



COMPARISON OF THE TURKISH TOURISM SECTOR AND THE EUROPEAN UNION TOURISM SECTOR IN TERMS OF COMPETITIVENESS

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ABSTRACT

In the Mediterranean region, the competition between countries offering similar products, including Turkey, has gained a great dimension. Having the newest and most modern facilities in the region, close to 90% of the customers of the EU countries are leading the evaluation of the member countries of the EU as both customers and competitors in studies on competition and competitiveness of Turkey. Therefore, it would be useful to compare the Turkish tourism industry with EU tourism in terms of competitiveness and to see whether our competitive power is superior or weaker than the EU. For this purpose, a comparative analysis was carried out based on the data of official sources in WTO and Turkey. As a result, it seems that Turkey, at the stage of integration with the EU, must take serious steps in terms of economic, legislative and organizational aspects in the tourism sector.

Key words: International tourism, competition, competitiveness, Turkey, EU

Jel Codes: Z30, Z32, Z39

TÜRK TURİZM SEKTÖRÜNÜN VE AVRUPA BİRLİĞİ TURİZM SEKTÖRÜNÜN REKABET AÇISINDAN KARŞILAŞTIRILMASI

ÖZ

Akdeniz bölgesinde, Türkiye'nin de aralarında yer aldığı benzer ürünü sunan ülkeler arasındaki rekabet büyük bir boyut kazanmıştır. Bölgedeki en yeni ve modern tesislere sahip olan ülkenin müşterilerinin yüzde 90'ına yakınının AB ülkelerinden olması, Türkiye'nin rekabet ve rekabet gücü ile ilgili çalışmalarda AB'ye üye ülkelerin hem müşteri hem de rakip olarak ayrı ayrı değerlendirmesine yol açmaktadır. Bundan dolayı Türk turizm sektörünü AB turizmi ile rekabet gücü açısından karşılaştırmak ve rekabet gücümüzün AB'ye oranla üstün ya da zayıf yönleri görmek faydalı olacaktır. Bu amaç doğrultusunda çalışmada WTO'nun ve Türkiye'deki resmi kaynakların verilerine dayanılarak bir karşılaştırma analizi yapılmıştır. Sonuç olarak AB ile bütünleşme aşamasındaki Türkiye'nin, turizm sektöründe ekonomik, mevzuat ve örgütlenme açısından ciddi adımlar atmak zorunda olduğu görülmektedir.

Anahtar Kelimeler: Uluslararası turizm, rekabet, rekabet gücü, Türkiye, AB

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1. INTRODUCTION

The tourism sector is one of the fastest growing sectors in the world, accounting for around seven percent of world goods and services trade alone. This sector, which grows faster than the world's GDP, also helps to raise the living standards of communities and to potentially improve the developing regions. The tourism sector has become an important sector in economic growth and development as it contributes greatly to the opening of new employment fields in countries, decrease of unemployment and increase of foreign exchange income. For this reason, many countries have recognized the development of the tourism industry as an important economic objective. Because tourist spending is seen as a potential source of economic growth in many parts of the world (Lee and Chang, 2008: 180).

As an export-oriented contributor to economic growth, this sector, unlike other goods and services sectors, facilitates the emerging countries to compete with developed countries. As a matter of fact, it is seen that after the 1980s, developing countries tried to provide economic development and development through the tourism sector (Dinçer, 1997).

The most important reason why this sector is encouraged and supported worldwide is that it can positively affect economic growth and development. Tourism also plays a role in promoting employment and income, providing balance of payments, supply capacity in the sector, and overall efficiency level of the country. However, it is also acknowledged that the investments to be made in the region will increase the employment in that region and solve various economic problems. On the other hand, some of the developments under the influence of globalization after 1980 also increased the competition among the countries that are trying to increase the tourism income. Countries with tourism potentials continue to work both economically and scientifically to increase the demand for tourism in this sector they regard as export revenue sources (C.C.Lee, 2008).

The aim is to increase the competition and market share in tourism sector; have taken place among the issues that they attach great importance to, by emphasizing on the politicians other than public and private sector representatives. The fact that the sector has grown rapidly in terms of economy and the fact that a greater share of the tourism income between the countries and regions is wanted to be received has caused the increase of competition in this area. In order for a tourism country to be able to succeed in the grabbing competition with other countries, it has to analyze the sector representatives in that country and determine the factors that affect the competitive power. Thus, it should be seen as a necessary question to answer how to maintain the competitiveness of the country and to sustain it (WEF, 2007).

Competitiveness efforts among countries that offer similar products such as Greece, Spain, Italy, France, Portugal, Cyprus, Malta, Morocco, Egypt and Tunisia are continuing intensively from the tourism countries of the Mediterranean, the most popular tourist region in Europe. All of these countries are in a race to offer similar tourism products. This, in turn, makes them more competitive than in other tourism countries. This competition in the Mediterranean region in Turkey, which is a tourism country, is considered as an important market in the race. Turkey's market share in the region is constantly increasing and the share of international tourism revenue as of 2010 is 2.3%. In the year 2020, the country will receive 5 percent of total tourism income, which is estimated to be 2 trillion dollars, and the income will reach 100 billion dollars. The availability of this income, therefore, depends on protecting and even increasing the competitiveness of Turkey both globally and in the Mediterranean (WTO, 2010).

As I mentioned above, the competition between the countries that offer similar product in the Mediterranean region, including Turkey, has gained a great dimension. Having the newest and most modern facilities in the region, close to 90% of the customers of the EU countries are leading the evaluation of the member countries of the EU as both customers and competitors in studies on competition and competitiveness of Turkey. Therefore, it would be useful to compare the Turkish tourism industry with EU tourism in terms of competitiveness and to see whether our competitive power is superior or weaker than the EU.

2. COMPETITION IN TOURISM SECTOR

In the last 20-30 years, liberalization of markets, economic integration and increasing interest in globalization have increased the importance of competition. Under today's global economic conditions, competition is at the head of the issues most discussed and focused on policy makers with regard to the realization of micro-foundations of growth and wealth. If the subject is to be looked at in terms of companies; (benchmarking) compared to their competitors in other countries are competing with their low price products. In order to be protected from price competition, it is necessary to improve the quality of goods and services offered and diversify products. In this context, it is known that great importance is attached to the work of price and price affecting tourism demand at international level (WTO, 2010).

So it is a fact that tourists are sensitive to prices. A tourism country or region; The ability to maintain its competitiveness and maintain its competitiveness when compared to its competitors is related to whether the product prices in the tourism sector of the country are competitive or not. Today, however, there are two fundamental factors that influence the competitive nature of the country's economy. Quality and efficiency. Juran, one of the quality pioneers; "20. The centuries of productivity are the century, whereas the 21st century is the century of quality. " By increasing the quality of service, the company will cut itself out of price competition and reduce its costs and gain a big advantage over other destinations. If the enterprise does not do this, it will either sell to low income groups or it will have to withdraw from the sector. In this context, it will be a high quality product ticket entry ticket. According to Porter, competitiveness in the tourism sector can be achieved in two ways. The first of these is to offer high standard products and work with low profit margins. The second approach is to create product differentiation (UNWTO, 2010).

