

Tourism in the Bulgarian Economy - Analyses and Evaluations

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Abstract

The present study is an attempt to reveal the economic nature of the phenomenon of tourism. With the help of summarized statistical data, its contribution to the national economy is outlined. Directions for increasing the economic results of the development of tourism in Republic of Bulgaria are indicated.

Keywords: tourist visits, income from tourism, GDP, employment, destination Bulgaria

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Introduction

“The country called Bulgaria combines the glow of alpine snow, Iberian skies, the warm waters of the Mediterranean sea, Scandinavian waters, prehistoric inscriptions, ancient remains, the farce of the nineteenth century and the rhythm of modern life. Bulgaria can simply be described as a natural phenomenon that scientists argue about and poets write wonderful poems.” /R. Zammi Zamut/; Michael Perlman in his study “Conflicts and constraints in Bulgaria's tourism sector” synthesizes the position of Bulgaria as a tourist destination in the eighties of the last century. He summarizes that at macro level, international tourism is an **important source of foreign currency for the country**, but also an important source of financing domestic social tourism. At micro level, the activities of tourism enterprises, hotels and restaurants are severely constrained by the lack of flexibility of the centralized planning system. The conducted partial reforms decentralize the rights for making decisions (by the business entities - a. n.), but extremely radical reforms are needed if Bulgaria wants to have a competitive position on the international tourism market, using the strengths of its product in the face of the hospitable and well qualified personnel; good food; a wide selection of goods and services of good quality at a good price.”²

At the beginning of the transition to a market economy, in 1990 the tourist destination Bulgaria welcomed 10 329 537 foreign visitors, of which 5 221 160 were tourists and 5 108 377 were transit passing. There were 12 759 237 overnight stays by foreigners with an **average stay of 2.4 nights** in a bed capacity of 303 912 beds, of which nearly 210 000 in the system of Balkantourist Corporation, and the rest belonging to various departments, and about 568 million US dollars revenue from overnight stays of foreign tourists or **an average of about 108 US dollars per tourist, at an average price of 45 US dollars per night.**³ After 1989, with the transition of the Bulgarian society from a centralized and planned, with state ownership, model of development to a market one, significant changes in the country were generated.

According to various information sources, the participation of tourism in the formation of the country's GDP is with a high share of 9-11% for different years. The money inflow from the privatization deals in the period 1992-2000 also took part in the formation of this share. According to data from the Bulgarian government⁴, tourism ranks at fourth place in terms of foreign direct investment (FDI) after the industry, finance sphere and trade with an amount of nearly 143 million USD or 11 – 12% of their total volume /“Yearbook of Bulgarian Tourism, 2000”/. The international

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² For the opinions of R. Zammi Zamut and Michael Perlman see Rakadzhyska “Mejdunarodnia turisticheski pazar i poziciite na destinacia Bulgaria v perioda na prehod kam pazarna ikonomika”, NI, Varna, 2007, p. 216-217

³ National Statistical Institute, Tourism`96, Sofia, 1996.

⁴ Year Book of Bulgarian Tourism 2000

hotel chains "Hilton", "Iberotel", "Iberostar", "Princess", "Radisson-SAS" were attracted. In the field of tourism, a significant part of investments come as advance payments from foreign tour operators against future services, a fact that allows the transaction to be reported as FDI. At the same time, the finding is made that the productivity in the sphere of tourist services, expressed through the **price of labor, is low** - at an annual salary for 2000 total for the country - BGN 2,416, in tourism it is BGN 1,678, or **about 69% of the total for the country**, given the well-known fact that labor productivity in the field of services, especially tourism, related to the provision of effects between individuals, is difficult to measure.⁵ However, the high share of the tourism sector in the country's GDP reveals its potential to be a **prerequisite for the overall "expansion" of the economy**, as it is a consumer of many different goods and services from the other economic sectors in order to ensure its own development.

