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REGIONAL TOURISM INFRASTRUCTURE DEVELOPMENT IN THE STATE STRATEGIES

Abstract

Purposeful and reasonable state vision of the long-term tourism development strategy determines the success of a country in the world market of tourist services. Many countries have officially approved program documents that clearly outline the main goals and objectives of the state policy in the sphere of tourism, highlighting the resource potential, recreational infrastructure and preferred consumer markets, but there may be no idea of respecting the interests of domestic consumers. The maintenance of local tourism infrastructure is becoming an increasingly important prerequisite for the country's competitiveness, as mass tourism is now replaced by individual travels. The article is aimed at studying the dependencies between the main macroeconomic indicators of the tourism industry, assessing the efficiency of foreign trade. The correlation-regression and cluster analysis has been used in order to confirm or refute the hypothesis if the effectiveness of the state support of the national tourism industry is dependent on the stable functioning of the domestic tourism market, e.g. stimulation of travels by residents. Based on the main macroeconomic indicators of the tourism industry for 136 countries of the world and overview of some national tourism development program, the analysis output has rejected the direct correlation between the support of the domestic market and export potential of the national tourism industry, but has proved the significance of the inner consumer power during the periods of downturns in the global economy for strengthening the country's export potential.

Keywords state strategy, regional interests, tourism development, export potential, macroeconomic tourism indicators

JEL Classification L83, L88, Z38

INTRODUCTION

State tourism development strategies, which cover a fairly long period of time (from 5 to 10-15 years), as a rule, are complex documents describing all possible resources and markets that are expedient to use. In determining the priorities for the services sector development, many countries adhere to the mercantilist approach, trying to achieve a positive foreign trade balance and gradually increase it. First of all, state support is aimed at improving the export potential, and strengthening the domestic market is the second most important aspect. The income from inbound tourism is a priori considered higher than the income from the national tourist product consumption by the country residents, therefore, the purchasing power of a domestic market becomes a core object of study for companies that organize foreign trips. Shortage of due attention to the domestic consumer diverts to imports of the part of funds that could be spent on services provided by national enterprises (consequently increasing the country's GDP). The absence of an equivalent alternative in the domestic market stimulates the country residents to purchase foreign tours. Therefore, trying to attract foreign visitors and neglecting domestic

tourists, a country risks to lose net income, in spite of that receiving net loss from the industry development, especially if the tourism exports requires the imports of products from other industries (this phenomenon was massively noted in a number of the Pacific island countries).

Thus, when analyzing the state program of tourism development, the criterion of the effectiveness of activities aimed at maintaining the national recreational infrastructure in the inner regions will be considered, as well as the priority of equal regional development. Inbound tourism is more expedient to use so-called "tourist areas" with maximum concentration of attractions and other objects of tourist interest, already developed and, importantly, the "easy-to-use" infrastructure for foreign visitors (the main subsystems are transport, accommodation, and cultural and entertainment complexes), then domestic tourism, for which, on the contrary, a strong concentration is rare. Residents of a country, as a rule, prefer to avoid recreation areas standardized for the foreigners' needs, which in most cases have inflated prices and lost local flavor. As the number of individual tourists who prefer to make a travel route independently and aim more at acquaintance with local traditions than at unified services, even if their quality is higher, is growing today, all regions of a country should develop local tourist areas in addition to the most famous "international" ones, even if they do not possess comparatively high recreational potential. The criterion of quality here could be the uniformity of regional development and the availability of convenient infrastructure throughout the country. For example, the transportation system should be available and efficient in all areas, not only around the hubs. The same applies to accommodation services – in general, hotels should meet the minimum quality standards accepted in a given country regardless of their geographical location, so that a sharp contrast may not disappoint either the foreign visitor or the local resident who arrived from the neighboring region. In the medium and large-sized countries, the distance criterion must also be taken into account as local residents choose often the easy-to-get-to destination for recreation. If covering a considerable distance is required to get to the recreation area, then, other things being equal, a potential tourist will most likely choose a foreign destination, motivating his/her decision by the fact that the domestic tourist routes are always available and it makes no sense to spend a whole day of the annual vacation on moving from one point of the country to another. The choice of destinations for long-time rest is influenced, as a rule, by several equally important criteria, while comfort and accessibility are more important for short-term trips. The more recreational objects are scattered throughout the country, the higher is the possibility that local residents will go to the neighboring city or region for 2-3 days than they will look for an opportunity to reach quickly a well-known foreign resort. This explains why some countries that have accumulated large revenues from exports invest their funds in the domestic market development, even if the income received from selling products to residents is lower. But the task here is different – not getting a quick profit, but keeping the consumer market. Thus, the article aims to identify common patterns and dependencies between the key elements of the state tourism development strategies in different countries, to substantiate the importance of national and regional interests, based on the analysis of the tourism industry macroeconomic indicators and the foreign trade effectiveness.

1. LITERATURE REVIEW

The works of Abubakirova, Syzdykova, Kelesbayev, Dandayeva, and Ermankulova (2015), Gajdošíková, Gajdošík, Kučerová, and Magátová I. (2016), Jian, Pan, Xiong, and Lin (2017), Kamble and Bouchon (2014), Kurniawan, Adrianto, Bengen, and Prasetyo (2016), Malachovský and Kiráľová (2015), Maza (2016), Tuckova and Sverak (2016) that describe state tourism strategies in selected national economies prove the crucial importance of regional planning in governmental program for the benefits of the domestic market. Consumption of tourist services by residents may be a factor of disputable significance when analyzing export potential, but the country's tourism infrastructure level being dependent on regional development adds to strengthening both international and internal tourism competitiveness and intraregional cooperation.

Antonescu (2014) characterizes regional policy as the tool to mobilize local resources and concentrate the economic, social and endogenous potential of avail-

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able sources. The core problem of cohesive strategies is the degree of inter- and intraregional disparities, which should previously be diminished. The main objective of the EU current regional policy is to promote growth and full employment of labor force in the less developed areas – the challenge which is highlighted in many governmental program. Zurub, Ionescu, and Constantin (2015) name tourism as a key solution to overcome economic crises. The industry includes many activities that are interdependent from other productive sectors of national economies. The issue of obtaining financial sources for regional tourism development binds with the task of establishment of small and medium-sized enterprises and craft industries, while the highest efficiency level is merely achieved by the economy of scales, mass production and operating of large companies. Local communities may support sustainable tourism, as well as increase the general benefit of a small area, that is why regional interests must correlate with the strategies of large businesses. Jeuring (2016) discovers marketing strategies of tourist destinations and notices that the importance of domestic tourism is increasing, but it can not still be compared with international tourism, which is much in favor. Globalization causes two conceptual dimensions of destination positioning – homogenization and differentiation under the influence of internationalization processes, and external and internal orientation of tourism policies – the prioritization of domestic or global market interests. Pyke, Hartwell, Blake, and Hemingway (2016) prove the positive impact of tourism development on social-economic systems, namely the category of well-being in its relation to engaging more visitors to tourist destinations. Recreational industry is compared with the health care system management, as the last encloses the consumer behavior. Many strategic documents devoted to state and regional tourism strategic planning emphasize the significance of marketing and communication policies, but lose the focus of attention on the induced impact of tourism on social-economic processes.

