The Impact of Tourism on the National Competitiveness: Case of EU28 and WB Countries

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Abstract

In this paper is emphasized the important role that tourism has in enhancing the national development and competitiveness on the global market. The attention is focused on presenting the main indicators for measurement of national competitiveness and level of development of tourism sector and to present their mutual relations which must be seriously considered by the government and policy makers. The research of this topic is based on identifying the current level of competitiveness and tourism development in Europe Union (EU) and Western Balkan (WB) transition countries. Specific aim of the paper is to provide comparison analysis of WB countries position as economics in transition process in relation to EU countries regarding to the most important indicators of competitiveness and tourism development. To do so, it is employed correlation and regression analysis. The results has showed the significances of the further investment and development of tourism sector of WB countries due to its available resource and its great influence on enhancing international competitiveness and economics prosperity.

Keywords: Competitiveness, Tourism, Economic Development, Transition Economy

1. INTRODUCTION

The increase of tourism and travel practice has shown enormous flexibility in global view. Even though there is very slow growth recorded in advanced countries and it exists some geopolitical disturbances in particular regions, tourism sector represents the large part of the global market. According to estimations of the World Travel and Tourism Council (WTTC), it has approximately 9 % of world's GDP or in absolute terms 7 trillion US$. The amount of international travelers is continuously increases. Projected annual growth rate of this sector is 4 %, according to reports of WTTC. This estimated growth is faster than manufacturing, financial services and transport.

Having these facts in mind, it could be concluded that enhancing the growth of tourism sector could have a great impact on economic development and rise of global competitiveness. So it presents a continuous need to approach to the improvement of this sector with form different aspects in order to raise international competitive position of economy. One of these aspects is view on tourism as impact factor of economic development and competitiveness of country worldwide. Achieving greater international competitiveness need to be based on adequate policy which will provide quality managing all factors and resources that insure tourism sector development.

In this paper is presented the one of the commonly used indicators for measurement of level of national competitiveness and tourism competitiveness. According to these indicators it has been presented the ranking of the EU countries, as well as the direct contribution of tourism sector to economic development, and GDP of these countries. It has been used Global competitiveness Index (GCI) constructed by World Economic Forum (WEF) as a measure of the national competitiveness and Travel and Tourism Competitiveness Index (T&TCI) provided by World Travel and Tourism Council (WTTC) as a measure of tourism sector development and competitiveness. Comparative analysis of EU countries and WB countries using these indexes and other relevant measures is performed due to define relative position of WB countries.

In the second part of the paper the relationship between GCI and T&TCI is presented, and as well as, between direct contribution of tourism to GDP and level of GDP. As final result of the research it is determined the intensity of influence these regressors on GCI and GDP.

According to its main goal, this paper is structured in the following way. First, it presents literature review on tourism competitiveness and emphasizes relevant conclusions. Second, the used research methodology, data and initial hypothesis are defined. Research results and discussion are obtained in the third part. In conclusion, this paper provides some final remarks about the relevance of this topic for policy makers in EU and WB countries, especially for WB countries due there

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natural resources which, in proper way managed, can in great deal enhance tourism competitiveness and attractiveness as well as economic development and global market position.

2. LITERATURE REVIEW

In many countries service sector, specially international trade services play very significance role in economic growth. So, regions, countries and cities take this sector very seriously and focus all their efforts into making quality national tourism strategies which will improve their tourism perception and attractiveness. Competitiveness represents a key issue for whole tourism system and it includes two principal items: resources and transformation. Resources can be inherited (natural resources) and created (infrastructure) resources. During competitive shaping process appears profit emerged from transformation which implies to transformation process of above mention resources. Competitive derives better living standards for citizens and better quality of life which increases their real incomes and, in the long run, insures sustainable development. Pioneer in tourism competitiveness topics, Poon (1993), defines four principals for having competitive destination: environment, leading tourism sector, strong distribution channels and dynamic private sector. But these factors cannot provide deeper understanding of destination competitiveness.

One of generally accepted definition of tourism competitiveness focuses on market mechanisms and each component of tourism sector that insures attractiveness of destination. Dwyer et al. (2000, p.9; 20002, p.328) in detailed study of tourism price competitiveness said that "competitiveness general concept that encompasses price differential coupled exchange rate movements, productivity levels of various components of the tourist industry and qualitive factors affecting the attractiveness or otherwise of a destination." Another definitation of competitiveness is provide by Hassan (2000, p.239) stating that competitiveness is determined by destination ability to create value added products while maintaining its competitive market position.

Ritchie and Crouch determine destination competitiveness as "ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destinations for future generations" (Ritchie and Crouch, 2003, p. 2). These authors emphasize that promotion and preservation of competitive advantage in all its dimensions, like economics, social and environmental. Vodeb (2012) indicate a serious need to focus on sustainable competitiveness. Attention of internal public regarding development of tourism sector leads to preservation of natural ambient and cultural characteristic of destination which are crucial for national quality of life and attractiveness.

