

# COMPETITIVENESS AND POTENTIAL IN SPAS AND HEALTH RESORTS IN SOME CENTRAL EUROPEAN REGIONS

(Conclusions from on-going research in South Transdanubia, Hungary)

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## Abstract

The growing significance of what we term health-, spa- or thermal-tourism needs no further debate, but a glance at the map of Hungary showing the spread of thermal waters across the country is revealing: accessible thermal waters lie below 80% of the surface. Optimal development potential (in this grossly over-centralised country) fortunately lies almost exclusively in peripheral and more remote areas, meeting the pressing need for economic activity to combat regional disparities. The author's 'home region' of South Transdanubia is a prime example. The Region had prioritised the sector due to its significant natural resources, but earlier investment was uncoordinated, fragmented and lacking in innovation. Cooperation is not a Hungarian virtue. The attractiveness of a few resourceful spas contrasts with relics of the socialist era - with old-fashioned facilities unchanged for years. The visible results in the early days of the century showed no more than modest improvement.

Thereafter, both before and during the current 2007–2013 planning period (including the pre-Accession period) national and EU funding for the development of accommodation and baths supported numerous Hungarian projects. Accommodation-related projects benefited most, and a relatively wide range of businesses were aided. As a result, the accommodation field should be the first to impact on the local economy, due to increasing visitor-nights, tourist tax revenue, improving employment statistics and in general income arising from the demand for labour for primary construction and for later operating activity. Briefly, the results to date of this phase are quite encouraging and much of the investment reasonably well directed from the standpoint of a well-balanced development of the Region.

A generally accepted definition of health tourism is still to be made, but, in East Central Europe, health tourism and wellness tourism are usually taken as one single comprehensive concept. This relates to a field of tourism where the primary motivation of tourists is to improve and/or preserve their health, and in which, for the sake of their cure or for prophylactic purposes, they also use health tourism services during their stay at the destination. However, the development potential is concentrated on destinations with medicinal and thermal waters - whose potential is outstandingly high in Hungary by international standards. In 2007, the year of the creation of the Hungarian National Health Tourism Strategy, Hungary had no fewer than 1,372 thermal springs, 197 of which provided recognised medicinal water. A large number of settlements (385 villages and towns) operated baths with thermal or medicinal water, and 65 of these were officially recognised as medicinal spas.

We do, however, need to rationalise our examination of the sector in this region if we are to give some credible concept for economic regeneration. South Transdanubia has a very

wide distribution of spa and thermal water sources - as has most of the country - and we selected this Region (among the 20 weakest in terms of GDP per capita in the EU) for our purpose with an eye to a comparison with a neighbouring but non-Hungarian region. This is the Austrian province (Land) of Burgenland, which in recent years has shown an impressive level of development of high-quality tourism in this field. The so-called “Thermenland” (admittedly a little nearer to affluent West European markets) is clearly a best-practice example for our region. At the end of this paper we summarise the issues which should help South Transdanubia to emulate the Burgenland in terms of competitiveness, or perhaps our neighbouring region West Transdanubia, where the great majority of Hungary’s formally recognised (authenticated) spas are situated.

Since the turn of the millennium this is the sector of tourism where most major developments have occurred and where the widest range of future possibilities can be seen both in terms of the spatial dimension and forms of utilisation. The number of settlements included in the regional survey includes a number which already have a functioning spa, settlements currently active in developing a spa and others which are still involved in planning.

N.B. This study and the integral survey were undertaken with financial assistance from the European Union’s Social Renewal Operational Programme TÁMOP-4.2.1.B-10/2/KONV-2010-0002

## **1. Introduction**

The study discusses some features of the growing significance of what we broadly term health-, spa- or thermal-tourism. The value of the sector is clearly evident, even on a global scale, and is fully recognised by the European Union.

The spread of thermal waters across Hungary makes a remarkable and encouraging map since the natural potential for development away from main centres and in peripheral areas clearly meets the need for combating regional disparities. Spas were the target of central investment during the Socialist era and large numbers of the population had access to them and to their facilities with Trade Union Holiday Homes providing accommodation in many spa locations, as well as in other traditional tourist destinations in the country.

However, renovation and reinvestment were not too obvious in the early days following the change of regime and many spas remained more or less as they had been during the Socialist years – old-fashioned, but not in a particularly attractive, nostalgia-evoking way.

Following the turn of the Millennium, however, both before and during the current 2007–2013 planning period (including the pre-Accession period) national and EU funding for the development of accommodation and baths supported numerous projects, spread widely across Hungary. Accommodation-related projects benefited most, and a relatively wide range of businesses were aided. As a result, the accommodation field should be the first to impact on the local economy, due to increasing visitor-nights, tourist tax revenue, improving employment statistics and in general income arising from the demand for labour for primary construction and for later operating activity. Briefly, the results to date of this phase are fairly encouraging and much of the investment seems well directed from the point of view of the well-balanced future development of the regions.

