

Viewpoint

A profile of Turkish tourism

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Abstract

Tourism has been playing an important role in the Turkish economy since 1980. The year 1983 was the turning point for Turkish tourism in the national and international tourism market. Since 1980, the share of tourism receipts in relation to Turkey's gross national product and export has been increasing. In this viewpoint, the place of tourism in the Turkish economy is examined. Results show that Turkish tourism has been developing steadily.

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Introduction

Turkish tourism developed rapidly in the 1980s. Turkey accepted the free market economy and export-oriented industrialisation model as well as flexible exchange rate policy and a more liberal import regime. A new foreign investment policy became the main locomotive device of the Turkish economy. In 1982, the Tourism Encouragement Law was put into effect which gave more authority to the Republic of Turkey's Ministry of Tourism. Some of the incentives to improve Turkish tourism based on the new legislation were:

- allocation of public lands to investors on a long term basis; provision of main infrastructure by state;
- long-, medium- and short-term credits for construction, furnishing and operational support; and
- preferential tariff rates for electricity, water, and gas consumption in priority areas and centres.

Since the early 1980s, increases in the number of beds created new tourism demand but, new bed supply experienced difficulties in sales, and occupancy levels were below the world average. The number of beds from accommodation facilities in operation, licensed by the Ministry of Tourism reached 230,248 in 2001 (Ministry of Tourism, 2003a), four times more than the 1980 level. The number of beds in the investment stage or under construction was 26,288 in 1980, but this number reached 364,779 in 2001. Occupancy levels of accommodation facilities averaged around 46 per cent in 2001 which is below world averages (Ministry of Tourism, 2003b). In order to gauge progress, Turkish tourism is examined here from several perspectives.

Turkish tourism development in the international and national tourism market

According to the residence of visitors, tourism can be divided into two categories; domestic and international. Domestic tourism is where the residents of a country travel within the boundary of their own country. On the other hand, international tourism is where people travel outside their own country. However, international tourism is much more than simply travelling beyond the borders of one's own country. It encompasses all the services required for the tourist (Fridgen, 1991, p. 103). International tourism has two dimensions, active (incoming) and passive (outgoing) tourism. Incoming,



outgoing and domestic tourism has shown an important development in the Turkish economy.

Incoming tourism

Tourism has been playing an important role in the Turkish economy. The year of 1983 was the turning point for Turkish tourism in the national and international tourism market. Table I shows international tourist arrivals and tourism receipts in Turkey. In 1986, the Chernobyl nuclear accident, which was very close to Turkey, not only affected the health of people but also the tourism industry. The Gulf War between Iraq and the Allied powers impeded the tourism development trend and in 1999, the earthquake, called "Marmara" occurred in the region of Marmara in Turkey, causing international tourists to cancel their travels to Turkey starting in the month of August, 1999.

However, from 1980 to 2002, international tourist arrivals increased from 1.288 million to 13.247 million ($1,288-13,247/1,288 = 9,274$ per cent), and tourism receipts increased from US \$326 million to US \$8.484 billion ($326-8,481/326 = 2,501$ per cent) (Table II). In the same period, international tourist arrivals in the world increased from 285 million to 714.6 million

Table II World's international tourist arrivals (million) and tourism receipts (US \$billion) since 1980

Year	International tourist arrivals	International tourism receipts
1980	285	105
1990	458	268
2000	698	474,4
2001	692	462,2
2002	714,6	N/A

Source: Prepared from WTO (2003)

($285-714.6/285 = 1,507$ per cent) (tourism receipts of the world in 2002 was not available by the time this study was completed).

Outgoing tourism

At the beginning of the 1980s, Turkish citizens were restricted to outgoing travel because of the lack of foreign exchange. In 1983, 1.9 million Turkish citizens travelled abroad, this number reached 5.2 million in 2002 (Table III).

Domestic tourism

In 1983, 6.4 million Turkish citizens travelled within the boundaries of Turkey, this number

Table I International tourist arrivals and tourism receipts in Turkey since 1980

Years	International tourist arrivals	Per cent changes	Tourism receipts	Per cent changes	Explanation
1980	1,288	-15.4	326	16.4	
1981	1,405	9.1	381	16.9	
1982	1,391	-1.0	370	-2.9	
1983	1,625	16.8	411	11.1	Turning point for Turkish tourism
1984	2,117	30.3	804	104.4	
1985	2,614	23.5	1,482	76.4	
1986	2,391	-8.5	1,215	-18.0	Chernobyl nuclear accident in Russia
1987	2,855	19.4	1,721	41.6	
1988	4,172	46.1	2,355	36.8	
1989	4,172	46.1	2,355	36.8	
1990	5,389	20.9	2,705	5.8	
1991	5,517	2.4	2,654	-1.9	The Gulf War
1992	7,076	28.3	3,639	37.1	
1993	6,500	-8.1	3,959	8.8	
1994	6,670	2.6	4,321	9.1	
1995	7,726	15.8	4,957	14.7	
1996	8,614	11.5	5,650	13.9	
1997	9,689	13.0	7,008	23.9	
1998	9,752	0.6	7,177	2.4	
1999	7,464	-23.4	5,193	-27.64	The Marmara earthquake in Turkey
2000	10,412	39	7,636	47	
2001	11,569	11	8,090	5.9	
2002	13,247	14.5	8,481	4.7	