The description revealing the state and role of tourism in Bulgaria for the economy in the first decade of radical changes in the country such as: participation in GDP formation, impact of privatization and of foreign tour operators, source of foreign currency, labor costs in the sector, business parameters, highlights the aspects of the economic nature of tourism, manifesting itself also today, although with different parameters and ratios.

The present study is an attempt to characterize and evaluate the current economic parameters of tourism development in the country for increasing its effectiveness and efficiency.

The research methods are theoretical analysis and synthesis, comparative analysis of statistical data and data from specially conducted studies. Evaluations are formulated on this basis. The aim is to draw the attention of the factors responsible for the development of tourism in the country towards improving of their activities to achieve better economic results.

1. Theoretical aspects of the economic essence of tourism

The highlighted text below is a quote from Stan. Ivanov (2004, p.- 5)⁶: “Tourism, understood as “a set of activities of people traveling and residing in places outside their usual environment for no more than one consecutive year for the purpose of pleasure, business and other reasons unrelated to an activity for which remuneration is received in the places visited” / WTO (2001, §1.1.) /, is above all an economic phenomenon. In order to satisfy their needs some of the people, called visitors, travel outside their permanent residence in order to consume in exchange of payment a tourist product produced by tourist enterprises, where, unlike other economic activities, the consumer is spatially moved to the product. The production and consumption of the tourist product give rise to specific impacts of tourism on the surrounding environment in which it develops. Depending on their sphere of manifestation, they are divided into economic (on the economic environment), social (on the social environment) and ecological (on the natural environment) influences / Mathieson & Wall (1982). Among them, the economic impacts of tourism are of particular importance. Depending on their scope, the economic impacts of tourism can be divided into micro and macroeconomic. Under microeconomic impacts of tourism (MEIT) we understand those of its influences which are manifested at the sectoral level - dynamics of the level of prices of tourist products, sales volume of tourist enterprises, income of people employed in tourism and others. They can also be referred to as intra-sectoral influences of tourism. In contrast, the macroeconomic impacts of tourism go beyond the boundaries of the sector and transfer the consequences of tourism development upon the whole economy at a given territorial level of analysis - local, regional, national, supranational. These include the influences of tourism on the balance of payments, employment and income of labor force, the generation of revenues from taxes and fees in state and municipal budgets, diversification of the sectoral structure of the economy, stimulating of economic growth, seasonality in economic activity, changes in the level of prices, secondary costs

⁵ Rakadzhyska Sv., cit. source p.231-232

⁶ We use this text because it accurately and completely characterizes the economic nature of the phenomenon of tourism.

and lost benefits and others. The micro and macroeconomic impacts of tourism are interrelated. Initially, the costs of visitors for the purchase of tourist services and goods give rise to the microeconomic influences of tourism, which through the transmission mechanism of the costs of tourist enterprises for intermediate consumption of production factors and the costs of employees in tourist enterprises for final consumption, leads to a transfer of the primary impulses on other sectors of the economy and transformation of microeconomic influences into macroeconomic ones. At the same time, once transferred to the supra-sectoral level, MEIT have a reverse effect on the revenues of tourism enterprises, the level of prices of tourist services and goods, etc., which in their scope are microeconomic impacts.“

V. Kazandjieva (2007, p.262-263) notes that “one of the main characteristics of tourism is that it is an integral phenomenon that develops on the basis of the functional relationships of tourism activity with other sectors of the economy, realizing through the consumption of tourists their production. In this way the multiplier effect of tourism is manifested... The direct (primary) effects are a result of the expenses of tourists for goods and services in hotels, restaurants, shops and tourist facilities, for export of goods caused by tourism (expenses of foreign tourists in the country are characterized as hidden export - a. n.) or for investments related to tourism in the visited place. Indirect effects are a consequence of the direct ones and are determined by the funds spent by hoteliers and restaurateurs on the purchase of goods from local suppliers, which in turn also incur expenses for wholesale purchases. The induced effects are caused by the changes in the consumer spending of the local population - a result of additional personal disposable income.“

