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POSTGRADUATE STUDIES – SECOND CYCLE

THESIS:
The Role of Tourism in Turkey's Economy

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Abstract

Turkey's economy has shown rapid development in recent years. In the tourism sector has contributed to this development. The developments have contributed to the tourism sector as well. It is known that the Turkish tourism sector is developing day by day. In this context, the main aim of the thesis is to determine the contribution of Turkish tourism revenues to the national economy. Tourism sector data between 2000-2018 were analysed through tables and graphs together with macro indicators. Between the years 2000-2018, different data were obtained, and these statistical data were evaluated, and the study was finalized. As a result of the research, it is determined that Turkish tourism revenues have a positive effect on the country's GDP and economic growth. Besides, the contribution of tourism revenues to the increase in the employment of the country and the decrease in the current account deficit has been put forward.

Key Words: Tourism Economics, Tourism Receipts, Employment, Inflation.

Table of Contents

Table of Contents ii
List of Tables iii
List of Figures iv
1. Introduction 1
1.1. Importance and Goals 2
1.1.1. Importance 2
1.1.2. Goals 2
1.2. Research Question 3
1.3. Hypothesis 3
2. Literature Review 4
2.1. Tourism 4
2.1.1. History of tourism 6
2.1.2. Tourism at Today 9
2.1.3. Alternative Tourism 10
2.2. Relation Between Economy and Tourism 14
2.2.1. Positive Economic Effect of Tourism 14
2.2.2. Negative Economic Effect of Tourism 18
2.3. Socio-economic Impact of Tourism 20
2.3.1. Monetary-economic Impact of Tourism 20
2.3.2. Social Impact of Tourism 22
2.4. Worldwide Tourism Demand and Supply 24
2.4.1. Demand of Tourism 24
2.4.2. Supply of Tourism 29
3. Tourism in Turkey 33
3.1. General Information about Tourism in Turkey 33
3.2. Tourism Strategy Plan in Turkey 37
3.3. SWOT Analysis of Tourism in Turkey 44
3.4. Major Problem of Tourism Development in Turkey 46
4. Research methodology and Data Analysis 50
4.1. Findings 50
5. Conclusion and Recommendation 88
6. References 91

List of Tables

Table 1:International Tourist Arrivals, 2000-2018 (millions) 9
Table 2:Forms of elasticity 28
Table 3: Classify of tourism demand elasticity 29
Table 4: Countries which sending the highest level of tourists to Turkey 51
Table 5: Purpose of visit 2003-2019 55
Table 6: Tourism Receipt and Number of Tourist in the World 59
Table 7: Tourism Receipt and Number of Tourist in Turkey 61
Table 8: Tourism receipts and average spending of foreign and domestic tourists in Turkey 63
Table 9: Tourism Income by Type of Expenditure, 2002 – 2018 65
Table 10: Share of Turkey's Tourism Receipt in International Tourism Receipt 68
Table 11: International Tourism Receipt by Countries, 2013-2017 (millions) 72
Table 12: Share of Tourism in GDP between some Countries, 2013-2017 73
Table 17: The Share of Turkey's Tourism Receipt Closing Current Accounts Deficit 80

List of Figures

Figure 1: International tourism receipts between 2010-2017 10
Figure 2: Quarterly Change in Purpose of Visiting in 2018 58
Figure 3: Quarterly change in type of expenditures in 2018 67
Figure 4: The share of Turkey's tourism receipts in World's tourism receipts 69
Figure 5: Turkey's position in the world ranking 70
Figure 6: Comparison between the Turkish tourism average spending and World's tourism average spending 71
Figure 7: Tourism receipt growth and real GDP growth in % 74
Figure 8: Share of Tourism in Closing the Foreign Trade Deficit 79
Figure 9: The Comparison between The Ratio of Tourism Investment and by Private Sector and Public sector 84
Figure 11: Rate of tourism employment to total employment 87

1. Introduction

The tourism sector requires knowledge and special experience with either type of investment, organizing and administrative or backward and forward of dependency. In addition to, following the development of technology closely is one of the determinant characteristics of the tourism sector. Development in the tourism sector is faster than other sectors. The economic importance of the tourism sector has come into prominence with increasing positive impact on economies, becoming mass and economic phenomenon.

Tourism has been one of the fastest developing and growing sectors as of the 2nd half of the 20th century. Most of the time, tourism has been used for the development of regional and national like as other sectors. The tourism sector has become an important factor for income, creating a business and tax revenue, decreasing the balance of payment problems, contributing economic development of regional and national.

Active international tourism of Turkey has started important progress especially since the 1980s and tourism has become one of the most important revenue resources to Turkey's economy. Tourism, creating a major source of foreign currency for Turkey and reducing unemployment by generating new employment opportunities, plays an important role in the elimination of payments balance problems. Therefore, the tourism sector has an important location as a key sector for the economic development strategy of Turkey.

This thesis is composed of 5 chapters. The first chapter is the introduction. Introduction chapter includes Importance and aim, research question and hypothesis.

The second chapter is a literature review. Literature review is divided into 4 categories. The first category is tourism. Firstly, the tourism section will start with general information about tourism. Secondly, the tourism part will continue with the history of tourism. Thirdly, the tourism part will finish with alternative tourism. The second category is the relation between the economy and tourism. The relation between the economy and tourism part consists of the positive and the negative economic effect of tourism. The positive economic effect of tourism includes the creative effect of tourism income, the creative effect of tourism employment and the effects of tourism on other sectors. The negative economic effect of tourism includes the import effect, the impact of tourism on inflation and the impact

of tourism on the seasonality. The third category is the socio-economic impact of tourism. Socio-economic impact of tourism is divided into 2 sections. The first part is the monetary-economic impact of tourism and the second part is the social impact of tourism. The last category is the demand and supply of tourism.

The third chapter is tourism in Turkey. Tourism in Turkey part will start with general information about tourism. Tourism in Turkey part will continue with the major problem of tourism development in Turkey. Tourism in Turkey part will finish with the SWOT analysis of tourism in Turkey

The fourth chapter is the research methodology and data analysis. Even though this thesis includes only secondary data, which are the data that have already been collected and produced, secondary data are a helpful way to get a quick summary and background of an area or issue.

The fifth chapter is conclusions and recommendations. In this section, the results and recommendations were obtained by using the findings of the research.

1.1. Importance and Goals

1.1.1. Importance

The tourism sector is one of the fastest developing economic activities. Especially after World War II, increasing mass tourism activities, became an important sector for economies. Today, the growing tourism sector is seen as an important source of income both in terms of macroeconomic indicators of countries and micro targets at a regional level. For the purpose of profit to a large extent, tourism goods and services production, marketing, ultimately creating value-added enterprises are called the tourism sector. For this reason, the tourism sector became an important sector for Turkey. In addition, the developments in the tourism sector through research are important for Turkey's economy. Thanks to this thesis, we will see how the tourism sector is important for Turkey's economy and the role the tourism sector plays in Turkey's economy.

1.1.2. Goals

Today, tourism is an industry for not only developed countries but also developing countries providing foreign currency inflow, giving a positive impact on employment, and

increasing communication and interaction of countries. Tourism became an important sector in Turkey as a growing source of foreign exchange funds and employment over the last 20 years. The aim of this thesis to learn about the share of tourism investments in total investments, the share of Turkey's tourism receipt in international tourism receipts, tourism receipts and number of tourists in Turkey, the share of Turkey's tourism receipts in Turkey's GDP, balance of income and expenditures of Turkey, the ratio of tourism receipt to export, the ratio of tourism expenditures to import, the share of Turkey's tourism receipts decreasing foreign trade deficit, the share of Turkey's tourism receipts decreasing current accounts deficit, employment of tourism sector in Turkey.

1.2. Research Question

1. What is the role of the tourism industry on Turkey's economy between 2003-2018? Which direction does the tourism demand take in Turkey in this period?

2. What is the size of the relationship between the sectors of the tourism sector in Turkey?

3. What is the role of the tourism industry on Turkey's economy between 2003-2018?

1.3. Hypothesis

The following hypotheses will drive this study:

H1: Although tourism receipts of Turkey and the number of tourists hosted by increase, average spending doesn't always pass $1000.

H2: With an increase in tourism competitiveness, average spending of Turkish citizens has decreased year by year.

H3: There is a positive relationship between tourism and economic growth.

H4: The number of total (Direct + Indirect) personnel employed in the tourism sector in Turkey is increasing year by year.

2. Literature Review

2.1. Tourism

The word “tourism” is connected to the word 'tour' which is derived from the Latin word “tornus”. It means a turn and the word “tourism” was derived from the term “tour" which is originally a French word and entered into our literature. The basic meaning of tourism is rest and vacation for the purpose of the trip. Another definition of tourism is the travel event for pleasure. International Association of Scientific Experts in Tourism (AIEST) defined tourism as *“people travelling to places other than their permanent places of residence, places of work and places which normally fulfill their regular needs to demand products and services usually generated by tourism establishments and comprised of incidents generated by temporary accommodation* (Necati Anaz, Ceyhun Can Ozcan, 2016)*”.* According to The World Tourism Organization defined tourism as “*the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited*” (Sherpa, 2011).

Tourism is a social and economic consumption activity that covers relationship and business with stay about above 24 hours there where they visit.

The tourism activity does not switch into a permanent stay, people stay temporarily at the destination and then come back to where they live.

Tourism features include:

- Tourism consists of dynamic and static factor.

- Tourism is an economic directional event.

- Tourism is an industrial directional event.

- Tourism does not have commercial gain purposes. Tourism should be directed towards a personal purpose and should be consumed. Tourism; sports, entertainment, recreation, congress, health, belief, curiosity, culture, should be made with factors such as distancing from the environment.

- Tourism is a social event.

The tourism sector, which is considered as the service industry, has gained a scope that protects the social and cultural life and the environment by increasing the investments and business volume, creating income and providing foreign exchange and employment with the growth gained at national and international level. Tourism has been the most important economic benefit, especially in developing countries.

International tourism revenues have been one of the fastest growing sectors in terms of goods and services revenues that have been achieved within the context of commercial relations for many years. The rapid increase in international tourism receipts, especially the economic prosperity in developed countries and the trends in foreign countries has had a positive impact on tourism receipts.

International tourism rapidly develops so lots of countries chose this sector. Tourism is one of the ways of development for most developing countries, and even the main sector development for some of them. Especially, countries which have a rich natural resource have begun to develop tourism industries by using these resources and socio-cultural values in line with their development.

The growing importance of tourism in the world economy and the fact that it can contribute positively to the economic development of developing countries has also been accepted by international organizations; the importance and incentives to facilitate the tourism movements and increase the touristic capacity have gained momentum.

Tourism is a working area which has lots of science beneficiaries. Tourism is of social quality as it is related to meeting the needs arising from the temporary travel and accommodation of the people. Tourism today consists of economy, business, policy, sociology, etc.

The main areas of interest in scientific tourism include:

- Tourism event and relation describe.
- Conducting research on tourism issues.
- Producing solutions to the problems of tourism management.
- Determining the limits of a tourism economy

A tourist is a man or woman who joins tourism activity, dominates, temporarily travels and accommodates other places for a non-profit reason where they live; searches psychological satisfaction, consumer behaviour with limited time and money. Another definition is the *"tourist seeks various psychic and physical experiences and satisfactions. The nature of these will largely determine the destinations chosen and the activities enjoyed* (Charles R. Goeldner, J. R. Brent Ritchie, 2009)*."* Tourist features include:

- Tourist is the subject of tourism.

- Tourists travel for reasons, such as beliefs, family relationships, health, entertainment and listening, or leisure time without permanent placement but not for commercial gain.

- Tourists are those who seek psychological satisfaction, have limited spending power and have limited time.

Foreign visitors; any foreigner who arrives in a country and has a stay more or less than 24 hours.

Foreign tourist; people who travel permanently from their country of residence to another country for work, family visit, curiosity, religious culture, education, sports, recreation, entertainment, who spend more than 24 hours in each country or have at least 1 night in the country's facilities.

Overnight tourist; people staying in the country for less than 24 hours or staying in the country for 1 night.

2.1.1. History of tourism

Tourism followed the development process in the history like every event. Tourism has continued its development in different stages up to the present day.

- **<u>Tourism in the Ancient History</u>**

The beginning of the tourism event; with the invention of writing, money, the wheel, begin to trade and first usage coin in business connection by Sumerians in 3300 BC. The Phoenicians can be considered as first travellers in today's sense. Egypt attracted great interest among travellers in 3000 BC, for its famous pyramids and temples. It is known that

the houses and gardens were built for the purpose of accommodation and rest in the kingdom of ancient Egypt and Babylon. So that, these roads began to become secure.

"The Greek Empire (900–200 B.Sc.) promoted the use of a common language throughout much of the Mediterranean region, and the money of some Greek city states became accepted as a common currency of exchange. As centres of governmental activities, these city-states became attractions in themselves. They offered visitors a wide variety of opportunities to enjoy themselves while away from home. Shopping, eating, drinking, gaming, and watching spectator sports and theatrical performances are just a few of the many activities that grew out of travel and evolved into the more encompassing aspects of tourism (Laura J. Yale, Ph.D., Emerita, Fort Lewis College Joseph J. Marqua, CEO of Sports Express, LLC, 2010)."

The Romans travel very intensely, and the main purposes are pleasure, health, obligations and trade so the tourism in this period has seen a significant development. The Romans were at the top of the list of visitors to the Olympic Games. The reasons for the expansion and development of tourism in the Roman Empire are:

- Slaves are their main labour force, so they do not participate in the production.
- The great economic resources that enter in Rome from the vast territories dominated by the Empire

such reasons provided Romans with both leisure and high income. In the Roman Empire period, the adequacy of the road network, in the presence of auxiliary facilities, fulfils this requirement.

- **<u>Tourism in a Medieval (Middle) Age</u>**

In the first half of this age, religious tourism movements are emphasized in tourism. People who believe in different religions began to visit the holy places of their own religions within large groups. Crusade is one of the most important travels in the medieval age. Marco Polo in West and İbn Battuta are one of the most important travellers in the Islamic World. Other development is intercontinental trade in the Medieval Age. In short, the journeys that did not exceed the Roman Empire during the ancient period gained an intercontinental dimension in the Middle Ages.

- **Tourism in Modern Age**

In this age, In the Ottoman Empire, conquest-oriented movements appear. As a result, there was a cultural exchange with the place reached. Starting from Central Europe in the 16th century, the use of horse-drawn carriages, which became widespread in the European continent, led to a re-concentration of travels. Another development is a revival of thermal tourism in this era.

The development of railway transportation in the 1830s and introducing steam-powered vessels have played an important role in the spread of pleasure travel among the masses. After becoming the travel cheaper, a number of low-income groups who join tourism activity increased. For this reason, demand for travel has grown.

In 1841, Thomas Cook took away a group of 570 by trains to a festival in the town of Loughborough, 12 miles from Leicester. So that, it is considered as the first mass train travel which is committed with the purpose of commercial and published by way of advertisement.

As a result of the fact that Thomas Cook is known as the first tourism travel organizer. Thomas Cook established the first travel agency in London in 1840. Today, this travel agency is one of the biggest travel agencies in the world.

It was accepted that the first regular ship operations in the world began with the "Great Western", with a total of 68 passengers from New York to England in 1838. After 4 years, it was established the most famous "Cunard" business of shipping. Starting from these years, traveling with a cruise ship has drawn a significant interest. The years of the World Wars continued until the 1950s.

In the second half of the 19th century, accommodation establishments began to be organized as a new industry branch on the intensification of travel in Europe. In this period, luxury and expensive palace hotels quickly developed where merchants, noble and industrialists can stay.

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luxury and expensive palace hotels rapidly developed where merchant, noble and industrialists can stay.

- **Tourism in 20th Century**

Highways and airway vehicles left their mark on 20th Century tourism. At the beginning of the 20th century, most preferred travels between Europe and America were transatlantic travels. During these years, trips between Paris, Istanbul and Venice with Orient Express were of interest only to rich people and aristocrats. After the Second World War, tourism quickly developed. The reason is due to the development of aviation.

2.1.2. Tourism at Today

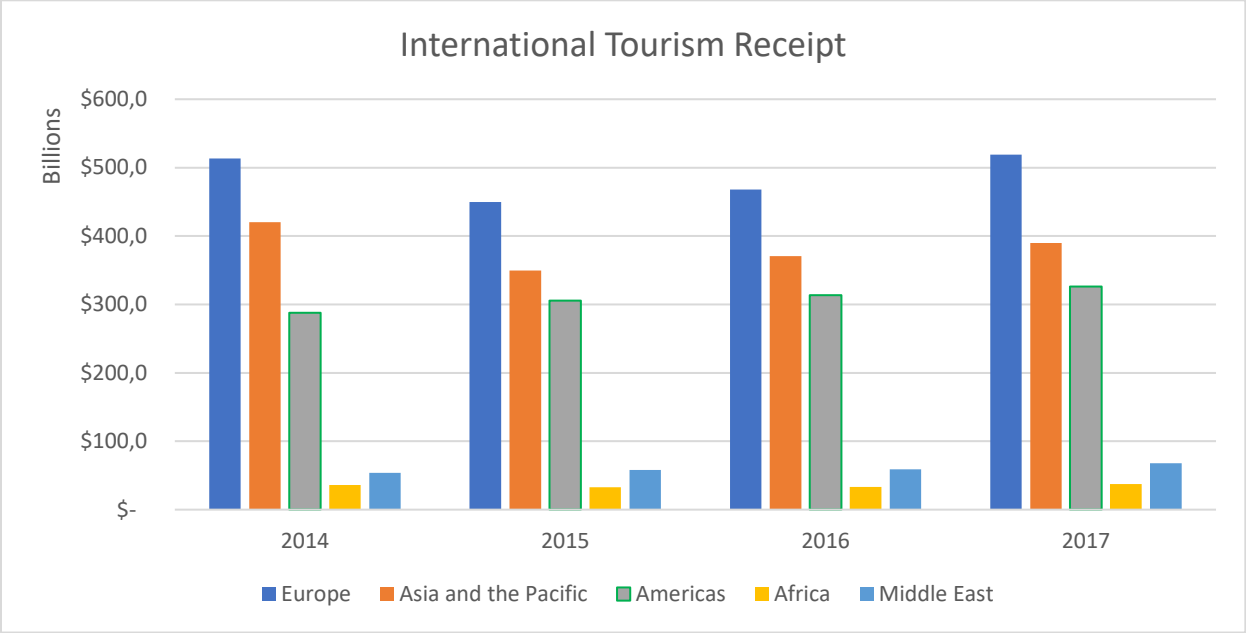
Table 1:International Tourist Arrivals, 2000-2018 (millions)

	International Tourist Arrivals (million)				
	Europe	Asia and the Pacific	Americas	Africa	Middle East
2018	712,6	342,6	217,2	67,1	63,6
2017	671,7	323,1	210,9	62,7	58,1
2016	619,5	306	201,3	57,7	55,6
2015	605,1	284,1	194,1	53,6	58,1
2010	487,7	208,2	150,4	50,4	55,4
2005	452,7	154,1	133,3	34,8	33,7
2000	392,9	110,4	128,2	26,2	22,4

Source: UNWTO. (2019). *World Tourism Barometer.*

Tourism continued to record a positive trend, in spite of some temporary problems. While approximately 680 million people join the tourism activity in 2000, nearly 1,4 billion people join the tourism activity in 2018. Tourism nearly increases by 99% between 2000-2018 years. Table 1 shows the number of arrivals of international tourists between 2000 – 2018 years, totally, and in the main regions of the world. One can see that between 2000 – 2018 years, all regions recorded a significant increase. More than half of all visitors visited Europe between 2000 – 2018 years. Asia and the Pacific are the second most visited destination after Europe.

Figure 1: International tourism receipts between 2010-2017



Source: UNWTO. (2011- 2018). *UNWTO Tourism Highlights.*

Figure 1 shows an international tourism receipts between 2014-2017. According to figure 1, Europe tourism income is more fluctuated than other continents, tourism in the American continent is more regular than other continents. While Europe has the highest tourism, Africa has the lowest income from tourism between 2014-2017. The highest income from tourism in Europe was in 2017. Data show that tourism in Europe earned more than $ 500 billion in late 2017. The highest tourism earnings in Asia and the Pacific was in 2014, at approximately $ 420 billion in 2014. Highest tourism earnings in America was in 2017. The highest profit from tourism in Africa was in 2017.

2.1.3. Alternative Tourism

Alternative tourism is a concept that deals with the types of tourism that develop as an alternative to mass tourism, enjoying the pleasures of the sun, the sea and the shores. Alternative tourism emerged as a reaction to mass tourism. Alternatively, alternative tourism has been created to reduce traditional, classical, mass tourism and reduce the negative impact of city tourism. A kind of tourism that is formed by the unification of new tourism products, Factors for the emergence of alternative tourism are:

- Decrease use of sources
- Being destroyed of quality

- The emergence of the concept of sustainable tourism,
- Developing awareness of the expansion of tourism over the years,
- Consumers are bored with classical mass tourism.