Crouch and Ritchie (1993) constructed analytical framework to explain dynamic process of international tourism competitiveness. Later, Chon and Mayer (1995) improved their framework incorporating into it some special issues like substitute relation between tourism product/services, renewability of externalities and tourism resources and ect. This model included five principals: appeal, management, information, organization and efficiency. Faulkner et al. (1999) had some uncertainties about relation between tourism product/services so theh conducted empirical study to identify competitiveness of South Australian domestic tourism to discover substitute relationships of tourism products.

Some author examined attractiveness and image of destination in order to determine important attractiveness characteristics. Gearing (1974) made procedures for investor to identify location for hotels and tourism facilities. Conducted research was based on well determined criterias nad whole evaluation procedure was in detail explained. Hu and Ritchie (1993) formed conceptual framework for measuring location experiences as factors of destination attractiveness. Their findings indicate in majority of cases positive image of destination that people visited. Gallaraza (2002) constructed model using detail review and taxonomy of tourism destination measurements. Boon et al. (2005) used destination atmosphere and destination service as two types of environmental characteristics to compare destination image perception among three group of visitors. They found that international visitors have higher standards when judging destination in compare to domestic visitors.

Contemporary tourism competitiveness researches gave two approaches. First, defined by Enright and Newton (2004, p.778; 2005, p.340) who consider competitive destination one which attracts and satisfies visitors, and it is determined by specific tourism factor and wide range of factors influencing tourism providers. Second, represented by Russo and van der Borg (2002, p.632) focuses more on cultural tourism rather than on functional characteristics of destination attractiveness. Several authors supported concept of "cultural tourism" through "legacy tourism" (McCain and Ray (2003)) and "cross-cultural tourism" (Hou et al.(2005))

Bălan, Balaure and Vegheş (2009) focus on political and technological dimensions of tourism. They indicate that "taking into account the fact that overall competitiveness of the travel and tourism is determined and driven by the competitiveness of each of the components of the macro- environment, there are to be taken into consideration and measured an economic competitiveness, a social and cultural competitiveness, an environmental competitiveness, a political competitiveness and a technologically-based competitiveness"(Bălan, Balaure and Vegheş, 2009, p. 980). Also, these authors emphasize the significant role of law, infrastructure and regulation for achieving competitive advantage.

Papp and Raffay (2011) claim that certain tourism management disciplines like marketing, development and etc. can enhance or maintain the satisfactory level of competitiveness.

Bobiră and Cristureanu (2006) point out that "a destination that has a tourism vision, shares this vision among all stakeholders, understands both its strengths and weaknesses, develops a positioning strategy and implements it successfully may be more competitive because of its effective strategic approach" (Bobiră and Cristureanu, 2006, p. 10). Navickas and Malakauskaite (2009) claim that tourism destination competitiveness is important for countries who attend to increase their share of global tourism market. The same authors argue that are economic development and overall image of country very important for tourism destination competitiveness. According to them, investments into tourism industry development will improve its international image. Those countries who are economically stronger have better infrastructure and tourism sector (Malakauskaite and Navickas, 2010, p. 150).

To summarize, tourism competitiveness destination presents the its ability to create, integrate and deliver tourism experiences which maintain inherited and created resources while preserving competitive market position relative to other competing destinations.

3. RESEARCH METHODOLOGY, DATA AND HYPOTHESIS

This research is conducted on the sample of EU28 and WB countries. Total amount of observed units is 32. WB countries include Albania, Macedonia, Montenegro and Serbia. Bosnia and Herzegovina is excluded from observing because missing values of certain indicators. Data used in this research are data about the Global Competitiveness Index (GCI), Travel and Tourism Competitiveness Index (T&TCI), GDP (per capita and in absolute terms, in US$) and direct contribution of tourism to GDP (as share of GDP and in absolute terms). Data are obtained from reports and datasets of World Economic Forum (WEF) and International Monetary Fund (IMF), for year 2015.

