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**ТЕНДЕНЦИИ В РАЗВИТИЕТО НА ТУРИСТИЧЕСКИЯ ОБМЕН МЕЖДУ БЪЛГАРИЯ И СТРАНИТЕ ОТ БАЛКАНСКИЯ РЕГИОН**

**DEVELOPMENT TRENDS IN THE TOURISM INTERCHANGE BETWEEN BULGARIA AND THE COUNTRIES OF THE BALKAN REGION**

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**Abstract:** Bulgarian tourism has been experiencing strong and steady pace of development for the last decade. Its rapid growth made the tourism industry a priority for the state government and business alike. In 2007 Bulgaria faced a challenge that would inevitably influence on its further level of performance. The official accession of Bulgaria to the EU on 01.01.2007 would have a very contradictory impact on the tourism industry in terms of its attractiveness for existing and potential target markets.

This situation seems to become even more complicated with the global economic and financial crisis, entering Europe. In terms of the economic uncertainty, and shrinkage in business activity, Bulgaria is confronted with the dilemma to evaluate its most important markets, generating tourist flows. And logically here comes the question – what is the role of the Balkan countries for the current and prospective tourism performance of the country?

The paper is intended to make an analysis of the strengths and weaknesses Bulgaria meets in scope of its inbound and outbound tourism to and from the countries from the Balkan peninsula.

**Key words:** outbound tourism, inbound tourism, retrospective and prospective evaluation of tourism performance

The overall number of international arrivals in Bulgaria for the period from January to December 2007 was **7 725 747**<sup>1</sup> (NSI,2008). From them **4 054 681** were residents of the countries from the Balkan region. Their respective share represented that 52,48 % of the overall international tourist arrivals in 2007 were generated by the Balkan peninsula.

For the very same period in 2006 Bulgaria was visited by 7 499 117 international tourists, and 4 177 140 of them (data is not collected for the number of tourists from Croatia and Bosna and

Herzegovina) were from the Balkan peninsula, accounting for 55,7 % of all international arrivals. Those figures highlighted the fact that despite the average growth of 3 % in international visitation for the last two years, tourists from the Balkan peninsula recorded a decline with almost equal rate for the same period (2,9%).

The basic reason for the decrease in tourists from the Balkan countries could be found in the official accession of Bulgaria to the European Union. It resulted in establishing a visa regime for the neighboring countries Macedonia and Serbia, which led to inauguration of application procedures, time delays and money difficulties for those of their

<sup>1</sup> Statistical Yearbook 2007, NSI, Sofia 2008

residents, who wanted to visit Bulgaria. Moreover both countries were among the most important emitive markets for the country, posting together 36,8% share of the total number of visitors of the Balkan region in 2006, or in absolute terms both countries generated 1 539 700 outgoing tourists to Bulgaria. In contrast with those figures for 2007 Serbia and Macedonia recorded significant declines, accounting for 66% for Macedonia and 67 % for the Republic of Serbia.

Having in mind that changes in tourist visitation range from country to country a detailed analysis for each of the destinations is needed. Countries, recording an increase in the number of tourists visited Bulgaria are Greece, reporting for a 33,8% rise, Cyprus (60,7%), Romania (37,9%), Slovenia (25,5%) and Turkey 28,3 % . Albania on the other hand holds equal rates for the two consecutive years. The table and graphic below give a better idea for the number of international tourists from the countries of the Balkan region.

