

COMPARISON REGARDING THE TOURISM IMPACT ON THE ECONOMY OF BULGARIA AND ROMANIA

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Abstract

The paper has comparatively analyzed the role of tourism in the economic growth of Bulgaria and Romania, using the specific system of indicators: GDP, employment, multiplier effect, efficiency, investments, visitor exports, and competitiveness. The methodology was based on the formulas provided by literature at present and the data were collected from UNWTO Data Base. Bulgaria and Romania are important tourism destinations grace to their rich cultural and historical heritage, beautiful landscapes, landmarks, tourism forms, service quality and hospitality. Bulgaria has more visitors and receipts than Romania, but in absolute value, tourism has a higher contribution to GDP in Romania, while in relative value, 11.5 % of GDP is produced by tourism and in Romania just 5.3 %. Tourism supports employment 3.7 times better in Romania than in Bulgaria regarding the number of jobs. The multiplier effect is almost similar in the both countries, proving that tourism growth stimulated the development of other economic sectors. Tourism increases labor productivity in the economy of the both countries, but 1.4 times more in Bulgaria. Visitor exports in Bulgaria are higher than in Romania, while investments in tourism are 4.5 higher in Romania than in Bulgaria. Tourism competitiveness is low in the both countries, but Bulgaria comes on a lower position than Romania in the international market. As a conclusion, both Bulgaria and Romania has to intensify the efforts to sustain tourism growth, its contribution to the development of the economy and become a more competitive sector. Bulgaria and Romania have to better evaluate all their resources, to diversify their offers, to improve service quality and increase tourism performance. Only in this way, a new tourism strategy could attract more visitors and increase the role of tourism in the economy and improve the image of each country in Europe and in the world.

Key words: tourism, impact, GDP, employment, multiplier effect, efficiency, visitor exports, investment, competitiveness, Bulgaria, Romania

INTRODUCTION

Tourism is a high dynamic sector of activity in the world economy. It is characterized by high growth rates regarding its development, injection of outflows of foreign currency in the payment balance, infrastructure modernization, tourism management, all these aspects having a positive impact on the economic and social development of various countries [23, 24, 49].

Tourism plays an important role in the economy and it could create a competitive advantage for a country in the world tourism market [40]. Also, tourism could be a landmark or a favorable image of a country,

as this activity is considered the most visible aspect [14].

Tourism could contribute to the economic development in many ways, and according to Tourism Satellite Accounting methodology, tourism could have: (i) *Direct contribution*, which includes: "goods related to accommodation, transport, entertainment and attractions), industries (accommodation services, food and beverages, retail trade, transportation services, cultural, recreational and sport services), all these being financial supported by residents' spending, business domestic travel spending, visitor exports, individual government spending on travel and tourism services"; (ii) *Indirect contribution*, which is given by: "investment spending in

tourism, government collective spending in tourism and impact of buying from suppliers"; (iii) *Induced contribution* refers to " spending of direct and indirect employees in food and beverages, recreation, clothing, housing, household goods etc"; (iv) *Total contribution to GDP and employment*, which is a the sum of the three components mentioned above [53].

Therefore, tourism is able to assure not only its own development but also to contribute the growth of the other economic activities related to tourism. "The dimension and quality of tourism services is closely connected vertically and horizontally to other sectors of activity" [59].

This aspect was named "the multiplier effect of tourism" by John Maynard Keynes who said that "the size of this indicator reflects the impact of a new monetary unit created in tourism on various economic branches which are situated on the routes where that monetary unit circulates through, till the moment it disappears"[22, 46].

Across the time, tourism has permanently contributed to the development of various economies, but at present it has become one of the key drivers in the world economy.

In 2017, the direct contribution of tourism to the world GDP accounted for USD 2.57 trillion (3.2%), the total contribution to GDP accounted for USD 8.3 trillion (10.4%). To the world employment, tourism has directly contributed by 118.4 million jobs (3.8% of total employment) and

the total contribution was 336.2 million jobs (9.9 %). Investments made in tourism accounted for USD 882.4 billion in 2017 (4.5 % of total world investments) and visitor exports reached USD 1.5 trillion, representing 6.5 % of global exports [54].

The EU is on the top in the world tourism due to its rich cultural and historical heritage, beautiful landscapes, high quality services and hospitality [21, 31].

Besides the most visited countries of the EU for years, the new member states which adhered during the last 15 years have become important more and more important tourist attractions on the tourist map of Europe. Tourism in the new EU member states has

been continuously developing bringing an important contribution to the economic development at the country level but also at the EU. Their efforts are focused on tourism development so that this sector to become more competitive [35].

Bulgaria and Romania have similarities but also differences regarding tourism. Tourism is continuously developing in these two countries and bring an important contribution to economic growth in terms of GDP and employment [50].

