

Macroeconomics

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**INTERNATIONAL TOURISM
IN THE ERA OF GLOBALIZATION**

Abstract

Globalization of the world economy, so dynamically developing in the late 20th – early 21st century, had a significant effect on the development of the world and the Polish tourist sector. The increased demand for tourist services of Polish firms proves the changes in the trends of international tourism, as well as reflects the country's competitiveness on the European market.

Key words:

competition among the regions of international tourism, evolution of international tourism by 2020, globalization in tourism, international tourism tendency, market of international tourism, regions of international tourism according to WTO.

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Introduction

Globalization of the world economy, so dynamically developing in the 1990s and early 21st century, has affected the tourist sector as well. The mass growth of demand for tourist services has also sharpened competition and gave rise to many supranational corporations in tourist trade and hotel industry¹. Extensive use of the latest technological solutions, including modern transportation, computer hotel reservation systems, sales of tourist events or modern catering lines, produced the phenomenon in the international mass tourism called «technicised tourism». Modern tourism reveals the properties of the tourist mass product, likewise its standardization and serial production, specialisation and diversification of its supply, as well as its modern sales and advertising (often a virtual one). The development of the world tourist economy is consequent on satisfying the human needs, ranging from the needs of rest and recreation, regeneration and consumptive needs to mental needs, such as new experiences, sensations and cognition². The significance and the status of tourism on the regional and international scales can in particular be seen in the volume of tourist traffic, number of workplaces in tourism and the related fields, the volume of foreign-currency receipts from tourism, and the expenses for tourism and recreation. New trends in international tourism also derive from geopolitical changes. The break-up of the totalitarian system, democratization of the former socialist countries, as well as the rise of the European Union, are the landmarks which influenced mass development of international tourism deemed as a unique phenomenon of the 20th century.

Trends in International Tourism

According to the WTO research and analyses, in 2004, the number of international travels in the world grew by 10%, whereas in Europe only by 4%³. Perhaps this can be interpreted as a fall in the tourism popularity of the region so frequently visited by large numbers of visitors. Of all the countries of the Old Continent, the performance of the countries of Central and Eastern Europe (an increase by 8%) and Northern Europe (7%) was notable. The rate of growth was observed to be lower in Southern (3%) and Western (2%) Europe. This situation testifies to a high-level stabilization in these regions. The most marked growth was reported in Lithuania (38% B), Czech Republic (23% B), Serbia and Monte-

¹ A. Limański, J. Ruszkowski, Zmiany w światowym popycie turystycznym w świetle globalizacji, [W] *Wiśnik Тернопільської академії народного господарства*. – Випуск 5. – Тернопіль: Економічна думка, 2002.

² H. Borne, A. Doliński, *Organizacja turystyki*. WSiP, Warszawa, 1998.

³ *World Tourist Barometer*. – Vol. 3. – No. 1. – January 2005.

negro (21% B), Turkey (27% T), Bulgaria (15% T), Latvia (24% P), and Great Britain (+11% P)⁴.

It was also in Poland that in the year 2004 there was observed a significant 21.1% (T)⁵ increase in foreign tourist arrivals. At the same time, the most dramatic fall was found in Italy (−6%) and Andorra (−11%). However, five states – France, Portugal, Slovakia, Denmark, and Finland – did not show any change. Surprising is the fact that in this group, the two top countries were the ones traditionally regarded as very attractive and frequently visited by foreign tourists. The reason for this situation lies probably in a considerable price increase for hotel and tourist services, especially in the case of France and partly of Portugal.

As a consequence of the increasing number of visitors, many countries enjoyed a notable rise in receipts from tourism. Last year, the increase was the highest in Turkey (+25%), Ukraine (+24.9%), Bulgaria (+23.8%), Russia (+21.7%), and Latvia (+20.3%). This process was accompanied by a marked increase in the expenses borne by tourists from many European countries. Expenditures grew mostly among foreign tourists in Croatia (+33.3%), Lithuania (+32.1%), Ukraine (+27.6%), and Cyprus (+27.2%), and, to a smaller extent, among tourists from the most important generating markets, in particular, Norway (+17.7%), Sweden (+13.6%), France (+11.5%), and Holland (+7.4%). The dynamics of international tourist arrivals in 2000–2004 and the receipts from international tourism within the WTO-defined regions are shown in Tables 1 and 2. Figure 1 presents «Receipts from International Tourism in Europe and in the World» in 1980–2001.