Interests in tourism as a business are generally determined by the opportunities to realize a specific product, a privilege of certain territories, difficult to imitate and possessing potential competitive ability; achieving of an export effect without movement of commodity masses abroad; the creation of additional incentives for the development of branches and activities of industry, agriculture, transport, construction, services, etc.; the provision of a significant number of direct and indirect jobs; the construction of specialized infrastructure and superstructure, which represent a new material wealth for the tourist area and its population; activation of the various artistic crafts, which revive and maintain the national traditions, but also represent a basis for the development of the trade in art objects and performances; in international exchange are included goods and services that are not directly subject to international trade; the level of costs for maintaining of ecological balance is relatively lower; the possibility to redistribute gross domestic product (GDP) from more strongly to less developed regions through transfer of income and capital. (Rakadzhyska,2017, pp. 9-11).

However, the successful development of tourism is also related to **features** such as: **seasonality**, which determines the uneven, cyclical nature of demand, supply and consumption of tourist services and goods; **higher degree of extensiveness in relation to a specific territory**, because it is a significant "consumer" of high quality territory to ensure "spatial comfort" of tourists; **need for increased capacity of the common infrastructure**, in order not to create an effect of overcrowding, when serving tourists as an "additional" population for the visited area; **diversity of the tourist product** in order to attract more tourists; **readiness of the local population to receive and serve tourists**, without which there is no real cultural and comfortable environment for the tourist business.

It is known that the development of tourism is stimulated predominantly in economically weaker areas, because exactly they are rich in significant tourist resources. In order to ensure the provision of tourist services, however, it is necessary to build an appropriate infrastructure and superstructure, to engage qualified staff. It is necessary to seek the services of foreign capital and foreign investors. The tourist product created in this way is mainly intended for foreign tourists, as they are expected to provide return on investment and exchange earnings. After the construction of the tourist entities, their management and the sale of the tourist product are again taken over by foreign companies due to the lack of qualified local staff. Thus, the prices of tourist services are

completely under the control of the powerful foreign transporters, hoteliers and tour operators instead of the hosting country. The bigger part of the profits is repatriated. This type of tourism development contributes very little to the improvement of the local economy. The population earns little by engaging in the provision of services which do not requiring high qualification and the sale of local goods and souvenirs.

The development of tourism causes higher inflation. The investments made, the offer of specific services, the "tourist rent" for the uniqueness of the resources, the remuneration of qualified labor, raise the prices in the destination and cause higher growth of inflation than in the non-tourist areas. The local population is forced to pay extra for their purchases while at the same time is suffering a deterioration in the quality of service, as the objects servicing tourists displace those servicing the local population.

Inflation in tourist areas is also rising due to rising of land prices. The increased demand for limited plots of land for the construction of tourist infrastructure and superstructure, as well as for villa construction, leads to a rapid and significant increase in prices. Of course, this process brings good profits to construction developers, real estate traders, landowners, but at the same time it forces locals to pay more for their own homes, as well as higher land prices.

Additional high inflation is supported also by the rising costs of cleaning up the increased amounts of waste that accompany mass tourist flows, as well as those to maintain tourist attractions, often subject to destruction and vandalism. A classic example in this regard is the behavior of teenage tourists in various, mainly seaside resorts, which after significant doses of alcohol, cause damage to tourist sites, park plantings, deform children's entertainment facilities, etc. All these costs are usually borne by the local taxpayer (although there are sanctions for violators), who pays more and higher fees.

The problem of providing the necessary qualified labor force is becoming more and more serious. Usually during the main seasons the local labor force is not sufficient. It is necessary to attract workers from outside the host community. If the provision of tourist services is mainly concentrated in foreign companies, they usually "import" their own staff. At the same time for low-quality services workers from outside can also be employed, as outside labor is generally cheaper. In such cases, mostly immigrants are hired. The host community incurs additional costs in connection with the security, accommodation, transport, health and other types of servicing of the "external" workers without a guarantee for the quality of service.