Inevitably, a developing understanding of the importance of this particular sector of tourism was not restricted to Hungary alone – as, indeed, had been the situation with the history of what we might term the ‘Spa Culture’. Even without looking beyond the borders of the Habsburg Empire, the names of Marienbad and Carlsbad overshadowed anything which Hungary had to offer in the nineteenth century. Hungary might well be unusually favoured in terms of the quality and the quantity of its waters, but other countries had the experience and

at least the remains of an infrastructure on which to rebuild. Again inevitably, competition was a looming threat and real concerns such as competitiveness came to the fore.

We took as our backcloth the broad Hungarian picture - on the simple basis that spa and health tourism were the branch of tourism which clearly had the greatest potential for the development of the Hungarian economy – as confirmed by the Government’s official strategies. Whilst a universally accepted definition of health or wellness tourism is still being finalised, in East Central Europe, the two are usually considered as one single comprehensive concept. This relates to a field of tourism where the primary motivation of tourists is to improve and/or preserve their health, and in which, for the sake of their cure or for prophylactic purposes, they also use health tourism services during their stay at the destination. However, the development potential is concentrated on the destinations with medicinal and thermal waters, and whose potential is outstandingly high in Hungary by international comparison.

Hungary in 2005 had 546 thermal water wells belonging to spas (VITUKI 2005). Further, there are also settlements now trying to become spa destinations (successful applicants for funding, licence-holders, bodies who have taken over spa development projects etc.). In addition, several health tourism destinations in Hungary are not directly related to spas (medicinal mudpots, therapeutic or curative climates and mofettes or fumaroles).

In 2007, the year of the creation of the Hungarian National Health Tourism Strategy, Hungary had no fewer than 1,372 thermal water sources (wells) of which 197 provided water officially recognised as having medicinal qualities. A large number of settlements, 385 villages and towns, operated baths with thermal or medicinal water, of which 65 were officially recognised as medicinal spas (*Figure 1*). During the period, however, several settlements closed medicinal spas which needed renovation and development in order to meet current EU standards. The generally high costs involved, together with the economic situation in the country and the fact that local government (the nominal ‘owners’ of the water) was especially weak and fragmented deterred most from any serious consideration of investment.

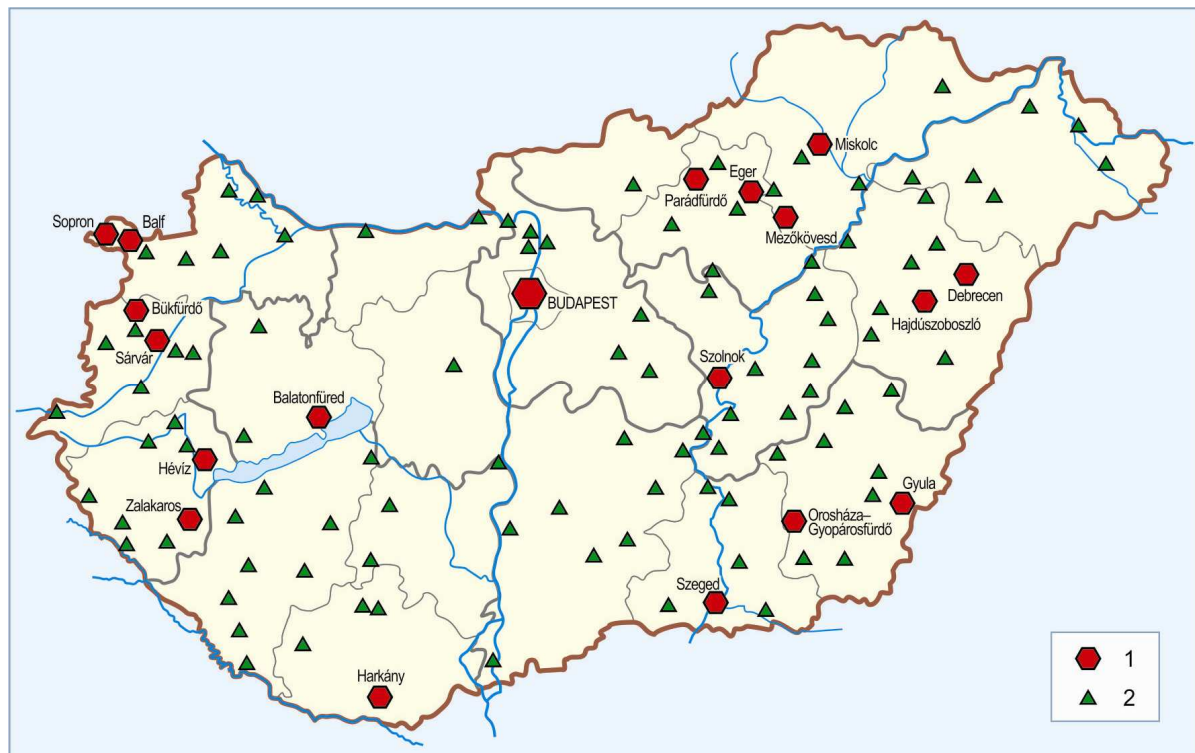
There was, obviously, a clear need to rationalise our examination of the sector in Hungary in view of the enormously wide distribution of spa and thermal water sources in the country, and so we selected one Region for our purpose – South Transdanubia. Here the majority of Hungary’s recognised (authenticated) spas are situated (*Figure 2*). It is also the area where the most recent major developments have been realised and also where the widest spectrum of future possibilities can be seen (both in respect of the spatial dimension and forms of utilisation). The settlements included in the survey include a number which already have a spa, others which have closed down spas, settlements currently active in spa development and still others at the planning stage.

