Chapter 7

Understanding the Importance of the Banking System in the Romanian Tourism and Hospitality Industry

Cristi Spulbar
University of Craiova, Romania

Birău Ramona
Constantin Brâncusi University of Targu Jiu, Romania

Jatin Trivedi
Amity University Mumbai, India

ABSTRACT

This chapter aims to provide an exhaustive overview of the importance of banking system in Romanian tourism and hospitality industry. Romania is a member of the European Union since 1 January 2007, but is not a member of the Schengen area and haven’t adopted the euro currency yet. The banking system plays an essential role in financial intermediation being a major factor in raising productivity of Romanian tourism and hospitality industry. From a long-term perspective, a global perspective on the banking system can lead to the development of tourism and hospitality business. The interdependence between banking system and the tourism and hospitality industry in Romania is an increasing challenge for public and private investment. However, Romania’s tourist attractions are still not capitalized due to the lack of financial investments. The Romanian tourism potential is significant, but the relatively low number of foreign tourists and even indigenous tourists reflects the lack of relevant financial investments and effective promotion.

DOI: 10.4018/978-1-5225-8494-0.ch007
INTRODUCTION

The main purpose of this book chapter is to provide a comprehensive framework on understanding the essential role of banking system in Romanian tourism and hospitality industry. Tourism a multidimensional phenomenon with very complex implications. However, the banking system has a significant importance in terms of financial funding. Moreover, the access to international bank funding provides a significant development opportunity for Romanian tourism and hospitality industry. Romania is a part in various international tourism agreements signed with countries all around the world. Naturally, every country in the world needs to exploit its tourism potential in order to attract foreign capital for sustaining tourism and hospitality industry. Romania is an European tourist destination with a great growth potential. The natural landscape of Romania is centered on three main pillars, the Carpathian Mountains, the Danube River and the Black Sea.

Over the last few decades, Romania have signed bilateral tourism agreements with many countries all around the world. The development of tourism in Romania depends largely on the influx of foreign tourists and implicitly on attracting foreign investment capital. The international cooperation is an essential aspect for tourism development in Romania. At the local level, the development of Romanian tourism requires an accelerated improvement based on sustainable investment strategies. Governmental international agreement on cooperation in the tourism sector are very important for the development of this industry as well hospitality industry. The sustainability of Romanian tourism and hospitality industry is important in order to achieve economic growth. This book chapter also provides a complex analysis on the banking system in Romania highlighting theoretical aspects, official statistical data and comparative empirical investigations.

The legislative framework includes numerous international agreements on tourism cooperation between the government of Romania and the government of various countries, such as: Albania, Austria, Belarus the Federative Republic of Brazil, Bulgaria, China, Cyprus, Colombia, Croatia, Egypt, Philippines, Finland, Georgia, Greece, India, Iran, Israel, Italy, Yugoslavia, Macedonia, Morocco, Mexico, Libya, Peru, Poland, Portugal, Turkey, Hungary, Venezuela and many other countries (many of these agreements being signed before Romania’s accession to the European Union on January 1, 2007). Romania shares borders with certain neighboring countries, i.e. Moldova and Ukraine lies to the east, Bulgaria lies to the south, Serbia and Hungary lies to the west, but also has a maritime delimitation, bordering the Black Sea. Romania has a strategic geographical position which can bring many benefits in the field of tourism.
The Impact of Social Network on Italian Users' Behavioural Intention for the Choice of a Medical Tourist Destination
www.igi-global.com/article/the-impact-of-social-network-on-italian-users-behavioural-intention-for-the-choice-of-a-medical-tourist-destination/177121?camid=4v1a

Sustainable Entrepreneurship Development in the Accommodation Sector: The Case of the “Albergo Diffuso” (Diffused Hotel) in Italy
www.igi-global.com/article/sustainable-entrepreneurship-development-in-the-accommodation-sector/189741?camid=4v1a