The same environmental characteristics of the "alternative tourism" policies that develop in response to mass tourism are categorized as follows:

- The spread of tourism in terms of place and time
- Slow and controlled development,
- Small-sized enterprises
- Tourism planning on a local scale
- Giving priority to local people in touristic employment

- **Type of alternative tourism**

Religion Tourism

Tourism is closely related to religion, with a major impact on the phenomenon of travel. Religious buildings, rituals, religious festivals, beliefs, and religious events are factoring that direct people towards religious tourism. Religious tourism is different from other types of tourism; people choose religious tourism as a way to visit religious places and fulfil religious duties. In general, religious tourism takes place in three ways;

- As a pilgrimage trip, group visits or individual visits to holy places.
- On certain religious dates, large-scale meetings on the anniversary of major religious events.
- Major religious sites and structures on a touristic route, tours performed without taking into account the duration of the tour.

Eco Tourism

"Ecotourism is now defined as "responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education. Education is meant to be inclusive of both staff and guests" (Venkateswarlu, 2015). Some socioeconomic effects of eco-tourism include:

- Thanks to eco-tourism, direct business opportunities are created.

- Improves countries by providing goods and foreign exchange gains.
- Supports local people as a result of the development of transport and communication systems infrastructures.

Cultural Tourism

"*The American chapter of ICOMS, the International Council of Monument and Sites, observed that cultural tourism as a name means many things to many people and herein lies its strength and weakness. A number of cultural tourisms were reviewed when preparing this text that support this assertion"* (Bob McKercher, Hilary Du Cros, 2012). Cultural tourism includes the learning of a new culture, the culture of ancient times, all tourism activities of its own culture along with the open side of other cultures.

Rural Tourism

"*Rural tourism is tourism which takes place in the countryside. But, on deeper consideration, a simple definition of rural tourism is inadequate for many purposes*" (OECD, 1994). Rural tourism is a type of tourism where tourists generally visit farms and everything related to nature, activities such as horse riding, fishing, etc. The reasons for the need for rural tourism in rural development can be summarized as follows:

- Thanks to rural tourism, many new business opportunities can arise.
- In rural tourism, it is possible to benefit from historical structures in various ways.
- Rural tourism provides sustainable local development while preserving natural ecosystems.

The reasons why people prefer rural areas and rural tourism are:

- Nostalgia
- Relaxing environment
- Wildlife
- Fresh air
- Differentiation from urban life

Congress Tourism

Congress tourism is all activities related to food, drinks, accommodation, entertainment and meeting activities that are caused by people who meet in order to exchange information. *"The most important features of congress tourism are:*

- *It takes place throughout the year, providing permanent employment to full-time work;*
- *Refines the tourism sector relying on external infrastructure and bringing jobs to destinations like attractive areas that would otherwise have to rely on the relatively short summer season;*
- *Investments in congress tourism lead to the development of the tourist towns in the interior;*
- *From investment destinations in the needs of business tourists (hotels, restaurants, transport and communications) realized the benefits of which can benefit the tourists who come to the classic holiday, but locals;*
- *Congress tourism stimulates future new business investment because people can identify their interest in the valuation of the attractions in the area;*
- *Congress tourism offers more value with fewer negative consequences for the environment by mass tourism;*
- *Congress participants usually come in groups and need to be informed and familiar with the place they come to make their stay more pleasant and efficient"* (Vukašin Šušić, Jovica Mojić, 2014).

Health Tourism

Health tourism; It is an activity that involves individuals who travel for health purposes and who use tourism and health products and services during their travels. In another definition; "*Health protection for a certain period of healing purpose (this period is generally 21 days) displaced people's natural resources-based tourist facilities gradually cure application, accommodation, due to meet nutritional and entertainment needs are understood the whole of nature events and relationships*" describes the form. (Tuncer, 2015)

2.2. Relation Between Economy and Tourism

Tourism is one of the fastest growing industries in the world. According to UNWTO's database;

- *"International tourist arrivals (overnight visitors) worldwide increased 6% in 2018 to 1.4 billion, based on data reported by destinations around the world.*
- *2018 consolidates the very strong results of 2017 (+7%) and is the second strongest year since 2010.*
- *Middle East (+10%) and Africa (+7%) led growth, while arrivals to Asia and the Pacific and Europe (both +6%) increased in line with the world average. The Americas saw growth of 3%.*
- *Overall results were driven by a favourable economic environment and strong outbound demand from major source markets".* (UNWTO, World Tourism Barometer, 2019)
- Tourism income increased to $ 1,340 billion at the end of 2017.
- The income generated from tourism corresponds to 10% of the world GNP.

"*A goal of developing the tourism industry in a community is maximizing selected positive impacts while minimizing potential negative impacts*" (Kreag, 2001).

2.2.1. Positive Economic Effect of Tourism

Especially in developing countries where there are inadequate savings, lack of adequate export capacities and resources, tourism has important tasks in order to easily obtain the necessary foreign exchange earnings. The seminars, conferences and meetings emphasize that tourism is needed in all countries around the world. The conference "APTA" includes statements regarding the positive economic effects of tourism. "*It is often the positive economic impacts that persuade governments, companies and individuals to get involved with development of tourism destination.*" (APTA, 2015).

2.2.1.1. Creative Effect of Tourism Income

The most important positive effect of tourism is the income creative effect. The tourism expenditures of tourists in the country or regional economy will constitute the income of the people in that region. However, the income effect is not limited to this. The feature seasonality of tourism has a positive and negative effect on income. "*The seasonality of*

tourism could also play a part in the sector's income distribution. During peak tourism season, income inequality (within the sector) tends to decrease whilst during low seasons, income inequality tends to increase. Where the tourism sector offers a greater variety of products, income inequality tends to be lower than where the sectors offers more limited products. In contrast, research by Perez-Decal, argues that seasonality may not have such large income impacts on tourism wages, but the specialisation of tourism activities may actually have a positive impact on wages " (Lemma, 2014).

Tourists that generate income from tourists receive goods and services from other businesses in different sectors in order to maintain their services. Thus, part of the income from tourists returns to the economy.

2.2.1.2. <u>Creative Effect on Tourism Employment</u>

"*The importance of employment effect of tourism becomes much more important when it is considered that production of tourism products involves relatively small quantities of capital and that it is by nature a labour-intensive sector*" (Harun Bal, Emrah E. Akça, Murat Bayraktar, 2016) "*One of the biggest problems facing developing countries is finding an appropriate solution to the employment problems of industrialization. The rapid population growth in these countries brings with it the growing threat of unemployment reaching significant levels. Thus, in the face of growing unemployment in developing countries it is becoming a mandatory quest for new business opportunities to be found. With most developing countries having favourable conditions to support tourism development rather than industrial development, the revival of tourism in this region will have significant impacts on providing employment to the workforce*" (Hasan Bulent Kantarci, Ugur Karakaya, 2016). "*According to van Harsel (1994) there are three (3) types of employment which may be generated by tourism*:

- ***Direct employment:*** *These types of jobs are created as a result of visitor expenditure and they directly support tourism activity. Jobs are created in a hotel as tourists use the hotel and at the same time need to be served.*
- ***Indirect employment:*** *These are jobs created within the tourism supply sector but not as a direct result of tourism activity. These may refer to service suppliers supplying a service or delivering a stock to a tourist destination. For example, in the Pilanesberg*

National Park they use private companies to provide services such as security, transport, carpeting, maintenance and cleaning in the park.

- ***induced employment:*** *These are jobs created as a result of tourism expenditure as local residents spend money earned from tourism activities. This refers to situations where if a member of a host community sells souvenirs to tourists and he or she use that money to buy somewhere else. What is important to the local communities is the fact that the small businesses are the ones that dominate the travel and tourism industry. Van Hansel (1994) states that out of 14 million travel and tourism related business firms, 98% are classified as small businesses."* (Mochechela, 2010)

The characteristics of basic employment in the tourism sector are:

- It is observed that the tourism sector works with a seasonal labour force in places where mass tourism is intense.

- The ratio of labour force cycle is higher in the tourism sector. Difficulty in working conditions, seasonality, low wages and attractive offers further increase in this ratio.

- The number of female employees in the tourism sector is higher than in some other sectors.

- The labour force in the tourism sector has a mixed feature of socio-economic and socio-demographic terms

- Unionization and collective power to negotiate the labour force employed in the tourism sector is weak. The reason for this is that the tourism sector has not yet achieved a systematic and diversified share.

- Personnel and sub-sectors such as transportation and accommodation have a 24-hour service in different time periods. Therefore, the continuity of services offered in the tourism sector and the consumption has a feature that requires a 24-hour service.

- Many sub-occupational groups created by the tourism sector do not require a high level of skill. For example; gardening, housekeeping, purchasing department, etc.

2.2.1.3 Impact of Tourism on Another Sector

Tourism sector affects directly or indirectly another sector where tourism activities are carried out region or country. Although this effect may be important for occurring in a

location of a tourist event, the tourism sector may be important in regional or national economy. From this point of view, tourism has been influential on agriculture, industry and services sector.

2.2.1.3.1. The impact of tourism on the agricultural sector

There are a number of hotels, except hotels, resorts and many lodgings in the tourist area. In order to meet the needs for eating and drinking of domestic and foreign tourists, people working in the agricultural sector play an important role. In the agricultural sector, which indirectly affects tourism, the price of agricultural products traded at low prices will increase and thus will provide added value.

Increasing demand for agricultural products during the tourist season will lead to an increase in national and per capita income, along with supply of higher quality goods and services for people in the region. This increase in production will also lead to new employment areas.

2.2.1.3.2. The impact of tourism on the industrial sector

The impact of the tourism sector on the industrial sector varies according to the sub-sectors of manufacturing industry production. As is known, manufacturing industry production; consumer goods, intermediate goods and investment goods are divided into three sub-sectors.

The weighted effect of tourism in the industrial sector arises from the increase in tourism investments and the industrial goods used in these investments. These; heavy industrial products, especially cement, iron-steel, computer technologies, etc. and other industrial products such as construction, forest and ceramics.

2.2.1.3.3. The impact of tourism on the service sector

Looking at the balance of payments; international tourism is evaluated within the scope of international services. In terms of tourism economy, the most important item in the balance of payments is international services. Therefore, tourism has a significant impact on the service sector in which it is involved and contributes to its development in different ways. In this context, the effects on the tourism service sector are:

- It helps the development of the third-generation sector related to current consumption. (bread, meat, milk, etc. sold in grocery stores and greengrocer)

- It helps the development of the third production sector related to the arts of equipment. (Electrician, painter, blacksmith, etc.)

- It helps the development of the third production sector related to assistance and security services. (Health facilities, bank, police)

- It helps improve the third production sector related to comfort. (Sports equipment, florist, patisserie, cafe)

- It helps the development of the third production sector related to the services considered as a luxury among society. (Jewellery store, nightclub, antique shops)

- It helps to fulfil holiday and tourist services (Gas stations, entertainment places, animation and recreation activities, etc.)

- With the development of tourism in a region, also develops public services within that region. (Road, water, electricity, communication, etc.)

2.2.2. Negative Economic Effect of Tourism

"Although travel and tourism studies tend mainly to emphasise the beneficial feature of tourism's economic impacts, there are some negative consequences also to consider" (Harcombe, 1999) .

2.2.2.1. Import Effect

Some goods may need to be imported from abroad, and due to the effects that consumption and tourism may cause consumption habits in society. Tourism can also increase the country's import tendency as it will bring technological investment. This is especially true for tourism trends in underdeveloped or developing countries that do not have the necessary capital and technology.

The tourism sector may require more priority in some periods than other sectors in the economy. Promoting only tourism investments can lead to inter-sectoral imbalances. If the qualified workforce is not covered by the region, it may be necessary to transfer the

workforce from the outside. This can lead to a decrease in the multiplier effect created in the region due to the fact that some of the income received is out of the region.

2.2.2.2. <u>The Impact of Tourism on the Inflation</u>

"Tourism itself is also affected by inflation. Since local inhabitants have to spend more money for basic goods as a result of higher price, less income remains for discretionary tourism expenditures. Thus, domestic tourism may decline. At the same time, if one tourist country has a faster rate of inflation than that of other, competitive countries, its international competitiveness and, hence, its tourism industry may suffer a decline" (Richard Sharpley, David J. Telfer, 2002).

- **Cause of inflation:**

The causes of inflation consist of cost-push, demand-pull, monetary, taxation, expectation. "*Cost-push inflation occurs when increased production costs are passed on as the price rises. These can include; first, wage increases which outstrip productivity increases. Second, increased raw material prices can be important. If raw materials are imported, a fall in the exchange rate can increase their local currency price. Demand-pull inflation tends to occur when an economy is growing too fast. It rises because the aggregate demand in the economy exceeds the aggregate supply in the economy and therefor prices are bid up. For example, labour may become scarce, putting upward pressure on wages"* (Tribe, 2011).

2.2.2.1. <u>The Impact of Tourism on the Seasonality</u>

Seasonality has been defined as *"a temporal imbalance in the phenomenon of tourism, which may be expressed in terms of dimensions of such elements as numbers of visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment, and admissions to attractions"* (Butler, 2014).

"As the tourism product cannot be stored and is highly seasonal, it needs to earn enough during high season in order to fight and survive the decline during the rest of the year. This also has obvious implications for employment and investment. The seasonality of tourism leads to a division between high- and low season. Take the hotel sector as an example. Some of the hotels are closed during low season, whereas others suffer great losses in income. As fixed costs cover a big part of the total costs, the hotels try to ensure as good as possible

incomes. The accommodation sector is however not the only sector suffering from seasonality. Tour operators face reluctance from outside investors to get financially involved in marketing seasonal enterprises. This has led to the fact that local investors are carrying a much bigger financial responsibility (Ibid)" (Ardahaey , 2011).

2.3. Socio-economic Impact of Tourism

"The assessment of socio-economic impacts has become an important aspect in tourism especially when promoting tourism in rural and culturally sensitive areas. Socio-economic impact assessment focuses on evaluating the impacts development has on community social and economic well-being. This analysis relies on both quantitative and qualitative measures of impacts. Development impacts are generally evaluated in terms of changes in community demographics, housing, employment and income, market effects, public services, and aesthetic qualities of the community. Qualitative assessment of community perceptions about development is an equally important measure of development impacts. Assessing proposed developments in a socio-economic context will help community leaders and residents identify potential social equity issues, evaluate the adequacy of social services and determine whether the project may adversely affect overall social well-being" (Geethika Nayomi, W.K. Athula Gnanapala, 2015).

2.3.1. Monetary-economic Impact of Tourism

Monetary movements and monetary changes created by consumption expenditures of tourists in the economy of a country are considered monetary effects. Tourism movements affect foreign exchange supply and demand in a country and change the balance of payments. The monetary effects of tourism in national economies can be examined as the effects of tourism on foreign exchange supply and demand, the effects on foreign balance and price stability.

2.3.1.1. <u>The Impact of Demand and Supply Currency to Tourism</u>

The effect of tourism on foreign exchange supply and demand is because it is an import and export form. Expenditures of foreigners who come to a country directly or indirectly to buy goods and services produced by tourism enterprises constitute the foreign tourism income of that country. This is not much different from other exports in other sectors. This situation gives tourism an invisible export feature. For this reason, foreign currency

entering the country with foreign active tourism has an effect of increasing foreign exchange supply in that country. Tourists spend foreign currency in a certain country by buying goods and services in that county. This is not much different from other imports in other sectors. This situation gives tourism an invisible import feature. Therefore, foreign currency from foreign countries creates foreign exchange demand.

Foreign tourism, income and expenses are among the items that are not seen in the current account of the payments balance sheet. In measuring the economic effects of this income and expenses, the difference between the foreign exchange supply and demand is taken into consideration by using the specifically regulated external tourism balance sheet. With the Foreign Exchange Supply and Demand Schedule System pay used to determine the balance of payments deficit, it is possible to determine the share and effectiveness of the foreign exchange supply and demand in the country's total supply and demand.

2.3.1.2. <u>The Impact of International Balance Payment to Tourism</u>

"The balance of payments is an accounting record that indicates the economic and financial situation of a country as compared with other countries. International tourism directly affects the balance of payments as an invisible export entry. The significant contribution of international tourism appears on the balance of payments account under the entry of international services. In order to discuss the favourable effect of tourism on the balance of payments, the amount of foreign currency revenues for a country must exceed the amount of foreign currency expenditures" (Ali Kemal Çelik, Sami Özcan, Abdullah Topcuoğlu, Kürşad Emrah Yıldırım, 2013).

"The balance of payments of a country reflects at a particular time a set of accounts representing the country's trade with the rest of the world. Trade flows are given in financial terms and there are three main accounts. The current account has two sections, the merchandise account, i.e. the import and export of physical commodities like rice, tea, coffee, cars; and the invisible account, which includes mainly services such as tourism, insurance, and banking remittances. It is on the current account that reference is made to deficits or surplus on balance of payments. The capital account reflects the import and export of capital by government and the private sector. In most non-oil-exporting developing countries, grants and loans represent the main inflow of capital. Balance of payments accounts must balance either

by a transfer to or from reserves or by external borrowing. In most non-oil-exporting developing countries there are usually deficits on current accounts, often of a longstanding and chronic nature. In those developing and developed countries with a large tourism sector, earnings from tourism help reduce and occasionally eradicate such deficits. This has long been the case in Italy and in Spain, for example. It is also true in countries such as the Bahamas, Fiji and Thailand. It is this potential to earn foreign exchange which is the major reason for governments' support for tourism in developing countries and also in many developed countries" (Leonard J. Lickorish, Carson L. Jenkins , 1997).

2.3.2. Social Impact of Tourism

Tourism, as well as an economic event, is an industry that enables the society to better recognize and understand each other through social and cultural values, increase the value of the environment and maintain the ecological balance of nature. From this point of view, tourism; it has a large-scale impact on societies such as social, economic, cultural and psychological.

2.3.2.1. <u>The Impact of Tourism on Environmental</u>

Tourism and the environment are all inseparable. For this reason, tourism and environment must continue to exist in the balance of protection-use. During the tourism structuring process, it can have positive or negative effects on the natural environment according to the quality of the selected investments. The negative effects of tourism on the physical environment include:

- The fact that the natural environment is replaced by concrete masses leads to the deterioration of the physical balance of biological structures in this area.
- Another problem caused by tourism in the environment is waste. In the touristic regions where the infrastructure is not sufficient, the harmful wastes from the production of touristic goods and services not only pollute nature but also cause health problems.
- Considering tourism in terms of air pollution; emissions from air conditioning refrigeration systems of tourism facilities, fuel emissions from tourism mobility and pollutants such as dust and gas.

The positive effects of tourism on the physical environment include:

- Physical Effects: Provides access to natural resources with internationally recognized quality standards. It helps to protect, reconstruct, and strengthen natural and structural resources. It encourages quality physical environmental arrangements that local people can obtain.
- Socio-Economic Effects: The market for buildings with no direct contribution to local people in economic terms creates economic value. Generates income for protection for future generations.
- Cultural-Educational Effects; strengthens local identities of specific regions and increases local pride. It creates an environment for both the visitors and the locals to understand the environmental assessment.

2.3.2.2. The Impact of Tourism on Social and Cultural

Those who travel to other countries by participating in tourism activities can affect or can be affected by the people of that country in a number of ways, as well as themselves. The positive effects on tourism on society and culture are as follows:

- Enhances inter-communal peace and tolerance.

- It increases the cultural values thanks to the foreign language learning requests.

- It reawakens the impact of the country on its culture and focuses on its cultural heritage.

- In small societies, the local community creates an area of interest and activity. Services such as improvement of roads, development of infrastructure services will help the development of the region.

The negative effects on tourism and societies and cultures are as follows:

- Especially as a result of the desire for tourism by young people, the lifestyle and belief structure change.

- Creolisation

- The disappearance of customs and traditions as a result of cultural corruption.

- Local people want to choose entertainment places such as bars and cinemas in their free time.

2.4. Worldwide Tourism Demand and Supply

2.4.1. Demand of Tourism

"*Tourism demand is a broad term that covers the factors governing the level of demand, the spatial characteristics of demand, different types of demand and the motives for making such demands*" (Spencer, 2019). "*International tourism demand is generally measured in terms of the number of tourists visit from an origin country to a destination country, or in terms of tourist expenditure by visitors form the origin country in the destination country*" (Larry Dwyer, Peter Forsyth, 2006).

There are 3 basic elements that make up the total demand for tourism. These are;

- **Real demand:** Consists of those actively involved in tourism, demanding travel services, going to attraction centres and buying tourism products.
- **Potential (under pressure) demand**: It consists of people who have the motives for travel and tourism services but are unable to do because of temporary or financial reasons.
- **Distorted demand:** It consists of people who will travel when they are motivated but cannot make travel requests because they do not know about the possibilities and activities.

The demand for tourism for a country consists of two elements: domestic and foreign tourism demand. The demand for tourism activities carried out by the people in their own countries are the demand for domestic tourism. The demand for tourism activities carried out by the people outside the country is the demand for foreign tourism. The function of tourism demand includes:

- Tourism demand is an independent demand and there are many reasons for economic, social or psychological reasons that lead people to travel.
- Tourism demand is multifaceted.
- Tourism demand is a function of personal disposable income.
- The tourism product, which is subject to tourism demand, competes with other products and services of luxury and cultural nature in its economy.
- In tourism demand; the fact that economic, political and social factors affect the consumption preferences and the wide range of substitution opportunities give a flexible appearance to demand.

- Tourism demand has a seasonal feature.
- Tourism demand may vary according to the level of development of countries.