It follows from the data above that the number of tourists in the major WTO regions tended to grow in 2000–2004. Europe, despite exhibiting a 3% fall in the world tourist share, achieved 6% growth in international tourist arrivals. Americas too observed a decrease, while the region of Asia and Pacific had a substantial increase by 33%.

The diversified character of sources causes limited comparability of data about the number of arrivals announced by the WTO. In fact, the approximate number of arrivals in Poland and Austria do not match since the number of tourists in general and tourists registered in accommodation establishments are different in kind.

While Russia gives the number of all arrivals, Hungary, being ranked lower than Poland, gives only the number of all arrivals divided by two (in the case of Poland, the number of tourists is five times smaller than the number all arrivals recorded at frontiers). For this reason, the data in the Table 2 can be somewhat incomparable.

⁴ B – information about accommodation, T – tourist arrivals, P – total arrivals

⁵ «Wiadomości Turystyczne» 3/2005.

Table 1.

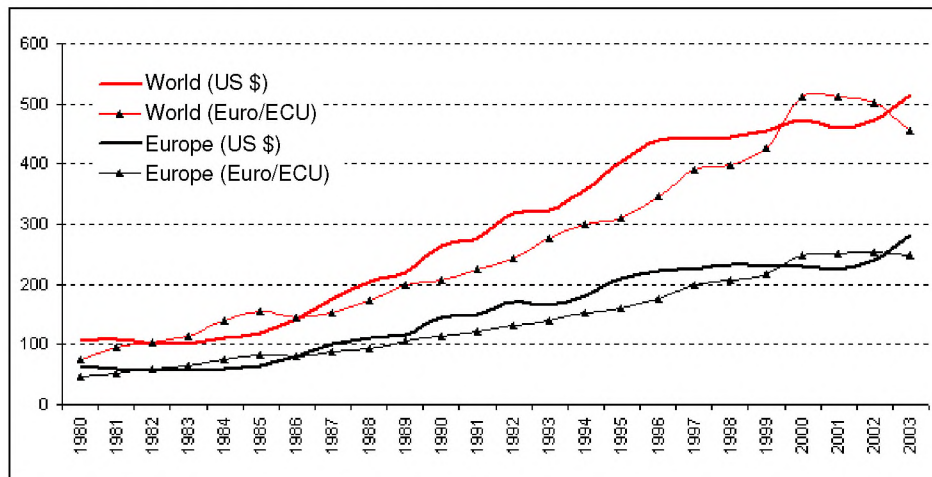
**Foreign Tourist Arrivals in the World According
to WTO Regions in 2000–2004 (in million)**

Regions / Flies	2000	2001	2002	2003	2004	Market Share in 2003 (%)	Market Share in 2004 (%)
World total	686	684	703	691	760	100	100
Africa	29	29	30	31	33	4.5	4.3
Americas	128	122	117	113	124	16.4	16.3
Asia and Pacific	115	121	131	119	153	17.3	20.2
Europe	390	388	397	399	414	57.7	54.6
Northern	47	45	46	47	51	6.9	6.7
Western	140	136	138	136	139	19.7	18.3
Central and East- ern	62	63	66	68	73	9.8	9.6
Southern	141	144	148	148	152	21.4	20.0
Middle East	24	24	28	29	35	4.2	4.6

Source: WTO World Tourism Barometer Volume 3, No. 1, January 2005
<<http://www.world-tourism.org/facts/wtb.html>>, altered

Figure 1.