Complex is the income and expenditure model for the host community, arising also in terms of construction, maintenance and operation of common infrastructure, which provides conditions for quality residence of tourists, but also has a direct bearing on the quality of life of the local population. Every year the preparation for the tourist season requires reconstruction and modernization of the road network; providing the necessary quantities of water, electricity and fuels (petroleum products) in order to meet their increased consumption during the stay of tourists; expansion and possible restructuring of parking spots, trade and entertainment spaces; increasing the opportunities for medical care, for the provision of various household services (laundry, dry cleaning, communications, etc.). It is possible that the individual host community may not be able to meet all these additional costs, especially if the level of prices of tourist services and the turnover volume of tourist enterprises do not guarantee sufficient compensation through the tourist fee or taxes. The result is a deteriorated quality of service to tourists and the local population (forming of queues, traffic jams, water regime, etc.). In these cases, the development of tourism meets the apparent or tacit resistance of the local population, and tourists are reoriented to visiting other destinations.

As a large-scale "consumer" of territories, tourism often competes with other economic sectors. It can "displace" the agricultural activities needed to feed the host community because it guarantees a higher income for farmers engaged in the provision of services and attractions to tourists. The problem is further exacerbated by the inaccurate methods used to prove or disprove the

benefits that could be realized for the local population from the development of tourism instead of other economic sectors.

The peculiarities of tourism contribute to the high degree of crisis threats, often shocking⁷ (climate cataclysms, terrorist attacks, etc.) for its development. It manifests itself both as a complex and fragmentary phenomenon. Its development is deeply permeated by all kinds of integration connections with all aspects of the manifestation of social life. It directly connects the achievements of modern civilization with the needs of people to live in harmony with nature, to get to know the cultural and historical heritage, traditions, way of life and themselves by trusting on direct contacts with the objects and subjects of their specific desires and interests. The creation and provision of extremely diverse, and at the same time complex tourist services presupposes the integrated participation of various suppliers - business and non-profit organizations, public and private companies, local and globally represented companies, where even the slightest lack of coherence between them raises a problem, impacting and discrediting everyone.⁸

The inclusion of more and more new and exotic destinations in the tourist supply, as a result of the large-scale expansion of tourism in the world, exposes tourists to an increased risk of natural, social, political and other cataclysms.

The high degree of elasticity of tourist demand also depends on external conditions of political, social, climatic and of other nature according to the guarantee they offer for the security and health status of tourists. The inherent vulnerability of tourists in the visited destination, especially foreigners, who, being in an unusual environment, usually find it difficult to orientate and therefore become an easy target for both criminal and terrorist attacks, causes strong fluctuations and redirection of tourist flows from one destination to another.

Tourism is a business which is determined exclusively by the image that tourists build in their minds about a specific destination when choosing a tourist trip. The way of communicating with them, which has an exceptional role in modeling of the tourist consumption, can become a factor generating crisis situations if it is based on false, misleading information and creates wrong image and notion in tourists about the destination.

The consequences of the crises for tourism are measured by a decrease in the values of the main indicators such as number of tourists or tourist visits, number of night stays or tour-days, amount of revenues, respectively expenditures for tourist consumption, share of tourism in gross domestic product on national and global scale, withdrawal of investments, reduction of capacities (beds, places in transportation units, places in catering and entertainment establishments, etc.), financial losses, job cuts, increase of the state expenses for compensation of damages, etc.

The dependence of tourism on many external factors and influences makes it an extremely dynamic field of action both for individuals wishing to undertake a tourist trip and for the business, which must guarantee them the opportunities for its implementation. Hence the need to respond quickly and competently to ensure the inherent beneficial effects of tourism on any economy by possibly adequate limiting of the negative impacts of external factors.

