

Serbian spa tourism and possible ways of it`s development



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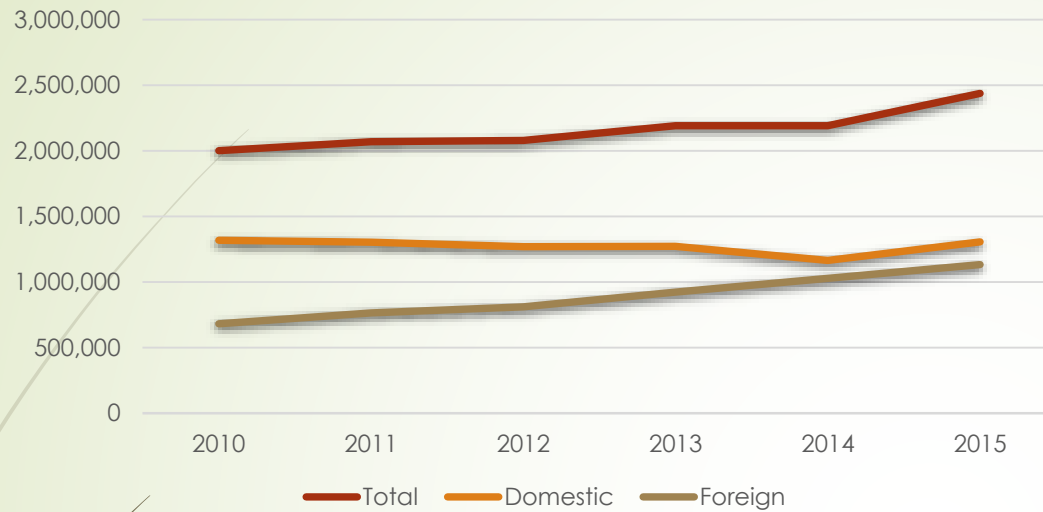
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Round table „Former and future Palic Spa“, Palic – Serbia, 02 – 03.12.2016.

*Data sources: “Statistical yearbook 2015”, Statistical office of the Republic of Serbia



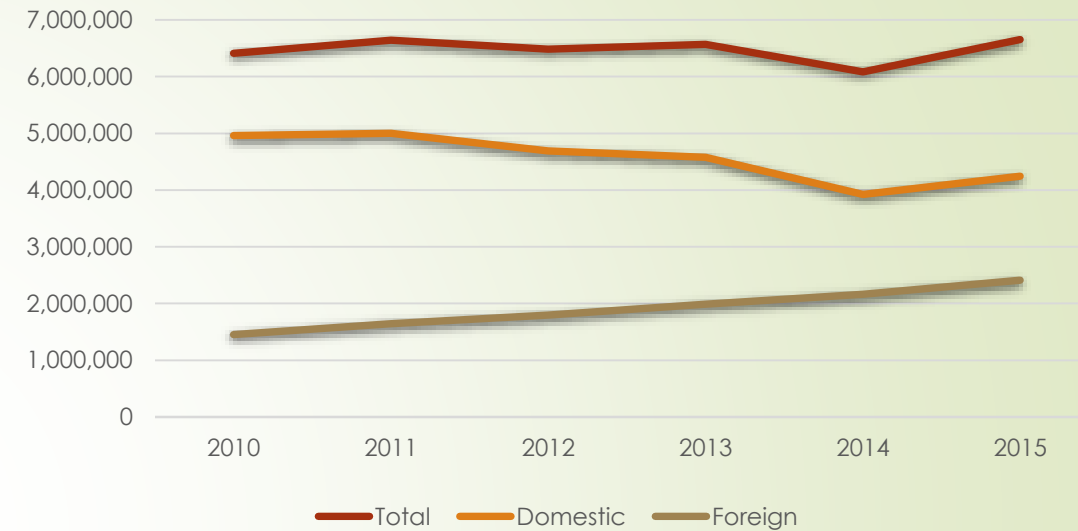
Total tourist`s arrival 2010 - 2015



Tourist`s arrival 2015 / 2014.