2.4.1.1. Factors of Tourism Demand

The factor of tourism demand divided 5 categories. These are;

- **Economic factor:** Economic factors have an important position in the tourism sector as in every sector. The fact that the person demanding the tourism product is deprived of the necessary purchasing power is an important obstacle in the realization of tourism activities. As economic factors preventing demand; national income, income distribution, real income per capita, price of tourism product, relative exchange rates, distance, accommodation potential and supply capacity, advertising and promotion, technology, population and health are analysed.

- Income elasticity of national income and tourism demand: Generally, for the consumption of tourism, people who are involved in consumption should have sufficient income level. It is not wrong to establish a link between national income and tourism demand, because it is necessary that the people who participate in the consumption activity have sufficient income level. If national income increase, tourism demand increase. However, if national income decreases, tourism demand decrease. The most important reason for the fact that tourism is a sector-specific to developed countries is that the national income of these countries is very high compared to the underdeveloped countries.

- Distribution of income and real income per capita: Income distribution is also an important economic factor affecting tourism demand. If the national revenues of a country are equally distributed, the number of tourism demand in that country will increase. The increase in real income provides consumers with greater spending power and this increases demand.

- Comparative foreign exchange rate: The exchange rate of the two countries as a result of different uses is another factor that affects the demand for travel and tourism. For the countries participating in the tourism movement, not only the prices in that location but also the comparative price differences in the countries sending tourists are also important for the demand for tourism. If the price in the sending country remains the same and the currency of the sending country becomes relatively more valuable, the goods and services of the other

country will be more preferred by the citizens of the sending country. As a result, tourism demand will increase.

- Distance: It is one of the most important factors in tourism demand. The distance from a country to other countries and transportation opportunities affect tourism demand as an economic element. There is a 2 effect on demand. Firstly, if the travel distance increases, the duration of travel will increase. So, the distance will bring an additional burden and shorten the holiday time. Secondly, the cost will increase with distance. If people want to choose from 2 similar destinations, they will prefer the ones close to them.

- The demand for tourism product and the price elasticity of demand: The demand for tourism products and the price elasticity of demand: The decrease in price causes an increase in the demand for tourism, and the increase in prices creates a decreasing effect on the demand for tourism. In the event that the price of the product changes, the demand for tourism will vary depending on the size of the income and substitution effects.

- Accommodation potential and supply capacity: The situation of the upper and lower building in a tourism region, the services provided to tourists, the quality of the facilities and their quality are another factor affecting the tourism demand. The increase in the demand for tourism increases the accommodation capacity and this draws the demand to the region where the supply is located. The quality of the facilities that allow accommodation, whether the quantity is enough, the characteristics of the tourists, the ease of transportation, the economic suitability of the price, will increase the occupancy rate and profitability of the facility in question. So that, increases the demand for tourism.

- Advertising and promotion: Advertising and promotion, which have an impact on people, are another factor affecting tourism demand. The purpose of tourist propaganda is to attract the attention of people and increase the demand for tourism by providing information about the region.

- Population and health: Population and health are one of the most important factors for tourism demand. Generally, the age of people that travel, are between 25-65. Age of the person; The choice of the place to travel, the travel destination and transportation means affect the accommodation and the way of travelling. Population; it affects the size, density

and distribution of tourism demand. Within the scope of the health factor, in the case of the epidemic illness, etc. in one area, tourism demand will be influenced negatively.

- Distance: Transportation and tourism are integral parts of a whole. The most important reason that makes tourism a necessity and which provides added value to it is transportation. No matter how attractive the country's tourism supply is, it is not possible to obtain the desired results in the tourist area unless roads and vehicles are operated perfectly.

- **Social factor:** Although many of the factors that affect tourism demand are of economic content, many of them have social content.

- Leisure: Without time and sufficient income, perhaps people would not participate in tourism activities. Tourism leads to temporal and monetary costs. The increase in leisure time leads to more people travelling and has a positive impact on tourism demand.

- Age: The age factor is effective in tourism demand. Young people travel more than middle age group. The middle age group can spend less time travelling for reasons such as work, marriage and having children. Elderly people travel a lot because of their free time and lack of child problem.

- Gender: Gender factor is known to be effective on the type and duration of participation in travel. Although the length of stay in women is higher than that of men, there are more transit travels in men.

- Family structure: The family structure is another factor affecting tourism demand. Participation in tourism activity; it is important that the person is married or single, has few children, or has many children. Single persons are more likely to participate in the tourism movement than married people. People who have few children are more involved in the tourism movement than those who have many children.

- Profession: Person's profession is the situation in the profession affects the demand for tourism. There are two factors in the participation of one's profession in travel. Firstly, it relates to one's income level. Secondly, the person may have to travel constantly because of the feature of the profession.

- **Politic and legal factors:** One of the important factors affecting tourism demand is the political situation between the two countries. Tourism has a liberal feature. For this reason, there should be no bureaucratic, political, military and commercial, etc. barriers to tourism and tourism laws that limit the demand for foreign tourism. Countries accepting tourists; border formalities, travel regulations, visa incidents, foreign exchange and arrangement of customs affairs may decrease or increase the demand for that country. Countries accepting tourists; civil war, terror, international tensions, political instability, etc. it adversely affects the demand for tourism in that country.

2.4.1.2. Demand Elasticity in Tourism Sector

The changes in demand on the demand factors are measured by the coefficients of elasticity. Flexibility coefficients can be expressed in various ways.

Table 2:Forms of elasticity

Price elasticity:	The extent to which demand for a tourism product changes because of a change in the price of that product itself. For example, an increase in air fares will, other things equal, result in reduced passenger number in air travel.
Income elasticity:	The extent to which demand for a tourism product changes because of a change in the level of consumer income. For example, an individual and national wealth rises, more air travel or leisure cruising will result.
Cross-price elasticity:	The extent to which demand for a tourism product changes because of a change in the price of substitute goods and complementary goods. For example, the demand for air travel in Europe will be affected by changes in the price of train or ship travel (substitute goods) or changes in the price of accommodation or car hire (complementary goods).
Marketing elasticity:	The responsiveness of sales to changes in marketing/advertising expenditures. Thus, a tour operator may advertise on radio or TV or a destination may promote itself in newspaper and magazine, generating increased visitation and sales revenues. The marketing elasticity measures responsiveness of demand to a dollar change in marketing expenditure.

Source: Adapted from "Prof. Larry Dwyer, Prof. Peter Forsyth, Wayne Dwyer. (2010). *Tourism Economics and Policy.* Channel View Publications. p.41-42"

Demand for tourism product is consisted as either:

Table 3: Classify of tourism demand elasticity

Elastic Demand:	The relative responsiveness of changes in demand to changes in price is known as elasticity. A marketing manager who understands the concept of elasticity will find it easier to set prices to different products. An elastic demand is one where a change in price will alter the demand for a product. In other words, if a demand is elastic, a change in price causes an opposite change in total revenue. That is, a rise in price will decrease revenue, and a fall in price will increase total revenue. The demand curve for leisure travellers, the price sensitive segment of the market is an example of elastic demand. When an increase in price occurs, there is a decrease in the quantity demanded, and when there is a decrease in price, there is an increase in the quantity demanded.
Inelastic Demand	An inelastic demand has an opposite effect. An increase in price will increase total revenue, and a decrease in demand results in a decrease in revenue. In other words, price has little effect on demand. For instance, the demand for the airline's seats in business or first class is a good example of a relatively inelastic demand. In such cases, the airfare is not really important to corporate passengers. A small change in price may bring little changes in demand.

Source: Adapted from "Camilleri, M. A. (2018). *Travel Marketing, Tourism Economics and the Airline Product.* Springer International Publishing. p.163"

2.4.2. Supply of Tourism

According to economic literature, the supply is an amount of goods offered at a certain price in a market. Tourism supply; under certain conditions, all the touristic riches offered by a destination to sell or benefit to tourists at a certain price. When it comes to tourism supply, all activities such as accommodation, catering, entertainment, recreation and transportation that meet the needs of tourists should come.

In the tourism sector, there are two types of supply concept which are independent and dependent on tourism. The natural and cultural places, forest, mountain, sea, traditions and customs of a region are the elements that constitute the independent supply elements of tourism. All these properties have no direct connection with tourism. Dependent tourism supply is the event that tourism goods and services are offered to the service of tourism with a series of facilities having completed infrastructure and superstructure in order to utilize the elements constituting the independent supply element for tourism purposes. As can be

understood from the supply of dependent tourism, it is a kind of supply that emerges as a result of tourism movements. The function of tourism supply includes:

- Large investments should be made in order to create a tourism supply. Starting a tourism business requires a certain amount of time and it is necessary to spend very high amounts in fixed production factors.

- Supply in the tourism sector requires product marketing and presentation in accordance with the structure of each country.

- In the supply of tourism, the product type produced is the service and the service continues 365 year and 24 hours a day. So that, the tourism product shows an abstract feature.

- The fact that a dynamic structure in the tourism sector is affected by the reasons such as the crises and seasonal fluctuations, prevents the stock of goods and services sold in this sector.

- The high possibility of substitution in the tourism supply complicates the distribution of risks.

- Tourism supply is based on labour-intensive production.

- Tourism supply shows inelastic function in a short period. Additional supply for many tourism products is not possible. Therefore, there is no possibility to increase the supply of tourism in the short term as a result of a project considered by the entrepreneur if there is a change in the demand amount. As the supply cannot meet the increasing demand in the short term, there may be an increase in the product price.

- In the last feature of tourism supply, technological developments change the production structure in other sectors. The result is increased productivity and lowering costs. However, it is not possible to use machines instead of people in this labour-intensive sector due to the structure of tourism.

2.4.2.1. Factor of Tourism Supply

There are many different factors that direct individuals to tourism. These are;

- **Transport:** "*Transport is the most critical element in the promotion of the growth of domestic and international tourism. At a simple level, transport links the tourist from the origin area with the destination area. It enables the tourist (the holidaymaker, business traveller and other categories of traveller) to consume the products and experiences they have purchased, because it links the supply chain together. In addition, transport may be an attraction in its own right (e.g. a cruise ship or a trip on the Orient Express). Tourists who 'tour' by road may use public transport or private transport (e.g. the car) to experience a variety of destinations. Increasingly, the transport sector is entering into strategic alliances (i.e. formal business partnerships) where different operators will seek to offer seamless transport experience for travellers, recognizing the selling opportunity*" (Page, 2007).
- **Food and crafts:** "*Food and crafts can generate considerable profits for the local population, when volume production and delivery at set quality standards can be met by local producers. Key issues for local sourcing of food supplies in the tourism sector are quality, reliability and quantity of supply. Promotion of local sourcing therefore requires training and technical support and investment - for example in storage and distribution facilities - to meet quality and reliability standards, as well as the development of production and distribution networks to gather supplies from different local producers into the quantities required by hotels*" (Richard Tapper, Xavier Font, 2004).
- **Natural resources:** Natural resources appear on the earth in many different forms, structures and conditions. These are properties that are specific to a region and are spontaneous in nature. Natural resources are perhaps the most important of tourism. Because in a place where there is no natural environment, tourism activities cannot be mentioned.
- **Infrastructure:** Today, the tourism sector is developing very rapidly both in the national and international arena. As a result; In the face of the demand for unlimited tourism, continuous improvement in the supply of tourism and efforts to respond to the demands of the tourism demand. When the infrastructure of a region is mentioned; water and sewage systems, communication network, energy sources, transportation networks, security systems, etc.

- **Superstructure:** The superstructure of tourism consists of very important attractions such as accommodation, catering and entertainment services which constitute the tourism sector. These services; To be presented to the visitor with high service and standards, it is important for the competition of destinations.

2.4.2.2. Supply Elasticity in Tourism Sector

The elasticity of supply in tourism; can be explained as the degree of response to change in price. The elasticity of supply in tourism shows the reaction of producers against price changes. Supply elasticity is indicated by a factor(e_a). According to the law of supply in the economy, as the price of a commodity increases, the supply of that good will also increase. Therefore, supply elasticity is consistently positive because price and supply vary in the same direction. Sometimes it may be the opposite. As the price of a good increases, the supply of that good may be decreased.

- **Tourism supply elasticity for a very short period:** In this period, it is possible to define in the form of a time frame in which none of the production factors can be changed. In a very short period of time, there is no possibility to increase production to meet the demands of the sellers. In a very short period, tourism supply elasticity is equal to zero.
- **Tourism supply elasticity for a short period:** In the short term; companies and enterprises operating in the tourism sector have the chance to increase the amount of product they produce in a limited capacity. During this period, it is a bit more flexible than the tourism supply elasticity for a very short period. For the short term, tourism supply flexibility may vary depending on the type of goods and services produced or production conditions. In the short term, the number of supply elasticity is smaller than one.
- **Tourism supply elasticity for a long period:** In the long term, the quantity and composition of all production factors involved in the production of a good or service can be changed. A tourism business can build a new hotel in the long run or increase the capacity of existing rooms and beds. It is in a position to respond to any changes that may occur in the demand in the long term.

3. Tourism in Turkey

3.1. General Information about Tourism in Turkey

- Development of tourism in Turkey:

Development of tourism in Turkey is adopted from "Emerging of Mass Tourism from 1990's until Today and Alternative Tendencies in Turkey" which was written by Onur Gülbahar. According to Mr. Gülbahar (2009):

Due to the geographical location, Turkey has been the subject to journeys as from the very ancient history. Thanks to thermal resources and religious centres in the first and middle ages, it attracted the attention of many people. The khans and caravansaries on the important roads during the Seljuk period also kept the passenger traffic of Anatolia alive. Small-scale travels were also taking place in the Ottoman Empire. in 1863, the first modern tourism activity in the Ottoman Empire became with an opening exhibition which named Sergi-i Umumi-i Osmani. During the same period, the first tourist groups from Istanbul went abroad. In 1870, the opening of the orienting railway linking Istanbul to Paris was also influential in the construction of the first hotels. In 1892, the Pera Palas Hotel was opened which was the first modern hotel. Two foreign travel agencies were established on the same dates. After the First World War, there wasn't a tourism activity during the War of Independence. Reviving of tourism became with the regulation of transportation activities in the first years of the Republic. For continuing to tourism activities, Seyyahın Cemiyeti was found with an order of Mustafa Kemal Atatürk. This association determined the politic of Turkey tourism until World War II. On 22 May 1953, the Law on Encouraging the Tourism Industry entered into force to encourage entrepreneurs to invest. Tourism Bank was established in 1955 and the financing needs of the tourism sector were met. In 1957, the General Directorate of Press and Tourism name changed to Ministry of Press and Tourism. In 1963, the name was Ministry of Tourism and Promotion. Today, it is called as Ministry of Culture and Tourism.

If after 1980 it has been a turning point for tourism in Turkey. After these years, tourism started to be dealt with together with its economic, social and environmental aspects. Because we have the numerical size obtained in Turkey were found to be unrequited natural and historical riches. For this purpose, legal regulations were made, and tourism incentive

laws were enacted, tax and customs exemptions and special foreign exchange allocations were given. Tourism which has seen significant development in Turkey after the 1980 period, has an important role in decreasing unemployment and enhancing the balance of payment, decreasing of trade deficit with huge foreign currency inflow. An annual tourism development plan in place and emphasis has contributed to these positive developments in the tourism sector in Turkey.

- Tourism in Turkey at today

Today, tourism is an important source of income in all countries. Especially in developing countries, tourism revenues play an important role in closing the foreign trade deficit. This situation also applies to Turkey. According to the Republic of Turkey, the Ministry of Culture and Tourism (2018); 46,112,592 people visited Turkey. This ratio increased by 21.45% compared to 2017. At the end of 2018, tourism received $ 29.5 billion in revenue. Revenues from tourism increased by 12.3% compared to the previous year. At the end of 2018, Turkey became the 14th in the ranking of tourism revenues by country, and Turkey became the 8th number of tourists coming from the country. The rate of tourism revenue in GDP was 3.8% in 2018. According to TURKSTAT (2019) in the first quarter of 2019, tourism revenues increased by 4.6% compared to the same quarter of the previous year.

- Alternative tourism in Turkey

In spite of the traditional tourism activities carried out for a long time, limited to time and space, alternative tourism, which has the opportunity to spread throughout the year and in much larger areas, continues to spread rapidly with a wide range of varieties and alternatives. Strengths of alternative tourism in Turkey are as follows:

- Turkey has a climate, possess natural resources and pristine environment for alternative tourism.
- Turkey is suitable for cultural tourism because it has a rich history and culture.
- Turkey has an approximately 1300 thermal springs.
- Turkey has the potential for tableland tourism
- Turkey, which is of great importance for world heritage, has natural monuments such as the fabled chimneys and Pamukkale.

Alternative forms of tourism in Turkey are as follows:

1- **Hunting tourism:** Turkey has potential in terms of hunting tourism, because of wealthy flora. The main hunting areas in Turkey; Antalya, Burdur, Isparta, Adana, Bilecik, Aydın, İzmir, Ankara, Bolu, Sinop, Zonguldak.
2- **Horse-riding and travelling with horses:** Horseback riding tours are organized on the coasts of the Mediterranean and Aegean regions and in ancient cities. The number of farms is increasing rapidly in these areas. Besides, professional enterprises that organize horse-drawn sightseeing tours and give equestrian courses in this regard are becoming widespread. These companies are mostly concentrated in Istanbul, Side, Manavgat, Kemer, Antalya and Köyceğiz.
3- **Botanic and type of endemic tourism:** Turkey which has a unique natural beauty and conservation, soil, air, with species living in the water has a different feature many from the world's countries. In terms of plant resources, Turkey has the distinction of being one of the world's most important centres. Due to Turkey has the homeland of numerous crop plant, it is a botanical garden location. The number of fruits grown on earth is known as 138. 80 of these fruits are produced in Turkey. According to scientists' research, the whole of Europe has 12,000 plants while in Turkey has approximately 9,000 plants. There are 2,750 endemic plants in the whole of Europe, while Turkey has also 3,000 endemic plants.
4- **Tableland tourism:** Tableland in Turkey is becoming a popular tourism centre in recent years. Tableland; nature's uncontaminated air, ice-cold waters, cool air, fascinating views, thousands of plants and colourful fragrant flowers are places to find together.
5- **Winter tourism:** In terms of winter tourism in Turkey with rich data, it is possible to say that the future will leave behind the Swiss Alps. When it comes to winter tourism, the first ski comes to mind. Skiing and winter sports centers in Turkey; Uludağ, Kartalkaya, Palandöken, Erciyes, Sarıkamış, Ilgaz, Kartepe, Beydağları, Elmadağ, Davraz, Ödemiş-Bozdağ, Saklıkent-Antalya.
6- **Speleological tourism:** The caves are a natural wonder which has a stalactite and stalagmite, very clean running water and lake. Turkey stands at the forefront in the world with 40,000 caves. The caves are opened to tourism in Turkey; Damlataş Cave-Antalya, Dim Cave-Alanya, Zeytintaşı Cave-Antalya, İnsuyu Cave-Burdur, Gürcüoluk

Cave-Bartın, Kaklık Cave-Denizli, Dodurgar Cave-Denizli, Karaca Cave-Gümüşhane, Zindan Cave-Isparta, Mencilis Cave-Karabük, Dupnisa Cave-Kırklareli, Tınaztepe Cave-Konya, Ballıca Cave-Tokat, Gökgöl Cave-Zonguldak.

7- **Trekking:** Trekking; in the scope of world eco-tourism, it is a kind of sporty tourism which does not require any personal talent. Trekking tours in Turkey are Toroslar, Kaçkarlar and Kapadokya.

8- **Bird watching:** Turkey has a feature of "bird of paradise" with hosting of bird species. While the European continent has 452 bird species, Turkey has also 421 bird species.

9- **Blue voyage:** Blue Voyage is a trip between the destination of Bodrum and Marmaris-Antalya which vessel with kitchens, showers and toilets are rented by groups of 5-15 people.

10- **Yacht tourism:** The yacht is a small excursion boat that can take 5-20 people. According to IMEAK DTO (2017), there are 86 marinas at the end of 2017 in Turkey.

11- **Diving tourism:** In recent years, there are many places to dive despite excessive pollution in the sea. Diving-related businesses are concentrated in Istanbul, Bodrum, Marmaris, Fethiye, Kaş and Alanya.

12- **Rafting:** Rafting which does with inflatable rubber boats and called as river cross-country, needn't special skills. There is a lot of rafting area in Turkey. These are; Çoruh River-Bayburt/Artvin, Fırtına River-Rize, Dalaman River-Muğla, Melen River-Düzce, İkizdere River-Rize, Munzur River-Tunceli, Köprüçay-Antalya, Bekili River-Denizli, Zamantı River-Kayseri, Barhal River-Artvin.

13- **Religion tourism:** Anatolian lands are one of the most mysterious geographies in the world. It is possible to find a religious motif or monument in every city of the country. There are lots of values and resources of faith which live together for many years. Accepted by Christians 6 out of 8 sanctuary are located in Turkey. Urfa is a place in which Prophet Abraham was born and is sanctuary area for all three religions. The most important Orthodox center of the Eastern Christian world is located in Istanbul. St. Pierre Church which was known as the first church of Christianity, is located in Hatay. The Church of the Virgin Mary in Izmir is considered sacred by the Christians.