However, Bulgaria and Romania are still situated in general on lower positions than other EU countries in the world hierarchy of tourism competitiveness [39].

The economic impact of tourism in Bulgaria is a positive one regarding: "GDP, employment, income, infrastructure development, investment and standard of living, but also it has a negative impact regarding the dependence on other tourist markets, high price of commodities, income disparity, increase of land price, territorial concentration, seasonality and low performance indicators"[45, 48].

In this context, the present paper aimed to analyze the contribution of tourism to economic development in Bulgaria and Romania, which were accessed together into the EU on January 1st, 2007. The main aspects approached in this study have been: tourism contribution to GDP, employment, investments, exports both in absolute and relative values, the multiplier effect of tourism in the economy, the efficiency of tourism, the competitiveness of tourism. The study allowed to make a comparison among the two countries and identify the results of their efforts to strengthen tourism importance in the economy in the year 2017.

MATERIALS AND METHODS

Study area

Bulgaria

Bulgaria is situated in the Balkan Peninsula, bordering Romania in the North, Greece and Turkey in the South and Serbia and Macedonia in the West. Bulgaria has 110,994 km² surface and 7,153,784

inhabitants, of which 26.9 % live in the rural areas. The relief is represented by the Danube and Thracia Plain, hills and the Balkan and Rhodope mountains. The Danube River borders the largest part of the frontier with Romania. Bulgaria has exit to the Black Sea which favored the development of seashore tourism. The climate is Mediterranean and continental which assured a suitable environment for various plants and animal species. The biodiversity is one of the richest on the continent and is preserved in national parks, natural parks, biosphere reserves and many protected area.

Bulgaria has a large variety of natural and anthropogenic resources which have allowed the development of many forms of tourism such as: seashore, spa, health, cultural-historical, adventure, rural, agrarian, wine tourism. New orientations have appeared to support the development of sustainable tourism [1].

In Bulgaria, tourism is an essential generator of economic growth mainly during the last two decades. Bulgarian tourism has still many aspects which need improvement such as "the one-sided product mix, high territorial concentration, seasonality, limited number of tourist markets, the lack of exploitation of the whole potential resources [48].

Rural and agricultural tourism are new alternatives claiming the involvement of the rural population to valorize the local natural, cultural, human resources in an efficient way offering accommodation, board, recreational activities to visitors and this could contribute to the increase of income and living standard of the small towns, villages and suburban areas, transforming them in tourist attractions [9, 12].

It could be a tool for regional development, minimizing of the negative effects of tourism on natural landscapes, and environment, and also on local population [7, 11].

Besides the seaside, rural tourism is a niche market which has to be stimulated to develop in order to diversify the activities in the rural space, bring additional jobs, income and welfare to the local population [44].

The charming folk traditions, tasty cuisine, rural architectural features, the beauty and

diversity of the landscapes, the hospitality of the population are substantial arguments as Bulgaria to be visited by more and more tourists [8].

Among the top tourist attractions in Bulgaria there are: Cathedral St. Alexandr Nevski in Sofia, Cathedral of the Assumption of the Virgin in Varna, Rila Monastery, Old town in Plovdiv, the Palace of Queen Mary of Romania in Balchik, Ravadinovo Castle, Belogradchik Fortress, Krakra Fortress, Tsarecets Fortress, Archaeological Museum in Varna, Shipka Monument, Old Nessebar Vaya Beach Burgas, The Golden Sands, Sunny Beach Resort, Borovets Ski Resort, Rila National Park, Vitosha Mountain, Vratsa Mountain, Emen Waterfalls, Water Springs, Eco Museum and Aquarium, Gorica Zoo etc [51].



Fig.1. Bulgaria tourist map.

Source: [5].

Romania

Romania is situated at the crossroads of Eastern, Central and South East part of Europe. Its borders are represented by Bulgaria, Serbia, Hungary, Ukraine, Moldova and the Black Sea. Its surface is 238,397 km² and has a population of 19,64 million inhabitants (2017). The climate is predominately a temperate-continental one. Flora and faune is of alrge variety, The relied if like an amphitheater, the Mountains are represented by the Carpathians, which are surrounded by the Moldavian and Transylvanian plateaus, the Carpathian basin and Wallachian plains. The Danube river flows into the Black Sea, forming the Danube Delta, a biosphere reserve and also an item of World Heritage Sites.

Romania has a large variety of natural, cultural, historical resources, which attract many tourists. Also, in the rural areas there is an important part of the population dealing mainly with agriculture, but rural tourism has begun to be a successful alternative for the ones wishing to spend their vacations in plain air and enjoying the rural life. At the same time, the local population and communities have the chance to be occupied to offer accommodation, traditional gastronomy, folklore and customs getting additional money to improve the living standard [44].

Both Romania and Bulgaria have a large range of tourist resources both natural and anthropogenic, which are insufficiently developed [20].