2. METHODOLOGY

The key hypothesis being tested in this study is as follows. The final effectiveness of national tourism development program should be measured by the parameters of domestic consumption. This partly contradicts the well-established opinion that, first of all, the export potential of the national tourism industry determines its profitability. But profitability in the short-term period cannot measure the cumulative contribution of any industry to the final state of a socio-economic system. It is undoubtedly a positive factor, but it is necessary to take into account the complex influence generated by the increase in exports, including the tertiary sector. To confirm or refute this hypothesis, it is necessary:

- to consider the content of national tourism development program implemented by the leading countries of the international tourism market; to determine the influence of regional interests in strategic planning and to assess the general strategy goal – the "point-based" support for territories with concentrated tourist resources or the subsequent equal development of all regions previously uninvolved in tourism activities on a large scale. To assess the state program effectiveness, it is usually necessary to skip a certain time period, the optimal gap for the tourism sector makes from 3 to 5 years, i.e. in the process of analysis, the program adopted in 2013–2014 have been referred to (for long-term program, earlier years are permissible, if their validity has not yet expired). Increased attention to the issues of regional tourism development and emphasis on problems of the internal market will prove the suggested hypothesis;

- to analyze macroeconomic indicators of the national tourism industry development, compare the results obtained for the leading countries of the market, and find the absence or existence of certain patterns. Since it will be necessary to evaluate the data of both large-scale and small national economies, it will be more correct to supplement the analysis with relative indicators (per capita, unit of territory, share in GDP, etc.). The revealed direct dependence of export volumes with the level of the domestic market potential will confirm this hypothesis. The methods of correlation-regression and cluster analysis were used to find the dependencies between the indicators.

3. RESULTS

At the first stage of the study, the main macroeconomic indicators of the tourism industry in 136 countries of the world were analyzed, without preliminary sampling – i.e. all countries included into the Travel and Tourism Competitiveness Index (TTCI) – the world famous ranking executed by the World Economic Forum. The selected indicators included the TTCI general and intermediary scores, GDP and employment data, revenue and expenditure for tourism services in national markets and foreign trade. TTCI scores were previously normalized (by dividing the current indicator by its row maximal value) in order to highlight the potential of national business environment and infrastructure. Government prioritization of travel and tourism industry and effectiveness of marketing and branding to attract tourists were core indicators to assess the level of state support of the tourism industry. The data sample is represented in Table 1. After preliminary calculations, the dependencies between pairs of different indicators were estimated by the method of correlation-regression analysis. The generalized results are represented in Figure 1 and Appendix A.

Correlation was observed between the following indicators: the TTCI general score and marketing effectiveness proving that thorough branding and marketing strategy improves the comprehension of a country's business infrastructure by tourism practitioners even more than stable governmental support and prioritization of the industry development; exports coverage ratio was tightly linked with the percentage of employed and GDP revenue in their total values, marketing efficiency (direct dependence) and domestic tourism spending, share in total turnover (inverse dependence). The shares of exports and domestic consumption were not included in evident relationship with the majority of indicators. This partially refutes the hypothesis of the paramount importance of information and infrastructure support at the level of state strategies implementing to increase domestic consumption of tourist services – at least, there is no visible correlation with macroeconomic indicators. Perhaps, the reason is that traditionally, prices in the domestic market for residents are always lower than for foreign visitors, so it may not be correct to compare tourist flows in terms of currency value. Analysis of quantitative data on tourist trips might represent more objective figures, but the methodology of calculations adopted in different countries differs significantly (for example, the UNWTO allocates at least four principal methods).

Researches often use relative ratios when measuring incomparable absolute indicators (in units or the scales of national economies). Tourism industry efficiency is measured by revenue per capita, GDP and investment value, etc., but even such relative figures are incomparable in some cases. The power of a national economy regardless various opportunities depends on a size of the "useful" territory. Unique examples of small countries owing the highest per capita income, that is, far ahead of those of large industrial and innovative leaders, cannot be applied in practice by most states. Super profits, as a rule, can be stably obtained only through financial transactions with high turnover and the absence of tax and other restrictions. The niche of global financial centres and off-shores is unlikely to expand, on the contrary, countries that suffer from capital outflow insist on reducing the volume of these operations on a global scale. On the other hand, micro-states are simply limited in resources, including land, to support manufacturing industries. On the contrary, tourism products are quite diversified, demanding all possible variants of relief and climatic conditions. Therefore, it is suggested to consider the profitability index per unit of territory, which will emphasize the effectiveness of the national tourism industry management without an unambiguous linkage to countries' status in the world market. Table 2 shows the grouping of national economies by the travel and tourism GDP impact per land area unit.

This indicator is compared with the business environment attractiveness in the sphere of tourism. Excluding a small number of countries, a direct dependence was revealed (Figure 2). If to turn back to Table 2, it is obvious that the groups composition is extremely diverse, and sometimes the countries within the group have more differ-

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Table 1. Macroeconomic indicators of the national tourism industry (the sample hard data and calculated indicators*), 2017 or the last available

Sources: WTTC (World Travel and Tourism Council), World Bank, World Economic Forum.

Country	TTCI (1)	6.01 (2)	6.03 (3)	TTCI-6.01 (4)	TTCI-6.03 (5)	Delta (6)	GDP, US$ bn (7)	Land area (,000 sq. km) (8)	GDP/Land area (US$ 000/sq. km) (9)	Empl., 000 (10)	GDP/ Empl. (11)
Germany	0.97	0.70	0.70	0.28	0.28	0.28	146,31	3489,0	419,34	3143,92	46,54
United Kingdom	0.96	0.79	0.85	0.17	0.11	0.14	93,46	2419,3	386,30	1716,26	54,45
Australia	0.94	0.88	0.82	0.06	0.12	0.09	41,74	76823,0	5,43	531,70	78,51
Greece	0.83	0.83	0.73	0.00	0.10	0.05	16,23	1289,0	125,88	458,99	35,35
India	0.77	0.62	0.58	0.15	0.19	0.17	91,26	29731,9	30,70	26148,10	3,49
Turkey	0.76	0.73	0.67	0.04	0.10	0.07	31,98	7696,3	41,55	461,83	69,24
Bulgaria	0.76	0.62	0.56	0.14	0.20	0.17	1,76	1085,6	16,18	90,24	19,47
Israel	0.71	0.70	0.58	0.01	0.13	0.07	5,82	216,4	269,18	73,72	79,01
Vietnam	0.70	0.70	0.61	0.00	0.09	0.04	2,72	8820,5	3,09	303,74	8,96
Georgia	0.68	0.88	0.67	–0.20	0.01	–0.09	1,40	694,9	20,16	140,30	9,99

