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Analysis of the Relationship between International Tourism Arrivals, GDP and Trade in Germany

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ABSTRACT

Tourism is organised travels for peoples in out of places where they live constantly to know changeable cultures, see historical works and natural beauties, entertain or have a rest. This kind of travels can be for health, sport, education, scientific meetings and business. Tourism is a profitable and competitive sector that needs the capacity to adjust permanently to customers' various wishes and requirements, as a customer's satisfaction, today protecting of human laws and entertainment are specially the essential factors of tourism organizations. Tourism has already turned to the most important components of the world economy. It consists of the tourist arrivals, at the same time the wide array of businesses producing and supplying diverse products for the visitors, structure and locals of a destination society. It creates billions of dollars in revenues and thousands of work places worldwide. There are many ways to measure the scope of the tourism industry, as tourism does not conform to the usual ways of industries such as manufacturing, fishery and other industries. Tourism is related a wide variety of sectors that provide various products and services to tourists. These companies also provide diverse products and services to local residents. Tourism has become one of the major fields in international trade, and shows at the same time one of the main income sources for developed and developing countries. This growth leads to increasing diversification and competition among destinations. The role of tourism sector is gradually increasing in economies of countries, specially developed countries.

In last decades, tourism has witnessed continued growth and comprehensive diversification to be one of the quickest growing economic fields in the world. From the socio-cultural side, tourism

brings together people from different places, cultures and traditions and supports peace. The reason to research that topic is to certain the benefits of tourism sector to the German economy, find and analyse relationship between tourism sector and macroeconomic indicators of the country and learn how important to develop tourism industry for the country.

Key words: Tourism, Economy, Culture, Diversification

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LIST OF ABBREVIATIONS

FWC	First Worldwide Conference
T&T	Travel and Tourism
UNWTO	World Tourism Organization
GDP	Gross Domestic Product
UNESCO	United Nations Educational, Scientific and Cultural Organization
ITB	Internationale Tourismus-Börse
WB	World Bank
IT	International Tourism

INTRODUCTION

While the invention of effective means of communication and comprehensive availability and use of this means enabled to make man more aware of the outside world, at the same time development occurred in transportation, making travels easy, less dangerous, decrease in time-consuming. Creation and growth of middle class for many communities made travelling although only rich people could afford travel expenditures as money and time. In modern time tourism has already turned to one of crucial fields of economy. It has a big part in GDP of different countries and competes with oil production and automobile industry. Tourism influences to the employment of the population. If we take into account tourism has taken its beginning with introducing tourism productions, this industry should be researched comprehensively. Social-economic necessity of tourism is to create conditions for attracting various resources to the circulation, at the same time influence to the economic increase and become the part of capital flow in global economy. Tourism development program is prepared based on complex approach principles in all countries. In fact national, regional and international factors are taken into account at these types of countries. It creates opportunities to use international factors. On the other hand the activities of tourism organisations direct towards getting better of population lives. New workplaces are put into use, at the same time some new markets are opened for sailing innovative productions. Most tourists are interested in national traditions and people creativity a lot.

Germany as a tourism centre has already been introducing itself as a tourism country organizing several events and advertisement companies various for sixty years. These include international tourism fairs and PR activities. Development of small businesses serves for interests of everyone in tourism sector. Either state or local people have economic and social-ecology interests in this process. Tourist is the source of money and he or she wants to spend a lot of money for using services or eating delicious and different meals. Governments try to build competitive tourism complex, expand meeting demands of local and foreign residents, on the other hand raise the role tourism in the economy and increase budget inputs. As tourism countries, Germany and other countries consider that infrastructure projects should be highly implemented to attract international tourists from every continent. We shall see the tourism opportunities for international tourism and reasons to travelling to Germany, at the same time try to know how tourism industry influences the country economy, trade, private businesses and several macroeconomic indicators.

CHAPTER 1. GERMANY AND ITS IMPORTANCE IN INTERNATIONAL TOURISM ARRIVALS

1.1. International Tourism and Its Features

International tourism assumes importance at foreign economic relations of each state and crucial information channel about tourists who travel in different countries, at the same time international tourism has significant role in becoming strong and learning international relations, cultural cooperation. The reason to researching late is its complexity, comprehensive impact to the international attitudes, uneven progress and others. The increase of travel and tourism has shown considerable resilience generally. Although slow economic growth in developed economies and political tensions exist in some regions, the T&T industry still is considered a large part of the world economy. Alongside international tourism is a part of social geography learns tourism conditions and features, tourism diversity and types and tourism companies in different regions and countries. International tourism except economic importance helps increasing and creating trust and relations between peoples who belong to different cultures and religions. Tourism activity does not become limited with only organizing trade and service, finding and attracting new trade partners. It directs towards building mutual relationships, establishing and protecting peace. The First Worldwide Conference called "Tourism- effective strength in protecting peace was held in Vancouver city of Canada in October 1988. The purpose of conference was to raise interest for tourism, at the same time attract people to social-public activity. It was mentioned that

protecting peace begins from individuals. According to them tourists firstly must obey following requirements:

- To travel with pure perception and sincere heart
- To show good reaction for any situation during travelling
- To protect environment and preserve nature
- To respect to all cultures and religions
- To thank for their hospitality to local residents
- To attract others to be peaceful
- To be loyal and keep your treatment

Social-economic factors have considerable role in developing international tourism. Social, economic and demographic trends as well as changing values in society and perceptions increase the development of new opportunities and products for the hotel, catering and tourism sector. Increasing international trade and developing durable modern transport enables expanding international tourism. The experiences show that international tourism gets developed in USA, Canada, Europe and Japan because the high living standards give opportunity for medium level to travel and rest in this kind of countries. We can show the benefits of international tourism in raising living levels of people, worker salaries and vacation days of employees worldwide last years. International tourism is developing fast, the best kind of making money, attracting big investments, providing increasing employment and beneficial to the state budget. The elements of global tourism are forming in modern world economy now. Global tourism system consists of international hotel chain, tourist transport in air, water, ground and computer systems for making reserves.

According to given statistics by destinations over the world, it is considered that visitors who stay overnight worldwide reached 7 per cent

in 2017.¹ This increase is related to getting easy of visa matters, rising of incomes, expanding tourism zones and camps. Europe reached to remarkable results for such a big and rich continent, more than 8 per cent overnight arrivals in 2017. Africa got to an 8 per cent increase in 2017. Pacific and the Asian countries acquired 6 per cent growth, at the same time the Middle East 5 per cent and the America continent were 3 per cent. 2017 was remembered by steady increase in a lot of countries and a considerable recovery in touristic areas that suffered tourist insufficiency in last times. Consequences were almost formed by the world economic increase and the firm outbound demand from several traditional and emerging markets, particularly an increase in tourism sector is felt in Russia and Brazil and after many years. There are several reasons to be successful in tourism sector. Europe remains its place with the most international tourism arrivals per year, because of its rich cultural monuments, higher-class tourism infrastructure for comprehensive service, high level health and security conditions, and particularly with the Schengen countries that have international integration highly. In fact they are divided in three groups.

Firstly, although Europe has alluring cultural attractions and monuments that are not appropriately distributed across its countries, this does not completely explain the wide difference between the high and low level countries in terms of cultural richness. While all countries of this continent have an ancient and rich history, few needed to develop much than others in enhancing cultural places to be a paradise for visitors. International sport contests and entertainment events such as festivals, as well as, exhibitions, fairs and conferences play a significant role. Second, all countries do not pay attention to develop the tourism

¹World Tourism Organization (UNWTO) “2017 International Tourism Results: the highest in seven years”, **Advance Release January**, vol 16, no 18003, 2018

field. For example, both Italy and Spain have wonderful attractions and natural beauty for visitors, but Spain installs constructions and attractions on these matters while Italy considered this matter less strategic. At the same time, many countries, such as Finland, invests sufficient resources in creating a strong tourism brand and filling economic gaps. Third, the business environment is generally poor and ineffective in Central and Northern European countries, although less firm in Southern and Eastern Europe. Difficulties in creating a leading business environment are often connected to a country's structural form and the change process takes place in long-term, but achievement is a key factor to be competitive and thriving tourism industry.