⁷ The shock is perceived as an abrupt change in the conditions of existence and functioning of real objects, which create an impact on their condition and behavior over time. (See Iv. Stoykov, *Ikonomicheski Shockove*, *Ikonomicheski Izsledvania Magazine*, BAS, Sofia, Vol. IX, Book 3, 2000, p. 5) Example: "Over 15 million tourists have replaced their beaches in 2016. Another 10 million sought new destinations, abandoning the resorts of France and excursions in Belgium." (See D. Nikolov, "Rast po Inertsia", "Economist" (BG) magazine, issue 12, 2017, p. 34). The change is in result of the terrorist attacks in Turkey, France, Egypt and Tunisia. After the accident at a nuclear power plant in Japan in 2011, tourism in the country "froze" to point zero. Years after the event, government-promised free airline tickets for foreign tourists have not aroused interest. The Covid-19 pandemic turns out to be a shock with a long-lasting, extremely negative effect on the overall development of tourism in the world..

⁸ For the last eight years, 5 Bulgarian tour operators have gone bankrupt: four of them were partners for the country of foreign tour operators - Astral Holidays due to the bankruptcy of the large British tour operator Thomas Cook; Alma Tour, On Travel and Alpha Tour due to market problems as a result of a changed geopolitical situation and "Valerie-90" due to revoked license for violations.

The role of tourism in turning the set of services and goods into a valuable experience and from there into an unforgettable memory actually places it in the so-called "economy of experience" by B Joseph Pine II and James H. Gillmor (2013, pp. 26-27). which is based on the requirement "businesses to "orchestrate" memorable events for their customers so that the memory itself becomes a product."

The tourism business, which due to the intangible nature of the tourism product sells "promises" to its customers, providing them with information about the desired experiences, can't count on the future if these tourists do not turn their experience of the visit into a memory that will make them buy again. This peculiarity has a direct impact on the economic results of tourism development.

2. State of tourism in Bulgaria. Economic results.

About the state of international tourism, we can judge in the first place by the number of tourist visits (inbound tourism - a. n.) and the trips of Bulgarian citizens abroad (outbound tourism – a .n.). According to data from the Ministry of Tourism, in 2019 the country is visited by 9 311 681 tourists. By purpose of visit, they are distributed as follows: 62.9% for vacation and recreation, 18.9% for business, 6.7% for visits and 11.4% for other purposes.⁹ Of the top 10 emitting markets for the destination, four are member states of the European Union. In descending order they are: Romania, Greece, Germany and Poland. The six leading emitting markets for the destination outside the European Union in descending order are: Turkey, the Republic of Northern Macedonia (RNM), Ukraine, the United Kingdom, Russia and Serbia. The emitting markets from the European Union form a total of 60.8% of the tourist visits. At the same time significant dynamics of the tourist trips to Bulgaria is observed. Growth of more than 10% was recorded for the markets of the United Kingdom, Austria, Hungary, Ireland, Croatia, Estonia, Cyprus and Portugal.¹⁰ Growth of less than 10% was recorded for Greece, France, the Netherlands and Belgium. A decrease of over 10% was recorded for the markets of Germany, Sweden, Lithuania, Finland, Slovenia, Luxembourg and Malta.¹¹ A decrease of less than 10% was registered in Romania, Poland, the Czech Republic, Italy, Spain, Slovakia, Denmark and Latvia.

Tourist trips of Bulgarian citizens abroad, a total of 7,006,585, are highly concentrated in Turkey and Greece – 3 082 693; Romania and Serbia – 1 069 029; Germany and RNM – 875 374; Italy and Austria – 477 122; Spain and the United Kingdom – 381 550.¹² For the other 40 destinations for which data are registered, the number of tourist visits of Bulgarian citizens, which is 1 120 817, is distributed from 159 427 for France to 1 362 for Egypt. Significant dynamics are also observed here. The largest growths are marked by the destinations Georgia-530.7%; Bosnia and Herzegovina-106.2%; Montenegro-56.2%; China-37.9%; Japan-36.3%; Albania-34.5%; Croatia-16.7; Egypt-16.2%. The largest decline was registered for Belarus-57.5%; Armenia-52.4%; Qatar-42%; Moldova-38.9%; Monaco-31.9%; UAE-24.6% and Lithuania-23.6%. The predominance of tourist visits of foreign tourists by about a third compared to the outgoing trips of Bulgarian citizens abroad characterize Bulgaria as a tourist destination.

