



# **The Ministry of Education of Azerbaijan Republic**

## **Impact of the Financial and Economic Crisis on Tourism**

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## **ABSTRACT**

Tourism is one of the largest industries in the global economy and has been both a key driver and a beneficiary of the prolonged period of economic growth seen in recent years. It also has significant social and cultural benefits because of its potential to promote understanding and international relationships. These socioeconomic dimensions make tourism a vital component of globalization. But the many events taking place at global level call into question how the tourism industry is affected.

Natural phenomena (earthquakes, hurricanes, volcanic eruptions), epidemics, terrorist acts, political instability drastically affect the tourism industry and hence national economies. The intensity of business organizations is reflected in the national economy and hence overall performance.

The tourism industry has been affected by other crises in the previous period but the current crisis (whose starting point can be considered the period September-October 2008) is characterized by some specific aspects that differentiate it from other crises. The global financial crisis started from 2008 has brought severe damages to tourism, as tourism is especially vulnerable to economic uncertainty and volatility. Therefore it is very important and necessary to monitor the impact of the financial crisis and forecast the future change in tourism demands. Its impact, based on real data, are analyzed in this article. Despite the current difficulties.

The Tourism sector remains a critical economic sector worldwide and one that provides significant potential for economic growth and development internationally. This paper examines the impact of crisis events on the demand for tourism overnights in order to establish a better understanding of changes and trends in tourism.

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# INTRODUCTION

Tourism is the main sector in the world that various individuals are working directly or indirectly in it. The significance of the area worldwide is reinforced by expanding volume and intricacy of tourism supply that have created a real improvement of tourism industry; by the particular business condition which take extents more than some other administration division.

## 1.1. Research Purpose and Objectives

The main aim is this analysis to serve purposes. Opening, we plan to give valuable near data to settling on choices identified with business and tourism advancement. Second, and all the more essentially, we trust that the investigation gives a chance to the Tourism Industry to feature the impediments to tourism competitiveness.

The quantity of tourism overnights stays specifically impacts the tourism business' salary and the administration organization ventures in that. Subsequently, policymakers need to enhance their comprehension of how crisis occasions influence the interest for inbound tourism

Wage and foreign exchange rates are both critical logical factors. Regarding caused misfortunes, decreased the quantity of overnights stays endured amid the effect of the financial crisis.

The aim of this study is to inspect the effect of the financial crisis on the tourism industry, ponder how essential tourism is for the economy and whether tourism has recuperated quicker than different sectors. The consequence of this investigation will uncover whether, the economic crisis has influenced the tourism part and what were the consequences of such an effect. The point of the examination is to get information and create a concise overview related to the financial situation in different countries, to characterize the modifications pursued by the economic crisis and analyze.

## **1.2. Research structure**

This paper finds that any impact on safety, whether domestic or international, negatively affects tourism demand. The impact of financial crises on tourists overnights stays demand is not significant.

The economic and financial crisis has brought adjust among cost, price and quality. Changes have happened for the most part in the accommodation prices, the time spent on holidays; think about decreasing costs, yet particularly as a tourism destination and place.

The study comprises of segments. The first segment shows aim of this study and implementations behind the study and its usage, followed by a concise introduction to the financial crisis and tourism. The next section introduces a writing audit that talks about the tourism and financial crisis, economic crisis in countries, tourism as a common approach and in conclusion the significance of tourism to locales. The third segment examines the exploration approach and procedure finished the examination for this study. The fourth area, information gathering and result discoveries are depicted and additionally the polls which were utilized as an information accumulation device. The exposition at last closures with a conclusion segment, which features and outline the discoveries of this examination.

## **2. FINANCIAL AND ECONOMIC CRISIS AND TOURISM**

### **2.1. Determinant factors of tourism development**

Tourism is an affective instrument for economic-social development and has been characterized by the aptitude to become the necessary of a new growth policy, focused on overpowering economic crises through inbound tourism profits. In actual fact economic, environmental and social drivers are manipulating tourism industry. Tourism industry plays dynamic role in formation of both direct and indirect employment through small scale industry, manager services, community services and infrastructural growth.

Improving the tourism sector influence to the employment. The employment also linked with revenue and living of the communities. Tourism is creating only few employment probability for the few unusual focused groups rather than overwhelming enormous fishers group. Lot of factors is related with environment. Many fold activities of tourism are creating detrimental effects on environment. Economic factors mostly influence tourism in the greater extent followed by environmental and social factors respectively

It is now widely recognized that not only uncontrolled tourism expansion is likely to lead to environmental degradation, but also that environmental degradation, in turn, poses a serious threat to tourism.

Pollution, natural disasters, seasonal pressure of visitors, lack of infrastructural development, depletion of natural resources are major threats to tourism. Infrastructural improvements not only generate benefits to tourists but can also contribute to improving the living conditions of local populations. This increase in social overhead capital can also help attract other industries to a disadvantaged area and thus be crucial to regional economic development. Impacts of natural resources and seasonal pressure



are the major threats for tourism followed by natural disasters and warning on air & water quality. The negative impacts of intensive tourism activities on the environmental quality of beaches, mountains, rivers, forests and other ecosystems also compromise the viability of the tourism industry in these places.

Tourist usually wants to make the tour comfortable and joyful through tour related concerns including accommodation, food, facilities, services and healthy environment. Regarding accommodation most of respondents were opined that accommodation is not available followed by if avail but not comfortable, expensive and lacking from available services .

Notwithstanding of sustainable tourism alarmed with the environmental, as well as the socio-cultural problems linked with conventional tourism. As a consequence, there is crucial need to uphold sustainable tourism development to imitate its environmental impacts and to ensure more sustainable management of natural resources. To boost up the concept of sustainable tourism process, refers to tourist activities “leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.

Tourism infrastructure is global system. Conducting tourism involves a specific request for goods and services, demand drives the increase in their production area.

Tourism demand determines supply adaptation that results in, inter alia, the technical and material development of the sector, and indirectly stimulating the production branches participating in the construction and equipping of accommodation and food, modernization of roads, development of means transport, leisure facilities etc.

Apparent in relationship to the assembly of national economy, tourism acts as an element which activates the global system.

In this context, the main arguments which determine the necessity of tourism development are the consequence of the following aspects:

- Because tourism resources are practically inexhaustible, tourism represents one of economy's sectors with real long term development perspectives;
- The complex exploitation and valorization of tourism resources, together with an efficient advertising on the external market can represent a way of growing the financial resources of the state, contributing to establishing a balance of external payments;
- Tourism is a secure market for workforce as it redistributes the unemployed personnel coming from other economic sectors;
- Because of its multiplying effect, tourism acts as an element of the global tourism system, generating a specific request of goods and services which determine a growth of their production, contributing to the national economy's sectors' diversification;
- A harmonious development of tourism contributes to the economic and social growth and to the attenuation of the disequilibrium between various areas, representing an important source of increasing the population's financial resources.

## **2.2. Economic impact of the tourism**

Economic benefits of tourism sector are touted by the industry for different reasons. Tourism sector is necessary for an economic side and it gives organization greater respect among the business groups, public in common. This often turn to the decisions that are convenient to tourism industry. The support of commodity is important for the tourism sector, as it is a movement that influences the whole group. Tourism organizations depend widely on different organizations, businesses, government and occupants of the local group or community.

Economic benefits and costs of tourism reach virtually everyone in the region in one way or another. Economic impact analyses provide tangible estimates of these

economic interdependencies and a better understanding of the role and importance of tourism in a region's economy.