Tourism is continuously developing due to the increasing number of visitors. Investments in new tourist facilities, recreational alternatives, environment protection, and also in new information technology for booking, travelling and paying and nowadays important activities which sustain tourism growth.

Romania has large offer of tourism forms: cultural, historical, seashore, mountain, spa, thermal, health, religious, business, shopping, adventure, hiking, biking, rural tourism and agrotourism [25].

The number of tourist arrivals increased quickly year by year and tourism receipts as well, between these two indicators existing an important positive relationship [26, 27, 34].

In Romania's rural areas the population is dealing especially with agriculture, but during the last decades it is more and more involved in the development of rural tourism, agrotourism, ecotourism. The development of agrotourism is one of the most dynamic forms in Romanian tourism in terms of accommodation structures and their concentration in the territory [28, 36, 37].

The top tourist attractions in Romania are: Peles Royal Castle and Bran Castle, Transilvania's medieval fortresses and castles, Brasov and Sighisoara historical center, the Tower of the Council in Sibiu, the Bucovina monasteries, the Transfagarasan and Transalpina Roads, the Parliament House, the Herastrau Park, the Village Museum, Turda

Salt Lake, the caves of the Apuseni Mountains, the Merry Cemetery from Sapanta Maramures, the Black Church in Brasov with its largest organ pipe in the Eastern Europe, King Decebal's statue, the highest in Europe, the Astra Museum in Sibiu, the 2nd largest ethnographic open air museum in the world, the only gold museum in Europe, The Danube Delta- Biosphere reservation, National Park of the Retezat Mountains, the seashore with its numerous resorts [52].

An important number of tourist is interested to visit Transilvania and its heritage in terms of medieval fortresses, castles, villages, traditions. Also, Bucovina invited tourists to discover the religious architecture and art unique in the world, visiting its old monasteries. The Romania seashore offer wonderful vacations at the Black Sea, the top season being June-September when both Romanian and foreign tourist invade the beaches for laying in the sun swimming and entertainment [16, 18, 19, 38].

Tourism is relatively concentrated in the territory regarding accommodation offer, both in the cities and rural areas. The high concentration of population and the need of supplementary income sources stimulated the development of rural tourism [29, 33].

Tourism contribution to GDP and its efficiency is increasing year by year [30, 32].

However, compared to other states which adhered to the EU during the last decades, Romania has still many aspects to improve as its tourism to be more efficient and competitive in the international market [35, 39].



Fig.2. Romania tourist map
Source: [43].

Analyzed indicators

The study was achieved based on the following indicators:

(a) international tourist arrivals, international tourism receipts, tourism receipts per arrival, analyzed in the period 2009-2017.

(b) tourism contribution to GDP and employment both in absolute and relative values in 2017.

(c) tourism multiplier effect and tourism efficiency in 2017;

(d) tourism contribution to investments and exports in absolute and relative values in 2017.

(e) tourism economic competitiveness both in absolute and relative values in 2017.

Data collection

The data were collected from the following official sources: UNWTO Tourism Highlights 2010-2018, UNWTO Tourism and Travel economic impact World 2018, UNWTO Tourism and Travel economic impact Bulgaria 2018, UNWTO Tourism and Travel economic impact Romania 2018 [55, 56, 57, 58].

Methodological aspects

The methodology included a large variety of methods as follows:

Significance analysis, concerning the size of tourism and its share in GDP, and *Impact analysis* regarding the direct and indirect influence of tourism [10, 47].

The dynamics of international tourist arrivals, receipts and receipts per arrival was analyzed based on the calculation of the *Index with fixed basis*, taking into account the year 2009 as reference moment.

The contribution of tourism to GDP (TC_{GDP}) was determined using the formula:

$$TC_{GDP} = TR / GDP,$$

where: TR = tourism receipts, and GDP-gross domestic product

The contribution of tourism to Employment GDP (TC_{Em}) was determined using the formula:

$$TC_{Em} = TEm / Em,$$

where: TEm = tourism employment, and Em = employment in the economy

The contribution of tourism to Exports (TC_{Exp}) was determined using the formula:

$$TC_{Exp} = T_{VExp} / Exp$$

where: T_{VExp} = tourism visitor exports
Exp = Exports of goods

The multiplier effect of tourism (K_{GDP}) was determined using the formula:

$$K_{GDP} = \frac{Direct\ GDP + Indirect\ GDP + Induced\ GDP}{Direct\ GDP}$$

The K_{GDP} was determined both using absolute values and relative values of tourism GDP, according to the formulas specified by [46, 6].

The tourism efficiency (E) in the economy in terms of labour productivity was determined using the formulas mentioned by [15, 6].

$$E =$$

$$\frac{Direct\ Employment + Indirect\ Employment + Induced\ Employment}{Direct\ Employment}$$

The indicators were comparatively studied in Bulgaria and Romania, considered study cases.

