Tourism Industry Worldwide – Testing Some Correlations Between Essential Indicators

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Abstract: - Essential component of the global economy, tourism industry is in a strong interdependent relationship both with other sectors, as well as with different qualitative components– competitiveness, socio-human and environment issues. Result of the specificity of services, touristic consumption, both residents and visitors, is localized strictly to the meeting of supply and demand, so national receipts are consists of domestic tourism and visitor exports. Introducing investment in analysis, and also competitive tourism component, we propose in this paper to test the connections between tourism consumption, capital investments and travel and tourism competitiveness index. In order to achieve the objective, using the latest statistical data, there have been calculated and interpreted Pearson correlation coefficients, starting from the general hypothesis that there is a direct relationship between the variables analysed.

Key-Words: - tourism, visitor exports, investments, travel and tourism competitiveness, Pearson Correlation coefficient

JEL Code: - L83, E22, N70, C10

Introduction

While World Tourism Organization announced in 2012 breaking the barrier of one billion international tourists, last year was marked by an increase of 5 percent of the total arrivals. With an increase in absolute value by 52 million tourists' arrivals, the total number of tourists reached one billion and 87 million in 2013, a level never attained before. Quite rightly Secretary General of UNWTO, Taleb Rifai, believes that "we live in the age of travel"and that seems to be just the beginning. The highest growth rates, according to OMT, were recorded in the Asia and Pacific (6%), Africa (6%) and Europe (5%) and among them regions stood out the following: South East Asia, with an increase of 10% of the total number of international tourists, Central and Eastern Europe, 7%, but also Mediterranean Europe and North Africa with positive rates of 6%. The most important tourist destination remained Europe, reaching a peak of 563 million international visitors in 2013, with 29 million more than previous year. This growth rate by approximately 5%, equal to the global average, is double than the average rate for the preceding years 2005-2012, which was 2.5% per year. As mentioned above, Central, Eastern and Southern Europe experienced favourable recent developments in terms of international tourist traffic. While in absolute terms Europe is international tourism performer, at relative level stands out the Asia and Pacific region, the increase by 14 million tourists last year, representing 6% of total.

So, the evolution of South East Asia area, best performer globally (10%), is complemented by high growth rates in South Asia (5%), but also in the Oceania and Northeast Asia (4% each). 169 million tourists visited the Americas in 2013, 6 million more than in the previous year, the result of evolution increases with 4% in North America and Central America. Slowdown of growth rates were recorded in South America and the Caribbean, reaching levels of only 2% and 1%. Although in absolute 3,000,000 tourists is not a significant amount, the 6% addition tourists in Africa raised the total to a record 56 million. In contrast to the rest of the world, in the Middle East there has been a stagnation of tourist traffic to 52 million arrivals for the second year in a row. So, tourism consumption trend is increasing, the preference for travel being a defining characteristic of contemporary society. Thus, the total tourism exports in the 2013 were 1.2956 trillion dollars, representing 5.4% of total exports. Expected growth for this year is 4.8%, and forecasts for the period 2014-2024 are annual increases on average by 4.2%. Thus, in 2024 is expected that total volume of exports to sum over 2 trillion dollars, a slightly lower share in the total trade of goods and services worldwide (5.2%).

Beyond the qualitative aspects of social, recent developments in international tourism as well as domestic tourism are the result of capital investment in the sector. So, capital investment in the tourism industry in 2013 amounted to 754.6 billion dollars, which means 4.4% of the world total. This year is expected an increase by 5.8% and for the next decade a high average rate of 5.1% per year. Thus, in ten years, the total investments in tourism could summarize more than 1,300 billion, its share in total investments being even higher (4.9%). In this context, there should be considered tourist destinations competitiveness and ability to concur on international tourism market. In this regard, the travel and tourism competitiveness index, developed by the World Economic Forum after 2008, it constitutes a representative indicator.

We propose in this paper to test correlations between components of tourism consumption (visitors exports and domestic tourism), the travel and tourism competitiveness index and capital investments in this industry. The specific hypotheses of research are: existence of a direct relationship between tourism consumption, on the one side and the tourism competitiveness and investment, on the other side, respectively between tourism competitiveness and investments. Paper structure is as follows: literature review, research methodology, results and discussion, conclusions.