Total tourist`s arrival rise up 11,2%.
Rising domestic arrival was 12,2%.
Rising foreign arrival was 10,1%.

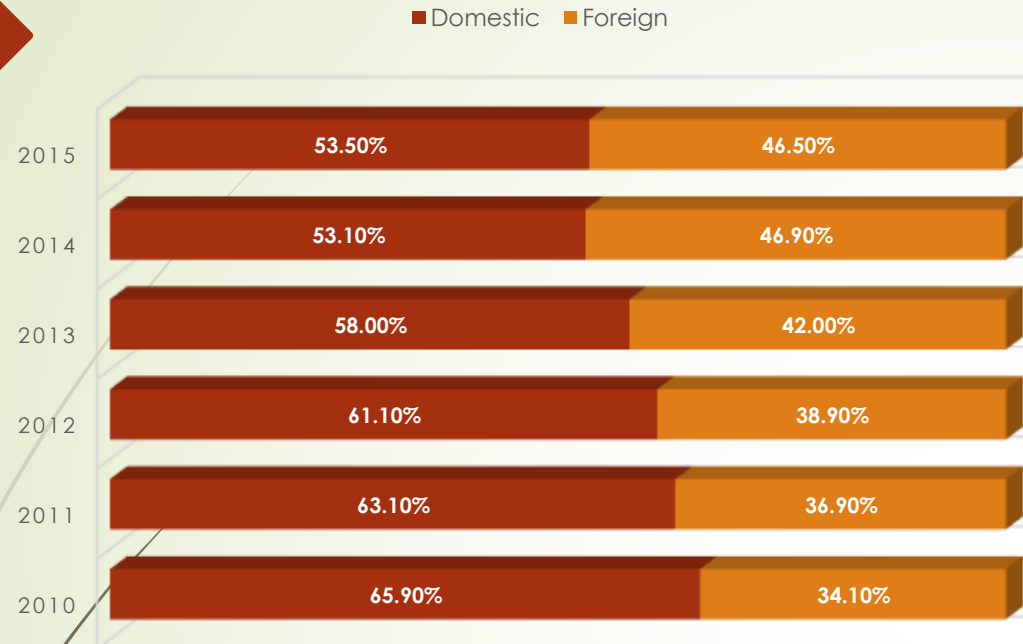
Total overnights 2010 - 2015



Overnights 2015 / 2014.

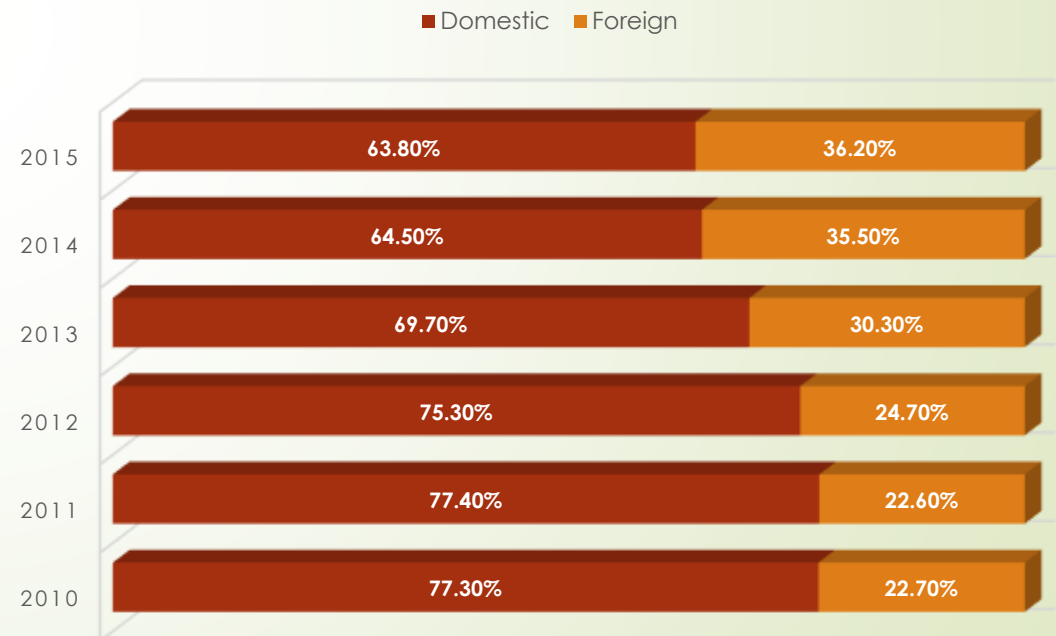
Total overnights rise up 9,3%.
Rising domestic overnights 8,1%.
Rising foreign overnights 11,5%.

