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## LOW-COST AIRCARRIERS AS A FACTOR FOR DEVELOPING SUSTAINABLE REGIONAL TOURISM

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### ABSTRACT

The development of sustainable tourism based on natural and cultural values is one of the approaches that would allow Bulgaria to respond to new challenges and reap the benefits of changing market preferences. At the same time, transport is one of the sectors in the national economy that is essential to increase its competitiveness and service to the population. The journey is an integral component of tourism. Between tourism and transport there is a unmistakable connection. The more developed the access to a country, the more popular it becomes. That is why in recent years low-cost companies have emerged as a determining factor in choosing a tourist destination

The article examines the prospects and opportunities for development of sustainable tourism regions by encouraging air carriers dealing with low-cost passenger transport. The findings were made as a result of analysis of the transport and tourism sectors. Data and information containing scientific developments, statistical and other information sources are used for this purpose.

**Key words:** air transport, tourism, tourist destination,

### INTRODUCTION

Transport is an integral part of tourism, (1) at the same time it is closely connected with all other sectors producing different types of goods or services and performs functions of supply of materials, fuels, finished products, as well as transportation of the tourists to the tourist site. (2) The world is changing, and the vision of its development changes. Trends in the development of international tourism are related to the new needs and the new attitude of the tourist towards the motives and the preferences for the model of organizing and conducting the tourist tour. The new challenges for the consumer are related to the principles of sustainable development, which are generally significant and whose implementation would contribute to reducing the negative effects of globalization. 2017 was designated by decision of the UN General Assembly and the World Tourism Organization (SOT) as an International Year of Sustainable Development for Tourism, with the focus of the initiative aimed at changing

policies, business practices and consumer habits that shape sustainable development of tourism and its impact on a number of other economic and social activities. At the same time, the role of tourism has been promoted and popularized in several key areas - inclusive and sustainable economic growth; social inclusion, employment and poverty reduction; resource efficiency, environmental protection and combating climate change; cultural values, diversity and cultural heritage; mutual understanding, peace and security.

Zhenhua Liu (3) points out that the concept of sustainability has its origins in the environmentalism that grew to prominence in the 1970s. "The explicit idea of sustainable development was first highlighted by the International Union for the Conservation of Nature and Natural Resources in its World Conservation Strategy. In 1987, the Brundtland Commission Report defined sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. The Commission further emphasized that sustainable development is not a fixed state of harmony, but rather a dynamic process of changes which 'are all in harmony and

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enhance both current and future potential to meet human needs and aspirations" (3)

In tourism, there are a multitude of definitions for sustainability and sustainable development (4-10). The World Tourism Organisation (11) prefers the following definition of sustainable development: Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems".

UNESCO (12) stated in its educational programs that tourism, regardless of motivation - holidays, business trips, conferences, adventures and ecotourism - must be sustainable. Sustainable tourism is defined as "tourism that respects both locals, travelers, cultural heritage and the environment".

The main parameters of sustainable tourism, its application and management, are applicable to all forms of tourism and all types of destinations, including mass tourism and different segments of tourist niches. (13)

As a result, new types of tourism have begun to emerge, which has prompted the shifting of tourism demand to new, transport- **specific tourism services**, which are, to a large extent, a challenge facing transport companies. One of which is the so-called low-cost airlines.

In the distant 2003, one of the Bulgarian airlines predicted that " Within a year, air transport **will become cheaper than coach transport for passengers**" (14). All this was related to the forthcoming accession of Bulgaria to the Open Sky which gives all airlines the opportunity to fly

to all points of Europe. The German Dirk Weisman, first took the risk. He was with two or three people behind the computer, who together represented the Bexer Company. They made the first attempts for low-cost flights. For that purpose, they had paid and rented for their first flight a very real plane from the Bulgarian Hemus Air.

The concept of sustainable development is related to understanding the sustainable development of the economy, the social environment and the environment in which transport and tourism develop in an integrated way with other environments.

"Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure broad participation and consensus building. Achieving sustainable tourism is a continuous process and requires constant monitoring of impacts, introducing the necessary preventive and / or corrective measures whenever necessary ". (15)

## ROLE AND PLACE OF THE AIR TRANSPORT FOR CARRIAGE OF PASSENGERS FOR THE 2010-2018 YEAR

The statistics generally provide information on the number of passengers, passenger turnover and the average distance between different modes of transport. On the basis of which an analysis was made on the role of air transport in the carriage of passengers (16-18).