LITERATURE REVIEW

Tourism investments, international tourist flows, tourism competitiveness, and also the relationships between them, were predominant themes of various researchers and international institutions. In the context of this paper, we propose a brief summary through the rich literature pointing out some representative studies.

Andergassen and Candela (2009) analyse the effects of tourism investments as a resort for local development for less developed countries. Phillips and Faulkner (2009) sustained the idea of tourism as a growth axis for many countries: „international tourism and investment trends point to rapidly expanding opportunities for poor communities and countries to pursue tourism for sustainable economic growth" (Phillips and Faulkner,2009). United Nations (2010) highlighted the main conditions for tourism investments: (1) Infrastructure and land – „Public investment in physical infrastructure (airports and roads etc.), information and communications technologies (ICT) and tourism infrastructure (attractions, heritage sites etc.) is needed if destinations are to stay competitive" (UN, 2010); „Land suitable for development is another factor fundamental to the growth of the tourism sector"; (2) Human resources – „The availability of qualified or trainable labour is an important precondition for many tourism projects"; (3) Investment incentives – „Policies to attract foreign investors often include various incentives" (UN, 2010). Awirya, Anitawati and Setyodewanti (n.d.) sustain the importance of investments in infrastructure - transportation, communication, and electricity. By developing the tourism infrastructure, the government intends to attract investors to invest in those areas; so the tourism sector will expand and it will increase the welfare for the local society […] tourism can give a multiplier effect, because it is related with other sectors such as handicrafts, hotels, restaurants, etc., and will open new work fields that also contribute for the national income (Awirya, Anitawati and Setyodewanti, n.d.). Phillips and Faulkner (2009) note that there are some barriers and/or critical factors for investments: insufficient information available to analyze opportunities, political stability, government support, legal and regulatory transparency.

Some researchers' analysis of domestic and inbound tourism related to the economic growth or local and national benefits (Kareem, 2008; Eijgelaar, Peeters and Piket, 2008); Mendiratta, 2011; Pierret, 2010). Kareem (2008) have examined the direction of causality between tourism-exports and economic growth and compare results for Africa with other regions. Xenias and Erdmann (2011) studied the economic impact of tourism as a largest service exports of United States of America. Eijgelaar, Peeters and Piket (2008) compare domestic visitor numbers to the international inbound and also to the outbound tourism, and sustain the importance of domestic tourism. Mendiratta (2011) highlighted some benefits of tourism promotion, including: (1) Seasonality: creation of year-round momentum of traveller activity, lessening the troughs in the seasonality curve, and enabling '365' industry operations; (2) Revenues: generation of significant revenues as domestic tourists keep their spending money within their home country; (3) Spread: dispersion of travellers across, and deeper into, the destination, stretching tourism activity and attractions beyond the main city centres; (4) Participation: increased employment of people of the destination in the tourism economy (both direct and indirect) as a result of increased, ongoing tourism activity; (5) Security: creation of a tourism culture across the destination (including understanding of the value of the tourism economy to national growth), which naturally creates a responsibility for tourist-protection within local communities; (6) Solidarity: generation of pride and

ambassadorship for one's own country through understanding, experience and appreciation of all of its offerings (Mendiratta, 2011). UNWTO have also approached the theme of domestic tourism importance in economic growth, the executive director Pierret (2010) has pointed some characteristics of domestic tourism – (a) knowledge "in contrast to international tourists, domestic tourists know the destination, its language, its customs, its laws, its climate, its cultural context"(Pierret, 2010); (b) proximity of the destination - domestic destinations are nearer, and, as a consequence (c) lower cost of transport. Also, Pierret (2010) identify 5 types of impacts of tourism in economy and social life – domestic tourism is an excellent crisis shock-absorber, has a redistribution effect and various multiplier effects, also „it is an excellent instrument for easing social tensions[...]it can serve to launch a destination[...]makes it possible to amortize national spending on international tourism"(Pierret, 2010). Authors have some answers for "how to develop domestic tourism" question, including: diversifying, „Adapting accommodations to local demand[...]Expanding the demand […] Developing structures for activity organization and promotion at the regional/provincial level and at the local level (tourism offices)".