To retain a rational perspective, it should be noted that South Transdanubia’s bordering Region (West Transdanubia) has developed this field of tourism relatively well. This is due to tradition, the presence within the area of Hévíz, the largest spa-town in the country, and a good level of Foreign Direct Investment (FDI) (connected with its proximity to its major market, Austria).

South Transdanubia is the ‘home region’ of the authors and at the same time an excellent example of the potential which this form of tourism offers for a weak, peripheral region. It is entirely logical that the Region should prioritise the sector in view of its significant natural resources in the field. It did, however, noticeably lag behind other Hungarian regions in the earlier post-socialist years in that there were few major investments – and those realised were uncoordinated, fragmented and lacking in innovation. The attractiveness of a few resourceful spas contrasts with relics of the socialist era - with old-fashioned facilities unchanged for years. The visible results in the early days of the century showed very modest improvement.

Thereafter, however, both before and during the current 2007–2013 planning period (including the pre-Accession period) national and EU funding for the development of accommodation and baths supported numerous Hungarian projects. Accommodation-related projects benefited most, and a relatively wide range of businesses were aided. As a result, the accommodation field should be the first to impact on the local economy, due to increasing visitor-nights, tourist tax revenue, improving employment statistics and in general income arising from the demand for labour for primary construction and for later operating activity. Briefly, the results to date of this phase are fairly encouraging and much of the investment reasonably well directed.

**Figure 1 Thermal and medicinal baths in Hungary**

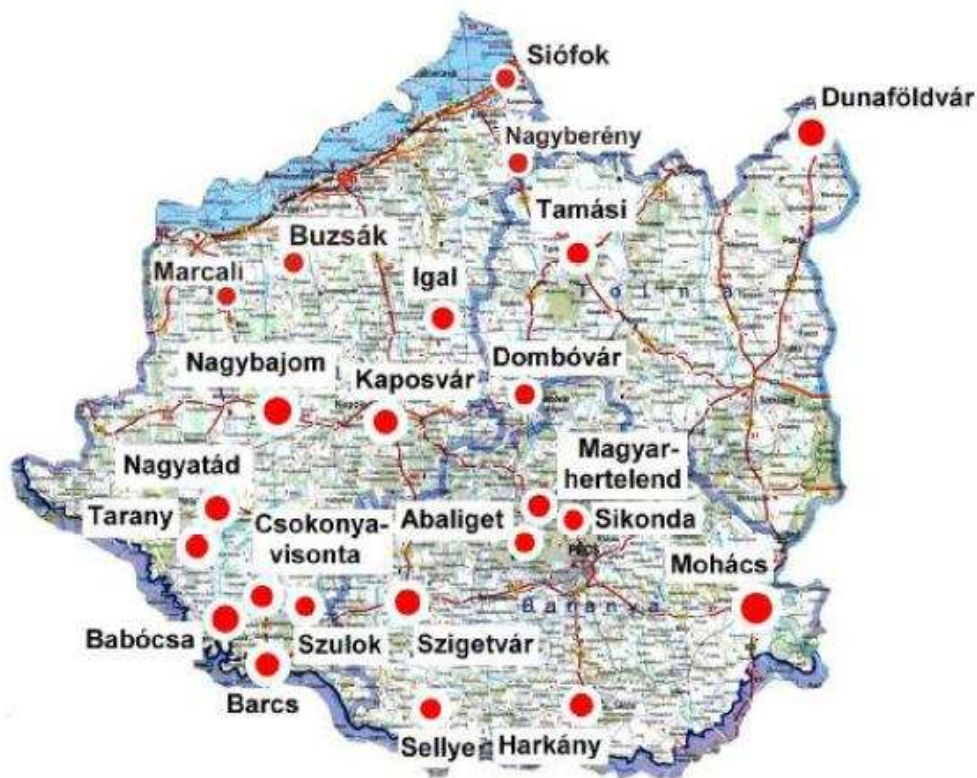


Source: Authors' own construction

Note: 1 Medicinal Bath of National Importance

2 Thermal and Medicinal Bath of Regional or Local Importance

**Figure 2 The Medicinal Spas of South Transdanubia**



*Source:* Dél-Dunántúli Regionális Fejlesztési Ügynökség „Gyógy és termálturisztikai stratégia fejlesztési irányainak meghatározása”,-Xellum, 2008.január 20. [South Transdanubian Regional Innovation Agency “Defining the Development Directions of the Medical and Health Tourism Strategy” – Xellum, 20. January 2008].

## **2. Supply and demand in tourist accommodation in South Transdanubia**

It is surely unarguable that the availability of good quality accommodation is a particularly important factor for a thriving health and thermal tourism industry. Other forms of tourism may find basic accommodation acceptable – even appropriate! – but the very nature of Spas and Spa Tourism means that visitors will not be attracted on a rational long-term basis without a degree of comfort at least as high as their own home standards. To prove this, we analysed the number of beds in commercial accommodation in the Region, with an emphasis on the number of beds in hotels, the visitor turnover of hotels and their capacity utilisation over the last five years.