The share of domestic & foreign arrival 2010 – 2015.



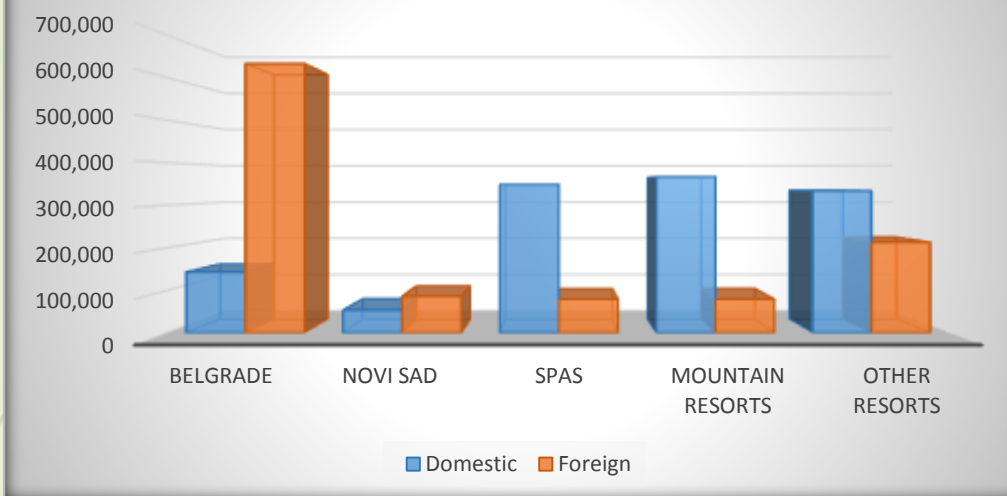
The share of foreign tourists was approaching half the total number of arrivals. The reason is the arrival of foreign tourists in the city centers (particularly Belgrade) and a large share of business tourism in this segment. However, domestic tourists continued to make average longer stay. For longer stays of domestic tourists, has a major influence stays in spas.

The share of domestic & foreign overnights 2010 – 2015.





TOURISTS ARRIVAL BY TYPE OF TOURIST RESORTS



Rising of total arrives relative to 2014:

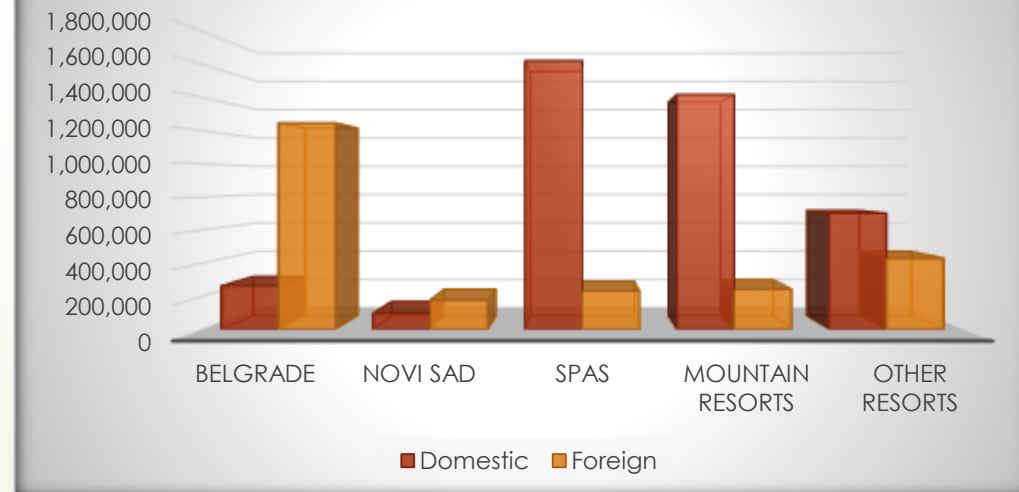
In spas totally 10,6%, domestic 7,7%, foreign 25,8%
 In Novi Sad totally 6,8%, domestic 15,6%, foreign 2%
 In Belgrade totally 7,7%, domestic 2,6%, foreign 8,9%
 At mountains totally 19,7%, domestic 21,6%, foreign 11,8%