Also, the analysis of the economic competitiveness in tourism was based on the official data regarding the rankings at the world and EU levels and also in Bulgaria and Romania.

The results were graphically and tabled presented and correspondingly interpreted.

RESULTS AND DISCUSSIONS

Dynamics of international tourist arrivals

Both Bulgaria and Romania are countries of high tourist attraction reflected by their rich cultural and historical heritage, coastal resorts at the Black Sea, mountain resorts suitable in all seasons but mainly in winter season for specific sports, beautiful landscapes, medical tourism, spa and sport tourism, rural tourism. The international tourist arrivals increased year by year in the both countries.

In 2017, Bulgaria was visited by 8,883 thousand international tourists, by 54.7 % more than in the year 2009, while Romania received 2,769 visitors 2.16 times more than in 2009. Therefore, Bulgaria has 3.21 times more international arrivals than Romania. In the year 2015, Bulgaria registered a slight decline by about 3 % in the number of international visitors compared to the year

2014, but in 2016, the international arrivals increased by 15.4 % in comparison with the inbound tourism in 2015. (Fig.3.)

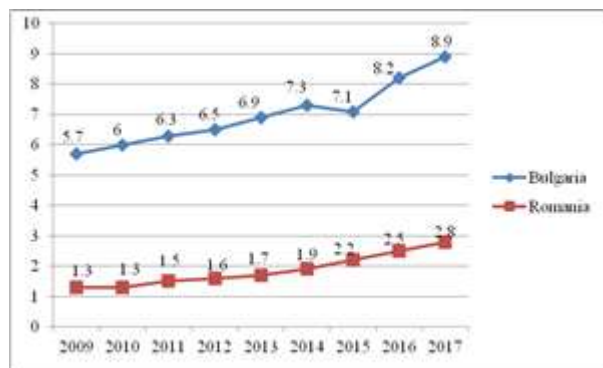


Fig.3. Dynamics of international tourist arrivals in Bulgaria and Romania in the period 2009-2017 (Thousand)

Source: Own design based on the data from [57, 58].

Tourist market in Romania is much larger than in Bulgaria. The countries of origin of the tourist visiting Romania are mainly: Germany, Italy, France, Hungary, United Kingdom, USA, representing about 44 % of inbound overnight stays. The tourist market of Bulgaria is limited in general to visitors coming from the neighbouring countries: Romania, Greece, former Yugoslavia, Macedonia, but also from Germany and Russian Federation, which all together account for about 50 % of tourist inflow. More than this 70 % of the tourism activity in concentrated in 5 % of the territory, mainly on the seashore [50].

Dynamics of international tourism receipts

The intensified international tourist flows to Bulgaria and Romania determined a growth in tourism receipts.

In 2017, Bulgaria achieved USD 4,045 million receipts, by 8.5 % more than in 2009. However, the general evolution of this indicator looks to be an ascending one, but marked in different years by growths and declines. More exactly, in 2010, the receipts were by 8.2 % lower than in 2009, then it was observed an increase by 14.7 % in 2011 compared to the previous year. In 2012, it appeared again a decline of 7.7 % compared to the level registered in 2011. In 2013, the receipts increased by 5.5 % and in 2014 by 8.3 % compared to the level of the year 2012.

The year 2015 registered the highest decline of the receipts, - 20.6 %, in the analyzed period, but after that the level of this indicator had only an ascending trend till 2017, when it was registered USD 4 Billion, by 29 % more than in 2015 and the highest level in the whole analyzed period.

Romania carried out a continuous increasing trend of international receipts without any significant inflexion in the analyzed interval. In 2017, its receipts accounted for USD 2,527 million, being 2 times higher than in 2009. However, in 2010, Romania registered a slight decline of 8.4 % compared to the level of 2009, but then, the receipts had only an ascending trend till 2014. In 2015, it was noticed again a slight decline of 5.6 % compared to the level of 2014 and in 2016, Romania received the same level of incomes from tourism like in 2015, therefore it was facing a stagnation. In 2017, the receipts reached the highest level, USD 2.5 Billion, by 47 % more than in 2016 and by 108 % more than in 2009 (Fig.4).

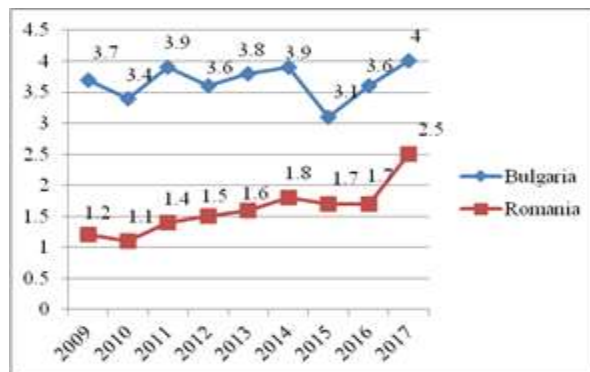


Fig.4. Dynamics of international tourism receipts in Bulgaria and Romania in the period 2009-2017 (USD Billion)

Source: Own design based on the data from [57, 58].

