution of a branch to the national economy depends on the size of the industry, the complexity of the services offered and its interaction with the other sectors.

Researching the issue from the point of view of participation in active demand, it is noted that tourists' spending on their visit to our country amounted to 7.5% of GDP in 2016. Looking at the contribution of the industry on the supply side, it is noted that the participation of accommodation and catering services was 6.2% of total gross value added (GNI) in 2015. However, the overall contribution of tourism to the economy (beyond the direct) is greater, affecting more aspects of the economy (e.g. consumption, trade, transport, investment).

According to the World Travel & Tourism Council, the total contribution exceeded 18.6% in 2016, while in 2017 it is expected to increase to 19.6% and reach more than 20% in 2018. In addition, its direct contribution tourism in employment increased from 8.5% in 2008 to 11.5% in 2016. Also, according to estimates by the World Travel & Tourism Council, in 2016 investment in the tourism sector amounted to 3.2 billion or 15.7% of total investment.

At this point, it should be stressed that the high tax burden on indirect and direct taxes is a disincentive to investment and is a brake on further development of tourism, as the significant benefit in terms of competitiveness from the internal devaluation of previous years , is heavily offset by the additional tax burden, says the analysis.

Finally, tourism is one of the most outward sectors of the Greek economy and the inflow of travel currency has a positive effect on the country's balance of payments, contributing to the reduction of the current account deficit. The importance of tourism to finance the trade deficit is extremely large. In 2016 travel receipts accounted for 79.6% of the trade deficit.

There are several factors that supported the rise in the contribution of the tourism industry. In recent years there has been a significant increase in arrivals (from 16.9 million in 2012 to 28 million in 2016) and tourist receipts (from 10.4 million in 2012 to 13.2 million in 2016), and qualitative changes in the domestic tourist product. This development is largely due to the more competitive pricing policy of tourism companies, the search for new markets for the Greek tourist product, the prolongation of the tourist season and the safety problems of many competing Mediterranean destinations. In addition to rising demand and exogenous factors that have benefited Greek tourism vis-à-vis competing countries, some important structural reforms and legislative initiatives that took place during the Adaptation Programs, i.e. from 2010 onwards, played a key role.

These interventions have significantly upgraded the operating environment of the tourist services market. In particular, the abolition of cabotage duties and the granting of the right to foreign ferry companies to make cruises starting from Greek ports and stopping at other ports in the Mediterranean, simplifying the issuing of a tourist visa for Russia, Turkey and the China, which facilitates the recruitment of tourists from these countries, the simplification by law of licensing procedures for tourism businesses and the promotion of major tourism investments.

Positive contribution was also given to licensing for the creation and development of complex tourist accommodation with large golf courses, spa tourism, thalassotherapy and conference centers, as well as other regulatory interventions that improved the functioning of the market. For example, the introduction of extended hours of visits to museums and archaeological sites.

It is remarkable to stop the downward trend in foreign tourists' returns.

Specifically, in the first half of 2017 there was an increase in average travel per journey by 0.7%, compared with a significant drop of 7.4% in the corresponding period of 2016.

This contributed substantially to the increase in the number of arrivals from the Eurozone countries with a higher per capita spending per trip. More specifically, as regards travel receipts based on the country of origin of foreign visitors, in the period January-June 2017, revenue from tourists coming from France increased significantly by 17.3% (down from 26.1% in the corresponding period 2016) and Germany by 15.4% (down from 11.7% in the corresponding period of 2016).

Travelers' earnings also rose from the United Kingdom by 4.6% (1st semester 2016: -5.0%) in the first six months of this year, on an annual basis. It is noted that France, Germany and the United Kingdom are the most important sources of revenue for Greek tourism, since in the first half of 2017 only 40.4% of the total revenue came from these three countries (excluding the cruise). Indicative is the increase in Eurozone receipts by 14.4% in the first half of 2017, against a decline in the first half of 2016 (-9.5%). By contrast, residents of EU-28 non-euro area residents recorded a decline by 1.5% on a yearly basis in the first half of this year, down from 1.3% in the same period last year.

The positive development of the tourism sector in the first half of this year affected the significant increase observed in June, which is one of the most important months for the tourist season, both in terms of travel receipts and in conditions of incoming travel traffic.

Specifically, in June 2017, travel receipts grew by 14.2%, on an annual basis, against a significant drop of 8.4% in the corresponding month of 2016, while tourist arrivals increased by 13% in June 2017, to year-on-year against a 2.0% drop in June 2016. In June, the number of tourists rose to 3.4 million people and is the highest level for this month in recent years. In 2018, was another satisfactory year for Greek tourism, as according to SETE estimates, tourist arrivals reached 28.5 million (including cruise) and total receipts by 7.5%.

With a particularly robust year-end, marked by the 40% increase in travel receipts in December 2018, last year ended a record of arrivals and revenues for tourism. Specifically, and according to the provisional data of the Bank of Greece for the whole of 2018, receipts amounted to 16.11 billion and arrivals at 30.12 million tourists. Performance that is difficult to maintain this year, according to the first estimates of Greek tourism operators. A feature of the performance of 2018, however, is that net receipts from travel services contributed 72.0% to total net receipts from services and offset the country's goods balance by 62.0%.

In more detail, in 2018, travel receipts increased by 10.1% compared to 2017 and stood at 16.13 billion euro. This development is due to the increase of 11.9% in the receipts from residents of the countries of the European Union of "28", which amounted to 11.034 billion, and by residents of other countries by 7.3%, which stood at 4,662 billion. Receipts from Germany, our largest market, rose by 16.1% to 2.965 billion, while those from France declined 3.8% to 956 million, euro. Revenue from the United

Kingdom also fell 5.9% to $ 1,943 billion, from countries outside the European Union, a 19.2% drop was recorded in receipts from Russia, but those in the US jumped 28.1% to $ 1.043 billion, Very strong were the performance of the last month of 2018 as Athens evolved into a major city-break destination. In particular, travel receipts increased by 40.0% in December compared to the same month of 2017. It is noted that the increase of 175.8% was recorded in the receipts from Russia, while those from the US rose by 84.4% to 23 million, euro. Inbound travel traffic in December amounted to 657,000 travelers (+ 16.8%).

