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International agreements in the area of tourism

Yulia Miroshnikova: Nemzetközi megállapodások a turizmus területén

Összefoglaló

A turizmus mint a világ meghatározó gazdasági szektora jelentős hatást gyakorol környezetére. A turizmus okozta károk megelőzése, csökkentése és felszámolása érdekében nélkülözhetetlen a különböző szintű szabályzók, egyezmények. Cikkemben az orosz-magyar turisztikai kapcsolatok fontosságára kívánom felhívni a figyelmet. A két ország közötti turisztikai együttműködési megállapodások fontos szerepet játszanak abban, hogy a turista érkezések száma dinamikusan növekedjen a jövőben is.

Kulcsszavak: nemzetközi együttműködések, turizmus, orosz-magyar együttműködés

SUMMARY

It is not a secret that tourism plays an important role in the development of not just any specific country but the global economy in general.

It also promotes urban development in such sensitive areas as coasts and islands, increased water consumption and waste production, fragmentation of habitats and loss of biological diversity. Tourism industry is also one of the reasons behind higher demand for transportation, particularly those types that damage the environment most – personal vehicles and aircraft. “In 2005 in Europe, about 59% of the tourists arrived to their destination by car, 34% by airplane”.

According to UNWTO International Tourism Barometer, the international tourism was growing at the rate of 5% in the first nine months of 2013. The key driving force behind this growth is Europe (mainly Central and Eastern Europe) and Asia-Pacific region.

Thus, tourism, while playing a truly significant role in the global economy, at the same time causes major damage to the environment. Hence the urgent need to eliminate negative consequences of tourism activities. This can be done by promptly regulating the activities of agents in this area. However, due to the global value of tourism, this process requires not just

the local regulators getting involved, but joint effort by many countries. Therefore, international agreements between countries as the primary regulators of tourism activities are becoming increasingly important.

Keywords: international agreements, tourism, cooperation between Russia and Hungary

THE NOTION AND ROLE OF TOURISM IN THE MODERN SOCIETY

The World Tourism Organization has currently developed the following definition to characterize activities related to tourism: “Tourism comprises the activity of persons who travel and stay outside their ordinary environment for a period up to one year in a row, for the purpose of rest, business and other objectives”.

Article I of the Convention concerning Customs Facilities for Touring of 1954 also clearly defines the term “tourist”. Therein, a “tourist” shall mean any person without distinction as to race, sex, language, religion, who enters the territory of a Contracting State other than that in which that person normally resides and remains there for not less than twenty-four hours and not more than six months in the course of any twelve-month period, for legitimate non-immigrant purposes, such as touring, recreation, sports, health, family reasons, study, religious pilgrimages or business.

Tourism has become deeply-rooted in recent years, becoming a vital part of the economy in many countries, providing a flow of foreign currency and new jobs. According to statistics, tourism creates over 75 million new jobs worldwide, with one in 12 people being employed in this sector. Development of tourism

also brings investment into the country, thus improving the living standards of the local population and tourists alike. UNWTO estimates that tourism is responsible for 9.4% share of the global GDP [4].

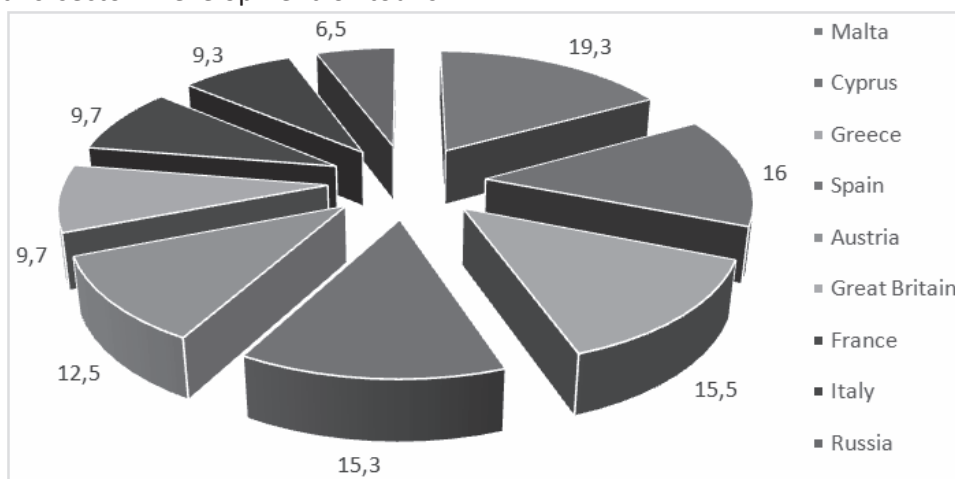


Figure 1. Revenues from tourism in country's GDP, considering multiplication effect