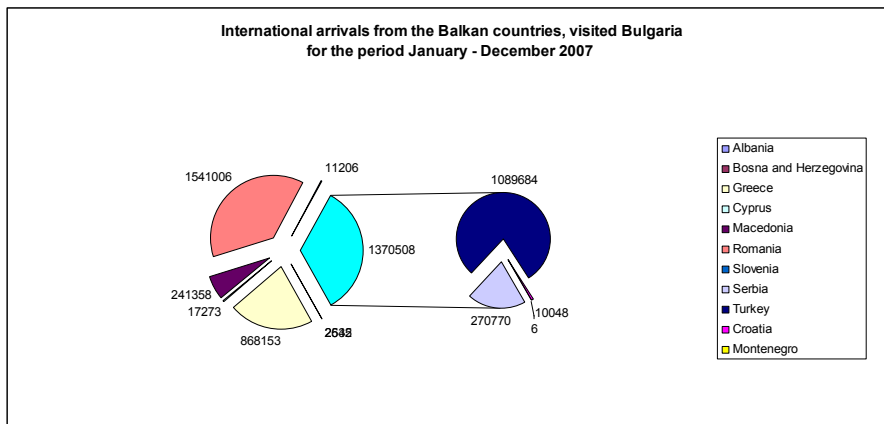
**Table 1**

No	Country	International arrivals in Bulgaria by country of origin for the period January – December 2007
1	Albania	2645
2	Bosna and Herzegovina	2532
3	Greece	868153
4	Cyprus	17273
5	Macedonia	241358
6	Romania	1541006
7	Slovenia	11206
8	Serbia	270770
9	Turkey	1089684
10	Croatia	10048
11	Montenegro	6
	<b>Total</b>	<b>4054681</b>

The collected data shows clearly that Bulgaria attracts greatest number of tourists from the following five Balkan countries - Romania (1 541 006), Turkey (1 089 684), Greece (868 153), Serbia (270 770) and

Macedonia (241 358). The last two countries were replaced from the top three places which occupied the previous year due to the inauguration of a visa regime.

**Chart 1**



In total the overall number of arrivals from those five countries account for 98.9% (in absolute terms 4 010 971) of all international visitors of the Balkan countries. The remaining 1,1% of tourists are divided among Albania, Bosna and Herzegovina, Cyprus, Slovenia, Croatia and Montenegro. One of the main reasons for the weak level of attractiveness of Bulgaria on those markets is its relative geographical remoteness together with the fact that each of the countries (except for Bosna and

Herzegovina) develops tourism on its own. Moreover those countries are receptive destinations, not emitive ones which also serve the needs of their domestic tourism.

Except for the international visitation ratio for the scope of tourism analysis it is important to determine what are the key motives and purposes of the travel reflected in the indicator purpose of visit. The table below reveals the values, registered for the top five countries, generating highest share of tourists, visiting Bulgaria (Tabl. 2).

**Table 2.**

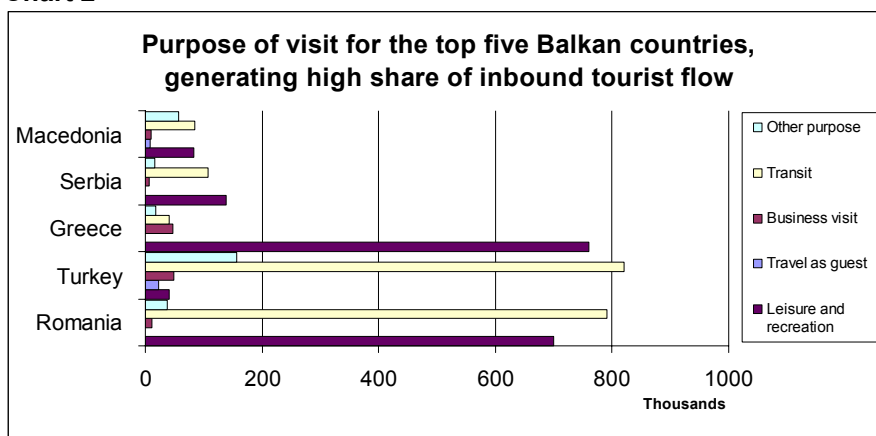
<b>Purpose of visit for the top five countries of the Balkan peninsula for the period January – December 2007</b>						
	<b>Country</b>	<b>Leisure, recreation and holidays</b>	<b>Visiting friends and relatives</b>	<b>Business purposes</b>	<b>Transit visit</b>	<b>Other purposes</b>
1	Romania	699632	1239	11466	790923	37746
2	Turkey	40237	22163	49234	821216	156834
3	Greece	760301	2228	46813	40802	18009
4	Serbia	138213	1409	7092	107635	16421
5	Macedonia	83027	8299	9407	84341	56284
	<b>Total</b>	<b>1721410</b>	<b>35338</b>	<b>124012</b>	<b>1844917</b>	<b>285294</b>

As per the collected data, there are two major objectives in travel for the residents of the Balkan countries – on the first place is leisure, recreation and holidays, and transit visits as a second most-preferable motive for travel.