For the total of 2018, incoming travel traffic grew by 10.8% and stood at 30,123 million travelers versus 27,194 million travelers in 2017. Travel traffic from Germany increased 18.2% to 4.38 million. Travelers, while France from 7.3% to 1.524 million Traffic from the United Kingdom dropped 2.0% to $ 2.943 million, travelers. Finally, in the case of non-EU countries of the '28', travel from Russia decreased by 11.6% to 520.000 travelers, while the United States increased by 26.9% to 1.097 million travelers. With this in mind, the travel balance in 2018 showed a surplus of $ 13.943 billion, against a surplus of 12.725 billion. in 2017. This is due to the increase in travel receipts by 1,483 billion.

3.5. Tourism in Croatia

Positive trends in Croatian tourism are confirmed by financial indicators. The total tourist income from foreign guests in 2017 was 9.5 billion, which is by 857 million euro (6.4 percent) more than 2016. Revenues prevail in the structure of foreign currency income from tourism realized from private travel (97.2 percent), while revenue based on business trips by foreign guests account for only 2.8 percent of total foreign currency income in tourism. The share of tourism sector in gross domestic product (GDP) of Croatia by the latest available data from 2016 was 4.7 percent. For comparison, in 2012, the tourism sector accounted for 3.8 percent of Croatian GDP. Increasing the share of the tourism sector in the gross domestic product is the consequence of the stronger growth of the gross value added of tourism sector than the growth of the gross added value of the entire economy (Central Bureau of Statistics, 2018).

The pronounced seasonality of Croatian tourism indicates the number distribution tourist nights over months. In 2017, 85.9 percent of the total is thus annual number achieved during June, July, August and September, at which alone accounted for 60.5 percent of total overnight stays only in July and August. Nevertheless, a comparison of tourist nights per month between 2017 and 2016, indicates an intensified year-on-year growth in other months, whereby the strongest growth in overnight stays was recorded in April (52.1 percent), in June (34.2 percent) percent) and January (11.3 percent). Although seasonality is a characteristic of tourism in all Mediterranean countries, Croatia is much more pronounced and is not only a consequence of Croatian dependence tourism on sun and sea, but is also conditioned by the structure of accommodation capacities which is characterized by the domination of private accommodation. Croatian tourism is celebrated low share of hotel accommodation capacity (16 percent), while resorts and similar facilities for short breaks make 78 percent of total accommodation capacity, the camps 5 percent (2017).

With an annual average of 99,467 employees in 2017, the tourism sector in the total employment of the Croatian economy participates with a relatively high 7.2 percent. Analysis of the number of employees in this the sector from 2010 to 2017 on the basis of annual averages, suggests continued employment growth. Accommodation and accommodation activities food preparation and serving in 2017 employed 20.6 percent more of workers compared to 2010, compared with 2016 employment increased by 4.9 percent (Central Bureau of Statistics, 2018).

The tourism sector is characterized by the above-average share of trades and independent employees. According to data for the year 2017, employees in legal entities make up 68.7 percent of total sector employment, while employed in crafts and activities free professions make up 33.9 percent (32.072 employees). At the same time, the share of legal employees at the level of the Croatian economy persons in total employment amounted to 86.1 percent, while the share of employees in crafts and leisure activities 13.9 percent. Powerful seasonality of the Croatian tourism sector are also confirmed by data on the movement of the number of employees by the months of 2017. The biggest employment is the tourist sector reaches during the summer months (June, July, August and September) and the lowest at the beginning of the year (January, February and March). So from June to September 2017. On average, this sector employed 119.008 on average monthly while in the period from January to March he employed on average 79,855 people or 39,153 workers (32.9 percent) less (Central Bureau of Statistics, 2018).

Viewed at the level of individual tourist destinations of Adriatic Croatia, in more than 24 coastal destinations in 2017, more than a million were realized tourist nights. Dubrovnik has a record number of overnight stays (3.9 million) followed by Rovinj with 3.7 and Porec with 3.2 million overnight stays. The tourists stayed on average on the average in Split (3 nights), Dubrovnik (3.3 nights) and Zadar (3.5 nights), while the longest ones stayed in Nin (7.9 nights), TarVabriga (7.7 nights) and Vrsar and Funtana (7.5 nights).

In 2017, the number of overnight stays increased at the year-to-year level, at the largest increase in the number of overnight stays is recorded in Split (23.9 percent), Umag (19.5 percent) and Zadar (18.2 percent). Observing the tourist turnover achieved at the destination continental level of Croatia, most of the overnight stays in 2017 are recorded by the City of Zagreb - 2.3 million. Then there is Rakovica with 298.2 thousand nights and Tuhelj with 128 thousand nights. It is interesting that from a total of 336 cities and the municipality of Kontinental Croatia only 17 have more than 30,000 overnight stays, which makes up 82 percent of the overnight stays of tourists in the area of Continental Croatia in 2017 (Central Bureau of Statistics, 2018).

In 2017 it was recorded in 15 destinations, while the number of overnight stays was recorded Daruvar (0.8 percent) and Topusko (5.3 percent). The largest increase in tourist nights compared to the previous year in 2017, Vukovar (46 percent), Stubičke Toplice (38.8 percent), Slunj (136.5 percent) and Vinkovci (30.1 percent).