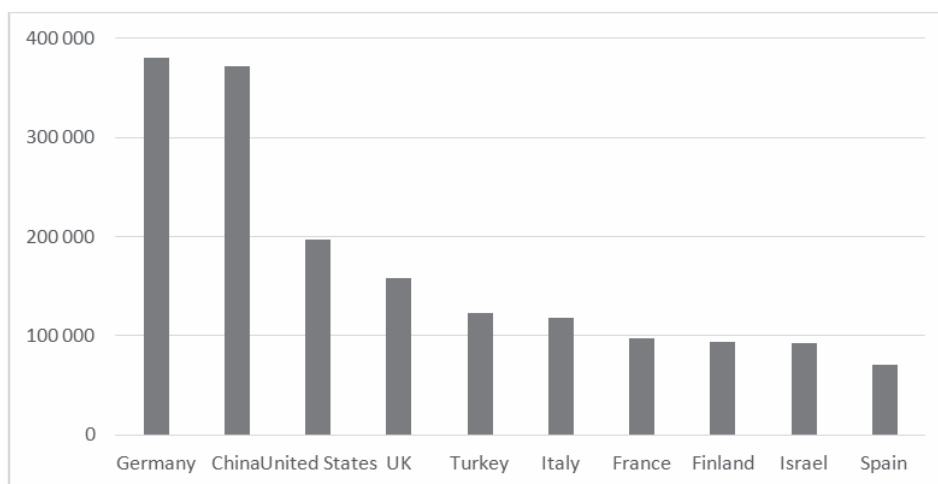


Chart 1. Top 10 countries of foreign nationals' entry to the Russian Federation in 2013 [6]

It should be noted that tourism development in our country is still considered to be at a natal stage, with tourism being considered largely as a developing industry.

The current state of tourism in Russia

As you know, the tourism sector comprises international and domestic tourism. As for our country, Russia has a great number of resources for tourists, offering extensive capacity for a full-fledged, high-quality recreation of the people and promoting healthy lifestyle. The

inventory of tourist resources in the Russian Federation include “more than 12,000 hotels, 477 historic cities, more than 144,000 historical and cultural monuments, 108 museum preserves, and 142 national parks. Currently there are 101 state natural reserves, 35 national parks and 69 federal wildlife sanctuaries”. However, despite the major tourism and recreation resources, our country occupies a negligible share of the global market for tourism services, with less than 1% of the global tourism industry.

A global research of foreign tours by Russian residents (Russian International Travel Monitor – RITM) was conducted in 2013. The survey was based on data obtained from interviewing foreign hotel owners in all price categories. The information was mainly related to adapting their business to the constantly changing market conditions and further growth opportunities and new prospects.

The research showed that the tourism industry in our country is experiencing growth, fueled mainly by two factors – middle-class growth and higher purchasing power. While middle class amounted to 104 million in 2012, by 2020

it is estimated to grow to 86% of the country's population.

Also, according to this research, Russia is currently the world's second in terms of growth of spending on foreign tours (the figure doubled between 2005 and 2012). In the rating of world's largest foreign tourism destinations our country comes in 3rd.

Based on the Ministry of Culture data presented in Table 1 below, we can conclude that tourism is developing in our country.

	2007	2008	2009	2010	2011	2012	2013
Total	23,713	24,014	19,791	20,736	23,241	23,047	27,155
Tourism	7,591	7,329	6,585	6,436	6,463	6,302	7,210
Business	10,584	11,284	8,682	8,933	10,806	10,400	11,374

Table 1. Foreign nationals' entry to Russia for tourism purposes (000) [6]

A characteristic feature for Russia is the aspect that most inbound tourists here come from nearby countries. For example, inbound tourists come to Russia from the European countries, China and Turkey; most are from Germany.