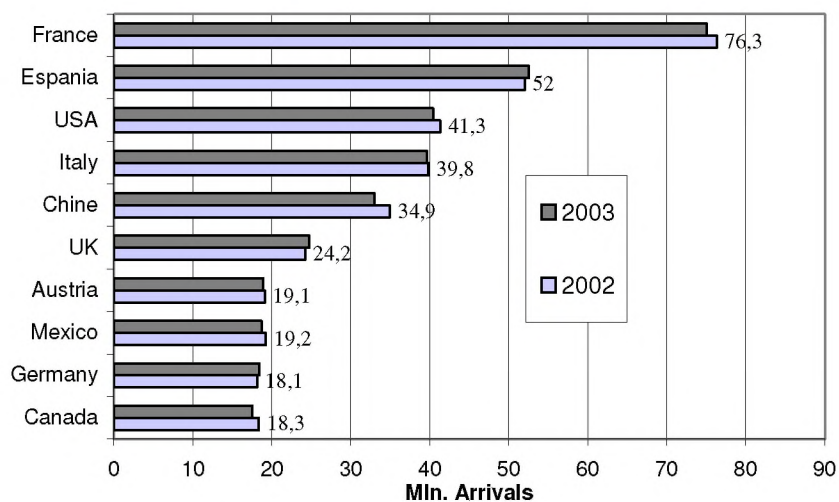
**Receipts from International Tourism in the World and in Europe,
1980–2003 (in billions USD and Euro)**



Source: The World Tourist Organisation (WTO), 2004.

Figure 2.

Countries with the Highest Number of International Tourist Arrivals in 2002 and 2003 (the number of arrivals in million)



Source: Tourism Highlights 2003, World Tourism Barometer, WTO (Vol. 2, No. 2, June 2004). Arrivals at all accommodation establishments.

Table 2.

Countries with the Highest Number of International Tourist Arrivals in 1998–2003 (the number of arrivals in million)

Countries / Years	1998	1999	2000	2001	2002	2003	Source of Data
1	2	3	4	5	6	7	8
France	70.109	73.147	77.190	75.202	77.202	75.048	TF
Spain	43.396	46.776	47.898	50.094	52.327	52.477	TF
USA	46.396	48.492	50.945	44.898	41.892	40.356	TF
Italy	34.933	36.516	41.181	39.563	39.799	39.604	TF
China	25.073	27.047	31.229	33.167	36.803	32.970	TF
United Kingdom	25.745	25.394	25.209	22.835	24.180	24.785	VF
Canada	18.870	19.411	19.627	19.679	20.057	17.486	TF
Mexico	19.392	19.043	20.641	19.810	19.667	18.665	TF
Austria	17.352	17.467	17.982	18.180	18.611	19.078	TCE
Germany	16.511	17.116	18.983	17.861	17.969	18.399	TCE
Hong Kong	10.160	11.328	13.060	13.725	16.566	15.537	VF

Countries / Years	1998	1999	2000	2001	2002	2003	Source of Data
1	2	3	4	5	6	7	8
Greece	10.916	12.164	13.096	14.057	14.180	–	TF
Poland	18.780	17.950	17.400	15.000	13.980	13.720	TF
Malaysia	5.551	7.931	10.222	12.775	13.292	10.577	TF
Turkey	8.960	6.893	9.586	10.783	12.790	13.342	TF
Portugal	11.295	11.632	12.097	12.167	11.644	–	TF

Source: (WTO): Compendium of Tourism Statistics. Date 1998–2002; 2004 edition; and World Tourism Barometer, Vol. 2, No 2, June 2004 – altered.

Notes:

TF – tourist arrivals at frontiers (excluding same-day visitors);

VF – visitor arrival at frontiers (including same-day visitors);

TCE – tourist arrivals at all accommodation establishments.

Table 3.