14- **Nature monuments:** The flora and fauna species that live in regions with characteristics and scientific values of nature and natural events are called natural monuments. According to another definition; these are the values that occur over

time, which are not possible to be created by manpower. Natural monuments in Turkey are; Peribacaları, Pamukkale, etc.

15- **Thermal Tourism:** Thermal tourism; mineralized thermal water bath, drinking, inhalation, mud bath, as well as various types of methods, such as climate cure, physical therapy, rehabilitation, exercise, psychotherapy, diet support, including support for the treatment is defined as a tourism movement. When we said thermal tourism in Turkey, our minds come to Afyonkarahisar. Afyonkarahisar is the capital of thermal tourism in Turkey.

3.2. Tourism Strategy Plan in Turkey

In Turkey, after the 1960 period, a "planning period" followed. This period was developed and implemented in response to the concept of unplanned development of the period 1950-1960. The 1961 Constitution contains provisions on plans. "Planned Period" starts a temporary plan implemented in 1962 and continues to this day. The goal of the five-year development plan can be classified as:

- To increase its contribution to the country's economy and balance of payments for the evaluation of tourism resources in the best way
- Increasing the number of tourists and expenditure per tourist.
- Extending the average length of stay.
- Giving incentives related to tourism investments.
- Diversification of tourism.
- Reducing effects of seasonality.
- Reducing the negative effects of tourism.
- To ensure the participation of citizens in tourism activities.
- Regulation of laws and regulations to accelerate the development of tourism.
- Establishment of institutions and organizations related to tourism, ensuring coordination among existing institutions.
- Expansion and facilitation of transportation facilities.
- Improving product and service quality.

It includes topics such as tourism, education and employment.

The information for the five-development plans for the period of 1963-2014, given below, are taken from the "Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı".

1- 1th Five-Year Development Plan (1963-1967): Since the beginning of the planned period, the importance of the tourism industry has been recognized globally. To benefit from the blessings of tourism and to attract tourists to our country, the advantages of natural and cultural resources have been mentioned. In addition, the important role and potential resources that tourism can play in closing the balance of payments deficit are stated in the plan. In order to evaluate this potential, the First Five-Year Development Plan emphasized the importance of shopping and other service investments as well as physical accommodation investments. However, limited resources have been mentioned in the plan. It is stated that investment priority should be given to the regions where the tourist potential is high and in the short term, positive results can be given rather than a generalized investment method. The First Five-Year Development Plan includes the following measures:

- Collaboration with an international promotion organization specialized in the field of promotion of the country.
- Conducting market research in tourist sending countries.
- Simplification of processes in customs and cambium.
- Encourage the institutions that undertake planning, recommendation and supervision in this area for the development of tourism in the local sense.
- Restructuring the Tourism Bank and providing adequate and appropriate loans for tourism investments.
- Opening tourist information offices to serve tourists.
- Prioritizing the training of tourism personnel.

  Introducing and adopting tourism resources in the region.

2- 2nd Five-Year Development Plan (1968-1972): In the second five-year development plan, besides the economic benefits of tourism, the social and cultural positive effects are also mentioned. In order to benefit from the social effects of tourism, in particular, the development of domestic tourism movements is emphasized. Increasing the number of tourists and tourism revenues and increasing the average expenditure per

tourist are among the aims of this plan period. In addition, it is aimed to encourage investments in sub-regions suitable for tourism development, to support with investments, to encourage tourism investments with financial and legal measures, and to encourage infrastructure and superstructure investments, especially for mass tourism. The aim of this period was to restructure the tourism sector, to determine the price policies that would enable international competition, to be exemplary and to realize public investments in terms of encouraging the private sector. For this purpose, plant investments are left to the private sector and infrastructure investments are provided by the public. The Second Five-Year Development Plan includes the following measures:

- Better analysis of relations between transportation and tourism and the implementation of planning.
- Restoration and preservation of natural and cultural heritage, primarily in tourism areas.
- Ensuring cooperation on joint promotion with the Mediterranean countries, especially in the international arena.
- Completion of the tourism physical investment plan that will cover the priority tourism regions with the aim of planning tourism investments more effectively.

3- 3rd Five-Year Development Plan (1973-1977): Mass tourism has an important place in the Third Five-Year Development Plan. The development of domestic tourism is also ranked among the next targets. In addition to the infrastructure services such as highways, airports, sewerage and water supply, the restoration of historic areas and national park investments were also aimed to support these investments. Some problems related to the promotion of social tourism and employment are also mentioned in this plan period. The need for training is also emphasized. The Third Five-Year Development Plan includes the following measures:

- Providing coordination in publicity, investment and other fields for the encouragement of mass tourism.
- Promoting social tourism with public investments.
- Providing more suitable holiday opportunities for public employees.
- Promoting domestic tourism.

- Providing the employment of officially trained personnel in accommodation facilities.
- Giving priority to practical training in tourism education.
- Providing the employment of personnel throughout the year.

4- 4th Five-Year Development Plan (1979-1983): In this plan, the development of organized tourism zones, the functioning of the sector firstly according to the principles of mass tourism, the principles of encouraging foreign capital to tourism investments are included. The Fourth Five-Year Development Plan includes the following measures:
- Directing tourism infrastructure and superstructure investments to prioritize mass tourism.
- Promoting foreign investments regardless of their capital shares.
- Facilitating the employment of foreign nationals.
- To collaborate between the Tourism Bank, Turkish Airlines, General Directorate of State Airports and Ports in the field of promotion.
- Facilitating visa and customs procedures at the gates.

5- 5th Five-Year Development Plan (1985-1989): Even though limited in the Fifth Five-Year Development Plan, the development of other types of tourism was discussed for the first time apart from coastal tourism. The first plan to emphasize the development of tourism, the balance of nature and inclusion of social participation in tourism physical plans is the first plan. In addition, product development, as well as a market development strategy, adoption of the private sector in investments should come to the forefront, public investment instead of investment in the private sector to provide loans, the integration of tourism strategies was emphasized. The fifth Five-Year Development Plan includes:
- Encouraging employees to enjoy their holidays and leisure services.
- Ensuring the development of individual tourism together with mass tourism.
- Use of the budget allocated for investment instead of direct investments through the Ministry of Tourism.

- Developing tourism relations with the Balkans and other Third World countries as well as OECD
- Protecting and improving ecological balance while developing tourism.
- To highlight the alternative tourism resources for the evaluation of tourism potential.

  Restoration of historical and cultural assets to serve tourism.

6- 6th Five-Year Development Plan (1990-1994): At the end of the Sixth Five-Year Development Plan, the planning of tourism investments with natural and cultural heritage is emphasized in a more stressed manner. In addition, encouraging domestic travel agencies to reduce the dependency on foreign tour operators in mass tourism and encouraging charter flights are among the important factors mentioned in the Sixth Five-Year Development Plan. During this period, it was also stated for the first time that local people should be encouraged to invest in small-scale tourism. Increasing the quality of infrastructure and superstructure, extension of tourism seasons, promotion of alternative tourism types, increase of occupancy and qualifications, spreading tourism for the whole year, encouraging social tourism and family boarding are among the elements expected during this plan period. The Sixth Five-Year Development Plan includes the following measures:
- Giving attractive incentives for the development of alternative tourism types such as winter tourism, water sports, hunting tourism and health tourism.
- Development of tourism infrastructure and superstructure.
- Promoting tour operator activities of domestic travel agencies by developing charter transport.
- Development of touristic facilities.

  Encourage small businesses and family businesses, such as boutique hotels, hostels.

7- 7th Five-Year Development Plan (1996-2000): In the Seventh Five-Year Development Plan, sustainability was emphasized as in the previous five-year development plan. Conservation of natural and cultural values, opening of secondary residences to tourism, giving incentives to small and medium-sized enterprises, getting more share

from the economic values provided by tourism, aiming to have a competitive tourism industry and diversification of tourism are aimed. The Seventh Five-Year Development Plan is important in that it is the first plan to show that policies to increase bed capacity remain behind. In addition, infrastructure investment costs in this plan, the private sector beneficiaries to participate in it is envisaged. Likewise, it is aimed to ensure the contribution of the private sector to marketing activities. After the seventh plan, besides the economic benefits related to tourism, social and environmental problems started to be focused on. Also, in this period, the First Tourism Council was collected in 1998. The Seventh Five-Year Development Plan includes the following measures:

- Ensuring the contribution of the private sector in the infrastructure services provided by the public.
- Opening of secondary residences in tourism in tourism areas.
- Using of physical plans effectively.
- Using certification and licensing systems to improve service quality in tourism.

8- <u>8th Five-Year Development Plan (2001-2005):</u> In this period, increase the structural power of the tourism industry, to reduce seasonality, to expand demand, to improve service quality, o increase air transportation opportunities, to increase community involvement activity, tourism education like as was made a decision. In addition, the protection of the physical environment, protected areas and historical sites, supporting small medium-sized enterprises, and increasing the participation of local people in tourism-related decisions are among the objectives of the Eighth Five-Year Development Plan. In this period, the second Tourism Council was gathered; measures such as giving priority to tourism investments in Eastern and South-eastern Anatolia and combining the Ministries of Tourism and Culture have also been determined. The Eighth Five-Year Development Plan includes:

- All investment should make without harming to protect nature, social and cultural environment with a sustainability principle,
- Opening of national parks to tourism within the framework of sustainable tourism principles.
- Expansion of tourism education in order to solve employment problems.

- Continuing to encourage alternative tourism types in order to provide geographical distribution in tourism demand and to reduce seasonal effects.

9- 9th Five-Year Development Plan (2007-2013): In the Ninth Five-Year Development Plan, it is seen that policies such as sustainable tourism, providing high value-added services, increasing income per tourist, diversifying tourism, increasing quality, using capacity instead of capacity increase and increasing occupancy rates are adopted. In addition, the use of tourism to correct interregional income imbalances and the increase in the share taken from world tourism are mentioned in this plan. The Ninth Five-Year Development Plan includes the following measures:

- Providing high value-added services.
- Developing of urban infrastructure.
- Protecting of environment and culture.
- Increasing the quality and prices of tourism services.
- Increasing occupancy rates and capacity utilization rates.
- Diversification of tourism product.

10- 10th Five-Year Development Plan (2014-2018): At the end of the Tenth Five-Year Development Plan, a tourism income of 40.8 billion USD is expected, with an annual average change of 7.8%. At the end of the Tenth Five-Year Development Plan, the importance of Turkey's health tourism potential was emphasized. Especially in meeting the health needs of the ageing western countries, the advantage of quality and cheap service of our country is stated. In addition, climate change, desertification, depletion of energy resources and population growth sustainable with the effect of factors such as with the concept of tourism in this plan of "green growth", "eco-efficiency" is seen that mentioned the new terms like. It is especially emphasized that promotional activities are more effective. It has been emphasized between proposes to increase the qualified workforce and physical quality, to raise the average tourist expenditure, the products and services addressing the upper-income group and the sustainability. In addition, disaster risk was mentioned for the first time. Protecting cultural heritage by considering disaster risk has been mentioned. The importance of regional

gastronomy and food and beverage sector is also indicated in this plan. The Tenth Five-Year Development Plan includes the following measures:

- Development of alternative tourism types with a priority of health tourism.
- Increasing the efficiency of the private sector in publicity activities. Giving incentives in this direction.
- Providing physical facilities suitable for disabled people.
- Developing transportation systems that will connect tourism centres.
- Supporting sustainable tourism activities without compromising quality.
- Giving incentives for the effective participation of the private sector in marketing activities.

3.3. SWOT Analysis of Tourism in Turkey

According to Soyak (2016), a SWOT analysis of tourism in Turkey is being made in the year 2016. Considering tourism trends in the world and Turkey, facing Turkey as a tourism destination's strengths and weaknesses with opportunities and threats can be listed as follows:

Strengths of Tourism in Turkey

- Finding the social and economic importance of tourism.
- Having a rich historical and cultural heritage of Anatolia.
- Traditions and customs with the hospitality of the Turkish people.
- The existence of a young and dynamic population that will quickly adapt to the phenomenon of tourism.
- The main market in the famous, the height of the market share in Turkey and around the travel organizers and the presence of private aircraft company.
- The presence of newer and more qualified facilities than the Mediterranean basin.
- Mobilization in domestic tourism.
- Carpet, leather, apparel and jewellery, especially shopping opportunities, presence of handicrafts and handicraft products depending on local potential.
- Geographical structure and transportation possibilities that allow diversification of tourism.
- The improvement in the indicator of Turkey's economy.

- Ensuring compliance with the changing structure of demand in international tourism.

Weakness of Tourism in Turkey

- Infrastructure and service quality and the development of support sectors are unable to respond to the requirements in parallel with the rapid increase in demand.
- Lack of health, technical infrastructure and energy issues.
- Large-scale hotels are incompatible with the rural environment.
- Difficulties in making strategic decisions due to lack of research.
- There isn't enough diversification and geographic dissemination in tourism.
- Lack of port and marina for yacht tourism.
- Lack of strategic planning for domestic tourism.
- Natural, historical and cultural heritage, as a result of the erosion of the specific characteristics of the demand, moves away from the creative factor.
- Lack of coordination in the use of resources devoted to promotion and marketing.
- Due to the difficulties in introducing competitive advantages, marketing is done at low prices and low prices become an attraction.
- The concept of an urban landscape has not been established.
- The inadequacy of recycling of urban solid waste at the coast.
- Local communities and authorities are unable to participate in decision-making mechanisms in the context of sustainable tourism.
- It causes problems because of the fact that documents which given by The Ministry of Culture and Tourism and the municipalities are different.
- Inadequacy of practices for the certification of professional qualifications.

Threatening Factors of Tourism Turkey

- Negative publications in national and international media.
- External threats arising from the geopolitical position of our country.
- The policies of the European Union to encourage intra-tourism movements.
- There isn't necessary coordination between public institutions.
- Global warming and climate change.

- The competitive strength of competing countries.
- Distorted construction around tourist destinations.
- Offshore pollution due to waste of ships and damage to coastal tourism.
- Slow progress in the process of accession to the European Union.

Opportunities for Tourism in Turkey

- Starting negotiation between Turkey which won candidate country status, and EU.
- The increasing importance of Eurasia and Turkey's strategic importance to gain political and economic aspects.
- As a result of pollution in the Western Mediterranean, the attractiveness of the Eastern Mediterranean Region has increased.
- The increase in the number of high levels of education and experienced tourists.
- The growing world economy and developing the tourism industry.
- Developing transportation possibilities.
- In Turkey, increasing the number of travel agencies and airline transportation companies.
- The rapid development and spread of information and communication technologies in the infrastructure of Turkey.
- Developments in the markets showing a potential increase in interest towards Turkey.
- Commencement of emphasis on congress tourism and related investments.
- Removal of visa applications with many countries.
- There's the potential for large sporting events.
- The height of social media usage.
- With a contribution of cheap air transport, domestic tourism has increased.

3.4. Major Problem of Tourism Development in Turkey

Tourism is an important sector in Turkey like other countries for developing economic, political, social and cultural areas. However, earning from tourism isn't easy as other sectors. Because the tourism industry is one of the sensitive sectors and risk is higher than other sectors. According to Emine Yılmaz and Funda Ön Esen (2015), problems of tourism development in Turkey are categorized 8 titles:

1- Promotion and Marketing Problems: Since the development of tourism in a region depends on the natural, historical and cultural assets that the region has before all else can be effectively and accurately presented in the market. The most important factor that enables the tourist products to reach their consumers is the promotion and marketing activities. The number of tourist arrivals of the destinations that cannot be promoted effectively in the market indicates that they cannot be at the desired level. Therefore, the inadequacy of destinations in terms of promotion and marketing practices is an important problem. In the marketing activities of destinations, instead of general marketing activities, regional and urban promotion and marketing activities, combating opponents and efficient use of resources should be applied.

2- Infrastructure and Superstructure Problems: The natural beauties of a destination alone aren't enough for the development of tourism in that region. There is also a need for infrastructure investments in order to be a destination for a region with qualified tourist product. Tourism activities of a destination will allow development with these investments sufficient. Most destinations in Turkey's infrastructure and superstructure problems cannot be resolved. For example, in most places, sewage wastes are poured into the sea, garbage isn't collected, and frequent water cuts are experienced.

3- Problems of Service Quality: One of the problems of tourism enterprises and destinations is service quality. Problems of service quality negatively affect the desire of tourists to revisit a destination. In this context, the purpose of tourism enterprises and destinations should be to meet and exceed the expectations of their customers. Because businesses cannot provide quality of products and services and satisfying their customers will fail.

4- Product Diversification Problems: One of the marketing techniques, product diversification, which is used in order to sustain the profitability level and existence of the enterprises and extend the life curve, is another issue examined in the title of tourism problems. They will benefit from the fact that destinations are able to protect their existing markets, maintain competition with other competitors and create product development programs so that they can ensure sustainability. Otherwise, the

destinations will be affected by shortcomings such as customer and income loss in the long term.

5- Financial Problems: The tourism sector has significant financial problems. Financial problems such as the inability to shift savings to the tourism sector, the inability to provide bank loans under appropriate conditions, the implementation of new financing methods without knowledge, and the scarcity of foreign capital investments are important problems for the enterprises operating in the tourism sector. Tourism enterprises aren't able to make sufficient investments due to reasons such as elevation in investment costs, fluctuating tourism demand, high-inflation problem and high interest rates. All over the world, and financing problems of tourism enterprises in Turkey affect the success of enterprises in the industry sector and thus negatively.

6- Security Problems: There is a need for security in all areas of human activity. Especially in a sector where people are actors such as tourism, the security problem has serious implications, especially to damage the image of the country. Because in such an environment tourist are afraid to travel and feel insecure. Therefore, the expected tourist arrival to the destination is not realized. In order to cope with this major problem, governments and the private sector must act together and implement their policies and investment decisions in order to avoid and address security problems.

7- Attitude Problems: Social conflicts can occur in tourism movements, which is a wide structure of tourists from different countries and with different cultures. In this case, the opposite attitude, so tourists' locals, tourists also depends on how the locals perceive. By domestic people; The attitude of tourists, tourist behaviour and tourism are considered to be a problem because of the fact that the tourism and tourism is accepted to be a serious influence.

8- Trained Labour Problems: The development of tourism in a region depends on the employment of personnel with high quality, qualified and necessary education and equipment. Because there is a certain standard of education in the school of tourism in Turkey, the students get a solid education they often cannot cope with the sector.

In addition, tourism is a preferred section of students who are not sufficiently qualified. First of all, it is important that schools providing tourism education are sensitive about this issue and then tourism enterprises should employ trained labour force.

4. Research methodology and Data Analysis

in this thesis, we have used this study to evaluate the effect of tourism and municipality certified accommodation and overnight stay statistics with physical and geographical characteristics of the study area on tourism. This thesis includes only secondary data, which are the data that have already been collected and produced, such as, Ministry of Culture and Tourism in Turkey, TURKSTAT, etc. Even though, secondary data are a helpful way to get quick summary and background of an area or issue.

Statistics- Ministry of Culture and Tourism statistics, TURSAB statistic, TURKSTAT statistic, the central bank of the Republic of Turkey's statistic, e-UNWTO statistic.

4.1. Findings

Turkey is located between Asia and Europe. 3 side of Turkey surrounded by seas. Black sea to the North, Mediterranean Sea to the South and the Aegean Sea to the West. According to many European countries, Turkey has got to possess a large territorial area that stands at 814.578 km^2. There are 4 types of climate in Turkey. These are; Continental climate, Mediterranean climate, Transition Climate and the Black Sea climate. In Turkey, the main target of macroeconomic policies is sustained economic growth. For achieving goal, Turkey is trying so hard by using different sectors and different markets. The effects on the development of the national economy in Turkey's tourism sector has been put forward Based on the statistical data obtained and evaluated and interpreted

The effects on the development of the national economy in Turkey's tourism sector has been put forward Based on the statistical data obtained and evaluated and interpreted. In this context, the first 2 tables show demographics of tourism in Turkey. In this context, tourism receipts and number of tourist in Turkey and Tourism receipts and average spending of foreign and domestic tourists in Turkey were detected; the share of Turkey's tourism receipts in International tourism receipts, the share of Turkey's tourism receipts in Turkey's GDP, balance of income and expenditures of Turkey, share of Turkey's tourism receipts in international tourism receipts, compare between average spending of Turkey and around the World, international tourism receipts by countries, share of tourism in GDP between some countries, the ratio of tourism receipts to export, the ratio of tourism expenditures to import,

the share of Turkey's tourism receipts closing foreign trade deficit, the share of Turkey's tourism receipts Closing Foreign Trade Deficit, the compare between the ratio of tourism investment and the ratio of another sector investment by the public sector and foreign sector, employment of the tourism sector in Turkey, the inflation rate in Turkey, gross domestic product by kind of economic activity were analysed.