When we look at the results for international tourism 2016, we can steady increase at tourism arrivals. International tourist arrivals were totally 1,235 million people two years ago. This exceeds 46 million the results of 2015, or a growth of 3.9 per cent.² Demand for international tourism destinations in 2016 showed the positive trend as in last period, a lot of destinations got high results, although some faced security incidents, in their region or country. Many tourism countries shared their overall development and growth for higher travel demand, increased relationship, more affordable to travel with air transport and easier visa procedures in most countries.

According to forecasts by the WTO, international tourist arrivals are likely to almost triple over the next two decades, with nearly 1.6 billion tourists visiting foreign countries by the year 2020.³ International tourist arrivals have hesitated considerably year by year, due to the natural disasters, perceived health risks, security problems, and economic crises. It is recorded that an encouraging trend of tourism's higher performance

² "UNWTO Tourism Highlights 2017" 2017 August Edition, vol 5, p 4

³ "International tourism arrivals" <http://context.reverso.net/international+tourist+arrivals> (17.03.2018)

in recent years is that increase in arrivals is biggest in developing countries, significant increase all international tourist arrivals. From the export perspective, tourism holds third place after oil production and chemical matters, and also of food production. In most developing countries, tourism is considered as the first export field. From the economic side, tourism is significantly a crucial component for export diversification, both for weak and advanced economies. In last years tourism showed a stronger capacity to increase export revenues in many food and oil exporting countries. The existing data and forecasts suggest a clear increase in the number of travellers in the coming decades as well as significant overall growth in the tourism sector worldwide.⁴ While we focus on globally travel trends and international tourist arrivals, it is important to mention that domestic tourism is expected to expand considerably, creating more tourism destinations and bigger markets in the future. Moreover, the data shows how the speedy expansion of the sector is increasingly being raised by creating tourism markets in emerging economies, at the same time a growth in the number of travellers. The raising of tourism causes expanding road building and public production fields, rising areas that are not connected tourism and increasing labour efficiency. From point of view tourism we can divide countries two groups: - tourist sender countries such as USA, Germany, UK, Denmark, Belgium and tourist accepter countries such as France, USA, Spain, Italy, Turkey, Germany. International tourism also stimulates multiple economic processes and application of new technologies and also opens new markets for fields that are not related tourism sector.

⁴Hanna Paulose, Abbas Alizadeh "Global tourism patterns: overview" **Journal of Travel Medicine**, 2017, p 4

There are several indicators that enable to compare tourism destinations. They are following:⁵

- Politics and rules
- Sustainable environment
- Security and protection
- Health care
- Improvement of tourism industry
- Transport system on air
- Transport infrastructure in city or village
- Tourism buildings and constructions
- Information Technology system
- Competitive price in the T&T sector
- Skilled specialists on human resources
- Distance closeness for Travel & Tourism
- Natural parks and preserves
- Cultural places and remains

The most compulsory reason to take tourism as a development strategy gives positive contribution to the national or local economy. Internationally, tourism is considered a significant source of income derived from currency exchanges; indeed, it has been suggested that the main reason why governments support the development of tourism is its contribution to the balance of payments.⁶

In developing countries tourism sector has become one of the biggest sources of income from the currency exchanges while even in developed countries revenues obtained from international tourism can have a significant contribution in general to the balance of payments and

⁵ World Economic Forum "The Travel & Tourism Competitiveness Report 2013" p. 4
http://www3.weforum.org/docs/WEF_TT_Competitiveness_Report_2013.pdf(18.032018)

⁶ Tourism - as a development strategy,
<http://steconomiceuoradea.ro/anale/volume/2012/n2/046.pdf>(18.03.2018)

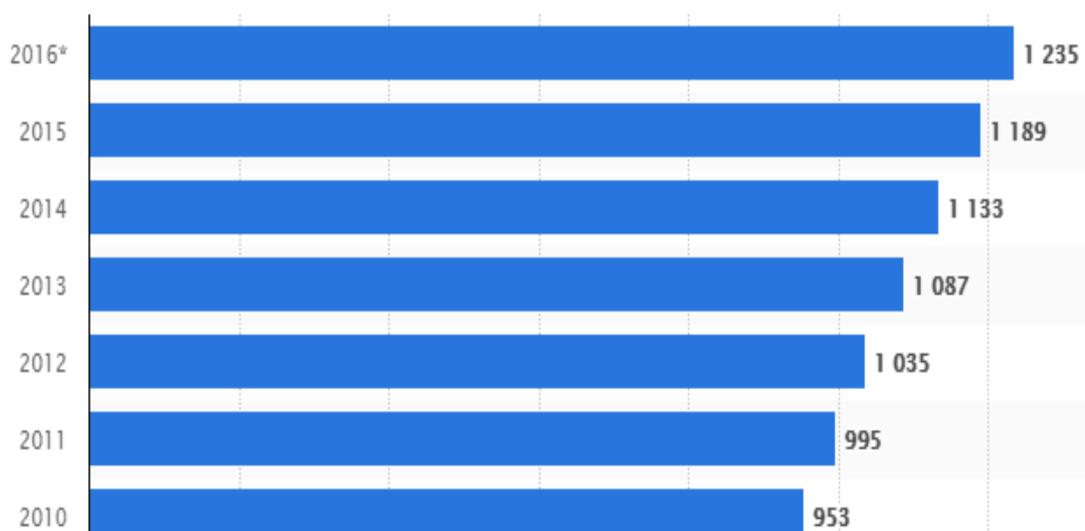
especially to the travel accounts. Tourism is considered to be also an essential source of creating jobs. International tourism is a faster growing industry field, attracting investment and economic and natural resources from various countries and destinations. This process is managed by an expanding market which adjusts new transformations and destinations in the products offered by tourism destinations, both nationally and internationally.

Tourism also is one of the most developed sectors in international trade relations. While several factors impact tourism development, one of the more felt contributions, from the public perspective, emerges from globally organized events, or bigger events. We can show bigger events that are wide cultural events (meetings) that have a wonderful character, most famous attractiveness and international importance as an example. There are many global events, such as FIFA and Olympic Games, not only attract wide world audience, but also accepted as formed world tourism models, illustrating newer tourism places and generating eternal legacy' in the host regions or countries.⁷ The attractiveness of mega-events, or more particularly bigger global sport events and contests, has increased considerably in the last decades. Countries and regions significantly take these attractive events as higher profitable opportunities giving large potential and comprehensive benefits for the host country. Tourism should give more benefits to host countries and provide an inspiration and motivation for them to protect and maintain their historical heritage and cultural practices. The involvement of local community representatives, conservationists, tourism operators, hotel owners, policy makers, those start preparing national development plans and site managers is important to achieve a strong tourism industry and

⁷ Johan Fourie and Maria Santana-Gallego “**The impact of mega-events on tourist arrivals**” Department of Economics, Stellenbosch University, Working Paper Number 171.

increase the protection of historical resources for future generations. The review for T& T industry in 2017 remained good and reminded as one of the initiatives for creating of income and employment over the world economy, despite being number of difficulties. Direct tourism GDP growth was predicted to increase to 3.8 per cent in 2017, up from 3.1 per cent in 2016 and this was realized. As countries seem to be looking increasingly inside, putting area barriers for trade and safe movement of tourists, the importance of tourism sector becomes even more important, for speeding economic increase and as a vehicle for sharing and introducing cultures, providing peace, and maintaining mutual understanding.⁸

There is a statistic for figures of international tourist arrivals in the world between 2010 and 2016 (in millions). In 2018 these numbers will reach 1.6 billion.⁹



⁸ World Travel&Tourism Council “**Travel & Tourism Economic Impact 2017 Cape Verde**” <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/capeverde2017.pdf> (19.03.2018)

⁹ International tourism Arrivals <https://www.statista.com/statistics/262750/number-of-international-tourist-arrivals-worldwide/> (19.03.2018)

1.2. Tourism Opportunities in Germany

Towards the end of the period, virtually all major performance indicators and statistics of travel in Germany resulted with a positive development, provided by steady growth of domestic, inbound and outbound tourist flows. Germany still continue to invest significant public and private funds that are related travel products and services in the country as well as market research and sales activities in major source countries, in order to make Germany famous as a travel destination. Germans continue to enjoy suitable economic environment and position, which are translated into higher consumer confidence and powerful interest in travel and tourism sector. Most industry experts agree on a positive forecast period performance for travel in Germany, against the background of stable basic conditions. The main threats to the further development remain any deterioration of the economic situation as well as potential major terror-related issues, which could dampen the wanderlust of the population, both in Germany and abroad.¹⁰ Germany has big tourism opportunities such as tourism attractions, historical monuments. The most famous travel destination is Berlin in this country, one of the most beautiful capitals in Europe. Also many of Germany's other main cities have ancient histories as independent city as capitals or states of historical kingdoms. Germany has such beautiful monuments and ancient cities that are famous in the worldwide.