The statistical data over the last two decades (that is, since the change of regime) show that the general touristic position of the Region is continuously deteriorating. The Region is falling behind its competitors, and Regions in a more disadvantaged situation (such as The Great Hungarian Plain) may become stronger than South Transdanubia. The reasons for this slippage are that there were no developments envisaged for the Region which were able to attract FDI and there was also a near-total lack of investment in hotels. More specifically, there is almost no high-quality accommodation (four- and five-star hotels) in the Region. The decline was aggravated by the fact that the traditional, popular destinations - the bath resorts or spas such as Harkány – had lost much of their reputation, whilst new touristic products have not yet been able to develop turnover. In short, we can say, with much regret, that there are no touristic products in the Region able to attract serious visitor numbers.

Paralleling this is the sombre fact that the Southern shore of Lake Balaton (by Hungarian standards, traditionally a very busy destination) is continuously losing its popularity with foreign visitors.

Although some regional products have gained a degree of prestige (the country's first Wine Road, Wine Culture in general, the ECoC programme in Pécs and new baths), they have not had a significant effect on turnover. The reasons must include the poor infrastructure, its peripheral location close to the border and the lingering effects of the Yugoslav Wars.

The table below (*Table 1*) shows the number of beds in commercial accommodation in some of the Region's spas, compared to national and regional data.

**Table 1 Number of beds in commercial accommodation**

Total beds in commercial accommodation (July)					
	2007	2008	2009	2010	2011
<b>National</b>	314,742	302,889	301,873	311,490	304,087
<b>S. Transdanubia</b>	56,626	53,527	50,398	56,141	42,899
<b>Harkány</b>	4,147	4,228	2,932	1,657	1,843
<b>Magyarhertelend</b>	428	216	370	220	220
<b>Selye</b>	125	150	275	104	282
<b>Siklós</b>	56	56	122		
<b>Szigetvár</b>	451	451	451	451	670
<b>Barcs</b>	12	12	12	6	6
<b>Csokonyavisonta</b>	532	282	548	376	699
<b>Igal</b>	443	475	437	428	382
<b>Kaposvár</b>	875	792	953	731	630
<b>Marcali</b>	60	60	60	60	30
<b>Nagyatád</b>	586	586	586	509	184
<b>Siófok</b>	14,041	13,467	12,633	12,400	10,457
<b>Dombóvár</b>	691	686	379	373	344
<b>Tamási</b>	334	334	331	295	325

*Source:* HCSO - edited by Alexandra Flink

The dominance of Siófok as a strong touristic region on the Southern shore of Lake Balaton is clear. Second in ranking is Harkány, whilst the values of the other settlements fail to reach 1,000.

Analysing the trends in the spa sector individually, we see a significant (40%) growth over the last five years in the Region's most important spa, Harkány, the reason for which was a major accommodation-, bath- and hospital development project. However, in percentage terms, the largest change was in Csokonyavisonta where the 2010 figure was almost five times that of 2007.

Table 2 below shows absolute numbers following the percentage figures. The dominance of Harkány and Siófok is again evident with, respectively, 1,434 and 5,092 hotel beds in 2011.

**Table 2 Number of beds in hotels**

Total beds in hotels (July)					
	2007	2008	2009	2010	2011
<b>National</b>	114,227	115,669	118,420	123,518	129,082
<b>S. Transdanubia</b>	18,436	17,490	17,307	16,528	14,735
<b>Harkány</b>	1,010	1,111	1,286	1,348	1,434
<b>Siklós</b>	56	56	56	56	56
<b>Szigetvár</b>	124	124	124	124	124
<b>Csokonyavisonta</b>	32	32	30	158	158
<b>Igal</b>	35	65	28	20	31
<b>Kaposvár</b>	269	269	290	260	210
<b>Marcali</b>	60	60	60	60	30
<b>Nagyatád</b>	175	175	175	164	164
<b>Siófok</b>	7,224	6,613	6,691	6,608	5,092
<b>Dombóvár</b>	96	96	94	103	54

*Source:* HCSO, edited by Alexandra Flink

At national level, visitor turnover in commercial accommodation rose until 2008. There followed a slight decrease before it again reached the 2007 level - mainly due to an expansion in domestic tourism. However, foreign visitors were fewer. Not only did the overall number of visitors to the Region decline, but the Region's actual share of the national turnover behaved similarly.

Although there were some interruptions, the registered number of foreign visitors staying in Hungarian commercial accommodation had grown since the turn of the millennium, but since 2007 national figures have fluctuated. A decade ago the number of foreign visitors exceeded the number of domestic visitors, but since 2002 domestic tourism has been dominant and has continued to grow. The territorial distribution of foreign visitors is highly concentrated, and during the last ten years this characteristic has further developed. The Central Hungary Region (especially Budapest) is the most attractive destination for foreigners among the Hungarian statistical regions. South Transdanubia has suffered the greatest loss, with the number of foreign visitors decreasing continuously since 2007.