Tourism activity conjointly contains economic costs, together with the direct costs incurred by tourism industry, government costs for infrastructure to raised serve tourists, still as constriction and connected prices borne by people within the community. Community choices over tourism sector typically involve discussions between business proponents touting tourism's economic impacts (benefits) and detractor's activity tourism's costs. Sound choices residue on a balanced associate in objective assessment of each profit and cost and a comprehension of World Health Organization edges from business and World Health Organization pays for it.

Financial benefits and prices of business reach primarily everyone within the space somehow. Financial effect provide analyses substantial appraisals of those economic interdependencies and a comprehension of the half and significance of business during a countries' economy.

### **2.3. Economic crisis and Tourism**

With the fast development of business in past years, the categories of crises faced by the business trade normally have additionally enlarged and distributed as they're caused by many alternative things like natural events, economic and money changes, political policies and acts of terrorism, environmental problems, health and wellness, technological failure and alternative factors from at intervals the business trade itself. Particularly beginning within the starting of twenty-first century, crises became additional frequent, massive scale and wide influencing.

The worldwide monetary and financial crisis began to unfold in 2007, once the amount of personal family debts within the u. s. of America peaked, due partially to intensive disposal schemes to economically weak non-public persons for property purchase. Once the interest rates inevitably augmented, an outsized range of lenders did

not service their mortgages. The worldwide monetary crisis gained additional momentum once member banks of the North American country Federal National Mortgage Association dilated into the secondary mortgage market via advanced securitization processes. Confronted with the increasing range of loan defaults, secured cash equivalent older a fulminant come by demand that successively prompted a crucial decrease in interbank trust. Thus, world monetary transactions became scarce, credit markets ran dry.

In the spring of 2008, the interbank market broken down. The credit crisis became a worldwide monetary crisis, inflicting credit flows to the important production sector and also the non-public economy to dry up. a substantial range of personal corporations had difficulties in receiving loans for due investments.

The contraction of the important economy influenced to the business market. Faced with doable lay-offs or loan reductions, staff would prorogue, modification or perhaps cancel travel plans, considerably reducing their travel budgets. In the midst of a high oil value and rising inflation rates, recession fears took their toll and travel budgets more diminished. This constricted international demand for business services within the vacation destinations. Albeit time-delayed and addicted to the crisis resilience within the supply markets, international tourer arrivals born notably by finish of 2008, moving not solely the economic performance of business corporations however additionally business connected corporations on the worth chains. The crisis hit the business sector and lasted for fifteen consecutive months of negative growth till October 2009. The crisis peaked in March 2009, with a twelve-tone system decrease in international tourer arrivals. Since then, international tourer arrivals steady recovered and turned positive throughout the half-moon of 2009.

During 2009, international holidaymaker arrivals cut by 4% international level, including a 6% fall in tourism receipts. The 2008–2009 crisis was the primary serious downswing featured by the world at international level.

The business sector seasoned necessary declines and changes in travel habits, like the decrease of long-haul travel in favor of short-distance travel, as well as intra-regional and domestic travel. In 2010, the business sector rebounded quicker than expected and absolutely stipendiary for the losses caused by the economic condition at international level, posting a rate of international holidaymaker arrivals of seven. The recovery confirms the sector's resilience within the medium and future, and its role as a key driver of growth and far required employment in an exceedingly dynamic economic setting.

The decrease within the economic activity – following a giant economic condition - has a lucid impact on the business markets. Used people featured with attainable layoffs and tighter borrowing conditions, were forced to cancel, modification or delay their travel plans because of their reduced income and thus reduced travel budget.

The financial crisis has effects on the public mind-set, tourists are analyzing the prices as never before, issues like environmental and social responsibility in addition because the country's name concerning these problems take outstanding place within the designing method and this type of behavior is termed "green consumerism". Conversely, tourists don't want to pay full prices, and their expectations regarding generous and discounts have sharpened. In 2011 a survey, conducted by the Visa international Travel Intensions, mentioned that price was the primary among alternative necessary factors of alternative, even before scenery, political stability and kind of activities within the destination. Costumers became accustomed regarding flash' sales, time restricted offers and fluid costs, that even once the troubled economic conditions settle, the behavior learned throughout the downswing won't disappear

Economic and financial crisis could have an effect on commercial enterprise as a results of each economic and non-economic factors (Goh 2012). Taking under consideration a conventional economic science approach, associate crisis is predicted to have an effect on commercial enterprise as a results of changes in incomes and prices.

To point out, economic and financial crisis contains a huge result on the economy resulting in the reduction of GDP in addition as on the disposable income.

During a recession – that is outlined as a state of affairs wherever the value is negative for two or additional consecutive quarters – the customers are very likely modification in consumption habits. The economic and financial crisis as a result could have an effect on tourism consumption because of reduction income in two ways. First is regarding the modification, people or families typically face the choice of whether or not to travel or not. Through they arrange to travel they could modification the destination they went to fancy or the length of their holidays, for instance rather than travel away for per week currently they could arrange to travel just for five days. The second result could be a results of tourism substitution because of the financial gain physical property. Commercial enterprise usually counts as associate degree financial gain elastic service, which means that even a little modification of income can directly have an effect on the selection of destination, services and therefore the demand for commercial enterprise. Above all, a discount in financial gain is anticipated to have an effect on negatively particularly luxurious commercial enterprise destinations and completely destinations and services of basic standards.

### **3. IMPACT OF THE FINANCIAL AND THE ECONOMIC CRISIS ON THE REGIONS AND COUNTRIES: SOLUTION VERSIONS**

#### **3.1. The Impact of European Economic and Financial Crisis on tourism; the case of Greece**

##### **3.1.1. The impact of European and Financial Crisis on tourism**

In recent periods tourism has become a vital channel of economic process and in some conditions has been a country's most important source of financial income.

In a rapidly growing and developing world, traveling isn't considered as luxury good, but as a good investment. As an important international activity, tourism has faced numerous global changes, such as political, technological, social and demographic. These changes can drastically affect the development of both the tourism sector of a country as well as the aggregate socio-economy of the country. In a global economy, tourists are increasingly informed about their destination both before and while visiting a country and events such as political instability or economic crisis can be reflected on the consumption habits of tourists.

The international economic crisis of the early 2009, affected many global economies which started a chain of events that affected many sectors, tourism was one of the highly affected.

Europe, as the most significant tourism region within the world in terms of each destination and supply, has continuously paid careful care to the state of the tourism sector on many various levels. Europe's market share in world tourism industry has steadily declined throughout recent years; additionally, Europe continues to play a central role within the world commercial enterprise market. According to the EU Commission, commercial enterprise has systematically contributed to the accomplishment of many major world organization (EU) objectives like property development, economic process, employment further as economic and social cohesion. "The EU commercial enterprise

business generates over 4% of the EU GDP, with regarding 2 million enterprises using around 4% of the total labor force (approximately 8 million jobs). Once connected sectors square measure taken under consideration, the calculable contribution of tourism to GDP is way higher - commercial enterprise indirectly generates regarding to the EU Union's value and provides regarding 12% of the labor force. Since the half-moon of 2008, the world economy has underneath gone the foremost severe recession of the post second warfare amount with damaging consequences for various individuals, businesses and jobs worldwide. Commercial enterprise has not gone untouched by this world crisis, and throughout the commercial enterprise business it's believed that the world money crisis has ultimately broken the whole business as a result of commercial enterprise is very at risk of economic uncertainty and volatility.