Leipzig is a main city in Germany, and also several largest monuments belong to this historical city in European continent. Today,

¹⁰ Travel in Germany [http://www.euromonitor.com/travel-in-germany/report\(24.03.2018\)](http://www.euromonitor.com/travel-in-germany/report(24.03.2018))

the monument is protected by a museum gives opportunity to see explanation about the battle and the Napoleonic wars in 19th century.¹¹ This place attracts millions of tourists with its fantastic view every year.

Bamberg is an old city in Bavaria, as well as it is home of a number of attractive architectural landmarks. None of other places is so interesting or considerable as the Old Town Hall, or the Altes Rathaus. The Altes Rathaus is situated on a bridge which covers around the Regnitz River, also the inside is decorated with beautiful frescoes.

One of the tallest ranges in Germany is the Harz Mountains, a province is known by magical, traditional houses, snowy peaks and long rivers. The Grimm Brothers have written most of their fairy tales which are famous in the world. With a lot of visitors, the Harz Ranges offer various activities such as hiking, climbing and riding a fantastic steam train over the mountains.

Schwerin Castle is one of the considerable attractions in Germany. The castle is perched in the middle of the Schweriner See. Schwerin Castle was built in the 14th century and now is governmental building, and it is open for tourists who travel via tours. The castle is often visited by the Petermännchen who is called ghost of a creature, and these such kinds of legends bring a lot of curious tourists each year.¹²

Berlin is rich city with historical and ancient monuments and one of beautiful buildings is the Reichstag. After finishing of Cold War, Berlin was known as the general capital, and the Reichstag turned to the official governmental place in Germany. It has a magical glass dome that offers incredible views over Berlin and looks alluring when lighted at night.

¹¹ Tourist Attractions in Germany <http://www.touropia.com/tourist-attractions-in-germany/>(24.03.2018)

¹² Tourist Attractions in Germany <http://www.touropia.com/tourist-attractions-in-germany/>(24.03.2018)

As a tourist destination Germany is turning to more and more famous among international tourists with its nature parks and biosphere reserves are attractive destinations. Last years the Alps, seaside, the North German lakes, nature reserves, and valleys are the first in the list of destinations. Germans have long since shared a passion for the diversity of the countryside and for sightseeing, sport and relaxation options with a continually growing flow of visitors and tourists from abroad. Germany has for years been gaining popularity as a tourist destination.¹³

Germany is also known for its rivers, like the Ruhr, Rhine, Neckar, Elbe, Danube, Saale, Ahr and Moselle, Saar, Werra, Inn and more. These form the countryside and contribute to the lifestyle and to the country economy. Mixed forests and ancient castles are formed along the valleys on the hills of central Germany, such as the Black Forest, a region that was inspiration for the German Romantic poets. Northern Germany is provided by moors, heaths, and a string of islands in the North Sea, such as Sylt, Borkum, Juist, Nordenei with high and wide-ranging sand dunes. While the Baltic Sea offers Rügen, Hiddensee and the world famous amber.¹⁴ Germany has fourteen national parks, fourteen biosphere reserves and more than ninety parks. One of goals is to save endangered animals and plants from extinction and dangerous human activities. Tourism also has positive impacts on nature and the landscape, if it is organised strongly, and if holiday organisers improve their awareness for durability by changing their behaviour and activities when travelling. This impact results that tourism has less negative effects on the ground, the atmosphere and the water, while environmentally friendly means of transport are used for getting to the destinations.

¹³ Sustainable tourism in Germany, <https://www.tatsachen-ueber-deutschland.de/en/categories/way-life/sustainable-tourism>(25.03.2018)

¹⁴Travel in Germany <https://www.research-in-germany.org/en/discover-germany/countryside.html>(24.03.2018)

Tourist places such as hotels, leisure centres, restaurants and, steady tourism mean that new technologies are used to save electric energy and water resources. Some protected and preserved parks also offer the chance to actively participate in nature preservation during travelling. The tourists plant trees, help forest caring or re-naturalize mountain cliffs. Germany was the seventh at list of most visited countries over the world, with the totally 407.26 million tourists in 2012. This data consists of 68.83 million foreign tourists and the most of foreign tourists in 2009 have come from the United States and northern European countries. Moreover almost half of Germans spent their holiday within their country. According to results of T&T Competitiveness Reports, Germany is accepted as one of the clean and safest travel destination in the world.¹⁵ Typical kinds of summer tourism, especially beach holidays, are also influenced by climate change. High temperatures in summer increase the attractiveness of swimming and beach destinations and can lie the swimming season significantly. Classic destinations such as the Mediterranean is losing attractiveness in order to summer temperatures partly, summer tourism can change from southern areas to Germany.

Not only Germany is undoubtedly the most famous destination for international meetings and conferences in all Europe, it is also gradually getting importance as travel and holiday destination. While holiday trips from Europe rising one by one, in total quickly, holiday tourism in Germany increased considerably by 5 per cent. Culture and nature are the two major elements of Germany brand and this is related in the tourism-related demand. Germany is also one of the best destinations for health and relaxation particularly while travelling with your family. With about 200,000 kilometres of walking and thousands of kilometres via cycle you can see the country at it is most clean, near to nature and kind

¹⁵ Tourism in Germany [https://www.tanweersy.com/en/overview-tourism-germany/\(24.03.2018\)](https://www.tanweersy.com/en/overview-tourism-germany/(24.03.2018))

to the environment. Approximately one third of the country is under protection of natural and historical places such as a totally sixteen national parks, fifteen UNESCO biosphere reserves and more than a hundred nature parks, there are more than a hundred and thirty preserved national places just waiting to be visited.¹⁶

Germany offers many various options to attract tourists from all over the world. It has leafy towns and old cities that have excellent public transport and a good infrastructure for cycling. Many attractions and beauties also serve for disabled guests and shows whether tourism is for all.

Most city centres in Germany have pedestrian areas, so you can go shopping celebration on foot when you're back of sight-seeing. At the same time, there's nothing like an archetypal German town. It can be researched the regional differences among the luxury cities to travel in Germany. The significant outbound flows, inbound and domestic travel attract great interest to a number of local and multinational companies, this leading to firm competition particularly among car rental companies, airline companies, travel agencies and hotels. This situation is powered by new or at least fast growing business models such as cost carriers, low rental brands, car sharing and start-ups or built companies with new business models.

Berlin is the best city in accepting tourists for its old history and symbolic infrastructure in Germany. Berlin has strongly introduced itself among the top three tourism cities in Europe .The largest German cultural metropolis, is the most popular city travel destination in Germany. The relatively low price level favors this development: Berlin is an affordable world city.¹⁷

¹⁶ Tourism & Culture in Germany <https://www.gcb.de/discover-germany/tourism.html> (24.03.2018)

¹⁷ Berlin is the top in Germany <http://www.businesslocationcenter.de/tourism> (26.03.2018)

- In 2016, the total number of overnight stays was more than 31 million, an increase of 2.7 per cent during 2015.
- The number of foreign visitors staying overnight in Berlin (14.2 million) increased by 3.9 per cent compared to 2015. This corresponds to 45.6 per cent of all overnight stays.
- The number of national visitors staying overnight (16.9 million) increased by 1.7 per cent compared to 2015.
- The number of visitors reached a new high of 12.7 million, a 2.9 per cent increase.
- The number of international visitors was approximately 5.0 million or 3.7 per cent more than the previous year. Germans accounted for more than 7.7 million visitors, a 2.4 per cent increase.
- Most foreign visitors came from the UK, the US, Spain, Italy and the Netherlands.
- In a national comparison, the tourism in Berlin increases twice as much and that is why the growth motor of Germany's outbound tourism.
- Current studies show a very high level of acceptance for tourism among Berlin's population.

When we are talking about opportunities, firstly, cottage tourism is becoming more interesting and more popular among people who prefer to calm and fresh nature. There are many opportunities to enter new European markets. Rock and Lake currently is magnificent place to attract tourists from Germany. Therefore, tourists who want to stay in cottages are often very interested in flexible activities to spend good time.

