

OBSTACLES TO THE DEVELOPMENT OF TOURISM IN THE CZECH REPUBLIC

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**The 2nd Advances in Hospitality and Tourism Marketing & Management
Conference, 31May - 3 June 2012, Corfu, Greece**

Constitution of Gross domestic product (GDP) in Czech Republic

- industrial production: 33 percent,
- trade and hospitality (including tourism): 24 percent
- financial and commercial services: 17 percent,
- other services: 17 percent,
- construction industry: 6 percent,
- agriculture, forestry, fishing: 3 percent.

- Incoming tourism activities,
- 65% output arises in Prague,
- Sightseeings – Karlštejn, Hluboká, Český Krumlov, Jindřichův Hradec etc.
- Spas – Karlovy Vary, Mariánské Lázně

Main indicators of the national economy and tourism in the Czech Republic in 2003-2010

Indicator/ Year	2003	2004	2005	2006	2007	2008	2009	2010
GDP	2 596 094	2 814 159	2 987 125	3 225 704	3 538 933	3 692 622	3 629 511	3 778 880
GDP in tourism	90 792	102 316	99 079	99 956	103 079	103 451	104 293	100 253
Share on GDP(%)	3.5	3.6	3.3	3.1	2.9	2.8	2.9	2,7

Source: Czech Statistical Office: *Main indicators of the national economy and tourism in the Czech Republic in 2003-2009*, Praha 2011,

http://www.czso.cz/csu/redakce.nsf/i/tsa_hlavni_ukazatele_narodniho_hospodarstvi_a_cestovniho_ruchu_v_cr

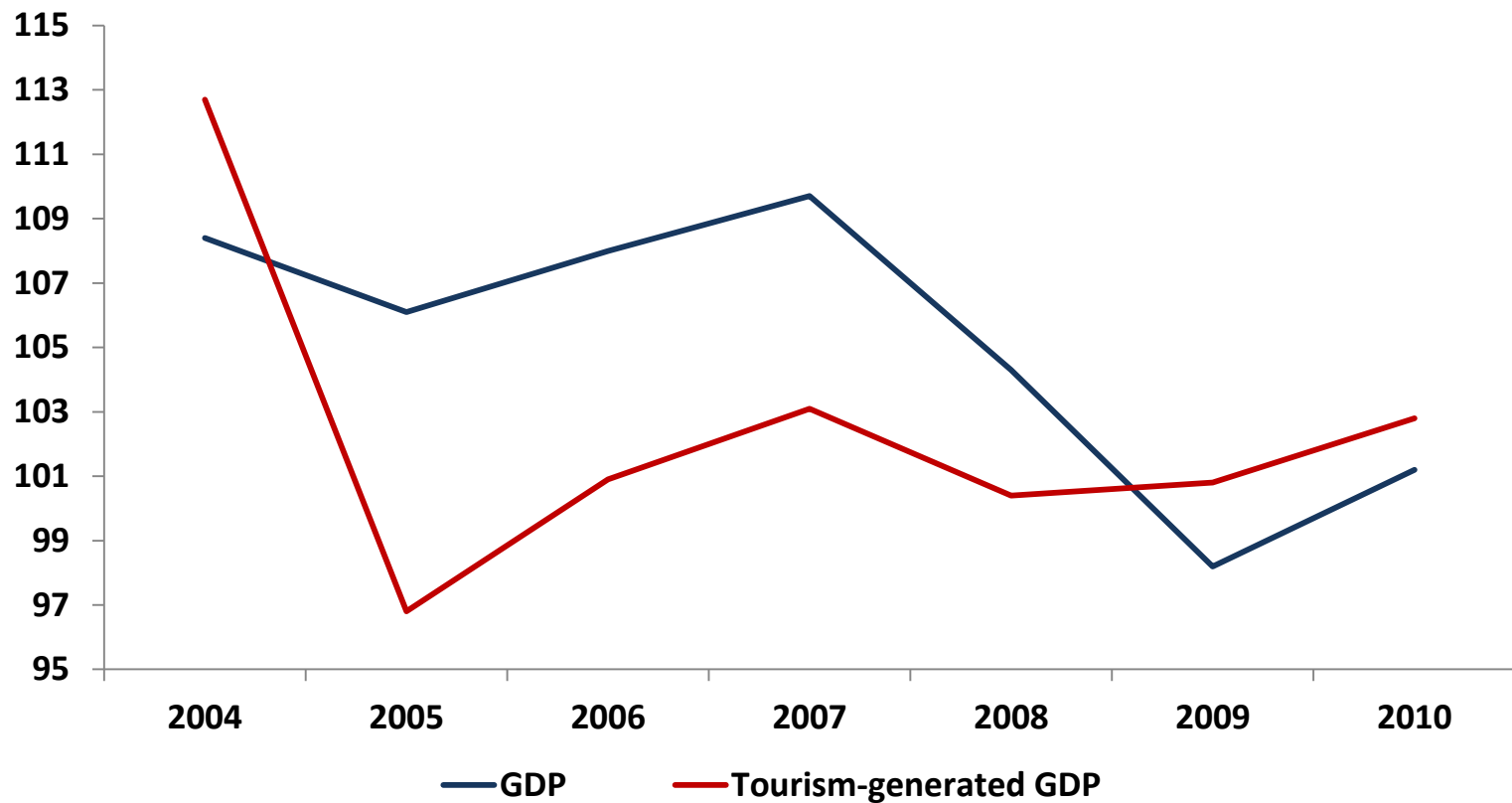
Comparison of development of GDP of the Czech Republic and tourism industry output (indices, current prices)