National Statistics Institute (NSI) data are used for the realized tourist consumption in the country. According to information from the satellite accounts of the NSI (2020), the final

⁹ Note: the missing 0.1% to 100% is probably due to a statistical error.

¹⁰ The largest growths are from Croatia-31.1%; Hungary-28.7%; Ireland-25.3%; the United Kingdom-20.7%; Estonia-18.9% and Cyprus-15.6%.

¹¹ The largest decline was from the emitting market Sweden-23.5%. Followed by: Malta-24.3%, Slovenia-22.4%, Lithuania-18.6% and Finland-16.7%. Although tourist visits from these markets are limited in the range of 38 000 – 3 500, the decrease with almost one third for Sweden, Slovenia and Malta, and with one fifth for Finland and Lithuania means a loss of more than 32 000 tourist visits to the destination from these markets alone.

¹² The grouping is based on a similar average number of visits. For Turkey and Greece, it is about a million and a half for each country; for Romania and Serbia - an average of 500 000 each; for Germany and RNM - an average of about 430 000; for Italy and Austria - an average of about 230 000; for Spain and Great Britain - about 190 000 each.

consumption of goods and services by foreign tourists amounts to BGN 8467.49 million, as 70% of this amount of BGN 5827.14 million is for typical tourist services, and BGN 2640.35 million. or 30% for other consumption. This means that on average one tourist has realized consumption for BGN 909 or about 464 euros, of which he has paid 636 leva or about 325 euros for typical tourist services. The amount for typical tourist services has the following structure: 39% or BGN 2153.79 million are from places of accommodation; 34% or BGN 2061.18 million are from restaurants and entertainment; 27% or BGN 1612.17 million are realized from other tourist services. The share of transport services in the item "other tourist services" is 47%. Again, according to NSI data (dynamic order TUR_3.1.2._ HSS.xls) the expenses for tourist trips of the population over 15 years in 2020 are BGN 1 153 933 thousand as BGN 96 317 thousand are for the so-called tourist packages, i.e. tourist trips were purchased with a total price from a tour operator . Expenditures for business trips amounted to BGN 59 695 thousand. Of the total amount, BGN 974 892 thousand were spent in the country and BGN 182 041 thousand - abroad. The lack of official, summarized data on Bulgarian tourists in the country does not allow calculations to be made for the average spend per tourist. According to data from "Investor BG" (<https://www.investor.bg/ikonomika-i-politika/332/a/bylgarskite-turisti-sa-vse-po-malko...>), in the last quarter of 2020 the Bulgarian tourists in the country were 471 thousand, with 63% less than the same period of 2019 (Therefore, their number for the same period of 2019 was about 768 thousand people; - A. n.). It is also stated that the average spend per tourist for a holiday trip is BGN 163, and for a business trip - BGN 197. According to data from the accommodation places, summarized by various interested institutions, it is known that Bulgarian tourists reside mainly in the lower categories of sites, the average stay is shorter with a tendency to actively use the extended weekend (Friday, Saturday, Sunday).