Alongside cultural attractions, like the 40 UNESCO World Heritage Sites, sightseeing, shopping sprees, exhibitions and museums,

as well as numerous events there has been a marked increase in interest by foreign tourists in nature and the countryside.¹⁸ We can call Germany “tourism paradise” base on top said.

¹⁸ Germany is Europe's top cultural travel destination'
<http://www.dw.com/en/germany-is-europes-top-cultural-travel-destination/a-19104335>(27.03.2018)

1.3. The Role of Germany in International Tourism

Germany economy in Europe is largest economy. This country is also the second most populous nation after Russia on the European continent, with over 81.5 million of population. Territory of the country stretches from the North Sea and Baltic in the north to the Alps in the south. The country is traversed by rivers like the Danube, Elbe, and Rhine. Officially the Federal Republic of Germany, it covers an area of 137.847 Sq Km and offers soul-stirring landscapes, romantic palaces, half-timbered towns and a vibrant culture.¹⁹

A number of overnight stays which tourists make reserve are quickly increasing and year by year climbing to record numbers. The number of international overnight stays is measured with some millions of tourist overnight stays or an increase every year. There are various reasons for this progress. Germany has comprehensive structural perspectives for inbound among other countries in Europe, perfect infrastructure and the comparatively better value for money. The most of tourists comes from Europe. Approximately three-quarters of overall overnight tourists in Germany are from the same continent. The Netherlands traditionally take first place with a market share of 14 per cent followed by Switzerland with 8 per cent in 2015. The most important intercontinental source country with a market share of 7 per cent and taking third place is the United States.²⁰ Great Britain shares fourth place. Going down the ranking of countries there is Italy, Austria, Denmark, France, Spain and Belgium. The German regions with the most international tourists are Baden-Württemberg, Bavaria and North Rhine-Westphalia. In destination rankings Berlin takes undisputed first place (13.6 million), Munich (6.9 million) and Hamburg (3.1million).

¹⁹ Country guide to Germany <https://www.yatra.com/international-tourism/germany>(26.03.2018)

²⁰ Germany is Europe's top cultural travel destination
<http://www.dw.com/en/germany-is-europes-top-cultural-travel-destination/a-19104335>(27.03.2018)

Arrivals of tourists in Germany grew sharply in spring of 2017. Until June, the Federal Statistical Office (FSO) recorded 36.7 million international tourist arrivals (in arrangement companies with at least fifteen beds), 1.2 million tourists travel more than in the same duration of 2016 and it resulted an increase of 3 per cent.²¹ Global tourism continued to develop positively in 2017. World Tourism Organization (UNWTO) expected 3 or 4 per cent potential growth for international tourist arrivals worldwide and 2 – 3 per cent for European countries. Germany reached the highest level of tourism expenditure for international travel, generally EUR 72.1 billion, the second, United Kingdom (EUR 58.4 billion) and France (EUR 36.5 billion) in 2016. Arranged in the heart of Europe, Germany has a lot of wonderful tourist attractions and fantastic sights to offer. Tourists from all over the world travel to Germany to see architectural and historical buildings and beautiful places of natural beauty.

Tourist Arrivals in Germany is predicted to be 38800.00 thousand until end of this period, according to expectations of analysts. The Germany tourist arrivals are expected to trend around 41100.00 thousand in 2020, according to econometric models.²² Following Bar chart shows tourist arrival between 2008-2016 years and predictions for 2018.

²¹ Germany's incoming tourism booms in H1, 2017 <https://ftnnews.com/other-news/32835-germany-s-incoming-tourism-booms-in-h1-2017.html> (27.03.2018)

²² Germany tourist arrivals, <https://tradingeconomics.com/germany/tourist-arrivals/forecast>(28.03.2018)

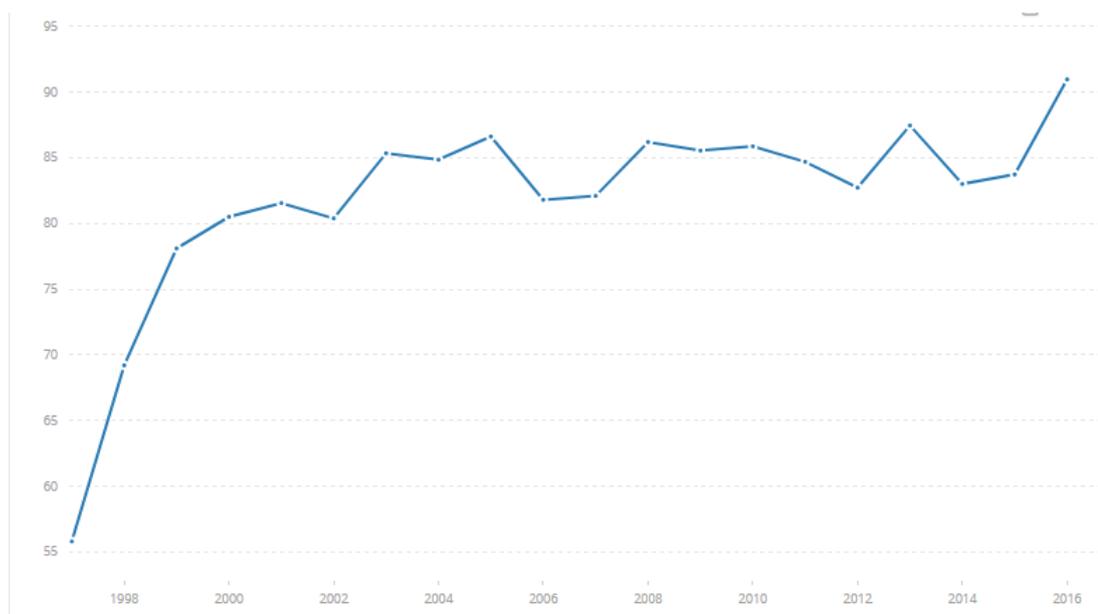


Alongside Germany has beautiful nature, rich culture, historical monuments, castles, Germany, especially Berlin turned to the centre of international conferences and conventions. Tourism in Berlin 2017 has risen considerably compared with previous year. The number of overnights by tourists to Berlin increased by 2.7 per cent, approximately reached than 31 million tourists, this report belongs to the Berlin-Brandenburg Statistics Office.²³ This result means that the number of international tourists has exceeded five million than 2016 for the first time. Especially large numbers of tourists came from Spain, Great Britain and USA. Israel also is chosen among the top 10 countries with many overnights for the first time. German guests consist of higher per cent for the biggest proportion of overnight stays in Israel. In 2016 overall more than 11.5 million visitors travelled to Berlin for about 137,500 events. This shows a growth of around 2 per cent in both the number of visitors and events. Approximately 2.4 million international participants came to events which are held in Berlin in 2016.

As many tourists come from different countries, German travellers want to spend leisure times in other countries and islands. Germany is big opportunity for many countries while looking at tourism perspective.

²³ Berlin incoming tourism <https://about.visitberlin.de/en/number-international-visitors-berlin-exceeds-five-million-first-time>(28.03.2018)

Germany is one of world's leading tourism destinations, and has a big reputation as accepting the most tourists of both business and leisure travel. Germany is the second largest export market for the United States in Europe (behind the United Kingdom) for travel and tourism, accounting for slightly more than 14 per cent of all European visitor spending in the United States in 2013.²⁴ German tourists spent \$91.4 billion generally tourism-related goods and services in 2013, an increase than 12 per cent compared to 2012. The following chart reflects international tourism, number of departures (millions) for Germany from 1997 to 2016.²⁵



Germans organize their annual holiday travel a crucial affair and make travel plans for their accommodations and flights several months in advance. This is especially preparation for long trips which they would spend time finding the diverse flight promotions available during the time they want to travel. The most of Germans plan their holiday trips around a suitable time for all travel companions and discounts.

²⁴ Germany [https://www.trade.gov/topmarkets/pdf/Travel and Tourism Germany.pdf](https://www.trade.gov/topmarkets/pdf/Travel_and_Tourism_Germany.pdf) (28.03.2018)

²⁵ Germany, number of departures <https://data.worldbank.org/indicator/ST.INT.DPRT?end=2016&locations=DE&start=1997&view=chart> (28.03.2018)

Their decisions on the time of travel are also changed by available deals and the destination which its weather is relevant for them. They usually search and make price comparisons based on sightseeing places and cultural buildings as a destination in their minds. If they find promotions, discounts and transit options and stopover along the way, they adjust their itineraries and time to add new places. Booking whole holiday trip are made closer to the date of travel when there is a good promotion.