Selected Countries with Highest Receipts from International Tourism

(in billion USD)

Countries	1997	1998	1999	2000	2001	2002	2003
USA	73.400	71.325	74.801	82.400	71.893	66.547	65.054
Spain	26.700	29.839	32.497	31.454	32.873	33.609	41.708
France	28.000	29.931	31.507	30.754	29.978	32.329	36.347
Italy	29.700	29.866	28.359	27.500	25.796	26.915	31.286
Germany	16.700	17.911	17.225	18.479	18.422	19.158	22.829
UK	20.000	20.985	20.221	19.374	16.276	17.591	19.511
Chin	12.100	12.602	14.099	16.224	17.792	20.385	17.406
Austria	11.100	11.276	11.035	9.931	10.118	11.237	14.068
Turkey	8.100	7.809	5.203	7.636	10.067	11.901	13.203
Greece	5.200	6.188	8.783	9.221	9.447	9.741	10.629

Source: (WTO): Tourism Highlights 2003, World Tourism Barometer (Vol. 2, No. 3, October 2004), altered.

Long-Term Prospects: Tourism 2020 Vision

«*Tourism 2020 Vision*» is the World Tourism Organization's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium. An essential outcome of the *Tourism 2020 Vision* is quantitative forecasts covering a 25-year period, with 1995 as the base year and forecasts for 2000, 2010 and 2020.

Although the evolution of tourism in the last few years has been irregular, the WTO maintains its long-term forecast for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short term, the periods of faster growth (1995, 1996, 2000) alternate with the periods of slow growth (2001 and 2002). While the pace of growth till 2000 actually exceeded the *Tourism 2020 Vision* forecast, it is generally expected that the current slowdown will be compensated in the medium to long term.

The WTO's *Tourism 2020 Vision* forecasts that international arrivals are expected to reach over 1.56 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 0.4 billion will be long-haul travellers. The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle East and South Asia.

East Asia and the Pacific, South Asia, the Middle East and Africa are forecasted to record growth at rates of over 5 percent per year, compared to the world average of 4.1 per cent. The more mature regions the Europe and Americas are anticipated to show lower than average growth rates. Europe will maintain the highest share of the world arrivals, although there will be a decline from 60 per cent in 1995 to 46 per cent in 2020.

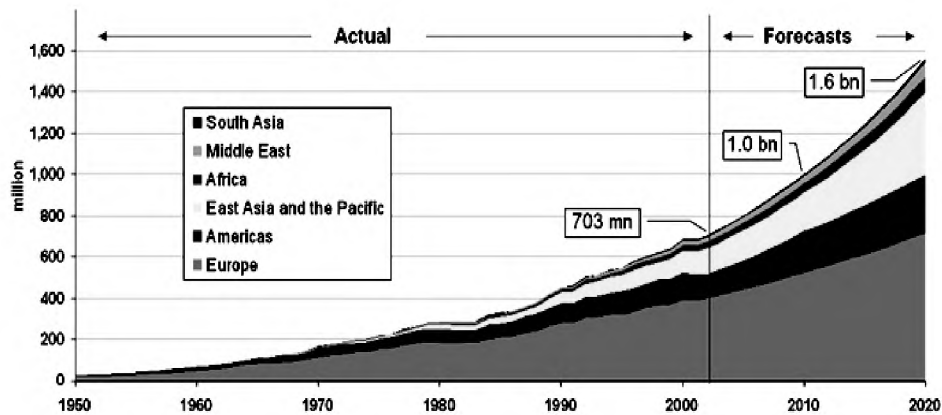
Long-haul travel worldwide will grow faster, at 5.4 per cent per year over the period 1995–2020, than intraregional travel, at 3.8 per cent. Consequently, the ratio between intraregional and long-haul travel will shift from around 82 : 18 in 1995 to close to 76 : 24 in 2020.

By 2020, 346 million tourists will visit the Mediterranean destinations, representing about 22 per cent of all arrivals worldwide. Despite the growth of Mediterranean as the world's largest tourist receiving region, the region's share of global tourism is expected to decrease over the period of 1995–2020⁶.

⁶ Megatrends of tourism in Europe to the year 2005 and beyond. ETC – ETAG January 2001 & Report of International Tourist WTO 2004.

Figure 3.

International Tourist Arrivals, 1950–2020



Source: Tourism 2020 Vision, Volume 4, Europe, World Tourism Organization.