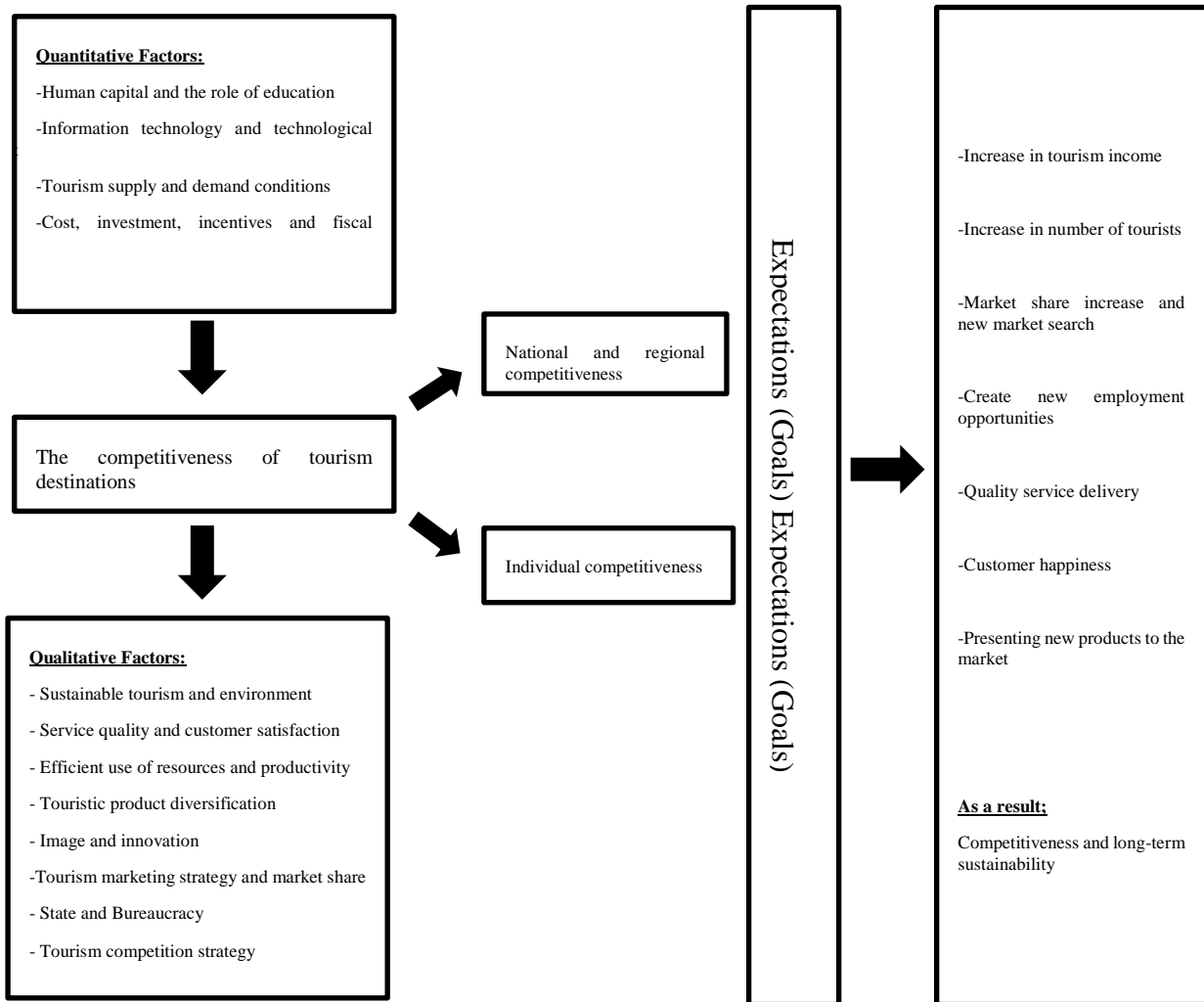
As it is understood from these, the first concept that comes to mind in the tourism sector is competition. Destinations are a geographical region that is a combination of tourism products that provide integrated services to tourists. The place expressed as a destination; a country, a town, an island, and so on. can. In this context, destination competition can also be briefly described as follows. A destination is to be able to offer and keep the tourism product that is satisfactory to the customer (tourism) to a different, better quality and better than other destinations (Bahar and Kozak, 2005: 84).

It will be competitive if any tourism destination has more attractiveness than its competitors. There are a number of factors that affect the tourism sector, both price and non-price. The determination of these factors is necessary for a clearer picture of why one country / region is preferred over the other. In this case, it will also allow to reveal why different tourism regions are preferred.

The ability of a destination to offer its goods and services to perform better than others is possible. In other words, customer satisfaction and competitiveness of the company providing quality tourism product will be more. As such, it is possible to mention quantitative and qualitative variables that can be associated with destination competition. Namely; competitiveness of destination; are under the influence of factors in the complex structure which are very different and interact with each other, being individual, regional, national, quantitative and qualitative. To be successful, these factors have to function as a whole and in harmony. That is: a tourist arriving at the zoo, a taxi driver from the commercial, If a service provider has received a positive / negative service, the destination will not have a good chance of having a beautiful and different natural-environment resource. Because the service that the tourist gets will cause him to develop an image about the company, to recommend it to the environment or not to come again (Kozak, 2005: 36).

The ability to measure competition in tourism is influenced by numerous factors. Therefore; competition is both relative and multi-dimensional. Competitiveness; social, cultural, political, and economic, with a multitude of disciplines. However, in scientific studies on the definition of competition in general, it is seen that both the micro and macro aspects of the phenomenon are seen. Thus, we can express the factors that can measure the competition in tourism as follows.

Table 1: Measurable Factors of Competition in Tourism



Source: Bahar and Kozak, 2005: 124.

In terms of macroeconomics, competition is aimed at increasing the real income of the people who make up a nation. It presents a very complex and diverse structure determined by numerous social, cultural and economic variables affecting the success of an international market in an international market. In other words, the concept of competition in macro sense; is the ability to produce goods and services demanded by the markets under free and fair market conditions, as long as the real incomes of the citizens can be increased and sustained in the long run (UNWTO, 2010).

The micro-competitive aspect is that any organization can produce goods and services at a price that the client considers appropriate and is willing to pay. In the long term, it is measured by the ability of an operator to stay in the relevant sector, to protect its investments, and to generate employment by generating earnings from it (UNWTO, 2010). In short, although there are different views on how to measure, understand and define competition, the common point of all is that it is a multi-faceted concept.

As international tourism conditions are constantly changing, it is imperative to keep up with these changes in order to compete. Determining the factors affecting the competitive power in the tourism sector and taking the measures in this direction will provide great benefit to the relevant sector and government authorities. Because developing competition for a firm or society means to provide new job opportunities and better living conditions (Bahar and Kozak, 2005: 84)

The importance of comparative tourism resources in international tourism is huge. If the sustainability of the tourism resources of a destination can not be achieved, long-term competition can not be said. Natural resources related to the comparative advantages of attracting tourists to the region, which is the nature of tourism competition, is seen as the most important factor that directs destination

selection. In terms of comparative advantages, such as climate, nature, beaches and wildlife, come to mind. Natural, cultural and social attractiveness constitute the primary source of supply for tourism. It is not possible to reproduce them. Factors such as government policies, talent of the workforce, quality of management and tourism infrastructure show the secondary supply sources of tourism. These resources can be reproduced or expanded in contrast to the primary sources. These two sources are linked, and without one, the other means nothing.

In order to understand tourism competition well, we must evaluate the factors that cause competitive advantages and competitive advantages together. The existing resources of a destination provide an advantage over that region, but if these resources are used effectively and efficiently, competitive advantage can be achieved. A tourism zone with rich natural resources can sometimes not be competitive with another destination that does not have these resources at the same time. For this reason, in terms of tourism sector, it is necessary to produce value added products and to use primary and secondary supply sources with sustainable policies. In other words, while primary resources provide a comparative advantage to the tourism region, effective and efficient use of these resources can only provide a competitive advantage (DPT, 2007).

3. WORLDWIDE TOURISM SECTOR

Tourism has gained a cultural identity after World War II, although it was considered a luxury necessity in the period up to World War I. Until 1950, however, tourism was often ignored in research on economic growth, development and wealth. After years of 1960 and 1970, along with the development of Western economies, the economic importance of tourism has begun to be understood gradually. The international tourism sector, which has developed faster than the world's GDP after 1950, has become the most important sector of the world today. From 1975 to 2000, tourism has grown 1.3 times faster than the World GDP (Ministry of Tourism, 2011).

When the developments after 1980 are examined, it is seen that globalization has removed the cultural boundaries in tourism with its influence. People take their knowledge and culture to where they are going through tourism and return from there with some new acquisitions. It has been seen that the number of people who have come to international travel with globalization gaining momentum recently has been expressed by hundreds of millions in the last quarter of the 20th century. Thus, in the post-1980 period when globalization gained momentum, both the number of international tourists and the tourism revenues seem to have increased tremendously.