Table 4: Countries which sending the highest level of tourists to Turkey

Countries which sending the highest level of tourist to Turkey					
Nationality	Years			Ratio of Exchange	
	2015	2016	2017	2016/2015	2017/2016
Algeria	171 873	176 233	213 333	2,54	21,05
Morocco	109 775	87 660	114 155	-20,15	30,22
Libya	234 762	72 014	99 395	-69,32	38,02
Egypt	100 040	94 871	100 971	-5,17	6,43
Tunis	102 341	100 185	111 627	-2,11	11,42
Argentina	82 977	62 394	48 280	-24,81	-22,62
Brazil	85 473	42 530	49 754	-50,24	16,99
Iraq	1 094 144	420 831	896 876	-61,54	113,12
Israel	224 568	293 988	380 415	30,91	29,40
Kuwait	174 486	179 938	255 644	3,12	42,07
Turkish Republic of Northern Cyprus	233 278	222 839	245 858	-4,47	10,33
Lebanon	197 552	191 642	237 476	-2,99	23,92
Saudi Arabia	450 674	530 410	651 170	17,69	22,77
Jordan	162 866	203 179	277 729	24,75	36,69
China	313 704	167 570	247 277	-46,58	47,57
Indonesia	56 867	47 232	85 031	-16,94	80,03
Philippines	83 515	59 015	63 244	-29,34	7,17
India	131 869	79 316	86 996	-39,85	9,68
Iran	1 700 385	1 665 160	2 501 948	-2,07	50,25
Malaysia	69 616	49 255	61 166	-29,25	24,18
Pakistan	59 700	52 023	77 464	-12,86	48,90
Germany	5 580 792	3 890 074	3 584 653	-30,30	-7,85
Austria	486 044	310 946	287 746	-36,03	-7,46
Belgium	617 406	413 614	419 998	-33,01	1,54
Republic of Czech	212 464	87 328	126 567	-58,90	44,93
Denmark	408 841	329 618	269 026	-19,38	-18,38
Finland	213 803	122 185	97 112	-42,85	-20,52
France	847 259	555 151	578 524	-34,48	4,21

Holland	1 232 487	906 336	799 006	-26,46	-11,84
England (UK)	2 512 139	1 711 481	1 658 715	-31,87	-3,08
Ireland	101 379	54 221	50 102	-46,52	-7,60
Spain	236 063	106 582	106 757	-54,85	0,16
Sweden	624 649	320 580	289 134	-48,68	-9,81
Switzerland	380 338	215 194	206 479	-43,42	-4,05
Italy	507 897	213 227	205 788	-58,02	-3,49
Hungary	140 197	64 737	79 899	-53,82	23,42
Norway	282 210	156 215	116 180	-44,65	-25,63
Poland	500 779	205 701	296 120	-58,92	43,96
Portugal	56 312	27 015	26 727	-52,03	-1,07
Slovakia	151 514	61 477	97 967	-59,42	59,36
Greece	755 414	593 150	623 705	-21,48	5,15
Albania	80 032	83 029	103 593	3,74	24,77
Bosnia-Herzegovina	85 434	66 177	90 378	-22,54	36,57
Bulgaria	1 821 480	1 690 766	1 852 867	-7,18	9,59
Kosovo	97 818	100 022	116 049	2,25	16,02
Lithuania	112 654	109 749	134 264	-2,58	22,34
Macedonia	167 428	146 008	172 851	-12,79	18,38
Romania	441 097	357 473	423 868	-18,96	18,57
Serbia	178 997	110 594	146 852	-38,21	32,78
Azerbaijan	602 488	606 223	765 514	0,62	26,28
Belarus	204 355	113 793	229 229	-44,32	101,44
Armenia	48 522	39 063	48 320	-19,49	23,70
Georgia	1 911 832	2 206 266	2 438 730	15,40	10,54
Kazakhstan	423 744	240 188	402 830	-43,32	67,71
Kyrgyzstan	88 369	88 877	104 911	0,57	18,04
Moldova	149 800	140 117	171 538	-6,46	22,42
Uzbekistan	143 331	134 330	195 745	-6,28	45,72
Russia	3 649 003	866 256	4 715 438	-76,26	444,35
Turkmenistan	174 330	165 762	230 881	-4,91	39,28
Ukraine	706 551	1 045 043	1 284 735	47,91	22,94
USA	798 787	459 493	329 257	-42,48	-28,34
Australia	225 762	97 626	77 153	-56,76	-20,97
South Korea	228 694	106 904	120 622	-53,25	12,83
Japan	104 847	44 695	49 323	-57,37	10,35
Canada	187 615	106 285	81 196	-43,35	-23,61
Total	34 321 422	24 267 856	31 012 158		

Source: *www.tursab.org.tr.* (n.d.). Retrieved from www.tursab.org.tr

Table 4 shows that number of tourists where came to Turkey. According to table 4, top 5 countries in 2017 were Bulgaria, Georgia, Germany, Iran, Russia. Comparing these top 5 counties, the highest tourists came from Russia. Nearly 4,7 million Russian tourists visited Turkey. The lowest tourist came from Bulgaria among these top 5 countries in 2017. Nearly 1,8 million Bulgarian tourists visited to Turkey.

According to table 4, last 5 countries in 2017 were Argentina, Armenia, Brazil, Japan and Portugal. At least tourist came from Portugal. 26,727 Portuguese tourists visited Turkey.

Understanding from the table 4, although the total number of tourists in 2017 was higher than 2016, total number of tourists has decreased for the 3 years period. While nearly 34 million tourists visited Turkey in 2015, in 2017 this number was nearly 31 million.

Looking at the ratio of exchange the number of tourists, the most incensement for the changing rate was seen Russian and Belarussian tourists in 2017. This changing rate was 444,35% for Russian tourists and 113,12% for Belarussian tourists. Comparing between year of 2016 and 2017, the number of tourists who come for G-20 countries decreased. The most decrease for changing rate was seen at American tourists. This changing rate was -28,34%.

Table 5: Purpose of visit 2003-2019

		Purpose of visit																			
Year	**Quarter**	Travel, entertainment, sportive or cultural activities (thousand)	Change in (%)	Visiting relatives and friends (thousand)	Change in (%)	Education, training (less than a year) (thousand)	Change in (%)	Health or medical reasons (less than a year) (thousand)	Change in (%)	Religion / Pilgrimage(thousand)	Change in (%)	Shopping(thousand)	Change in (%)	Transit(thousand)	Change in (%)	Business (conferences, meetings, assignments etc.) (thousand)	Change in (%)	Other(thousand)	Change in (%)	Accompanying persons(thousand)	Change in (%)
2003	**Annual**	8.445	-	2.101	-	79	-	139	-	64	-	997	-	246	-	1.604	-	503	-	2.118.458	-
2004	**Annual**	10.076	16,19	2.469	14,91	144	45,23	171	18,62	65	1,87	1.068	6,69	168	-46,53	1.928	6,38	694.	27,49	3.472	39,00
2005	**Annual**	12.024	16,20	3.281	24,72	99	-44,34	220.	21,94	112	41,43	1.111	3,79	404.941	58,43	2.068	-1,67	757	8,21	4.044	14,13
2006	**Annual**	10.328	-16,42	3.836	14,48	106	5,92	193	-13,74	125	10,51	1.166	4,77	322	-25,62	2.462	-22,19	959	21,13	3.646	-10,92
2007	**Annual**	13.002	20,56	4.319	11,18	149	28,90	198	2,43	143	12,83	1.126	-3,60	38.133	-745,31	2.347	-4,65	1.299	26,12	4.589	20,56

2008	**Annual**	15.031	15,61	4.864	12,62	157	5,38	224	13,15	99	-31,21	1.074	-4,56	232	509,89	2.367	-0,77	1.197	-7,82	5.729	24,84
2009	**Annual**	16.407	8,38	5.380	9,59	217	27,66	201	-11,64	127	22,51	1.175	8,59	637	63,50	1.577	7,50	1.087	-10,11	5.159	-11,06
2010	**Annual**	17.448	5,97	5.194	-3,58	176	-22,99	163	-23,26	114	-11,79	1.062	-10,64	769.	17,23	1.723	1,09	1.130	3,79	5.243	1,60
2011	**Annual**	18.602	6,21	6.058	14,26	24	26,44	187	12,87	106	-7,12	1.101	3,53	795	3,28	2.134	19,24	1.166	3,05	5.756	8,92
2012	**Annual**	20.331	8,50	5.436	-11,44	222	-8,16	216	13,35	66	-60,76	877	-25,53	38.548	-1964,74	2.158	8,49	956	-21,96	6.160	6,55
2013	**Annual**	21.680	6,22	5.757	5,58	190	-16,91	267.	19,15	59	-12,40	952	7,83	36.428	-5,82	2.333	-50,06	1.154	17,14	6.795	9,35
2014	**Annual**	23.904	9,30	5.979	3,70	176	-7,91	414	35,50	83	28,98	1.058	10,03	38.697	5,86	2.315	0,84	1.061	-8,69	6.383	-6,45

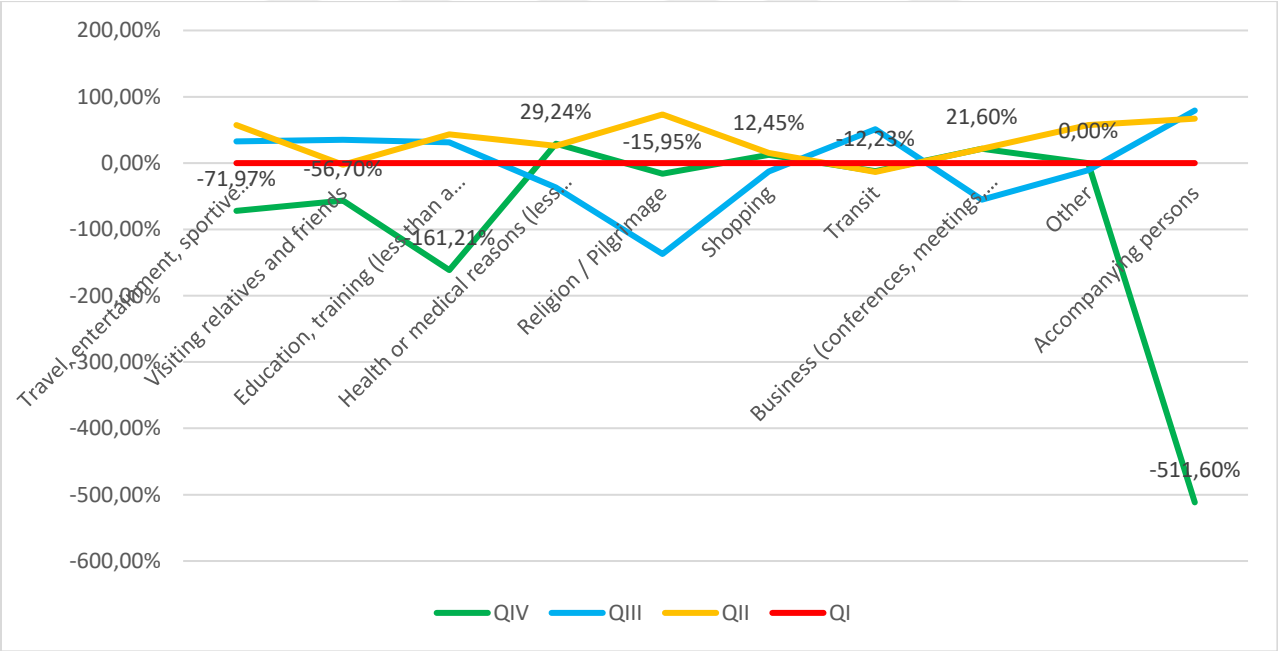
2015	**Annual**	24.215	1,29	6.403	6,63	144	-22,37	360	-15,13	75	-9,58	1.149	7,97	43.534	11,11	2.212	-4,90	1.239	14,33	5.773	-10,58
2016	**Annual**	15.287	-58,40	7.031	8,93	101	-42,47	377	4,56	47	-60,38	1.237	7,08	29.528	-47,43	1.810	15,99	1.231	-0,63	4.210	-37,10
2017	**Annual**	19.389	21,16	8.436	16,65	104	3,59	433	12,90	27	-75,27	1.505	17,81	20.590	-43,41	1.780	6,77	1.337	7,92	5.583	24,58
2018	**Annual**	25.355	23,53	8.050	-4,80	114	8,01	551	21,47	29	7,11	1.433	-5,02%	55	62,67	1.902	16,80	1.218	-9,82	6.918	19,30
	QI	2.872		1.815		18		116		3		324		10		457		176		326	
	QII	6.706		1.771		31		157		14		382		9.204		585		413		995	
	QIII	9.975		2.725		46		115		5		339		18		377		373		4.809	
	QIV	5.800		1.739		17		162		5		387		16		481		254		786	

Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Table 5 shows that the number of tourists for their aim of coming and their changing rates between years of 2003 – 2018. According to table most of tourists have come to Turkey for travel, entertainment, sportive or cultural activities between 2003 – 2018. 274.856.570 tourists have come for travel, entertainment, sportive or cultural activities between 2003 and 2018. The number of tourists which come for travel, entertainment, sportive or cultural activities has increased between 2003 – 2018. The highest number of tourists was seen in 2018 for these activities.

Understanding from the table, at least tourists have come to Turkey for religion/pilgrimage between 2003 – 2018. 1.386.946,46 tourists have come for religion/pilgrimage between 2003 and 2018. Comparing the number of tourists which come religion/pilgrimage between 2003 – 2018, the number of tourists which come religion/pilgrimage decreased in 2018. While 64.548 tourist came for religion/pilgrimage in 2003, in 2018, 29.071 tourist visited to Turkey for the purpose of religion/pilgrimage.

Figure 2: Quarterly Change in Purpose of Visiting in 2018



Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Figure 2 shows that quarterly change in purpose of visiting in 2018. The highest positive change at religion/pilgrimage in the 3rd Quarter by the rate of 73,32%. The highest negative change at accompanying persons in the 4th Quarter by the rate of -511,60%.

Table 6: Tourism Receipt and Number of Tourist in the World

Tourism Receipt and Number of International Tourist			
Years	International Tourism Receipt ($ billion)	Number of International Tourist (thousand)	Average Spending
2003	$524	689.071	$760,44
2004	$633	761.468	$831,29
2005	$681	808.774	$842,02
2006	$747	857.088	$871,56
2007	$861	920.175	$935,69
2008	$944	936.360	$1.008,16
2009	$856	897.533	$953,73
2010	$931	956.372	$973,47
2011	$1.042	997.555	$1.044,55
2012	$1.078	1.055.000	$1.021,80
2013	$1.197	1.087.000	$1.101,20
2014	$1.309	1.107.000	$1.182,48
2015	$1.196	1.206.000	$991,71
2016	$1.245	1.250.000	$996,00
2017	$ 1.340	1.341.000	$999,25

Source: UNWTO. (2011- 2018). *UNWTO Tourism Highlights.*

www.data.worldbank.org. (n.d.). Retrieved from www.data.worldbank.org

Table 6 shows tourism receipt and a number of international tourists and average spending around the world between 2003 and 2017. Firstly, if we look at the number of international tourists in the World, there has been a nearly three-fold increase in the 15-year period. In this period, the number of tourists reached from 689.071 billion to 1.341 billion people. In this period, the increasing trend in the number of tourists has been positive. The number of tourists has just decreased in 2009. The average number of international tourists are nearly 991 mil between 2003 and 2017. The number of international tourists lower than the average number of international tourists between 2003 and 2009.

Secondly, if we look at tourism receipts of the World; World tourism receipts have also increased steadily over the years due to international trends. Between 2003 and 2017, tourism revenues increased from $524 billion to $1.340 billion. The most noticeable rate of increase was seen in the years 2003-2004. The tourism receipts increased by the rate of 17% from $524 billion to $633 billion in 2004. In the last 14 years, tourism receipts have decreased in 2009.

Thirdly, the third part of table 6 shows that the average spends per tourist. Generally, average tourist expenditures in the World are between $760,44 and $1.182,48. When the average of the 15-year period is calculated, tourist expenditure is $967,56. Average spending has decreased at some periods.

Tourism has a fragile structure. Tourism can be negatively affected by all kinds of incidents. The number of tourists has decreased at some periods. The reasons for this decrease are as follows:

- In 2003, the US-Iraq war

- In 2003, the SARS epidemic spreading from China to all countries by Hong Kong. The SARS epidemic, which has had a negative impact on the tourism sector, has resulted in the loss of life in many countries.

- In 2004, 9,0 earthquake and tsunami disaster in Sumatra Island. 15 different countries, especially Indonesia, have been adversely affected by this disaster and the tourism sector has suffered a severe blow.

- In 2005, terrorist attacks on touristic hotels in the Sinai Peninsula of Egypt. This has negatively affected Egypt's tourism activities and demand.

- In 2006, Israel – Lebanon crisis. Tourism of Middle East were adversely affected. Tourism demand decreased.

- In 2008 global economic crisis. Although there was an increase in the number of tourist activities figures, it was quite low compared to the 2007 increase rates.

- In 2009, the real effects of the global economic crisis. The number of tourists (4%) and tourism revenues (6%) decreased worldwide.

- In 2010, Volcano eruption in Iceland. European airspace was paralyzed for a week due to ash and dust clouds, and flights were cancelled (100,000 flights). 7 million passengers stayed in airports and at the result of this, a total loss of $ 4 billion was experienced.

- Civil commotions and civil war which called an Arab Spring at the geography of Arabian. Its effects are still continuous now, caused tourism demand contracted in the Middle East.

- The attacks of the ISIS terrorist organization.

Table 7: Tourism Receipt and Number of Tourist in Turkey

Tourism Receipt and Number of Tourist in Turkey			
Years	Tourism Receipt of Turkey (thousand) (in $)	Number of Tourist	Average Spending (in $)
2003	13.854.866	16 463 623	841,54
2004	17.076.607	20 753 734	822,82
2005	20.322.111	25 045 142	811,42
2006	18.593.951	23 924 023	777,21
2007	20.942.500	27 239 630	768,82
2008	25.415.067	31 137 774	816,21
2009	25.064.482	31 759 816	789,19
2010	24.930.997	32 997 308	755,55
2011	28.115.692	36 769 039	764,66
2012	29.007.003	37 715 225	769,11
2013	32.308.991	39 860 771	810,55
2014	34.305.903	41 627 246	824,12
2015	31.464.777	41 114 069	765,30
2016	22.107.440	30 906 680	715,30
2017	26.283.656	37 969 824	692,22
2018	29.512.922	46 112 592	640,02

Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

"H1: Although tourism receipts of Turkey and the number of tourists hosted by increase, average spending doesn't always pass $1000" was examined in this part.

Table 7 shows Tourism receipt, a number of tourist and average spend in Turkey. Firstly, if we look at the number of tourists visiting Turkey; there has been a nearly three-fold increase in the 16-year period. In this period, the number of tourists reached from nearly 16.463 million to 46.112 million people. In this period, the increasing trend in the number of tourists has been positive. Although there is a decrease in the number of tourists due to the 2nd Gulf Crisis that started in 2003, the citizens who live abroad their travel-related expenses began to be recorded as revenue from tourism in Turkey has led to increased tourism revenues since 2003. The most noticeable rate of increase was experienced in the years 2003-2004. In 2003, the number of tourists with nearly 16.463 million people increased by 20,6% and reached nearly 20.753 million people in 2004. The number of tourists decreased in 2006 and reached nearly 23.924 million people. Number of tourists after 2008 in an attractive spot

in terms of global economic crisis, although the decline is seen worldwide increase in the number of tourists visiting to Turkey. However, the crisis caused a decrease in the rate of increase. There was a slowdown in the number of tourists arriving in 2011-2012. Generally, the number of tourists more decreased in 2016 than in 2006. In 2015, the number of tourists with nearly 41.114 million people decreased by 24,8% and reached nearly 30.906 million people in 2016.

Secondly, if we look at tourism receipts of Turkey; Turkey's tourism receipts have also increased steadily over the years due to international trends. Between 2003 and 2018, tourism revenues increased from $ 13,854 billion to $ 29,512 billion. The most noticeable rate of increase was experienced in the years 2003-2004. In 2003, the tourism receipts with $13 billion increased by 19% and reached in $17 billion in 2004. In the last 16 years, tourism revenues have decreased in some periods. Especially tourism receipts were more decreased in 2016 than in other years. For this reason, political event. In 2015 tourism receipt was nearly $31 billion; while tourism receipt was nearly $22.107 billion in 2016.

Thirdly, the third section of Table 7 shows the average spend per tourist. Average spending by tourists in Turkey is between 640 and 841 dollars. If we look at the average spending in 16-year periods, average tourist spending in Turkey is $772,75. However, the tourist average spending in the world is nearly 1000 dollars. We can tell that tourist average expenditure in Turkey is lower than in the world. The reason for;

- Most of all hotels have an all-inclusive or ultra-all-inclusive system.

- Tourists who visit to Turkey aren’t rich as other tourists who visit other countries.

Tourism can be negatively affected by all kinds of events. Some periods, the number of tourism has decreased. The reasons for this decrease are as follows:

- Gezi Park protests in 2013. Gezi Park protests spread all over Turkey has also affected the tourism sector. For this reason, the Destination of Turkey was removed by some cruise ships agents from their tour route.
- After the falling of the Russian jet in November 2015, tensions emerged between Turkey and Russia. So, the number of Russian tourists, especially in the summer of 2016, has led to a major decline.

- In addition, the Syrian civil war caused geopolitical risks after the attacks in Turkey. So, the number of foreign tourists decreased

- Another reason is July 15 coup attempt occurred in Turkey in 2016. The coup attempt occurred when the highest tourist season in Turkey. As a result, foreign tourist didn't want to go to Turkey for tourists are concerned.

- The case between TÜRSAB and Booking.com in 2017. So that, with the cancelling of reservations from Booking.com, small and medium-sized accommodation enterprises have suffered damage and economic losses.

