The Challenges of Tourism

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According to the statistics of the World Tourism Organisation, a total of 567 million people took part in international tourist traffic in 1995, a 3.8 per cent increase over the previous year. Revenues from international tourism amounted to 372 billion dollars, a 7.2 per cent annual rate of increase - testifying to the current rising trend in customer spending on extras. This positions brings tourism among the stablest economic branches, whose growth may slow down occasionally but, judging by all indicators, cannot be seriously threatened.

But, even though records are broken every year, the performance of international tourism in recent years has failed to meet the forecasts, which predicted faster growth. The reason, analysts unanimously declare, is the slow economic recovery of the major tourist-generating countries such as Germany, Great Britain, etc. Recession and an uncertain future are the common causes of this slower growth, to which each country or region contributes a feature of its own, such as strong (or weak) currency, terrorist attacks, political trouble, and the like. Thus, for instance, a survey conducted by the German Institute for the Study of Leisure, B.A.T. showed that out of 5000 Germans over the age of 14 covered by the survey as many as 46 per cent felt threatened or (still only) alarmed by the drop in their standards and by looming unemployment, and declared that they would try and save in 1966 by giving up their holidays. Nevertheless, economic hardships have not been reflected on tourist traffic to the extent this could have been expected. Evidently, the Germans, members of the most tourism-minded nation and the archetypes of modern nomads, prefer to make financial sacrifices on something else, not their holidays.

However dynamic the tourist industry may be - in content, structure and quality of offer - no substantive changes in its character or volume have occurred for some time, and certainly not in a degree that would jeopardise the primacy of the most successful tourist countries. Thus, for example, it would be difficult to imagine that in the foreseeable future anybody could seriously threaten the position of the record-holder, France, with its 60.5 million foreign visitors in 1995. This is another in a series of successful years, which may not have yielded any spectacular results but which helped France to retain its leading position. Spain came second, with 45 million foreign tourists in 1995, followed by USA, with a little under 45 million, Italy with 29 million, and China with 23 million foreign visitors. Thus, while the ranking order of the most popular tourist countries has remained unchanged during the past few years, analysts will no doubt be intrigued by China, which has managed within a decade to cross the long and arduous road from its former twelfth place to the present fifth-ranking position among the major tourist countries. Ten years ago, the fifth position was occupied by Austria, but in the meantime this country has dropped to the tenth place according to physical indicators, making room for Great Britain, Hungary, Mexico and Poland.

What is especially interesting, however, is the discrepancy between ranking according to numbers of visitors and in terms of tourist revenue, which is unquestionably the main motive of all economic activity, including tourism. These discrepancies reveal differences of concepts, but even more the variety of possibilities to derive maximum profits from tourism in a manner acceptable to tourists. In this respect, Austria, which opted for higher spending rather than for greater physical volume, occupies a considerably higher position. Thus, for instance, last year the Austrian Treasury was richer by 12.5 billion US dollars thanks to foreign currency receipts from tourism and Austria took sixth place. First place on the world list according to tourist revenue is taken by the USA, with an impressive 58 billion dollars, followed by France, Italy, Spain and Great Britain.

With their stable trends, rich tourist, entertainment, gastronomic and commercial offers and great business opportunities, these countries may indeed be somewhat affected by their (possible) domestic problems but, judging by past experience, not so much as to threaten their leading positions in the world travel market. However much media attention, outrage or protest they may have provoked, terrorism, French nuclear tests or economic instability have not inflicted any serious damage on tourist traffic. Tourism, a phenomenon of the 20th and definitely also of the 21st century, has proved tougher than many expected.

Among the Mediterranean tourist countries, not so much by their shares in global traffic as by trends and their causes, Portugal, Tunisia, Morocco and Croatia merit special attention. While the first two of these countries demonstrate a steady, albeit slower, upward trend, Morocco and Croatia, because of their domestic situation have proved an exception to the general tendency. The case of Croatia is particularly instructive as a demonstration of the interdependence of general conditions and tourism. On the eve of the collapse of Yugoslavia and of the ensuing war, Croatia, which is now beginning to make a slow recovery, had beaten its own records with its 8.6 million visitors and 3.5 billion US dollars earnings, and with its 2 per cent share of European tourism and 4 per cent share of Mediterranean tourism. Considering the country's size and population, this was an impressive result. Although for several years a hostage to political events in the country and around it (Bosnia and Herzegovina), Croatian tourism is gradually picking up, with ambitions to repeat and even surpass its past performance thanks to domestic and foreign investments.

Although complete official statistics on world tourism in 1996 are not expected before mid-1997, the available information indicates that there will be no changes in ranking this year. In other words, the leading foursome will most probably retain their positions. However, considering the high interdependence of tourism and the general situation in a country - political as well as economic - analysts are predicting slightly lesser differences between the first-ranking France and Spain and the USA, who take second and third places. In their estimate, namely, the predilection for France among consumers from the leading tourism-generating countries has been diminished this year due to the series of nuclear tests France has carried out in the Pacific.