Table 2: Development of International Tourism Movements (1950-2014)

Years	Tourist Arrivals (Million)	Increase Rate (%)	Tourism Revenue (Billion \$)	Increase Rate (%)
1950	25.3	-	2.1	-
1960	69.3	173.9	6.8	223.8
1970	165.8	139.2	17.9	163.2
1980	287.8	73.5	102.3	471.5
1990	451.0	56.7	269	162.9
1993	517.9	14.8	321	19.3
1996	546.5	5.5	353	9.9
1999	625.0	1.8	445	0.2
2000	686.0	5.5	475	4.3
2001	684.0	-0.2	463	-2.5
2005	763.0	10.4	623	19.1
2008	803.0	5.0	676	7.8
2010	846.0	5.4	733	8.4
2014	1143.0	35.1	1245	69.8

Source: WTO (2015), Tourism Highlights 2015 Edition.

In 2014, the tourism sector alone accounts for around 11 per cent of the world's GDP and about 13 per cent of total export revenue. Similarly, it is estimated that the total number of people working in the sector worldwide is 235 million people, which accounts for about 8.7 percent of total workforce (WTO, 2015). Given all the components of the tourism sector such as consumption, investment, government spending and exports, it is known that in 2004 the industry alone had a growth of 5.9 percent and a size of 5.5 trillion dollars. This is projected to be worth \$ 10 trillion over the next five years (Lee and Chang, 2008: 180).

In 2010, 846 million people participated in tourism activities while tourism revenues were 733 billion USD. According to the World Tourism Organization (WTO), these figures are estimated to be 1.6 billion people and 2 trillion dollars in 2020, 2 billion people in 2050 and 2.1 trillion dollars respectively. In 2050, it is expected that the total domestic and international tourism revenues of the world will reach 24.2 trillion dollars in total. The efforts of the world countries to increase their share in the rapidly growing tourism sector have led to new competition and tourism research. Therefore, many tourism countries are in competition to provide foreign exchange inflows required for development and growth, to open new business areas, to increase national incomes and to gain share from the international tourism market.

Table 3: International Tourism Movements by Region (1990-2014)

	International Tourist Arrivals (million)							Market share (%)	Change (%)			Average annual growth (%) '05-'14'
	1990	1995	2000	2005	2010	2013	2014*		2014*	12/11	13/12		14*/13
World	435	527	674	809	949	1,087	1,133	100	4.2	4.6	4.3	3.8
Advanced economies¹	296	336	420	466	513	586	619	54.7	4.0	4.7	5.8	3.2
Emerging economies¹	139	191	253	343	435	501	513	45.3	4.4	4.5	2.4	4.6
By UNWTO regions:												
Europe	261.5	304.7	386.4	453.0	488.9	566.4	581.8	51.4	3.9	4.9	2.7	2.8
Northern Europe	28.7	36.4	44.8	59.9	62.8	67.4	71.3	6.3	1.5	2.9	5.9	2.0
Western Europe	108.6	112.2	139.7	141.7	154.4	170.8	174.5	15.4	3.6	2.8	2.2	2.3
Central/Eastern Europe	33.9	58.1	69.3	95.1	98.4	127.3	121.1	10.7	9.1	7.7	-4.9	2.7
Southern/Medit. Europe	90.3	98.0	132.6	156.4	173.3	201.0	214.9	19.0	1.9	5.6	6.9	3.6
- of which EU-28	230.1	268.0	330.5	367.9	384.3	433.8	455.1	40.2	3.0	4.0	4.9	2.4
Asia and the Pacific	55.8	82.1	110.3	154.0	205.4	249.8	263.3	23.2	6.9	6.8	5.4	6.1
North-East Asia	26.4	41.3	58.3	85.9	111.5	127.0	136.3	12.0	6.0	3.4	7.3	5.3
South-East Asia	21.2	28.5	36.3	49.0	70.5	94.3	96.7	8.5	8.7	11.3	2.6	7.9
Oceania	5.2	8.1	9.6	10.9	11.4	12.5	13.2	1.2	4.2	4.6	5.7	2.1
South Asia	3.1	4.2	6.1	8.1	12.0	16.0	17.1	1.5	5.9	11.4	6.8	8.6
Americas	92.8	109.1	128.2	133.3	150.1	167.5	181.0	16.0	4.5	3.1	8.0	3.5
North America	71.8	80.7	91.5	89.9	99.5	110.2	120.4	10.6	4.1	3.6	9.2	3.3
Caribbean	11.4	14.0	17.1	18.8	19.5	21.1	22.4	2.0	3.1	2.8	6.2	2.0
Central America	1.9	2.6	4.3	6.3	7.9	9.1	9.6	0.8	7.3	2.6	5.6	4.8
South America	7.7	11.7	15.3	18.3	23.1	27.1	28.6	2.5	6.3	1.5	5.4	5.1
Africa	14.7	18.7	26.2	34.8	49.5	54.4	55.7	4.9	4.8	4.7	2.4	5.4
North Africa	8.4	7.3	10.2	13.9	18.8	19.6	19.8	1.7	8.7	6.0	0.9	4.0
Subsaharan Africa	6.3	11.5	16.0	20.9	30.8	34.7	35.9	3.2	2.8	4.1	3.3	6.2
Middle East	9.6	12.7	22.4	33.7	54.7	48.4	51.0	4.5	-5.3	-3.1	5.4	4.7

Source: WTO (2015), Tourism Highlights 2015 Edition.

Asia-Pacific, Africa, Middle East, Central-Eastern Europe and northern Europe have the highest growth rates in the years 2000-2014. When we look at the share of world tourism movements, there is a decrease in the proportion of Asia-Pacific, Africa and Middle East regions, a decrease in Europe and America region compared to 1990. Despite the decline in terms of international tourism movements, the European region, which is in the center of the world tourism movements for many years, is the most tourist area with a share of 51.4% according to the data of 2014. While the Asia-Pacific region is the third region in the world in 1990, it is the second most tourist destination region with a share of 23.2 percent today. It is understood that in the South / Eastern Mediterranean Europe where Turkey is included, there is a slight increase in tourist arrivals from 1990 until 2014.

For the future tourism projections for the years 1995-2020, it is seen that the East Asia-Pacific region has the highest annual average growth rate after the Middle East region of 7.1 per cent and 6.5 per cent. It is foreseen that the East Asia-Pacific region will increase its share of 14.4% in world tourism in 1995 to 25.4% in 2020 with an increase of 11 points. It is estimated that the share of Europe will decrease from 59.8 per cent to 45.9 per cent with a decrease of 13.9 points (WTO, 2010). So in the future tourism competition will be between Europe and the destinations in the East Asia-Pacific region. This also shows that Mediterranean destinations in Europe need to be regulated according to the tourism product, the European market rather than the far-distance markets like East Asia-Pacific and South Asia.

From this point of view, the countries of the Mediterranean destination, including Turkey, have to develop a product that focuses on the changing and developing tourist profile of the international tourism market and customer satisfaction, and to provide the market diversity. Otherwise, it will not get the desired share from the tourism market, it will not be able to gain competitive power and it will not be possible to increase tourism income and national income.

4. TOURISM SECTOR IN THE EUROPEAN UNION

The European Union is one of the world's largest economic and political integrations. With a national income of \$ 10 trillion, it holds one-third of the world's total revenue and about 40 percent of the world's export volume with exports exceeding \$ 2 trillion. At the same time, the largest tourism destination in the world is the EU. It is defined as a social factor that facilitates recognition of tourism, culture, topography and lifestyle diversity and reduction of regional disparities in the European Union. Tourism is considered to be important from cultural, economic and social aspects (DPT, 2007: 18).