Calculations of the Institute of Economics and Politics (UNWE, 2021) according to BNB data for 2019 indicate that "revenues from tourist visits amount to EUR 3 835 million (sub-account "Travel" in the current account of the balance of payments) and represent 8.1 % of GDP. Expenditures of Bulgarian citizens for tourist trips abroad are about EUR 1 631 million. As a result, the net revenues from international tourism in the amount of EUR 2 204 million represent 37% of the exports of services and 11.3% of the total exports of the Republic of Bulgaria for 2019 (this means that an average net income from a tourist of around 237 euros remains in the country - A.n.) The average income per night stay is estimated at 63 leva (about 32 euros - A.n.), with an average stay of 4.7 nights. It is stated that the final consumption expenditures of the Hotels and Restaurants Sector have ensured the growth of the gross domestic product by 1.67 units (one of the highest multipliers in the economy). Every lev in the sector has created 0.73 leva of added value in the economy, and 0.34 leva represent compensations for the employees. Employment in the field of tourism has increased from 4.7% in 1995 to 10.9% in 2019, or from 134.6 thousand to 347.4 thousand people, i.e. 2.6 times. For comparison: according to the report of the World Travel and Tourism Council from 2019 (WTTC, 2019), tourism is the sector that created 10.4% of global GDP, and 47% of it is formed by only 5 countries - USA, China, Japan , Germany and the United Kingdom. Tourism has generated 319 million jobs or 10% of all. It is a leading export sector of services with a share of 6.5% of the world exports and 27.2% of the exports of services, with the highest growth of these exports from developing countries. The share of expenditures for holiday tourism is 78.5%, and for business trips - 21.5%. Domestic tourism accounts for 71.2% of the expenses incurred, and international tourism - for 28.8%.

The market share of destination Bulgaria in terms of international tourist visits is 1.3%, and in terms of the volume of revenues from them - 0.7% (UNWTO, 2020). From the point of view of world tourism, these shares are negligibly small, but for the country its participation on the tourism market is essential due to the potential that tourism has to develop and its importance for the national economy.

Particular is the role of tourism for the creation of specific infrastructure and superstructure,

which is unsuitable to use for other purposes.¹³ The lack of specific, summarizing information on investments in tourism does not provide an opportunity to analyze its impact on the creation of material wealth of society. However, we are witnessing the rapid, in many cases, uncontrolled and in violation of the norms construction, which led to over-construction of tourist areas. As a result - a significant decline in the values of the indicator "occupancy of the bed capacity". According to the calculations of the cited Institute of Economics and Politics, the number of accommodation places (with more than 10 beds according to the NSI methodology - a. n.) has increased 1.3 times: from 2758 sites in 2012 to 3664 sites in 2019, as occupancy fell from 60% in 1990 to 36% in 2012 and was 39% in 2019. Two thirds of this base is in the Black Sea regions of Burgas and Varna. In addition, the NSI data, which are only for the operating sites - 3317 for 2020, show that 347 sites were closed. The number of closed sites is equal to almost 4/5 of the total number of accommodation facilities in the North-Central region, and almost twice the number of accommodation facilities in the North-Western region. The largest concentration of accommodation and number of beds is in the resort "Sunny Beach", respectively 117 sites and 42 343 beds. Next is the resort "Golden Sands", 78 sites with 31 745 beds. In third place with 22 sites and 9 283 beds is the resort "Albena".

The disproportionate capacity of the accommodation establishments in relation to the volume of tourist visits generates unfair competition and contributes to the fall in the price range.

3. Evaluations of the economic status of Bulgarian tourism. Necessary actions for increasing of the economic results.

The derived, although incomplete data on the economic results of the development of tourism in Bulgaria allow the formulation of the following evaluations:

- the participation of tourism in the formation of the country's GDP is significant;
- tourism provides significant employment;
- generates foreign tourist flow, which generates foreign exchange earnings for the country;
- the spend for tourist services and goods, as well as for other types of consumption, on average per tourist are low, ie. tourism in the country is low-budget;
- remuneration in tourism is lower than the national average.

The main conclusion that can be made is that the real potential of the phenomenon of tourism is not used to achieve better economic results in accordance with the potential of natural and anthropogenic factors of the country, which arouse interest in fulfilling a tourist trip on its territory

Several main guidelines can be formulated for improving the economic results of the development of tourism in the destination Bulgaria. Without being ranked in order of importance, they are related to the need to: improve the management of the sector at all levels and clarity on the functions of the involved institutions and business, with an understanding of business affiliation to the market (compliance with market principles) and utilization of the natural and anthropogenic resources, which in their larger part a public good; significant improvement of marketing actions through their widespread application at national, regional and business level, taking into account the changing market and other conditions in order not to act "post factum"; significant improvement of the communication with the potential and real tourists, according to the extremely dynamic changes in this field; decisive improvement of the tourist product portfolio of the destination by linking it with the specifics of the territory where the tourists will use it; the predominant part of the services in the complex tourist product puts as a priority the provision of tourism with the necessary highly