The data for the passengers serviced at the Bulgarian airports, for the passengers transported by air transport in Bulgaria (in number of passengers) and for the work performed (million BGN), as well as the corresponding change for significant years for the period 2010-2018 are given in a **Table 1**.

**Table 1.** Data on served and passengers carried and work performed for 2010-2018 years

	SERVICED PASSENGERS IN BULGARIAN AIRPORTS												
	2010	2014	2015	2015/14	2016	2016/15	2017	2017/2016	2018	2018/17	2018/15	2018/14	2018/10
Passengers - number	6409444	7 728 612	7 865 669	101,77%	9 552 785	121,45%	11 436 679	119,72%	12 505 096	109,34%	158,98%	161,80%	195,10%
Arrived	3183556	3 839 582	3 907 021	101,76%	4 751 330	121,61%	5 680 596	119,56%	6 222 617	109,54%	159,27%	162,06%	195,46%
Departed	3225888	3 889 030	3 958 648	101,79%	4 801 455	121,29%	5 756 083	119,88%	6 282 479	109,15%	158,70%	161,54%	194,75%
Passengers at airports total - number													
Sofia Airport	3 287 529	3 814 868	4 064 755	106,55%	4 973 039	122,35%	6 486 883	130,44%	6 946 402	107,08%	170,89%	182,09%	211,30%
Varna airport	1 198 956	1 373 144	1 382 862	100,71%	1 671 501	120,87%	1 949 394	116,63%	2 265 609	116,22%	163,83%	164,99%	188,97%
Bourgas Airport	1 874 562	2 504 074	2 336 752	93,32%	2 857 742	122,30%	2 952 446	103,31%	3 256 523	110,30%	139,36%	130,05%	173,72%
Plovdiv Airport	26 547	103 292	103 300	100,01%	77 097	74,63%	90 136	116,91%	133 397	148,00%	129,14%	129,15%	502,49%
Gorna Oryahovitsa Airport	1 177	286	495	173,08%	235	47,47%	361	153,62%	388	107,48%	78,38%	135,66%	32,97%
Passengers transported by Bulgarian aviation operators according to NSI data	2327000	2 375 000	2 240 000	94,32%	2 337 000	104,33%	2 198 000	94,05%	N/A	N/A	N/A	N/A	N/A
Work performed by Bulgarian Aviation Operators on NSI data - million plkm	4275	4 023	3 644	90,58%	3 869	106,17%	3 637	94,00%	N/A	N/A	N/A	N/A	N/A
Percentage of the total number of passengers served - transported by Bulgarian air operators	36,31%	30,73%	28,48%	92,67%	24,46%	85,90%	19,22%	78,56%	N/A	N/A	N/A	N/A	N/A

Source NSI, DG CAA and author calculations

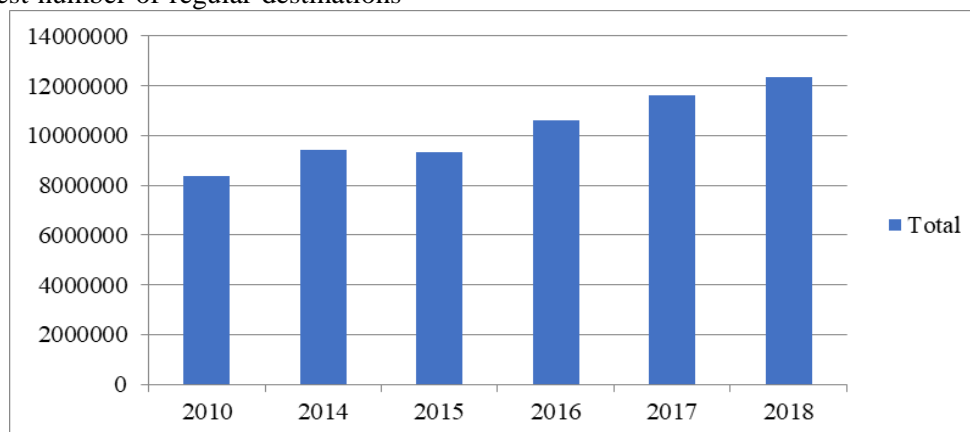
Over 12 million passengers serviced at the Bulgarian airports in 2018, compared to 2010, have seen an increase of over 95%. Throughout the analyzed period, there is a steady tendency of the increase in the number of passengers served through the Bulgarian airports, with Sofia airport rising the most. In 2018 there is a record number of passengers passing through Sofia airport - 6 946 402, and in 2017 Sofia Airport - 30.3% compared to 2016. For the last five years, the serviced passengers at Sofia Airport have increased by 82.09% - the highest increase in the passenger flows among the 100 busiest airports in Europe. Nearly 65% is the increase in the number of serviced passengers in the last five years and at Varna Airport, in 2018 there were 2 265 609 passengers. Bourgas Airport in 2018 served 3.2 million passengers, with a growth of just over 30% for the last five years. The other two Plovdiv and Gorna Oryahovitsa airports currently have an insignificant share in the total number of serviced passengers. The registered growth is largely related to the robust expansion of low-cost carriers and the rapid development of Sofia Airport on the one hand, as well as to the general economic development in Bulgaria. In support of this claim are the data provided by Sofia Airport, where five airlines carry more than 80% of passengers to and from Sofia. (19) The carrier with the largest number of regular destinations