Also Russia is showing a positive trend in terms of inbound tourists – between 2000 and 2013 the number of inbound tourists to the Russian Federation went up 2.5%, reaching 2.66 million. Based on Table 1, it should be noted that Russia's inbound tourism is cyclic in nature – according to the Federal Agency for Tourism under the Ministry of Culture, the inbound tourism trend was negative in 2005 – 2010. The likely reason for this is a generally negative economic situation in the country and in the world, along with Russia's negative image abroad.

Nevertheless, experts say our country has a colossal potential to receive up to 40 million foreign tourists (currently Russia's tourist flow is 7.4 million) [5].

The reasons for this split lie in the fact that the country's existing tourism resources are not used fully, despite their great numbers. There are also a number of problems that hamper

development of inbound tourism. These include, first, the high cost of tours to Russia, by far exceeding the average level of similar tours in the European countries; secondly, underdeveloped tourism infrastructure, due to uneven development of the country's regions. Here we should also mention underdeveloped transportation infrastructure in some parts of the country. The third reason is Russia's unfavorable image abroad. Fourth, the unfavorable economic conditions for investment into tourism industry, related to the presence of administrative barriers and other aspects. Still, despite all these problems, inbound tourism is showing a positive dynamic, with some experts even saying the inbound tourism in our country will be up 79% until 2018.

RUSSIA'S INVOLVEMENT IN THE GLOBAL MARKET FOR TOURISM SERVICES

It should be remembered that surrounded by constant globalization processes, a country cannot be isolated from the world, i.e. it is always involved in various international coop-

eration mechanisms. Russia is not left out of this trend, with the government having signed bilateral agreements in the area of tourism with 57 countries (including Austria, Brazil, Hungary, CIS countries, etc.) [6]. According to an Agreement on Cooperation in the area of Tourism between Russia and Hungary of February 20, 2002, the parties agreed to develop cooperation between institutions and organizations in the area of tourism, encourage and support investment in tourism industry and sign agreements on cooperation between transportation and tourist companies in both countries. The parties also agree to promote mutual group

and individual tourism within the legal limits established by the legislation in both countries, expand and promote advertising tourism and exchange of information, statistics, publications and news on legislative documents in the area of tourism. These and other measures are intended to expand friendly connections between the people of the Russian Federation And Hungarian Republic, better awareness of the life, history and cultural heritage of the two countries, and a more sustainable development of tourism in the two countries.

	2007	2008	2009	2010	2011	2012	2013
Total	46,047	53,408	42,140	48,543	62,309	51,686	71,850
Tourism	21,978	31,161	27,027	31,721	43,905	33,423	28,419
Business	8,541	6,499	4,455	4,097	3,907	3,103	2,759

Table 2. Inbound travel to Russia from Hungary

Year	2000	2005	2010	2011	2012	2013
Number of tourists arriving	2598	2385	2133	2335	2570	2664
Compared to previous year		-8.2	-10.5	9.5	10	3.67

Table 3. Outbound travel from Russia to Hungary

According to statistics by the Tourist Board of Hungary, in April 2014 Russian tourists spent the second largest number of nights in Hungarian hotels. In the first four months of 2014, this figure grew up 25.4%, reaching 250.3 nights on average [11]. A total of 58,300 Russian tourists stayed in hotels in Hungary in the aforementioned period. This is 23.3% more than in the same period last year.

Thus, based on Table 2 and Table 3, as well as on the latest data by the Tourist Board of Hungary, we can say that Hungary is becoming a popular destination for Russian tourists.

Tourism means not just visiting various excursions and cultural sites – a tourist may have a totally different agenda.

While most Russian tourists in Hungary are oriented at visiting cultural monuments of the capital – and therefore cultural tourism occupies a major share of total travel – others come to the country for health and recreation pur-

poses; their main destinations are Széchenyi thermal baths, Hévíz and Balaton lakes. Others prefer extreme tourism – and Hungary's mountain skiing resorts play an important role here. Business tourism is also growing at a rapid rate, thanks to close cooperation between Russia and Hungary in various areas of activity.

As for tourists from Hungary who choose Russia for their vacations, they try to visit cities like Moscow and St. Petersburg, thus also seeing cultural tourism as their primary goal. Ecotourism is also common, with Lake Baikal as the center. Since Hungary and some ethnicities in Russia have common culture thanks to Finno-Ugric origins, this also promotes positive relations between the two countries.

Overall Russia is not considered a high priority among the Hungarians when choosing a destination for their vacations. The reason is an established idea of Russia as an unsafe country. Also, "they still believe that Russian hotels are

dirty and long lines are everywhere” [9]. This is a cliché that needs to be eliminated.