For many years now our most trusted guests come from Germany. In 2017, German tourists realized almost 19.6 million overnights, which is made up 24.3 percent of total realized nights of foreign tourists in Croatia. The second largest emotive market is Slovenian citizens, who realized 7.1 million overnight stays, or 8.9 percent of the total number foreign tourist nights in Croatia. Unlike 2016 when they are guests from Italy according to the number of overnight stays occupy the fourth place, 4.9 million overnight stays realized, in 2017 they come to sixth place (Central Bureau of Statistics, 2018).

The largest number of overnight stays in the number of overnight stays are recorded by guests from Poland (22 percent) and Germany (14.3 percent) followed by tourists from Austria with growth the number of overnight stays of 7.4 percent, and the Czechs 6.4 percent. Interestingly the Slovene citizens in 2017 realized the number of overnight stays equal to that of 2016 while the number of tourist nights from Italy recorded a year-on-year decline of 0.9 percent. In general, the largest increase in arrivals and overnight stays in 2017 had guests from China who achieved a 55.9 percent increase in tourist arrivals an increase of 52.6 percent in overnight stays. Also, a significant increase of the number of arrivals and overnight stays on the yearly level in 2017 also counts guests from other Asian countries (48.3 percent and 41.8 percent) as well as US guests (arrivals growth of 34.1 percent and overnight stays of 33.7 percent). Looked at the length of stay of foreign tourists, on average, are in Croatian tourist destinations in Germany for the longest time (7,5 nights) and Czechs (6.8 nights) followed by guests from Russia (6.7 nights), Slovakia and Croatia and Netherlands (6.6 nights), Denmark and Poland (6.5 nights) and Norway (6.2 nights). On the other hand, guests from Asian countries, like Republic of Korea (1.2 nights), China (1.5 nights) and Japan (1.6 nights).

3.6. Tourism in Slovenia

In June 2017, Slovenia recorded more than 487,000 tourist arrivals, which is 27% more than last year June and almost 1.2 million of their overnight stays (22% more than in June 2016). The largest share of foreign tourists accounted for 75% and 70% of all tourist overnight stays. In the first half of the year, almost 4.8 million were recorded in tourist accommodations of tourist overnight stays, which is 12% more than in the same period last year, in other words, that is the tourist's most successful first half of the year to date. Overnight stays of foreign tourists increased by 17% more, while domestic ones increased by 5%.

The key markets from which tourists came, who created the most overnight stays in Slovenia in 2017, are Italy (more than 470,000 or 15%), Austria (over 400,000 or 13%), Germany (almost 330,000 or 11%), Croatia (almost 220,000 or 7%), Serbia (almost 140,000 or 5%) and the United Kingdom, and Russian Federation (both 4%).

More tourist nights than in the first half of 2016 were created in the first half of this year tourists from all key markets. The largest increase was recorded in the number of tourists from the Russian Federation (by 45% more), Germany (by 25% more) and Austria (by 15% more). The number of overnight stays continues tourists from non-European countries. Tourists from Canada have increased by 30%, Australia by 21% more and the United States is 18% more. Particular mention should be made of the Asian countries. In the first half of the year there were more overnight stays of tourists from China by 50%, from the Republic of Korea more by 41% and others of Asian countries total more by 45%. In the first half of 2017, the most overnight stays of tourists were recorded by health resorts (30%), mountain municipalities (24%) followed by the coastal municipalities (19%) and the municipality of Ljubljana (12%). Most of tourists in Slovenia were overnight stay in hotels in the first half of the year (67% of all overnight stays), followed by camps (9% of all overnight stays), and third place are apartment settlements (5% of all overnight stays).

In Slovenia, more than 7.3 million overnight stays of foreign tourists were created in 2016, or 3.6 overnight stays per capita. Compared to neighboring countries, this is less than in Croatia and in Austria (17.2 and 9.6 foreign overnight stays) and more than in Italy and Hungary (3.2 and 1.4 per capita). Over the last 10 years (2007 - 2016) the number of foreign overnight stays in Slovenia increased by 56%, in Croatia by 114%, in Hungary by 36%, in Italy by 21% and in Austria by 17%.

In summer, 77% of foreign tourists come to Slovenia on holidays. Most of them come to Slovenia after the recommendation of relatives and friends (26%) or personal experience (25%). A significant proportion of those who come to Slovenia on the basis of personal experience is not surprising, as 60% are foreign tourists it was already in Slovenia before. The share of those who have been in Slovenia already ten times or more often was 19%, and the highest was in health resorts and mountain municipalities (24 and 23%). There is a share in Ljubljana of tourists, for the first time in Slovenia, amounted to 57%. In Ljubljana, 58% of tourists said it was their general impression of Slovenia is better than expected, and in health resorts it was considered 55% of tourists.

Foreign tourists spend on average almost 100 EUR per day, mostly in Ljubljana (EUR 150), and the least in Slovenia mountain municipalities (EUR 74). Tourists who stayed in hotels spent an average of EUR 116 a day, while those who stayed in camps were on average 50 euro. Three foreign tourists out of four estimated that it was the level of expenditure is in line with expectations.

When foreign tourists assessed their degree of satisfaction with their stay in Slovenia, 46% best assessed the personal safety and friendliness of the local population - these are the best element of Slovenian tourist offer. A good third was assessed with a very satisfied element is the general purity of the destination and unspoiled nature.

About two-thirds of the population of Slovenia go on a private trip each year (also includes multi-day stay with relatives, friends and in their own dwellings). Among those, who do not go on a private trip, about half of them do not leave for financial reasons (the proportion of these is slightly decreasing since 2012), and one third for health reasons. Of all private trips in Slovenia, 60% were foreigners in 2016 and 40% in the rest of the world traveled across Slovenia. On trips in Slovenia, Slovenian tourists spend an average of 3 times a day, at traveling abroad 6 times. Two thirds of all private trips abroad are to Croatia, followed by Italy (5%), Austria (4%) and Bosnia and Herzegovina (4%). Most Slovenians choose to leave (home and abroad) in July (19% of private trips in 2016) and in August (18% of private trips to 2016). The goal of private trips is mostly the seaside (49%), followed by cities (34%) and rural areas (21%).