At regional level, Harkány has suffered most. Here, the decline in foreign visitors started at the time of the dissolution of the Eastern Bloc and has simply continued. The realignment of visitors by 'sending country' is especially remarkable. For a number of years pre-1990, German families separated by Wall or Curtain had been able to meet on holiday in Hungary very conveniently and economically, a process which culminated in the dramatic events of the late summer of 1989. Post-1990, however, the considerable number of German visitors (from both East and West Germany) declined and the leading position was assumed by Czech visitors, although, inevitably, in much smaller numbers. Current hopes are that groups of so-called "nuclear pensioners" (survivors from Chernobyl) are expected to arrive from 2012 onwards - which may improve the figures, if, that is, the contracts negotiated survive the current financial crisis.

The number of overnights shows similar trends in the shape of the number of beds in hotels, specifically, stagnation at national level and a significant plummeting (23%) in the

South Transdanubian Region. In respect of Harkány, tourist arrivals did not follow the major investments in accommodation, and, in fact, the number actually declined by 9% between 2007 and 2011. The number of overnights increased in Dombóvár-Gunaras (28%) and, slightly, in Marcali (3%) thanks to high-quality hotel services. The most radical slippage in hotel-based overnights can be seen in Siklós (where the numbers for 2011 were only 17% of those for 2007). This problem is likely to be remedied in the very near future by the completion of a hotel building project. A dramatic downturn was experienced in connection with overnights in Igal (64%), in Kaposvár (31%) and also in Nagyatád and Siófok. Their values in 2011 were respectively 52% and 81% of the values of 2007 (HCSO 2011).

Further, 2011 data from the HCSO lead us to conclude that the rate of decline in overnights was lower at national level than at regional. The decrease was more intense than that of visitors to the Region, and so the average length of stay was clearly shortened. Again this can probably be explained by the upsurge in domestic tourism. The growth in commercial overnights can be seen in those places where the number of visitors rose – for example, in Szigetvár and Dombóvár. The number of overnights decreased remarkably in Barcs and Siklós. This would seem to be due to the lack of quality accommodation, which would have deterred visitors to the new, very modern baths from staying. In Siklós a new four-star hotel, with direct access into the bath, will open in March 2012. Interestingly, the financing and management of the 45-room Thermál Spa Hotel, Siklós, is Aquaplus Kft., who are also the long-term, contractual operator of the bath (which itself is owned by the local authority). Building operations of the hotel in Barcs were suspended due to the impossibility of obtaining a bank loan for hotel development; it is only possible by self-financing. The same problem occurred in Marcali, in Somogy County. Even though Igal and Csokonyavisonta have medicinal water of outstanding quality, they are struggling with a similar lack of quality accommodation, whilst a meaningful rise in tourist arrivals and overnights can only be achieved by quality hotel development. Day visitors to a spa's facilities are, of course, hugely important, but one of the basic principles and advantages of Spa Tourism is surely its tendency to attract the 'longer-stay' visitor.

The number of domestic visitors has become more important over the past few years. In respect of overnights, the figures for domestic and international tourists were very similar, as is also the case at national level. However, the number of international overnights decreased more in the Region than in the country as a whole, which is, unfortunately, unique in relation to Hungarian regions. This can be explained by the declining popularity of Lake Balaton among foreigners and the deteriorating performance of the Baranya County centre, Pécs.

The broad distribution of thermal and medicinal waters throughout Hungary has led to the term 'Thermal Hotel' being widely used to describe hotels which are attached to, or incorporate, spa facilities. They are, on the one hand, orthodox hotels, but they also offer associated in-house medicinal treatments of varying levels of sophistication under qualified medicinal supervision. Their formal categorisation is conditional on a government inspection and certification process.

The number of such 'Thermal Hotels' grew from 55 to 62 between 2007 and 2010 over the whole of Hungary (HCSO 2011). The 12% growth, however, is slightly illusory since most of the increase was the result of a reclassification of hotels (mainly from the "other hotels" category).

South Transdanubia was the home to only four of the national 62 Thermal Hotels in 2010, and of the four, three are found in the Region's most important spa, Harkány. Moreover, in 2011 it is expected that all such establishments in South Transdanubia will be located in Harkány only – and will be merely three in number following the withdrawal of



formal recognition from the fourth. This number is disappointingly low when compared to both national and regional statistics, and still not at all can be called competitive.

The number of beds in Thermal Hotels in the Region did, in fact, rise, with more than 14,000 guests spending more than 41,000 nights in these establishments. Based on this, the average length of stay is not quite 3 days - a little below the length expected, as tourists in this sector generally spend more time on treatments). On the other hand, the total numbers of visitors, of foreign visitors, of overnights and of international overnights all declined in the Region (HCSO 2011). In 2010, 91.5% of South Transdanubia's Thermal Hotel guests lodged in Harkány, and 92% of the overnights were also spent there. This shows the lack of quality accommodation in the Region as a whole.

It scarcely needs to be said that there should be early, concrete developments if the Region wishes to position itself more advantageously in the national and international Thermal and Wellness Tourism market.