Annual index	Total GDP	GDP generated in tourism
2004/2003	108,4	112,7
2005/2004	106,1	96,8
2006/2005	108,0	100,9
2007/2006	109,7	103,1
2008/2007	104,3	100,4
2009/2008	98,2	100,8
2010/2009	101,2	96,1
2011/2010	104,1	100,2¹⁾
Average	105,0	101,4

1) Author's estimate based on the number of hotel nights and 2010 sales; Czech Statistical Office: In 2010, the decline in the number of foreign visitors to the Czech Republic ended, 10 February 2011, available at <http://www.czso.cz/csu/csu.nsf/informace/ccru021011.doc>

Source: Czech Statistical Office: Main indicators of the national economy and tourism in the Czech Republic in 2003-2009, Prague 2011, http://www.czso.cz/csu/redakce.nsf/i/tsa_hlavni_ukazatele_narodniho_hospodarstvi_a_cestovniho_ruchu_v_cr

Comparison of gross domestic product of the Czech Republic and tourism industry output (indices, current prices)



Gross domestic product deflator

Year	2004	2005	2006	2007	2008	2009	2010
Deflator¹⁾	4.5	-0.3	1.1	3.4	1.8	2.5	-1.1
Turism-generated Real GDP	8.3	-2.8	-0.3	-0.4	-1.5	-2.7	-2.9

1) A value provided by the Czech Statistical Office; however, for the purposes of calculating real GDP generated by tourism, a slightly adjusted parameter has been used that has been modified to reflect the development of prices in areas related to tourism in order to provide a more accurate picture of the industry; however the differences are negligible.