Greek (760 301) tourists, transit visits are more often undertaken by Romanian and Turkish residents, corresponding to 790 923 for the first and 821 216 for the second. For countries like Serbia and Macedonia those two groups of visits have almost equivalent rates of distribution, as seen on Chart 2.

Whereas leisure, recreation and holidays are chosen by Romanian (699 632) and

**Chart 2**



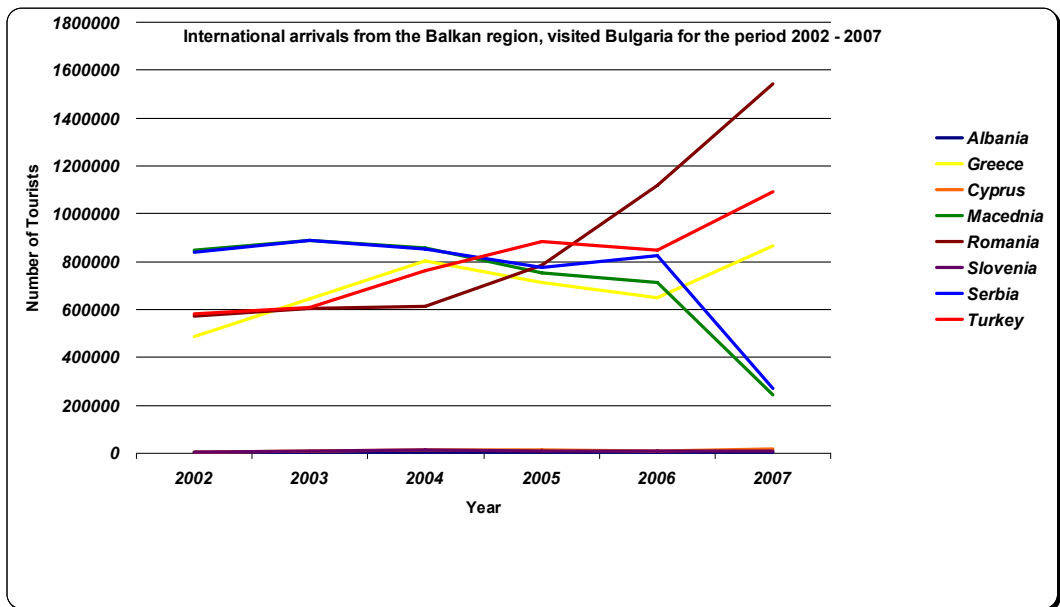
Except for the number of transit visits, the major share of international tourists prefer to spend their holidays at Bulgarian summer and winter resorts, attracted by factors such as the higher price competitiveness compared to other

European and Balkan destinations, as well as the territorial proximity of Bulgaria which in its turn is quite important as most tourists use their own means of transport to get to the country

**Table 3**

<i>International arrivals in Bulgaria by country of origin</i>						
<b>Country</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Albania</b>	2376	2399	2471	2681	2647	2645
<b>Greece</b>	486750	644512	803311	714239	648546	868153
<b>Cyprus</b>	5496	8762	13400	11453	10737	17273
<b>Macedonia</b>	848849	886939	857885	755286	712941	241358
<b>Romania</b>	571525	606572	612630	783563	1117297	1541006
<b>Slovenia</b>	2265	6819	11824	10900	8923	11206
<b>Serbia</b>	840881	887298	853101	775283	826759	270770
<b>Turkey</b>	581291	607914	760913	886118	849290	1089684

**Chart 3**



Only the Turkish tourists put tourist visits with other purposes on second place after the transit trips to Bulgaria. Both motives are the main reason for the steady growth ratio in the number of arrivals from Turkey, registered for the reported period..