The variations regarding the level of receipts from international tourism both in Bulgaria and Romania were determined by the different number of visitors, the length of their stay, and the tourist services for which they applied, the amount of money they wanted to spend during their travels in the tourist chosen destination.

The level of international receipts of course had influenced the contribution of tourism to the economic growth in each country.

Tourism receipts per international tourist arrival varied from a country from another depending on the level of tourism income from international visitors and the number of arrivals.

At the first sight, the both countries registered a general descending trend.

Bulgaria recorded the highest level of receipts/arrival, accounting for USD 649.5 in the year 2009. Then, it registered a decline of 13.3 % in 2010. In 2011, the receipts/arrival has recovered and reached USD 626.8, by 11.2 % more than in the previous year. Since 2011, Bulgaria recorded a continuous decline of receipts/arrival till the year 2016, when it registered the deepest decline, reaching USD 400.3, by 9.7 % less than in 2015 and by 38.4 % less than in 2009. In 2017, the situation was much better, this indicator reaching USD 440.3 receipts/arrival by 10 % more than in 2016, but by 36.3 % less than in 2009.

In Romania, also, the receipts per arrival declined from USD 967 in 2009 to USD 915.5 in 2017, meaning minus 5.4 % in the whole period. However, the highest level of this indicator was USD 915.5, which was never attained in the analyzed period. The level of this indicator varied much more from a year to another in Romania than in Bulgaria. The lowest level, USD 700.5 receipts/arrival was registered in the year 2016, by 27.6 % less than in 2009. But, in 2017, it was registered an increase by 30.6 % compared to 2016, and the receipts per arrival reached USD 915.5.



Fig.5. Dynamics of international tourism receipts per arrival in Bulgaria and Romania in the period 2009-2017 (USD)

Source: Own calculation and design.

Also, one may easily notice that, the receipts per arrival in Romania are higher than in Bulgaria. If the ratio between receipts per arrival in Romania versus Bulgaria was 1.48 in the year 2009, in 2017 this ratio became much higher, 2.07, reflecting that Romania's income from tourism is more dynamic than in Bulgaria.(Fig.5).

Travel and Tourism contribution to GDP in absolute value

Tourism plays an important role in the economy both of Bulgaria and Romania. This is proved, first of all, by its contribution to GDP in absolute value.

In Bulgaria, the GDP from tourism increased by 3.1 % in the period 2009-2017, from USD 6.4 Billion to USD 6.6 Billion. In Romania, the contribution of tourism to GDP was much higher and increased by 27.2 % in the studied period from USD 8.8 Billion in 2009 to USD 11.2 Billion in 2017.

Therefore, in 2017, Romania registered USD 11.2 Billion GDP from tourism, by 69.6 % more than Bulgaria. In 2009, the difference between the two countries was much smaller of only 37.5 % (Fig.6.)

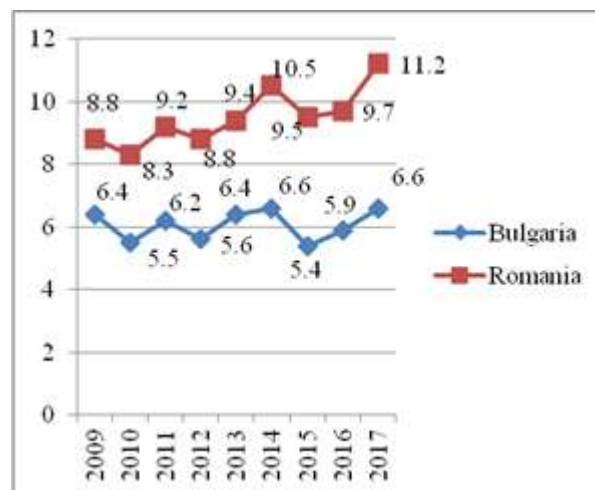


Fig.6. Dynamics of travel and tourism contribution to GDP in Bulgaria and Romania in the period 2009-2017 (USD Billion)

Source: Own design based on the data from the data from [3, 41].

However the contribution of Romania to GDP is smaller than in Austria and Hungary, and of course in other EU countries with a better developed tourism situated in the top [13].

Travel and Tourism contribution to GDP in relative value

Taking into account the GDP created in travel and tourism sector and GDP in the economy, the contribution of T & T in relative value to GDP varied between 12.4 % in 2009 and 11.5 % in 2017 in Bulgaria, and between 5.5 % in 2009 and also in 2017 in Romania.