¹³ The Covid-19 pandemic has shown that the hotel room can also be used as an office. This way of using accommodation places in tourist destinations will probably become widespread in the future due to the circumstance that the digitalization of business will allow "combining" the workplace with a place for recreation and entertainment.

qualified professionals for the different types of activities. An important aspect for improving the development of tourism in the country is to make efforts to provide official, detailed, on all important indicators information through monitoring and purposeful, but constant research with a methodology that is consistent with real needs and allows the operational use of information. It is important that the large share of medium, small and micro businesses in the field of tourism be supported with the necessary information by their branch associations and by the state due to their limited financial abilities to provide it themselves. In return, they must also provide reliable information about the activity they perform.

Conclusion

As paradoxical as it may seem, the shock called the "Covid-19 pandemic" showed the importance of tourism in the world and respectively in the Republic of Bulgaria. Accommodation places remained empty, passenger planes were grounded, tour operators, travel agents, tour guides, restaurateurs, tourist animators significantly reduced their activities or closed sites. Bus tourist traffic also fell sharply, cruise ships remained anchored in ports. Millions of jobs have been lost worldwide, and skilled staff reoriented to work in other economic sectors. The multiplier effect of the development of tourism collapsed, or more precisely manifested itself with a "negative" sign. A number of economic sectors, suppliers of goods and services for the formation of the complex tourist product have also reduced their activities. At the same time, the restrictions imposed on people's travel, the inability to fulfill their desired tourist trips, worsened their "individual" quality of life because tourism is always associated with fun, entertainment, relaxation, pleasant enrichment of the personality with different experiences. The status that tourism presupposes, namely - to be different from the daily routine behavior, to get rid of the inevitable obligations, even for a short time, was "crossed out" drastically and en masse. The anomaly thus formed due to a force majeure circumstance, such as the Covid-19 pandemic, further strengthened the interest of individuals in making tourist trips.¹⁴ Overcoming the pandemic will give a new powerful push to the development of tourism. People will want to secure lasting, pleasant memories, based on different experiences during their tourist trips. There will be demand for a quality tourist product under favorable conditions, security and stability during the travel and stay in the selected tourist destination (s). The revival of each specific tourist business will be possible on the basis of efforts to respond on a large scale, comprehensively and quickly to the wishes, but also to a preliminary assessment of the real possibilities of potential tourists. The competition between the tourist destinations and the different tourist activities on their territories will intensify. Thus outlined, the future development of tourism poses challenges to state, public and business participants in the development of tourism in the territory of destination Bulgaria both in terms of good orientation to the emitting markets of the country and to specific measures to improve the quality of tourism products. Efforts should be focused on the effective use of information technology and channels for direct link and communication with potential tourists in order to increase the share of individual tourism. On the other hand, the filling of the disproportionately large volume of accommodation places and available beds (places with less than 10 beds should be taken into account due to the growing interest in them) in terms of volume and dynamics of the tourist flow, requires maintaining of good partnership relations with all foreign and local tour operators who know the emitting markets best. Regulations for the development of tourism need to be significantly improved (not just increased). The control over their observance for each specific tourist product, according to the nature of the resources for its creation and maintenance, must eliminate the problems between the public (state) affiliation of a large part of the resources and their market exploitation by the private business. The policy for creation and preservation of highly qualified Bulgarian specialists in the field of tourism

¹⁴ We are witnessing the spontaneous positioning of Zanzibar as a hit destination.

has no alternative (attracting staff from abroad at this stage does not help to improve the quality of the Bulgarian tourist product). The result will be measured in tourist visits of individuals with diverse interests, ready to pay a higher price for original experiences, respectively future memories, which for the country will be transformed into a richer and better life of the population.

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