


FACTORS DETERMINING THE INTERNATIONAL TOURISM BUSINESS: AN ECONOMIC APPROACH

Abstract: New forms of tourism bring with them new environmental challenges and more demanding standards for sustainable development. With ongoing expansion the tourism sector can expect to face increasingly stringent conditions on growth and development and be called upon to justify its claims on environmental resources with a firm commitment to their sustainable management.

The growth of tourism refers to the gradual evolution of tourism which is an important factor for the productivity of a country's economy. When is measured the economic impact of tourism, it should be underline the essential causality among real gross domestic product, real effective exchange rate and international tourism. In addition, the study covers estimation which measured the effect of tourism on economic development in Macedonia and Greece.

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1. Introduction

The role of tourism to the economic growth and to the progress of modern societies has become a common awareness in political authorities worldwide. For this reason many attempts are being made in order to develop tourism, being amongst the most important sectors of economic activity, to the benefit of their economies as quickly and as effectively as possible. The contribution of the tourist sector is beneficial for a country's economy due to its influence on sectors other than the foreign exchange sector. Here are included, for example, the employment sector, the business sector, the income sector, the cultural sector and the fiscal sector. Also, there is need to underline the essential meaning of international tourism and trade, which are expected to be quite dependant on the exchange rate regimes. The international trade is another argument commonly used to justify the exchange rate policy. In this sense, more fixed exchange rates are expected to promote international trade and tourism via reduced uncertainty in the international transactions. However, the empirical literature is not conclusive in this task. The evidence about the effect of less exchange rate volatility on trade is mixed (McKenzie, 1999). The results are very sensitive across studies, depending on countries and periods considered.

In addition to new ways to look at types of tourism development, such a change in thinking about tourism can contribute to two important changes in the planning and management of tourism in regional destinations — the use of a different set of assessment criteria for evaluating tourism development proposals, and more extensive use, of sustainability monitoring systems. The change in thinking about tourism and its potential role for development would change the focus of assessments of tourism development proposals to include audits of the value of the proposed tourist markets and the associated tourism distribution systems that would result from the proposed tourism development, for existing or desired nontourism products and services.

The second key change in tourism planning and management that would result from a focus on the potential role tourism can play in a broader sustainable development framework for a destination region is that of supporting the need for comprehensive sustainability monitoring systems. Despite a widespread recognition that a core element of sustainable development is the monitoring of different areas or dimensions of sustainability (Devuyst, D. and Hens, L. 2000), there has been little progress in the development and use of sustainability monitoring systems for tourism development (Choi, H. C. and Sirakaya, E., 2006; Ko, T.G., 2005; Twining-Ward, L. and Butler, R., 2002). Ko (2005) reviewed 12 studies where a sustainability assessment for tourism had been completed and concluded that the overall assessment was often based on the judgment of the author using a limited range of indicators with little discussion of how or why those indicators were chosen or how the indicators would be measured in a completed system. It can be further argued that few, if any, of the systems described in the tourism literature are based on the perspectives of the residents and/or other key stakeholders in the destination regions. In other studies, for example, are used tourism academics to determine a list of sustainability indicators to assess tourism development. Others looked at the perspectives of local tourism industry members on sustainability and tourism and found significant discrepancies between what the tourism industry respondents saw as the goals of sustainable tourism and the measures they selected as indicators (Hebestreit, C., *et al.*, 2005). The tourism industry respondents recognised the potential for tourism to contribute to a broad range of community development factors but selected mostly indicators of the economic success of tourism business.

5. Conclusion

New forms of tourism bring with them new environmental challenges and more demanding standards for sustainable development. With ongoing expansion the tourism sector can expect to face increasingly stringent conditions on growth and development and be called upon to justify its claims on environmental resources with a firm commitment to their sustainable management. Rather than opposing change, or merely accepting and accommodating change, the tourism industry must take the high ground and help orchestrate and manage change to its advantage and that of the environment which nurtures it.

Tourism is dynamic, as are all the elements which comprise it. By adapting to accommodate changing preferences and types of visitors, destinations hope to remain viable and sustainable in tourism into the future. It is essential, however, that such change does not include such an overtaxing and subsequent degradation of the resources which first attracted tourists that the destination loses all semblance of its former self, for few such destinations have managed to survive such a process in the extremely competitive industry that is tourism. Destinations which rely totally on completely contrived attractions are more vulnerable than most to competition, since such attractions can most often be developed at any location. Given the attraction to most consumers of new items and facilities over existing ones, new developments are likely to attract the market away from existing destinations.

Environmental considerations are not the only changes facing the uncertain world of tourism, although they may ultimately prove to be the most persistent and demanding through time. Tourism also needs conditions of peace, prosperity, freedom, security, and the absence of threats to health and wellbeing, in order to flourish. Dramatic events can alter the political geography of the globe; natural and human-induced disasters can destroy the attraction of established tourist

destinations; severe fluctuations in economic circumstances can affect profoundly propensities to travel, as well as the viability of tourism business and the prospect of public sector support; technology in all its facets can alter irrevocably the spatial and temporal dimensions of tourism operations. Added to these uncertainties is the problem of long-term planning horizons for investment in tourism versus short-term decision making of tourists indulging in unpredictable and seemingly fickle choice behaviour. Advanced technologies, changed managerial behaviour, new environmental laws, better planning and development control procedures, and innovative environmental management systems will be critical means towards achieving and maintaining sustainable tourism while accommodating growth (Buckley 1995). Sustainable growth of tourism in a changing world is attainable given the commitment of all stakeholders—tourists, the community and the public and private sector.

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