

# Problems of Increase in Tourism Global Competitiveness of Russia

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## Abstract

In article aspects of the organization of tourism in the countries of the world are disclosed, the general contribution of income from tourism to GDP of the country is shown. Travel business as a diversified system is described, data of the Travel and Tourism Competitiveness Index (TTCI) are provided. Several problems of development of the Russian tourism is listed.

**Keywords:** travel business, global competitiveness, tourism revenues, Travel and Tourism Competitiveness Index

## 1 INTRODUCTION

It is difficult to diminish a tourism role in world economy, so, the level of the tourist sector in world economy is comparable to the oil industry. In recent years it exceeded 35%. The annual rate of gain of the capital involved in travel business is more than 30%. For 2017 over 7% of the world capital are invested in tourism industry. Considering the involvement into travel business of a set of the branches of the national economy about 140 million population of Earth are engaged in tourism.

For several the countries travel business revenues are the prevailing source of revenues of the state and the share of income from tourism in GDP of these countries exceeds 30%. Over the certain countries this indicator exceeds 50%, for example, Antigua and Barbuda (75.8%), Macau (89.5%), Anguilla (71%), Seishelsky islands (54.5%). In Russia the share of income from tourism makes only 4.8% of GDP that is significantly lower than a similar indicator of the European countries (Spain - 14.9%, Italy - 13.0%, Germany - 10.7%, Great Britain - 10.5%, etc.) and the USA (7.7%).

The United States of America and China are the main leading countries on received income, come to the budget from travel business (in US dollars) for the last five years. Their income for 2017 was 1501.90 and 1349.3 billion US dollars respectively (see table 1). Tourism revenues of Russia are significantly lower and is nearly 20 times less than similar income of the USA.

**Table 1.** - The general contribution of income from tourism to GDP of the country (in billion US dollars)

Country	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
USA	919.3	1063.8	1113.2	1209.1	1267.9	1300.5	1363.0	1392.3	1446.3	1501.9
China	127.0	226.1	502.7	692.6	300.8	928.5	1048.9	1151.2	1229.3	1349.3
Germany	259.3	333.6	372.2	399.2	375.1	392.7	412.5	362.6	372.9	395.2
Japan	443.3	397.1	395.1	419.7	419.2	355.0	316.2	290.3	331.2	331.2
Great Britain	236.2	232.9	231.7	260.1	279.7	283.2	297.3	290.0	264.9	266.1
Russian Federation	16.7	45.4	37.5	106.7	105.4	109.2	100.3	64.5	61.5	76.1

Source: <https://knoema.ru>

## 2 METHODOLOGY

Considering travel business as a diversified system which includes a set of the branches of economy having a direct bearing not only to tourism - rendering services in movement of tourists (carriers, travel agencies and tour operators), to accommodation of tourists (hotels, hotels, boarding houses, sanatoria, resorts, etc.), but also the industries, adjacent to tourism, for example, the public authorities

of regulation of tourism and visa organs, the organizations occupied with production and selling of souvenir products, goods for sport, tourism and rest, catering establishment, the entertainment industry, etc. it is visible relevancy of a role of tourism in social and economic development of the country.

The rating on the level of competitiveness of tourism has a great influence on image of the country and its situation in the world. Assessment of the countries of the world in terms of existence and the level of favourable conditions for tourism and travel is carried out by organizers of the World Economic Forum in Davos in the form of "Travel and Tourism Competitiveness Index" (further — TTCI).

When determining TTCI of the country the set of indicators reflecting development of the country and tourist infrastructure is considered, all indicators are united in 4 categories: favorable conditions, human capital, markets and innovative ecosystem.

In total for assessment of the TTCI index 12 generalized indicators are used: institutes, infrastructure, implementation of TTCI, providing, health, skills, market of products, labor market, financial system, amount of the market, dynamism of business activity, innovative potential.

According to the data provided in the Report on global competitiveness in 2018 on all 12 generalized indicators Russia has positive dynamics. For the first time the ratings of the countries published in 2007 by the TTCI of the World Economic Forum were developed considering the industrial program of aircraft, travel and tourism. Experts in the course of the analysis of competitiveness of the countries attracted several the specialized organizations to obtaining the most reliable information, for example, the International Air Transport Association, the International Union of Conservation, World tourist the organization and the World council for travel and tourism, etc. Researches are conducted regularly, and the number of the countries in the list only increases that demonstrates the importance of travel business in world economy. The TTCI assessment technique is constantly improved too and when determining rating of the countries for 2018 the advanced TTCI 4.0 index was applied.

### 3 RESULTS

Dynamics of ratings of several the countries is presented in table 2. This table reflects constant dynamics of leaders as the TTCI considers changes and incidents in the country.

**Table 2.** - Rating of the countries in Travel and Tourism Competitiveness Index for years 2011-2018.

Country	Reiting TTCI				
	2011	2013	2015	2017	2018
	139 countries	140 countries	141 countries	136 countries	140 countries
USA	6	6	4	1	1
Singapore	10	10	11	2	2
Germany	2	2	3	3	3
Switzerland	1	1	6	4	4
Japan	22	14	9	8	5
Nederland	14	13	14	5	6
Hong Kong	12	15	13	7	7
Great Britain	7	5	5	6	8
Sweden	5	9	23	9	9
Denmark	16	21	27	11	10
Canada	9	8	10	10	12
France	3	7	2	18	17
Austria	4	3	12	21	22
Spain	8	4	1	25	26
Russia	59	63	45	43	43

The researches show that leadership of several the European countries in world tourist infrastructure gradually decreases and several the developing countries begin to attract more and more tourists. Advantages of Europe and others «old» directions are the conventional sights and well-developed transport network now. However, specialists as the main deterrent of travel business development in Europe mark out difficulties of development and modernization of tourist infrastructure. So, for example, in Great Britain we can see great efforts to increase the power of the airports as Heathrow airport functions for 98% of its capacity. The increase is possible only due to construction of the third runway in this airport. The decision on construction of the third runway was approved by the government at the beginning of June 2018 after more than ten years of a debate.