and seat capacity for 2016 and 2017 is Wizz Air. While in 2016 the national carrier Bulgaria Air was the first flight, the new leader with the most flights at Sofia airport for 2017 was again Wizz Air. (19) The schedule of Sofia Airport includes more than 30 airlines for regular passenger and cargo flights, including seasonal, charter flights to and from Sofia, covering over 75 destinations in Europe and the Middle East. The rapid development of Sofia Airport is related to the robust expansion of the volume of low-cost carriers such as the Hungarian Wizz Air, Easy Jet and Ryan Air. (19)

### STATE OF TOURISM IN BULGARIA FOR THE PERIOD 2010-2018

For the purpose of the analysis, information from the Statistical Yearbook 2018 and information from the website of the Ministry of Tourism was used. (20) The trend of steady development of tourism in Bulgaria is observed for the analyzed period.

In 2018 the number of visits of foreign citizens to Bulgaria is 12 368.4 thousand, which is approximately 6.7% increase compared to 2017, with over 47% in 2018 the number of foreign citizens increased compared to 2010 visited Bulgaria, which represents a significant increase. **Figure 1** shows the visits of foreigners to Bulgaria



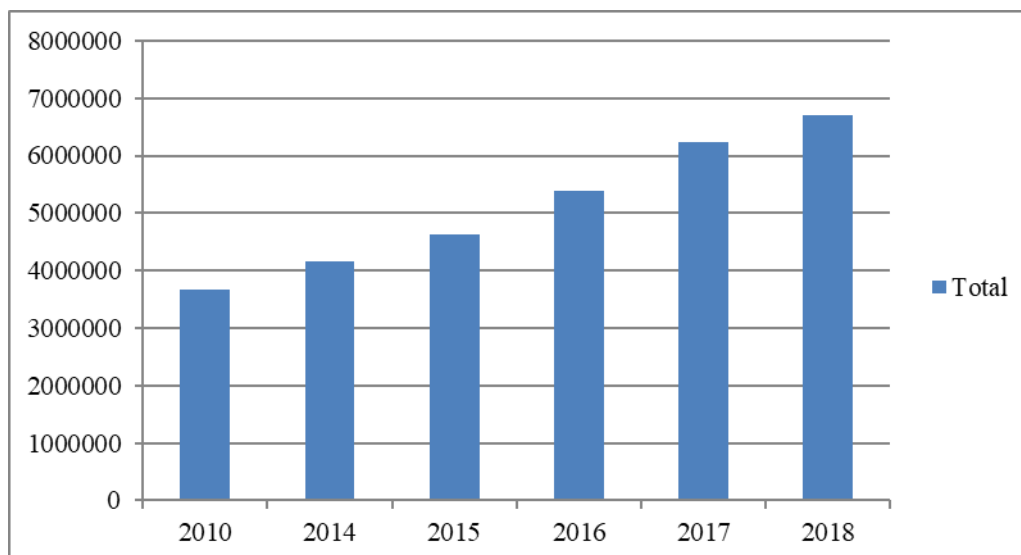
**Figure 1.** Visits of foreigners in Bulgaria

Source: NSI

Visits of citizens from the EU Member States predominate - 5 540,95 thousand in 2010, representing 66,2% of the total number of trips of foreign citizens in Bulgaria. During the analyzed period, the largest share of visits of foreigners in Bulgaria is for the purpose of excursion and recreation, approximately 45-50% of the total number of visitors, and as a

country of which are Germany - 1 063,5 thousand, Romania - 2 035,6 thousand and Greece - 1 290.3 thousand (16-18)

The number of trips of Bulgarian citizens abroad in 2018 is 6 698.5 thousand, which is 7.5% more than in the previous year and by over 80% compared to 2010, which clearly shows a sustainable annual growth (17) (**Figure 2**).