Together with the current values of international visitation for the purpose of the

analysis it is important to make a retrospective overview about the change in tourist activity from the countries of the Balkan peninsula for the last several years. Upon detailed overview in the number of international arrivals and their variations in the last five years prospective evaluation

and trend prognoses in short and medium term could be done.

Based on the data from the table and the graphic above, the following conclusions could be done:

1. The most dynamic and steep pace of increase in international tourist arrivals registers Romania. In 2002 Bulgaria is visited by 571 525 tourists, whereas in 2007 their number comes to 1 541 006, accounting for 169 % growth for a period of six years. Currently Romanian tourists represent the largest share of the overall number of international tourists of the Balkan countries. In short term tourists from this country are expected to sustain the first ranking place mainly because of the territorial proximity of both countries, the lack of visa regime as well as the price competitiveness of the Bulgarian tourism market, which is more attractive compared with other European and Balkan destinations, visited by Romanian residents.

2. Turkey is the second country in the list of the Balkan countries, which registers steady rates of growth for the last six years. Turkish residents, visited Bulgaria in 2002 came to 581 291 while in 2007 their number was 1 089 684. In real terms those values mean that the south neighbor of Bulgaria reached 87 % growth for the six years now. The trend for further increase in the number of arrivals from Turkey is expected to continue with the same pace in the forthcoming years due to the fact that the main proportion of tourists from Turkey visiting Bulgaria are motivated by other (not specified) purposes or pass through the country in their way to other destinations (transit passing visitors).

3. Greece is another country from the Balkans, which registers an increase in the number of tourists, traveling to Bulgaria for the last several years. Although there is a growth in tourists from Greece, the curve revealing the rate of visitation features fluctuations due to the real growth marked in 2003 and 2004, and the consecutive decline in 2005 and 2006. For the last year of analysis – 2007 – Greece registers new levels of growth in arrivals which on its turn

reveals the positive influence of the membership of the country in the EU.

4. The only two countries which register a decline after the accession of Bulgaria to the EU are the Republic of Serbia and Macedonia. Both countries experienced similar values in visitation and close levels of variation in their curves for the last year. For the period from 2002 to 2006 there could be seen slight declines, followed by fluent rises which in real terms mean variation from 10 to 15 %. In contrast with those figures, both countries experienced steep declines after Bulgaria initialized visa procedures for the residents of both countries on 01.01.2007. In real terms Macedonia registered a 66% decline (the number of visitors toward Bulgaria decreased from 712 941 to 241 358) while Serbia reported for 67% weaker results in visitation to Bulgaria (from 826 759 to 270 770)<sup>1</sup> (UNWTO, 2008).

5. Other two countries should be taken into consideration in scope of the Balkan region. Both countries have a relatively small share in the overall number of international arrivals in Bulgaria, but they registered strong growth for the period 2002 – 2004. The same countries met slight decline in the years 2005 and 2006, and new levels of growth in 2007.

The overall rate of growth, resulting from the comparison in values, registered in 2002 with 2007 reveals a 394% rise for the visitors from Slovenia and 214% for tourists from Cyprus. Although the high percentage those countries hold only 0,27% (for Slovenia) and 0,43% (for Cyprus) share of the overall number of international arrivals from the Balkan countries.

Based on the collected figures and analysis, the prospective trend for the activity of the Bulgarian emitive markets from the Balkan region is to experience another successful year for tourism in 2008, which is expected not to withstand its position for the forthcoming three years due to the shortage in real economic output of all Balkan countries and the influence of the

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<sup>1</sup> UNWTO, Tourism Highlights, 2008 Edition,

world economic and financial crisis. Their impact will influence on the living standard of the population on the Balkans, which in its turn will reflect in the disposable financial recourses, intended for international travel. On the other hand, those who undertake tourist trips abroad will prefer to visit closer and cheaper destinations. In regard with that Bulgaria could expect lower rates in the number of tourists from distant countries such as Slovenia, Croatia and Cyprus.