Slovenian tourists spend on private trips in Slovenia on average 36 euro per day, abroad about 10 euro more. The highest share of expenditures is spent on accommodation (38%), followed by transport (26%). In 55% of private trips, tourists stayed in paid accommodation (in hotels, campsites or other rented accommodation) and 45% of private trips are free of charge accommodation facilities (with relatives or friends or in their own holiday home). On average, most of the money spent per day was spent by a tourist who lived in a hotel or similar establishment (82 EUR), the least of which is the tourist who lived in his own holiday home (EUR 20).

Tourist added value in Slovenia amounts to 3.7% of the total added value in (direct) tourist GDP represents 4.9% of the total GDP of Slovenia. Next the direct effects of tourism spending on increasing production are added value and GDP, tourism consumption also raises demand in other activities holdings that supply products for the production of tourist goods or t. i. multiplicative effects. Increased production also increases household incomes; they are further triggered demand and consumption. Taking into account the direct effects, the total added value that the result of tourism consumption is 7.1% of the total added value in the economy.

The calculated total GDP, which was the result of tourism consumption, was 8.2% of GDP in the economy. 51.803 persons are employed in tourism, representing 6.3% of all employment in the country. Number of employees in tourism-related areas increased by 4% in 2016 over the year 2015. The majority of tourism workers are part of catering services, almost 24,000 or 45% of all employed in tourism, 19% in accommodation, 16% in transport.

3.7. Tourism in Serbia

In the process of implementation of the previous Strategy, the Republic of Serbia has made significant steps in reforming the legislative framework in the field of tourism, and developed extensive planning documentation for the development of more than 15 regions and destinations. Contrary to the proclaimed policy of balanced regional development and incentives entrepreneurship and private small and medium enterprises, restructuring the economy through efficient privatization, the policy of centralized and interventionist politics was guided development (Government of Republic of Serbia, 2018).

In the process of restructuring the economy through privatization, sales were made a large number of hotels, children's, youth and unions resorts. Accommodation the capacities that do not work in our spas after privatization are counted in thousands of beds. Outside the area of more efficient entrepreneurial use in tourism, there are other objects state-owned assets of high value - abandoned airports, public buildings and land (abandoned barracks, objects of unsuccessfully privatized companies, representative villas, Karađorđevo, hotels and resorts of public companies). Not at all

In the number of cases, these assets are not used or extras are used for the use subsidies. Instead of investing in existing and new SMEs, investments were made mainly in the public sector and the formation of new public companies that have not been successful to date to recover part of the investments invested and to generate and sustainably (without the help of the state) will enable new development. A system for managing tourist destinations and areas has not been established, an efficient functional link between the economy, tourist organizations, associations and business associations, educational and scientific institutions to form safe, long-term and sustainable development of tourist areas.

Despite the previous Strategy, the tasks of improvement and protection have been established environment, raising energy efficiency and the use of renewable energy sources of tourist areas and destinations, until the end of the previous period. The Strategy has not established a waste management and energy management system efficiency and sustainable development in tourist areas and destinations.

There is no effective program and action link between different levels and levels of authorities in implementing the previous Strategy in the planning and implementation of the infrastructure maintenance of tourist destinations, timely planning and coordination in determining priorities, deadlines and stakeholders.

The total number of tourist arrivals and overnight stays in 2018 was increasing compared to the beginning of 2006, but none of the growth scenarios in the previous Strategy (moderate and ambitious) has not been achieved. According to the previous Strategy, it was envisaged that in 2018, the total number of companies registered in the field of tourism will be 862, however, by 2013, that number was nearly five times higher. Contrary to this increase, the number directly employed in tourism in 2013 was less than a third of the total projected.

In order to understand the real aspects of the existing structure of the tourism sector and with related activities, a series of data from 2008 to 2013 was analyzed under the direct impact of the global economic crisis. During this period, the structure of the tourist and with its related activities include services: accommodation (hotels, resorts, campsites and hotels) other forms of accommodation), preparing and serving food and beverages (restaurants, bars, catering and similar), travel agencies, leasing and car rentals, boats, equipment for entertainment and recreation.

In 2013, apart from tourism agency, activities are separated 7990 (Other reservation service and activities related to them) and 7912 (tour operators). When these activities take place in 2013 a number of agencies are getting more than those from 2008, but with the number of employees reduced for 1,393 workplaces. The number of employees only increased in catering for 92, cafes for 424 and in the rest of the accommodation for eight new jobs.

In the period from 2008 to 2013, in the tourism industry, capital fell by 63 million euro, the liabilities grew by over 88 million euro, but the business decreased expenditures by 35 million euro. On the other hand, in 2013, it was positive business result, and net profit in the tourism sector of over 40 million euro was realized compared to 2008 registered business revenue of the entire tourism industry (and directly related activities) were at the level of over 620 million euro, which, when placed in relation to the total turnover in tourism, indicates the existence of an extensive gray economy, which makes up 69% of tourist traffic.

Total anticipated investments in the tourism industry according to the previous one strategy was estimated at over four billion euro (annually 400 million euro). The value of the capital of tourism companies in 2013 is about 1.6 billion Euro (the latest available APR data) and it is lower by 63 million euro compared to the best year of operations before the crisis, and as a result of disinvestment of over 280 million euro in car renting activities (-114 million euro), passenger vehicles agencies (-96 million euro), other entertainment and recreational activities (-61 million euro). In contrast to these activities, an increase in the value of capital was achieved over 150 million euro in hotel and restaurant activities.