Most German visitors think Singapore as a comprehensive destination that enables them to recharge and relax, while playing as a comfortable centre from which to discover other interesting parts of Southeast Asia. This was evident as more than 80% of German leisure visitors to Singapore in 2014 came here as part of a multi-destination trip.²⁶ Singapore also is full of the different interesting criteria that German tourists consider a past- through destination during a whole trip. These things let them to relax and adjust before travelling to the last destination or providing a better rest stop with picnic and shopping opportunities before backing home.

The US Travel Association reports that spending by international visitors to the US in 2016 became USD 246 billion. Therefore in 2015, German travellers to the US spent totally USD 8.879 billion (ranked 9th over world) and took 2nd place after the UK in Europe).²⁷ Movement in the European and German markets for visiting to the US that could significantly cause challenges which are immigration issues, flight access, drivers' license issues and visa waiver. According to National German Tourist Board survey in 2015 it was known that the top most famous travel destinations were Neuschwanstein Castle , the Europa

²⁶ Germany, STB Market Insights, <https://www.stb.gov.sg/statistics-and-market-insights/marketinsights/stb%20market%20insights%20-%20germany.pdf> (28.03.2018)

²⁷ Germany travel and tourism <https://www.export.gov/article?id=Germany-Travel-and-Tourism>(29.03.2018)

Park in Rust and Cologne Cathedral, then Heidelberg Palace and the ancient city centre, the old town centre in Rothenburg ob der Tauber and the Brandenburg Gate which is situated in Berlin. In general, Germany offers higher level travel opportunities for domestic and international tourists and it organises an unbelievably attractive market for travel providers and tourism services. Germany is exploding as a tourist destination. Hotel owners noticed more than 460 million overnights in 2017. Germans spent more time within country than 2016. 2017 year for Germany could be another record-breaking for the tourism industry. In 2017 revenues of German holiday organisers and tour operators, that set a record with €64.7 billion, could rise in 2018.²⁸ About one-third of overall European tourists to Germany chose for a break – and the numbers are increasing. Ancient and alluring architecture, cultural and historical buildings and the highest levels of heritage protection which can be found in Berlin, urban areas such as Wiesbaden, Düsseldorf and Essen, the Rhine-Main region – home to Frankfurt, Mainz and Darmstadt – the Rhine-Ruhr region with Cologne and also other major cities such as Dresden, Hamburg and Munich. There are a lot of festivals, celebrating all, along with cultural events and arts and, of course, the country's several Christmas markets, which are as famous as they are increasing. The large diversity of events, holidays make it worthwhile stretching your stay longer.

Germany's tourism potential as a tourist destination is showed by several rankings. For example, it was awarded the third place in the World Economic Forum's 2017 Travel and Tourism Competitiveness Report behind Spain and France. Germany performed especially well in the areas of Health & Hygiene, Human Resources and Labour Market,

²⁸ German tourists <https://global.handelsblatt.com/companies/trump-slump-german-tourists-avoid-us-as-travel-destination-895278> (29.03.2018)

Cultural Resources and Business Travel, of Ground and Port Infrastructure, and Environmental Sustainability.²⁹



The 10 most Travel & Tourism-enabled economies

Travel & Tourism Competitiveness Report 2017



WORLD ECONOMIC FORUM

Economy	Global rank
Spain	1
France	2
Germany	3
Japan	4
United Kingdom	5
United States	6
Australia	7
Italy	8
Canada	9
Switzerland	10

Source World Economic Forum 2017, The Travel & Tourism Competitiveness Report.

Destatis forecasts Germany's tourism to develop in 2018, the power of its increase is also prediction to possibly reduce. Whereas number of visitors has showed that it increased by 3 percent in 2017, for this year the German Hotel and Restaurant (DEHOGA) estimates the number of arrivals by visitors will grow up to 2 percent.³⁰ While France agrees on the top place as being the world's most tourist incoming country as a perspective of international tourists, Germany takes seventh place. It also goes on to maintain the European average on year increase in tourist numbers. Including is also a significant factor to sustainability. Alongside many countries in Europe, Germany is always significantly ready to welcome travellers in wheelchairs as a "marketing of accessible and the development tourism."

²⁹ Tourism and Pleasure <http://www.gtai.de/GTAI/Navigation/EN/Invest/Industries/Consumer-industries/tourism-leisure.html>(29.03.2018)

³⁰ Why is tourism continuously booming in Germany? <https://www.thelocal.de/20180208/why-is-german-tourism-booming> (29.03.2018)

CHAPTER 2. ANALYSIS OF RELATIONSHIPS BETWEEN INTERNATIONAL TOURISM AND MACROECONOMIC INDICATORS OF GERMANY

2.1. The Impacts of Tourism Sector on Economy and Trade

Tourism is speeding up whole economic activity, and this growth in activity is desirable development. The positive impacts of tourism on economic activities are inaccurately described as the “benefits” of tourism. The attention has focused on international tourism arrival as a significant potential growth sector for most countries. The speedier growth of tourism enables an increase income in household and government incomes through multiplier effects, developments in the balance of payments and increase in the tourism improved government policies. In last decades, the linkage between tourism and economic increase for both developed and developing countries has been extensively researched. Overall, there is the chain relationship from tourism sector to economic growth.

Tourism sector contributes considerably to diminish Germany export national trade balance surplus. Tourism amounts for almost 5 per cent of Germany's overall economic performance. If we also account the induced and indirect impacts, then the role of tourism in Germany's gross accounts to approximately ten per cent.³¹ About three million people are employing in the German tourism sector. Looking at the economic perspective, employment and value added are not only formed and established in the production process of these goods and services which are consumed by travellers and tourists, moreover in the production process of the required inputs. For example, air transport services for

³¹ The importance of tourism in Germany, <https://www.driv.de/en/press/news-1/detail/the-importance-of-tourism-in-germany.html>

passengers are directly used by tourists. These services that are associated with value added create direct higher income as wages and gains from capital. Organising air transport services for passenger requires important inputs such as logistics or airport services. The valued added that is earned from these kinds of services shows the indirect income effect from tourism industry.

The relationship between tourism industry and economic growth can be said in two forms. First is direct linkage between economic growth and tourism. Most countries that have alluring tourism attraction like Germany is fulfilled a high number of tourists and then big amount of income through international tourism. These inputs show that tourism expenses in tourism countries can be considered as alternative export revenue that can compensate some parts of current government expenditures. Tourist expenses also contribute to increase government revenue through taxes from the local businesses as well as tourists. Second, the connection is development for internal and external trade as a result of tourism sector. Tourism, economic growth and trade are directly related each other in the long run. The macroeconomic connection between tourism and imports is more difficult than is thought, and can be used two contrary approaches. Firstly, inbound tourism can be considered as a key factor that causes the rise of imports and the creating trade deficit. From the accounting perspective it is reasonable for being so, since a surplus in the balance of tourism has to find its partner in the deficit form in another part of the current amount.

There are different channels that can explain the effect of tourism expenditure on imports.³² Firstly, travellers use imported goods, sometimes more than households living in the tourism destination,

³² TOURISM EVENTS: IMPACT ON IMPORTS *International Journal of Event Management Research* Volume 3, Number 1, 2007

because of the characteristics of their preferences. Second, companies that meet for the tourism demand or their suppliers import goods such as food and beverages. Moreover, the income that is generated by tourism consumption is used, and as a result of such allocation, imports are produced again.

Most fields of the country economy gain directly from the tourists who travel to Berlin. These are firstly areas that connect with trade fair tourists, such as travel agencies, restaurants, hotels and transport organisations. These companies who create sales directly from spending money by conferences, trade fair and conventions tourists give salaries and prepare invoices to their employees and suppliers. These payments contribute to further economic progress and activities in many fields and generate additional tax incomes for capital of Germany. Using a lot of regional econometric models, economists at Investitions bank have calculated that in the same year as the trade fair one euro spent by a trade fair guest will lead to EUR 1.20 in gross added value thanks to multiplicative spending and employment effects.³³ Berlin continues to be a significant centre for trade fairs and exhibitions, the most crucial city in Germany. Higher level trade fair opportunities are important for the international and national reputation of Berlin as a developing and growing city. Berlin is known as a trade fair centre and help shareholders in their decision-making process.