Measuring competitiveness of international tourist destinations made the object of many studies (Gooroochurn and Sugiyarto, 2005); Navickas and Malakauskaite, 2009; World Economic Forum, 2008, 2009, 2011, 2013), mostly focused to estabilsh an indicator for measuring, comparing and evaluating tourism competitiveness. Gooroochurn and Sugiyarto (2005) propose a model for measuring tourism competitiveness, including 8 indicators - price, openness, technology, infrastructure, human tourism, social development, environment and human resources. Navickas and Malakauskaite (2009) analysed some possibilities for evaluation of tourism sector competitiveness, and also proposed and configured own model. Firstly they adapted Dwyer and Kim (2003) model, grouping main factors of tourism destination competitiveness on three pillars: (1) Basic/additional resources and factors of tourist destination attractiveness, (2) The administration of tourist destination, and (3) Tourism market and quality of life-related CSD (Competitiveness and Sustainable Development) determinants. Navickas and Malakauskaite (2009) also note, citing Enright and Newton (2005), competitiveness factors of tourist destinations: (1) Tourism market-related/ specific factors – Architecture, History, Local people, Cultural peculiarities, Events (festivals, concerts, etc.), Museums and galleries, Concert halls and theatres, City nightlife; (2) Business environment-related/ general factors - Labour cost and skills, The level of retail sector development, The level of technological advancement, Strategies of local companies, Political stability, Anti-corruption policy, The level of educational system, Strong currency and steady prices. Finally, authors develop a "competitiveness monitor (CM) of tourist destinations", based on 8 categories of indicators - human tourism indicators, price competitiveness indicators, ecology (environment) related indicators, technological advancement indicators, technological advancement indicators, human resource indicators, market openness indicators, social development indicators. World Economic Forum proposed and developed the most known indicator to measure tourism competitiveness - The Travel & Tourism Competitiveness Index (4 editions – 2008, 2009, 2011, 2013). This is based on 3 sub-indexes, grouping 3 categories of variables – (A) T&T regulatory framework – 5 pillars, (B) business environment and infrastructure -5 pillars, (C) - human, cultural and natural resources – 4 pillars, and also 15th pillar – climate change, but last one is not included in index value due to difficulties and lack of statistical data.

RESEARCH METHODOLOGY

The research included the following steps: building database, empirical analysis, correlation coefficients calculation and their interpretation. Building the database involved using the following primary data sources: World Travel and Tourism Council reports and statistics, World Economic Forum reports. Data sets have been used in subsequent analysis: visitors' exports, domestic tourism, capital investments, the travel and tourism competitiveness index, respectively the share of tourism exports in total exports, and also the share of tourism investments in total investments. Indicators explanation, timeframe, and number of records are presented in the following table.

Table 1. Indicators explanation and recorded data

Indicator	Explanation	Primary data source	Records
The Travel & Tourism Competitiveness Index (TTCI)	Measure the factors and policies that make it attractive to develop the T&T sector in different countries, index 1 to 7	The Travel and Tourism Competitiveness Report 2013; Travel and Tourism Index Data Analyser [online]<http://www.weforum.org/issues /travel-and-tourism-competitiveness/ttci-platform>	130 (2008) 133 (2009) 139 (2011) 140 (2013)
Visitor Exports	Spending within a country by international tourists, US$, constant prices (2013)	World Travel & Tourism Council Reports; http://www.wttc.org/focus/research-for-action/economic-data-search-tool/	184 countries (2008, 2009, 2011, 2013)
Domestic Travel & Tourism Spending	Spending within a country by that country's residents US$, constant prices (2013)	World Travel & Tourism Council Reports; http://www.wttc.org/focus/research-for-action/economic-data-search-tool/	184 countries (2008, 2009, 2011, 2013)
Capital investment	Capital investment spending by all sectors directly involved in the Travel & Tourism industry	World Travel & Tourism Council; http://www.wttc.org/focus/research-for-action/economic-data-search-tool/	184 countries (2003-2013)
Visitor Exports	% all goods and services	World Travel & Tourism Council; http://www.wttc.org/focus/research-for-action/economic-impact-analysis/league-table-summary/	184 countries (2013)
Capital investment	% all fixed investment spending	World Travel & Tourism Council Reports; http://www.wttc.org/focus/research-for-action/economic-impact-analysis/league-table-summary/	184 countries

Source: by author

Using Microsoft Office Excel were calculated Pearson correlation coefficients following the formula:

$$r = \frac{n(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{[\,n\Sigma x^2 - (\Sigma x)^2\,]\,[\,n\Sigma y^2 - (\Sigma y)^2\,]}}$$