There is noticeable progress in the development of several existing tourism products, city breaks in Belgrade and Novi Sad, events (Guca, EXIT, Mokra Gora, Drina regatta, etc.), mountain tourism (Kopaonik, Zlatibor and Stara Mountain), but also a backlog in the creation of new tourist products in accordance with trends in the market and changes in the motives and needs of tourists. No progress was made nor did significant investments have been made to improve the quality of other tourism products, especially in the field of health and wellness tourism in spas and nautical tourism and partially successful products within the framework of special interests (cultural, biking, wine-culinary and gastronomic routes).

The Republic of Serbia is part of Europe, which is the world's leading tourist destination. The fact, as well as its continental position, condition the logic and structure itself tourist profile as a development model of the tourism of the Republic of Serbia, which is characteristic for the countries of Southeast and Central Europe.

The year 2018 was $ 2,200 billion, as well as 108 million jobs, respectively. Taking into account the wider impacts of travel and tourism (direct, indirect, and indicative), the overall contribution of this sector to the global economy in 2018 was is 7,200 billion USD, representing a share of 9.8% in total GDP, respectively an increase of 3.1% compared to 2017, which was achieved for the sixth consecutive year positive growth in this sector.

Bearing in mind this tendency of growth, the assumptions are that this participation will grow for 3.8% per annum and in 2025 it will exceed over $ 11 trillion or 10.5% of GDP. In terms of employment, including jobs indirectly linked to tourism, in 2018, the travel and tourism sector supported 284 million jobs or 9.4% of the world's total employment (almost every 11 employees worked in tourism and related activities), which represents an increase of 2.6% in relation to the 2017. As a result of direct, indirect and induced activities the travel and tourism sector generated 7.2 million new jobs in 2018. Directly in the sector, 2.5 million new jobs were created. By 2025, is expected travel and tourism support a total of 370 million jobs, that is, each of the nine employees work in tourism and related activities. The assumptions are that by 2025 the expected annual growth in the number of employees of 2.3% will result a total of 356.911.000 employees or 10.7% of the total number of employees in the world (Government of Republic of Serbia, 2018).

Investments in the field of travel and tourism in the world in 2017 were over 814 billion USD, or 4.3% of total investments. The expectations are that in 2018 increase by

4.8% and that by the year 2025 it will increase by 4.6% and reach 1.336 billion USD in 2025 or 4.9% of the total investment in the world. According to all major components are assumed to invest in the sector in 2019 travel and tourism increase by 4.7% compared to 2018. The assumptions are, following this trend, that by 2025, investments will grow by 4.6% annually and reach 1.336 billion USD in 2025 or 4.9% of the total investment in the world (Government of Republic of Serbia, 2018).

The value of exports of tourism industry reached USD 1,383 billion (5.7% of GDP) of total exports) in 2017. In 2018, growth of 2.8% and growth of 4.2% is expected year-old by 2025 when it is expected to reach $ 2,140 billion or 5.6% of total exports to the world (Government of Republic of Serbia, 2018).

3.8. Tourism in Albania

Tourism, in the vision of governance, is seen as a sector that will guarantee sustainable economic development by providing employment, incentives for small and large enterprises, more income and more prosperity for Albanian citizens (Ministry of Tourism in Albania, 2018).

Tourism is already a major economic sector that aims to meet the demands of Albanian citizens and foreign tourists for cultural visits, leisure, health and sports, accommodation, food and entertainment, etc., positively changing the economic structure by creating new jobs and substantial income, and contributing to the country's social and economic development.

Designing and creating a quality and sustainable image of Tourism in Albania through the secure and controlled use of local resources and potentials, focusing on what Albania makes unique and guaranteeing services in accordance with international standards, are key to ensuring the development of responsible and sustainable tourism in the country.

The main policy objectives in the field of tourism are:

- Assessing tourism as a strategic and priority sector of the economy.
- Supporting tourism by creating favorable legal, economic and structural conditions for its development.
- Ensure sustainable tourism development by creating a full framework of laws and regulations and implementing a coordinated planning process to protect and improve the environment and social structures.
- The centralization of the planning process in tourism, reform of institutions, agencies dealing with tourism.
- Regular market placement of all economic operators in the field of tourism (agencies, tour operators, guides and host structures).
- Improvement of legislation will be accompanied by the improvement of data as the main tool for economic measurement of tourism.
- Mobilization of actors dealing with tourism and ongoing communication with the community.
- Quality control and standards in hospitality facilities.

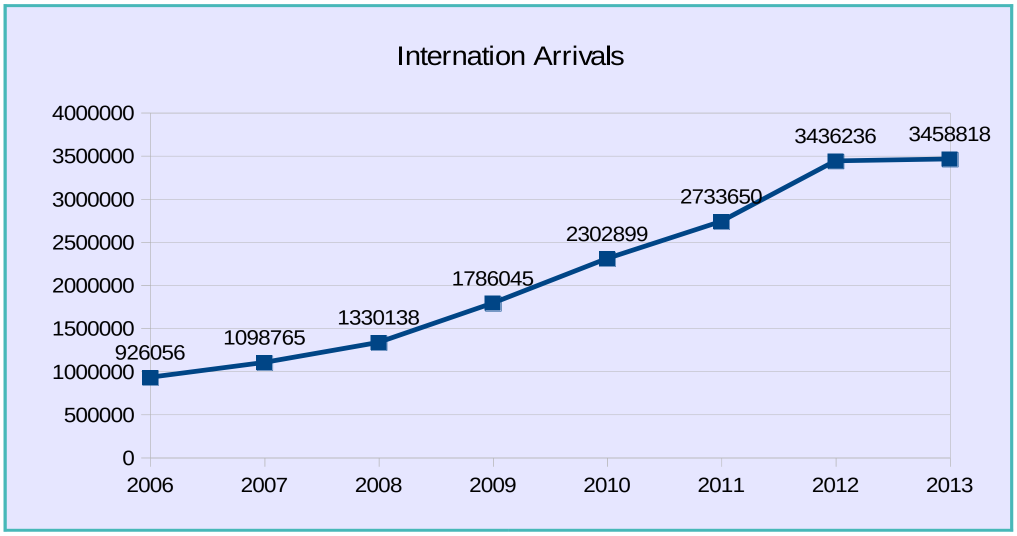
According to the calculations for Albania by the World Tourism and Travel Council - WTTC, the direct tourism contribution for GDP for 2013 was 68.1 billion ALL or 4.8%, while the overall contribution to the economy was 239.8 billion Leks or 16.7%.