Trade fairs and exhibitions are really essential factor to be the base of a city economy. They are the place where trade companies and partners come to be informed about the latest innovations and developments in their fields. Visitors can introduce customers what they need to offer and, at the same time check out competitors such as companies and

³³ The importance of trade fair, exhibition and convention organisers for Berlin as a centre for business https://www.ibb.de/media/dokumente/publikationen/in-english/berlin-economy/trade-fair-study_ibb_12-2015_en.pdf (31.03.2018)

individuals. Participants to the trade exhibitions come to be inspired by new products and services and to evaluate the valuable offers. Berlin is home to many trade fairs that are always open to all and thus ideally suitable to the German capital: the international electronics trade fairs, International Green Week (IGW), ITB Berlin, regularly attract thousands of individuals and companies to trade fairs and exhibitions in the capital city of Germany. It is economic relevance for the organizations that as exhibitors they are the producers of the products and services. These companies have experience on ordering and signs contracts to protect and guarantee their future sales. It is not only customers and exhibitors who gain benefit from trade fairs and exhibitions. It is hence fact that Berlin benefits from organisation of the trade fairs, exhibitions and conventions. Berlin with its big leading trade fairs and exhibitions continues to set standards internationally for conferences, trade fairs and exhibitions. Exhibitions and trade fairs are already now a significant economic factor for Berlin. Visitors who come for trade fair and conventions spend a lot of money on transport, accommodation and food. After coming to the trade fair, tourists go to buy clothes and visit several the cultural and recreational facilities of city. This kind of spending money, particularly outside exhibitions and the trade fairs, enable to make high sales in various fields of the economy. Berlin's economic output, also tourism conferences and trade fair business that develops better than other fields of economy in Germany. This shows that the economic significance of trade fair and conventions, exhibition and organisers cannot be leant only on the basis of the government statistics noticed for Berlin. Fair Trade in tourism is one of the major aspects of powerful and sustainable tourism. The aim of Fair Trade in tourism is “to maximise the benefits from tourism for local destination stakeholders through mutually beneficial and equitable partnerships

between national and international tourism stakeholders in the destination.³⁴ Tourism industry is an “invisible export industry” that means there is non- tangible goods or product to deliver. In tourism fair trade evaluates local host communities and gives support to their participation in tourism development process, whether visitors are connected with tourism or not. Fair Trade consists of a comprehensive development process in the host country, it can be a trade agreement for partnership or it can be a Fair Trade gain. The incomes and expenses in tourism sector are diverse in different areas. Some of these differ for the big changes in economic structures and geographical locations of a destination city or country, the clearest difference is seen between developing and developed areas. In developing areas the level of income is less, the allocation of wealth and income is usually unjust, there are high unemployment levels, the industrial developments is hardly existing, agriculture, service sector and lucrative industries are managed under foreigners. Tourism has various economic and social impacts. Tourism sector contributes to trade, incomes, tax revenues, jobs within country. The most direct impacts happen inside the new tourism sectors such as amusements, restaurants, hotels, lodging, transportation, and retail trade. Coming to the secondary effects, tourism helps developing most sectors of the economy. An economic effect analysis of tourism industry normally concentrates on increase in sales, employment and income in regions resulting from tourism sector.³⁵ Tourism can influence the balance in these ways such as impacts in the country and impacts on international tourism. This is useful information to know how to compare foreign earnings with the costs in the balance of payments. Moreover it is useful to know about surplus. International tourism is

³⁴Linda Krause, “The Economic Impacts of Fair Trade in Tourism” p. 19

³⁵ “Economic Impacts of Tourism Industry”, **International Journal of Business and Management**, Vol. 6, No. 8; August 2011

considered as a chance for a country to expand its growth. The linkages between tourism and economic growth believe to have a positive relationship through tourism generation of income in the form of foreign exchange, investment and reduction in unemployment.³⁶ Now among the top three export industry for almost half of the least developed countries in the world, tourism has created as one of the economic fields best able to tackle these concerns. Tourism is one of the most important and sustainable options for global development. It is encouraging to see that the contribution of tourism to development, poverty reduction and economic growth is increasingly recognized. This can only be achieved by better policy coherence between and among the various ministries and government departments that provide the enabling environment for tourism to flourish.³⁷ It should be mentioned that trade and tourism policymakers must work connected to increase this field's contribution to medium and small economies. Specialists at the meeting and conferences also say that there is a need to enhance connections with other sectors and to create the business environment to attract big capital.

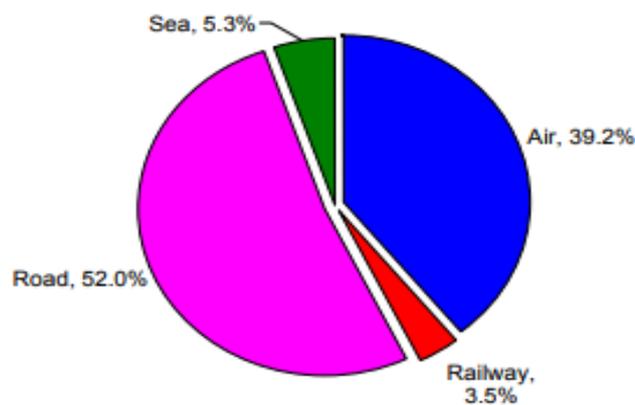
One of the most lucrative sectors is airline organizations that contribute both tourism and trade. Air transport is the centre of global business and international tourism. Its speed, comfort, convenience and profitability, air transport increases the possibilities of international travel for visitors and business tourists alike, allowing a number of people to see diversity of climate, culture and markets. Compared to other kinds of transport, air transport is fast and reliable for long distances. These benefits and incomes come with a cost attached. In

³⁶ Iswari Puranti Tamat Sarmidi, "Trade, Tourism and Economic Growth Relationship – A Cross Section Analysis" <http://www.ukm.my/fep/perkem/pdf/perkemVI/PERKEM2011-2-5A1.pdf> (31.03.2018)

³⁷ "Tourism can stimulate trade and development, agrees UN Conference", UNWTO <http://media.unwto.org/en/press-release/2012-04-24/tourism-can-stimulate-trade-and-development-agrees-un-conference> (01.04.2018)

result, it is used mostly to carry goods that are light, perishable that have a great unit value. In modern time air flights is mostly used because of its convenience, less probability to crash, high security service, speed, at the same time it is more useful carrying and delivering cargos to its owners fast.

Tourism, from the economic perspective, makes a wide contribution to economy for example, foreign tourists spend just more than Euro 34.1 billion in the German economy every year. Only more than 40% of these tourists arrive by air, which by comparison is about average for the European Union as a whole so that visitors who travel by air probably and spend approximately Euro13.0 billion in Germany.³⁸



Source : Oxford Economics, UNWTO

Evaluating the economic impact of tourism especially to trade requires to measure tourism consumption and then to analyse this information over the various sectors that produce or selling goods and services. Gradually increasing the importance of international tourism on world economy generate revival in various economic sectors, especially trade relations boosts and that development enables some developed countries like Germany which owns one of the largest economy, big

³⁸ Economic Benefits from Air Transport in Germany, Oxford Economics
<https://www.iata.org/policy/Documents/Benefits-of-Aviation-Germany-2011.pdf> (01.04.2018)

technological and industry development raise trade surplus, at the same time it brings a lot of products and organises high level service for internal and incoming tourists. This kind of countries mostly concentrates on service providing because they know how to create sustainable economic growth and enhance living terms in society. The aim is not producing all goods and service, the key factor is to create environment for other economies and hosting a lot of fairs, exhibitions, conferences and conventions to be centre of world economy with its policy. Tourism impacts on both international and Germany trade are undeniable and this linkage is growing fast.