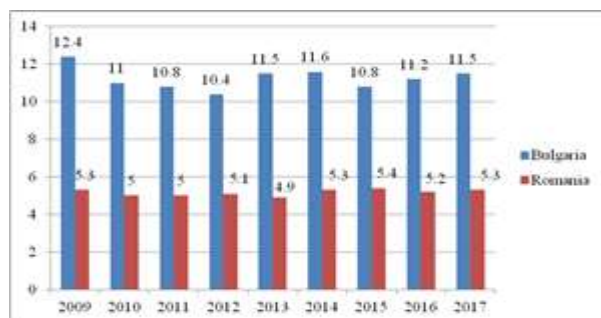


Fig.7. Dynamics of travel and tourism share in GDP of Bulgaria and Romania in the period 2009-2017 (%)
Source: Own design based on the data from the data from [4, 42].

Therefore, in Romania, despite that the T & T contribution to GDP in absolute value is 1.6 times higher than in Bulgaria, the share of

GDP created in this sector of activity is 2.1 times smaller, reflecting that in Bulgaria tourism has a deeper impact in the economy than in Romania (Fig.7).

Similar results were found by [13] who affirmed that "tourism does not occupy an important place in Romania's economy" as long as its share in GDP is 5 % compared to Bulgaria where it is almost double.

The direct and total contribution of T & T to GDP

In 2017, in Bulgaria, the direct T&T contribution to GDP accounted for USD 1,756 Million (3.1 %), while the total contribution accounted for USD 6,591 Million (11.5%). For the year 2028, the forecast is that in this country, T&T sector will produce USD 2,551.9 directly and USD 9,367.8 totally.

In case of Romania, the direct contribution to GDP in 2017 accounted for USD3,024 million (1.4 %) and for USD 11,185 million totally. The forecast for 2028 is USD 3,878.4 million as direct contribution and USD 14,052 million as total contribution (Table 1).

Table 1. Direct and Total T & T contribution to GDP in 2017 and forecast for 2028 in Bulgaria and Romania

		Direct contribution to GDP		Total contribution to GDP	
		USD Million	% of total GDP	USD Million	% of total GDP
Bulgaria	2017	1,756	3.1	6,591	11.5
	2028 forecast	2,551.9	3.6	9,367.8	13.3
Romania	2017	3,024	1.4	11,185	5.3
	2028 forecast	3,878.4	1.5	14,052	5.5

Source: [57, 58].

In 2017, in Bulgaria, tourism total contribution to GDP consisted of 26.6 % direct contribution, 56.7 % indirect contribution and 16.7 % induced contribution. In the same year, in Romania, the contribution to GDP was structured: 27.2 % direct contribution, 54.5 % indirect contribution and 18.3 % induced contribution.

T & T contribution to employment

The development of tourism imposed to create new jobs and employ more people to face the higher and higher demand of tourism services. In this way, tourism could be considered a generator of work and labour force both in Bulgarian and Romanian economy.

In 2017, the direct T&T contribution to employment was 90 thousand (2.9 %), while the total contribution accounted for 335 thousand (10.7%) in Bulgaria. For the year 2028, the forecast is that in this country, T&T sector will employ 115 thousand people directly and 374 thousand as a total contribution.

In case of Romania, the direct contribution to employment in 2017 accounted for 208 thousand (2.5 %) and for 529 thousand people totally. The forecast for 2028 is 213 thousand employees working directly and for 536 thousand people as total contribution to employment (Table 2).

Table 2. Direct and Total T & T contribution to employment in 2017 and forecast for 2028 in Bulgaria and Romania

		Direct contribution to Employment		Total contribution to Employment	
		Thousand persons	% of total employment	Thousand persons	% of total employment
Bulgaria	2017	90	2.9	208	2.5
	2028 forecast	115	4.1	213	2.6
Romania	2017	335	10.7	529	6.3
	2028 forecast	374	13.4	536	6.5

Source: [57, 58].

In 2017, in Bulgaria, tourism total contribution to employment included 26.7 % direct contribution, 55.3 % indirect contribution and 18 % induced contribution. In Romania, the contribution to employment was structured: 39.5 % direct contribution, 44.8 % indirect contribution and 15.6 % induced contribution. If in case of the structure of the contribution to GDP there were not higher differences between Bulgaria and Romania, in case of tourism employment structure there are large discrepancies.

Therefore, tourism is an opportunity to diminish unemployment, absorbing personnel for the new jobs created in the field. It has a benefic impact in the small localities where people need to increase their income and living standard. [13]

The multiplier effect of tourism in the economy in terms of GDP

The results regarding the multiplier effect of tourism in the economy of Bulgaria and Romania in terms of GDP in 2017, using the formulas mentioned by Snak *et al* (2003) and Bulin *et al* (2014) who started from the

Keynesian model, are presented in Table 3.