Table 4.

**WTO Tourism Vision: Forecast of Inbound Tourism, World by Regions;
International Tourist Arrivals by Tourist Receiving Region (million)**

World & Region	Base Year 1995	Forecasts		Average Annual Growth Rate (%) 1995–2020	Market Share	
		2010	2020		1995	2020
World	565.4	1006.4	1561.1	4.1	100	100
Africa	20.2	47.0	77.3	5.5	3.6	5.0
Americas	108.9	190.4	282.3	3.9	19.3	18.1
East Asia & the Pacific	81.4	195.2	397.2	6.5	14.4	25.4
Europe	338.4	527.3	717.0	3.0	59.8	45.9
Middle East	12.4	35.9	68.5	7.1	2.2	4.4
South Asia	4.2	10.6	18.8	6.2	0.7	1.2
Intraregional (a)	464.1	790.9	1183.3	3.8	82.1	75.8
Long-Haul (b)	101.3	215.5	377.9	5.4	17.9	24.2

Source: World Tourism Organization (WTO), 2004.

Notes: (a) Intraregional includes arrivals where country of origin is not specified; (b) Long-Haul is defined as everything except intraregional travel.

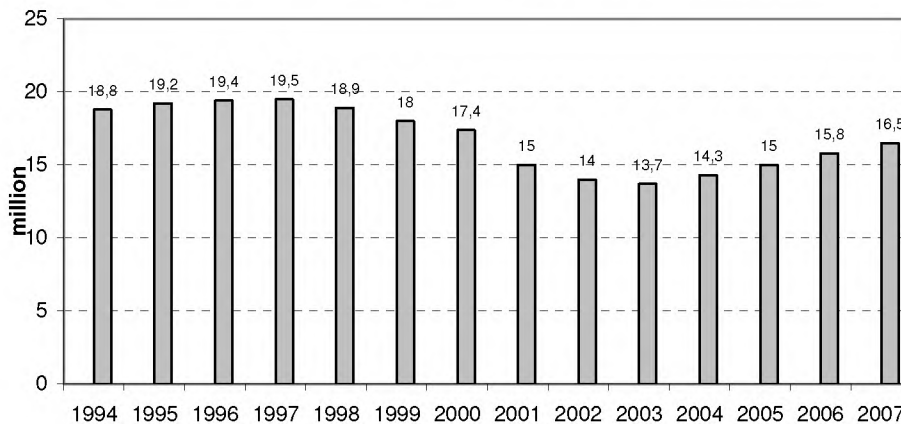
The Prognosis of International Tourist Traffic: the Example of Poland

According to the prognosis of the Polish Tourism Institute, the average yearly dynamics of tourist arrivals in Poland between 2004 and 2007 will constitute 5%. Considering the issue of visas for tourists from the non-EU countries, the number of tourist arrivals from Russia, Belarus and Ukraine will also increase, while the index for tourists from Lithuania, Latvia and Estonia will remain unchanged. It can be expected that there will be a significant increase in the number of arrivals from Germany (about 5% annually), non-neighbouring countries of the European Union (8.4% per year), and North America and the remaining overseas countries. The number of tourist arrivals should grow from 14.3 in 2004 to 16.5 in 2007.

According to the forecast, there will be structural changes concerning the tourists visiting Poland. As a consequence of the changes, the volume of such basic segments as tourist arrivals and business trips will grow with a simultaneous decrease in the significance of the remaining segments. This should be reflected in the increasing number of tourist arrivals at the accommodation establishments. We do not expect any essential changes in the number of transit trips after the growth observed in 2004.

Figure 4.