Regarding the opening of new jobs, the tourism sector has directly opened 41,000 jobs or 4.3% of the total number while indirectly has opened 146,500 jobs or 15.2% of them.

The Bank of Albania has calculated average daily expenditures of 76-81 Euro / day for the period 2008-2010, with a decrease of 70 Euro / day during 2011 which reflects economic restraint. Further, according to the "Tourism Statistics System Study" of 2010, international visitors spent 82 Euro / day with an average duration of 5 days while for leisure tourists, the average stay time was shorter - about 2, 8 days. The study shows that the average cost to the local destination is 79 Euros or if it is detailed: 36 Euro / day or 25% of hotel accommodation costs, 23% of travel expenses and 19% of food. Albanian citizens living abroad spend nearly as much as other foreign citizens: 77 Euro / day but they stay on average longer - 10 days. Local visitors are estimated to spend 48 Euro / day, while for tourists from Kosovo there is no information but they are expected to spend no more than domestic tourists.

Since 2001, the number of international visitors to Albania has increased substantially to a total level of 1000%, bringing arrivals to over 3.45 million visitors in 2012. The growth was particularly strong in Europe and the Southern Balkans (Kosovo and the former Republic Yugoslavia) between 2008 and 2012. The recently built "Street of the Nation" has significantly affected the number of visitors, increasing the number of people coming from Kosovo from 473,422 in 2009 to 1,179,327 in 2010 (growth indicator 149% in 2010) dominating "the rest of the world". With about 1.18 million tourists coming from Kosovo accounted for 49% of all international tourists' visas in 2010. After 2010, the number continues to grow by about 260,000 a year or around 18%. In 2012, the number of international tourist visitors increased by 25.7% compared to 2011. In 2012 the share of tourists from Kosovo compared to the total number of international tourists remains impressive: at the level of 48.63%.

Figure 5- International visitors in Albania for the period 2006 - 2013



Source: MZHUT

Although not the main purpose of the visit in Albania, archeology / heritage / culture is identified as the main strengths of Albania in various studies conducted with visitors and the travel industry from foreign markets. Cultural tourism in Albania is characterized by the following condition:

• World Heritage Sites such as Butrint Archaeological Park, Berat and Gjirokastra are symbol attractions, attended by a series of historical and cultural attractions as well as monuments.

• The main destinations visited by organized cultural tours and tourist visits are Shkodra, Lezha, Kruja, Durrës, Tirana, Fier, Berat, Elbasan, Korça, Përmet, Gjirokastra, Saranda and Vlora.

There is no accurate data on hotels booked and on bedding capacities. According to statistics collected for 2012 by the Tourist Office, the accommodation capacity consists of 27,716 beds in 670 hotels. This capacity seems to be incorrect.

The accommodation offer in Albania is characterized by the following panorama:

• The capacity of hotels is dominated by small hotels. Over 80 percent of registered hotels have less than 20 rooms and only 7 percent have more than 40 rooms. Only 30 hotels are officially classified (star rating) and from these only 3 hotels are classified with 5 stars. Only two hotels in Tirana are managed by international companies; Hotel "Rogner" and Hotel "Sheraton".

• Referring to their location, 80% of hotels are located in the coastal and lake areas (Velipoje, Shengjin, Durrës, Kavajë, Vlore, Sarandë, Pogradec), 10% of hotels are located in Tirana and 10% are located in other areas. Many accommodation facilities, especially in coastal areas, are managed as family businesses where the rooms are provided to the local and independent tourists markets. These features are not conducive to delighting the foreign tourist market.

• The offer of accommodation in rural areas that serves the tourists of nature has developed modestly. In the mountainous natural areas, there are very few hotels and a limited number of inns. The estimation for 2012 was about 150 hostels in areas such as Thethi, Kelmendi, Tropoja and Voskopoja.

• The number of campsites (registered) recently in Albania is about 20; especially in natural areas presents a good opportunity to create a variety of accommodation products. A number of campsites have been supported by the GIZ-ADAC (German Automotive Club) project to be offered on the European camping market.

• All types of accommodation structures and outdoor tourism offers as well as the rural tourism sector need continuous support for product development.

• Much of the offer of the accommodation product is far below the international standards of operation and does not offer high quality in comparison to international standards.

• Since 2008 the classification of accommodation structures is no longer mandatory by law. A number of hotels have set themselves the standard of star rating, according to their personal assessment.

• Since 2010, a customer-based quality certification scheme called "Authentic Albania" has been offered for voluntary participation hotels. The implementation of the Project is supported by USAID in cooperation with ATA (Albanian Tourism Association). So far 63 hotels have been certified.

The unregistered (informal) market of rooms and apartments leased is a significant part of the offer in coastal areas. There are no registrations of private rooms and apartments that are rented by the owners of apartments to destinations as well as for second homes. The state of the rented apartments and chalets is mainly concentrated on coastal destinations such as Durres, Shkembi i Kavajes, Golem, Vlore and Saranda. Unregistered accommodation capacity not only represents a "very high" level of informality in the tourist accommodation market and avoids paying local taxes to local governments, but it also constitutes unfair competition in the accommodation market. Also, their standards are not controlled at all.