In Bulgaria, in 2017, the ratio between the sum of Direct, Indirect and Induced T&T contribution to GDP, and Direct contribution to GDP, in absolute values, was 3.75, based on the formula mentioned set by Snak *et al* (2003) and also 3.71, calculated based on the formula mentioned by Bulin (2014),. Therefore, the both values were higher than 3, the reference value in literature, and this reflects that travel and tourism has a multiplier effect in the economy, meaning that the development of tourism stimulate the growth of other connected economic sectors [6, 46].

In case of Romania, in 2017, tourism proved to have a multiplier effect in the economy as well, as long as K_{GDP} was 3.69 calculated based on the formula mentioned by Snak *et al* (2003) and also 3.78, calculated using the formula mentioned by Bulin *et al* (2014), the both values being higher than 3 and reflecting the important role of tourism to the development of many other economic sectors.

Table 3. The multiplier effect of tourism in the economy of Bulgaria and Romania in terms of GDP in 2017

	Bulgaria		Romania	
	The multiplier effect of tourism K_{GDP}	Interpretation	The multiplier effect of tourism K_{GDP}	Interpretation
After Snak <i>et al</i> (2003)	3.75	$K_{GDP} > 3$, tourism has a multiplier effect in the economy	3.69	$K_{GDP} > 3$, tourism has a multiplier effect in the economy
After Bulin <i>et al</i> (2014)	3.71	$K_{GDP} > 3$, tourism has a multiplier effect in the economy	3.78	$K_{GDP} > 3$, tourism has a multiplier effect in the economy

Source: Own calculations based on [46, 6].

Tourism efficiency in the economy reflected the positive impact of this sector on the labor productivity. In case of Bulgaria, tourism efficiency, E, registered the value 3.73 after Oroian and Gheres (2013) [15] and 3.68 based

on the formula mentioned by Bulin *et al* (2014) [6]. These values being higher than 1 reflected a positive impact on labor productivity in the economy. In Romania, tourism efficiency recorded the E value also

higher than 1, more exactly 2.53, and, respectively, 2.52 (Table 4).

Table 4. Tourism efficiency in the economy of Bulgaria and Romania in terms of labor productivity in 2017

	Bulgaria		Romania	
	Tourism efficiency (E)	Interpretation	Tourism efficiency (E)	Interpretation
After Oroian and Gheres (2013)	3.73	E > 1, tourism is an efficient branch in the economy	2.53	E > 1, tourism is an efficient branch in the economy
After Bulin <i>et al</i> (2014)	3.68	E > 1, tourism is an efficient branch in the economy	2.52	E > 1, tourism is an efficient branch in the economy

Source: Own calculations based on [46, 6].

Contribution of visitor exports to total exports

In Bulgaria, visitor exports accounted for USD 4.5 Billion representing 11.9 % of total exports, while in Romania visitor exports were USD 2.8 Billion, having a share of 3.3 % in total exports of the country.

The forecast for 2028 is that visitor exports to reach USD 6.5 Billion in Bulgaria and USD 3.7 Billion in Romania.

The figures reflect that in Bulgarian economy, tourism has a higher contribution to exports than in Romania. (Table 5).

Table 5. Contribution of visitor exports to total exports in 2017 and forecast for 2028 in Bulgaria and Romania

	Bulgaria		Romania	
	Visitor exports USD Million	% of total exports	Visitor exports USD Million	% of total exports
2017	4,502.9	11.9	2,871.7	3.3
2028 forecast	6,569.2	12.4	3,778.5	3.2

Source: [57, 58].

Contribution of tourism to investments in the economy

T and T investments accounted for USD 0.84 Billion in Bulgaria and for USD 3.80 Billion in Romania in the year 2017. For the year 2028 it is expected as tourism investments to reach USD 1.2 Billion in Bulgaria and USD 5 Billion in Romania.

The relative contribution of tourism to

investments in the economy will increase from 7.4 % in 2017 to 7.7 % in 2028 in Bulgaria and from 8.1 % to 8.3 % in Romania.

Therefore in Romania, the value of investments in tourism are higher than in Bulgaria and the relative contribution to the investments in the economy as well (Table 6).

Table 6. Contribution of tourism investments to the investments in the economy in 2017 and forecast for 2028 in Bulgaria and Romania

	Bulgaria		Romania	
	Investments in tourism USD Million	% of total investments	Investments in tourism USD Million	% of total investments
2017	841.3	7.4	3,806.2	8.1
2028 forecast	1,200.3	7.7	5,063.3	8.3

Source: [57, 58].

In Bulgaria, investments registered a substantial growth during the last decades mainly in the seaside area, which is the top attraction. This determined an over dimensioned accommodation capacity than required, which determined as many owners

to sale their properties on the real estate market [13].