The European Union has opted not to have a sectoral approach, with the awareness of the importance of the tourism sector in creating regional development and employment until the early 1990s, and has indirectly maintained the activities in the field of tourism. The EU has been a timid tourism policy and has been shy in the fields of transportation, social policy, environment, taxation, education, competition, protection of consumers and in the works towards SMEs and in the realization of European single market in general. The reason for this is that tourism is handled within other sectors or economic policies. Moreover, the fact that tourism is not an equitable EU body with the equal contribution of each member country to the economy, differences in the level of competition and differences in the concept of countries' tourism have been the most important obstacles to establishing a common tourism policy. The EU, on the other hand, has begun to develop a sectoral approach to tourism after 1990 and has given priority to employment-related areas in particular.

Since 1995, the emphasis has been placed on the importance of the economic and social integration of the EU and the contribution of the development of European identity and the importance of SMEs in this sector in creating employment. Tourism issues have been shown for the first time between the Maastricht Treaty and the Community objectives. Although the European Commission presented the Council for the Multi-Year Program (Philoxenia 1997-2000) proposal for support of European Tourism in 1996, no agreement was reached on the program. However, the main objective of the Tourism Unit within the General Directorate of Enterprises under the European Commission is; to increase quality and competition in the tourism sector and to support sustainable development.

It is emphasized that the "Revised EU Tourism Policy" in February 2005 emphasized the importance of creating a tourism employment and it is necessary to determine the strategy for the further development of the competitive power of the Association in the field of tourism. Besides these; social tourism, conservation of environmental values, development of education for tourism, protection of tourist rights, use of technology and removal of regional development differences within the EU through tourism, are among the other tourism policies of the Association. Also; the financial assistance provided by the structural funds, the Union, regional development road, water, electricity, conference hall and marina construction and so on. However, the European Regional Development Fund (ERDF), the European Agricultural Guarantee and Encouragement Fund (EAGGF) and the European Social Fund (EFS) are the funds most favored by the tourism sector. Apart from these funds, the European Investment Bank and the Integrated Mediterranean Programs are other financial institutions that provide very low credit for the development of the tourism sector and the modernization of regional economies (Dinçer, 1997: 85).

The tourism sector is one of the major income sources of the EU. Today, the tourism sector provides a contribution of around 5.5% to the GDP of Europe. The tourism sector, which has a 30% share of foreign trade as a service sector, is very important in terms of EU growth, development and ultimately reducing unemployment. Within the EU's existing borders, 8 million people work directly in the tourism sector, which is equivalent to 6% of the Union's total employment. Transportation, distribution, etc., which are closely related to the sector. When the support and affiliated sectors are considered, the number of employed persons is 20 million. Nevertheless, the EU is among the priorities of the Tourism Unit to improve business opportunities in the tourism sector. Thus, it is envisaged that

tourism will open new employment opportunities to 3.3 million people in the next ten years. In some EU countries where tourism is predominant, the share of tourism in total reaches significant figures. Namely; 14% in Austria, 10% in Greece, 9% in Spain, 8% in Switzerland, 7% in Germany, 6% in Portugal, Of them work in the tourism sector. In Turkey, which is a tourism country, this rate is only 1% (WTO, 2010).

The EU is the most preferred region in the world by tourists. As mentioned earlier, the European Region is the region with the highest number of tourists, with a share of 54.4% compared to 2010 data. In addition, five EU countries in which France, Spain, Italy, the UK and Germany took part in 2010 are among the top 10 tourist destinations in the world. Again for the same year, the EU generated \$ 374.5 billion in revenue, with a 51.1% share of international tourism revenues of \$ 733 billion. This is followed by the Americas with a share of 21% and US \$ 154 billion and the Asia / Pacific region with a share of 20.8% and revenue of US \$ 152.6 billion (WTO, 2010). The Mediterranean region in which Turkey is located, on the other hand, earns 146.5 billion dollars from world tourism income with 20% share.

Turkish tourism sector; It is one of the few sectors that can establish long-term, mutual relations with Europe and adapt to European norms. However, due to Turkey's out-of-process EU-specific structural problems and tourism, the sector has not been able to establish a strategy for how it will follow the EU structure. But; the developments in recent years show that the tourism sector in Turkey is the sector with the highest competitive power compared to other sectors. In this context, the Union is closely monitoring the policies and activities it implements to develop the tourism sector in its own countries; Turkey's income from the international tourism sector is very important in terms of how to increase the number of tourists and to guide policy makers and determine appropriate competition strategies.

The share of the European Union countries, including the CIS countries², in Turkey's tourism is about 84% compared to 2010 data. Therefore, EU countries are the most important and indispensable market for tourism in Turkey. The EU's tourism and competition policy is closely related to the tourism sector in Turkey, with the largest market for EU countries forming and full membership negotiations.

In terms of the number of tourists taken by European countries, France ranked first with 17.2%, followed by Spain with 12.7%, followed by Italy with 8.9% and Britain with 6.7%, according to Table 3. Turkey ranks seventh among the seventeen countries in Europe with a share of 4.1%. When an evaluation is made in terms of tourism incomes obtained in a similar way, Spain is in the first place with 13.6% share, followed by France with 11.5% and Italy with 10.2%. Turkey ranks sixth in Europe with approximately \$ 16.9 billion in revenue and 4.5% market share. From this, it can be said that Turkey, which is the fourth largest destination of the Mediterranean region, has a lower share of the EU, which is the most important market in terms of number of tourists and tourism income. Namely; Turkey, which is an ordinary country in the Mediterranean in terms of traditional tourism such as sea, sun, sand; history, culture, art, natural beauties, gastronomy, folklore and hospitality. It is expected that income from tourism (DPT, 2007a: 1), which is one of the sectors where Turkey has comparative advantage of competition, will surely be higher than the beauty possessed. Thus, it is anticipated that if the country transforms its comparative advantage into competitive advantage, it will increase market share both in the world and in Europe and ultimately increase its competitive power.

² The CIS countries which are called as the Commonwealth of Independent States are Azerbaijan, Belarus, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Uzbekistan, Tajikistan, Turkmenistan, Russian Federation and Ukraine.

Table 4: International Tourism Movements in the European Union (2014)