**Figure 2.** Travels of Bulgarian citizens abroad

Source: NSI

In 2018 2 152 thousand Bulgarian citizens have made trips for excursion and recreation, or that is just over 32% of all travelers, compared to 2010 we have nearly 10%, which is largely due to the active penetration of low-cost air carriers. In 2018 they traveled for service purposes - 1 621.8 thousand, and for other purposes - 2 924.7 thousand. (16)

The large increase in the number of foreign visitors visiting Bulgaria and the increased number of Bulgarian citizens visiting foreign countries is largely due to the undoubted link between tourism and transport. The more developed access to a country, the more popular it becomes. That is why low-cost companies in recent years have been a determining factor in choosing a tourist destination.

International Civil Aviation Organization (ICAO) data show that over 1 billion people were transported by low-cost airlines in 2016 (27). Their flights are of great importance for the development of Bulgarian tourism because a significant part of the visits of international tourists in Bulgaria in 2018, 12 368,4 thousand or more than 50% of all visits, are from non-neighboring countries. The tourists arrive mainly by air transport. (20).

The active penetration of low-cost carriers since 2015 has made Bulgaria and especially Sofia a much more accessible European destination and has contributed to the substantial growth of weekend and urban tourism. According to data from Sofia Airport, a total of **42 new destinations** were found in 2015-2018 . (19) The key location and good

connectivity of Sofia, which is located 1 to 3 hours by plane from all major European capitals, as well as the development of various tourist services in the city - from cultural festivals, through congress and event tourism to cultural - historical and recreational tourism - are among the prerequisites for the positioning of the city as an attractive destination for tourists as well as for international investors (19).

Generally speaking, the effect of low-cost airlines' entry allows more tourists to make at least one trip. Greater travel satisfaction is also achieved, as the money saved on an air ticket can be used, for example, for a higher class of tourist services. According to Baltova (20) the attractiveness of the destination should correspond to the real needs of the market, the natural needs of tourists - vacation, sports health or otherwise. "This is in line with all our aspirations that Bulgaria should become a competitive destination and an example of sustainable tourism".

According to Velikova (21), the trends that will dominate the tourist market over the next few years are expected to be in the following directions:

- further differentiation of the supply of the tourist product, targeting a wider range of clients with diverse needs and opportunities;
- the process of concentrating capital, creating large international companies and corporations;
- maintaining the process of integration in the tourism sphere both horizontally and vertically.

## CURRENT PROBLEMS OF SUSTAINABLE DEVELOPMENT IN TOURISM

The development of sustainable tourism based on natural and cultural values is one approach that allows Europe to respond to new challenges and benefit from changing consumer preferences in the market. One of the main options is to change to the existing model of mass tourism in the winter resorts and the Black Sea coast, developing the cultural dimension and seeking diversification of the product.

Changing the image of Bulgarian tourism is possible only by assessing its unique potential. The concept of sustainable development that is needed today is a modern phenomenon that expresses the will for successful adaptation of societies in the industrialized countries to the results of the acceleration of technical progress.

The tourist product is not a classic consumer. It is not bought as a finished product, it is a collection of experiences and emotions. Research shows that environmental quality is a leading element when choosing a destination. The announced criteria are a total of 37 and are developed by the international initiative Partnership for Global Criteria for Sustainable Tourism.

In tourism, they focus on four main areas:

1. Optimization of socio-economic benefits from tourism for the local population;
2. Limiting the negative effect on cultural heritage;
3. Reducing pressure on local communities;
4. Planning for sustainable development itself;

Tourism is one of the strongest growth industries and is a powerful lever for sustainable development and the fight against poverty.