The competitiveness analysis is usually performed using Global Competitiveness Index defined according to the World Economic Forum (WEF) since 2005. This index is complex index constructed from microeconomic and macroeconomic indicators of national competitiveness. It combines 114 indicators that focus on various productivity concepts. They are grouped into 12 pillars: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. Overall index has three subindexes in line with three stages of development: basic requirements, efficiency enhancers and innovation and sophistication factors. GCI can have score from the lowest 1 to the highest 7, or certain rank (out of 140 countries in 2015). Global Competitiveness Report for 2015-2016 covers 140 countries, from which, among the others, is excluded Bosnia and Herzegovina. Missing value of GCI for Bosnia and Herzegovina is justified reason to exclude this country from observed sample. The GCI structure is presented in Figure 1.
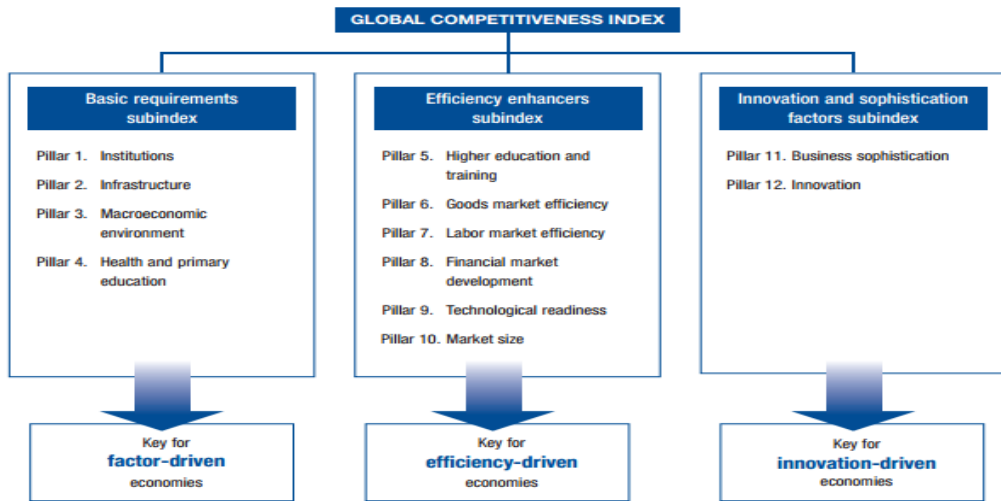
Figure 1. Global Competitiveness Index framework (WEF, 2015)

WEF also forms and measures Travel & Tourism Competitiveness Index (T&TCI). The methodology used in measuring travel and tourism competitiveness classifies the key factors into 14 groups (pillars) in order to determine the level of competitiveness of each country (score) and rankings. The T&TCI 2015 benchmarks the level of travel and tourism competitiveness of 141 economies, among which there are no measured value for Bosnia and Herzegovina. It comprises four subindexes, 14 pillars, and 90 individual indicators, distributed among the different pillars: enabling environment, T&T policy and enabling conditions, infrastructure, natural and cultural resources. The range of the scores is from the lowest 1 to the highest 7. In the latest reports WEF ranks 144 countries according to the GCI and 141 countries according to the T&TCI. The T&TCI structure is presented in Figure 2.
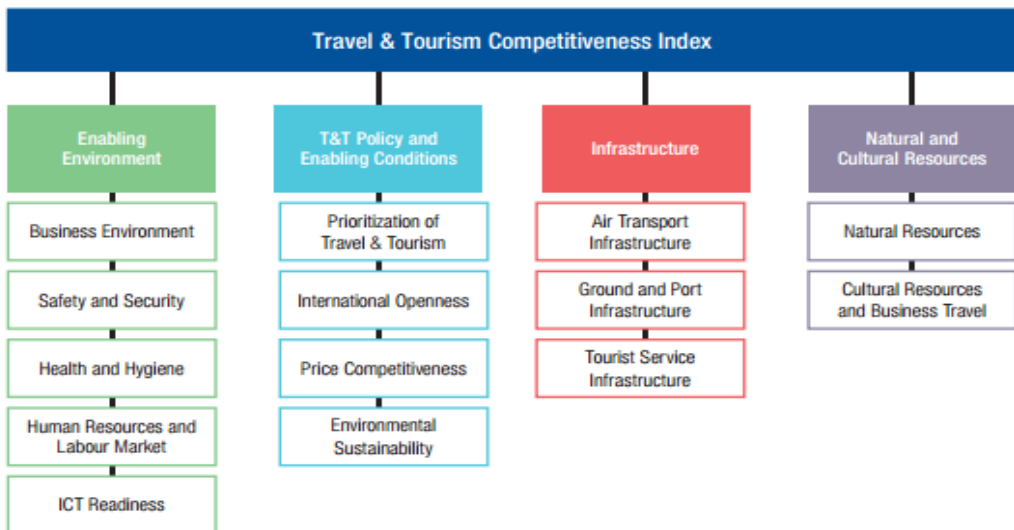

*Figure 2 Travel and Tourism Competitiveness Index 2015 framework (*WEF, 2015)

Data about GDP and direct contribution of tourism to GDP (share of GDP and in absolute terms) are collected from the database of the WTTC. The direct contribution of tourism to GDP represents the GDP generated by industries that deal

directly with tourist, including hotels, travel agents, airlines and other passenger transport services, as well as the activities of restaurant and leisure industries that deal directly with tourists. It is equivalent to total Internal Travel and Tourism spending within a country less the purchases made by those industries (including imports).(WTTC Travel & Tourism Economic Impact 2015, p. 2).