Country	Empl., % (12)	GDP, % (13)	DTS, US$ bn (14)	Imp., US$ bn (15)	Exp, US$ bn (16)	Turnover (17)	DTS, % (18)	Imp, % (19)	Exp, % (20)	Balance (21)	Exp/Imp (22)
Germany	7.10	3.94	339,74	88,68	50,45	478,87	70.95	18.52	10.53	–38.24	0.57
United Kingdom	4.92	3.70	169,58	69,88	35,63	275,09	61.65	25.40	12.95	–34.25	0.51
Australia	4.33	3.03	79,50	31,54	23,41	134,45	59.13	23.46	17.41	–8.13	0.74
Greece	12.17	8.05	10,72	3,37	19,46	33,55	31.95	10.05	58.00	16.08	5.77
India	5.04	3.66	186,02	17,95	27,29	231,26	80.44	7.76	11.80	9.33	1.52
Turkey	1.64	3.77	26,73	4,68	31,31	62,72	42.62	7.46	49.92	26.63	6.69
Bulgaria	2.88	3.06	0,69	1,90	4,50	7,10	9.77	26.81	63.42	2.60	2.37
Israel	1.92	1.65	7,01	8,83	7,25	23,10	30.37	38.22	31.41	–1.57	0.82
Vietnam	2.30	2.60	4,64	2,12	0,47	7,23	64.25	29.26	6.49	–1.65	0.22
Georgia	7.84	9.28	0,77	0,62	2,98	4,37	17.55	14.23	68.23	2.36	4.79

Notes: * Extract for the countries which will be discovered further more in details. (1) TTCI – normalized by the maximal row value TTCI general score; (2) 6.01 – normalized by the maximal row value of TTCI 6.01 score (Government prioritization of travel and tourism industry); (3) 6.03 – normalized by the maximal row value of TTCI 6.03 score (Effectiveness of marketing and branding to attract tourists); (4) TTCI-6.01 – calculated as (1) – (2), the excess of general TTCI position over the government prioritization of travel and tourism industry; (5) TTCI-6.03 – calculated as (1) – (3), the excess of general TTCI position over the marketing and branding effectiveness; (6) Delta – the average of (4) and (5), shows the excess of general TTCI score over the governmental and marketing support of a national tourist product; (7) GDP, US$ bn – the impact of the tourism industry on a country's GDP in real prices; (8) Land area, ('000 sq. km) – the surface area of a country's territory, applicable for tourism development; (9) GDP/Land area, (US$ 000/sq. km) – calculated as (7)/(8), revenue from the direct tourism industry per area unit; (10) Empl., 000 – workforce (number of people), direct impact of travel and tourism; (11) GDP/Empl – labor efficiency in tourism, calculated as (9)/(10); (12) Empl, % – the share of people employed in the tourism industry, in total workforce; (13) GDP, % – the share of tourism production in the total country's GDP; (14) DTS, US$ bn – domestic tourism spending (inner market capacity); (15) Imp, US$ bn – outbound travel and tourism expenditure, or tourism imports; (16) Exp, US$ bn – revenue from foreign visitors, or tourism exports; (17) Turnover – total industry turnover, calculated as (14) + (15) + (16); (18) DTS, % – the share of domestic spending in total industry turnover, calculated as (14)/(17) × 100%; (19) Imp, % – the share of imports in total industry turnover, calculated as (15)/(17) × 100%; (20) Exp, % – the share of imports in total industry turnover, calculated as (16)/(17) × 100%; (21) Balance – foreign trade balance (the difference between exports and imports), calculated as (16) – (15); (22) Exp/Imp – exports coverage ratio, calculated as (16)/(15).