Source: Prepared from Ministry of Tourism (2003c)

Table III Outgoing travellers in Turkey (millions)

Years	Outgoing travellers
1983	1.9 (Turning point for Turkish tourism)
1993	3.3
1994	3.4
1995	3.9
1996	4.2
1997	4.7
1998	4.6
1999	4.7
2000	4.7
2001	4.8
2002	5.2

Source: Ministry of Tourism (2003d)

reached approximately 16.4 million Turkish citizens in 2001 (Table IV). These statistics evidence that, in recent years, Turkish citizens travel more within their country than during the 1980s. TURSAB (1998, p. 15), points out in the profile of domestic travel market for Turkey that almost one out of four people travel domestically in Turkey each year.

According to Olali (1993, p. 63), some of the reasons why domestic travel has been increasing in Turkey are:

- income levels have been increasing;
- transportation has been improving to meet the needs of international travellers;
- Turkish citizens are more educated and cultured than before; and
- the number of lodging operations has been increasing.

Further, travel agencies, serving domestic and international travellers, are widespread in Turkey (there are 3,362 main and 1,142 branch office, and the total number of travel agencies in Turkey is 4,494 (TURSAB, 2003b). This has helped to make travel cheaper and more available than before for Turkish citizens. In so doing, it has assisted the growth of domestic tourism development in Turkey.

To sum up, Turkish tourism has been developing significantly and increasing its share in the national and international tourism market

Table IV Domestic travellers in Turkey (millions)

Years	Domestic travellers
1983	6.4 (Turning point for Turkish tourism)
1993	9.7
1998	18.8
1999	17.6
2000	18.3
2001	16.4
2002	N/A

Source: TURSAB (2003a)

since 1980. This development gives tourism entrepreneurs important investment and career opportunities relating to both incoming and outgoing tourism markets.

The place of tourism in the Turkish economy

As noted, tourism plays an important role in Turkey's gross national product, export, and in meeting foreign trade deficits. Gross national product (GNP) is the total value of goods and services produced by a nation in a year. The share of GNP tourism receipts relative to exports has significantly increased since 1980. To illustrate, in 1980, the share of tourism receipts of Turkey in GNP was 0.06 per cent and its share of exports was about 11 per cent (Table V). In 2001, the share of tourism receipts (GNP) increased to about 0.6 per cent and exports increased to about 29 per cent (Table VI).

Why is this? Turkey's international tourist arrivals and tourism receipts have been increasing significantly since 1980. This is mirrored by

Table V The share of tourism receipts in gross national product (GNP) and export (%)

Years	The share of tourism receipts in gross national product (GNP)	The share of tourism receipts in exports
1980	0.6	11.2
1981	0.8	8.1
1982	0.7	6.4
		7.2
		(Turning point for Turkish tourism)
1983	0.8	
1984	1.7	11.8
1985	2.8	18.6
1986	2.1	16.3
1987	2	16.9
1988	2.6	20.2
1989	2.3	22
1990	2.1	24.9
1991	1.8	19.5
1992	2.4	24.7
1993	2.2	25.8
1994	3.3	23.9
1995	3	22.9
1996	3.2	25.8
1997	4.2	30.8
1998	3.8	29.0
1999	2.8	19.5
2000	3.8	27.8
2001	6.0	28.8
2002	N/A	N/A

Source: Ministry of Tourism (2003e)

Table VI The share of tourism receipts in meeting foreign trade deficits

Years	Foreign trade deficits (US\$ (billion))	Tourism receipts (US\$ (billion))	Tourism receipts/foreign trade deficits (%)
1996	10.582	5.650	53.4
1997	15.358	6.208	40.4
1998	12.925	7.177	55.5
1999	9.443	5.203	55.7
2000	22.375	7.636	34.4
2001	4.606	8.090	176.4
2002	8.590	8.473	98.6

Source: Ministry of Tourism (2003f)

increases in the number of beds and Ministry of Tourism licensed accommodation facilities in operation, and by the growth in the number of travel agencies – making international and national travel easier and cheaper than before for Turkish and foreign travellers. In spite of these developments, its share in world tourism only was 0.01 per cent ($13,247/714,6 = 0.01$) in 2002.

According to WTO projections (WTO, 1996), Turkish tourism will grow 5.5 per cent each year until 2020. International tourist arrivals in Turkey are expected to be 17.1 million by 2010 and 27 million by 2020 with tourism receipts of US \$12.5 billion in 2010 and US \$19.8 billion by 2020. In so doing, tourism will play a pivotal role in strengthening the relationships between Turkey and the rest of Europe. The European Union supports some projects such as Medtour (Europe-Mediterranean Cooperation Program), and vocational training programs (Avrupa Topluluğu Türkiye Temsilciliği, 2000, p. 10). By becoming a member of the European Union, the profitability of tourism establishments in Turkey is expected to be higher than before, and Turkey will be one of the fastest growing tourism industries in the Mediterranean region. The spirit of enterprise is very much alive in Turkey and the prospect for strong returns on investments are encouraging.

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