Destinations	Series ^a	International Tourist Arrivals							International Tourism Receipts					
		(1000)				Change (%)			Share (%)	(US\$ million)				Share (%)
		2010	2012	2013	2014*	12/11	13/12	14*/13	2014*	2010	2012	2013	2014*	2014*
Europe		488,864	540,229	566,445	581,769	3.9	4.9	2.7	100	411,615	454,658	491,718	508,897	100
Northern Europe		62,845	65,474	67,357	71,348	1.5	2.9	5.9	12.3	59,361	67,837	74,789	80,850	14.9
Denmark	TF	8,744	8,443	8,557	..	7.4	1.4	..	..	5,853	6,542	6,939	7,280	1.4
Finland	TCE	2,319	2,778	2,797	2,731	5.9	0.7	-2.3	0.5	3,051	3,881	4,050	..	..
Iceland	TF	489	673	807	998	18.9	20.0	23.6	0.2	561	863	1,077	1,358	0.3
Ireland	TF	7,134	7,550	8,260	..	-1.0	9.4	..	..	4,118	3,883	4,476	4,886	1.0
Norway	TF/TCE	4,767	4,375	4,734	4,811	-11.9	8.2	1.8	0.8	4,707	5,442	5,675	5,643	1.1
Sweden	TCE/TF	4,951	12,372	11,139	10,750	7.0	-10.0	-3.5	1.8	8,671	10,613	11,544	12,695	2.5
United Kingdom	TF	28,296	29,282	31,064	32,613	-0.1	6.1	5.0	5.6	32,401	36,613	41,028	45,282	8.9
Western Europe		154,374	166,174	170,757	174,485	3.6	2.8	2.2	30.0	142,319	156,452	167,134	171,074	33.6
Austria	TCE	22,004	24,151	24,813	25,291	4.9	2.7	1.9	4.3	18,596	18,894	20,236	20,559	4.0
Belgium	TCE	7,186	7,560	7,684	7,976	0.9	1.6	3.8	1.4	11,425	12,664	13,426	14,268	2.8
France	TF	77,648	81,980	83,633	83,700	1.8	2.0	0.1	14.4	47,015	53,702	56,683	55,402	10.9
Germany	TCE	26,875	30,407	31,545	33,005	7.3	3.7	4.8	5.7	34,679	38,136	41,279	43,326	8.5
Liechtenstein	TCE	64	62	60	61	-6.9	-4.4	2.6	0.0	..	..	..	..	..
Luxembourg	TCE	805	950	945	1,038	8.7	-0.6	9.9	0.2	4,149	4,641	4,849	5,361	1.1
Monaco	THS	279	292	328	329	-1.0	12.3	0.3	0.1	..	..	..	..	..
Netherlands	TCE	10,883	12,205	12,782	13,926	8.0	4.7	9.0	2.4	11,732	12,314	13,779	14,716	2.9
Switzerland	THS	8,628	8,566	8,967	9,158	0.4	4.7	2.1	1.8	14,724	16,101	16,881	17,442	3.4
Central/Eastern Europe		98,389	118,211	127,350	121,086	9.1	7.7	-4.9	20.8	48,249	56,585	60,336	57,725	11.3
Armenia	TF	687	963	1,084	1,204	27.1	12.6	11.0	0.2	411	454	458	978	0.2
Azerbaijan	TF	1,260	1,986	2,130	2,160	27.1	7.2	1.4	0.4	657	2,433	2,365	2,432	0.5
Belarus	TF	120	119	137	137	2.3	15.2	0.5	0.0	440	685	791	822	0.2
Bulgaria	TF	6,047	6,541	6,897	7,311	3.4	5.5	6.0	1.3	3,637	3,748	4,059	4,134	0.8
Czech Republic	TF	8,629	10,123	10,300	10,617	12.2	1.7	3.1	1.8	7,172	7,035	6,993	6,691	1.3
Estonia	TF	2,372	2,744	2,873	2,918	3.0	4.7	1.6	0.5	1,073	1,226	1,298	1,434	0.3
Georgia	TF	1,067	1,790	2,065	2,218	35.7	15.4	7.4	0.4	659	1,411	1,720	1,787	0.4
Hungary	TF	9,510	10,353	10,675	12,139	1.0	3.1	13.7	2.1	5,628	5,061	5,366	5,884	1.2
Kazakhstan	TF	3,196	4,607	4,926	4,560	8.4	2.5	-7.4	0.8	1,005	1,347	1,344	1,321	0.3
Kyrgyzstan	VF	855	2,406	3,078	2,849	5.6	27.8	-7.4	0.5	160	434	530	..	..
Latvia	TF	1,373	1,435	1,536	1,843	-3.9	7.0	20.0	0.3	642	747	864	955	0.2
Lithuania	TF	1,507	1,900	2,012	2,081	7.0	5.9	2.4	0.4	958	1,317	1,467	1,440	0.3
Poland	TF	12,470	14,840	15,800	16,000	11.2	6.5	1.3	2.8	9,526	10,938	11,297	10,925	2.1
Rep. Moldova	TCE	64	89	96	94	18.6	7.5	-1.8	0.0	163	198	226	233	0.0
Romania	TCE	1,343	1,653	1,715	1,912	9.1	3.7	11.5	0.3	1,140	1,468	1,590	1,813	0.4
Russian Federation	TF	20,262	25,727	28,358	29,848	13.5	10.2	5.3	5.1	8,831	10,759	11,968	11,759	2.3
Slovakia	TF	5,415	6,235	..	..	4.6	..	..	..	2,233	2,299	2,556	2,578	0.5
Tajikistan	TF	..	..	..	..	..	..	..	..	4	3	3	..	..
Turkmenistan	TF	..	..	..	..	..	..	..	..	..	..	..	..	..
Ukraine	TF	21,203	23,013	24,671	12,712	7.5	7.2	-48.5	2.2	3,788	4,842	5,083	1,612	0.3
Uzbekistan	TF	975	..	1,969	..	..	..	..	..	121	..	..	..	..
Southern/Medit. Europe		173,258	190,371	200,981	214,870	1.9	5.8	6.9	36.9	161,686	173,785	189,459	199,249	39.2
Albania	TF	2,191	3,156	2,857	..	27.8	-9.5	..	..	1,613	1,464	1,473	1,705	0.3
Andorra	TF	1,808	2,238	2,328	..	-0.2	4.0	..	..	..	..	..	..	..
Bosnia & Herzg.	TCE	365	439	529	536	11.9	20.5	1.5	0.1	594	619	686	707	0.1
Croatia	TCE	9,111	10,389	10,948	11,623	4.5	5.6	6.2	2.0	8,075	8,676	9,525	9,866	1.9
Cyprus	TF	2,173	2,465	2,405	2,441	3.0	-2.4	1.5	0.4	2,108	2,599	2,893	2,819	0.6
FYR Macedonia	TCE	262	351	400	425	7.3	13.8	6.4	0.1	197	234	267	295	0.1
Greece	TF	15,007	15,518	17,920	22,033	-5.5	15.5	23.0	3.8	12,742	13,417	16,139	17,793	3.5
Israel	TF	2,803	2,886	2,962	2,927	2.3	2.6	-1.2	0.5	5,106	5,446	5,668	5,692	1.1
Italy	TF	43,626	46,380	47,704	48,576	0.5	2.9	1.8	8.3	38,786	41,185	43,912	45,545	8.9
Malta	TF	1,339	1,443	1,582	1,690	2.0	9.6	6.8	0.3	1,079	1,270	1,404	1,517	0.3
Montenegro	TCE	1,088	1,264	1,324	1,350	5.3	4.8	2.0	0.2	732	826	884	906	0.2
Portugal	TCE	6,832	7,685	8,301	9,323	3.7	8.0	12.3	1.6	10,077	11,056	12,284	13,808	2.7
San Marino	THS	60	70	71	75	-10.9	1.5	6.3	0.0	..	..	..	..	..
Serbia	TCE	683	810	922	1,029	6.0	13.8	11.8	0.2	798	906	1,053	1,139	0.2
Slovenia	TCE	1,869	2,156	2,259	2,411	5.8	4.8	6.7	0.4	2,552	2,580	2,709	2,719	0.5
Spain	TF	52,677	57,464	60,675	64,995	2.3	5.6	7.1	11.2	54,641	58,162	62,565	65,187	12.8
Turkey	TF	31,364	35,698	37,795	39,811	3.0	5.9	5.3	6.8	22,585	25,345	27,997	29,552	5.8

Source: WTO (2015), Tourism Highlights 2015 Edition.

5. TOURISM SECTOR IN TURKEY

Turkey is a tourism country that tries to use existing tourism potential in this direction in accordance with Heckscher-Ohlin's theory of "Factor Equipment". As a result of the encouragement and support provided to tourism investments and initiatives in order to evaluate the tourism potential of Turkey, which has a rich and diversified natural value along with its historical and cultural heritage, the tourism sector has started to take place in economic and social life owing to its development, The 1960s, when economic policies in Turkey began to be discussed with a broad perspective, represent the years in which the concept of tourism began to be understood. However, according to the targets and realization results, the share allocated to tourism investments has not exceeded 0.7% of total fixed capital investments until the 1980s. The "Tourism Encouragement Law" numbered 2634, which entered into force in 1982, played a decisive role in reaching the present level of the sector. The sector has developed further with the incentives and investments made especially in the country between 1983-1991 (Bahar 2006: 128-139). As a matter of fact, between 1987 and 1991, the government returned to the tourism sector every \$ 1 cash incentive, at \$ 25 (Ministry of Tourism, 2011). As a result, between 1984-1990 tourism has been a sector growing by an average of 12.1%, Ministry of Tourism, 2011).

Tourism has the highest added value and development potential of the country and is the most competitive sector in the world markets. In addition to providing direct inputs to all sectors, it is the sector with the greatest employment opportunity for the future (Ministry of Tourism, 2011). It is a sector that has a great share in the protection of the world peace with its contribution to the international economic, cultural and social communication and its effect of increasing the foreign exchange inflow of tourism and employment creation and national economy. The tourism sector, which has been one of the indispensable foundations of the Turkish economy in recent years and has undertaken the role of locomotive in the development of the country; the balance of payments, foreign trade deficit, inflation and seeking a solution to unemployment in Turkey is an area that emphasizes on the government.

