

Evaluation of Inbound Tourism Role for the Development of Regional Economy

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Abstract: The article focuses on inbound tourism as a major contributor to economic growth in the region. It is stated that among all types of tourism, in terms of regional economic interests, the inbound tourism is the most promising one because it creates the conditions for financial resources attraction to the appropriate region. The author of this article analyzed the strongest factors that directly or indirectly affect the state and prospects of inbound tourism development at meso level and mainly in terms of economy and finance, the generalized structure of inbound tourism system was established at the regional level, its components and the relationships between them were demonstrated. At that the groups of objects are marked out that have common features and place in tourism business, namely: travel agencies, place of accommodation, recreational centers and enterprises. In the process of analysis, the author used statistical, economic, mathematical and logical methods of research. The article shows that the structure of regional inbound tourism system determines the mechanism of its finances functioning, the peculiarities of economic and legal interactions between individual actors of this system.

Key words: Inbound tourism system • Regional economy issues

INTRODUCTION

The analysis of inbound tourism system in the region performed in the article proved that one of the major infrastructure components of inbound tourism sphere are the elements of fixed capital, which need appropriate investments. The author concluded that the main contribution to the budgetary payments are brought by tourist and hotel sector, which has a very large part of inbound tourism industry (from the capital point of view). Therefore, the hospitality industry sector improvement should be seen as a crucial one in the trend of inbound tourism infrastructure development in general. Thus, it is necessary to develop and substantiate the optimal ways for inbound tourism infrastructure development in tourist and hotel complex facilities-its modernization and new construction.

The conclusions and its reasons stated in the article should be taken into account by economic actors of the tourist industry, other business organizations, the regional authorities, non-profit organizations in the strategic management of tourism and its infrastructural

provision. From this perspective, the relevance of the presented materials is intersectoral, interdisciplinary and cross-sectoral one.

Inbound tourism is the most viable one for the host region, because it helps to attract funds [1].

The interaction Russian tourism with the world tourism industry and the implementation of international standards revealed the weak development of tourism infrastructure in Russia. That makes based on the favorable forecasts of WTO development concerning the world tourism industry, makes tourism industry an attractive investment sector [2]. The Russian legislation protecting the hts of owners and investors favors such situation [3].

Main part: The demand for services provided by tourist enterprises, is in direct dependence with the existing tourist resources and the state of the tourism industry. The touristic companies can't act in the market as the sellers of travel services without the presence of tourist resources and the developed tourism industry.

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The tourism demand increase leads to the increase of capital investment in infrastructural units and to the increase in real output of goods and services of touristic consumption, which is a sure sign of increased economic activity. The growth momentum, which was started by tourism, is passed along the chain to other economy sectors. An investment activity is activated in these sectors, new jobs appear, the trade volume is expanded and thus the sources of income i.e. wages, rents, profits are increased. The part of received income, which also tends to grow, comes to the budget as the tax revenues and other mandatory deductions.

Besides, the state treasury is replenished by import duties. The funds collected by this way may be re-used to finance tourist flows, for the financial support concerning the organization of socially vulnerable groups recreation, for the development of tourism personnel vocational training, for the development of innovative technologies.

Tourism may produce a very positive impact on Russian economy, provided that the developed and implemented of a single integrated development plan of the tourist industry is available, that a unified system of control and coordination by the industry is established, that there are favorable tax, credit and financial conditions to encourage the development of tourism sector with the provision of its legal regulation.

One of the regulation and control trends for the tourism development in the country and the regions is the development of tourism statistics [5]. It involves the improvement of statistical systems and the analysis in the field of tourism, the development of methodologies and analytical studies performance concerning the tourism profit as part of the corresponding regional economy, the accounting of the tourist industry development impact improving the organization of municipal services, the creation and keeping of unified specialized registry of companies and hotels with licenses and certificates within an electronic medium, the monitoring of tourist resources use.

RESULTS

The state support, regulation and the legal provision of tourist and resort activities have a positive impact on the regional tourism market and resort complex dynamics, increasing the income of the respective budgets from the activities of the tourist industry subjects, creating jobs and improving the efficient use of tourist resources.

The current organizational structure of tourist activity regulation to a certain extent meets the modern requirements. Nevertheless, there is the influence because of the difference between government regulation and private ownership in the touristic sector.

The following elements of the environment that affect the economic performance of inbound tourism sphere may be determined: the set of economic conditions in the country influencing the city (regional) visits by foreign tourists, the financial situation in the country, which determines the time value of money through the discount rate, the economic situation in world, influencing the formation of incoming tourist flows; the financial and economic situation in the region, which determines the possibility of private investments attraction for inbound tourism.

The system of tourist business objects can identify a number of object groups with common features and the common place in the touristic business. Such groups include:

- Tourist companies (tourist firm sector) engaged in inbound tourism, which organize the incoming tourist flows and acquire from the subjects of other groups the right for touristic services provision;
- Hotel and tourism sector (accommodation facility sector), which is composed of hotels with their associated suppliers of additional services (restaurants, communications, etc.), the capacity of this sector (its possibilities for tourist accommodation) is largely determined by the general offer opportunities for the inbound tourism market;
- The enterprise of cultural and entertainment areas (cultural and entertainment sector), the results of economic activity of which (revenues, profit) is largely dependent on their attendance by tourists.

Infrastructure components of inbound tourism sphere are the elements of fixed capital (fixed assets), the above mentioned subsystems (of the sectors). In general, they should be presented in the relevant optimization problem by the corresponding controlled variables. However, due to the large content of the problem in such a setting it seems appropriate to explore the trends of tourism industry improvement, especially the inbound tourism sectors, which make the largest contribution to the economic viability of this sector.

CONCLUSION

The main contribution to budgetary payments is introduced by tourist-hotel sector. A very large part of inbound tourism industry value is concentrated in tourist-hotel sector. This situation gives reason to consider the hotel business sector improvement as an important part of the activities for the inbound tourism infrastructure development in general. In accordance with this trend the choice of development trends for inbound tourism infrastructure is reduced to the consideration of optimal improvement options (upgrades and new construction) concerning touristic and hotel complex objects.

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