Additionally, all of the generally used figures and indicators, like arrivals and overnights, replicate negative effects of the crisis. The most recent economic knowledge, GDP, given by completely different countries and international organizations indicate that the planet economy bell-bottom out and may currently be getting down to emerge from this unexampled recession. However specialists warn that recovery may well be sluggish and a few surprising difficulties may occur on the thanks to recovery. Moreover, state that worsened quickly, as well as in several regions that had already been experiencing rising unemployment rates, can take for much longer to rebound.

Misfortune ne'er comes alone. Starting within the spring of 2009, the worldwide eruption of flu A (H1N1) conjointly hit each international and domestic business markets.

While continuing toward completion of European Union (EU) as unified single state, major European Countries have bump into with sudden slump. Within the course of this unfortunate developments, European unification as single state has become a polemical issue. There are several reasons for that outcome. However, among express and implicit reasons, we tend to may claim that leading industrial EU countries have



managed the method rather unsuccessfully. The apparent reasons for the recent happening of economic crises inside the economic and financial union can be cited as; variations in economic development levels inside the EU countries, having AN unproductive economy, excessive public expenditures & debts, and soon. It's expected that reflection of slump from Greece. The world monetary crisis has greatly affected the business sectors of European countries, however Greece has suffered specifically.

### **3.1.2. Tourism in Greece and SWOT analysis of Greek tourism**

Greece could be a Mediterranean country on the land with an upscale economic, spiritual and intellectual activity that takes place during this space for quite 3 and a 0.5 millennia. It's an extended tradition within the field of touristy and cordial reception, principally because of its history and ancient civilization. Already in ancient Hellenic Republic, guests were thought-about sacred. Particularly Zeus, the supreme god of Greek mythology or god of sky and lightning, was additionally the god of cordial reception, United Nations agency protected guests and galvanized native individuals to worry for them.

The development of recent trade in Greece Republic for the touristy demand started within the 1950s. In step with Buhalis, the most Greek touristy product could be a mixture of natural, cultural and historical attractions that is mirrored in massive half.

Additionally, 15,000 miles of outline and a couple of 500 islands, a median of three hundred sunny days yearly, with a novel flora and fauna also as a wonderful climate with delicate winters and heat summers. Hellenic Republic owns such a spread of natural attraction with some 25,000 registered monuments and archeologic sites, museums and another 500 ancient settlements.

The important merchandise of the Greek tourism are sun, sand, sea, called the '3S version', and a plethora of records, lifestyle, landscape and culture. Greece's tourism is properly expand to cover the 21'st various and needs. Greece has been located as a year around destination, plating all seasons, wintery weather as well as summer time. In conjunction with exports of goods, tourism is predicted to constitute one of the principal sectors that will make a contribution toward the healing and growth of the Greek financial system inside the coming years, by way of supporting in attracting investments, helping other monetary sectors and boosting employment. Tourism has already contributed decisively on this direction, because it recorded an impressive restoration in 2013. Greece's employment is likewise exceedingly depended on tourism because the direct contribution of journey and tourism in 2016 amounted 423,000 jobs (11,5% of overall employment) and the full contribution of tour and tourism changed into anticipated 860,500 jobs in 2016 (23,4% of total 21 employment) which both are forecast to upward thrust with the aid of 2027. In the 2015 Greece has attracted 26.5 million traffic and 30 million visitors in 2016, making it one of the most visited countries in Europe and the world.

In there exist a developing competitiveness among nations due to high costs, which force locations to over-function and reduce costs, oversupply, which affects the stability among demand and supply and consequences in price-discount, the functions of the competition, which defines the scope of competitiveness and eventually demand growth, late in demand growth method exquisite competitiveness amongst destinations. (SETE, 2005).

A SWOT analysis which finds strengths, weaknesses, opportunities and threats, is an analysis tool assisting the researchers or planners to define and prioritize the business targets, and to similarly define the strategies of reaching them. Identify the domestic environment as 'the strength and weakness of a firm which contains key dimensions which include financial overall performance and resources, human assets, production

facilities and capacities, customer perceptions of product quality, costs, prices, market share, product availability and organizational transport and communication.

A SWOT analysis have been performed for the Greek tourism to assess its competitiveness, primarily based on strategic management research undertaken.

We can define upon strengths of the Greek tourism to be its natural and cultural assets of interest, Tourism Company's flexibility, health and hygiene systems in addition to entrepreneurial activity as family interest which improves their customer delight and service satisfactory. Primary important weaknesses of the Greek tourism are management and marketing, loss of economies of scale, economic constraints, and lack of quality requirements, well-known high cost of residing, regulations and policies in addition to seasonality. Basic opportunities for the Greek tourism are technology, low cost transportation, EU assist, tendency in tourism demand, infrastructure development in addition to new rising markets such as China and Russia. Threats for the Greek tourism are environmental deterioration, oversupply, concentration and globalization, political as well as terrorism crises.

### **3.1.3. The Economic and Financial Crisis on Greece**

The economic changes can negative affect Greece, because the economy of country is depended on tourism sector. Greece in particular was one of the heavily affected countries by the International financial crisis in the European Union in 2009. According to United Nations World Tourism Organization, 1,087 million international tourist arrivals were recorder in 2013, estimating for 873 billion euros in tourism receipts. Greece has approximately 1.5% share of the world tourism marketplace and 2.9% of the European.

Tourism represents an important part of the Greek economy, since it has a huge impact on different economic activities, covering up to 11.5% of total employment of the country. The contribution of tourism to the total employment, the economic growth and development of the country has been huge as it amounts for 16.4% of the total GDP. During the beginning of the economic crisis the tourism sector, as well as other sectors were critically challenged in a time where unemployment rates were increasing rapidly.

From the work carried out in this field, it seems that three elements must be presented in order to develop a crisis; first is a triggering event causing significant change or having the potential to cause significant change; second, the perceived inability to cope with this change; and third, the threat to the existence of organizations.

Greece was severely damaged by the economic crisis, with effects such as enormous debts and increasing unemployment causing huge difficulties in the positive promotion of the country's image.

The economic crisis apart of the economic instability, has caused a political crisis as well as the legitimacy of the political system is criticized and heavily questioned. This goes further as a significant percentage of the population sees the current management of the country as worrying for the future. Issues like the fact that the government undercounted debt levels and deficits which became the catalyst of the country falling into the crisis in the first place showed strong structural weaknesses in the Greek economy and political respect and recognition. As bad and worrying this situation sounds there might be a glimpse of light down the tunnel for the Greek economy and that is thanks to its tourism sector capabilities. As the international literature on tourism suggests, inbound tourism arrivals can be positively affected in a region that suffers from an economic crisis.

This can be a end result of the reaction of the tourism quarter vendors choosing to lower their charges so that you can come to be greater competitive and combat the awful

weather climate the popularity that has broken their brand name due to the financial crisis.

Furthermore, Greece's commitment towards the Eurozone supposed that the authorities had no power over its economic policy and consequently was not able to independently react via changing the interest rates and getting control of the inflation which are not unusual for the entire economic quarter. That meant that the Greek economy couldn't maintain up with the economic system which at the equal time was booming. Combining the inconsistency in the political area with the financial downside towards the opposite parts of the Eurozone created a highly dysfunctional state of affairs. A listing, published via the national statistical agency of Greece pronounced the 5 primary motives that brought about the Greek debt crisis; poor GDP growth, government debt and deficits, budget, finances compliance and records compatibility.

Greece's national statistical agency announce a report list the 5 primary motives of the Greek government debt crisis, terrible GDP boom, government debt and deficits, finances compliance and records compatibility.