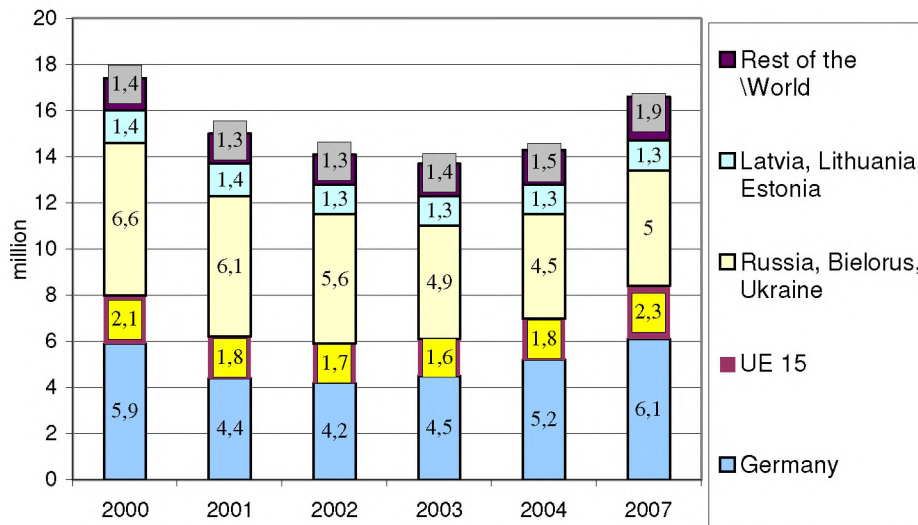
Tourist Arrivals in Poland in 1994–2004 and a Prognosis to 2007



Source: Estimation and prognosis of arrivals at all accommodation establishments: Polish Tourism Institute, Warsaw (March 2005).

Figure 5.

**Tourist Arrivals in Poland by Country Groups (in millions)
in 2000–2004 and Prognosis to 2007**



Source: the estimation and prognosis of Polish Tourism Institute Warsaw (March 2005).

The Competitiveness of Regions of International Tourism

In spite of the recent dynamic expansion of Asia and Pacific, the largest worldwide tourist region is still the Mediterranean Sea region with 33% of the world tourist traffic. Although the consequences of the September 11 attack, the Palestinian-Israeli conflict and the situation in Iraq are still evident in some countries (Israel, Egypt, Syria, Cyprus and Italy), this region has managed to retain and even strengthen its position. This was the result of globalisation and strong expansion of supranational tourist concerns, as well as concentration of practically all factors decisive in competitiveness of tourist destinations, because all these factors are found here to be intense.

A considerable differentiation of many natural and anthropogenic factors (climate, nature, historical and cultural heritage, development of hotel infrastructure, folklore, sport attractions and friendly local communities, etc.) in this region have positive influence on the competitiveness of individual states or regions.

Recent receipts from tourism in some countries of the region also show traces of global security factor's influence (the danger of terrorist plots, cataclysms, catastrophes, etc.). However, it is obvious that this factor on the tourist demand side is relativized in the global context: the reconstruction of tourist traffic in Egypt and Tunisia after the Bali attack and the World Trade Centre events; attempts to reconstruct tourism in Thailand, Indonesia, and Sri Lanka after the catastrophic tsunami. It has been reported lately that the impact of the last disaster has been short-lived.

Another problem of international tourism is the growing price competition among different regions of the Mediterranean (especially the Balkans, Asia Minor and Northern Africa). The competition is clearly-marked and especially aggressive in the case of Egypt and Tunisia and the new markets (Croatia and Herzegovina), Turkey, Greece, and Bulgaria, the country at the Black Sea very successful recently in returning on the international tourist market and offering very attractive and relatively cheap tourist products.

However, the long – term forecasts show that the competitive superiority of the Mediterranean Sea region is diminishing, which follows partly from wearing out «simple reserves» of marinating the competitive position thanks to its attractive climate, as well as high standards of tourist services. The problem of diminishing competitiveness is becoming even more acute because of strong intraregional competition oriented towards the volumes of tourist traffic and income, which leads to devastation of natural and cultural environments. In consequence, this leads to decreased competitiveness on the tourist markets in the long-run. The growing interest in Poland as a tourist destination (20%-increase in 2004) testifies not only to the change in international tourism trends, but also to the competitiveness of our country on the European market.

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