According to table 7, since the average expenditure was not over 1000 dollars, the hypothesis is valid.

Table 8: Tourism receipts and average spending of foreign and domestic tourists in Turkey

	Foreign		**Citizen**	
Years	Tourism Receipt (thousand)	Average Spending	Tourism Receipt (thousand)	Average Spending
2003	$ 10.141	$ 740,00	$ 3.600	$ 1.384,00
2004	$ 13.061	$ 759,00	$ 3.862	$ 1.262,00
2005	$ 15.725	$ 766,00	$ 4.374	$ 1.214,00
2006	$ 13.918	$ 722,00	$ 4.463	$ 1.153,00
2007	$ 15.936	$ 692,00	$ 4.703	$ 1.121,00
2008	$ 19.612	$ 742,00	$ 5.418.	$ 1.191,00
2009	$ 19.063	$ 697,00	$ 5.690	$ 1.222,00
2010	$ 19.110	$ 670,00	$ 5.558	$ 1.231,00
2011	$ 22.222	$ 709,00	$ 5.638	$ 1.168,00
2012	$ 22.410	$ 715,00	$ 6.354	$ 1.241,00
2013	$ 25.322	$ 749,00	$ 6.760	$ 1.252,00
2014	$ 27.778	$ 774,83	$ 6.289	$ 1.130,19
2015	$ 25.438	$ 714,73	$ 5.843	$ 969,75
2016	$ 15.991	$ 632,94	$ 5.964	$ 977,86
2017	$ 20.222	$ 630,40	$ 5.908	$ 903,37
2018	$ 24.028	$ 616,87	$ 5.345	$ 800,61

Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

“H2: With an increase in tourism competitiveness, average spending of Turkish citizens has decreased year by year.” was examined in this part. Table 8 shows tourism receipts and average spending of foreign and domestic tourists in Turkey between 2003-2018 years. Tourism receipts increase year by year. However, while tourism receipts increase, average spending decrease between 2003-20018. For the foreign tourist, tourism receipts were nearly $10 billion in 2003, whereas, tourism receipts were nearly $24 billion in 2018. While the average spending of foreign tourist nearly has increased between 2003-2015, end of the last 3 periods, the average spending of foreign tourist has decreased. Foreign tourists average spending has been nearly $708. If we look at a ratio of foreign tourist average spending, it was the most change in 2008. It increased by 7% in 2008. For a Turkish citizen, tourism receipts were $3,6 billion in 2003, whereas, tourism receipts were nearly $5,3 billion in 2018. Tourism receipts were highest in 20013. Tourism receipts were nearly $6,7 in 2013. Turkish citizen tourist average spending nearly $1,138. Turkish citizen tourist average spending nearly has decreased between 2003-2018 years. If we look at a ratio of Turkish citizen tourist average spending, it was the most change in 2014. It decreased by 17% in 2014. The reason for this decline is as follows;

- Decreasing in purchasing power of Turkish currency,
- Package tours applied to foreign tourists are cheaper than Turkish tourists,
- Effecting of all-inclusive system,
- More possibilities of substitution,

According to table 8, average spending from Turkish citizens has decreased year by year. So that, the hypothesis is valid.

Table 9: Tourism Income by Type of Expenditure, 2002 – 2018

year	quarter	Type of Expenditure											
		Individual expenditures(thousand) (A)	Package tour expenditures (Share of Turkey) (thousand) (B)	Food and beverage(thousand)	Accommodation(thousand)	Health(thousand)	Transport (Inside Turkey) (thousand)	Sports, education, culture(thousand)	Tour services(thousand)	International transportation by Turkish company (thousand)	Marina service expenditures(thousand)	Clothes and shoes(thousand)	Souvenirs(thousand)	Carpet, rug etc. (thousand)
2002		$ 9.909	$ 2.510	$ 2.309	$ 1.931	$ 147	$ 557	$ 248	$ 146	$ 394	$ 12	$ 1.127	$ 694	$ 302
2003		$ 11.078	$ 2.776	$ 2.551	$ 2.106	$ 203	$ 599	$ 275	$ 157	$ 448	$ 6	$ 1.344	$ 877	$ 281.
2004		$ 13.038	$ 4.038	$ 3.158	$ 2.514	$ 283	$ 903	$ 231	$ 224	$ 619	$ 8	$ 1.827	$ 1.117	$ 405
2005		$ 14.994	$ 5.327	$ 3.690	$ 2.689	$ 343	$ 1.098	$ 244	$ 277	$ 922	$ 12	$ 2.108	$ 1.336	$ 398
2006		$ 14.950	$ 3.643	$ 3.899	$ 2.348	$ 382	$ 1.261	$ 185	$ 233	$ 952	$ 29	$ 2.146	$ 1.389	$ 363
2007		$ 16.886	$ 4.056	$ 4.746	$ 2.599	$ 441	$ 1.525	$ 173	$ 225	$ 1.266	$ 55	$ 2.288	$ 1.496	$ 342
2008		$ 20.108	$ 5.306	$ 5.774	$ 2.850	$ 486	$ 1.901	$ 178	$ 267	$ 1.702	$ 35	$ 2.744	$ 1.782	$ 401
2009		$ 19.472	$ 5.592	$ 5.975	$ 2.534	$ 447	$ 2.013	$ 152	$ 223	$ 1.818	$ 43	$ 2.541	$ 1.582	$ 375
2010		$ 19.207	$ 5.723	$ 5.841	$ 2.530	$ 433	$ 1.907	$ 178	$ 215	$ 2.127	$ 42	$ 2.327	$ 1.501	$ 342
2011		$ 21.803	$ 6.312	$ 6.476	$ 3.082	$ 488	$ 2.076	$ 169	$ 239	$ 2.852	$ 44	$ 2.737	$ 1.645	$ 368
2012		$ 22.220	$ 6.786	$ 6.138	$ 3.053	$ 627	$ 1.706	$ 188	$ 289	$ 3.466	$ 46	$ 2.991	$ 1.673	$ 359
2013		$ 24.835	$ 7.473	$ 6.583	$ 3.544	$ 772	$ 1.779	$ 176	$ 325	$ 4.150	$ 62	$ 3.428	$ 1.887	$ 368
2014		$ 26.002	$ 8.302	$ 6.523	$ 4.202	$ 837	$ 1.962	$ 171	$ 327	$ 4.580	$ 65	$ 3.632	$ 1.900	$ 289
2015		$ 24.788	$ 6.676	$ 6.178	$ 4.084	$ 638	$ 2.202	$ 482	$ 126	$ 4.723	$ 58	$ 3.215	$ 1.510	$ 213

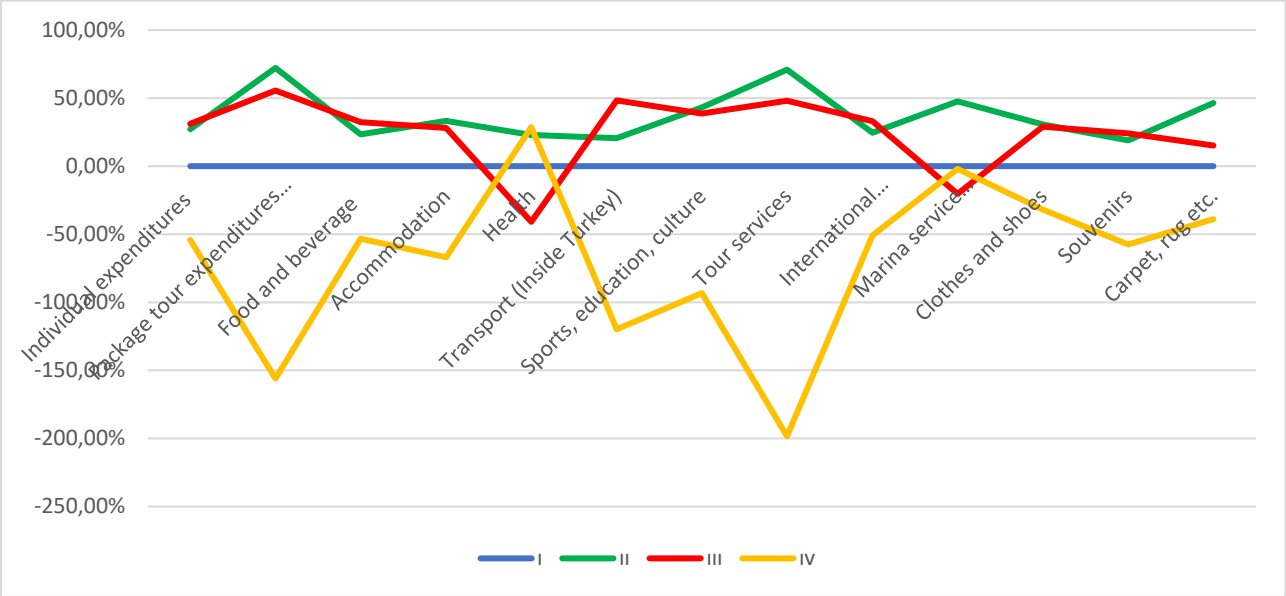
2016		$ 18.495	$ 3.611	$ 5.108	$ 2.507	$ 715.	$ 1.772	$ 295	$ 55	$ 3.269	$ 55	$ 2.607	$ 1.024	$ 87
2017		$ 21.461	$ 4.822	$ 5.860	$ 3.084	$ 827	$ 1.967	$ 291	$ 105	$ 3.700	$ 46	$ 3.155	$ 1.266	$ 101
2018		$ 22.546	$ 6.966	$ 5.933	$ 3.299	$ 863	$ 1.943	$ 347	$ 117	$ 4.191	$ 37	$ 3.326	$ 1.260	$ 93
	I	$ 3.984	$ 440	$ 1.080	$ 565	$ 191	$ 334	$ 48	$ 8	$ 745	$ 6	$ 553	$ 257	$ 14
	II	$ 5.463	$ 1.580	$ 1.411	$ 847	$ 248	$ 421	$ 85	$ 30	$ 989	$ 11	$ 796	$ 318	$ 26
	III	$ 7.946	$ 3.556	$ 2.083	$ 1.179	$ 176	$ 815	$ 140	$ 58	$ 1.477	$ 9	$ 1.124	$ 418	$ 30
	IV	$ 5.151	$ 1.388	$ 1.358	$ 707	$ 247	$ 371	$ 72.	$ 19	$ 978	$ 9	$ 852	$ 265	$ 22

Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Table 9 shows that the tourism Income by type of expenditure between 2002 – 2018. According to table most of expenditures are Individual expenditures in Turkey between 2002 – 2018. Individual expenditures are nearly $325.887 billion between 2002 and 2018. Individual expenditures have increased between 2002 – 2018. The highest individual expenditures were seen in 2014.

Understanding from the table, at least expenditures are marina service expenditures between 2002 – 2018. Marina service expenditures are nearly $668 million between 2002 and 2018. Comparing marina service expenditures between 2002 – 2018, the marina service expenditures increased.

Figure 3: Quarterly change in type of expenditures in 2018



Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Figure 3 shows that Quarterly change in type of expenditures in 2018. The highest positive change at package tour expenditure in the 2nd Quarter by the rate of 72,15%. The highest negative change at tourist service in the 4th Quarter by the rate of -198,34%.

Table 10: Share of Turkey's Tourism Receipt in International Tourism Receipt

Share of Turkey's Tourism Receipt in International Tourism Receipt.				
Years	International Tourism Receipt (billion) ($)	Tourism Receipt of Turkey (billion) ($)	Share of Turkey (%)	Turkey's Position in the World Ranking
2003	$ 524	$ 13	2,644%	9.
2004	$ 633	$ 17	2,698%	8.
2005	$ 681	$ 20	2,984%	8.
2006	$ 747	$ 18	2,489%	9.
2007	$ 861	$ 20	2,432%	10.
2008	$ 944	$ 25	2,692%	9.
2009	$ 856	$ 25	2,928%	9.
2010	$ 931	$ 24	2,678%	11.
2011	$ 1.042	$ 28	2,698%	12.
2012	$ 1.078	$ 29	2,691%	12.
2013	$ 1.197	$ 32	2,699%	11.
2014	$ 1.309	$ 34	2,621%	11.
2015	$ 1.196	$ 31	2,631%	10.
2016	$ 1.245	$ 22	1,776%	13.
2017	$ 1.340	$ 26	1,961%	13.
2018	N/A	$ 29	N/A	N/A

Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

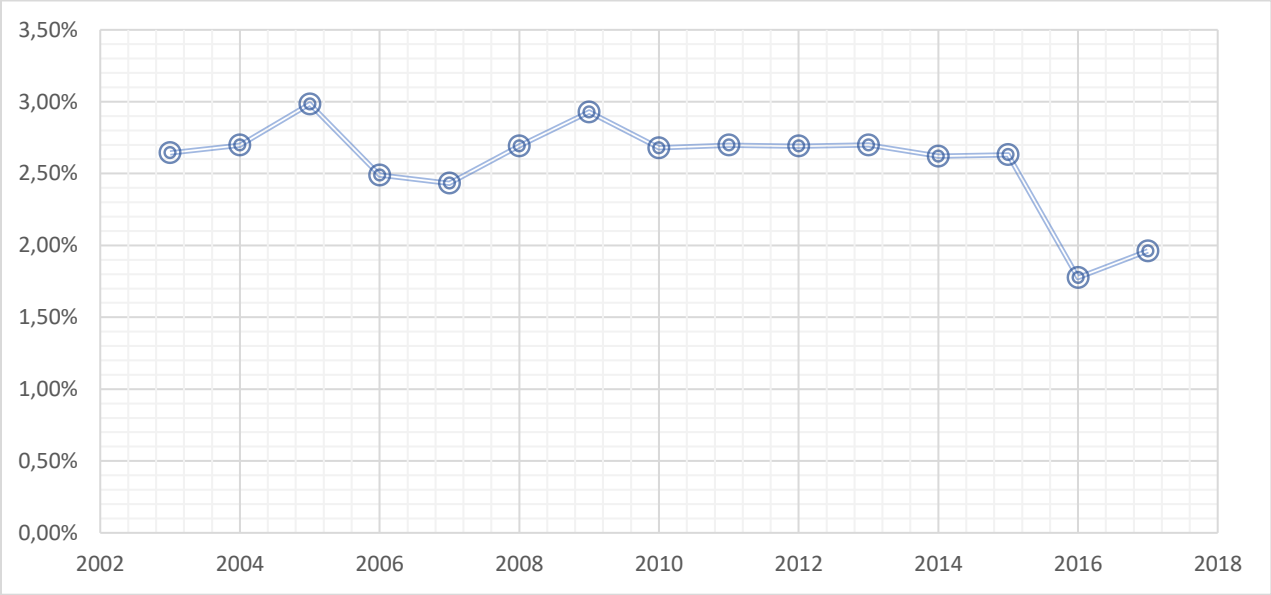
www.unwto.org. (n.d.). Retrieved from www.e-unwto.org

Tourism shows rapid development in the world. So that, international tourism receipts increased. Table 10 shows share of Turkey's tourism receipts in international tourism receipts between 2003 and 2017. International tourism receipts have increased year by year. While international tourism receipts were $524 billion in 2003, international tourism receipts were $1,340 billion in 2017. In 2018, tourism receipts weren't explained by UNWTO. The average international tourism receipts were nearly $972 billion between 2003-2018. If we look at the international tourism receipts, international tourism receipts were most change in 2004. This ratio was nearly 17% in 2004. In 2009, international tourism receipts have decreased. International tourism receipts were $856 billion in 2009 while, international tourism receipts were $944 billion in the previous year. After 2009, tourism receipts increased until 2014.

Secondly, if we look at the table 10, according to these data, Turkey increased international tourism receipts during this period. While tourism receipt of Turkey was $13.854.866.000, tourism receipt of Turkey was $29.512.922.000 in 2018. When we look at the 16 years period, we can see average tourism receipt of Turkey is nearly 25 billion dollars. In 2009, international tourism receipts were decreasing, while, tourism receipt of Turkey has decreased very little. Likewise, President Recep Tayyip Erdogan said that “the crisis has passed tangent to Turkey”, in 2009. When we look at the table 10, we can understand this statement. Turkey’s tourism receipt was the most decrease in 2016. We said the reasons for this in the table 7.

Thirdly, according to table 10, Turkey in terms of tourism revenue "If the world tourism will be considering its position in the ranking; Turkey 's place in the rankings also appear to raise the parallel to the increase of the share of revenues from international tourism. In 2003, Turkey's position in the World ranking was by 9th; while, Turkey’s position in the World ranking was by 13th in 2017.

Figure 4: The share of Turkey’s tourism receipts in World’s tourism receipts



Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

www.unwto.org. (n.d.). Retrieved from www.e-unwto.org

Figure 4 shows that the share of Turkey’s tourism receipts in World’s tourism receipts. According to these data, Turkey’s share of the international tourism receipts

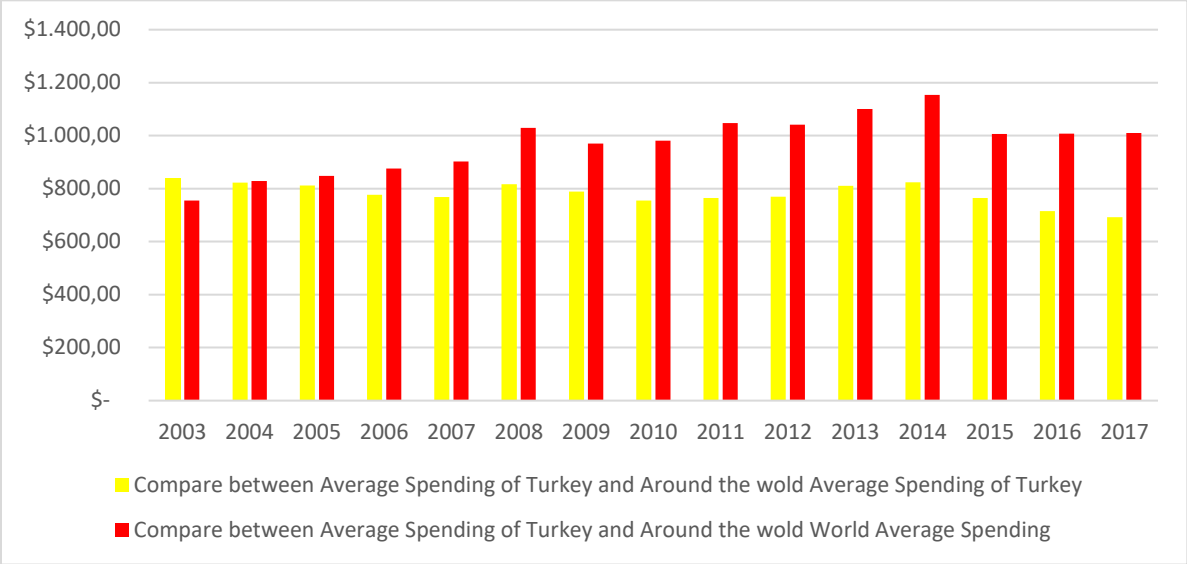
increased between 2003-2017. From 2003 to 2017, the share of international tourism revenues increased from 1,52% to 2,38%. The increase in national tourism revenues in the tourism sector, where competition between countries is intense, has led to an increase in the share of international tourism activities. In a situation where after the global economic crisis appears in 2009 despite a decrease in international tourism revenue is registered and therefore increased its share in Turkey's tourism revenues.

Figure 5: Turkey's position in the world ranking

Source: *www.unwto.org.* (n.d.). Retrieved from www.e-unwto.org

Figure 5 shows Turkey's position in the World ranking between 2003-2017. According to figure 5, the blue line shows Turkey's tourism receipt position in the World ranking, and orange line shows Turkey's number of tourist position in the world ranking. In both respects, it can be said that there is an increase in the world tourism rankings and it is in an upward trend in terms of both the number of tourists and tourism income. Especially in the last 15 years in terms of number of tourists Turkey has achieved significant success in attracting tourists to the country, rising to the eighth position. In parallel with the increase in the number of tourists, tourism revenue rank at the same rate or a rise in the success of the ranking has not been caught.

Figure 6: Comparison between the Turkish tourism average spending and World's tourism average spending



Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

www.unwto.org. (n.d.). Retrieved from www.e-unwto.org

Figure 6 shows a comparison between the average spending of Turkey and around the World. Firstly, if we look at the average spending of Turkey, the average spending of Turkey decreased year by year. While the average spending of Turkey was $841, the average spending of Turkey was $640.02 in 2018. When the average of the 16-year period is received, average spending is $772,75. Average spending of Turkey reached a peak in 2003. Average spending of Turkey reached bottom in 2018.

Secondly, if we look a world average spending, world average spending increased year by year. While world average spending was $755.04 in 2003, world average spending $1010.56. In 2018, tourism receipts weren't explained by UNWTO. So that, we didn't see in 2018 result. When the average of the 16-year period is received, the world average spending is $975,65. World average spending reached a peak in 2014. World average spending reached a bottom in 2003.