Turizmin Türkiye'nin GSMH'sı içindeki payı, 1980 yılında %0.6'dan 2010 yılında %5.2'ye, turizmin ihracat geliri içindeki payı aynı yıllar için %11.2'den %19.7'ye, dış ticaret açığını kapsama payı ise %6.5'ten %40.7'ye çıkmıştır (Tablo 4). Ayrıca bugün turizm sektörü Türkiye genelinde çalışan nüfusun %5.5'ine tekabül eden 1 milyonu aşkın bir istihdam yaratmış bulunmaktadır. Dolaylı istihdam ile birlikte bu sayı 2.5 milyonu bulmaktadır (Bahar, 2005: 8).

Ayrıca, 2010 yılı verilerine göre ihracatın sektörel dağılımına bakıldığında, en fazla gelir getiren sektörler olarak imalat sektörünün bir alt sektörü olan "Motorlu Kara Taşıtları" sektörü 11.886, "Giyim Eşyası" sektörü 6.937 ve "Elektrikli Makine ve Cihazlar" sektörünün 6.517 milyar Dolarlık ihracat geliri elde ettikleri bilinmektedir (DPT, 2007: 9). İhracatın sektörel dağılımında, turizm sektörü 16.853 milyar Dolarlık gelir ile ilk sırada yer almaktadır. Diğer bir deyişle, turizm sektörü imalat sanayi bir bütün olarak değerlendirildiğinde de, ondan sonra gelen en önemli döviz kaynağı durumundadır.

Table 5: Development of Tourism Sector in Turkey by Years (1980-2010)

<i>Indicators</i>	<i>1980</i>	<i>1990</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>
<i>Number of Tourists (Million)</i>	1.288	5.389	7.726	10.428	20.273	28.632
<i>Tourism Revenue (\$ Million)</i>	326.7	3.225,0	4.957,0	7.636,0	18.152	20.800
<i>Tourism Revenue / Export Revenue (%)</i>	11.2	24.9	22.9	27.8	24.7	19.7
<i>Tourism Income / GNP (%)</i>	0.6	2.1	3.0	3.8	5.0	5.6
<i>Average Expenditure per Foreign (\$)</i>	254	621	684	764	752	873
<i>% Share of Foreign Trade Deficit</i>	6.5	28.6	30.8	27.0	54.1	41.8

Source: www.turizm.gov.tr, 02/11/2011.

In tourism, which is one of the fastest growing sectors in the world, as the international tourism market grows, the competition between the countries that attract tourists to get the highest share from the market is increasing accordingly. It is useful to look at the situation with Turkey's closest

competitors, especially in the EU, in order to understand whether Turkey's share in the tourism sector and the increase in competitiveness are in question. Previous studies have shown that Turkey's most powerful competitors in the field of tourism are the Mediterranean countries (especially France, Spain, Italy, Greece, Portugal and Cyprus) (Bahar and Kozak 2005).

Table 6 shows the rate of change in the number of tourists and tourism income from 1972 to 2010 for Greece, Italy, France, Spain and Portugal so that a simple comparison can be made with Turkey. According to this; Although the number of tourists coming to Turkey in 38 years has increased by 2760%, it is still far behind Italy, with only 17.4% increase. Similarly, between 1972 and 2010, Turkey's tourism revenues have risen by a factor of about 162 times, but far behind France, where the rate of increase is about 11 times. In this case, it is possible to conclude that Turkey has a low competitiveness in the international tourism market, and especially among European countries. In the face of this large proportional increase in Turkey's 38 years relative to its closest competitors, especially the amount of tourism income it has got should be more than 16 billion dollars. It is now a necessity to allocate necessary resources and time to the studies related to competition and competitiveness at the point where the country can get the desired share from the international tourism income, and to compete with the competition and marketing strategies and the pricing policy.

Table 6: Comparison of Turkey's Number of Tourists to Some Countries and Tourism Revenues

Countries	Tourist Arrivals (Millions)			Tourism Revenues (Million Dollars)		
	1972	2010	% Change	1972	2010	% Change
France	41.5	79.0	90.0	3.500	42.910	1126.0
Spain	32.5	58.4	79.6	2.607	51.115	1860.6
Italy	34.9	41.0	17.4	2.174	38.129	1653.8
Turkey	1.0	28.6	2760	103	20.800	20094.1
Portugal	3.9	11.2	187.1	391	8.349	2035.2
Greece	2.4	16.0	566.6	392	14.259	3537.5

Source: www.tuyed.org.tr, Tourism Highlights 2010 Edition.

Table 6 shows the current situation and future developments in the Mediterranean region, which Turkey is in and which is the center of the world tourism movements. The country with the highest market share in the Mediterranean region in 2010 is France with 30%. This in turn; Spain, Italy, Turkey and Greece. Turkey is the fourth largest country in the Mediterranean with 7.1% market share. Turkey is approaching the 2020 target with the number of million tourists it has reached in 2010. According to the provisional data of 2011, 22.322 million tourists came to the country (www.turizm.gov.tr) and the target number of 27 million tourists in 2020 was approached.

The estimates made by the WTO in 2010 and 2020 indicate that Turkey will be the fastest growing third destination in the region with 5.5% annual growth rate following Yugoslavia and Egypt. Similarly, in the projections made by 2020, Turkey is the fourth largest destination in the Mediterranean region with 7.8% market share and 27 million visitors. However, it is possible to say that Turkey's competitiveness in the region is low when considering the touristic potentials and resources that the country has. Although France, Spain and Italy are said to have a declining market share in 2020, it is still seen that they will earn much more than Turkey. In order for Turkey to be able to reach the point it deserves in the region, increase its market share and number of visitors and tourism revenues; it is imperative to develop appropriate strategies and apply them rapidly by analyzing the factors that influence the competitive power (WEF, 2007).

Table 7: Market Shares and Growth Rates of Countries in Southern / Eastern Mediterranean Europe (1995-2020)

Countries	Tourist Arrivals 2010	Estimation 2020	Market Share in the Region (%)		Market share (%) 2020	Annual Growth Rate 1995-2020
			1995	2010		
France	79.083	106.093	36	30.0	30.7	2.3
Spain	58.451	73.867	23.3	22.0	21.4	2.6
Italy	41.058	52.451	18.6	15.4	15.2	2.1
Turkey	28.632	32.017	4.3	7.1	7.8	5.5
Greece	16.039	17.111	6.1	6.0	4.9	2.1
Yugoslavia	8.659	1.669	0.1	3.2	0.5	8.3
Cyprus	3.041	3.893	1.3	-	1.1	2.5
Malta	1200	1.831	0.7	0.4	0.5	2

Source: WTO (2010), Ekim Writing Group (2003).

6. TURKISH TOURISM SECTOR COMPARISON TO EU WITH COMPETITIVE POWER

As mentioned above, the empirical studies show that Turkey's strongest competitors in tourism are the countries in the Mediterranean region of Europe. For this reason, Turkey will be compared with the EU in terms of competitiveness in the field of tourism sector, while the situation with the main competitors in the Mediterranean region of the country will be tried to be revealed. The countries to be compared are among the leading countries that guide both the world and Europe / Mediterranean tourism. When the 2010 WTO data is analyzed, it is understood that France, Spain and Italy have a share of 21% in world tourism and 40% in Europe, respectively, according to the number of tourists coming to the country (WTO, 2010).

From this point of view, it is useful to look at the "Travel and Tourism Competition Report", which was prepared by the World Economic Forum for 2011 first. For the first time in 2007, the corresponding raporda was ranked 61st in Turkey in the Travel and Tourism Competitiveness Index covering 133 countries. Switzerland, which takes the lead in the ranking, is followed by Sweden and Singapore. Of the country's closest competitors in the Mediterranean region are France 15, Spain 42 and Italy 48. In the three sub-endeksten regulatory frameworks that make up the overall ranking, Turkey is 55th in the Business Environment and Infrastructure, which is 68th, while it is 57th in the Human, Cultural and Natural Resources sub-index (WEF, 2011).