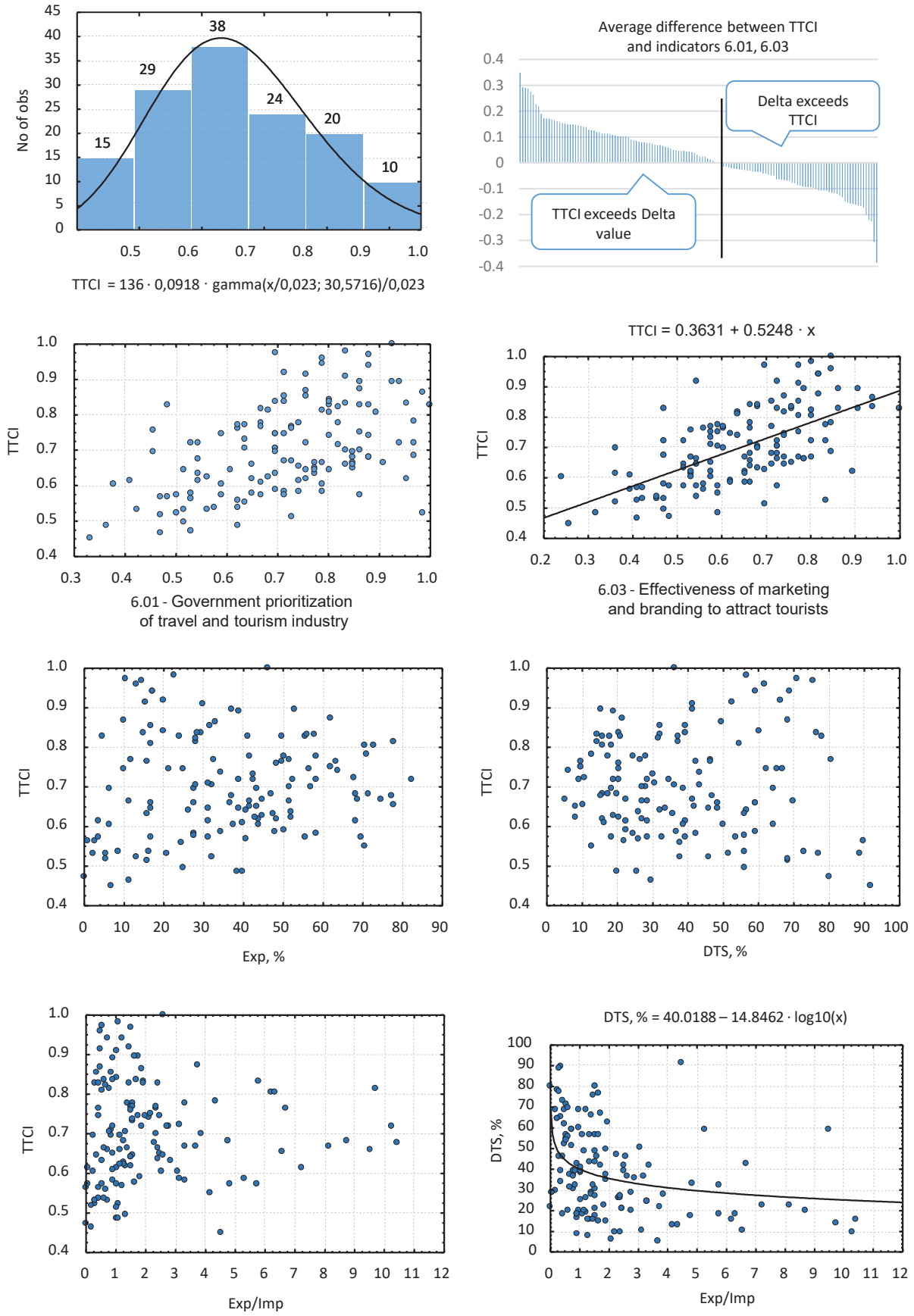

Figure 1. Correlation-regression analysis output

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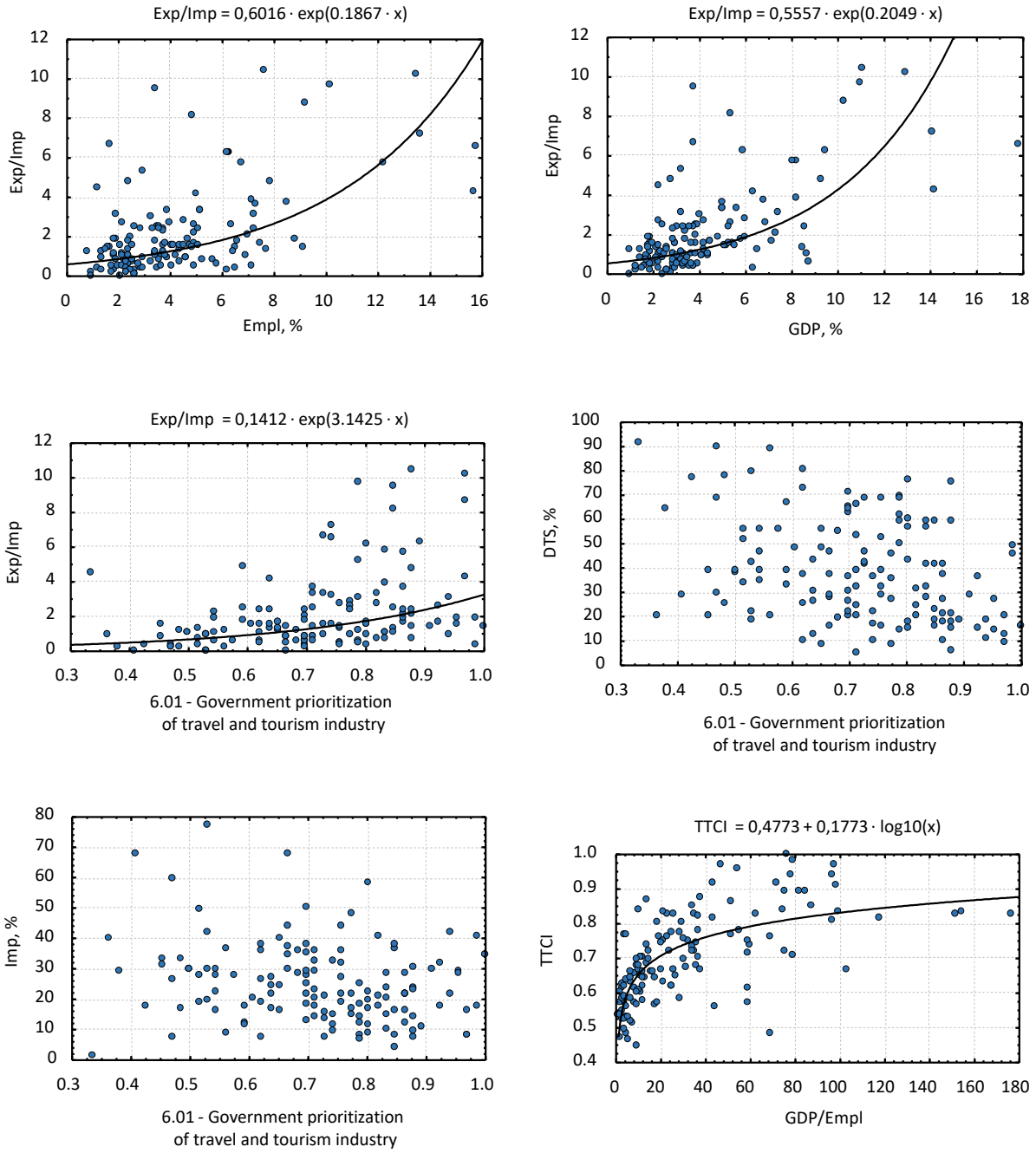

Figure 1 (cont.). Correlation-regression analysis output

ent than common features. Therefore, tourism can be profitable to any state, even if initial conditions are the worst for traditional industries.

The limited range of indicators was chosen for cluster analysis. Countries were compared by the share of imports in total tourism turnover (measured in units, not %, for better compatibility), the normalized general TTCI and government prioritization of travel and tourism industry scores (element 6.01 of TTCI framework). The results of clustering are depicted in Table 3, in Figure 3 and in Appendix A. The optimal number of groupings made 5, 27-28 objects in average per a single group. Having a particular approach to tourism state strategies in common, countries appeared to differ by other indicators within all groups.

Table 2. The efficiency of the land area use in tourism, country groupings (2017 data)

Source: Data from WTTC, World Bank.

Range, US$,000/km²	Countries	No. of countries
18,065,3	Singapore	1
5,298,1	Malta	1
1,856,8	Bahrain	1
1,414,7	Barbados	1
400-500	Mauritius, Qatar, Netherlands, Switzerland, Germany, Luxembourg	6
300-400	United Kingdom, Belgium, Italy, Lebanon	4
200-300	Austria, Japan, Israel, Slovak Republic, United Arab Emirates, Venezuela	6
100-200	Kuwait, France, Cyprus, Denmark, Portugal, Trinidad and Tobago, Spain, Hong Kong SAR, Jamaica, Greece, Croatia	11
90-100	Philippines	1
80-90	Ireland, Dominican Republic, Thailand	3
70-80	Slovenia, Czech Republic, Sri Lanka	3
60-70	–	–
50-60	Costa Rica, United States, Taiwan, China, El Salvador	4
40-50	Panama, Malaysia, Egypt, China, Mexico, New Zealand, Turkey, Albania, Norway, Bangladesh	10
30-40	Montenegro, Hungary, Poland, Sweden, India	5
20-30	Jordan, Estonia, Iceland, Guatemala, Latvia, Georgia	6
10-20	Bosnia and Herzegovina, Morocco, Azerbaijan, Rwanda, Cambodia, Tunisia, Armenia, Kyrgyz Republic, Bulgaria, Finland, Lithuania, Romania, Uruguay, Chile, Pakistan, Saudi Arabia, Honduras, Indonesia, Serbia	19
1-10	Cote d'Ivoire, Ecuador, Gambia, South Africa, Argentina, Bhutan, Nigeria, Macedonia, FYR, Oman, Brazil, Nepal, Iran, Islamic Rep,, Nicaragua, Peru, Colombia, Ghana, Australia, Kenya, Lesotho, Senegal, Uganda, Canada, Vietnam, Moldova, Burundi, Ukraine, Malawi, Cameroon, Algeria, Tanzania, Ethiopia, Benin, Tajikistan, Zimbabwe, Paraguay, Botswana, Russian Federation, Madagascar, Zambia, Kazakhstan	40
Less than 1	Sierra Leone, Bolivia, Gabon, Mozambique, Mali, Namibia, Lao PDR, Mauritania, Mongolia, Korea, Rep, Chad, Cape Verde, Congo, Democratic Rep., Yemen	14
Total number of countries		136