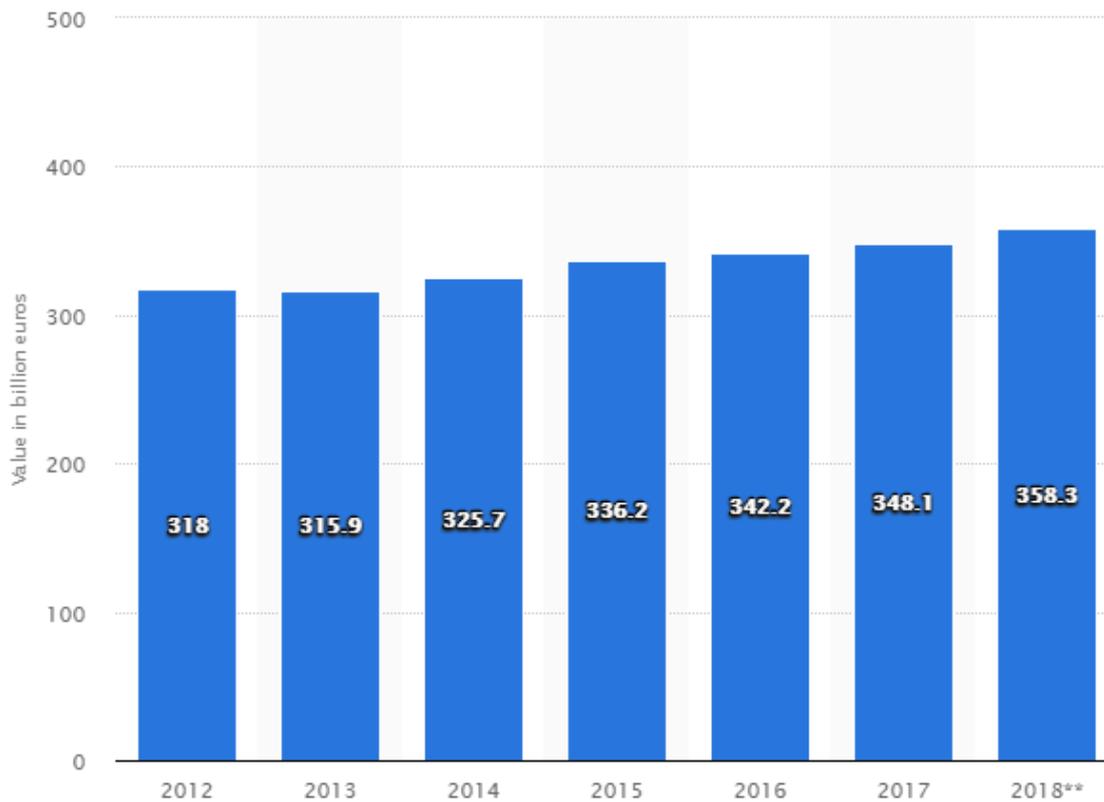
2.2. Relationship Between Tourism and GDP

As the traditional sense, while contributing to the economy, it is accepted that tourism brings foreign currency that is used to import, export and produce goods and services. Tourism can play a reserve role for economic growth and this changes from country to country. Areas which are non-tourist will also earn from it through the allocating of the country's wealth. Tourism is internationally the largest service sector, both in terms of foreign exchange and earnings gross revenue. It is approved to have positive impacts on long-run economic growth and development. Firstly tourism sector inspires other fields and industries by induced effects and on the other hand; it creates an environment in generation of employment and results positive economic scale. The considerable impact of tourism industry in inducing economic growth is amazing. That is why, the relationship between tourism and economic growth seems a modern and interesting empirical issue. In my current research, paper tries to compare the relationships between GDP and tourism sector.

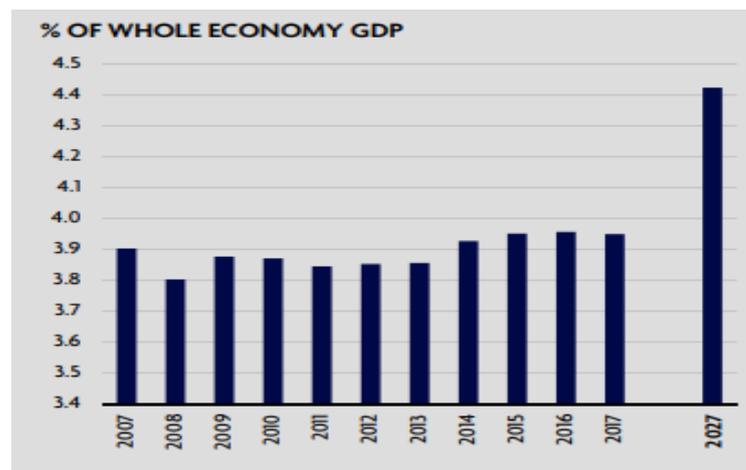
Tourism sector is almost new trend in global economic trades. In general, it creates sources to the foreign income of many nations. It also plays a crucial role in the social, economic, cultural development of many developing and developed countries. If it can be managed properly, it is able to lead to enhance production, higher living standards, increase employment level and public welfare. Tourism is a service sector, money is earned from tourism is part of a host country's GDP, and therefore its increase directly influences economic growth.

If the tourism industry enjoys thriving, other economic sectors that are consuming its products will also develop or move with that. Thus, tourism motivates economic growth that enables to impact to other economic fields and activities. From the other side, economic growth has also positive effects on the tourism development. Economic growth can push tourism industry up the through the development of tourism facilities, infrastructures such as information and communication technology development, transportation development, restaurants, electronic money, entertainment facilities, hotels, public health. This statistic describes the common contribution of tourism sector to GDP in Germany from 2012 to 2018. Over several years, the contribution of the tourism industry to GDP in Germany has increased, reaching around 348.1 billion euros in 2017.³⁹

³⁹ Travel and tourism's total contribution to GDP in Germany 2012-2018, <https://www.statista.com/statistics/644714/travel-tourism-total-gdp-contribution-germany/> (03.04.2018)



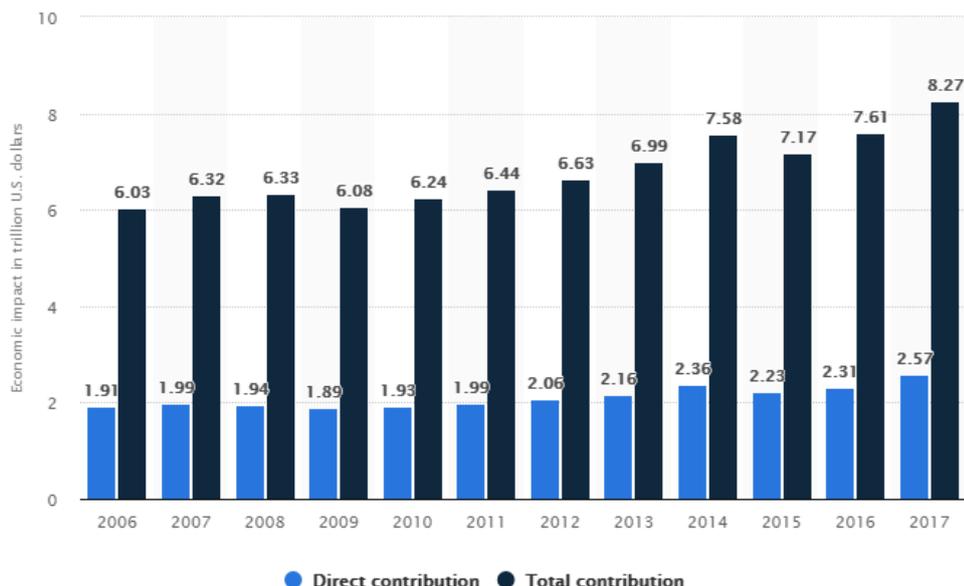
Benefit of travel and tourism sector to GDP of Germany was 10.8 % in 2016. Germany: Direct benefit of tourism sector to GDP is following and this chart shows the significance of tourism field to whole economy GDP.⁴⁰



This statistic indicator illustrates the direct and common economic effects of tourism sector over the world economy between 2006 and

⁴⁰Travel & Tourism economic impact 2017 GERMANY, WTTC <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/germany2017.pdf> (04.04.2018)

2017. The direct economic benefit of tourism sector amounted to about 2.57 trillion USD in 2017.⁴¹



The contribution of direct travel & tourism includes the commodities, transportation, attractions accommodation, entertainment of these sectors: retail trade, accommodation and meeting services, producing of food & beverage, sports & recreational services, transportation services and cultural. The indicators for overall impact also include induced and indirect contributions.