, where the variables X and Y are, by turn
- X – the travel and tourism competitiveness index, Y – visitor exports, for 2008, 2009, 2011, 2013

- X – the travel and tourism competitiveness index, Y – domestic tourism, for 2008, 2009, 2011, 2013

- X – the travel and tourism competitiveness index, for 2008, 2009, 2011, 2013; Y – capital investments, associated series for five years (n-5), (n-4), (n-3), (n-2), (n-1), where n represents, in turn, 2008, 2009, 2011, 2013

- X – visitor exports, for 2008, 2009, 2011, 2013; Y – capital investments, associated series for five years (n-5), (n-4), (n-3), (n-2), (n-1), where n represents, in turn, 2008, 2009, 2011, 2013

- X – domestic tourism, for 2008, 2009, 2011, 2013; Y – capital investments, associated series for five years (n-5), (n-4), (n-3), (n-2), (n-1), where n represents, in turn, 2008, 2009, 2011, 2013

The total number of countries whose data were included in the final analysis was 120. Interpretation of results followed: analysis of correlations between indicators, respectively the comparative analysis, static and

dynamic, of correlation coefficients for pairs of variables: TTCI (the travel and tourism competitiveness index) – visitor exports, TTCI– domestic tourism, ICT – capital investments, respectively capital investments – visitor exports, capital investments – domestic tourism, and finally, the conclusions of the research.

RESULTS AND DISCUSSION

World Travel and Tourism Council has assessed direct contribution of tourism to 2.1554 trillion dollars (2,9% of GDP), while the total contribution, which includes in addition to the direct contribution the indirect and induced contribution, amounted at 6.9903 trillion dollars in 2013 (9.5% of world GDP). Tourism revenues of a country consist by international tourism receipts (outbound tourism = visitor exports) and expenditures of tourist residents in their country (domestic tourism).

Visitor exports have a significant share in the total exports of many countries, and the whole world economy, in the context that export of services amounted to 19% worldwide, 28% of those being tourism services. *More than half of all service exports are generated by Travel & Tourism in France, Colombia, Turkey, Mexico, South Africa, Montenegro, Peru, Thailand, Jamaica, and the UAE (WTTC, 2013).*

Table 2. Visitor exports, 2013

Absolute terms	2013 constant US $bn	Relative terms	% of total GDP
United States	190.1	Anguilla	89.2
Spain	62.0	Macau	84.4
France	56.0	Maldives	83.9
China	52.2	Cape Verde	76.7
Germany	47.3	Antigua and Barbuda	76.1

Source: by author, based on WTTC reports

At the absolute level, the United States has the highest receipts, more than the sum of revenues of the following three countries - Spain, France and China. Top 5 countries top is completed by a third European country, Germany. On the other hand, at absolute level, specializing in tourism of some countries determined shares up to 75% of tourism services in their total GDP.

From a second source of income from tourism activity, in the ranking of absolute expenditures we rediscover three of the countries mentioned above: United States of America, UK and France.

However, notable are Chinese and Japanese tourists spending on their countries, which signals a new pole of tourism on the world map. In relative terms, stands out Kiribati, whose residents expenditures for domestic tourism generate 16.5% of the country's GDP. Also mention the share of 6.7% of GDP of British citizens spending on domestic tourist services, especially due high absolute value ($ 172.7 billion)

Table 3. Domestic spending, 2013

Absolute terms	2013 constant US $bn	Relative terms	% of total GDP
United States	751.8	Kiribati	16.5
China	523.7	Lesotho	9.1
Japan	203.1	Mexico	7.8
United Kingdom	172.7	Honduras	7.2
France	135.5	Namibia	7.1

Source: by author, based on WTTC reports

Trade and investment follow each other (WTTC, 2013). By its nature, tourism has a privileged relationship with investments, even two-way: tourism needs investment, especially in infrastructure, and investments are retrieved in a higher rate as a result of the multiplier effect of tourism.

Table 4. Capital investments, 2013

Absolute terms	2013 constant US $bn	Relative terms	% of total GDP
United States	145.7	Macau	42.4
China	117.0	US Virgin Islands	40.5
Japan	35.2	Antigua and Barbuda	37.4
India	33.1	Fiji	30.3
Germany	25.6	Aruba	30.2

Source: by author, based on WTTC reports

In absolute values, we find the United States on the first position, followed by Asian countries – China, Japan and India, Germany being the only European country in the top 5. However, investment in this sector in the United States and China are to a level superior than other countries. In relative terms, we find significant share of over 30% and even 40% of investments in tourism in countries that have become and want to become world famous destinations.