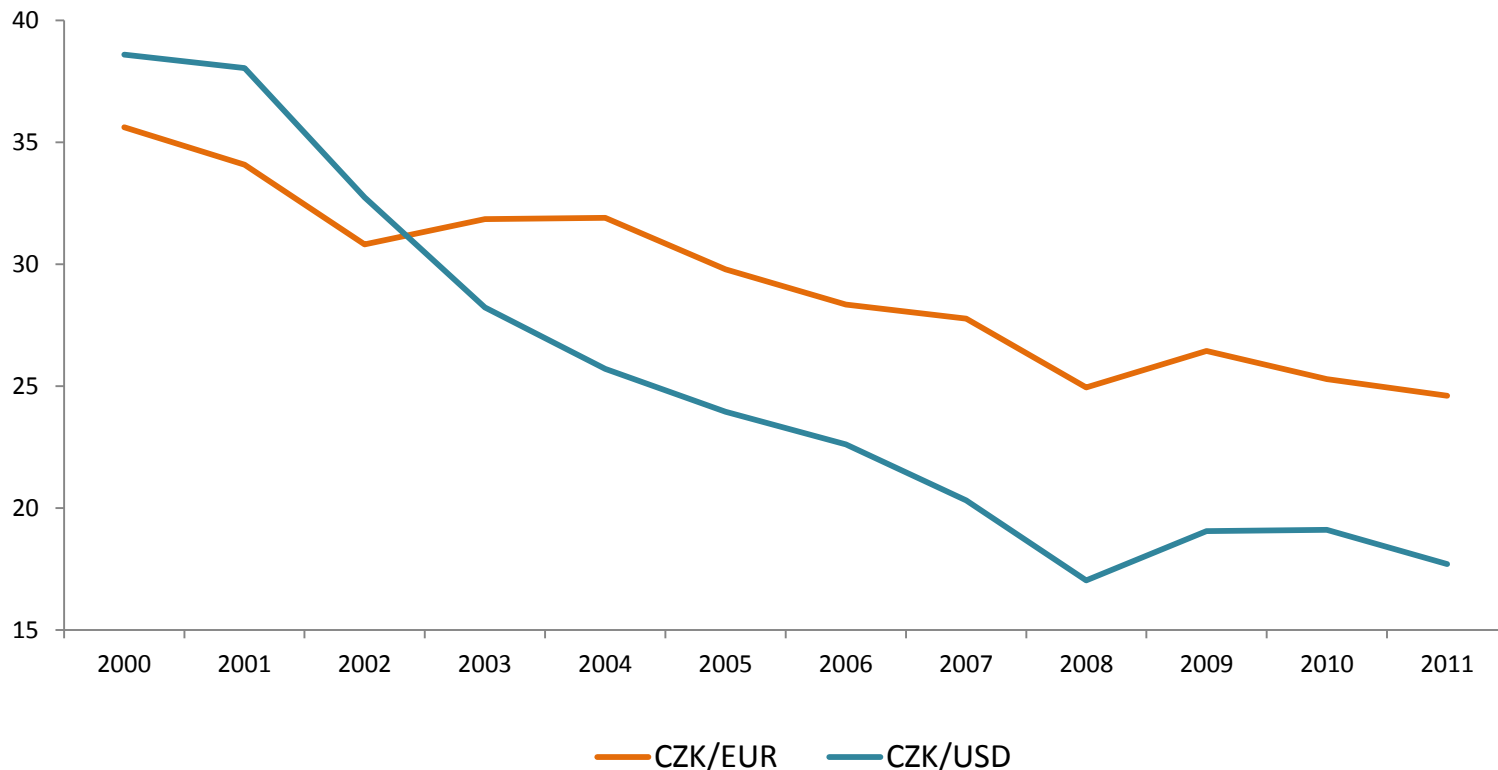
Source: Czech Statistical Office: Main indicators of the national economy and tourism in the Czech Republic in 2003-2009, Prague 2011, http://www.czso.cz/csu/redakce.nsf/i/tsa_hlavni_ukazatele_narodniho_hospodarstvi_a_cestovniho_ruchu_v_cr, author's calculations.

Reasons of stagnation

- **security**
- **environment**
- **legislation**
- **economy (and prices)**
- **consumer psychology**
- **service standards**

Czech crone exchange rate development compared to key world currencies

Rok	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CZK/ EUR	36.9	35.6	34.1	30.8	31.8	31.9	29.9	28.3	27.8	24.9	26.4	25.3	24,6
CZK/ USD	34.6	38.6	38.0	32.7	28.2	25.7	23.9	22.6	20.3	17.0	19.1	19.1	17,7