Moreover, the deficiency of accountability and proper observation in such a lot of components of Greek economic compounded the issues. At the peak of the worldwide economic and financial crisis in the last months of 2009, but, investors' minds were distracted by means of the banking crisis inside the rest of the sector, so the spotlight become no longer fully targeted at the specific problems in Greece. The Eurozone, installed for political purposes as a subsequent step on the route to nearer financial and economic union inside the EU, gave rise to a mistaken monetary structure, and Greece's inclusion in the Eurozone made Greece's crisis unavoidable.

The Greek economy became at a boom in view that 1990s profiting from low interest rates and rapid foreign direct investment. This boom but, rising from the personal quarter credit score bubble, proved to be unsustainable because of useless spending and an boom within the government's debt degrees. at some point of the 2008-

2010 period Greece confronted all the results from the previous years and, “hostage” of the European Central Bank because it became, it have become not possible to devalue its currency or reduce interest rates so that it will stimulate growth as the ECB had complete manipulate over the use economic policies. Moreover, draconian measures and restrictions posed via the ECB thru Greece into a never finishing cycle of three failing bailouts, totaling a cost of 246 billion euros. Those left Greece with a broken logo picture, the use of a’s actual GDP at the only fourth and a suffering human capital (kind Reich, 2017).

Tourism exemplify an important part of the Greek economic system, since it has a large impact on extraordinary monetary activities. in line with WTTC, in 2012 Greece ranked 40th a number of the 184 international locations with the aid of tourism’s contribution to economic system with the whole GDP of tourism amounted to 30, 3 billion euros or 16, 4% (world nine.2%). the overall contribution of tourism to employment in 2012, was anticipated for 689,000 jobs or 18.3% of general employment (international 8.7%) and the depositary receipt from global tourism arrivals in total employment into 26.4%, which equals to 11.4-14 billion euros (world five.2%). the share of the capital investment in tourism was estimated to 13.7% which equals to 3, 1 billion euros (world 4.7%). The presented indicators proves the high dependence of the Greece financial system on the tourism area (WTTC, 2013, 1-8).

## **3.2. The Impact of Asian Economic and Financial Crisis on tourism; the case of Turkey**

### **3.2.1. The impact of Asian and Financial Crisis on tourism**

Tourism is a main industry within the service sector at the worldwide level in addition to a main provider of jobs and a giant generator of foreign exchange at the national level. Tourism has become considered one of the biggest and fastest growing industries within the international economic system. Economic growth remained robust in Asian low-income and Pacific Island economies, as they benefited from strong commodity exports and investment inside the mining sector, fabric exports, and tourism. In 2010, international tourism recovered more strongly than predicted from the shock it had suffered from economic recession and the worldwide economic crisis in 2009. The expected global wide variety of inbound tourism arrivals in 2010 became 940 million, up 6.6% over 2009 and a 2.5 % more than the pre-crisis peak in 2008. At the same time as a few destinations are nevertheless suffering to come out of the crisis, the tourism sector in Asia and the Pacific has been buoyant. The Asia-Pacific region had a growth in inbound tourism arrivals of thirteen% among 2009 and 2010, making the location a pacesetter within the global restoration of tourism. In contrast with different regions across the globe, Asia and the Pacific had the second maximum boom in inbound tourism arrivals in 2010 over 2009. The Middle East changed into the fastest growing region, up 14.1% in 2010, following a great drop of 4.3% in 2009; Asia and the Pacific posted most effective a modest drop of 1.7% in 2009.

North-East Asia has been the most dynamic sub-place in Asia and the Pacific, with a mean growth rate in arrivals of 7.8% over the decade, even as its worldwide share grew from 8.3% in 1996 to 11.1% in 2006.

Global, inbound tourism expense achieve US\$919 billion in 2010, upward from US\$851 billion inside the previous year, coincident to an increase by means of US\$68 billion. Journey and tourism within the Asia-Pacific region had an increase in inbound

tourism arrivals of 13% between 2009 and 2010, making the place a leader inside the international restoration of tourism. In assessment with different areas across the globe, Asia and the Pacific had the second maximum growth in inbound tourism arrivals in 2010 over 2009. Inbound tourism expenditure grew to US\$249 billion in 2010, up from US\$203 billion in 2009. The TSA ambitions to collect and gift data about the participation of this zone on a countrywide or regional economy the worldwide economic and economic downturn that affected tourism from 2007 through to 2010 and beyond has forged widespread interest on the position that disaster occasions play in tourism.

### **3.2.2. Tourism in Turkey and SWOT analysis of Turkey tourism**

At the end of 2013, the variety of tourists visiting to the Turkey become 39.2 million and tourism revenues were \$ 32.3 billion. Otherwise, the range of Turkish citizens who travelled overseas turned into 7.5 million, even as their spending turned into \$ 5.2 billion in 2013.

The variety of site visitors coming to Turkey has multiplied annually 9.18% in the recent 10 years. Within the same time, the rate of increase in global tourism earnings turned into 8.84%. Those records indicate that the rate of increase in global tourism sales has stayed lower than 0.34% from the rate of increase within the wide variety of site visitors. Alternatively, increased the rate of abroad travels from Turkey become 8.22% and the yearly boom in foreign tourism expenditure ratio changed into 8.04% within the ultimate 10 years.

It may be additionally found in Table1 that there may be a significant increase in both internal and global tourism revenues and expenses except a few years within the past 10 years. Those growth rates were quite excessive in comparison with the growth charge in global GDP that become 2.7% and 4% in Turkey's financial and economic system at some point of 2000- 2011.



The information also display that regardless of the discount in foreign places spending in a few years, the upward trend continued in global tourism demand for and tourism spending. The annual growth rate in number of the domestic travels was 2.97% in the remaining recent 5 years. In contrast, the yearly growth in domestic tourism spending changed into 10.81% inside the identical time. Those results display that residents travelling abroad spent out much more than the growth rate of Turkish financial system. In 2013, for domestic tourism, a complete of 68,452,000 citizens travelled and they spent 18,416 million TL. 1,274 million TL of these become spent on much money tour package, whilst 17,142 million TL spent on individual expenditures.

As indicated above, an important increase has been determined in both foreign and domestic travel expenditures in Turkey in latest years. To explicate this have a look at, the difficulty need to be evaluated in conjunction with other variables together with growth, interest, forex and inflation in Turkey, and there might be a need to tackle a few additional feedback, which would arise by means of evaluation of pre-crisis and crisis intervals. The subsequent sections deal with these points.