Table 11: International Tourism Receipt by Countries, 2013-2017 (millions)

	2013	2014	2015	2016	2017
United Kingdom	$ 41.208,00	$ 46.539,00	$ 45.642,00	$ 47.906,00	$ 51.211,00
France	$ 56.683,00	$ 58.147,00	$ 44.858,00	$ 54.531,00	$ 60.681,00
Germany	$ 41.279,00	$ 43.321,00	$ 36.908,00	$ 37.455,00	$ 39.823,00
Greece	$ 16.139,00	$ 17.793,00	$ 15.653,00	$ 14.619,00	$ 16.528,00
Spain	$ 65.565,00	$ 65.111,00	$ 56.468,00	$ 60.503,00	$ 67.964,00
Turkey	$ 32.308,00	$ 34.335,00	$ 31.464,00	$ 22.107,00	$ 26,283,00
USA	$ 172.901,00	$ 191.918,00	$ 205.418,00	$ 206.902,00	$ 210.747,00

Source: UNWTO. (2011- 2018). *UNWTO Tourism Highlights.*

Table 11 shows International Tourism receipts by Countries, 2013-2017. According to table 11, tourism receipts increased between 2013-2017 years for United Kingdom. In 2013, tourism receipts of United Kingdom were $41.208 billion; while, tourism receipts of United Kingdom were $51.211 billion. Tourism receipts of France increased until 2014; whereas, after 2014, tourism receipts of France decreased until 2016 and tourism receipt of France reached $44.858 billion. After 2015, tourism receipts of France increased and reached $60.681 billion. Tourism receipts of Germany decreased 3 years period. After 2016, tourism receipts of Germany stated to increase and reached $39,283 billion. In Greece, tourism receipts were $16.139 billion in 2013; while, tourism receipt were 16.528 billion dollars in 2017. Tourism receipt of Greece were the highest level in 2014. Tourism receipts of Spain decreased 3 years period. After 2016, tourism receipts of Spain stated to increase and reached nearly $68 billion. Tourism receipts of Turkey were very fluctuation between 2013-2017 years. Tourism receipts of Turkey has increased until 2015; while, tourism receipts of Turkey have decreased until 2017. Tourism receipts of Turkey reached $ 26,283 billion. Tourism receipts of USA have increased every year. In 2013, tourism receipts of USA were 172,901 billion dollars; while, tourism receipts of USA were 210.747 billion dollars in 2017. According to table 11, we can tell that USA has the highest tourism receipts, Greece has the lowest tourism receipts. If we look at the end of 2017, Spain has the second highest tourism receipts and Turkey has the second lowest tourism receipts.

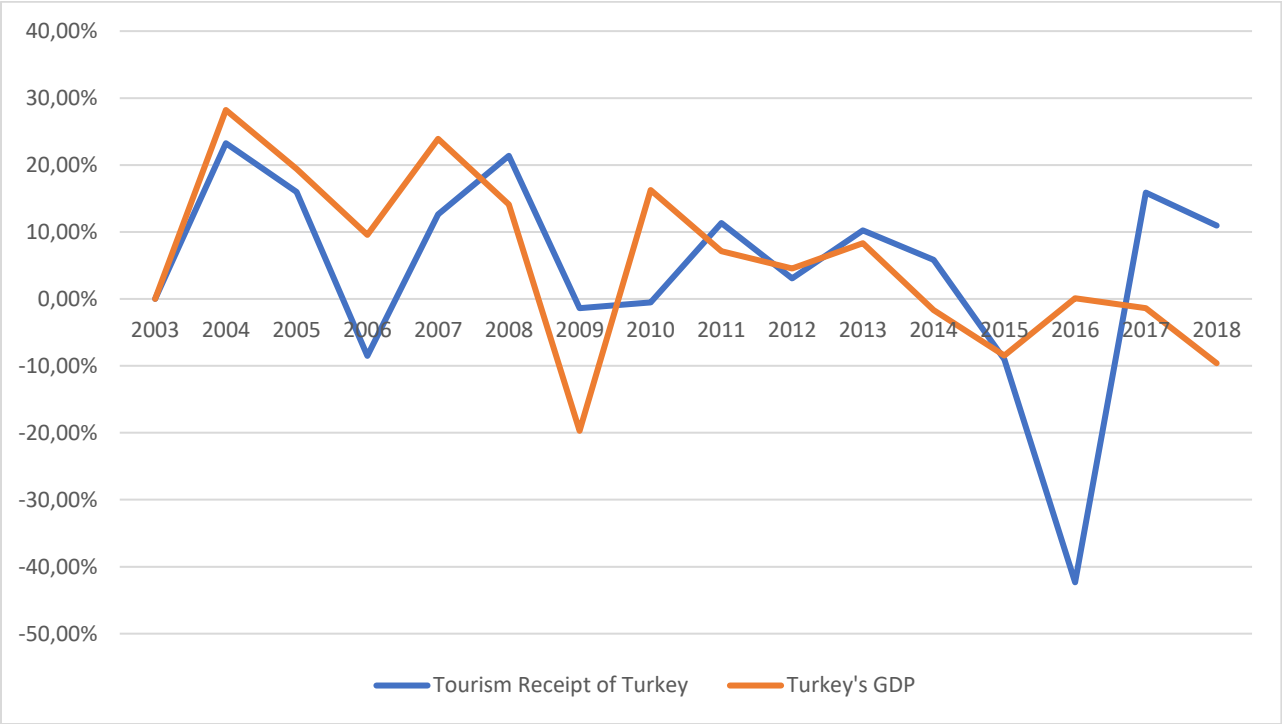
Table 12: Share of Tourism in GDP between some Countries, 2013-2017

	2013	2014	2015	2016	2017
United Kingdom	1,5%	1,5%	1,6%	1,8%	2,0%
France	2,0%	2,0%	1,8%	2,2%	2,3%
Germany	1,1%	1,1%	1,1%	1,1%	1,1%
Greece	6,7%	7,5%	8,0%	7,6%	8,3%
Spain	4,8%	4,7%	4,7%	4,9%	5,2%
Turkey	2,9%	3,2%	3,1%	2,2%	2,6%
USA	1,0%	1,1%	1,1%	1,1%	1,1%

Source: UNWTO. (2011- 2018). *UNWTO Tourism Highlights.*

Tourism is an important sector which has the lowest GDP for the country. Tourism rates of countries with low GDP are higher than countries with high GDP. Table 12 shows the share of tourism in GDP between 2013-2017. If we look at table 12, In the United Kingdom, the share of tourism in GDP was 1,5% in 2013; while, the share of tourism in GDP was 2,0% in 2017. In France, the share of tourism in GDP was 2,0% in 2013; while, the share of tourism in GDP was 2,3% in 2017. In Germany, the share of tourism in GDP didn't change in every year. In 2013 share of tourism in GDP was 1,1%; share of tourism in GDP was 1,1% in 2017. In Greece, the share of tourism in GDP has increased every year. Share of tourism in GDP started to begin 6,7% in 2013 and reached 8,3% in 2017. In Spain, the share of tourism in GDP was nearly stable, but in 2017 the share of tourism in GDP was increased and reached 5,2%. In Turkey, the share of tourism in GDP was 2,9% in 2013; whereas, the share of tourism in GDP was 2,6% in 2017. Share of tourism in GDP approximately decreased in Turkey. In the USA, the share of tourism in GDP approximately didn't change in every year. In 2013 share of tourism in GDP was 1,0%; share of tourism in GDP was 1,1% in 2017. If we look at table 12, Greece has the highest share of tourism in GDP between 2013-2017. USA has the lowest share of tourism in GDP between 2013-2017.

Figure 7: Tourism receipt growth and real GDP growth in %



Source: *https://en.wikipedia.org.* (n.d.). Retrieved from https://en.wikipedia.org/wiki/Economy_of_Turkey

http://www.turkstat.gov.tr. (n.d.). Retrieved from http://www.turkstat.gov.tr

"H3: There is a positive relationship between tourism and economic growth" was examined in this part. Figure 7 shows that relationship between tourism receipt and real GDP.

Understanding from the figure 7, both change in tourism receipt of Turkey and GDP of Turkey were seen at the highest level in 2004. Change in tourism receipt of Turkey was 23,25% and change in GDP of Turkey was 28,22%.

According to figure 7, change in tourism receipt of Turkey was seen at the lowest level in 2016 and change in GDP of Turkey was seen at the lowest level in 2009. The reason for the highest negatively change in GDP of Turkey was the global economic crisis. The reason for the highest negatively change in tourism receipt of Turkey was political crisis with Russia.

According to figure 7, there is a positive relationship between tourism receipt of Turkey and GDP of Turkey until 2016. Although tourism receipt of Turkey was decreasing in 2016 and real GDP of Turkey increased, hypothesis is acceptable.

Table 13: Tourism Balance of Income and Expenditures of Turkey

Balance of Income and Expenditures of Turkey			
Years	Tourism Receipt of Turkey (billion) ($)	Tourism Expenditure (billion) ($)	Balance of income and expenditures (billion) ($)
2003	$ 13.854	$ 2.425	$11.429
2004	$ 17.076	$ 2.954	$14.122
2005	$ 20.322	$ 3.395	$16.927
2006	$ 18.593	$ 3.271	$15.322
2007	$ 20.942	$ 4.043	$16.899
2008	$ 25.415	$ 4.266	$21.149
2009	$ 25.064	$ 5.090	$19.974
2010	$ 24.930	$ 5.875	$19.055
2011	$ 28.115	$ 5.531	$22.584
2012	$ 29.007	$ 4.593	$24.414
2013	$ 32.308	$ 5.254	$27.054
2014	$ 34.305	$ 5.470	$28.835
2015	$ 31.464	$ 5.698	$25.766
2016	$ 22.107	$ 5.050	$17.057
2017	$ 26.283	$ 5.137	$21.146
2018	$ 29.512	$ 4.896	$24.616

Source: *www.kultur.gov.tr.* (n.d.). Retrieved from http://yigm.kulturturizm.gov.tr/

After reviewing the tourism income of Turkey tourism expenditures and income-expenditure balance it has been examined. In addition to the changes in tourism revenues and years, Table 13 shows, expenditures and the income-expenditure balance calculated by the difference of tourism revenues and expenses. it is considered that the expenditures of the citizens of the country who live abroad are considered as tourism expenditures.

If we look at the general situation of tourism expenditures in the last 16 years; expenditures increased year by year. It is seen that from 2003 to 2018, it reached to 4,896 million dollars with a threefold increase. In the period under consideration, tourism expenditures have also improved in parallel with tourism revenues. While tourism revenues increased in the period they increased, tourism revenues decreased in the period they decreased. There was an exception for this situation in 2012. Tourism revenues increased by 2,39% compared to the previous year and tourism expenditures decreased by 13,10%. An interesting situation in the tourism expenses figures also occurred after the 2008 global economic crisis. While there was a decline in tourism revenues in the low post-crisis period, as well as a higher increase than any other period expenses were realized in Turkey's tourism.

There were increases of 18.35% in 2009 and 16.37% in 2010. In other words, despite the crisis in the world, Turkish citizens increased their tourism expenditures.

On the other hand, tourism income and expense balance are in a positive state between 2000-2012. Accordingly, Turkey's tourism revenues have been on tourism expenditures. Moreover, this positive difference has increased steadily over the years and has increased by 2 times in the last 16 years. While the tourism income-expenditure balance was 11.429 million dollars in 2003, it increased to 24.414 million dollars in 2018. This record shows a more rapid increase in tourism revenues compared to expenditures of tourism in Turkey. Balance of income and expenditures average was approximately 20 billion dollars between 2003-2018.

Table 14: The ratio of tourism receipts to export, the ratio of tourism expenditures to import

The ratio of tourism receipt to export, the ratio of tourism expenditures to import						
Years	Tourism Receipts of Turkey (thousand) ($)	Export (thousand) ($)	Ratio of Tourism Receipts to Export Revenues	Tourism Expenditure Of Turkey (thousand) ($)	Import (thousand) ($)	Ratio of Tourism Expenditures to Import Revenues
2003	$13.854.866	$47.252.836	29,3%	$2.425.000	$69.339.700	3,5%
2004	$17.076.607	$63.167.000	27,0%	$2.954.000	$97.539.800	3%
2005	$20.322.111	$73.476.400	27,7%	$3.395.000	$116.774.200	2,9%
2006	$18.593.951	$85.534.700	21,7%	$3.271.000	$139.576.200	2,3%
2007	$20.942.500	$107.271.800	19,5%	$4.043.000	$170.062.700	2,4%
2008	$25.415.067	$132.027.200	19,2%	$4.266.000	$201.963.600	2,1%
2009	$25.064.482	$102.142.600	24,5%	$5.090.000	$140.928.400	3,6%
2010	$24.930.997	$113.883.219	21,9%	$5.875.000	$185.544.300	3,2%
2011	$28.115.692	$134.906.869	20,8%	$5.531.000	$240.841.700	2,3%
2012	$29.007.003	$152.478.451	19,2%	$4.593.000	$236.545.100	1,9%
2013	$32.308.991	$157.610.157	21,3%	$5.254.000	$242.177.100	2,1%
2014	$34.305.903	$151.802.637	21,8%	$5.470.000	$251.661.300	2,2%
2015	$31.464.777	$143.934.900	21,9%	$5.698.000	$207.203.400	2,8%
2016	$22.107.440	$142.606.200	15,5%	$5.050.000	$197.601.900	2,5%

2017	$26.283.656.	$156.992.900	16,7%	$5.137.000	$232.799.600	2,2%
2018	$29.512.922	$167.967.200	17,5%	$4.896.000	$222.046.400	2,2%

Source: Source: *www.tursab.org.tr.* (n.d.). Retrieved from www.tursab.org.tr

One of the most important indicators of the place of tourism in the economy is the place of tourism in foreign trade. In this context, as tourism revenues constitute foreign exchange inflows, exports can be considered as imports because their expenses generate foreign exchange output. Table 14 shows data on the place of tourism revenues in foreign trade. These data are shown in the table as tourism income - expense, foreign trade (export-import) figures and data showing the tourism revenues to export and the ratio of expenditures to imports. If we focus on data showing the place of tourism in foreign trade without examining the progress of export and import over the years, it can be said that tourism has positive contributions to foreign trade from both aspects. Because the ratio of tourism revenues to export revenues is higher than that of imports. In other words, tourism causes foreign exchange from countries rather than foreign exchange.

Comparing between a partial decrease in the share of tourism revenues in exports 2003 and 2018, 2003 was observed. In other words; the ratio of tourism receipts to export revenues was 29,3% in 2003; while, the ratio of tourism receipts to export revenues was 17,5% in 2018. The share of tourism in exports was an average of 21,6% in the period examined. It is seen that this rate has increased even more in the crisis years. For this reason, it can be said that tourism is a sector that can be a life preserver in the economy if the statement is less affected than other export sectors in times of crisis. The ratio of tourism expenditures to imports has been decreasing since 2003. In other words; the ratio of tourism expenditures to imports was 3,5% in 2003; while, the ratio of tourism expenditures to imports was 2,2% in 2018. The share of tourism in imports in the period examined was an average of 2,575%.

Table 15: The Share of Turkey's Tourism Receipt Closing Foreign Trade Deficit

The Share of Turkey's Tourism Receipt Closing Foreign Trade Deficit					
Years	Balance of income and expenditures	Export	Import	Foreign Trade Deficit	The Share of Closing the (foreign) Trade Deficit of Tourism
2003	$11.429.866.000,00	$47.252.836.000,00	$69.339.700.000,00	-$22.086.855.756	51,75%
2004	$14.122.607.000,00	$63.167.000.000,00	$97.539.800.000,00	-$34.372.613.148	41,09%
2005	$16.927.111.000,00	$73.476.400.000,00	$116.774.200.000,00	-$43.297.742.764	39,09%
2006	$15.322.951.000,00	$85.534.700.000,00	$139.576.200.000,00	-$54.041.498.630	28,35%
2007	$16.899.500.000,00	$107.271.800.000,00	$170.062.700.000,00	-$62.790.964.597	26,91%
2008	$21.149.067.000,00	$132.027.200.000,00	$201.963.600.000,00	-$69.936.378.483	30,24%
2009	$19.974.482.000,00	$102.142.600.000,00	$140.928.400.000,00	-$38.785.808.608	51,50%
2010	$19.055.997.000,00	$113.883.219.000,00	$185.544.300.000,00	-$71.661.112.668	26,59%
2011	$22.584.692.000,00	$134.906.869.000,00	$240.841.700.000,00	- $105.934.807.444	21,32%
2012	$24.414.003.000,00	$152.478.451.000,00	$236.545.100.000,00	-$84.083.404.353	29,04%
2013	$27.054.991.000,00	$157.610.157.000,00	$242.177.100.000,00	-$99.858.613.023	27,09%
2014	$28.835.903.000,00	$151.802.637.000,00	$251.661.300.000,00	-$84.566.959.383	34,10%
2015	$25.766.777.000,00	$143.934.900.000,00	$207.203.400.000,00	-$63.395.487.188	40,64%
2016	$17.057.440.000,00	$142.606.200.000,00	$197.601.900.000,00	-$56.088.651.239	30,41%
2017	$21.146.656.000,00	$156.992.900.000,00	$232.799.600.000,00	-$76.806.710.820	27,53%
2018	$24.616.922.000,00	$167.967.200.000,00	$222.046.400.000,00	-$55.113.494.740	44,67%

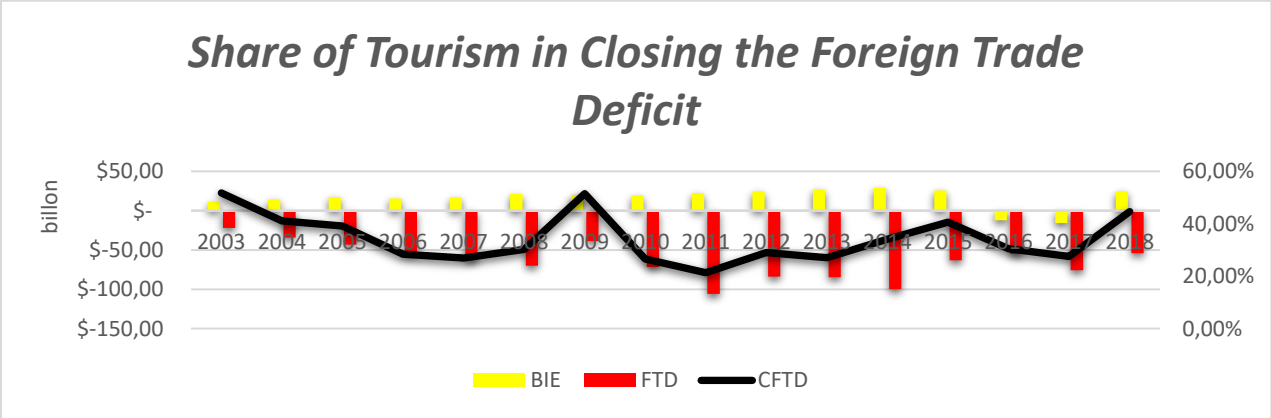
Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Table 15 shows the share of Turkey's tourism receipt Closing foreign trade deficit. In this table, there are data on the share of tourism incomes covered by tourism revenues in terms of the share of tourism revenues in the closing of foreign trade deficits, net tourism income, external deficit figures and the share of tourism in closing the external deficit. The subject of the period, it was given directly with title of foreign trade deficit, because of the fact that the balance of foreign trade has a deficit continuously. If the import of a country is

more than its exports, the difference (foreign trade deficit) is the foreign exchange deficit. As mentioned earlier, as tourism revenues are foreign exchange inputs because of the foreign exchange input of tourism revenues, tourism can be said to be as important as exports and imports in terms of foreign exchange deficit due to a foreign trade deficit.

According to the data in Table 16, the average share of tourism in closing the foreign trade deficit between 2003 and 2018 was 34,40%. Given that provide continuous foreign trade deficit of Turkey's economy, this figure seems optimistic. Especially in times of crisis and beyond, the fact that this figure is above the average shows how tourism is an important factor in eliminating the foreign trade deficit. However, in 2006, 2007, 2008, 2011,2012, the foreign trade deficit was high, and the share of tourism in closing the external deficit fell and remained below the average.

Figure 8: Share of Tourism in Closing the Foreign Trade Deficit



Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Figure 8 shows the development of the share of tourism in closing the foreign trade deficit by years. According to figure 4 shows BIE refers to the balance of income and expenditures, FTD refers to a foreign trade deficit, CFTD refers to the share of closing the (foreign) trade deficit of tourism and all three indicators are shown as bar graphs. A share represents the share of tourism in closing the foreign trade deficit and the line is shown as a graph. According to this; In the graph, it is seen that the share of tourism in the closure of foreign trade gaps has decreased gradually and the share of the foreign trade deficit has increased especially in the periods of crisis and afterwards. Balance of income and expenditures decreased between 2016 and 2017.