In terms of travel and tourism competitiveness index, according to the latest report of World Economic Forum, from 2013, the highest value is recorded by Switzerland, the following positions being occupied by countries from Europe, Germany (5.39), Austria (5.39), Spain (5.38) and the UK (5.38), with almost same values of TTCI. Among the top 10 positions, the United States is the first non-European country, and Singapore distinguishes from Asia, being ranked 10th. In fact, 13 of the top 20 countries are European, confirming the status of the main tourist destination of this continent.

Table 5. The travel and tourism competitiveness index, 2013

Rank	Country	TTCI	Rank	Country	TTCI
1	Switzerland	5,66	11	Australia	5,17
2	Germany	5,39	12	New Zealand	5,17
3	Austria	5,39	13	Holland	5,14
4	Spain	5,38	14	Japan	5,13
5	UK	5,38	15	Hong Kong	5,11
6	USA	5,32	16	Island	5,10
7	France	5,31	17	Finland	5,10
8	Canada	5,28	18	Belgium	5,04
9	Sweden	5,24	19	Ireland	5,01
10	Singapore	5,23	20	Portugal	5,01

Source: by author, based on The Travel and Tourism Competitiveness Report 2013, WEF

Compared to the previous report, if the first two positions remained unchanged, France had a significant decrease of 4 positions, from 3rd to 7th, its place being taken by Austria. If UK had a favourable evolution, climbing two places, a loss of relative competitiveness was registered by Sweden (a 4 positions drop, from 5th to 9th), while the only Asian country in the top 10, Singapore, has maintained its position (10th).

Correlation between investments, visitor exports, domestic tourism and competitiveness. Starting from the premise that tourism is dependent on investment and tourism destination competitiveness, there have been calculated, in turn, correlation coefficients between different variables, as it was specified in the research methodology.

The first data series tested were between tourism competitiveness index (variable 1), on the one hand, and Domestic Travel and Visitor Exports, on the other hand (variable 2). Results for 2008, 2009, 2011 and 2013 are presented in the following table.

Table 6. Pearson correlation coefficients (TTCI - Domestic Tourism, TTCI- Visitor Exports)

Variable 1	Variable 2	2008	2009	2011	2013
TTCI	Domestic tourism	0.288	0.301	0.294	0.287
TTCI	Visitor exports	0.463	0.493	0.482	0.474

Source: by author, using Excel software

Regarding the correlation between TTCI and Domestic Travel, there is a direct relationship, but characterized by low intensity. However, the values for the correlation coefficients between TTCI and Visitor exports is close to 0.5, which indicates a direct and low to moderate intensity. In both cases, the high value of the Person coefficient was recorded in 2009, but not significantly different values for the 4 years.

The second set of tests involved correlation between investments and TTCI, Domestic Travel & Tourism Spending and Visitor Exports. The results show a weak relationship between investment and tourism competitiveness, and strong between investment and Domestic Travel & Tourism Spending, respectively investment and Domestic Travel & Tourism Spending. Detailed results are presented in the following tables.

Table 7. Pearson correlation coefficients (TTCI - Investments)

Person Coef.	Investments									
TTCI Years	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
2008	**0.335**	0.319	0.315	0.272	0.25					
2009		**0.33**	0.326	0.289	0.269	0.267				
2011				0.294	0.274	0.272	0.267	**0.301**		
2013						0.274	0.269	0.303	**0.306**	0.29

Source: by author, using Excel software

Regarding the relationship between competitiveness and investment, there are found the following:

(a) Between TCCI recorded in 2008 and investments from 2003-2007 period there is a direct correlation, characterized by a medium to low intensity, highest value being recorded at 5 years lag.

(b) Between TCCI recorded in 2009 and investments from 2004-2008 period there is a direct correlation, characterized by a medium to low intensity, highest value being recorded at 5 years lag.

(c) Between TCCI recorded in 2011 and investments from 2006-2010 period there is a direct correlation, characterized by a medium to low intensity, highest value being recorded at 1 year lag.

(d) Between TCCI recorded in 2013 and investments from 2008-2012 period there is a direct correlation, characterized by a medium to low intensity, highest value being recorded at 2 years lag.