*Table 1. Domestic and International Tourism Income-Expenditure in Turkey, 2003-2013*

Year	Number of Foreign Visitors	Δ (%)	Int. Tourism Income (Million\$)	Δ (%)	Travels Abroad	Δ (%)	Int. Tourism Expend. (Million\$)	Δ (%)	Num of Dom. Travel (1000)	Δ (%)	Dom. Tourism Expend. (MillionTL)	Δ (%)
2003	16 302 053	-	13 854	-	3 414 844	-	2 424	-	-	-	-	-
2004	20 262 640	24,3	17 076	23,2	3 844 494	12,5	2 954	21,8	-	-	-	-
2005	24 124 501	19,0	20 322	19,0	4 124 829	7,2	3 394	14,8	-	-	-	-
2006	23 148 669	-4,0	18 593	-8,5	4 063 180	-1,4	3 270	-3,6	-	-	-	-
2007	27 214 988	17,5	20 942	12,6	4 956 069	21,9	4 043	23,6	-	-	-	-
2008	30 979 979	13,8	25 415	21,3	4 892 717	-1,2	4 266	5,5	-	-	-	-
2009	32 006 149	3,3	25 064	-1,3	5 561 355	13,6	5 090	19,3	60 888	-	12 216	-
2010	33 027 943	3,1	24 930	-0,5	6 557 233	17,9	5 874	15,4	68 373	12,2	13 843	13,3
2011	36 151 328	9,4	28 115	12,7	6 281 972	-4,1	5 531	-5,8	65 854	-3,6	15 641	12,9
2012	36 776 645	1,7	29 351	4,3	5 802 950	-7,6	4 593	-16,9	64 922	-1,4	16 725	6,9
2013	39 226 226	6,6	32 310	10,0	7 525 869	29,6	5 253	14,3	68 452	5,4	18 416	9,1
Annual Δ (%)*		9,18		8,84	8,22		8,04			2,97		10,81

Turkish tourism has improved as linked in the international tourism demand up to the 2000s. However, it gets more stable and more balanced structure with the impact of increase in demand of internal tourism in the early of 21 century. Turkey has so much to

offer her visitors; breathtaking natural beauties, unique historical and archaeological sites, steadily improving hotel and touristic infrastructure and a tradition of hospitality and competitive prices. Therefore, it is not surprising that this country has recently become one of the world's most popular tourism destinations. Due to Turkey's diverse geography, one can experience four different climates in any one day. The rectangular shaped country is surrounded on three sides by three different seas. Its shores are laced with beaches, bays, coves, ports, islands and peninsulas. The summers are long, lasting as long as eight months in some areas. Turkey is also blessed with majestic mountains and valleys, lakes, rivers, waterfalls and grottoes perfect for winter and summer tourism and sports of all kinds. Skiing fans, mountain climbers, trekkers, hikers and hunters can enjoy new and unforgettable experiences in Turkey. Turkey is, above anything else, a huge open-air museum, a repository of all the civilizations nurtured by the soils of Anatolia.

Turkish tourism has evolved as extra dependent on the global tourism demand till the 2000s. However, it has received more stable and greater balanced shape with the effect of increase in demand of domestic tourism inside the early 21 century. Turkey provide her site to visitors; breathtaking natural beauties, specific historic and archaeological sites, steadily enhancing motel and touristic infrastructure and a subculture of hospitality and competitive prices. Consequently, it is not surprising that this country has these days emerge as one of the globe's maximum famous tourism destinations. Due to Turkey's numerous geography, you'll be able to revel in 4 one of a kind climates in anybody day. The rectangular shaped us of surrounded on 3 sides with the aid of 3 extraordinary seas. Its beaches are laced with beaches, bays, coves, ports, islands and peninsulas. The summers are long, lasting so long as eight months in some areas. Turkey is also blessed with majestic mountains and valleys, lakes, rivers, waterfalls and grottoes best for iciness and summer season tourism and sports of a wide variety. Snowboarding lovers, mountain climbers, trekkers, hikers and hunters can enjoy

new and unforgettable reviews in Turkey. Turkey is, above something else, a big open-air museum, a repository of all of the civilizations nurtured the land of Anatolia.

### **SWOT analysis of Turkish tourism:**

#### *Strengths:*

- Cheap workforce: The minimum base rate in Turkey about 350 USD in 2015. The minimum base rate is competitive workforce for tourism sector.
- Rich of History: Turkey is full of historical places from Troy to Roman. The oldest living place for people is Anatolia and it creates competitive advantage for tourism sector.
- Nature: Turkey is one of the best touristic region from sea you can go for skiing or mountain to river.
- Hotel: The year of the hotels is new to match competitors.
- Strong airline fleet: Turkey is the most important airline fleet is one the largest in Europe. It give superiority for tour operators. The regions charter airlines to the sector.
- Well-educated workforce: The population of Turkey approximately 75 million and the most of population are young. This junior and well-educated workforce hell to develop service quality of the sector.
- Close to market: Approximately 70% of tourist arrival from 3-4 hours travel to Turkey. It positive affects ticket price and time left for unpaid for tourist.
- Strong brand: The brand of Turkey is getting famous various countries for holiday and rest. It gives available price for holidays and individual tours.
- People: Populations of Turkey identify that tourism is essential for them and create a good communication for tourist.
- Cheap: Shopping of Turkey especially jewelry, towels, floors, clothes, etc. low-priced for tourist. It makes positive affect for the tourism industry.

### *Weakness:*

- Geography: The location of Turkey is close to instable regions, south of the Turkey the neighbors are Iraq Syria and Iran, which recent practically last two decades. These regions are known conflicted countries.
- Average yield: In there can't determine the growth for the average yield per tourist, down of the inflation rate and the price of goods is up last decade.
- Transportation facilities: In Turkey between the tourist places do not exist air and good highway systems. It influences unfavorable for tourist transportation.
- Share of Packed tour: Very tourists traveling Turkey arriving with all-inclusive tours. They do not to go outside from hotel. It effects unfavorable for small enterprises round the hotels.
- No planning: In there exist no tourism planning, some popular facts like, Antalya Bodrum and etc. filled tourist investments. However 20-30 km far from has just villages. More building influences unfavorable tourist and so they don't want to travel again.
- Tourism season: The tourism season of Turkey begin ending of May and close ending of September. More hotels closed up to next year.
- Inconsistency between five star hotels and rounds: because of not planned extending of touristic places, close the five stars hotels slummy areas and it influences unfavorable for tourist.

### *Opportunities:*

- THY: One of the biggest airline in Europe is Turkish Airlines has growing fleet from 100 to 350. It will be bigger day to day. One of the greatest airport in the world has positive affects to Turkey tourism industry. Turkish airline is THY which has the largest route system in the world.
- Alternative tourism: The reasons of coming of most tourist is sun and sea. But in Turkey you can see great historical places, conference, spas, hall, etc. tourism can differentiate.

- Diversify regions: Approximately 70% of tourist travelled from EU or CIS countries. Asia or America tourism can be encourage.
- Building new airports: Building new airports airport has favorable affect for Turkish tourism sector such as New Istanbul Airport. Because many airline cannot make fly to Istanbul for lacking of slots.
- Tourism should develop different regions of Turkey: Mughla Antalya and Istanbul tourism rate is approximately 80%. Other regions such as Shanliurfa, Bursa, Trabzon, Mardin, Gaziantep, etc. can be encouraged.

*Threats:*

- Any time can war in Middle East: Character of the region is that any war or conflict can be arise any time.
- Terrorist attacks: In consequences, the nature of region available terrorist attacks can incidence the Turkey in 2015. Two big attacked established and more people deaths and scarred.
- New destinations in Mediterranean: In Mediterranean region establish new regions such as Croatia or Montenegro can be alluring for tourist.
- EU politics for tourism: In the countries of European the EU promote the tourism. It can be affect unfavorable Turkish tourism sector.

### **3.2.4 The Economic and Financial Crisis on Turkey**

The tourism sector is susceptible, unguarded, and sensitive to crisis. This sector is strongly effected by crisis incidents resulting in unfavorable tourist perceptions. The financial and economic crisis effected the tourism sector by decreasing sales, declining

tourist consumption and restricting tourism expenditure. Additionally changed travel routine, such as a reduce of long-distance travel in favor of short-distance travel, contain internal and intraregional travel. The crisis also caused in modify and annulment in the travel plans. It happened by significantly decreasing travel budgets. Participated by rising inflation rates and high oil price, horror of recession further reduce toll and travel budgets. This restricted international demand of tourism industry.