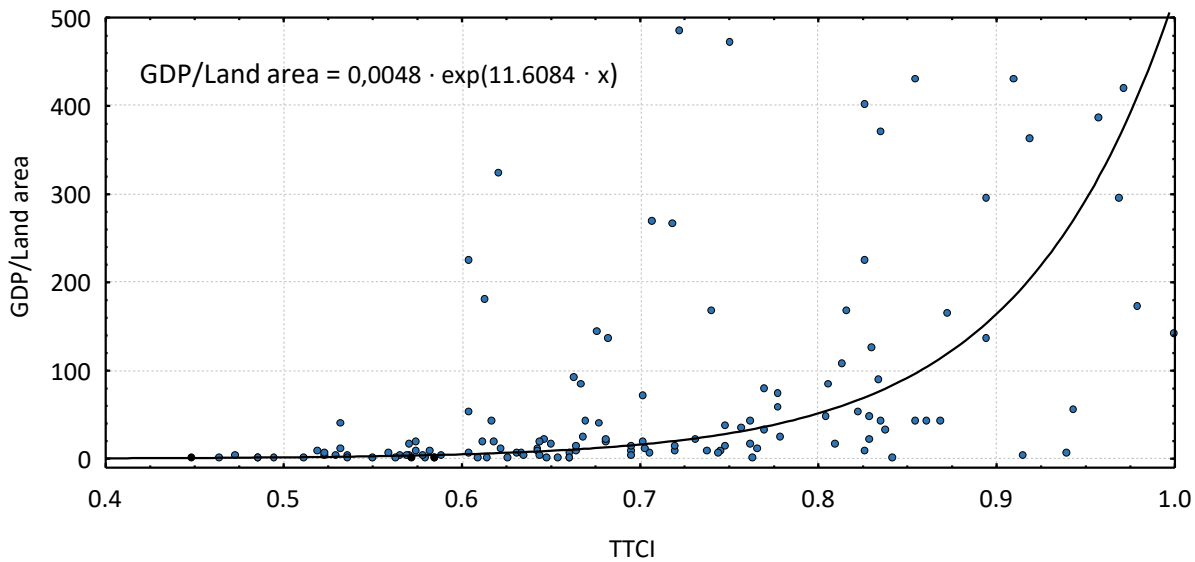

Figure 2. The efficiency of the land area use for tourism compared with the general TTCI score

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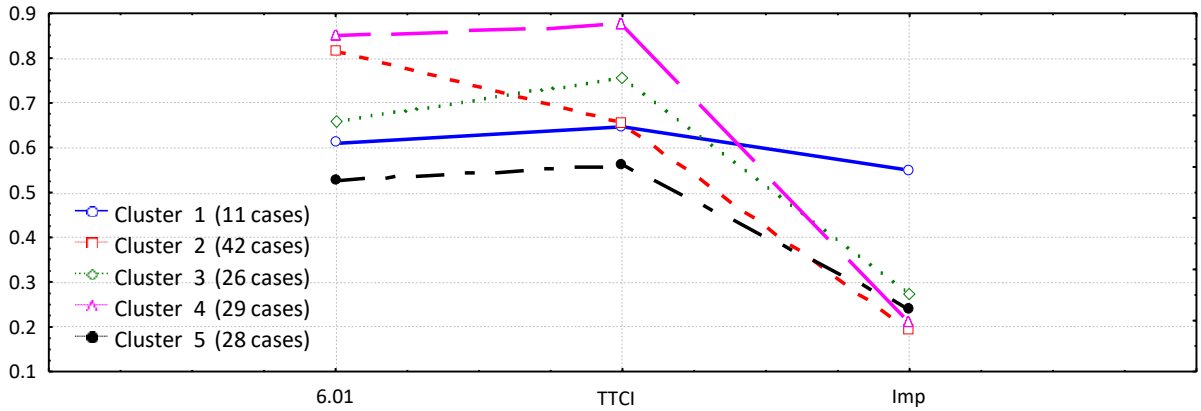

Figure 3. Cluster means

Table 3. Members and main characteristics of each cluster (calculated data)

Cluster, objects		Countries	Mean			Standard deviation			Variance		
			6.01	TTCI	Imp	6.01	TTCI	Imp	6.01	TTCI	Imp
1	11	Armenia, Belgium, Chad, Gabon, Kuwait, Kyrgyz Republic, Lebanon, Luxembourg, Mongolia, Slovak Republic, Ukraine	0.610	0.647	0.550	0.127	0.111	0.121	0.016	0.012	0.015
2	42	Albania, Azerbaijan, Bahrain, Barbados, Bhutan, Botswana, Cambodia, Cape Verde, Cote d'Ivoire, Cyprus, Dominican Republic, Ecuador, Egypt, Gambia, Georgia, Honduras, Jamaica, Jordan, Kenya, Lesotho, Macedonia, FYR, Mali, Mauritius, Montenegro, Morocco, Namibia, Nepal, Nicaragua, Oman, Philippines, Qatar, Rwanda, South Africa, Sri Lanka, Tajikistan, Tanzania, Tunisia, Turkey, Uganda, Uruguay, Zambia, Zimbabwe	0.814	0.655	0.194	0.080	0.059	0.093	0.006	0.003	0.009
3	26	Argentina, Brazil, Bulgaria, Chile, Colombia, Czech Republic, Denmark, Estonia, Finland, Hungary, India, Indonesia, Israel, Kazakhstan, Lao PDR, Latvia, Lithuania, Netherlands, Norway, Peru, Poland, Russian Federation, Saudi Arabia, Slovenia, Sweden, Vietnam	0.657	0.757	0.274	0.073	0.056	0.088	0.005	0.003	0.008
4	29	Australia, Austria, Canada, China, Costa Rica, Croatia, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Italy, Japan, Korea, Rep., Malaysia, Malta, Mexico, New Zealand, Panama, Portugal, Singapore, Spain, Switzerland, Taiwan, China, Thailand, United Arab Emirates, United Kingdom, United States	0.850	0.877	0.210	0.078	0.064	0.092	0.006	0.004	0.008
5	28	Algeria, Bangladesh, Benin, Bolivia, Bosnia and Herzegovina, Burundi, Cameroon, Congo, Democratic Rep., El Salvador, Ethiopia, Ghana, Guatemala, Iran, Madagascar, Malawi, Mauritania, Moldova, Mozambique, Nigeria, Pakistan, Paraguay, Romania, Senegal, Serbia, Sierra Leone, Trinidad and Tobago, Venezuela, Yemen	0.527	0.562	0.238	0.083	0.060	0.099	0.007	0.004	0.010

The distinctive features of each cluster are presented in Table 4.