Rising of total overnights relative to 2014:

Spas – totally rising of 0,1%, domestic fall 1,6%, foreign rise 14,7%
 Belgrade – totally rising of 12,9%, domestic 13,4%, foreign 12,7%
 Novi Sad – totally rising 2,9%, domestic 10,3%, foreign fall 0,7%
 Mountains – totally rising 17,7%, domestic 18,6%, foreign 12,7%

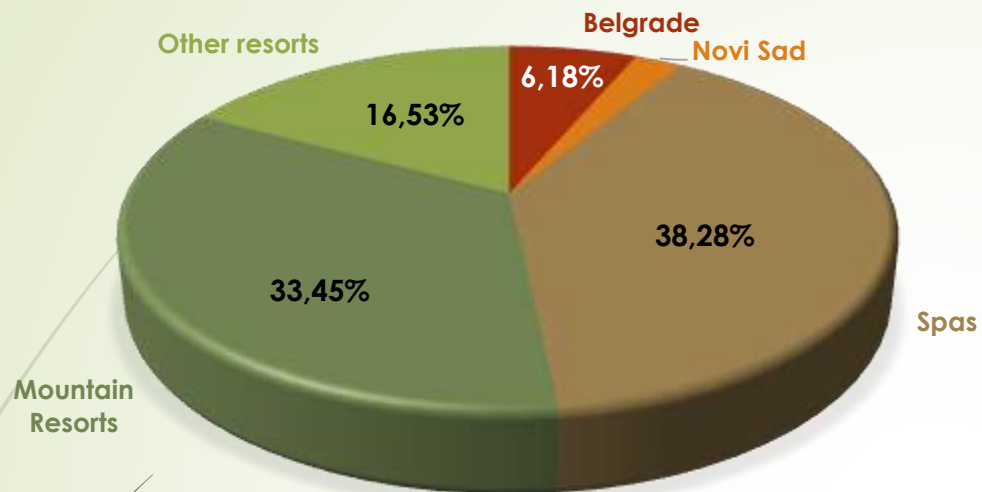
We are especially looking forward to a substantial increase in foreign tourist arrivals in spas of Serbia. This is an indication of raising the level of services in health tourism, with a standard high level of medical services.