It is very probable for Bulgaria to register a decline in arrivals from Greece and Romania, whose residents visit the country mainly for leisure and recreation purposes. In terms of Turkish tourists no big changes are expected in their numbers as the majority of them come to Bulgaria for other (not specified) reasons.

Serbia and Macedonia are expected to generate more tourists for the forthcoming years, although their numbers could not reach the figures, registered in 2005 /6. Despite that, they are expected to experience better years for outgoing tourism to Bulgaria and higher values compared with the ones from 2007.

The global economic crisis will undoubtedly had a negative impact on the level of demand in Bulgaria as a tourist destination, but together with that it will influence negatively on the supply of the Bulgarian tourism businesses. In terms of tough competitiveness for customers, uncertain and fluctuative economic and financial macroenvironment indicators, a great number of the small and medium

enterprises (SMEs) will go bankruptcy or in their effort to survive they will be obliged to "accept" to be taken over by bigger brand entrepreneurs or franchisers. Those results could come into effect approximately in 2010 – 2013 if the crisis deepens.

Aside from the crisis, SMES are the most sensitive segments which are threatened by all changes of uncertainty in the outer environment nevertheless changes are of economic, social or political character.

The liability and the strong external dependence on the enterprises had a negative effect especially on family-run tourism enterprises, as well as on those working on credits.

Possible outcome for such type of economic structures represent the cluster supply, which seems impracticable in Bulgaria for the next seven to ten years due to the lack of needed managerial practice, insufficient knowledge and know-how among the managerial staff of the tourism enterprises, as well as the lack of certain and reliable support on behalf of the government, NGOs and other tourism structures.

Except for the tendencies for Bulgaria as a receptive destination it is important to see what is the situation for the outbound tourism in the country. The second part of the analysis studies Bulgarian outgoing tourism in scope of the trips of Bulgarian residents to the remaining countries on the Balkan peninsula.

**Table 4**

	<b>Country</b>	<b>Number of travels abroad of Bulgarian citizens to countries from the Blakan peninsula</b>
1	<b>Albania</b>	94
2	<b>Bosna and Herzegovina</b>	208
3	<b>Greece</b>	924935
4	<b>Cyprus</b>	3 755
5	<b>Macedonia</b>	329425
6	<b>Romania</b>	210990
7	<b>Slovenia</b>	
8	<b>Serbia</b>	484371

9	<b>Turkey</b>	1212319
10	<b>Croatia</b>	2872
11	<b>Montenegro</b>	41
12	<b>TOTAL</b>	3169010

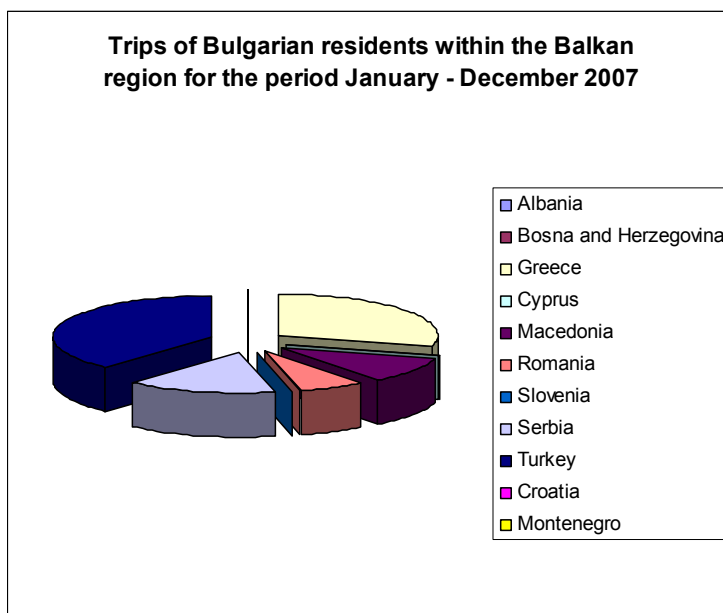
The overall number of Bulgarians, traveled abroad for the period from January to December 2007 came to 4 514 547. From them 3 169 010 visited destination on the Balkan peninsula. In real terms that means that over 70 % of the outgoing tourists visit any of the countries from the Balkan region whereas the remaining 30 % of all tourists, traveling abroad go to other European countries and/or the rest of the world.