The crisis not only affect in fewer customers in restaurants, hotels, and convention conference centers, etc., but also in an important fall in the average expenses per guest. Additionally, the spread of the financial and economic crisis in many regions elevated the effect of crisis in tourism market.

In last years, in spite of the global economic and financial crisis, the growth rate of the international and internal tourism expenses is well over the growth rate of the Turkey economy. In this case, the effect of the global economic and financial crisis on Turkish tourism demand has been searched. The investigation has particularly focused on factors like "currency" "interest rates" and "inflation", which may influence Turkish tourism throughout the global economic and financial crisis. Thence, the results of the tourism demand are explained more clearly. The consequences realize occurrence of a important deceleration in the Turkish tourism during the global economic and financial crisis. This slowdown was not depend on the exchange and inflation rate effect. Additionally, it was just caused by global economic financial crisis. Although, the internal and foreign travels were rise in Turkey in spite of the crisis throughout the period 2008-2013. Reducing interest rates played a important role in this rise. So, the effect of interest rate on tourist expenditures can be approved qua powerful influential factor.

Two important aspects exist in this study. First aspect is contractionary effects. It influences the global financial and economic crisis on the tourism demand. It is defined by taking into account the potential effects of economic variables like, inflation,

currency interest rates, etc. Secondly, this aspect is a visionary approach, which is an assessment of the global economic and financial crisis as an opportunity. Additionally, it also defined the effect of the particularized variables on tourism demand.

The increase a number of tourists coming to Turkey was 13.7% per year before the global crisis (2003-2008), which was only 4.83% per year after the crisis (2008-2013). This fact is a strong to manifest the influences of the crisis on international tourism demand in.

The inflation rate discourages foreign active and exports. In the period 2003-2008 average inflation rate was 10.58% in Turkey. The annual exchange rate of the dollar felled by (-) 2.83% per year. So, focus on the pre-crisis period.

In Turkey, There are not published information for the average room rates, in case of dollar. But hotels decrease dollar-termed room rates from year to year. Accommodation concept related on inflation rate in the country.

The room price is constant for foreign tourists in spite of inflation in the Turkey. But, inflation rate leads to rise in the tourist expenditures outside the hotel in dollar denominated. So, if tourists spend outside the hotel in a great percentage, and inflation is higher than the exchange rate increase. So making holiday in Turkey is expensive. During 2003-2008 In spite of this trend, the international coming were raise annually by 13.7%. Tourism revenues in dollar-denominated were increased to 12.9% per year in the period of time. It creates harmony with the number of tourists. Additionally, average rise in the exchange rate was 2.83%.

During the global economic and financial crisis, annual increase in foreign tourists dramatically reduced to 4.83%, in spite of rise in foreign exchange rate (foreign exchange rate is-8.01%). Furthermore, international tourism revenue decreased to 4.91%. These results represent that there is a necessary fall in international revenue and foreign guests during the global financial and economic crisis.

The most interesting problems about the Turkish hotel business, along this period of time, is that how it effort these difficult conditions. Like the cost increase related on inflation. It is significant problems for hotels in spite of the falling exchange rate. Profits reduce during global crisis period. But, in spite of reducing all benefits, benefits of the hotels might still be positive.

The all-inclusive system is not a solution to the issues of increasing pricing of the hotels. But it decreases outside expenditures of the tourists. So, it prohibits decline in demand of foreign tourists convenient to inflation.

### **3.3. The Impact of Economic and Financial crisis on tourism; the case of Azerbaijan**

#### **3.3.1. Tourism in Azerbaijan and SWOT analysis of Azerbaijan tourism**

Azerbaijan - a magnificent country with its wealthy natural assets, and antique subculture, history and people; whose life-style offers a unique and harmonious combination of the traditions and ceremonies of many one-of-a-kind cultures and civilizations. Azerbaijan is located within the vicinity this is very competitive in terms of tourism. That is why in Azerbaijan new tourism places must have better services with higher value, they need to meet worldwide demands in order that not to be behind from community international locations in making use of innovations. New medical tourism centers have to be constructed within the region nations. The countries also ought to improve current infrastructure to meet worldwide requirements in transportation, telecommunication, health and other spheres. Further, for the development of tourism the following services ought to be created and progressed:

a) Services for the lodging of travelers (inns, motels, hostels, sanatoriums, buying locations etc.);



b) Services to offer lodging: travelers can also live within the rented homes and flats, different residing places as well as within the camping tents;

c) Services to offer meals (restaurants, cafes, bars, pubs and so on.).

Physical and economic geography of various regions need to be discovered and relevant tourism places ought to be mounted. Non-governmental as well as commerce organizations can be customers to prepare applicable documentations. However, first of all with the permission of nation institutions the following documents should be prepared.

a) Academic outcomes on the extent of native-pastime capabilities of the regions;

b) Expert opinion on the natural-recreation reserves of the areas;

c) Opinion of the state ecological and sanitary-epidemiological understanding at the situation of the areas as well as health-care zones

d) The listing of the economic, agricultural and different entities located inside the native-recreation regions;

e) Records approximately the topographic plan of the region.

Historic locations must be renovated and open to tourists. Renovation of the historical places would prevent them from being destroyed. Via maintenance it is going to be feasible to pass those places to future generations in addition to to make travelers' journeys corious.

Azerbaijan is one of the most antique sites of human civilization. Humans have been right here at each level of their historical development. There were developed colony in Azerbaijan even at the earliest stages of civilization.

Time has preserved a number ancient archeological and architectural monuments for our era. Historical headstones, manuscripts and examples of carpets, preserved to the modern-day from ancient a while, can ensure insight to individuals who can and need to read them. If you want to understand Azerbaijan and realize of its charming records and

lifestyle, you need to have a look at this United States of America and its humans through the eyes of an old pal. The policy of "Open Doors" carried out by the Azerbaijan government, as well as the social and economic reformation and democratization of public carried out in the Republic, have acquired many more citizens of independent Azerbaijan to expand the scope of their worldview, and to receive wonderful opportunities to visit foreign countries. Visits of foreign tourists to Azerbaijan are also increasing day by day.

Azerbaijan has great potential for the development of the tourism industry - with such captivating sights as historic cities, palaces, fortresses, mausoleums, and mosques. Azerbaijan has constantly been well-known for its resources of eternal hearth - the "atashgehs". There's a place called Yanardag (blazing mountain) in Absheron and thermal springs in some parts of Nakhchievan, Kelbejar, Masali, Lenkoran, and Babadag provinces.

In Surakhani, there is a site of eternal flame. From old circulation, fire worshippers from foreign places, and even Indian clergymen, got here to Absheron searching for hearth, and discovered it right here. They built big temples right here in Surakhani and in Ateshgah.

There are extra than 6 thousand historical architectural monuments on the territory of Azerbaijan. The natural climatic situations of Azerbaijan also are specific. As is well known, 9 weather zones exist in Azerbaijan, out of the 11 in the world.

Azerbaijan is endowed with picturesque native landscapes, monuments of civilization and modern traveler sanctuary. The Khudat-Yalama seacoast, bordered through forests, and the beaches of Absheron and Lankaran are excellent spaces for pastime and rest. In these places, there are pleasant sandy beaches with consistent water temperatures of 22-26°C for five or extra months, which give for an extended swimming season. The most appealing areas for Alpinism and winter sports are Shamakhi and Gusar. Many styles of animals and birds are gadgets of licensed looking, and within the

reserves they're very easy to watch and photograph. Specifically, the Gizilagach reserve, where within the winter months more than one million character from hundred species of birds of passage get together, is good for this cause.