COOPERATION BETWEEN RUSSIA AND HUNGARY IN THE AREA OF TOURISM

Currently the government of Russia and Hungary are cooperating closely in a number of areas, including mutual development of tourism.

The key instrument regulating the relations between Russia and Hungary today is the “Agreement on rapprochement and cooperation between Russian Soviet Federative Socialist Republic and Hungarian Republic” enacted on December 6, 1991. This document is intended primarily to regulate issues related to security of the two countries. According to this agreement, the parties agree to “support establishment, development and efficient operation of pan-European facilities and taking measures to strengthen confidence and security” [10]. Additionally, special attention is paid to the cooperation in the area of culture, art, science, education, information, as well as protecting environment and efficient natural resource management.

In addition to this document, various bilateral agreements have also been signed and are currently functioning between the two countries, pertaining to various specific areas of activity. Economic activities are regulated primarily by the agreement “On Economic Cooperation” and agreement “On Avoidance of Double Taxation in the area of Revenues and Taxes on Property”; security relations are governed by the agreements “On cooperation in the area of fighting crime, particularly its organized forms” and “On Cooperation in the area of Preventing Emergencies and Liquidating their Consequences”.

An agreement on cooperation in the area of tourism was signed by Russia and Hungary on December 20, 2002. Cooperation is also active in other areas. The two governments meet regularly, establishing the targets for further joint activities.

The relationship between the two countries is further supported and developed by various

joint events. For example, a Season of Hungarian Culture in Russia (February–November 2005), along with the Season of Russian Culture in Hungary (May–November). A Russian-Hungarian Forum has also been established – a public organization uniting representatives of the civil society, economy, science, culture, education and business from the two countries. Another joint activity is the Russia-Hungary Cultural Dialog contest, whereas Hungarian schoolchildren competed in reading poems and prose in Russian, writing essays, translating literary texts. Five winners were awarded a study tour to Moscow [10].

On February 11, 2014, a concert program was organized in Budapest, involving an international group of students from Ferenc Liszt Music Academy in Budapest. The event was scheduled to celebrate the 80th anniversary of the establishment of diplomatic relations between Russia and Hungary. Interestingly, an exhibition of retro items from the Soviet times, organized under private initiative, was also presented to the attention of the locals and guests of the country, which drew a huge number of visitors. Comprehensive thematic routes along the biggest cities of Europe were also organized. The most famous ones are Oriental Express and Danube Express, which include a visit to Hungary (mainly to the capital, Budapest).

Another factor increasing the flow of tourists to the country was the Hotel Grand Budapest movie, which hit the theaters recently and which has its plot taking place in Hungary.

Hungary and various cities in the country are regularly included in various global lists, ratings, etc. For example, according to a rating prepared by Trip Advisor, Budapest is one of 25 cities worldwide that one has to see in their lifetime [11].

All these measures are aimed at engaging tourists. Thus, the advantages of the country can be summarized as diverse resorts, a rich and varied excursion program, and an opportunity to visit Hungary as part of a tour along the countries of Central and Southern Europe.

Based on the analysis of the current relations between Russia and Hungary in the area of

tourism, we believe it is advisable to single out several recommendations. For one thing, it is recommended to weaken visa requirements for the upcoming high tourism season. It is also recommended to focus on conducting various advertising campaigns dedicated to Russian tourism resources. In other words, various measures are needed to improve Russia's image abroad with the aim of attracting more tourists. It is also necessary to focus on promoting other forms of туризма in Russia among Hungarian residents – such as educational, business and environmental tourism.

Among other things, it is vital to not only create new tourism products, but also develop it further, paying particular attention to using impression management, visitor management and destination management methods [3, p.87].

New tourism routes, exclusive and personalized, are also a must. As for Hungary, fishing tourism is the exclusive form of tourism here, thanks to the country's vast water resources. However, it is not enough to simply have these resources – they need to be developed constantly, with a focus on attracting tourists. This includes various fishing competitions, tackle exhibitions, etc. [3, p.94].

Summing up, we can say that in the current conditions of development and globalization countries cannot function in isolation. The countries' policy in the area of tourism is also interconnected, thanks to the establishment of various international cooperation arrangements. Russia is a full-fledged participant in the international market, whose objective is to ensure sustainable development of tourism.

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