In this paper are stated following hypothesis:

- *Hypothesis 1:* WB countries have lower level of tourism and national competitiveness than the tourism and national competitiveness of EU countries.
- *Hypothesis 2*: There is a positive correlation between the tourism competitiveness and economy competitiveness, as well as between the direct contribution of tourism to GDP and the level of economic development.
- *Hypothesis 3*: There is positive impact of the level of tourism competitiveness on the level of national economy competitiveness, as well as positive impact of contribution of tourism to GDP on the level of economic development.

Tests are performed using adequate indicators for measuring level of tourism competitiveness, national competitiveness and economic development, such as T&TCI, GCI and GDP, respectively.

Applying comparison analysis it is indicated the relative competitive position of WB countries in relation to EU countries, and World, in developed level of national economy's and tourism's competitiveness.

To test the existence of interdependence between tourism and national competitiveness, and tourism contribution and economic development it is used correlation analysis. After defining existence of such relationships, regression analysis is conducted to determine the intensity of impact independence variables onto dependence variables.

4. RESEARCH RESULTS AND DISCUSSION

Research results and discussion contain four segments:

- Comparison analysis of tourism competitiveness and national economy competitiveness in the EU and WB;
- Comparison analysis of tourism contribution to GDP in the EU and WB countries;
- Correlation and regression analysis

4.1. Comparison analysis of tourism competitiveness and national economy competitiveness in the EU and WB

In Table 1 are shown values and scores of the GCI and T&TCI in the EU28, in 2015 with marked five highest and lowest positioned countries according to these indexes.

According to the highest values of the GCI, first five positions have following EU countries: Germany, Netherlands, Finland, Sweden and United Kingdom. The following EU countries have the lowest value of the GCI: Greece, Croatia, Slovak Republic, Cyprus and Hungary. When it comes to the values of the T&TCI, five best positioned EU countries are: Spain, France, Germany, United Kingdom and Austria. EU countries with the lowest value of the T&TCI are following: Romania, Slovak Republic, Lithuania, Latvia and Bulgaria. Also, looking the ranking of the EU countries according to T&TCI it can be concluded that these countries are mainly positioned in the first half of the world's ranking list (141 ranks by GCI). Some of the EU countries occupy not just leading position on the EU T&TCI ranking list but on the world's T&TCI ranking list too. For example, Spain, France and Germany are on the first three places on the world's ranking T&TCI list, respective. In the second half of the world's GCI ranking lists are Croatia and Greece. Croatia is a transition economy with the most problematic areas which are inefficient bureaucracy, political instability, corruption and inadequate tax regulation that seriously damage its global competitive position. Greece has the most problematic areas regarding to access to financing, inefficient government bureaucracy, policy instability and complexity of tax regulations which brings here to the bottom of the EU28 GCI ranking list. However, these two countries occupy pretty good ranks (33rd and 31st) according to T&TCI. So, overall it can be concluded that all EU countries have better ranks according to T&TCI than GCI.

Table 1 Value and rank of the GCI and T&TCI in the EU28 countries in 2015 (WEF, 2015)

EU28 countries	GCI		T&TCI	
	Value	Rank	Value	Rank

Austria	5.12	23	**4.82**	12
Belgium	5.20	19	4.51	21
Bulgaria	4.32	54	*4.05*	49
Croatia	*4.07*	77	4.30	33
Cyprus	*4.23*	65	4.25	36
Czech Republic	4.69	31	4.22	37
Denmark	5.33	12	4.38	27
Estonia	4.74	30	4.22	38
Finland	**5.45**	8	4.47	22
France	5.13	22	**5.24**	2
Germany	**5.53**	4	**5.22**	3
Greece	*4.02*	81	4.36	31
Hungary	*4.25*	63	4.14	41
Ireland	5.11	24	4.53	19
Italy	4.46	43	4.98	8
Latvia	4.45	44	*4.01*	53
Lithuania	4.55	36	*3.88*	59
Luxembourg	5.20	20	4.38	26
Malta	4.39	48	4.16	40
Netherlands	**5.50**	5	4.67	14
Poland	4.49	41	4.08	47
Portugal	4.52	38	4.64	15
Romania	4.32	53	*3.78*	66
Slovak Republic	*4.22*	67	*3.84*	61
Slovenia	4.28	59	4.17	39
Spain	4.59	33	**5.31**	1
Sweden	**5.43**	9	4.45	23
United Kingdom	**5.43**	10	**5.12**	5

Bold numbers – countries with the highest values of indexes

Italic numbers - countries with the lowest values of indexes

With their values of the GCI and T&TCI WB countries are located in the second half of the world's ranking list by both indexes. In comparison to the EU countries, WB countries are worse ranked than all of EU countries according to T&TCI. When it comes to GCI ranking list, it can be observed that some WB countries are a little bit better positioned than few EU countries. This applies to Macedonia (60th) and Montenegro (70th) in relation to EU countries Croatia (77th) and Greece (81st). Among WB countries, the best position has Macedonia and the worst Serbia, according to GCI. Regarding T&TCI

ranking, Montenegro is best located country in opposite to Albania which has the highest T&TCI rank. GCI and T&TCI values and ranks of the WB countries are displayed in Table 2.