Referring to the capacity of registered beds in the coastal areas and an estimated number of foreign tourists' arrivals, as well as the domestic demand for beach holidays between July and August 2018, it is calculated that to accommodate this number of tourists in the coastal zone, a total capacity of about 254,400 beds is needed. By making such an assessment, the capacity of the beds in the lawful and registered accommodation structures represents only about 7.4% versus 92.6% of the capacity of the beds that is related to the capacity of informal and unregistered accommodation.

Entry via international air routes is relatively good and is improving. The number of passengers arriving at Tirana International Airport has increased considerably since this airport has been renovated. In year 2017 the number of passengers was 1,817,073 or an increase of 18% compared to 1,536,822 in 2016. In 2017 the number of passengers was

1,665,331 or 8.4% increase in compared to 2016. Although Tirana Airport has a favorable geographic position, which makes it a "short-haul" travel destination in Europe, remains modest with regard to the number of airlines and the number of European cities from and to which it is operated, compared to the airports of the countries of the region. Flight from another country to the destination is a major obstacle for travelers, waste of time, expenses, and temptation.

The cost of air tickets from London, Frankfurt and Amsterdam (all major European countries of origin in the region) for a one-week vacation in Albania is almost double with travel costs to Zagreb and Dubrovnik, destinations with costly airline traffic low. The lack of low-cost airlines flying to Albania, such as Ryanair, Easyjet, Skyeurope, Whizzair, and Germanwings flying in neighboring competitive countries, not only affects the number of international tourists in Albania but also makes it harder to travel from the main generating market, such as Great Britain and the northern part of Europe, which are the main markets for Albania.

3.9. Tourism in Bosnia and Herzegovina

Bosnia and Herzegovina is a very interesting tourist destination with exceptional natural beauty, cultural and historical values and favorable climatic conditions. In the territory of Bosnia and Herzegovina, various cultures, religions and traditions have been crossed for centuries, leaving their mark, which gives added value for the creation of a specific tourism product (Kurtović, 2013).

The geographical position of the country, located in the center of Europe, offers the potential to attract a large number of tourists within a 3-hour flight. Internationally recognized and important events like the Sarajevo Film Festival also attract a significant number of tourists. B&H has been recognized as a good destination at an affordable price due to the relatively low cost of services and good but not expensive food and beverage offerings. Hospitality is a very important factor in creating a good general impression and repeated visits to B&H, and in this way, outgoing surveys show that tourists are very satisfied with this aspect of tourism services in B&H.

To allocate funds for improving tourism development, by tourist destinations (cities as centers of cultural tourism, mountains, lakes, places spiritual tourism, the coastal part of the country, etc.) has had many factors in the past with varying intensity. It seems to us an acceptable hypothesis to share the accumulation a sector in B&H was not proportionate to the economic power of that sector in the economy, but rather the political power of a party that had an interest in investing in a particular economic activity. If this trend would continue, then we would hardly expect changes in the structure economy, in particular, not changes in investments in tourism development, because development a component of tourism would not be embedded in economic policy measures (Kurtović, 2013).

If we ignore loans as the most common source of financing for development projects, then is the predominant way of influencing the future development of tourism, joint ventures. It's about investments in tourism. Joint ventures, domestic and foreign investors, mean simultaneously reduction of investment potential in the market of B&H (Kurtović, 2013).

In Bosnia and Herzegovina, in October 2018, tourists realized 138,932 visits, which is by 11.2% less than in September 2018 and by 12.3% more than in October 2017. Tourists realized 267,162 overnights, which is less than 14,6% in comparison on September 2018 and by 11.9% more than in October 2017. In the total number of overnight stays the participation of local people tourist is 26.5%, while 73.5% is foreign tourists.

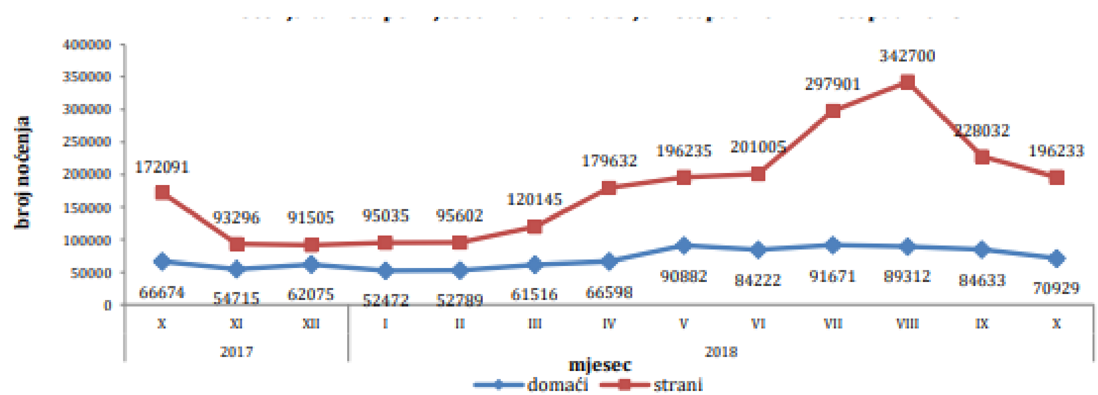
The number of domestic tourist nights decreased by 16.2% compared to September 2018 and by 6.4% higher compared to October 2017. The number of foreign tourist nights is by 13.9% lower than in September 2018 and by 14.0% in comparison with October 2017.

In the structure of foreign tourist nights, in October 2018 most of the overnight stays were realized by tourists from Croatia (14.9%), Germany (6.9%), China (6.6%), Slovenia (6.4%), Italy (5.0%), Turkey (3.9%) and US (9.5%), Serbia 3.5%), which is a total of 56.6%. Tourists from other countries realized 43.4% of overnight stays.