For the very same period in 2006 the number of Bulgarian residents, traveled abroad was 4 180 357, and 2 918 520 from

them (without taking into consideration the Bulgarians visited Bosna and Herzegovina and Slovenia) visited the countries from the Balkans. In other words the percent share of the visitors of the Balkan region is 69, 8%.

Making a comparison in the figures, registered for both indicators, we may clearly see that statistics reports for a 7,99 % increase in the total number of Bulgarian residents, traveling abroad, while the number of those traveling to any of the Balkan countries marks a steeper rise which comes to 8,58 %.

**Chart 4**



And what is of higher significance – there is no equal increase in the number of visitors to all countries from the Balkan peninsula. Only some of them reached higher values in visitation from Bulgaria. For the reported period from 2006 to 2007 the following countries report for higher values of international arrivals from Bulgaria.

Greece registers a 30% increase, Cyprus – 43%, Macedonia – 22,9%. Bulgarian residents, traveled to Serbia, Turkey and Albania sustain almost equal figures for the last two years. In contrast with them, there is a slight decline in the number of visits to countries such as Romania which reports a 9,2 % fewer number of tourist arrival as well

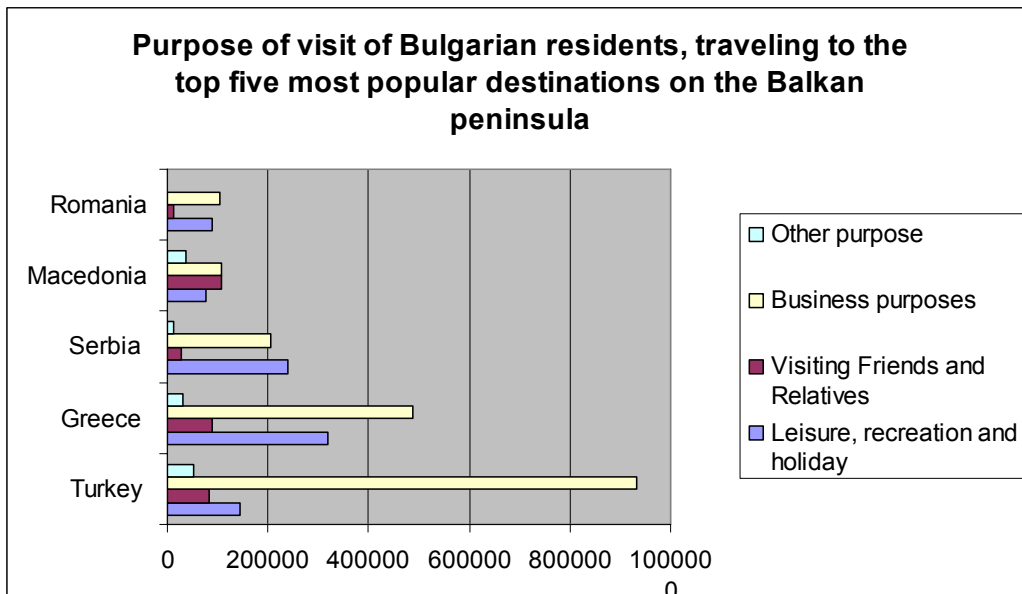
as Croatia, registering a 4,5 % decline. Chart 4 illustrates tourist distribution among

the countries of the Balkan peninsula.

**Table 5**

<b>Purpose of visit of Bulgarian residents, traveling to the top five most popular destinations on the Balkan Peninsula in 2007</b>					
	<b>Country</b>	<b>Leisure, recreation and holiday</b>	<b>Visiting Friends and Relatives</b>	<b>Business purposes</b>	<b>Other purpose</b>
1	Turkey	143260	83775	932975	52309
2	Greece	320461	87779	486379	30316
3	Serbia	239779	27333	205991	11268
4	Macedonia	75987	108123	107248	38067
5	Romania	90418	13268	104413	2891
	<b>Total</b>	<b>869905</b>	<b>320278</b>	<b>1837006</b>	<b>134851</b>