In this current paper analyzing the tourism opportunities in South Transdanubia we essentially tried to prove that, based on the recognized potential of thermal tourism, the general economic performance capacity of regions can be improved and their competitiveness increased with the help of appropriate tourism policy and funds spent on the development of tourism infrastructure.

As a result of our research analyzing the capacity of the South Transdanubian medicinal Spas and related accommodation selection we were able to draw a few conclusions:

- In Hungary the poor availability and accessibility of the related data make it difficult to investigate conditions in the medicinal baths and, consequently, to offer any development concepts. Not only are the managers of certain individual baths unwilling to give any insight into their performance data, but the database of the Hungarian Central Statistical Office is inconveniently structured in respect of the individual baths. There is an official form of the HCSO targeting data collection concerning medicinal spas, but it is far from a complete picture, and it is even unclear which spas have provided data and which are not included in the aggregated results at county level. This makes it most difficult to comprehend, analyse and compare data at local and regional level. Collecting and sharing industrial data among the stakeholders would provide new opportunities for development co-operation within this particular segment. Networking and clusterization would co-ordinate marketing activity among the spas, would help to organise further training and find market niches providing unique, specific development potential for all the spas of the region. For this, the continuous provision of data would be in the common interest of all co-operating units.
- To provide higher profits in the South Transdanubian medicinal spa segment it is essential to establish quality accommodation facilities - preferably directly attached to the baths themselves, since operating and maintaining medicinal baths are rarely profitable. High quality, four-star hotels connected to the spas with differentiated supplementary services would attract the more demanding visitors with relatively high levels of disposable income into the region.
- The obligatory involvement of local authorities in running and operating the spas is a great problem as, in most cases, these results in the lack of an innovative and profit-centred management approach. The reasons for this are seen in inadequate business expertise and in inefficient operational practice. The lack of funds is also a general problem which hampers the development of the spas, even in providing the necessary self-financing element for EU development projects. The local authority-related management in most cases has a negative influence on development planning - both due to the "exchange- economy" of the four-year election cycle and to a lack of recognition of the need for co-operation of the individual

local authorities. It should be noted that there are new, modified local authority laws which, in time, may provide some degree of change in respect of medicinal spas operated by local authorities, but what those changes might bring about is, as yet, quite unpredictable, as is the time factor.

However, if we are to obtain a realistic image of Health and Wellness Tourism in South Transdanubia, a brief examination of the competition would be useful. For this we decided to look at our neighbouring cross-border Region in Austria – the Burgenland. This region is appropriate for comparison purposes for a variety of reasons:

1. It is a somewhat artificial region, made up of what was earlier known as German West Hungary and incorporated into Austria by local, popular action post-WWI;
2. North and South Burgenland differ topographically;
3. Villages dominate the settlement structure (“Land der Dörfer”);
4. It is very much a border region;
5. It is a remarkably diverse region in both ethnic and religious terms;
6. Health and thermal baths have a tradition, but active development in the sector is quite new;
7. For this relatively disadvantaged region of Austria, EU subsidies have been available and major bath developments have been carried out with their support.<sup>1</sup>
8. Had we used another Hungarian Region for comparison purposes, it would almost certainly have been affected by national economic trends and problems as much as our base Region of South Transdanubia. Burgenland would be relatively insulated. The current situation in Hungary clearly justifies this decision.

We would emphasise Point 7 since, unlike the South Transdanubian situation, a considerable upsurge was seen in Burgenland as a result of these developments. The obvious question arising is, of course: how can a region with a lower population and territory but, otherwise, with near-identical conditions exploit its possibilities so much better?

The table below (*Table 3*) shows the results of these developments.

**Table 3 Number of overnights and the regional share from the national number by NUTS 2 regions**

		2006	2007	2008	2009	2010
<b>Burgenland</b>	<b>Number of overnights</b>	2,576,448	2,699,592	2,807,910	2,865,757	2,910,172
	<b>As % of national total</b>	2.16	2.22	2.22	2.31	2.33
<b>South Transdanubia</b>	<b>Number of overnights</b>	2,258,464	2,281,133	2,268,607	2,075,975	2,040,831
	<b>As % of national total</b>	11.49	11.33	11.36	11.10	10.44

*Source:* Edited by Alexandra Flink from data of the Hungarian and Austrian Statistical Offices and Eurostat