As for the length of stay of foreign tourists in our country, the first is: Island with an average stay of 4.9 nights, Ireland 3.5 nights, Kuwait 3.2 nights, France 3.1 nights and Ukraine and Qatar with 2.9 nights. In October 2018, there were 19,850 tourists in Bosnia and Herzegovina available for rooms, apartments and camping sites which is by 5.8% higher compared to October 2017 and 41.701 available beds, which is by more than 5.2% compared to the same month 2017.

In October 2018, a total of 17,418 rooms were available for tourists in hotels and similar accommodation which is by 5.1% higher compared to October 2017 and 35.149 beds, which is by 4.6% more than in the same month last year. The net utilization rate of permanent beds was 22.1%. According to the type of accommodation object the largest number of overnight stays was realized within the scope of Hotel and similar accommodation with participation from 91.9%.

Figure 6- Tourist nights per month for the period October 2017 - October 2018



3.10. Competitiveness of tourism in SEA countries

As a result, the sector is expected to grow continuously over the next 20 years, providing immense opportunities for the economies of Southeast Europe, as it could stimulate economic growth, social progress and the sustainability of the environment by offering a new model of society and increasing the quality of life.

Although SEA countries record significant differences in arrivals and travel expenses, seaside destinations representing a larger market share, trends in international tourism and growth forecasts for the whole area, along with the widespread trend towards alternative tourism and special interest, the chances of development for domestic destinations are relevant. Tourism does not only support jobs in accommodation and related tourism services but also induce, also a market for products and services in various sectors such as transport, retail, construction, culture, food processing, fisheries and agriculture. Different from other sectors, tourism is a resource-based industry, whose reason is to be consumed at the place where it is produced.

Therefore, decisions on tourism development should be taken at the lower governance level. In the case where s decisions are needed at central level, local actors affected by tourism should be consulted and encouraged to participate. The local community is fully committed to the development of policies and plans of tourism. This should involve the institutions of local governments and should be there is a consultation process and the wider participation of community members and other parties concerned. Empowering local communities of SEA countries to influence tourism development decisions in their area, including the provision of knowledge and skills that people need to effectively participate in the decision-making process at the local level.

All SEA countries in order to increase competitiveness should place themselves as a predictable country that offers a high quality tourist product and security for tourists. And this can happen if local authorities and companies work together.

First of all, the fact that tourism is characterized by high seasonality leads the majority of those active in tourism to try to reap the greatest possible benefits less time. This in turn does not help them any attempts to organize management and long-term business plans.

CHAPTER 4

CONCLUSIONS

From the above it can be seen that tourism is now considered a fairly important part of the economy of all SEA countries, not just by the individuals' active in it but also by the official state. The competitiveness of tourism in SEA countries is a very serious matter mainly because it is in this economic and business sphere country to occupy the highest positions, not only in Europe but also in global level. However, in recent years tourism in SEA countries has been constantly confronted with crises, bigger or smaller, which in the end highlight its structural weaknesses and the need for long-term planning at national and international level.

It is important to reduce the administrative barriers to tourism market entry in many SEA countries and conduct of business economic development in the field, stimulating the development of small and medium enterprises, and legalization e-commerce with packages of tourist services. In order to achieve these goals, it is recommended: (i) optimizing State Record Procedures by introducing a Notification Mechanism of the public authority that will administer the Tourism Registry about the initiation of the activity of tour operator or travel agency, transmitting this notification on one-stop shops or on a form, (ii) the repeal of the legal provisions on the compulsory issue of the printed tourist voucher, and (iii) exclusion of the requirements for mandatory, initial and continuous training of employees of tour operators and travel agencies.

In order to stimulate the development of the tourism sector, it is necessary to establish a regime of facilitating taxation, in particular by reducing the VAT rate applicable to tourist services by up to 8%not included in packages of tourist services, provided by travel agencies and tour operators. In this way, it will encourage diversification of tourism products and excursion activities across the country. Also in stimulating the development of domestic tourism and receptor, it is recommended to take into consideration, as regulatory option, of the proposal to exempt from VAT excursions. Implementing proposals to regulate tax incentives will require promotion to appropriate draft legislation to amend the legislation by the competent authority to develop.

On the other hand, in order to increase price competitiveness, stimulate the activity of service providers of receiving tourism and attracting more tourists, adoption and implementation is essential a system of tax incentives, in particular: (i) reducing the VAT rate for tourist accommodation services, (ii) establishing the amount of the local fee for fixed accommodation and the use of means received for the development of tourism.

It is recommended to improve the training system for employees of the tourist accommodation establishments through the development of updated and cost-effective training programs. In this respect, it is suggested that the compulsory nature of training should be eliminated initial and continuous staffing of the tourist reception facilities.

For an efficient record of business in the hotel sector and informing consumers about registered structures, it is recommended to integrate and publish the information about the structures of tourist reception. In order to encourage and support tourist entrepreneurship in rural areas, regulation is required of tax incentives for the initiation and development of tourist activity in rural localities, according to the following options: (i) the application of income tax exemptions or reduced income tax rates for rural tourism service providers, (ii) the inclusion of all taxes and duties in a single fee similar to the patent mechanism for providers rural tourism services and tourist areas, or (iii) granting the right to provide tourist services for rural entrepreneurs.

In order to ensure access to finance for micro, small and medium enterprises in rural areas, encourages state subsidies for rural tourism activities, including construction and tourism the reconstruction of the rural tourism reception structures, the arrangement of the craft workshops, etc. In this sense, it is recommended to provide more efficient access for entrepreneurs in the rural tourism sector to funds: (i) expanding the category of eligible subjects for subsidy to all rural tourism reception facilities, and not just agritouristic pensions, (ii) exclusion from the list of acts necessary for the award of grants a certificate of graduation of the vocational training courses.

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