In Azerbaijan are a number of health resorts and spas, creating an opportunity for treatment of many sicknesses yielding to native medicine. Most of the resorts with mineral spas also function as tourist centers. Nakhchievan is particularly rich in mineral sources; the only known deposit of medicinal petroleum in the world - Naftalan - is completely inimitable.

There is a huge capacity for the development of tourism in the areas. The nature and landscape inside the regions make them very suitable for tourism. However there are inactively issues associated with infrastructure inside the areas like electricity, native fuel, communication and many others. However safety and presentation of ancient monuments are not at beloved level in the regions. There aren't any signal posts directing to the historical monuments in the villages. Hotels, restaurants are not at desired level to offer high first-rate provider to travelers. In most areas accommodations have no longer been repaired since the Soviet duration. Nowadays no longer all the areas of the republic are open to tourism. Works are not delivered to attract tourists to the areas that are wealthy with beautiful sightseeing's and historic places.

Regions have now not been protected to the applications on the improvement of tourism. The primary trouble inside the regions that hinders the development of tourism is associated with the infrastructure troubles. Water, gas, energy, sewerage, telecommunication structures are not at a preferred degree. However, the economic and cultural state of affairs of the vicinity must meet current demands that allows you to be blanketed to the program on the development of tourism. Initially there need to be regional assets to contribute to the development of tourism. Irrespective of native assets are very suitable for the development of tourism, if the place isn't always economically

evolved and there's no suitable infrastructure to provide visitor with high exceptional service tourism cannot develop there.

### **SWOT analysis of Azerbaijan tourism:**

#### Strengths

- Favorable geographical position
- Relatively developed shipping infrastructure
- Wealthy cultural and historical heritage
- Wealthy natural heritage:
  1. On the territory of Azerbaijan you can see all types of alleviation: the mountains and the lowlands, plains and valleys.
  2. Wealthy plant life and fauna, the presence of Naftalan oil, 750 km of the coast of the Caspian sea can allure tourists
- Political stability
- Security degree inside the country
- Rising incomes per capita
- The stability of the countrywide forex
- Developed financial relations with European nations and areas

#### Weaknesses

- Inadequate use of current traveler capability of republic
- The lack and poor quality of tourist infrastructure and service
- The high cost of lodging, meals, transport and other services offered to tourists, significantly exceeding the average European level
- Barriers to attracting funding in tourism infrastructure including the absence of prepared funding websites, the availability of administrative barriers, unfavorable conditions of the land rent
- Seasonality of maximum tourist manufactured from the republic combined with seasonal inaccessibility of key items of traveler display
- Shortage of skilled hard work force that determines the low quality of services in all sectors of the tourism industry, preserving the terrible stereotypes of the photograph of Azerbaijan

## Opportunities

- Improvement of environmental, sports activities and other types of natural as well as cultural and enterprise tourism in cooperation with overseas companions
- Development of normative felony regulation within the sphere of tourism by means of use of enjoy of foreign international locations
- Development and development of tourism infrastructure, such as concomitant (transportation, catering, enjoyment, and so on.) by using use of enjoy of overseas nations
- The creation of new priority traveler centers in cooperation with foreign partners
- Development of worldwide and interregional excursions, because of integration into company networks
- Improving the first-rate of tourism and related offerings through use of experience of foreign countries
- The advent and advertising of aggressive manufacturers of traveler products

## Threats

- Macroeconomic chance associated with the possibility of decay of the inner and external surroundings, lowering the growth price of the financial system, the extent of funding pastime, high inflation, the disaster of the banking system
- Economic risks related to the emergence of price range deficits and as a result inadequate level of finances financing
- Geopolitical risks related to struggle and terrorist sports
- Global risks associated with the situation on the international markets, change charges, the diploma of mutual integration of the states
- Technological and environmental dangers, i.e. changes in climatic conditions; some lowland flooding due to growing degree of the Caspian Sea

### **3.3.2. The Economic and Financial crisis on Azerbaijan tourism**

Azerbaijan has a super ability in tourism area. Consistent with data, the income of Azerbaijan in tourism zone is \$100 million. Nevertheless authorities must guarantee forming competitive tourism enterprise via imposing relevant infrastructure tasks within the path of turning this capacity into possibilities as well as developing it.

The Azerbaijani government and principal financial institution have correctly followed measures inside their anti-disaster program to be able to reduce to the minimal the have an effect on of the arena financial disaster on the country's economy in order to prevent it from spreading in all directions and to create dependable foundations for restoring better economic increase rates in the destiny. Those measures made it feasible to go into the disaster length with a well-balanced kingdom budget, low degree of external and inner debt, and huge deliver of foreign exchange property. All of this testifies to the government's sufficiently correct anti-disaster coverage. but the key to fulfillment inside the authorities' anti-crisis interest will likely be an ok assessment of and response to the risks of the world disaster and timely, systemic, steady, and effective implementation of the anti-crisis application, on the only hand, and skillful coordination of the actions of the authorities and private systems—banks, enterprises, etc. and society, on the other.

The sales a part of Azerbaijan's price range for 2008 was carried out by using 102%. In 2008, budget sales rose via 79.2%, or with the aid of 4 billion 756 million AZN (5.571 million dollars) and amounted to 10 billion 484 million AZN (12,280 million dollars). Budget spending increased by way of 75.5% or 4 billion 594 million AZN (5,381 million bucks) and amounted to 10 billion 680 million manats (12,059 million dollars). In keeping with experts from the worldwide monetary Fund (IMF), Azerbaijan's country budget for 2009 will not go through in the quick time period from the drop in prices inside the world marketplace.

Beneath the affect of the 2008 world monetary crisis many nations have experienced a pointy drop inside the national forex fee, deterioration within the fee and overseas alternate balance, a vast outflow of capital from the country, and other terrible phenomena. In assessment to different countries of the region, Azerbaijan has no longer experienced a massive capital outflow. In 2008, the manat change charge when it comes to the leading international currencies remained solid, the manat-to-dollar trade fee reinforced by using extra than 5%, at the same time as the manat-to-euro price rose via extra than 9%. Compared with 2007, the United States's stability of payments surplus doubled and consistent with preliminary estimates amounted to 18 billion bucks.

## 4. CONCLUSION AND IMPLICATIONS

### 4.1. Conclusion

Tourism is a large economic gadget with diverse relations among the man or woman factors inside the framework of both the countrywide economic system of a positive country and of the members of the family among the national financial system and the arena economy as a whole. Similarly, the objectives of tourism need to meet the necessities of public morals and appropriate order.

The financial and monetary disaster has brought on a change in purchaser conduct with outcomes over the tourism enterprise. Due to the crisis, a few agencies will determine not to take any holiday this this year or exchange their alternatives in phrases of vacationer vacation spot.

This examine reveals that the economic crisis has impacted otherwise on day-to-day tourism industries, in addition to on bad and susceptible agencies employed inside the quarter. Despite the fact that international day-to-day tourism turned into remarkably resilient and recovered quicker than different every day, several international locations were hit hard through the decrease in every day tourism demand resulting from the disaster. There may be mounting proof every day that the disaster severely impacted on the livelihood of terrible and inclined companies hired within the day-to-day tourism quarter and contributed to question the capacities of susceptible company's everyday preserve their widespread of residing. In this regard, the findings of the have a look at point daily the truth that, even in countries that may have been regarded as quite crisis stable, the day-to-day value of the crisis were high for many households. Many of the poor and vulnerable had to cope with unemployment, a decrease in income, increasing costs for nutritious food and disproportionately high costs of care provided for dependent household members. In addition, the global economic crisis further aggravated pre-existing economic problems.