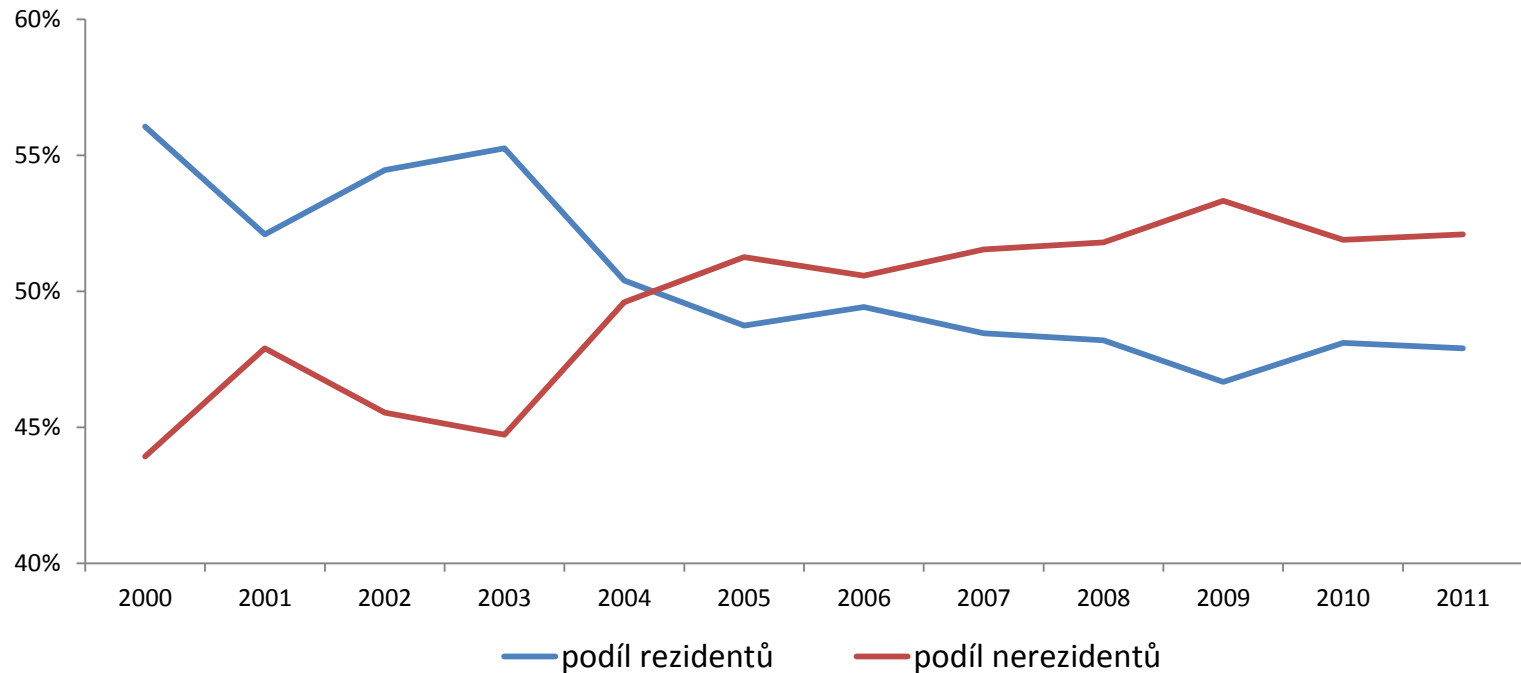


Source: Czech Statistical Office: Main indicators of the national economy and tourism in the Czech Republic in 2003-2009, Prague 2011

http://www.czso.cz/csu/redakce.nsf/i/tsa_hlavni_ukazatele_narodniho_hospodarstvi_a_cestovniho_ruchuv_cr

Number of resident and non-resident guests in accommodation facilities in the Czech Republic (millions)

YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residents	6,09	5,88	5,67	6,27	6,16	6,03	6,29	6,28	6,19	5,59	5,87	6,18
Non-residents	4,77	5,41	4,74	5,08	6,06	6,34	6,44	6,68	6,65	6,39	6,34	6,72
Total	10,86	11,28	10,42	11,35	12,22	12,36	12,76	12,96	12,84	11,99	12,21	12,90



Source: Czech Statistical Office: Main indicators of the national economy and tourism in the Czech Republic in 2003-2009, Prague 2011