OVERNIGHTS BY TYPE OF TOURISTS RESORTS

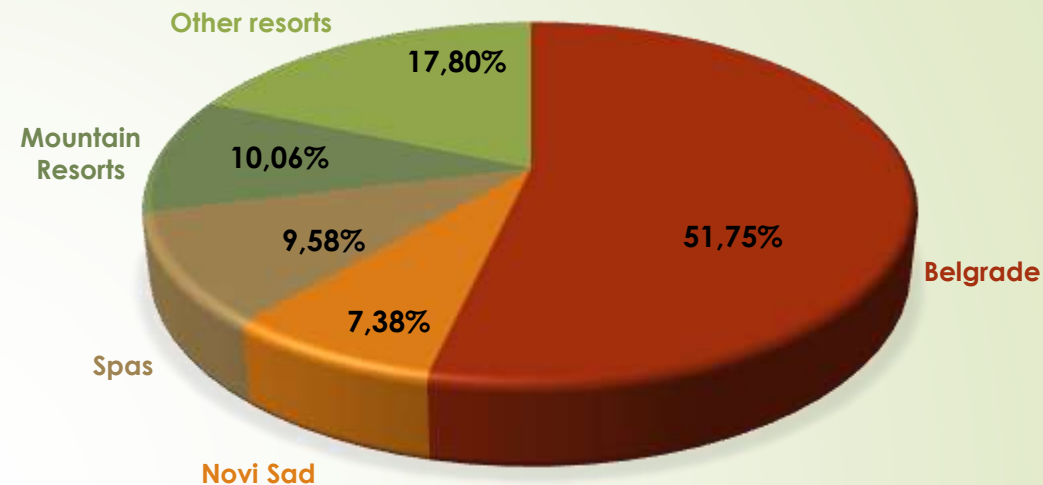




DOMESTIC OVERNIGHTS SHARE BY TYPE OF RESORTS



FOREIGN OVERNIGHTS SHARE BY TYPE OF RESORTS

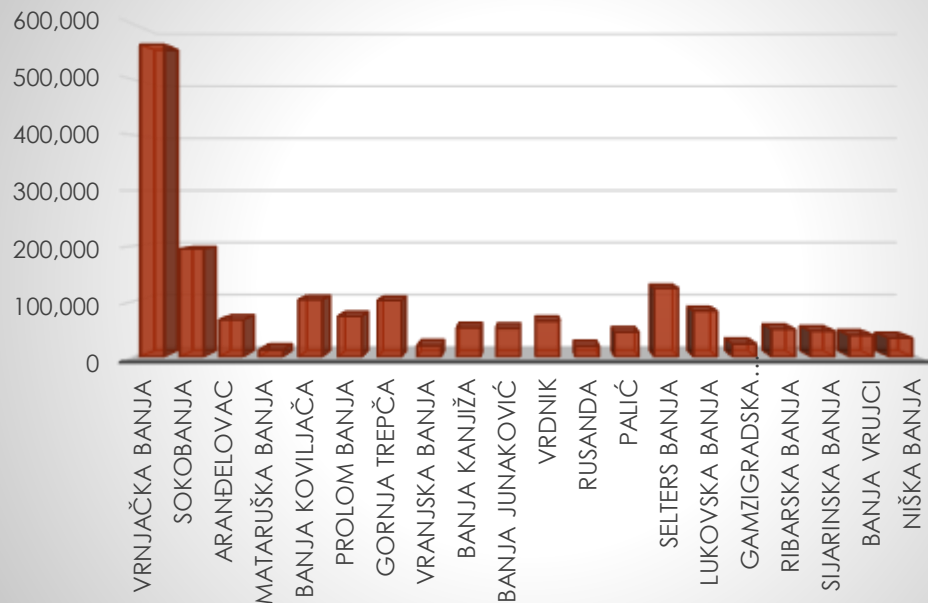


Spas in Serbia are still the most preferred destination for domestic tourists, but it should be noted that 5 years ago the participation of spas in the total tourist traffic was almost 50%. One reason is the loss of the number of beds in spas in the last 7 years from 17,304 beds, or 43%. Competent would have to seriously address the reasons for these losses. One of the reasons is the failure to privatize capacity in spas, for which we are permanently lost 5,527 beds, and a large number of jobs. Examples of this are found in Vrnjačka and Sokobanja, Banja Koviljaca, Mataruska spa, Niska Banja spa, ...

When it comes to foreign tourists, Belgrade is by far the most visited, with more than half of overnight stays by foreign guests. With just under 4% a few years ago, spas were closer to double-digit share in the total tourist traffic of foreign tourists.