Germany has same problems with increase in power of tourist infrastructure. The opening of the new airport planned for 2011 Berlin-Brandenburg is transferred from year to year and now its opening is specified by the next period 2020.

Opposite to the European countries China directs considerable investments into development of tourist infrastructure. Start into operation in 2018 of the new terminals of the international airport Beijing Guangzhou and opening in 2019 of the new world's largest airport Daxing in Beijing will allow China to increase its tourist capacity up to 100 million passengers a year.

Assessment of competitiveness of the tourist industry of Russia was carried out constantly and the countries given by the TCI were present already at the first report of the World Economic Forum.

The index of competitiveness of tourism of Russia from 2007 to 2018 has steady positive dynamics, except for 2013 – when the rating of Russia was downgraded from the 59th place to the 63rd. So in 2007 Russia took the 68th place, in 2009 – the 64th place, in 2011 – the 59th place, in 2015 the rating of Russia significantly grew and the country began to take the 45th place, in 2017-2018 Russia in rating took already the 43rd place.

Experts of Rostourism as the factors which are positively affecting appeal of Russia to travel and tourism mark:

- sanitary and hygienic conditions in the sphere of tourism;
- development of transport infrastructure in the field of the railway and air transportation;
- the cost of services in the sphere of tourism;
- existence of opportunities for cultural and informative and business tourism;
- development of information and communication technologies in tourism.
- development of tourist infrastructure.

In 2018 indicators the efficiency of rail transportation and convenience of the airports took in the rating of the countries the 15 and 18 places respectively. However, the general transport infrastructure of the country has low rating – 51 places from 140 countries. On transport infrastructure the quality of highways (the 104th place) had the most negative impact on the received rating.

Takes strong positions Russia in the rating of development of information and communication technologies in tourism – the 25th place.

In Russia tourism – the developing industry/ It has high potential - the existence of a set of cultural and natural wealth are our advantages. According to the World tourist organization Russia in 2018 occupies only 16th place in the world in the sphere of the international tourism. Such modest situation is explained by several the factors constraining development of travel business in Russia. In the state program approved by the Order of the Government of the Russian Federation in 2012 "Cultural development and tourism" for 2013 - 2020 the following major factors complicating growth of profitability of tourism industry were specified:

- 1) the visa regime concerning citizens of the foreign states;
- 2) insufficiency or absence of hotels for tourists and objects of leisure, an unsatisfactory condition of many tourist objects;
- 3) lack of practice of creation in regions of Russia of favorable conditions for investments into tourist infrastructure;
- 4) lack of long-term credit tools available to investors with the interest rates allowing to pay back investments into objects of a tourist and recreational complex into terms, acceptable for investors;

- 5) low quality of service in all sectors of the tourist industry owing to a lack of professional staff;
- 6) insufficiently active advance of tourism across Russia on world and internal tourist the markets.

According to the Russian experts, in travel business in the nearest future essential positive trends are not expected this result from the fact that the mechanism of regulation of development of travel business and tourist infrastructure not sufficient is worked well out. So the "Development of Internal and Entrance Tourism in the Russian Federation (2011-2018)" program actually was not implemented, even according to official information of Rostourism, on average within implementation of the program only about 4 billion rubles a year were spent and following the results of 2018 only 78% of the means put in the program were mastered.

The chief promotions officer of territories in the AGT Communication agency Vladislav Shulayev as the factors having negative effect on the near-term outlook of development of the tourist sector of economy of Russia marked out two events of 2018:

- non-inclusion of tourism in number of priority national projects, according to May presidential decree N 204;

- transfer of Rostourism to maintaining the Ministry of Economic Development of the Russian Federation that with high probability will cause correction of strategy, inventories of the existing federal programs and projects and also to some experiments in tax and other economic "rules of the game" in the Russian tourism. This fact increasing the level of uncertainty of conducting business in the sphere of tourism will also reduce investment attractiveness of the Russian tourism for private investors.

For the decision of the listed above list of problems of the Russian tourism by the government the Program of development of internal and entrance tourism in the Russian Federation was approved (2019 - 2025). This program is developed results of the federal target program "Development of Internal and Entrance Tourism in the Russian Federation (2011 - 2018)" implemented earlier. Are included in number of priorities of the Program implementation of measures for advance of the Russian tourist product and increase in knowledge of it in the world and internal tourist markets and also stimulation of enterprise and public initiatives via the mechanism of subsidizing and grant support.

#### **4 CONCLUSION**

As good points in recent years in development of tourist infrastructure it is possible to allocate growth of competitiveness of the Russian resorts, implementation of reconstruction of highways (for example, across the Golden Ring of Russia), cleaning of the rivers and reservoirs, strengthening of attention to involvement of foreign and Russian tourists to ecological tourism in Russia.

Development of tourism makes the significant contribution to ensuring sustainable social and economic development and social stability of the country as is the catalyst of development small and average forms of business and the microenterprises. Need of the state support of development of tourism is proved also by the fact that increase in number of entrance foreign tourists and reorientation of tourist flows of Russians at internal tourism stimulates development of allied industries of economy. Today tourism forms 3.4% of gross domestic product of the country, influencing 53 allied industries. Creation of one workplace in the sphere of tourism attracts creation to 5 workplaces in allied industries.

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