Tourism is a leader in the Bulgarian economy. Its contribution to the country's GDP growth is indisputable, making it an effective tool for socio-economic growth. It has the potential, unlike some other sectors of the economy, to generate both extensive and intense growth by using modern principles and methods of generating innovations in services offered in tourism products. (22, 23)

According to the National Strategy for Sustainable Development of Tourism in

Bulgaria 2008-2013 (24) and the updated version of the National Strategy for Sustainable Tourism Development in the Republic of Bulgaria, 2014-2030 (25), the following general characteristics of the tourism potential of the country;

- Bulgaria has a strategic geographical position, located on the territory of Southeast Europe in the northeastern part of the Balkan Peninsula, playing the role of a crossroad between the West and the East, North and South;

- Bulgaria's membership in the European Union - this influence concerns the image of our country as a nearby destination, offers a sense of stability, reliability;

- Thanks to the unique nature, Bulgaria has significant potential: 9 sites included in the UNESCO list, more than 5% of the territory of the country has the status of a protected area including 3 national and 11 nature parks; 160 monasteries, 330 museums and galleries, 142 resorts, 58 spa-healing, 56 mountainous, 28 maritime (24, 25);

From the development of the various legal documents and especially in the program for sustainable development of tourism in Bulgaria one can emphasize one of the specific commitments of the state (24- 26):

- long-term planning at national, regional and local level;
- Providing a competitive business environment without inflationary tensions;
- maintaining professional attitude, financing and coordination;
- development of human capital;
- liberalization of trade, transport and communications;
- creating stability, security and trust between consumers and investors;
- stimulating product diversity that creates demand;
- investing in technical innovations to support the stable and effective development of tourism;
- ensuring guarantees for the conservation of natural and cultural tourism resources for generations.

## CONCLUSION

The role and location of low-cost carriers for the sustainable development of regional tourism has been to a large extent in recent years visible and tangible. All this is confirmed by the data from the report on the state of the air transport trends and trends (28), which states that in 2017 passenger air transport reported growth of 8.5% in Europe (7.7% in

EU countries) - the highest growth in 13 years, with an increase in the number of serviced passengers in the last 5 years of 30%. Growth engines for destinations within the EU are low-cost and unbundled carriers - nearly 99% of the increased seats in EU flights for the 2010-2016 period are due to them. Total airline contributions to Europe are a little over 60%, with airports of between 5 and 10 million passengers per year accounting for about 94% annually. Low-cost carriers already occupy 32% of direct links, while 10 years ago they have only 13%, reaching 175% growth over 2007-2017, with a reduction of 8% in direct flights from traditional airlines.

According to experts (29) in 2030, "budget carriers will account for 34% of global air traffic and in Western Europe their share could reach 60%. It is expected that the market in Southeast Europe will follow these trends "(29)

The analyzes made to a large extent show that low-cost companies in recent years have been a determining factor in choosing a tourist destination. Their flights can be of great importance for the development of Bulgarian tourism and in particular of the tourist regions because the data for the last years show that a significant part of the visits of international tourists in Bulgaria (more than 50%) of all visits are from countries are not adjacent to Bulgaria. The tourists arrive mainly by air transport. Generally speaking, the effect of low-cost airlines' entry allows more tourists to make at least one trip.

The more developed access to a country is, the more popular they become. The European Commission identifies regions as the national level with the greatest strategic importance for the sustainable development of tourism and for the stimulation of the competitiveness of European destinations. (30)

In this regard, local businesses, local administrations, airport operators, together with air carriers, should find a "risk-sharing" mechanism on a regional basis to start flights to new destinations and extend their period, thereby seeking a mechanism for turning the region into a year-round tourist destination. Bulgaria has attempted to implement a "risk-sharing" mechanism by municipalities in the South-Central Region, which has been operating since 2010 under the name "Plovdiv Development Fund - the South Gate of Bulgaria". The effect of designing the project

was three new regular lines of the low-cost Ryanair carrier and over 350,000 passengers who traveled with them for a period of 5 years. To date, certain issues limit the cooperation. At the end of 2016, Fraport Twin Star Airport Management, the concessionaire of the two maritime airports in Bourgas and Varna, proposed to establish regional funds for the development of air links to and from Varna and Burgas airports, similar to the one previously time was in Plovdiv.

All this can lead to new jobs, extending the employment period, increased income from tourist tax, improving transport links and, most importantly, developing cultural, historical, sporting and other types of tourism.

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