Table 8: Comparison of Turkey and Competitive Countries by Travel and Tourism Competitiveness Index (2011)

Countries	General Index	Regulatory Framework	Business Environment and Infrastructure	Human, Cultural and Natural Resources
Turkey	52	68	55	57
Swiss	1	2	4	2
Swedish	2	4	5	3
Singapore	3	3	1	10
France	15	16	15	16
Spain	42	38	32	41
Italy	48	46	45	32
Greece	83	67	59	73
Portugal	46	42	43	39
Cyprus	40	29	36	36
Malta	50	40	47	46

Source: WEF (2011), The Travel&Tourism Competitiveness Report 2011 Furthering the Process of Economic Development.

As seen in Table 8, according to Turkey's Travel and Tourism Competition Index, it is possible to say that it is far behind the competition in the Mediterranean region and that the competitive power can not be at the desired level. It is also necessary to clarify another point here. Jennifer Blanke, one of WEF's chief economists, notes that this report does not rank the most attractive countries in terms of tourism, but analyzes the conditions of countries with strong tourism sector. In particular, the reports of the countries listed in the top 5 in detail on the high incentives and support of the tourism sector, the development of the transportation infrastructure and the nature of the legal regulations related to tourism emphasize that the hospitality of the people supports this situation. Countries that are of great importance in terms of tourism, safety systems as well as security units are healthy among the factors that bring success. The development in transportation systems, the ownership rate of national parks and world heritage are the top places in these countries. Therefore, if Turkey wants to be in the higher rank in the competition index of the WEF and gain more competitiveness than its competitors, the above points should show the necessary precision.

Table 9 shows the comparison of Turkey with competing countries in the field of tourism according to the data groups constituting the sub-index of Regulatory Framework, Business Environment and Infrastructure and Human, Cultural and Natural Resources. Compared to France, Spain, Italy, Greece and Portugal, the Tablodan country has a lower competition index value in almost all data groups. Another point that is noteworthy is that the value of competition (47) in terms of natural and cultural resources that Turkey has boasted for many years is the last place among all the countries participating in the comparison. In terms of price competitiveness, Turkey seems to be more competitive than France, Spain, Italy, Greece and Portugal with its 86th value. However, it is known that France, Spain and Italy, which are far behind in the competition rank according to the same index value, have obtained more tourism income than Turkey. When the situation of Turkey is considered in terms of price, which is the best known indicator of competition power, Unfortunately, it is seen that the country displays "cheap country" image. According to the comparative price levels of the countries as of September 2001; Turkey is the cheapest country in OECD countries after Slovakia. In the same survey, Japan, Switzerland, Norway, Denmark and Finland are among the countries where Turkey is the cheapest comparatively. A Japanese tourist can buy a commodity or service for 100 Japanese Yen in the

country, paying TL against the Yen for 27 Yen in Turkey. Similarly, goods or services purchased in Greece at 187 TL can be taken at 100 TL in Turkey (WEF, 2011).

It is seen here that the country is marketed with a much cheaper price and sales policy compared to other markets and in this context it is less than the competition of the tourism income that it has achieved. In addition, according to another research, citizens of the EU countries do not want Turkey to enter the EU in the sense of the tourism sector. It is stated that the stay of Turkey outside the EU will become a driving force especially for member countries' travel to Turkey. The reason for this is that the other EU member of Turkey is in a country that is cheaper than the countries. In short, citizens of member countries of the EU; Along with the entry of Turkey into the EU, the country is in the first place "accommodation, food, beverage, the prices will increase in many areas ", and as a result, it is understood that the country does not look very warm to the EU membership (Bahar and Kozak, 2005: 235-243).

In the WEF's Travel and Tourism Competition Report, the strengths of Turkey include the lack of HIV cases (1), the presence of major car rental companies (1), recommendations for the extension of business trips (1), participation in travel and tourism fairs (4) the ease of getting visas (15), the number of airline companies in operation (16), ticket prices and airport taxes (20). The weakest aspects of Turkey and its ranking within 124 countries are as follows. The ratio of primary education enrollment rate (111), travel expenditure to government expenditure (110), fuel prices (107), the number of airports to population ratio (104), national protected areas (99), the number of ATMs accepting visa cards, and the costs caused by terrorism (90).

In the World Heritage List, which is a list of natural and cultural assets designated by the UNESCO World Heritage Committee, which has a significant value for the whole world and which is guaranteed to be protected by the state of the country in which they live, Turkey ranks 21st with 9 cultural areas. Although Raporda is considered as a competitive advantage, it is necessary to increase the number of these areas when Turkey's potential is taken into consideration. As a result, it is understood that Turkey has insisted on the natural resources it has for years, and the progress in the tourism sector, which is planned to be further developed every year, is not enough in line with the report. As of 2010, more than 18 million foreign tourists have come to Turkey from the place of the rapport, the need to improve the arrangement and quality of tourism emerges.

Finally, if we look at the results of the empirical work done by Bahar and Kozak (2007), which is trying to determine what factors affect the comparative competitiveness in the Mediterranean region in terms of tourism sector in Turkey (Table 9); a survey of both foreign tourists and sector representatives was conducted in this survey. The research revealed that the closest competitors in Turkey's Mediterranean region are Spain, Greece, Italy, France and Cyprus. Nevertheless, it has been seen that Turkey's competitive power in the international tourism sector is the most favorable factor for hospitality compared to its competitors, and the most negative factor is distance. According to perceptions of foreign tourists, which constitute the basis of international tourism demand, Turkey is especially competitive in terms of natural and cultural resources and service quality compared to Cyprus, Spain and France, and least competitive in Italy. In terms of touristic activities and facilities and infrastructure quality, it is seen that Cyprus and Greece are much more competitive than Spain and France, but have a lower competitive power. In addition, while domestic operators are more competitive in terms of natural and cultural resources and infrastructure, compared to Turkey's competitors, foreign tourists think that Turkey is much more competitive than other countries in terms of natural and cultural resources and quality of service (Bahar and Kozak, 2007).

Table 9: Comparison of Turkey with Competing Tourist Countries According to Three Lower Competitiveness Indexes of WEF (2011)

Source: WEF (2011), The Travel&Tourism Competitiveness Report 2011 Furthering the Process of Economic Development.

Countries	Regulatory Environment			Business Envrn. and Infrastructure							Human, cultural and natural re.		
	Political Rules and Regulations	Envir. Protection	Public Order and Security	Health and Hygiene	Priority given to travel and tourism	Air transportation	Land Transport	Tourism infrastructure	Information and Communication Technology	Price Competition	Human Capital	National Tourism Concept	Natural and Cultural Resources
Turkey	51	61	56	54	54	51	59	55	54	86	65	43	47
Swiss	21	4	5	8	8	9	5	4	9	115	1	62	6
Austria	22	2	4	14	14	23	17	1	22	113	23	33	2
Germany	6	3	2	11	56	6	1	18	13	112	25	88	1
France	40	15	29	9	27	4	4	15	21	118	32	96	9
Spain	45	40	46	21	3	7	18	2	32	105	45	55	17
Italy	70	54	53	5	60	22	55	8	27	116	46	66	20
Greece	57	45	18	3	22	37	34	7	38	103	55	23	23
Portugal	28	26	11	17	26	35	23	9	33	102	40	54	25
Yugoslavia	72	52	63	66	57	80	46	11	34	96	54	4	36
Cyprus	49	53	34	36	4	34	51	5	31	72	49	5	31
Malta	53	55	16	26	5	42	60	12	11	109	43	16	44

In summary, when a general evaluation is made, it is possible to say that competitive power in the tourism sector is not as desirable as Turkey's basic competitors in the South / Eastern Mediterranean Europe. The share of the country in the world and in the EU in terms of number of tourists and tourism income is low. According to the quality of the products offered, the prices in Turkey are very low and unfortunately the country in the foreign tourist's view is "cheap country". This is a major obstacle to obtaining sufficient share from international tourism income. Moreover, the fact that the VAT rates applied to the sector in the country for many years are too high compared to the competitors is a significant disadvantage at the point of obtaining competitiveness. However, with an arrangement made in 2007, the VAT rates applied to the tourism sector in Turkey have been reduced from 18% to 8%. These rates are 5.5% in France, 5% in Greece and Portugal, and 10% in Italy. If an assessment is made as banking / tourism sector; the banking sector does not look very warm to the tourism sector and accepts it as a risky sector. According to the data from the Banks Association, the share of tourism in total loans, which was 3.3% in 1999, rose to 2.15% in 2002 and to \$ 645 million in 2002 compared to 1.1 billion dollars in 1999 (<http://turizmgazetesi.com>).