Table 4. The average characteristics of the grouping indicators

Cluster	Government prioritization of travel and tourism industry	Comparative level of travel and tourism competitiveness based on general score	Outbound tourism expenditure, share of the total industry turnover
1	Medium	Medium	High
2	High	Medium	Low
3	Medium	High	Medium
4	High	High	Medium
5	Low	Low	Medium

The countries from cluster 1 (the domestic market potential is initially weak, the share of imports exceeds 50% of the total currency turnover in tourism) and cluster 5 (the state support of tourism is very low and the business and resource infrastructure of the industry is poorly developed there) were not selected for content analysis of state tourism development program.

The texts of the state program and investment proposals (which, in case of no access to official sources, were considered as an alternative) were taken from open sources. The list of used documents and overview results are shown in Table 5 and Appendix B. The countries represented in the table were chosen under several criteria:

- Germany and United Kingdom – the economies with the largest tourism imports. They are often called "the most travelling nations in the Old Europe";
- Australia and Israel – the countries that had challenged the periods of isolation (for spatial and geopolitical reasons) and thus had not been able to work with the closest by the culture and mentality consumer markets, though they managed to implement various innovative solutions and modern approaches to the traditional tourism management concepts, and are now the samples of effective and unique strategies;
- India, Georgia and Vietnam – the countries with a weak domestic market compared to the exports potential (caused by the low average income per capita);
- Bulgaria, Greece and Turkey – the countries that had suffered from the previous strategies of the "one-type mass tourism" (namely, the beach and sky one) and make their efforts to overcome the consequences of one-sided consumer perception, so the new strategies highlight the diversity and inexhaustibility of national recreational potential, altogether with the equal development of all regions.

The content analysis proves that all strategies, excluding two out of 12 reviewed, focus on the development of local infrastructure and the promotion of travel of residents within the country, regardless of the country's specialization in a particular type of tourism and international trade practices in the field of services.

Great Britain, despite the huge volume of tourist services import, does not state the development of the domestic market as a strategic priority. Attention is focused on the fact that local infrastructure (for example, the network of internal air routes) is necessary for the comfortable moving of foreign visitors around the country, and the main goal of the adopted package of strategies is to improve the country's tourist image in foreign markets. On the

Table 5. The analysis of state programs and investment proposals

No	Country	Document name	Years
1	Australia	The National Long-Term Tourism Strategy	2009–2020
		The 2020 Tourism Industry Potential	2010–2020
2	Bulgaria	The strategy of sustainable tourism development in Bulgaria	2014–2030
3	United Kingdom (in general)	Delivering a Golden Legacy: a growth strategy for inbound tourism to Britain	2012–2020
4	United Kingdom (Northern Ireland)	A Draft Tourism Strategy for Northern Ireland to 2020	2010–2020
5	United Kingdom (Scotland)	Tourism Scotland 2020: a strategy for leadership and growth	2011–2020
6	Vietnam	The Vietnam Government's Strategy for Tourism Development; National Tourism Action Plan, Vietnam Tourism Marketing Strategy	2013–2020
7	Germany	The "Tourism Prospects in Rural Areas" project	2011–2013
8	Greece	Greek Tourism Strategic Plan	2014–2021
9	Georgia	The regional development strategy	2010–2017
		Georgian Tourism Development Strategy 2025	2015–2025
10	Israel	Tourism Investment in Israel (the official brochure of the Ministry of Tourism)	Permanent
11	India	Strategic Action Plan	2011–2016
12	Turkey	Tourism strategy	2007–2023

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contrary, the abovementioned autonomous administrative and political units of the UK (Scotland and Northern Ireland) emphasize in every way that they focus primarily on tourist flows from the border areas and note the importance of maintaining local infrastructure throughout the territory as a guarantee of visitor satisfaction and, accordingly, the emergence of an additional market for sales of local products of various industries.

The development strategy of Greece does not mention the domestic market at all, the issues of attracting foreign tourists and expanding the range of types of tours are prior to all others.

It should also be noted that only the strategy of Turkey (out of all the reviewed documents) insists on the need to persuade the country residents to rest at local resorts and proposes specific incentives for enterprises that may lose part of their revenue from limiting foreign economic activity. The marketing campaign conducted among the population is complex and covers different social groups.

CONCLUSION

The research results reveal the following relationships between the main macroeconomic tourism indicators:

1) the hypothesis about the existence of a clear relationship between the efficiency of functioning of the domestic tourism market and the targeted state policy in the tourism industry was refuted. On the contrary, the availability of a state strategy significantly improves foreign trade performance and business environment perception by foreign investors and potential consumers, but till now, the improvement of the domestic tourism infrastructure is more a reason than a consequence of successful implementation of state program;

2) the hypothesis was confirmed that state-level tourism development program contained a number of conditions for supporting local infrastructure and internal consumption. But their implementation starts only when the task of promotion in foreign markets is reached and the funds have been accumulated for investing in the internal infrastructure. Other things being equal, export-oriented sectors remain more preferable for investments. Domestic tourism is more often considered as a way to prevent the outflow of currency from the country, inevitable at importing tourism services, than the basis for the inbound tourism development.

Thus, if a country plans to implement strategies of tourism development at the state or regional level, the following should be considered:

1) the development of the domestic market often does not affect the volume of operations in foreign trade, in particular, the scale of imports. Inbound tourism requires separate resources and a marketing mix, so its development can proceed independently of the processes in the domestic market. However, the consuming power of the latter is necessary to maintain the existing recreational infrastructure in case of the unfavorable state in the global market when the inflow of foreign currency into the national economy decreases. In other words, there is no one to consume the national tourist product (despite the foreigners who are temporarily out of the game) if the country residents do not have enough money or motivation to travel within the borders of their own state;

2) export revenues usually exceed revenues from the sale of the same products in the domestic market, so some states may neglect domestic consumption in order to accumulate profits and repay investments in the industry as soon as possible. But in the same way, the profit gained from export operations can become a means of supporting domestic production and infrastructure, which is demonstrated by the leading tourism countries. Governments which had problems with financ-

ing domestic tourism usually took such steps: maintaining and developing exports (the strategy of "tourism for foreigners", quickly earning revenues from overpriced, compared to the domestic market, rates) – investing revenues from exporting tourism products into maintaining domestic recreational infrastructure (the strategy of expanding the consumption of tourism services by residents) – obtaining stable domestic consumption that guaranteed a certain level of income and reserves to maintain the functioning of the industry (in particular, the number of jobs) during the periods of falling demand from the side of foreign tourists.

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APPENDIX A

The analysis of the countries' indicators

Totally, 22 variables have been used in the correlation-regression and cluster analysis by 136 countries. The description of initial data rows (hard data) and the secondary (calculated) indicators used in further analysis are presented in Table A1.