Table 13: The Share of Turkey's Tourism Receipt Closing Current Accounts Deficit

the Share of Turkey's Tourism Receipt Closing Current Accounts Deficit			
Years	Balance of income and expenditures of Tourism (thousand) ($)	current account balance (thousand) ($)	The Share of Closing the (foreign) Current Account Deficit of Tourism
2000	$5.925.000	-$9.920.000	59,53%
2001	$6.352.000	-$3.760.000	168,94%
2002	$6.599.000	$626.000.000	------
2003	$11.429.866	-$7.554.000	151,31%
2004	$14.122.607	-$14.198.000	99,47%
2005	$16.927.111.	- $20.980.000	80,68%
2006	$15.322.951	- $31.168.000	49,16%
2007	$16.899.500	- $36.949.000	45,74%
2008	$21.149.067	- $39.425.000	53,64%
2009	$19.974.482	- $11.358.000	175,86%
2010	$19.055.997	- $44.616.000	42,71%
2011	$22.584.692	- $74.402.000	30,35%
2012	$24.414.003	- $47.963.000	50,90%
2013	$27.054.991	- $63.642.000	42,51%
2014	$28.835.903	- $43.610.000	66,12%
2015	$25.766.777	- $32.145.000	80,16%
2016	$17.057.440	- $33.139.000	51,47%
2017	$21.146.656	- $47.347.000	44,66%
2018	$24.616.922	- $27.228.000	90,41%

Source: *www.tcmb.gov.tr.* (n.d.). Retrieved from www.tcmb.gov.tr

Closing the (foreign) current account deficit refers to foreign exchange income from goods, services and unilateral transfers in current account balance; The current account deficit is lower than the foreign exchange expenses for goods, services imports and unilateral

transfers, which is the current account balance. In sum, the current account deficit means that a country spends more than it produces, and countries pay more than they produce, and they cover this expenditure by borrowing from other countries. The net tourism receipts in that country refers to the amount of foreign currency entering the country as a result of the tourism activities and in such a case it helps to close the current account deficit.

After only one-year excepted 2000, when the sustained a deficit of Turkey's current account balance is shown in Table 17. Thanks to 2002 and the crisis of February 2001, resulting in the devaluation implemented hasn't been a trade deficit. The current account balance can vary greatly from year to year. For example, the deficit, which was $9.920 million in 2000, decreased slightly in the following years in 2002 and increased to $626 million in 2002. The current account deficit continued to increase with and after 2004. In 2011, the current account deficit was the most trade deficit and reached approximately $75.5 million. In 2018, the current account deficit decreased. The reason for this is the fluctuations in the exchange rate.

The ratio of net tourism revenues to current account balance is meaningful only for the years that have been a trade deficit. For this reason, the current account deficit share of tourism in 2002 has not been calculated. The share of closing the (foreign) current account deficit of tourism was nearly 176% which was the highest level in 2009. The share of closing the (foreign) current account deficit of tourism was nearly 30% the lowest level in 2011. For 19 years, the share of the current account deficit in tourism was realized as 72,20%. After the fall of the current account deficit crisis measures taken in Turkey's economy and tourism remain lower than during his lifetime income, tourism in this year's current account deficit has led to a high share of closing.

Table 18: The Comparison between Public and Private sector investments in the economy

	Agriculture		Mining		Manufacturing		Energy		Transport. & Commun.		Tourism		Housing		Education		Health	
Years	public	private	public	private	public	private	public	private	public	private	public	private	public	private	public	private	public	private
2007	8,9%	1,7%	2,0%	1,1%	1,0%	30,3%	10,3 %	2,4%	29,1%	23,5%	0,4%	3,7%	1,6%	29,8%	12,2%	0,8%	6,7%	3,4%
2008	8,6%	1,1%	1,7%	1,1%	0,9%	28,1%	9,2%	2,7%	37,7%	26,6%	0,4%	4,1%	1,5%	28,7%	9,9%	0,9%	5,6%	3,4%
2009	12,8%	0,8%	2,1%	1,2%	1,1%	25,8%	9,5%	4,4%	29,9%	29,5%	0,3%	4,7%	1,5%	25,8%	12,4%	0,6%	6,9%	3,4%
2010	9,8%	1,2%	1,9%	1,4%	0,8%	25,7%	6,5%	3,6%	43,5%	28,5%	0,5%	5,9%	1,5%	24,7%	10,4%	1,0%	4,8%	4,8%
2011	9,8%	2,0%	2,3%	1,7%	0,7%	29,4%	5,7%	2,4%	41,3%	27,3%	0,6%	5,3%	1,7%	23,7%	12,2%	1,4%	4,9%	4,1%
2012	10,7%	1,3%	2,2%	2,0%	0,8%	26,5%	6,0%	2,1%	38,1%	26,5%	0,7%	5,6%	1,3%	28,4%	14,2%	2,0%	5,3%	2,9%
2013	9,6%	1,2%	1,5%	1,9%	0,9%	21,5%	4,7%	1,8%	38,6%	31,9%	0,7%	4,8%	1,2%	39,7%	14,4%	2,0%	5,0%	2,7%
2014	8,8%	1,0%	1,6%	2,0%	0,7%	21,7%	5,6%	1,7%	37,6%	28,0%	0,5%	4,5%	1,0%	33,9%	16,0%	2,1%	5,6%	2,7%
2015	9,1%	1,1%	1,7%	1,8%	0,7%	20,8%	4,5%	1,4%	38,6%	32,6%	0,8%	3,2%	0,8%	31,9%	13,0%	2,1%	5,8%	2,7%
2016	8,8%	0,9%	0,9%	1,6%	0,6%	20,9%	3,5%	1,2%	35,1%	32,8%	0,5%	2,0%	0,8%	33,6%	12,0%	1,9%	5,4%	2,5%
2017	8,9%	0,9%	1,0%	1,7%	1,0%	22,6%	3,7%	1,3%	35,9%	32,0%	0,5%	1,8%	1,3%	32,5%	10,8%	2,0%	5,3%	2,5%
2018	8,4%	0,9%	1,8%	1,7%	0,7%	22,8%	3,9%	1,2%	34,8%	31,9%	0,4%	2,0%	1,4%	32,1%	11,1%	2,1%	6,4%	2,5%

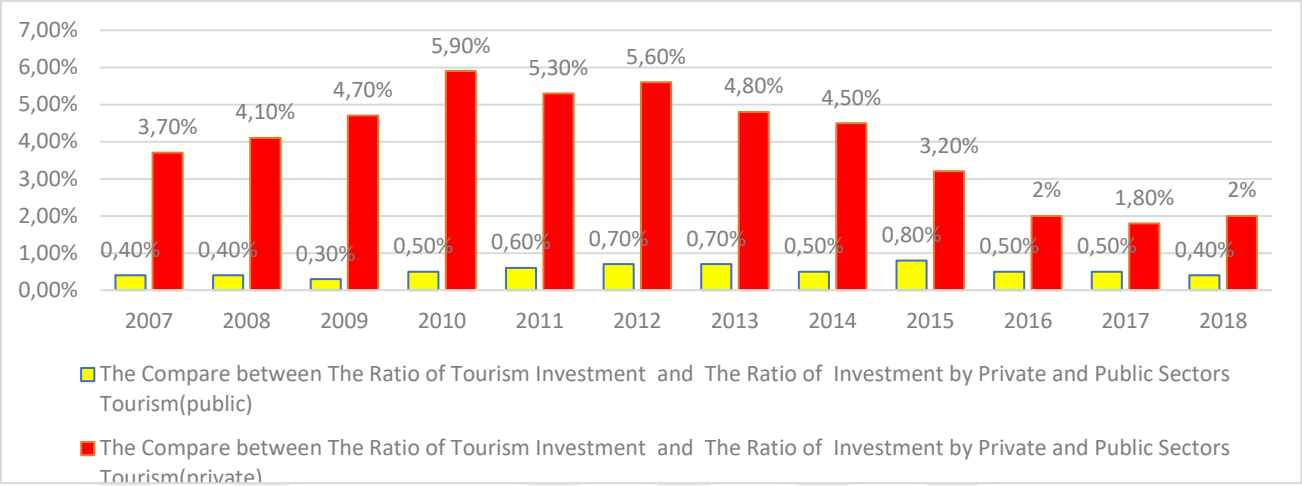
Source: *www.kalkinma.gov.tr.* (n.d.). Retrieved from www.kalkinma.gov.tr

Table 18 shows the comparison between the ratio of tourism investment and the ratio of another sector investment by the public sector and private sector.

Agriculture is one of the important sectors in the Turkey's economy. Investment ratio by the government is higher than individuals. The highest ratios are seen in 2009 for the public investment and in 2011 for private sector. While the ratio was 12,8% in 2009 for the government investment, private sector investments were 2% in 2011. The lowest ratios are seen in 2018 for the public investment and in 2009 for private sector. While the ratio was 8,4% in 2018 for the government investment, private sector investments were 0,8% in 2009. Energy is one of the important sectors in the Turkey's economy. Ratio of energy sector investments by the government is higher than individuals. The highest ratios are seen in 2007 for the public investment and in 2009 for private sector. While the ratio was 10,3% in 2007 for the government investment, private sector investments were 4,4% in 2009. The lowest ratios are seen in 2017 for the public investment and in 2016 and 2018 for private sector. While the ratio was 3,7% in 2017 for the government investment, private sector investments were 1,2% in 2016 and 2018. The ratio of tourism investment by individuals is higher than Investment ratio by the government. The highest ratios are seen in 2015 for the public investment and in 2010 for private sector. While the ratio was 0,8% in 2015 for the government investment, private sector investments were 5,9% in 2010. The lowest ratios are seen in 2009 for the public investment and in 2017 for private sector. While the ratio was 0,3% in 2009 for the government investment, private sector investments were 1,8% in 2017.

According to table 18, the highest investment ratio is seen at the transportation and communication sector by the government in the year of 2010. 43,10% of the transportation and communication sector invested by government in 2010. The lowest investment ratio is seen at the tourism industry by government in the year of 2009. The ratio of the tourism investment by the government is 0,3%. In 2018, tourism investments by government had the lowest percentage and transportation and communication sector investment by government had the highest ratio. While 0,4% of the tourism industry invested by government in 2018, the ratio of the transportation and communication was 34,80%.

Figure 9: The Comparison between The Ratio of Tourism Investment and by Private Sector and Public sector



Source: *www.kalkinma.gov.tr.* (n.d.). Retrieved from www.kalkinma.gov.tr

Figure 9 shows the comparison between the ratio of tourism investment by the private sector and the public sector. Figure 9 used column graph. Yellow column shows tourism investment by the public sector and red column shows tourism investment by the private sector. Public sector investment refers to government investment. According to government investment in figure 9, while government tourism investment was 0,40 percentage in 2007, government tourism investment was 0,40 percentage. In 2015, government tourism investment was the lowest and reached 0,30 percentage. In 2009, government tourism investment was the highest level and reached 0,80 percentage. Average government tourism investment is 0,53 percentage between 2007 and 2018.

According to private sector investment in figure 9, while private sector investment was 3,70 percentage in 2007, private sector investment was 2 percentage in 2018. Average private sector tourism investment is 3,97 percentage between 2007 and 2018. In 2009, private sector tourism investment was the highest level and reached 5,90 percentage. In 2015 and 2017, private sector tourism investment was the lowest and reached 2 percentage. Understanding from figure 9, government tourism investment lower than private sector tourism investment.

Table 19: Employment of Tourism Sector in Turkey

Employment of Tourism Sector in Turkey						
Years	Total Number of Employment	Ratio of Total Employment to Total Population	Annual Average of Unemployment Rate	Number of Direct Employment in Tourism	Number of Total (Direct + Indirect) Personnel Employed in Tourism	Tourism Employment Rate in Total Employment
2000	21.581.000	34,10%	5,60%	531.500	1.535.300	7,10%
2001	21.524.000	33,50%	7,20%	527.300	1.759.900	8,10%
2002	21.534.000	32,70%	9,00%	523.900	1.725.200	8,00%
2003	21.147.000	32%	9,10%	555.900	1.815.600	8,50%
2004	21.005.000	31,30%	8,90%	510.200	1.815.800	8,60%
2005	19.633.000	28,90%	9,50%	472.600	1.732.200	8,80%
2006	19.933.000	29%	9,00%	483.400	1.711.400	8,50%
2007	20.209.000	29%	9,20%	449.300	1.761.800	8,70%
2008	20.604.000	29,20%	10,00%	466.100	1.800.500	8,70%
2009	20.615.000	28,90%	13,10%	464.500	1.892.600	9,10%
2010	21.858.000	30,20%	11,10%	466.000	1.700.400	7,70%
2011	23.266.000	31,60%	9,10%	505.700	1.990.200	8,50%
2012	23.937.000	31,90%	8,40%	530.100	1.949.600	8,10%
2013	24.601.000	32,20%	9,00%	548.100	2.049.000	8,30%
2014	25.933.000	33,40%	9,90%	575.800	2.130.500	8,20%
2015	26.621.000	33,80%	10,30%	599.900	2.374.700	8,90%
2016	27.205.000	34,20%	10,90%	495.100	2.197.600	8,00%
2017	28.189.000	35,30%	10,90%	525.200	2.277.000	8,00%

Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

"H4: The number of total (Direct + Indirect) personnel employed in the tourism sector in Turkey is increasing year by year" was examined. As seen in Table 19; consider a contribution to the employment of the tourism sector in Turkey for 18 years has shown

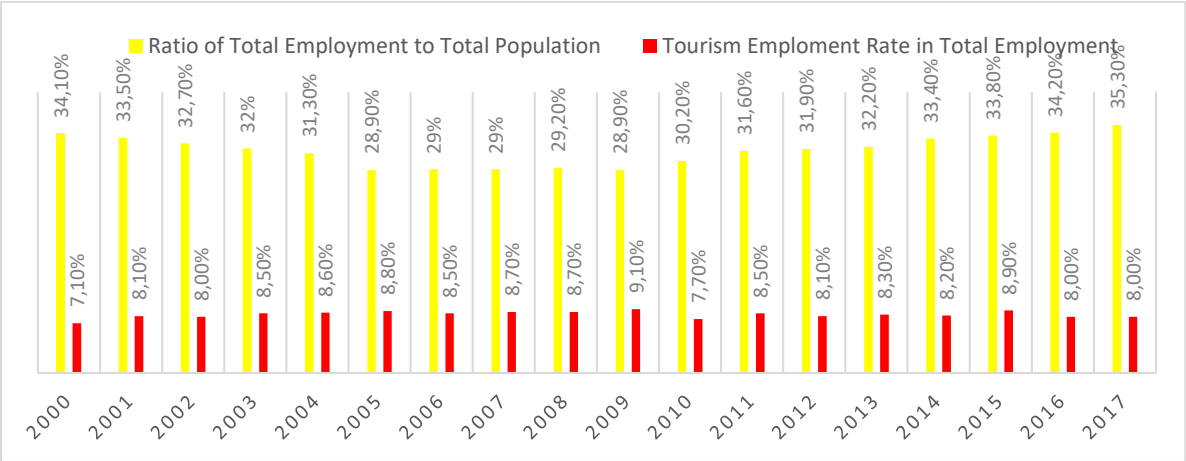
significant improvement. The most important contribution of these contributions is the direct contribution of the sector to total employment.

According to table 19, the total number of employees was 21.581.000 in 2000; while the total number of employees was 28.189.000 in 2017. The ratio of total employment to total population was 34,10% in 2000; while, the ratio of total employment to total population was 35,30 in 2017. An annual average of the unemployment rate has increased in Turkey. While the annual average unemployment rate was 5,60 percentage in 2000, the annual average of the unemployment rate was 10,90 percentage in 2017. Number of direct employments in tourism has been nearly decreased between 2000 and 2017. Number of direct employments in tourism was 531.000 in 2000; while, number of direct employments in tourism in 2017 was 525,200. The number of direct employments in tourism was on the highest level in 2015 and reached to 599,900. The average number of direct employments in tourism is 512,811. The number of direct employments in tourism is lower than the average number of direct employments in tourism between 2004 and 2011. The number of total (Direct + Indirect) personnel employed in tourism has increased year by year. While the number of total (Direct + Indirect) personnel employed in tourism was 1,535,300 in 2000, the number of total (Direct + Indirect) personnel employed in tourism was 2,277,000 in 2017. The number of total (Direct + Indirect) personnel employed in tourism was the highest level in 2015 and reached 2,374,700. The number of total (Direct + Indirect) personnel employed in tourism was the lowest in 2007 and reached 1,535,300. The average number of total (Direct + Indirect) personnel employed in tourism is 1,901,000.

Understanding from table 19, the ratio of total employment to the total population and the total number of employees have increased year by year. The number of direct employments in tourism, the number of totals (Direct + Indirect) personnel employed in tourism, the tourism employment rate in total employment have increased year by year.

According to the explanations made; In the regulation of the balance of payments of a country, creating income in the country and thus ensuring the mobilization of many other sectors as well as the creation of employment opportunities, the tourism sector has significant impacts on reducing the unemployment problem. So that, the hypothesis is valid.

Figure 10: Rate of tourism employment to total employment



Source: *http://www.turkstat.gov.tr.* (n.d.). Retrieved from http://www.turkstat.gov.tr

Figure 11 shows the rate of tourism employment to total employment between 2000 and 2017. Column graph was used at Figure 11. Yellow columns show a ratio of total employment to the total population. Red columns show tourism employment rate in total employment.

According to the ratio of total employment in figure 11, the ratio of total employment to population has decreased between 2000 and 2005 and reached 28,90%. After 2005, the ratio of total employment to population has been increased until the end of 2017 and reached 35,30%. The average ratio of total employment to population is 31,73%. The ratio of total employment to population was lower than the average ratio of total employment to the population between 2002 and 2011. The ratio of total employment to population was the highest level in 2017 and reached 35,30%. The ratio of total employment to population was the lowest level in 2005 and 2009 and reached 28,90%.

According to the tourism employment rate in total employment in figure 11, the tourism employment rate in total employment has been increased year by year. The tourism employment rate in total employment was 7,10% in 2000; while the tourism employment rate in total employment was 8%. The average tourism employment rate in total employment is 8,32%. The tourism employment rate in total employment was lower than the average ratio of total employment to population 2000, 2001,2002 and 2010. the tourism employment rate in total employment was the highest level in 2009 and reached 9,10%. The tourism employment rate in total employment was the lowest level in 2000 and reached 7,10%.

5. Conclusion and Recommendation

In this study, the development of the tourism sector in Turkey between the years 2003-2018 and role in Turkey's economy and the importance of macro-economic indicators were examined. Turkey has increased share of international tourism revenues during this period. Especially after the crisis periods, tourism revenues have increased significantly, and the importance of the tourism sector has emerged.

In parallel with the increase in Turkey's share in international tourism revenues, also it appears to raise the ranking in world tourism revenues. It seen an important success about the pulling a tourist subject with the rank of Turkey increase from 20th to 13th. However, in parallel with the increase in the number of tourists, there was no success or increase in tourism revenues. Although increasing in the number of tourists, tourism receipts didn't increase. For this reason, level of average spending is low.

The share of Turkey's GDP in tourism revenues have generally been in the range of 3-4%. The share of tourism revenues in GDP remains low. However, it can be said that contribution of tourism receipts to GDP increase and income-generating effect of tourism receipt is higher than other economic industries in a time of crisis. After the 2008 global financial crisis, the share of tourism revenues in GDP is higher than other periods.

It is seen that there has been a steady increase in tourism expenditures between 2003-2018. This situation can be said to be a negative situation by taking into account the increase in the current account deficit. Last 16 years, it is understood that continuously increasing of tourism expenditures means increasing of Turkey's GDP or welfare level. Turkey's tourism receipt and expenditure balance, as a result of the realization of the tourism receipts on tourism expenditure has been in continuous positive situation.

Turkey's net tourism receipts have got a 2 major problem. These are; the foreign trade deficit and current account deficit. These 2 problems have an important role of closing of the deficit. While the average share of tourism in Turkey's foreign trade deficit 34.40% in the said period, the average share closing current account deficit was realized as 72.20%.

The income from tourism is a very important source for the economies of developing countries. Tourism is a priority sector for developing countries with touristic potential.

Understanding the economic importance of the tourism sector in our country and increasing the number of tourists coming every year push the state and entrepreneurs to invest in attracting more tourists to the country. However, the fact that there is a resource shortage in investments has caused tourism investments not to get sufficient share in total investments. In the tourism sector, despite the fact that demand for highly flexible, supply is inelastic in the short term, in the long term is the elastic part is concerned. Demand in tourism sector; while national income is affected by prices, transportation and urbanization factors; supply is affected by natural, social, psychological and economic resources. The following recommendations to increase the tourism potential of Turkey's tourism revenues may be presented:

- Turkey's ability to provide more gain from the tourism sector and its contribution to the country's economy to be more correct the deficiencies creation of long-term tourism policy and strategy is important.
- Tourism, which is an indispensable sector for the country's economy, needs to be considered as a state policy and a separate tourism policy-plan should be formed apart from the five-year development plans.
- Tourism activities can be diversified in order to increase tourism revenues and these activities can be spread over the whole year with various strategies. From this point of view, activities such as culture, congress, golf, health, rafting, third age tourism and alternative tourism types should be organized.
- Promotional-advertising works such as promotional films, advertisements, banners can be done to highlight the attractiveness of the country's tourist destinations. It can be stated that coordinated, effective marketing and promotional activity for as an important destination of Turkey taking a share from world market.
- To stimulate domestic tourism activities in the country should be taken to precaution and brand image towards the provinces of the country should be created.
- Qualified workforce should be developed by providing training to the workforce to be employed in tourism.

- The government should provide financial incentives for the development of the tourism sector and increase the expenditures on infrastructure and superstructure investments in order to meet the state tourism demand.
- Safe country image should be provided for visitors.
- it must be solved as soon as possible in the political crises between countries.
- Plans should be made to avoid the effects of the all-inclusive system.
- Turkey should be prevented from excessive volatility of exchange rates.
- It is necessary to expand the transportation network both as a road and as a comfort-equipment.

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