Table 10: Some Variables According to the Ranks of Turkey in the Mediterranean Competitive Power

Factors	Mean Value		t value	Sig. T
	Tourists	Local Managers		
General View				
Natural and Cultural Resources	3.69	4.03	-7.238	.000
Service Quality	3.54	3.24	7.227	.000
Touristic Activities and Facilities	3.45	3.08	5.063	.000
Infrastructure Quality	3.14	3.34	-2.767	.006
Comparison with Spain				
Natural and Cultural Resources	3.76	3.94	-2.803	.006
Service Quality	3.49	3.13	4.850	.000
Touristic Activities and Facilities	3.37	2.88	2.748	.007
Infrastructure Quality	2.97	3.21	-1.804	.074
Comparison with Greece				
Natural and Cultural Resources	3.61	3.98	-5.097	.000
Service Quality	3.56	3.28	4.126	.000
Touristic Activities and Facilities	3.51	3.11	2.521	.013
Infrastructure Quality	3.26	3.30	-0.254	.800

Comparison with Cyprus				
Natural and Cultural Resources	3.89	4.29	-1.558	.125
Service Quality	3.84	3.56	0.403	.688
Touristic Activities and Facilities	3.69	3.55	1.524	.133
Infrastructure Quality	3.47	3.82	-0.865	.390
Comparison with Italy				
Natural and Cultural Resources	3.55	3.98	-3.263	.002
Service Quality	3.43	3.21	3.152	.003
Touristic Activities and Facilities	3.52	2.89	4.006	.000
Infrastructure Quality	3.22	3.22	0.563	.576
Comparison with France				
Natural and Cultural Resources	3.73	3.95	-2.026	.048
Service Quality	3.48	2.89	3.323	.002
Touristic Activities and Facilities	3.34	2.82	2.044	.046
Infrastructure Quality	3.00	3.10	-1.565	.124

Source: Bahar and Kozak (2007).

However, tourism enterprises in Turkey are small and medium-sized, but not within the scope of the SME. This leads to the fact that tourist enterprises can not benefit from low interest loans and can not invest in renovation and modernization. In countries such as Spain, Portugal and Greece, which are among the most important competitors in Turkey's Mediterranean region, 24-40% of cash grants, long term and low interest loans and tourism investments are encouraged. In short, SMEs play a crucial role in the sustainability of tourism services within the EU and they are constantly supported and encouraged by the Union (SPO, 2007).

Also; the financial assistance provided by the structural funds, the Union, regional development road, water, electricity, conference hall and marina construction and so on The European Regional Development Fund (ERDF), the European Agricultural Guarantee and Encouragement Fund (EAGGF) and the European Social Fund (EFS) are the funds most favored by the tourism sector. Apart from these funds, the European Investment Bank and the Integrated Mediterranean Programs are other financial institutions that provide very low credit for the development of the tourism sector and the modernization of regional economies. The most important resource for the sector is undoubtedly EU structural funds. Since Turkey is a candidate country, it can not make full use of these funds. It can only benefit from certain programs that are open to the participation of candidate countries. The most important of these is the MEDA program within the European Mediterranean Partnership. The MEDA Program provides financing support for projects carried out within the framework of the European Mediterranean Partnership (www.turizm.gov.tr). Therefore, it can be said that benefiting from these grants and loans, which are currently in negotiations with the EU, but out of the EU, constitutes a disadvantage compared to its competitors in terms of improving the competitiveness of the country in tourism.

7. RESULTS AND RECOMMENDATIONS

According to the findings of this study, which is made in order to compare Turkish tourism sector with EU tourism in terms of competitiveness, it is possible to say the following briefly. The tourism sector in Turkey has shown significant developments as of 1980. The reason for this is the fact that the industry was promoted to a considerable extent with a 1982 law. As a result, the proportion of the international tourists and the proportion of the tourism revenues has increased steadily. However, compared to countries such as Spain, Greece, Italy, France, Portugal and Cyprus, which offer a similar product that EU competition, especially in the Mediterranean region, competition power is lower than Spain, Italy and France. Considering Turkey's hospitality, natural history and cultural beauties as well as the newest facilities in the region, the result is that both the share of the world and the number of tourists in the EU and the EU is low and the power of competition is low. On the other hand, according to the 2010 data, which the WTO has recently announced, the EU is the world's largest tourism region with a market share of 54.4% in terms of the number of international tourists. There is a growing interest in the economic importance of tourism for employment in the EU due to the rapidly growing tourism market day by day. However, the EU does not have a tourism policy determined by law. Because the EU Treaty does not provide a specific legal basis for the development of a community tourism policy.

It is within the scope of other policies such as tourism, environment, consumer affairs, health, regional development, employment, competition, taxation, culture, education, research, and an umbrella view that harbors various sectors. Since the Treaty of Rome, the EU has been striving to establish a common tourism policy for many years. If tourism is thought to employ 8 million people directly in the EU, which accounts for 6% of total employment, 5.5% of GNP and 30% of total foreign trade in services, the size and importance of the sector will be better understood. Due to this importance, the sector is supported considerably by structural funds within the EU, various financial assistance, grants, loans and programs. In addition, SMEs play a very important role in the sustainability of tourism services within the EU. However, many enterprises operating in the sector in Turkey are not evaluated within the scope of SME. So while similar enterprises in competing countries are benefiting from all incentives the EU applies to SMEs, enterprises in Turkey can not benefit from incentive schemes both within the country and within the EU because SMEs are not considered in this sense. This is one of the factors that negatively affect the competitive power in the sector. In order to increase market share and competitive

power, it is necessary to change the legislation of Turkey to cover the whole tourism sector as SME, because only accommodation facilities are considered to be SMEs at present.

From this point of view, the EU's tourism and competition policy is closely related to Turkey. 84% of the tourists who visit Turkey come from EU countries and Turkey's tourism policies are affecting Turkey because of the fact that Turkey is in competition with EU countries in world tourism market. It is important in terms of obtaining demand and competitiveness for Turkey that Turkish tourism is rapidly adapting to the increasing quality of tourist services in EU countries and the diversification of tourism activities. Although Turkey, which is a candidate country, is benefiting from some programs of the EU and some programs of the EU (such as MEDA), it is not possible for the country outside the Union to benefit from all the benefits, grants, incentives, subsidies and loans provided to other competitors in the EU. It is also a fact that it affects it.

As a result, Turkey, at the stage of integration with the EU, must take serious steps in the tourism sector in order to take economic, legislative and organizational steps. In all areas related to tourism, EU policies should be monitored and the relevant legislative alignment process should be entered as soon as possible. It is also a chance for Turkish tourism to see the EU as a locomotive of development strategies that address tourism, regional development differences and to create project-based financial support programs specifically for Mediterranean countries. In the process of harmonization with the EU, tourism should be viewed as a leader and pioneer sector, not as a sector. The importance of Turkish tourism in the process of harmonization with the EU is due to the increasing importance of the trends in the world. The history, culture, folklore, gastronomy, thermal values and hospitality of the country should replace new elements such as sea, sun and sand that make Turkey a tourism country in the Mediterranean as new elements in the sense of acquiring competitive power.

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