**Chart 5**



The results reveal that the major proportion of Bulgarian residents prefer to visit one of five destinations in the region. First place in the ranking is for Turkey with 1 212 319 Bulgarians, who visited the country for the reported period. Greece takes the second place with 924 935 visits of Bulgarian tourists, Serbia reports for 484 371 tourist arrivals from Bulgaria whereas Macedonia had 329 425 and Romania 210 990 Bulgarian arrivals. The total share of the top five most visited

countries on the Balkan region accounts for 99, 7% of the overall number of Bulgarians traveled within the boundaries of the Balkan peninsula. The remaining 0,3% of the tourist flow visited the countries Cyprus, Croatia, Bosna and Herzegovina, Albania, Montenegro and Slovenia.

As per the above data analysis, we may conclude that the majority of Bulgarian tourists traveling abroad prefer to visit any of the neighboring countries, mainly for their geographical proximity, transport



accessibility, the price-quality ratio as well as for their established traditions in the tourism industry, which are the main reasons for the high competitiveness of those countries and their international acknowledgment.

In order to get a better idea of the tourism model of Bulgarians traveling abroad, it is of high importance to look at the tourist motives, which are revealed in the values of the indicator – purpose of visit.

Under observation are the top five destinations for Bulgarian tourists - Turkey, Greece, Serbia, Macedonia and Romania. The collected data is presented within table 5 and Chart 5.

For 58 % of all travelers visiting any of the top five destinations the main motive for travel was professional reason or purposes.

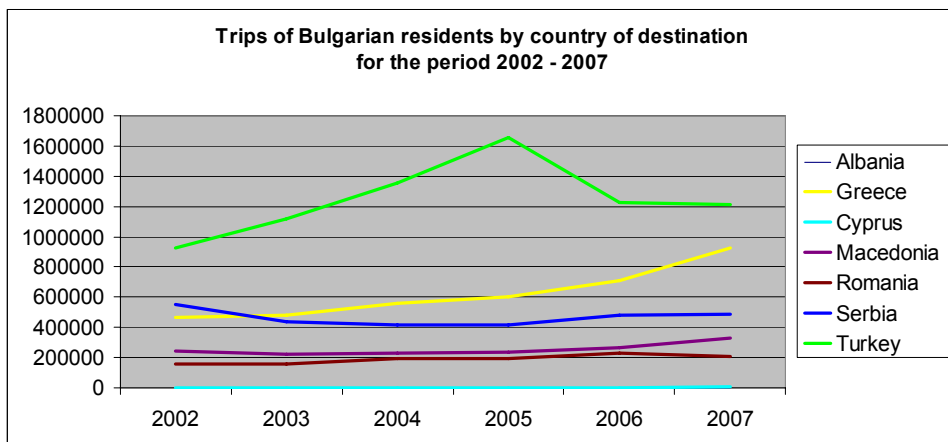
In other words business trips are the main form of travel for the Bulgarian residents, traveling within the Balkan region. Right after them are ranked leisure, recreation and holidays, which account for 27,5 % of the total number of travels toward the top five Balkan destination countries. Purposes such as VFR and other not specified ones, account for 10 % for the first ones and 4,1 % for the second. As a whole they represent a relatively small target groups of the overall Bulgarian tourist flow.

The above data in its turn means that business engagements and professional duties are the main reason for every second trip of Bulgarian residents toward the Balkan destinations. In contrast every fourth trip is motivated by leisure and recreation purposes.