Table 2 Value and rank of the GCI and T&TCI in the Western Balkan countries in 2015

WB countries	GCI		T&TCI	
	Value	Rank	Value	Rank
Albania	3.93	93	*3.22*	106
Bosnia and Herzegovina	*3.71*	111	-	-
Macedonia, FYR	**4.28**	60	3.50	82
Montenegro	4.20	70	**3.75**	67
Serbia	*3.89*	94	3.34	95

Bold numbers - countries with the highest values of indexes

Italic numbers - countries with the lowest values of indexes

In Figure 3 are presented world average GCI and T&TCI, EU28 average values of the GCI and T&TCI and WB countries average values of these indexes in order to make some comparisons. WB countries overall have lower values of both indexes compared to EU28 average values, as well as compared to the world's average.
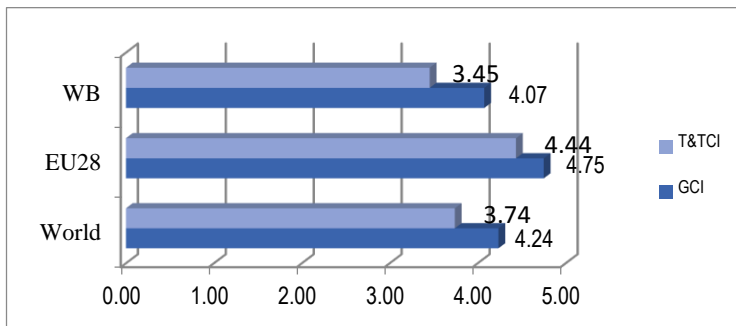

Figure 3 Comparison of the GCI and T&TCI average values in the world, the EU28 and WB countries in 2015 (WEF, 2015)

So, in the Figure 3 is shown that EU28, on average, have higher values of both indexes than theirs values for world, on average. Values of the WB T&TCI and GCI c (3.45 and 4.07) is closer to world's T&TCI and GCI average values (3.74 and 4.24) than there are to WB T&TCI and GCI average values (3.45 and 4.07), respective.

4.2. Comparison analysis of tourism contribution to GDP in the EU countries and WB countries

Table 3 is shown a direct contribution of tourism to GDP. This indicator is measured in absolute terms (in billion US$) and as share of GDP. Economic development is measured by GDP in absolute terms (in billion US$) and as value derived by the population (GDP per capita). These indicators are presented for EU28 countries in 2015.

Table 3 GDP and direct contribution of tourism to GDP in the EU28 countries in 2015 (WTTC, 2015; IMF, 2015)

EU28 countries	Direct contribution of tourism to GDP (US$ in bn (Nominal))	Direct contribution of tourism to GDP (%)	GDP (US$ in billion)	GDP per capita (US$)

Austria	**20.43**	4.87	372.61	43546.60
Belgium	12.13	2.39	458.65	40456.32
Bulgaria	1.95	3.73	47.17	*6581.91*
Croatia	5.89	**12.86**	48.93	*11551.37*
Cyprus	*1.46*	**7.32**	*19.38*	21531.02
Czech Republic	5.03	2.69	182.46	17330.08
Denmark	6.17	1.96	291.04	**51423.61**
Estonia	*0.82*	3.31	*22.93*	17425.30
Finland	5.62	2.19	230.69	42159.31
France	98.61	3.66	**2422.65**	37728.41
Germany	**140.04**	3.79	**3371.00**	41267.31
Greece	15.18	**7.10**	192.98	17656.92
Hungary	5.06	4.08	118.49	*12020.63*
Ireland	5.01	2.08	227.50	**48939.68**
Italy	**83.81**	4.15	**1819.05**	29847.38
Latvia	0.98	3.12	*27.82*	13729.09
Lithuania	*0.79*	*1.80*	*41.78*	14318.08
Luxembourg	*1.10*	*1.81*	57.93	**103186.99**
Malta	*1.47*	**14.87**	*9.19*	21539.91
Netherlands	15.80	*1.92*	750.78	44333.15
Poland	8.61	*1.72*	481.24	*12662.21*
Portugal	13.36	**6.08**	197.51	18983.78
Romania	2.86	*1.55*	174.92	*8807.33*
Slovak Republic	2.20	2.33	86.20	15892.55
Slovenia	1.66	3.52	42.74	20712.01
Spain	**75.08**	5.60	**1221.39**	26326.87
Sweden	12.59	2.49	483.72	**48965.95**
United Kingdom	**100.83**	3.48	**2864.90**	**44117.80**