Several developing countries manage to enhance their participation in the world economy through development of tourism sector. Tourism development is considered as a crucial factor in increasing economic growth, reducing poverty, and improving food security. This briefing note aims to review the relationship between tourism and economy such as poverty reduction, and to explore how to invest in tourism for national development goals. Globalization and the growing of traveling increase the number of visitors traveling to other countries or regions each year. This growth brings with it caused GDP growth according to tourism

⁴¹ Direct and total contribution of travel and tourism to the global economy from 2006 to 2017 (in trillion U.S. dollars) <https://www.statista.com/statistics/233223/travel-and-tourism--total-economic-contribution-worldwide/> (04.04.2018)

spending. Germany is one of the countries that get income billions of dollars every year and agree on the third place.⁴²

1. United States (\$488 billion)
2. China (\$224 billion)
3. Germany (\$130.8 billion)
4. Japan (\$106.7 billion)
5. United Kingdom (\$103.7 billion)
6. France (\$89.2 billion)
7. Mexico (\$79.7 billion)
8. Italy (\$76.3 billion)
9. Spain (\$68.8 billion)
10. Brazil (\$56.3 billion)

2.3. Analysis of Common Benefits of Tourism for Country Economy

The crucial benefit of tourism sector to a sustainable recovery in emerging and developing countries is measured by Germany example.⁴³ Development aid: 11 million German tourists visit to developing and emerging regions and countries each year. As a result direct benefit of tourism to these countries' GDP approximately amounts to 7 billion euros, thus almost equals to Germany's total official development aid budget.

Contribution to infrastructure and jobs: In many developing and emerging countries, 738 thousand jobs in different places such as hotels and restaurants can be arranged to Germany travellers. Moreover, locals

⁴² Mapped: The World's Dependency on the Travel Industry, <https://howmuch.net/articles/travel-tourism-economy-2017> (05.04.2018)

⁴³ The important contribution of tourism, <https://www.driv.de/en/press/news-1/detail/the-important-contribution-of-tourism.html> (05.04.2018)

are gaining from infrastructure investments, thus f improves drinking water supply.

Support to Social development: Researches shows a direct linkage between the number of visitors and literacy rates, at the same time political participation index of WB.

Tourism has a lot of economic and other impacts. Tourism sector contributes to income, sales, jobs, profits, tax revenues in an area. The most direct impacts happen within the key tourism sectors such as lodging, amusements, restaurants, retail trade and transportation. With secondary effects, tourism influences many economic fields. An economic effect analysis of tourism field increasingly concentrates on changes in sales, employment, income in tourism activity. The tourism industry itself imports, produces or gets goods and services from others in business, and allocates most of the income as salaries and wages to its workers. This emerges secondary economic impact in the country. In many regions and countries the creation and development of tourism gives local people an opportunity for economic and educational increase that would never be available. Moreover, it gives both the tourist and the local community a chance to think and experience other cultures, which expands understanding.

If properly used, tourism created income can be significantly beneficial and useful to the host country and its local peoples. The tourism industry is of great economic importance for Germany. The sector contributed 97.0 billion Euro or 4.4 per cent to German gross value in 2010. Tourism industry approximately has directly almost 2.9 million employees. This result is 7.0 per cent of employment in Germany.⁴⁴ Tourism created income that can be used for a national and

⁴⁴ The Economic Impact of Germany's Tourism Industry, <https://diw-econ.de/en/projects/i-the-economic-impact-of-germanys-tourism-industry/> (05.04.2018)

local level to be education better, develop infrastructure, to finance conservation efforts, and to organize more responsible tour.

We can summarize the economic benefits of tourism, the followings explain clearly.⁴⁵

- Allow diversifying and stabilizing of the local economy;
- Provide countries with additional tax revenues every year via restaurant and employee income tax, accommodation taxes, park entrance fees, airport and sales taxes etc.;
- Generate local workplaces and business opportunities. These include directly related and indirectly jobs in tourism (tour and hotel services) and those that indirectly sustain tourism (such as housing construction and food production);
- Brings foreign currency into the economy. As a result of circulation tourist money is returned to the local economy as it is allocated and spent over and over again;
- Attract additional business subjects and services to develop the tourist sector.

Tourism only does not effect economy of the country, indirectly it has many impacts on environment, society, perception, transport, GDP, infrastructure and building projects and etc. Every year host countries and local communities, particularly developed countries get benefit billions of dollars from tourism and other fields that tourism has big impacts in their development.

⁴⁵ Tourism Costs and Benefits <https://geographyfieldwork.com/TourismProsCons.htm> (05.04.2018)

RESEARCH METHODOLOGY

In this paper we touched tourism industry and related fields which are getting bigger in circulation of many developed and developing countries. In first chapter we try to research and explain an international tourism and its features on countries theoretically. Reason to research international tourism last years, specially last decades turned to income source of many countries and regions. Then we saw tourism perspectives of Germany and with which opportunities it attracts millions of tourists from all over the world every year. Moreover, the role of Germany in international tourism and its benefit from this turnover is one of most interesting parts of our research. While writing this paper, a lot of books, interesting various articles and speeches of many tourism specialist in conferences was used in condition of retaining literary property. In second part we attempt to show the impacts of tourism on general and Germany trade, alongside tourism effects on importing and exporting goods and service using articles about this topic. Also as indicator of economic growth, the role and part of tourism sector in GDP was analysed. In general all economic impacts of tourism was explained via theoretical and statistic results, graphics. As tourism is not a scientific profession or field this paper focuses on diverse articles, opinions, and general information about the tourism and its development perspectives. This paper tries to explain much:

What is the importance of tourism in global economy?

What kinds of countries gains more than others?

Which fields and sectors is tourism related with?

What are the impacts of tourism on German economy, trade and other sectors?

We tried to do our best for analysing of tourism and its impacts on Germany and its economy practically and theoretically.

RESULTS AND CONCLUSION

Tourism generates jobs in directly employment inside the tourism sector and indirectly in sectors such as transportation and retail. When tourists spend their salaries and incomes on goods and services, it leads to creating more jobs and workplaces such as restaurants, hotels, attractions. The tourism sector, at the same time provides opportunities for small business enterprises that is particularly crucial in rural areas and communities, and creates additional tax revenues, such as hotel and airport taxes, which can be used for hospitals, schools and housing. The developments in infrastructure and new leisure beauties that result from tourism industry also benefit the local communities. Tourism also serves the preservation of traditional and historical festivals, buildings and customs, handicrafts that are not allowed to reduce, and it generates civic pride. Changes between guests and hosts create a better cultural understanding that can also help increase global awareness of a number of issues such as human rights abuses and poverty.

Tourism, especially nature and ecotourism help conservation and protection of natural resources and wildlife, also rain forests, as these are now estimated as tourism assets. It also helps create funding for retaining animal protection and marine that has guide fees and entrance charges. By generating alternative sources of employment, tourism alleviates problems such as deforestation and over-fishing in both developed and developing nations. Tourism impacts the economy of countries via various means. Government and industries comment the benefits of tourism to the economy in terms of income generation, employment, revenues, investment and balance of payment. Tourism is a labour intensive sector and its value derives from wages and salaries that are paid to full time workers. The industrial fields, in which those jobs

consists of either directly serve tourist needs or indirectly earn from the tourists expenses. From the economic perspectives, tourism is also considerable for German economy because it creates a lot of workplaces for local residents and increases profits in different industrial sectors of a country. More contribution of the tourism sector is a significant impact on a country's balance of payments. International tourists buy tourist goods and services in the host countries and the payment for these goods and services are implied as invisibles.

An economic impact evaluation defines the benefits of tourism sector to a country's economy. This assessment also shows the relationships among economic fields, and provides evaluating of the changes that occur in a country economy because of some existing action:

- Knowing how much tourists spend
- Defining how tourism effects local businesses
- Finding out how much income tourism creates for businesses
- Measuring the number of jobs generated by the tourism sector
- Calculating the amount of additional tax revenue that is created by tourism

Several developed countries such as Germany take tourism development as choice to increase economic growth and employment. Policies target at attracting more tourists are put in place. Careful approach of benefits and pitfalls of tourism development is important in order to maintain balanced development. The effect of tourism on local residents is a current topic in tourism research. The researches related with the impact of tourism on locals implied the effect of tourism on environmental, cultural, economic and social life of residents. As a result we saw tourism not only entertainment, going to picnic or travelling, at the same time learnt tourism is one of the major economic sectors in Germany and over the worldwide. Tourism helps local businesses earn

much from tourists, attracts more investment to the country's economy, create extra tax revenues and helps Germany and other national government create foreign exchange earnings. That is why governments and countries try to continue tourism during the year because of durable economic growth and development.

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