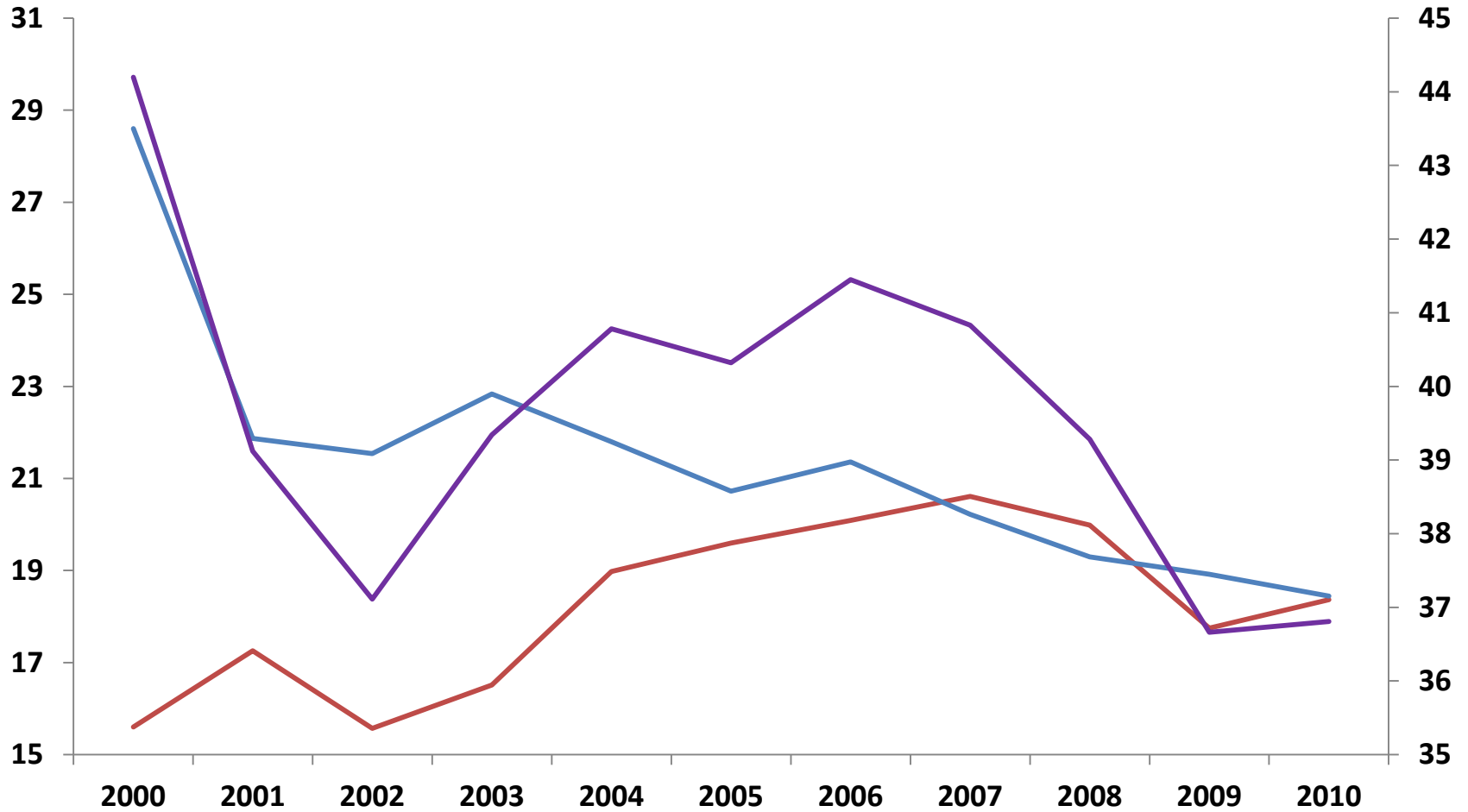
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Number of Overnight stays

Year	Total	Non-residents	Residents
2000	44 199 616	15 597 087	28 602 529
2001	39 122 187	17 254 881	21 867 306
2002	37 109 835	15 569 156	21 540 679
2003	39 343 250	16 510 618	22 832 632
2004	40 780 708	18 980 462	21 800 246
2005	40 320 477	19 595 035	20 725 442
2006	41 447 797	20 090 348	21 357 449
2007	40 831 072	20 610 186	20 220 886
2008	39 283 474	19 987 022	19 296 452
2009	36 662 192	17 746 893	18 915 299
2010	36 807 958	18 363 817	18 444 141
2011	38 235 088	19 424 839	18 810 249

Source: Czech Statistical Office: Tourism, Number of overnight stays in public accommodation facilities in the Czech Republic of 10 February 2011, http://www.czso.cz/csu/redakce.nsf/i/cru_cr