According to the EU Institute of Statistics (EUROSTAT), the share of the European Union in the world's receiving tourism is 40.6 per cent, with a 40.7 per cent share in the financial results. The results of tourism in the EU foreign trade balance of payments reveal a substantial surplus, and the economic standing of that industry continues to be in good shape - as EUROSTAT experts inform us - regardless of the general recession. After a mild decline in 1993, the number of overnight stays not only stabilised the following year but even achieved a 5 per cent rise, reaching the figure of 1.7 billion overnights in the EU member-countries, with a 89 per cent utilisation of capacities. The intensity of tourist traffic is also illustrated by the information that, between 1992 and 1994, tourist revenues increased by 10 per cent and expenditures by 8 per cent.

Even though, judging by the results of stable global trends, tourist development is by no means completely rectilinear and Europe still plays the dominant role, there is a growing bias towards distant, little-known and exotic countries offering moderate prices. During the past five years the number of tourist destinations has been increased, especially in the Pacific region, with East Asia also winning an ever greater share of tourist traffic. According to the statistics of the World Tourism Organisation, in 1995 the Middle East region achieved a record of 11.8 per cent growth rate in foreign tourist traffic, higher even than Southeast Asia and the Pacific with their 8.6 per cent growth rate. Unlike the rest of the countries in that region, Japan has been recording a steady drop in the number of foreign visitors ever since 1992. The main reason for this is presumably the rising value of the yen, placing that country in the group of expensive tourist destinations.

The new tourist trends are also illustrated by the information that, in absolute numbers, Europe is still second to none, but that in terms of growth rates it is slightly overshadowed by the not-so-well-known and moderately priced distant destinations - America, East Asia and the Pacific. To experience something new, to go where others have not (yet) been, to see a world still unfamiliar to the average European, these are challenges that few can resist. This, however, should not constitute a threat - at least for the time being - to Europe's tourist position: having satisfied their craving for new experiences, tourists go back to good old Europe and its tourist attractions.

Within Europe, still the leading receiving continent, the fastest growth is anticipated in its western part (business trips), in the new tourist markets of East European countries and in the classic Mediterranean destinations, which are particularly attractive to tourists from new Europe.

The relentless struggle for every single guest, a considerably faster growth of supply over demand, the design of novel tourist products - these are the spurs that have driven tourist countries to do the almost impossible: to improve their offer while at the same time reducing prices, which are slowly passing over the threshold of profitability. Of course, this is not at all an attempt at financial suicide but the result of cold calculation: by offering low prices in transport and basic accommodation but providing a rich choice of extras they hope to balance the accounts and to ensure that tourism retains a high place on the profitability scale.

Among European destinations, Hungary, Poland, the Czech Republic and Bulgaria have experienced particularly steep rises in the number of foreign visitors. However, starting from 1995, the great interest that was generated after the fall of the Iron Curtain has been slowly waning.

But, this unrelenting struggle, which allows no rest, is driving even the tourist superpowers to incessant investment. The Spanish seem to be the most serious in this approach; it seems that they have had enough of their image of a country of mass tourism and of a cheap and insufficiently distinctive tourist offer. In addition to keeping the rate of exchange adjusted to tourist interests, they announce extensive and systematic measures to improve tourist and communication infrastructure and modernisation of transport, reinforced by strong emphasis on higher quality of services. A new impetus is felt also in Italy, as well as in Portugal, which offers an increasingly wide choice of various cultural and religious contents, in addition to traditional seaside holidays. Turkey, too, is announcing innovation of its tourist offer, with golf, thermal springs and similar amenities supplementing summer resorts.

The case of Switzerland may be indicative in many respects: it is a country of great tourist reputation but with an uncertain future in some respects. The tourist industry is undoubtedly one of the most important sources of employment in the country, but it is probably also the greatest victim of the strong Swiss franc and economic stagnation. Last year the number of overnight stays in 6000 Swiss hotels was 32.6 million, or 4 per cent, the lowest level since 1979. The summer of 1995 was the worst in 37 years for Swiss hotels, and 70 of them had to close their door for good. Unemployment in the hotel and restaurant sector has a rate of 13 per cent, three times the Swiss average. Due to all this, tourists are reducing their consumption, and it may happen that by the end of this century, as a Swiss hotel owner predicts, tourist surplus simply evaporates. Understandably enough, in response to this tendency, the Swiss intend to reinforce their image of quality, to raise the standard of their services and to create a distinct tourist product.

The example of the proverbially exact Swiss is probably the best illustration of the uncertain fate of tourism: only those who do not relax even for an instant and who constantly monitor consumer needs will succeed in keeping, or even improving, their position in the tourist marketplace. Consequently, even though a period of constant growth of tourism is to be expected, with new records broken (of course, barring some unforeseeable events), this does not give the tourist countries any right to complacency, as each new year signifies a new test in the face of the modern tourists, who have become increasingly demanding and critical.

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