Table A1. Macroeconomic indicators of the national tourism industry (hard data)

No.	Abbreviation	Name	Units	Hard data source	If a secondary value, calculation procedure
1	TTCI	Travel & Tourism competitiveness Index, 2017–2018	Score	WTTC[1]	–
2	6.01	TTCI 6.01 score "Government prioritization of travel and tourism industry"	Score	WTTC	–
3	6.03	TTCI 6.03 score "Effectiveness of marketing and branding to attract tourists"	Score	WTTC	–
4	TTCI-6.01	The excess of general TTCI position over the government prioritization of travel and tourism industry	Score	Secondary	Calculated as (1) – (2)
5	TTCI-6.03	The excess of general TTCI position over the marketing and branding effectiveness	Score	Secondary	Calculated as (1) – (3)
6	Delta	The excess of general TTCI score over the governmental and marketing support of a national tourist product	Score	Secondary	The simple arithmetic average of (4) and (5)
7	GDP	the impact of the tourism industry into a country's GDP in real prices	US$ bn	The World Bank	–
8	Land area	The surface area of a country's territory, applicable for tourism development	,000 sq. km	The World Bank	–
9	GDP/Land area	Revenue from the direct tourism industry per area unit;	US$ 000/sq. km	Secondary	Calculated as (7)/(8)
10	Empl.	Workforce (number of people), direct impact of travel and tourism	,000 (thousand)	WTTC	–
11	GDP/Empl.	Labor efficiency in tourism	US$ 000/,000 people	Secondary	Calculated as (9)/(10)
12	Empl., %	The share of people employed in the tourism industry, in total workforce	%	WTTC	–
13	GDP, %	The share of tourism production in the total country's GDP	%	WTTC	–
14	DTS	Domestic tourism spending (inner market capacity)	US$ bn	WTTC	–
15	Imp	Outbound travel and tourism expenditure, or tourism imports	US$ bn	WTTC	–
16	Exp	Revenue from foreign visitors, or tourism exports	US$ bn	WTTC	–
17	Turnover	Total industry turnover	US$ bn	Secondary	Calculated as (14) + (15) + (16)
18	DTS, %	The share of domestic spending in total industry turnover	%	Secondary	Calculated as (14)/(17) × 100%
19	Imp, %	The share of imports in total industry turnover	%	Secondary	Calculated as (15)/(17) × 100%
20	Exp, %	The share of imports in total industry turnover	%	Secondary	Calculated as (16)/(17) × 100%
21	Balance	Foreign trade balance (the difference between exports and imports)	US$ bn	Secondary	Calculated as (16) – (15)
22	Exp/Imp	Exports coverage ratio	US$/US$	Secondary	Calculated as (16)/(15)

Note: WTTC – The World Travel and Tourism Council.

The hard data of indicators (1), (2), (3) have been normalized using the following formula:

$$z_i = \frac{x_i}{x_{\max}},$$

where z_i is the normalized value of current indicator, x_i is the current value of a country's indicator in a raw, $x_{\max}$ is the maximal value in a raw, i is the number of countries (objects).

So, if the current TTCI general score of Germany has made 5.28 (the country has ranked 3rd out of 136 positions) and the maximal general score of 5.43 (the best for this data raw) has been owned by Spain, the normalized value for Germany

$$z_i = \frac{5.28}{5.43} = 0.97.$$

The scatterplots in Figure 1 of the main text have been built on the basis of these normalized scores.

Clustering has been made on the basis of three variables – (1) Travel & Tourism Competitiveness Index, (2) TTCI 6.01 score "Government prioritization of travel and tourism industry", (3) TTCI 6.03 score "Effectiveness of marketing and branding to attract tourists", of their values normalized at the previous step. Namely, these indicators have been chosen in order to compare country's efforts in branding and governmental support of the national tourism infrastructure with the final results (the general comprehension of business environment by foreign investors and consumers and the list of outputs composing the TTCI ranking). The calculations have been made using the StatSoft Statistica application, the intermediary results are represented on Figure A1.

According to Figure A1, the Fisher's test has proved the validity of the model (for the significance level $\alpha = 0.05$, $k_1 = 4$ and $k_2 = 136 - 4 - 1 = 131$, $F_{\min} = 2.37$), so the clusters' characteristics can be used in estimating the tourism state policy efficiency for the countries included into the model.