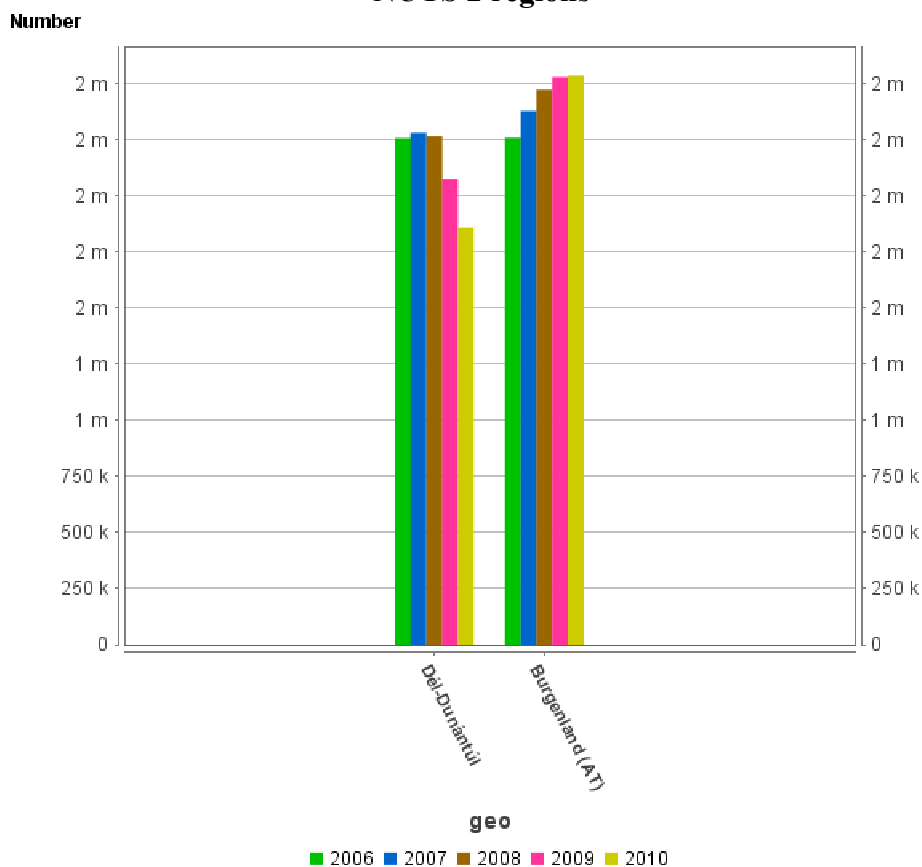
Whilst Burgenland accounted for 4.72% of the population of Austria and a mere 3.39% of its territory in 2010, the South Transdanubian region is significantly larger (15.2% of Hungary’s

<sup>1</sup> According to the paper of Palkó, K.: Mesterségesen létrehozott területi egység – regionális identitás (?) Burgenland példája. [Artificially Created Territorial Unit – Regional Identity (?) the Example of Burgenland.]

territory and 9.5% of its population). The population of Burgenland is, also, quietly increasing, whilst that of South Transdanubia, is in steady decline.

In terms of relative and absolute numbers of overnights spent in commercial accommodation, Burgenland has also been growing and the global financial crisis did not halt the process. On the other hand, in South Transdanubia the decrease is continuous apart from the year 2006/2007, and, further, the effect of the crisis can be seen in the data for 2009. This can be seen on the graph (*Figure 3*) below.

**Figure 3 Nights spent by total in collective tourist accommodation establishments, by NUTS 2 regions**



Source: Eurostat

**Table 4 Average length of stay (nights)**

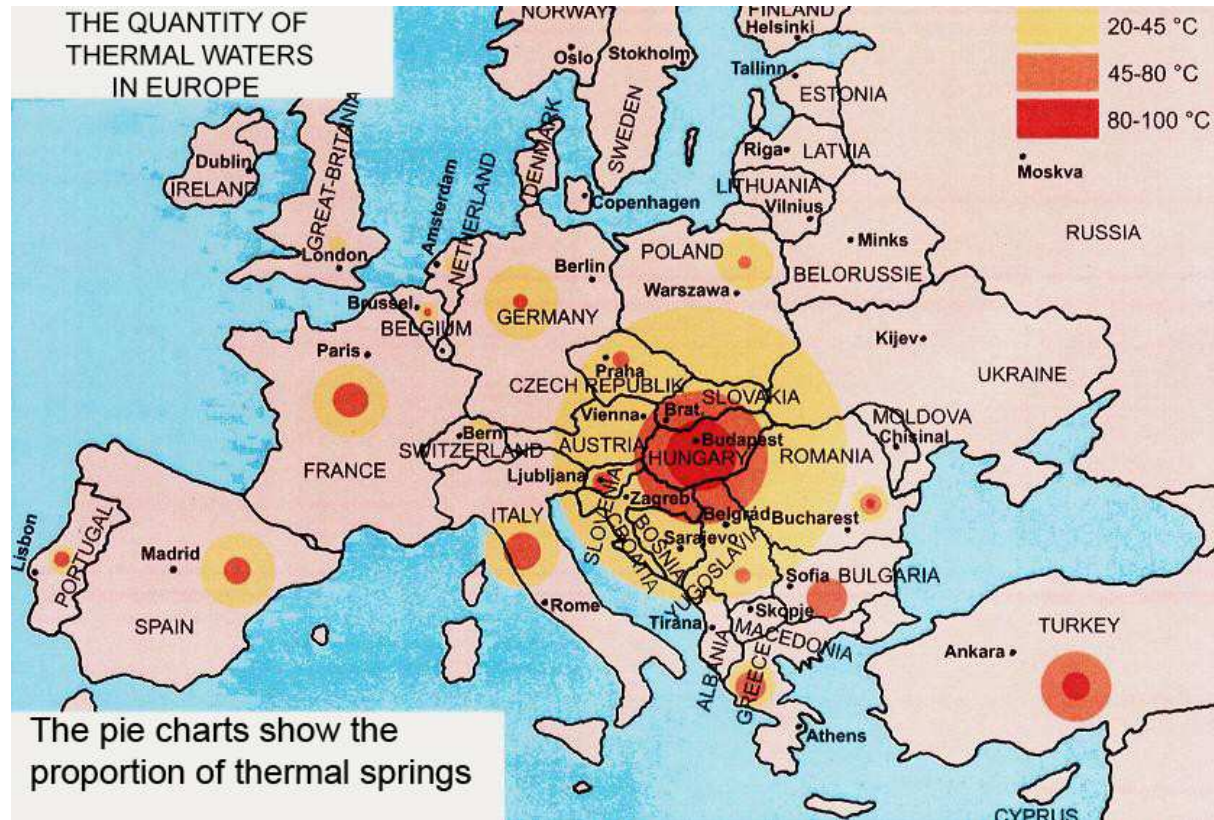
	2006	2007	2008	2009	2010
<b>Austria</b>	4.0	3.9	3.9	3.8	3.7
<b>Burgenland</b>	3.3	3.2	3.2	3.2	3.1
<b>Hungary</b>	2.7	2.7	2.6	2.6	2.6
<b>South Transdanubia</b>	3.0	2.8	2.8	2.8	2.7