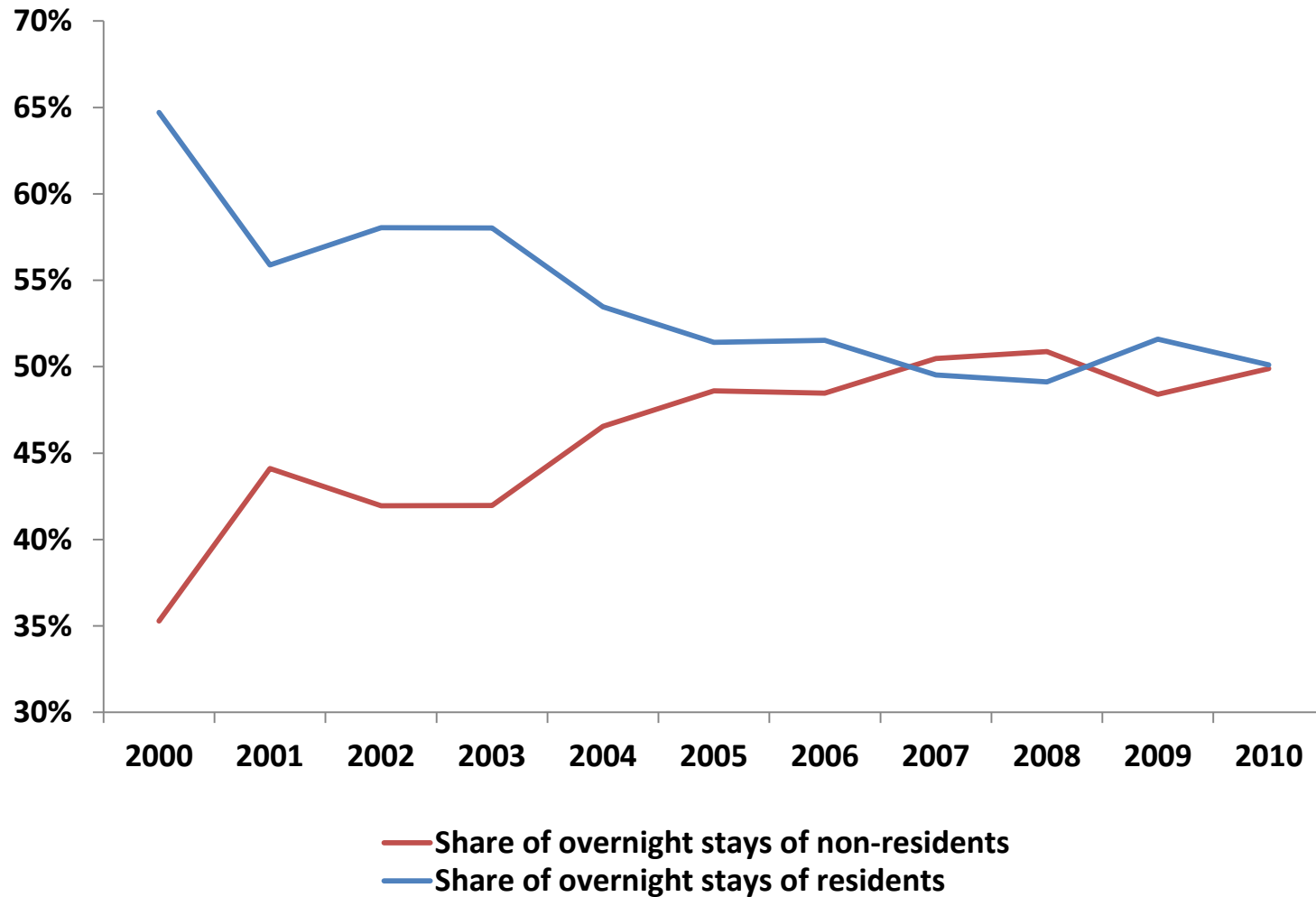
Total number of overnight stays, total number of overnight stays of residents and total number of overnights stays non-residents (in mil.)