**Table 6**

<i><b>Trips of Bulgarian residents abroad by country of destination</b></i>						
<b>Country</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Albania</b>	49	56	98	160	96	94
<b>Greece</b>	464063	482422	560202	605097	709312	924935
<b>Cyprus</b>	1 131	1 293	1 445	1 988	2 624	3 755
<b>Macedonia</b>	244102	222113	229902	233608	267889	329425
<b>Romania</b>	156414	156728	193710	191277	232371	210990
<b>Serbia</b>	553130	439269	413500	415343	477533	484371
<b>Turkey</b>	925795	1120587	1352356	1659217	1225687	1212319

**Chart 6**



With a view to the collected data, the following conclusions could be done:

1) Turkey marks the steepest rate of increase in the number of visits of Bulgarian residents for the period 2002 – 2005 when the country registers the highest values ever reported. Next year 2006, though marks a decline by 26 % while 2007 is a year of almost invisible variation in numbers, coming to 1,09 % difference compared with 2006. Although the sharp decline in Bulgarian arrivals in 2005, Turkey is still the number one destination for travel according to Bulgarians, for both business and leisure holidays alike. One of the main reasons for the decline in number of tourists could be found in the acts of terrorism, implemented in 2005 in different resorts in the country ( on the 1<sup>st</sup> of May – an act in Kuşadası; 7<sup>th</sup> of May 2005 another act in Merişin, South Turkey; 10<sup>th</sup> of July 2005 – a bomb attack in the Turkish resort Çeşme; on 16<sup>th</sup> of July an act of terrorism in resort village in Kuşadası, on 23<sup>th</sup> of July 2005 another bomb attack in Istanbul). Some of those attacks ended deadly for tourists, staying at the attacked resorts.

The countries, reaching greatest number in visitation from Bulgaria are Greece and Cyprus. And whereas Greece reports a steep increase in Bulgarian arrivals, Cyprus registers more modest level of increase.

For the period 2002 – 2007 Greece had a 99,3 % growth in visitation from Bulgaria while only for the last year it reached a 30 % increase, due to the common custom regulation for the both member countries of the EU and resulting from that increase in movement of residents from Bulgaria to Greece.

Cyprus on the other hand registers growth by 232 % for the period 2002 – 2007, despite its relatively small share, coming to 0,1% of the total outgoing Bulgarian tourists, traveling within the Balkan region.

No such variations could be noted in terms of Macedonia, which reports for a relatively slight pace of increase for the period of the analysis with the exception of

2007 when there is a 30 % increase in visitation.

Compared with that from 2002 to 2006 Macedonia experiences periods of slight rise alternating with periods of an insignificant decline, while it sustains almost equal values for each consecutive year. The lack of dynamics and the relatively steady values in visitation refer to the purpose of travel. Due to the fact that the predominant number of visits are business and professional trips, as well as guest and relative visits, there is no predictability for a sharp alteration in figures.

Another destination, visited by large share of Bulgarian outgoing tourists is Romania. There is a slight but steady increase in visitation from Bulgaria for the period from 2002 to 2006 while in 2007 the country registers a decline by 9,2 %. The simultaneous accession of Bulgaria and Romania to EU lead to another decline in the number of business visits from Bulgaria whereas more Bulgarian residents tend to initiate trip to Romania for recreation or leisure holiday.

In contrast with Romania the Republic of Serbia experience highest level of visitation from Bulgaria in 2002 which is followed by slight declines in the next two years to 2004, when another trend of increase is initialized. This firm and steady rise in numbers of Bulgarian tourists in the neighboring country is reported till 2007. Despite the good figures of Bulgarian arrivals in the country, Serbia is still far away from the values registered in 2002 as the number of Bulgarian residents visited the country is still below 500 000 people.

Another country that is worth to pay a deeper attention to is Albania. Small in size, this country posses quite good potential to become very attractive destination in the near future on the condition that it implements politic strategy aimed at tourism development together with activities toward political stability and security. Currently fewer than one hundred Bulgarians choose Albania as their tourist destination.

Based on the collected data and the economic perspective for Bulgaria in the

forthcoming three to five years, the country is expected to consolidate its current position, sustaining the figures in outgoing tourist visits to the neighboring Balkan countries. This is especially valid for those Bulgarian residents who travel for business purposes.

Potential threats of decline in visitation are expected for countries such as Greece

and Macedonia, destinations popular mainly for their recreational and leisure resources. Among the key factors for the falling number of outgoing Bulgarian tourists is the global economic uncertainty as well as the economic and finance crisis, the results of which will come into force for the business in Bulgaria in the second part of 2009.

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