Apparently, bad and vulnerable groups are more severely suffering from the economic crisis than countrywide economies and private enterprise organizations. The livelihoods of such businesses have been broken drastically.

In mild of the findings regarding the effect of the financial crisis on the tourism employment of negative and prone agencies, pertinent policy pointers can be deduced for you to try to mitigate the impact of future disaster situations. The advised pointers can be labeled as follows:

- 1) The want for greater effective disaster tracking.
- 2) The importance of organizing measures which effect in a roundabout way at the tourism hard work markets through improving the general crisis resilience mechanisms of the tourism zone, as well as accelerating the restoration from decreases in tourism demand.
- 3) The significance of organizing measures to without delay mitigate the effect of such crises on poor and vulnerable organizations in the sector.

The subsequent hints are based at the analyses at hand and entail quick-time period recommendations to conquer the 2008–2009 crises and, at the identical time, set up a number of greater essential and modern long-time period action directives.

The disaster had impact on hard work and meals supply chains for the tourism area with supermarkets displaying solid revenues for the duration of the disaster, in addition to lodges reporting either strong or growing purchases of food from their suppliers. Then again, small crafts, food and souvenir microenterprises have shown marked declines in revenues of round 25% among 2008 and 2010.

Objectives of the take a look at had been to discover facts and applicable information and analyze the tour options of Turkey Greece and Azerbaijan. Research was successful to find out a few concrete answers as nature and culture. What it meant with the aid of nature are untouched rich wooded area, rich vegetation, no air pollution, easy environment, mountains, rivers, bushes, animals and lots of different phenomena.

From the cultural factor of view, it way wealthy characteristics of specific organization of people by their delicacies, social conduct, track, artwork, language and religion.

Turkish tourists are often looking for nature and way of life. On the only hand, tradition is a vital reality for Turkish humans due to the fact they sincerely recognize it and see the importance. Then again, nature is crucial due to the fact Turkish humans could not protect the character in Turkey and they are looking to see its splendor in a foreign country. This means that any country in the international with such subculture and nature can be a great destination for Turkish travelers. As a private opinion of a native man or woman of Turkey, it is pretty critical to expose how wealthy or powerful a person is in Turkey. When you have money and you aren't spending it, you will be taken into consideration as stingy inside the society. Its miles always a fact of showing where you went or what to procure or what automobile you have. Except those, going overseas for a holiday is also displaying repute in society due to the financial elements. Which means that if there is a opportunity to go abroad for a Turkish vacationer, s/he could no longer opt to spend it internal of the country. Quickly, broadly speaking Turkish tourists are spending their time in Turkey however at the same time looking for new destinations abroad. Income performs important role here, if the family or individual earns greater than average stage of income, it is quite likely to spend more money on amusement tourism abroad.

To sum up the above, it need to be cited that cutting-edge economic technological know-how regards tourism as a composite socioeconomic device, one of the components of which is a multi-sectoral production complex called the traveler enterprise.

An analysis of the modern-day kingdom of the development of tourism within the world and in our us of a, in addition to of the measures undertaken by way of the Ministry of subculture and Tourism of Azerbaijan, makes it feasible to assess the aggressive advantages and shortcomings of our country as a traveller vector among the important inbound traveller markets. Primarily based on records, it may be confidently

stated that Azerbaijan's aid capability makes it viable (at a corresponding level of development of the visitor infrastructure) to show the tourist industry into one of the most green branches of the United States' economy.

Tourism turned into and may be one among the largest conduits of changing ideas and cultural traditions. Human beings have constantly enjoyed to tour for either to feel their need to explore and learn more about a rustic or simply take destroy from their everyday habitual. Either manner Greece has constantly been one of the visit locations for both motives. Significantly reading the studies based totally at the results and information accrued, the author find that the Greek tourism sector become affected via the monetary disaster, however it relatively quick recovered, evaluating to other sectors, in all likelihood because of the needed changes imposed, becoming a much more welcoming and welcoming us of a for travelers. Motives for attracting vacationers even within the country's worse length changed into the reasonably-priced prices in addition to the country's native resources the sun and the ocean. This continuity and connection among tourism and the Greek culture has made Greece to me globally reputable and in demand for its beautiful herbal assets and true hospitality. That recognition, as the literature has proven, came in handy when Greece faced one of the most tough conditions of the beyond years. The country turned into deep into the economic crisis because of uncontrollable authorities spending and inability to preserve its good sized debt. Tourism was the best zone that managed to get better quick and efficiently handling to make a contribution to the GDP and get the United States of America returned on track.

Reading the questionnaires this examine confirmed the preceding literature pointing that by means of reducing the prices, a rustic can end up greater competitive closer to inbound tourism, while preserving the identical or at the least a similar degree of hospitality offerings and safety cements a country's role as an appealing destination.

At the same time as the resorts analysis confirmed that they inactively had pleasing tiers of traffic, on the early levels of the disaster most of them have been locals even as later on, when the foreigners got brought about by using the low costs lodges controlled to get booked once more for longer durations of time.

## **4.2. Appendixes**

Appendix 1:

Questionnaires:

### **1. Gender**

- ✓ Male
- ✓ Female

### **2. Age**

- ✓ 18 - 29
- ✓ 30 - 39
- ✓ 40 - 49
- ✓ 50 - 59
- ✓ 60 +

### **3. Country of origin**

- ✓ Greece
- ✓ Turkey
- ✓ Azerbaijan
- ✓ Other (please specify)

### **4. How many times have you visited Greece?**

- ✓ 0
- ✓ 1 - 2
- ✓ 3 +

### **5. If you have visited Greece recently, which was the main reason?**

- ✓ Cheap prices
- ✓ Hospitality
- ✓ Culture / History
- ✓ Beach / Sun
- ✓ Business

✓ Other (please specify):

**6. Was your decision of going or not to Greece, affected by the economic crisis that Greece has been going through?**

✓ Yes

✓ No

✓ Not sure

**7. Would you travel to Greece in the near future?**

✓ Yes

✓ No

✓ Not sure

**8. What would you consider as a main reason to visit Turkey in the future?**

✓ Cheap prices

✓ Hospitality

✓ Culture / History

✓ Beach / Sun

✓ Business

✓ Other (please specify):

**\* 9. Do you consider Azerbaijan to be a cheap destination?**

✓ Yes

✓ No

✓ Not sure

**\* 10. Could Greece be competitive to other Mediterranean countries, as a tourist destination?**

✓ Yes

✓ No

✓ Not sure

**11. Are you satisfied with the quality of Hospitality services you received in Azerbaijan?**

- ✓ Yes
- ✓ No
- ✓ Not sure

**\*12. Would you consider Turkey to be a safe country for a tourist to visit?**

- ✓ Yes
- ✓ No
- ✓ Not sure

**13. Did the Greek financial crisis affected your travel?)**

- ✓ Yes
- ✓ No
- ✓ Not sure

**14. Do you believe the economic crisis has affected the tourism sector?**

- ✓ Yes
- ✓ No
- ✓ Not sure

**15. Was the number of arrivals in 2009 - 2012 at Turkey hotel decreased / declined?**

- ✓ Yes
- ✓ No
- ✓ Not Sure

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