Bold numbers - countries with the highest values of indexes

Italic numbers - countries with the lowest values of indexes

The lowest value of GDP (in billion US$) have these EU countries: Malta, Cyprus, Estonia, Latvia and Lithuania. These countries do not have the lowest value of GDP per capita which is used in this paper as measure of the economic development. The EU countries with the lowest value of GDP per capita in 2015 are: Bulgaria, Romania, Croatia, Hungary and Poland. In opposite, EU countries with the highest values of GDP per capita are: Luxembourg, Denmark, Sweden, Ireland and United Kingdom. The highest GDP in absolute terms have following EU countries: Germany, United Kingdom, France, Italy and Spain.

Considering the indicator of contribution of tourism to GDP (in billion US$), the highest values of tourism contribution have: Germany, United Kingdom, Italy, Spain and Austria. Countries with the lowest values of this indicator are: Lithuania, Estonia, Luxemburg, Cyprus and Malta. The EU countries with the highest share of tourism contribution in GDP are: Malta, Croatia, Cyprus, Greece and Portugal, while the countries with the lowest values of this indicator are: Romania, Poland, Lithuania, Luxembourg and Netherlands.

Table 4 GDP and direct contribution of tourism to GDP in the WB countries in 2015 (WTTC, 2015; IMF, 2015)

WB countries	Direct contribution of tourism to GDP (US$ in bn (Nominal))	Direct contribution of tourism to GDP (%)	GDP (US$ in billion)	GDP per capita (US$)
Albania	0.74	5.67	11.59	*4200.03*
B&H	0.42	2.54	15.57	*4029.85*
Macedonia, FYR	*0.14*	*1.34*	10.09	4867.22
Montenegro	0.44	**9.78**	*3.99*	**6372.60**
Serbia	**0.84**	2.11	**36.56**	5102.45

Bold numbers - countries with the highest values of indexes

Italic numbers - countries with the lowest values of indexes

When it comes to WB countries, the lowest value of GDP (in billion US$) has Montenegro but it has the highest value of GDP per capita and share of direct tourism contribution to GDP. Serbia takes the first place with its highest values of the direct tourism contribution to GDP and GDP, in absolute terms. The last place occupies Macedonia with the lowest values of the tourism contribution to GDP, in both measured terms. Exact values of above mentioned indicators are provided in Table 4. In comparison analysis of these indicators in EU countries and WB countries it can be seen that the highest values of tourism contribution to GDP (absolute terms) in WB countries (Serbia) is approximately equal to its lowest value in EU countries. Examining the % of tourism contribution to GDP, Montenegro (9.78) is pretty close to the highest values of this indicator in EU countries.
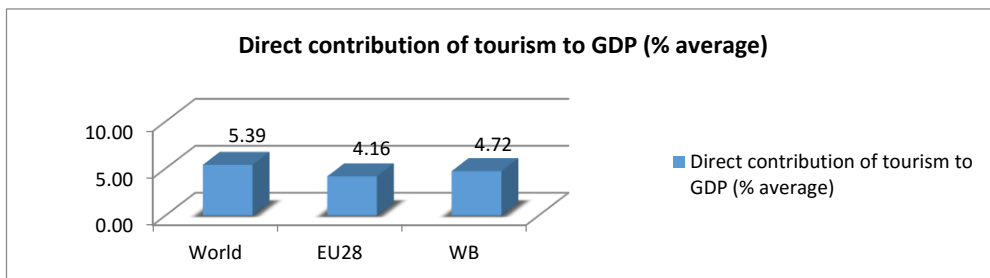

Direct contribution of tourism to GDP (% average)

World 5.39 EU28 4.16 WB 4.72

■ Direct contribution of tourism to GDP (% average)

Figure 4 Comparison of direct tourism contribution to GDP in the world, the E28 countries and WB countries (as average % of GDP) in 2015 (WTTC, 2015)

Comparing the share of tourism contribution to GDP (average value) among world, EU and WB countries, it can be seen that WB countries have greater average value that the EU countries (Figure 4). This result is due to few countries that construct WB countries in contrast to larger number of EU countries, but, also due to previously emphasized the high value of this indicator recorded by Montenegro (9.78) which pulls up the average value for the WB countries and its value is similar to the highest values of the few EU countries. Lastly, obtained results confirm the first hypothesis of this research.