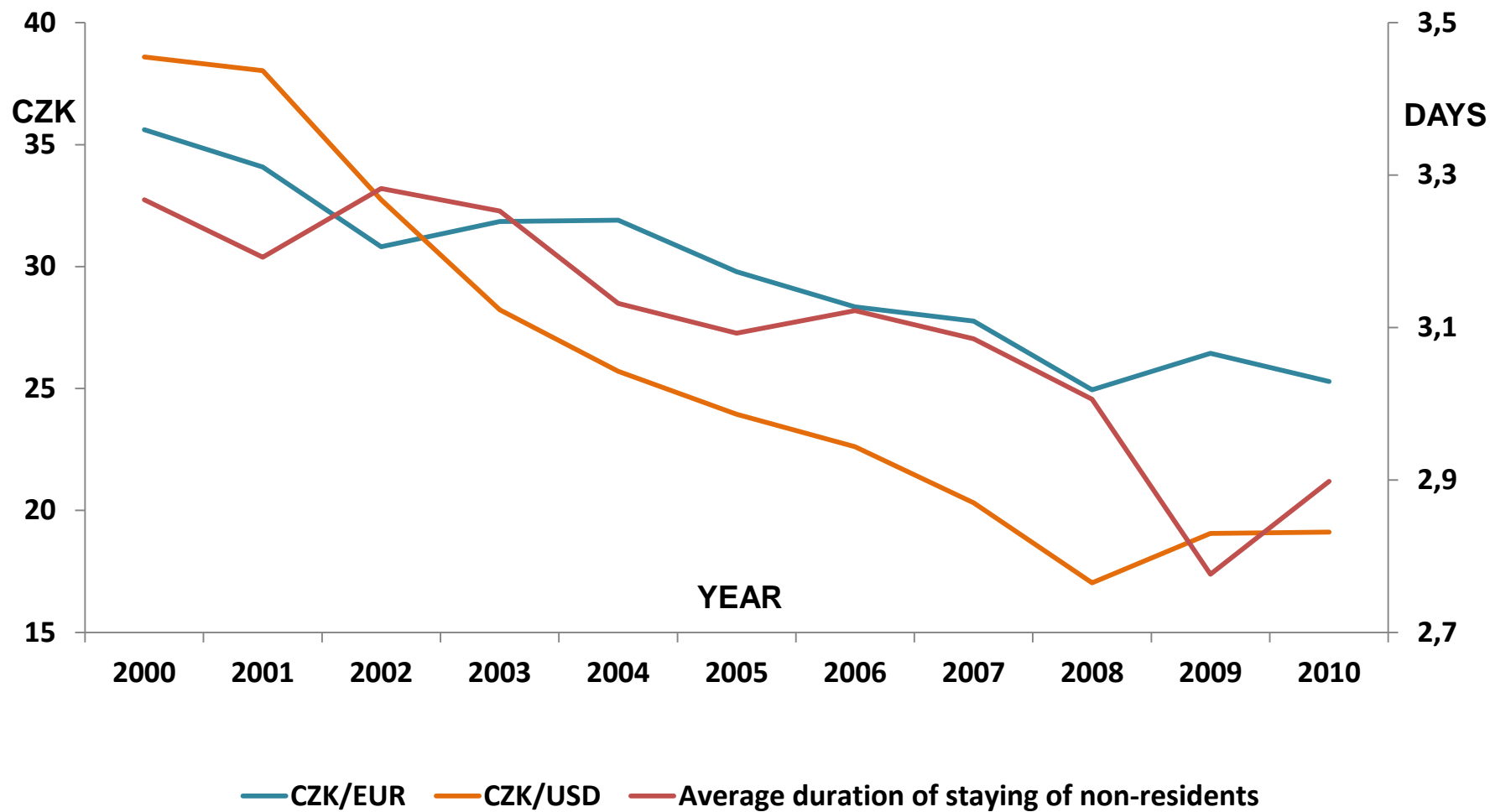
— Number of overnight stays of non-residents
 — Total number of overnight stays

— Number of overnight stays of residents

Share of overnight stays residents and non-residents (in %)



CZK exchange rate to EUR and USD and average duration of staying of non-residents in days



Analyses of influence CZK exchange rate to EUR and USD on number of overnight stays of non-resident

Number of overnight stays of non-resident (NOSN-R)	Model	R ²	Durbin-Watson test
CZK/EUR	$NOSN-R_t = 10\,922\,518 - 169\,089,6 CZK/EUR_t$	0,62	1,72
CZK/USD	$NOSN-R_t = 8\,147\,878 - 86\,700,12 CZK/USD_t$	0,77	1,79

Correlation between time series:

NOSN-R and CZK/EUR = 78,7%

NOSN-R and CZK/USD = 87,7%

Source: own calculation

Conclusion:

- **Improvement of the standard of services without substantial price increase**

- **Orientation on conference organization**

(In 2006, there were 3,230 events organized at public accommodation facilities, with a total attendance of 655.2 thousand people, in 2010 there were 10,093 events attended by 1.29 million participants.)

Thank you for your attention!

Tests of unit root (t_{ADF})

	t_{ADF}	Significance level
NOSN-R	-1,55	0,4706
CZK/EUR	-1,27	0,5978
CZK/USD	-1,91	0,3149

Source: own calculation

Diagnostick test of models

	NOSN-R and CZK/EUR		NOSN-R and CZK/USD	
	TK	Significance level	TK	Significance level
Portmanteau test	0,38	0,6924	0,72	0,5210
ARCH test	0,01	0,9711	1,45	0,2621
Jarque-Bera test	0,97	0,6153	0,52	0,7707

Source: own calculation