(e) Comparative, statistical connection between competitiveness and investment decreased slightly, with revival in 2013, but the differences are not significant.

Table 8. Pearson correlation coefficients (Domestic Tourism - Investments)

Person Coef.		Investments									
Domestic tourism	ears	003	004	005	006	007	008	009	010	011	012
	008	.977	.978	.980	.985	.974					
	009		.963	.974	.987	.98	.973				
	011				.99	.984	.978	.971	.976		
	013						.982	.979	.98	.978	.979

Source: by author, using Excel software

Regarding the relationship between Domestic Travel & Tourism Spending and investment, there are found the following:

(a) Between Domestic tourism recorded in 2008 and investments from 2003-2007 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 2 years lag, but the differences are not significant.

(b) Between Domestic tourism recorded in 2009 and investments from 2004-2008 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 3 years lag, but the differences are not significant.

(c) Between Domestic tourism recorded in 2011 and investments from 2006-2010 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 4 years lag, but the differences are not significant.

(d) Between Domestic tourism recorded in 2013 and investments from 2008-2012 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 5 years lag, but the differences are not significant.

(e) Comparative, statistical connection between Domestic tourism and investment decreased slightly, with revival in 2013, but the differences are not significant.

Table 9. Pearson correlation coefficients (Visitor Exports- Investments)

Person Coef.	Investments									
Visitor Exports	Years	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	2008	0.920	0.934	0.917	0.896	0.874					
	2009		0.918	0.905	0.887	0.864	0.863				
	2011				0.884	0.859	0.86	0.84	0.861		
	2013						0.850	0.825	0.848	0.834	0.827

Source: by author, using Excel software

Regarding the relationship between visitor exports and investment, there are found the following:

(a) Between Visitor Exports recorded in 2008 and investments from 2003-2007 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 4 years lag, but the differences are not significant.

(b) Between Visitor Exports recorded in 2009 and investments from 2004-2008 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 5 years lag, but the differences are not significant.

(c) Between Visitor Exports recorded in 2011 and investments from 2006-2010 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 5 years lag, but the differences are not significant.

(d) Between Visitor Exports recorded in 2013 and investments from 2008-2012 period there is a direct correlation, characterized by a very high intensity, highest value being recorded at 5 years lag, but the differences are not significant.

(e) Comparative, statistical connection between Visitor Exports and investments declined in the period analysed.

CONCLUSIONS

Considering how the highest values for investments and tourism exports are recorded by advanced economies and top positions in share standings are occupied by emerging and developing countries, we can confirm that tourism is a major component in the global economy and at the same time a crucial sector upon which economies of countries with high tourism potential rely on. Furthermore, the countries that have high tourism competitiveness are those with a long tradition in tourism and / or that are recognized as being competitive in the world market of goods and services as a whole.

Regarding the correlations between the variables analysed, we can draw the following conclusions: (i) tourism competitiveness is in a much stronger relationship with exports than the domestic tourism; (ii) Instead, the link between tourism and investment competitiveness is much lower than the link between volume of investments and tourist spending - domestic tourism and exports; (iii) there is a very strong connection between investment and domestic tourism, and between investment and tourism exports, Pearson coefficient was slightly higher for first variables.

Therefore it is confirmed the hypothesis that there is strong direct connection between investment and tourism expenditure volume, a mild intensity direct connection between competitiveness and tourism exports volume, and between capital investment in tourism and tourism competitiveness. The tourism competitiveness is a factor that influences tourism exports more than domestic tourism; in this regard the relationship can be two-way - Tourism receipts also contribute to improving and enhancing the competitiveness of tourism destinations. Moreover, according to the results, investments support the competitiveness as much. An almost perfect direct link between investment and the expenditures - of residents and visitors, suggests the importance of investment in tourism development

Although the method used does not establish the connection, specific tourism activity and significance of analysed variables can lead to the following statements: tourism competitiveness is more of a factor for

attracting foreign tourists, and investment in tourism enhances tourist consumption. However, concerning the time for investment to influence the volume of tourism expenditure, from the analysis undertaken there is no major differences for 1 to 5 years' timeframe, so that the analysis during a period of several years can be a direction of future research. In order to eliminate a limit of research about the relationship dependent variable – independent variable can use methods such as multiple regressions. Moreover, a clustering by region and stage of economic development would provide more feasible information.

Acknowledgment

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