4.3. Correlation analysis

The correlation analysis is performed using Pearson Correlation Coefficient. It is examined the relationship between level of tourism competitiveness (measured by T&TCI) and the level of national economy competitiveness (measured by GCI), as well as between the contribution of tourism to GDP (measured in absolute terms and as share of GDP) and the level of economic development (measured by GDP in billion US$ and as GDP pr capita). Correlation analysis is conducted on the sample of 32 countries, EU28 countries and four WB countries. According to the results of this analysis displayed in Table 5, it can be concluded that there is a moderate positive statistically significant correlation between the tourism competitiveness and the level of national competitiveness (the value of the correlation coefficient of 0.658). Strong positive statistically significant correlation is observed between the direct contribution of tourism to GDP (measured in billions of US$) and the level of economics development (measured in GDP in billion US$) (the value of the correlation coefficient of 0.980). There is also a positive, but weak correlation between the direct contribution of tourism to GDP (measured in billions US$) and the level of economic development (measured in GDP per capita) (correlation coefficient of 0.252).

According to these results, the second hypothesis is confirmed - there is a positive correlation between the tourism competitiveness and national economy competitiveness, as well as between the tourism's contribution to GDP and the level of economic development – level of GDP. There is no correlation between the direct contribution of tourism to GDP measured as a percentage of GDP and the level of GDP (absolute and per capita). This observation can be explained due to fact that a very high share of the direct contribution of tourism to GDP was recorded in relatively smaller countries (Malta, Croatia, Montenegro), where tourism is the dominant sector. Interesting findings are presented in Table 5: high positive correlation between the level of tourism competitiveness and the overall level of GDP (0.737), moderate positive correlation between the level of tourism competitiveness and the level of GDP per capita (0.550) and high positive correlation between the level of tourism competitiveness and tourism's contribution to GDP measured in billions of US$ (0.762).

Table 5 Results of the correlation analysis (SPSS)

		Directcontributionoftourismt oGDPUS$inb nNominal	Directcontributionoftourismt oGDP	GDPpercapita US$	GDPUS$inbill ion	TTCI	GCI
Directcontributionoftouris mtoGDPUS$inbnNominal	Pearson Correlation	1	-.031	.252	.980**	.762**	.420*
	Sig. (2-tailed)		.867	.163	.000	.000	.017
	N	32	32	32	32	32	32
Directcontributionoftouris mtoGDP	Pearson Correlation	-.031	1	-.259	-.108	.016	-.387*
	Sig. (2-tailed)	.867		.152	.558	.932	.029
	N	32	32	32	32	32	32
GDPpercapitaUS$	Pearson Correlation	.252	-.259	1	.297	.550**	.783**
	Sig. (2-tailed)	.163	.152		.098	.001	.000
	N	32	32	32	32	32	32
GDPUS$inbillion	Pearson Correlation	.980**	-.108	.297	1	.737**	.509**
	Sig. (2-tailed)	.000	.558	.098		.000	.003
	N	32	32	32	32	32	32
TTCI	Pearson Correlation	.762**	.016	.550**	.737**	1	.658**
	Sig. (2-tailed)	.000	.932	.001	.000		.000
	N	32	32	32	32	32	32
GCI	Pearson Correlation	.420*	-.387*	.783**	.509**	.658**	1
	Sig. (2-tailed)	.017	.029	.000	.003	.000	
	N	32	32	32	32	32	32

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4.4. Regression analysis

Previously results of correlation analysis emphasize the importance of testing the impact of the level of competitiveness of tourism on the level of national economy competitiveness and the contribution of tourism to GDP on the level of GDP.

Table 6. Results of regression analysis (Impact of the T&TCI on the GCI) SPSS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.854	.591		3.135	.004
	TTCI	.652	.136	.658	4.790	.000

a. Dependent Variable: GCI

In Table 6 are presented the regression analysis's results on impact of level of tourism competitiveness on the level of national competitiveness. It can be concluded that increase of T&TCI value by 1 will lead to increase of the GCI by 0.658. Linear regression line is shown in Figure 5.
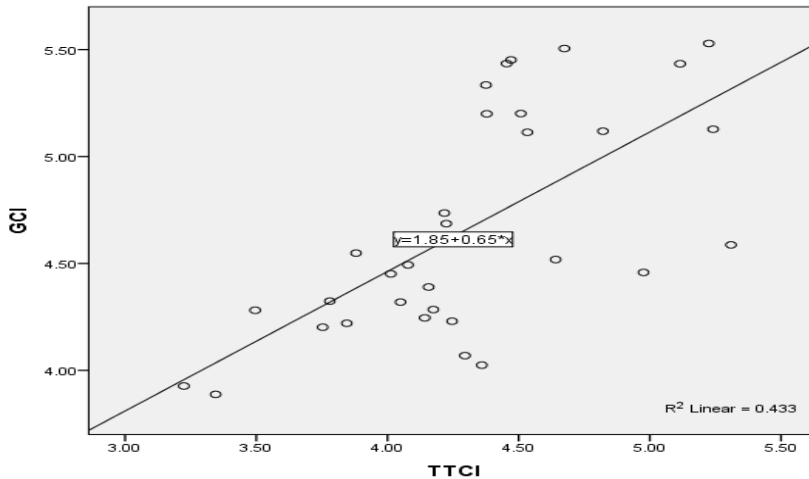

Figure 5. Linear regression model (impact of T&TCI on GCI)

The impact of the direct tourism's contribution to GDP (in billions US$) on the level of GDP is tested by regression analysis in Table 7. Results of regression analysis indicate that increase of the tourism's contribution to GDP by 1 billion US$ will lead to increase of GDP by 0.980 billion US$.