Source: Edited by Alexandra Flink from official Hungarian and Austrian Statistics Offices data - and Eurostat

Due to a transformation of the demand side (cutting travel time in order to see more) the average length of stay has shrunk both in Austria and in Hungary, but, unfortunately, in terms of this indicator, Hungary also lagged behind at regional and national levels (*Table 4*).

Looking at the map (Figure 4) below it can be seen that Burgenland is similar to South Transdanubia in respect of its thermal waters, and so the explanation for the weaker situation in Hungary cannot lie there.

**Figure 4 The quantity of thermal waters in Europe**



Source: [http://pctrs.network.hu/clubpicture/1/7/3/ /thermalvizek\\_europaban\\_1073648\\_6009.jpg](http://pctrs.network.hu/clubpicture/1/7/3/ /thermalvizek_europaban_1073648_6009.jpg)

We have, naturally, considered possible reasons for the better position of Burgenland:

- Better accessibility, a more developed road system and a location closer to the capital;
- Better cooperation between the baths, an integrated website for the baths, providing comprehensive information in one place;
- More efficient marketing communication – which presumes a regional identity, a cohesive force which is missing in Hungary;
- Tourism is a “pull-sector” in Burgenland, one source of the identity creation and one of the region’s image; (Die Sonnenseite Österreichs=The sunny side of Austria);
- There is a clear attempt to develop a bathing tradition and so the slogan “Thermenland Burgenland” (Burgenland Spa-region) is now consciously used as a name to strengthen the image: the various baths offer a wide range of services without creating competitors, but use the strategy of ‘co-opetition’ (compete with cooperation) to display the total supply;
- Other tourism-related activities in Burgenland complement health and wellness tourism (e.g. cycling-tourism, eco-tourism in the area of the Neusiedlersee and wine tourism).

### 3. General Conclusion

Hungary in general and South Transdanubia in particular face a dilemma. The economic situation in Hungary is poor, and future prospects (both short- and medium-term) are no better. The funding available for investment in development in this sector is, likewise, limited at best, and even projects with major EU participation (such as the renovation of Harkány) will not appear on the table in the near future due to the uncertain relationship between the country and the EU. In other words, there will probably be little or no funding for improvement or updating for some years to come. This will not affect the Burgenland to any similar degree in that an active and profitable region and sector will continue to invest and market – and, most likely, to widen the gap still further.

A serious shortfall in funding in this competitive sector can only be countered by a strong presence of the ‘intangibles’: these would include educated entrepreneurship, innovation and cooperation within the sector – all as displayed by our Austrian counterparts within the Burgenland. Moreover, in terms of experience and cultural inclinations in the history of tourism in the area, there are similar grounds for concern.

It may be that, given no basic changes for the better in the next very few years, there may be return a cycle resembling the ‘70s/’80s period in which a lower-cost Hungarian spa-tourism sector will retain a domestic market and cater again mainly for budget-conscious foreign visitors. It is not easy to see beyond this since, not only does Hungary need to cooperate internationally in this field, but other issues of international (and especially EU) relations need to be settled in a positive way.

Clusterisation and networking – that is, a serious level of cooperation - frequently bring innovation and success in their train. This has been proved by Austrian experience. The TOURMIS data-gathering and sharing cooperative process which covers city destinations in Austria and also in Europe has had excellent results. It would also be a first-class tool for Burgenland spa-operators to apply to enhance the cooperation already started by them in the common interest by creating together an outstanding image of the region and of the sector. It is also worth adding that Slovenia, the Burgenland’s southern neighbour (which has a common border with Hungary also) is forging ahead with the development of its own Thermal and Medicinal Spa sector, along similar lines. The geographical location in relation in particular to Croatia and Hungary foreshadows a further wave of high-level competition in the not-too-distant future. It is the authors’ contention that, in this distinctive field of activity, the entire Central European region, through individual nations and regions down to single spa destinations would benefit from fuller and more open cooperation.

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