Competitiveness rankings of Bulgaria and Romania based on tourism contribution to the economy

The centralized data reflecting the ranks kept by Bulgaria and Romania based on the level

of each indicator in absolute value characterizing tourism contribution to the development of the economy are presented in Table 7.

The ranks reflect a better position of Romania compared to Bulgaria in the hierarchy of tourism economic competitiveness for almost all indicators except the contribution of visitor export to total exports.

Also, if we compare the contribution of Bulgaria and Romania in the economy with the EU-28 average and even with the world average for each indicator, we could easily notice that in the two analyzed countries tourism is far away of being a branch with a high contribution to the economic growth (Table 7).

Table 7. Rankings of Bulgaria and Romania based on tourism contribution in absolute value to the economy in 2017

	World average	EU average	Bulgaria		Romania	
			Rank	USD Billion	Rank	USD Billion
Direct contribution to GDP	21.5	23.8	85	1.8	66	3
Total contribution to GDP	62.9	63.8	75	6.6	59	11.2
Direct contribution to employment	937.5	424.6	98	0.09	60	0.20
Total contribution to employment	2,341	975.2	83	0.33	63	0.52
Contribution to investments	4.8	6.3	71	0.8	38	3.8
Contribution of visitor exports to total exports	8.1	16.2	58	4.5	70	2.9

Source: [57, 58].

The centralized data reflecting the ranks kept by Bulgaria and Romania based on the level of each indicator in relative value characterizing tourism contribution to the development of the economy are presented in Table 8.

From this point of view, Bulgaria is placed on a higher position than Romania in almost all the cases, except the relative contribution of tourism to the capital invested in the economy. However, Bulgaria has a low competitiveness in the international tourist market [2].

Taking into account the average relative contribution in the EU-28, we may observe that Bulgaria exceeds this level only in case of total contribution to GDP, contribution to investments and visitor exports to total exports. But, Bulgaria also exceeds the world average relative level for total contribution to employment.

In case of Romania, it is easily to notice that only in case of investments contribution to the investments in the economy, the share is higher than the EU-28 average and the world average (Tabel 8).

Table 8. Rankings of Bulgaria and Romania based on tourism contribution in relative value to the economy in 2017

	World average	EU average	Bulgaria		Romania	
			Rank	%	Rank	%
Direct contribution to GDP	3.2	3.9	109	3.1	174	1.4
Total contribution to GDP	10.4	10.3	72	11.5	159	5.3
Direct contribution to employment	3.8	5.1	114	2.9	128	2.5
Total contribution to employment	9.9	11.7	77	10.7	133	6.3
Contribution to investments	4.5	5.1	72	7.4	63	8.1
Contribution of visitor exports to total exports	6.5	5.8	81	11.9	154	3.3

Source: [57, 58].

CONCLUSIONS

The main aspects which deserve to be pointed out from this comparatively research are the following ones:

-Both Bulgaria and Romania are important tourism destinations on the map of Europe

grace to their rich cultural and historical heritage, beautiful sceneries, various forms of tourism, hospitality, service quality and attractive prices.

-However, Bulgaria receives more visitors than Romania and un doubt, it has higher receipts from tourism compared to Romania.

But, the receipts per arrival is higher in Romania than in Bulgaria.

-Tourism has an almost double contribution to Romania's GDP in absolute value compared to Bulgaria. But, in relative values, in Bulgaria this contribution is higher (11.5%) than in Romania (5.3 %).

-The contribution of tourism to employment is 3.7 times higher in Romania than in Bulgaria in terms of the number of employees and 3.3 times higher as share in total employment.

-The multiplier effect of tourism in the economy is almost similar in the both countries, being higher than 3, and reflecting that the activities run in tourism are close related to other economic sectors whose development is stimulated by tourism.

-Tourism efficiency in terms of labor productivity is over one in the both countries, reflecting that tourism contributes to the increase of productivity in the economy, but the level of this indicator is 1.4 times in Bulgaria than in Romania.

-Bulgaria has higher visitor exports than Romania, and as a consequence, the contribution to the payment balance is higher in Bulgaria.

-Investments in tourism are 4.5 higher in Romania than in Bulgaria at present. The low level of investments in Bulgaria is justified by the high investments made in the previous years when the accommodation capacity exceeded the demand.

-Tourism competitiveness is low in the both countries, but Bulgaria comes on a lower position than Romania in the international market.

All these aspects, reflect the actual status, but also the orientations to which each country should focus its efforts to enhance tourism development, its contribution to the economic growth and to become more competitive.

The both countries have not valorized their whole tourism potential. For this reason they have to better evaluate all the resources, to diversify their products and markets, to improve service quality and increase tourism performance to attract more visitors and increase the role of tourism in the economic development and improve the image of each country in Europe and in the world.

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