Table 7 Results of the regression analysis (impact of tourism's contribution to GDP on the level of GDP)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.246	36.148		.920	.365
	Directcontributionoftouris mtoGDPUS$inbnNominal	23.603	.881	.980	26.780	.000

a. Dependent Variable: GDPUS$inbillion

In Figure 6 is shown the regression curve of the linear regression model. These results obtained in examined in two linear regression models confirm the third hypothesis of this research. Results has shown that there is The results of regression analysis confirmed the third hypothesis of the research - There is positive impact of the level of tourism competitiveness on the level of national economy competitiveness, as well as positive impact of tourism's contribution to GDP on the level of economic development.
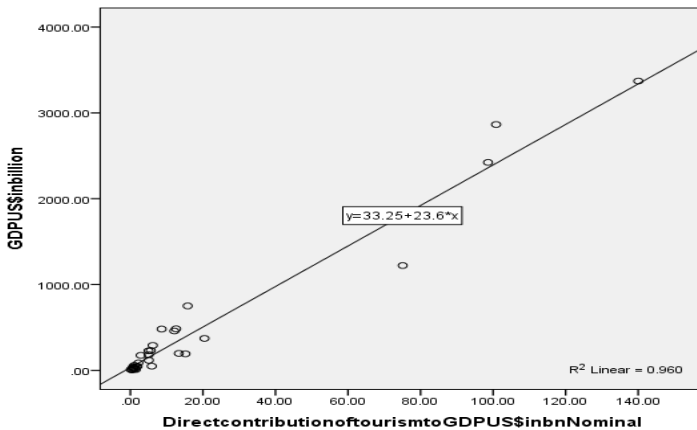
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Figure 6. Linear regression model (direct tourism's contribution to GDP and GDP in bn US$)

5. CONCLUSION

Tourism sector presents an increasingly important engine of economic growth. Thereby, countries and regions with significant natural and created resources need to take the role of tourism industry very seriously and devote their efforts to enhance this sector and its tourist image and attractiveness. So, this research provides some acknowledgments that support this idea. In presented analysis of development level of tourism in countries in European Union it can be seen that some of these countries have significant share of tourism's contribution in GDP. The share of tourism's contribution of GDP exceeds 10% of GDP in countries like Croatia and Malta. In Western Balkan countries, only Montenegro has contribution of tourism to GDP close to the highest values of this indicator for EU countries, approximately 9.7%. Generally, tourism does not have important role in WB countries in creating economic growth cause country's contribution of tourism in GDP is significantly under EU average value (4.16%), with acceptation of Montenegro. The tourism's contribution to GDP of WB countries is also lower compared to its world average value 5.39%.

According to tourism's competitiveness of EU countries, all of them are locate in the half of the world's ranking list, measured by Travel and Tourism Competitiveness Index. Also among them, there are country leaders in tourism's competitiveness not just in Europe but on the world level, such as Spain, France and Germany. WB countries are among the last places on the world's list, specially Albania, occupying 106th. The value of this indicator is lower in WB countries than in EU countries, which confirms the first hypothesis of this research.

Correlation and regression analysis provides some findings that confirm the importance of the tourism as a factor of national competitiveness.

Regression and correlation analysis conducted in this paper confirmed once more the fact that tourism is an important factor of competitiveness. Results show that there is a moderate positive statistically significant correlation between the tourism competitiveness and the level of national competitiveness. Strong positive statistically significant correlation is observed between the direct contribution of tourism to GDP (measured in billions of US$) and the level of economics development (measured in GDP in billion US$). There is also a positive, but weak correlation between the direct contribution of tourism to GDP (measured in billions US$) and the level of economic development (measured in GDP per capita). Based on these results, the second hypothesis of the research is confirmed that there is a positive correlation between the tourism competitiveness and national economy competitiveness, as well as between the tourism's contribution to GDP and the level of economic development – level of GDP.

Findings about tourism's not so important role in economic development of WB emphasize the necessary to modify the current policy of tourism and its development strategies. The main obligation of the policy makers to covert the comparative advantages into competitive advantages of WB countries. So, it is very important to activate unused resources and design attractive tourism's strategies that will provide the development of tourism industry and creation of increasingly sustainable contribution sector to international competitiveness of WB region.

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