k - Means Clustering Results: TTCI.sta

```
Number of variables: 3
Number of cases: 136
K-means clustering of cases
Missing data were casewise deleted
Number of clusters: 5
Solution was obtained after 3 iterations
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Cluster Number	Euclidean Distances between Clusters (TTCI.sta) Distances below diagonal Squared distances above diagonal				
	No. 1	No. 2	No. 3	No. 4	No. 5
No. 1	0,000000	0,017906	0,013598	0,076737	0,017930
No. 2	0,133812	0,000000	0,016371	0,020676	0,052713
No. 3	0,116609	0,127948	0,000000	0,062830	0,014619
No. 4	0,277014	0,143792	0,250659	0,000000	0,133807
No. 5	0,133903	0,229594	0,120911	0,365796	0,000000

Variable	Analysis of Variance (TTCI.sta)					
	Between SS	df	Within SS	df	F	signif. p
6.01	2,550985	4	0,502733	131	166,1813	0,000000
6.03	2,554013	4	0,501110	131	166,9173	0,000000
TTCI	1,511387	4	0,680580	131	72,7290	0,000000

Figure A1. The analysis of variance and model validity

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APPENDIX B

Table B1. The content of state programs and investment proposals (mentioned in Table 5 of the main text)

No.	Country	Content and tasks
1	Australia	Tourism was stated in 2009 as the country's largest service export industry. The future success was proclaimed to be dependent on tight cooperation between commercial sector and the Australian, state and territory governments. Tourism contributes essentially to regional development as 0.46 AUD in every tourist dollar were spent in regions. International and domestic aviation capacity must be increased, and all national travel operators should provide online booking and payment facilities. The National Broadband Network was launched to support programs digitalizing businesses. Asia (particularly "economic powerhouses" in China and India) was named the main priority market for exporting tourism services
2	Bulgaria	The main goals are to distinguish national identity and preserve cultural and national potential; develop and support small and medium business based on family property; strengthen cooperation between international partners, national, regional and local authorities; to diversify tourism products; to stimulate regional development, reduce regional disparities and create strong regional brands. Two main inbound markets are: 1) UK, Germany, Sweden; 2) Czech Republic, Russia, Ukraine, Serbia, Romania, Greece and Turkey. Every local recreational region is analyzed separately, with the notion of preferable type of tourism and a tourist's profile
3	United Kingdom (in general)	Tourism is one of the main job-creating industries, especially among employees under 30. Tourist visits must contribute to raising the attractiveness of the UK for companies' and families' relocating. The increase of both inbound and domestic tourism was planned, also the first was named to deliver the maximum possible economic benefits. The focus was on marketing policy and improving the image of Britain among foreign potential visitors, including the youth. International marketing campaign stated almost simultaneously at mature and emerging markets. Individual strategies were worked out for principal inbound mature (France, Germany, Spain, the USA) and new (Brazil, Russia, India, China) markets. As the global pattern of wealth and population is shifting towards a small number of global cities, the strategy of searching the consumers should be revised
4	United Kingdom (Northern Ireland)	Year round tourism is encouraged. The main out of state markets are Great Britain (which is the part of domestic tourism according to the international methodology) and the Republic of Ireland. The unit profitability per visitor must be increased (income from visitors should grow faster than visitor numbers). Five so-called 'Signature Projects' were aimed to widen the range of national products within agreed key tourism areas across the country. The prior types were food, luxury, eco-, green tourism and visits of extended family groups
5	United Kingdom (Scotland)	The strategy core are quality, authentic visitor experiences. Further development was based on the support of local authorities. four groups of tourist assets were identified: 1) nature, heritage, sports; 2) towns and cities; 3) events and festivals; 4) business tourism. Consumer markets are divided geographically in 4 pillars: 1) 'home turf' – the UK units – England, Scotland, Northern Ireland, Wales; 2) 'near neighbors' – Scandinavia, Germany, France, Spain, Ireland, Netherlands, Italy; 3) distant cousins – USA, Australia, Canada; 4) emerging markets – India, China, Russia, Brazil. The main problem was in the disunity of individual service companies, who alone offered a quality product, but in general the tourist did not have a sense of the services complexity when visiting a particular destination, also tourism is often the mainstay of the local economy for rural areas. The most maintained tourist assets here are walking and cycling, adventure, food and drink, local history and culture
6	Vietnam	Tourism industry produced more than 50% all of service sector exports, the main inbound markets were China, South Korea, Japan and Taiwan (about 50% of all visitors), with Australia and Russia as emerging ones. Negative consequences of uncontrolled tourism growth in different countries were analyzed, and the Environmentally and Socially Responsible Tourism Program (ESRTP) was worked out further to governmental tourism development strategies. Prior types of mass tourism are marine/beach, cultural and nature-based ones. The country area is divided into 7 recreational zones: 1: Midlands and North; 2: Red River Delta and Coastal Northeast; 3: North Central; 4: South Central Coast; 5: Central Highlands; 6: South East; 7: the Cuu Long River (Mekong) Delta. Zones 1, 3, 5 show rapid growth in foreign tourists' numbers, while zones 2, 4 6 show almost equal distribution between domestic and foreign visitors. Centralized state projects are implemented due to the demand and characteristics of these zones. Tourism is hoped to solve the challenge of unemployment and preserving cultural heritage in rural areas. Domestic tourism is developing rapidly, and this market is expanding both amongst city dwellers and rural inhabitants
7	Germany	The project goal was to make rural areas more appealing for tourists, as both domestic and international visits were predominantly city-based. The practical guide was worked out for 10 action directions: sustainable tourism development in rural areas; product presentation; networks and alliances; infrastructure; branding; communication and marketing; organisational structures; skilled labour; mobility; accessibility. The initiative was widely disseminated via the projects site and social networks, but now the accounts and links either are deleted or do not work. The main idea was to represent unique features of each rural region, but using the universal approach for organization and marketing of destinations in the countryside
8	Greece	The strategy defined 6 core priority types of tourism: sun and beach, nautical, city break, medical, cultural and religious, MICE. An optimal destination was recommended for each type (for example, Athens and Thessaloniki for city break), and the most convenient inbound markets (cultural tourism – China, 'sea and sun' – Germany, golf tourism – Scandinavia, etc.). Greece should be perceived as the country with high living standards, best for rest and residence. The last, according to the authors' opinion, reflects the echo of the boom in the elite real estate market provoked by demand from some CIS countries. For rural areas, tourism had to contribute to youth employment. Despite the repeated repetition of the importance of expanding tourism activities to improve the socio-economic state of the country, the strategy does not address the issue of encouraging travel of residents within the country

Table B1 (cont). The content of state programmes and investment proposals (mentioned in Table 5 of the main text)

No.	Country	Content and tasks
9	Georgia	Foreign experts call 2010 a turning point for Georgia – a long period of a series of crises provoked by external and internal factors come to an end, reforms started to be implemented aimed at developing private entrepreneurship and attracting investments from abroad. The strategy of regional development predisposed such prior goals as tourism development and nature protection. This strategy enabled to prepare the ground for further restoration of tourist infrastructure and development of many alternative types of tourism, in addition to sea and ski, which managed to survive during the crises. Priority of focused regional development was based on the opinion that if the country could meet the needs of domestic tourists, then it would be easier to enter the international market in the future. Now Georgia presents more than a dozen of different tourism products, and despite the objective distinguishing of the most and the least popular tourist areas, proceeds to develop local tourism infrastructure. Meanwhile, this strategy can be called aggressive, since the declared global goal is to increase maximally the number of foreign tourists and the gross revenue from inbound visits
10	Israel	For a long time, pilgrimage, cultural tourism and visiting natural sites remained the core pillars of international and domestic tourism. Geographical boundaries of key tourist areas have developed historically, for example, the Holy Land and the Dead Sea region, but new and new projects are constantly being introduced to develop various types of tourism. Now the country is divided into several tourist zones, with a fragmentary interspersing of the prominent sites. The most visited cities are roughly divided into two groups – historic (Jerusalem, Acre, Nazareth, Safed, Jaffa) and recreational/ seaside (Tel-Aviv, Haifa, Netanya, Herzliya, Eilat, etc.) cities. The small size of a country facilitates the combination of cultural and recreational tourism. Domestic tourism market is rather stable, with mass family excursion trips and agricultural food tourism mostly in the rural regions in the North and South
11	India	The document vision highlights the mission of 'physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation', and 'to achieve a superior quality of life for People of India' from the very beginning. The very next paragraph states the equal importance of inbound and domestic tourism. The quality of services should be sustained by specialized university education and up-to-date curriculum. Numerous pilgrimage centres are the main destinations of domestic tourism. On the one hand, the amount of available labour force for servicing foreign visitors and the overall positive comprehension of a locality is restricted by uneducated and poor masses of local population, on the other hand – it is important not to miss the moment when a considerable share of population will accumulate incomes sufficient for the regular consumption of at least a minimum of tourist services
12	Turkey	A special chapter is devoted to domestic tourism, the mission is 'to provide alternative tourism products based on acceptable quality and affordable prices to various groups in the society'. The domestic market growth equally to the incoming one was recognized as an essential background of the national industry development. Various events, press and educational campaigns had to stimulate local people to travel and learn more about national and local history, nature and culture. Alternative tourism products, facilities and itineraries had to be created. Various social projects should provide travel opportunities for disadvantaged community groups. Tourism enterprises will receive domestic tourism quotas in order they can sell discounted trips for middle and low income groups. 14 large and many small-sized areas were distinguished throughout the country with individual recreational specialization and binding to a particular transportation hub. The interconnection between these regions had to be provided by improving transportation and communication infrastructure

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