Overnights in Serbian spas - 2015

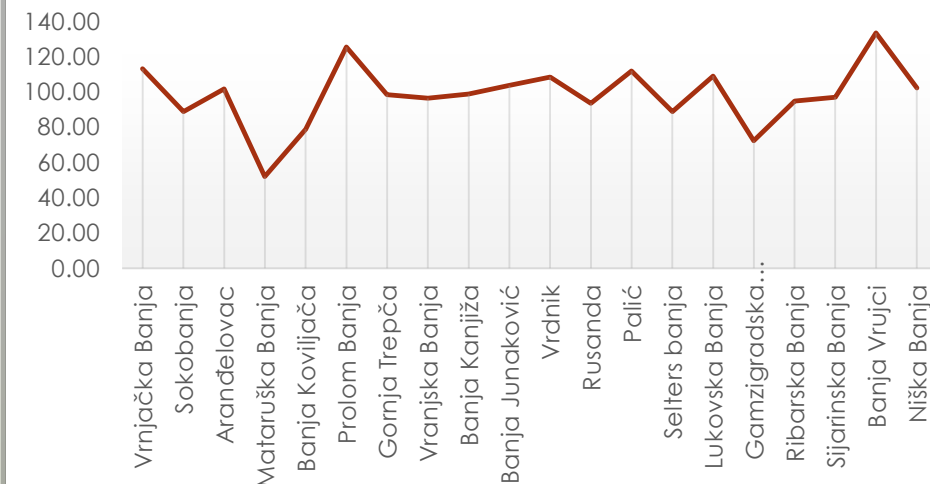


Regarding to spas, Vrnjačka Banja is achieved nearly 40% of all overnight stays in knowledge, in spite of the fact that the HTP Fonatana with 800 beds in bankruptcy. The largest increase in overnight stays had Prolom Banja (25.3%), followed by Vrnjačka (13.1%), Palic (11.8%), Vrdnik (8.40%), and Junaković (3.6%). Most spas has achieved an increase in overnight stays by foreign guests. Leading Palic (60.7%), Lukovska (56%), Selters (41%), Rusanda (35%) and Banja Junaković (32%).

A drastic drop in overnight stays in Mataruska Banja (48%) is the result of years back unsolved status. I want to mention that on the list of spas gone Kursumlijska and Zvonacka spa, and air spa Zlatar. With the previously mentioned loss of beds in spas, the solution of this problem see as a priority in the further advancement of medical tourism.



Total overnights in spas relative to 2014.



Suggestions from Serbian Spas Association regarding the possible ways of Serbian health/spa tourism development



1. Put into operation accommodation facilities in spas, which now does not work. The ownership structure of these capacities is majority state. The rest is in bankruptcy. Due to the current situation in which they find themselves, we suggest stimulating the sale to investors (free of charge), with the condition prohibiting a change of activity. The capacities which are state-owned, fashion be offered to investors as a founding stake of the state.
2. Health institutions in Serbia spas, which have problems in business, privatized with the PPP model. The best model is the "white and blue cloak." Country to maintain the majority of ownership, employees and medical part, and the private sector to invest in accommodation capacities and accompanying contents.
3. Health institutions in Serbia spas that do not have problems in business, leave the fully state-owned, and in the network of health insurance.
4. Health tourism to declare the strategic tourism (maybe total export) product of Serbia, with the improvement of transport and municipal infrastructure.

Bed capacity in Serbian spas out of order



Municipality	Name of the object	No of beds	The owner
Vranjska Spa	"Железничар"	120	"Želturist"
	Недовршен објекат	200	у току је судски спор
Kursumlija	СБ за рехабилитацију "Жубор"	244	РФ ПИО
	Вила "Милица"	50	Синдикат општине Звездара
Vrnjачка Spa	"Железничар"	97	"Želturist"
	"Фонтана"	450	ДП "Фонтана" у стечају
	"Звезда"	250	ДП "Фонтана" у стечају
	"Бели Извор"	100	ДП "Фонтана" у стечају
	"Слобода"	200	ДП "Фонтана" у стечају
	"Борјак"	436	НН
	"Нова Звезда"	400	ДП "Фонтана" у стечају
Raska – Josanicka Spa	Хотел ван функције	370	РФ ПИО
Loznica – Koviljaca Spa	"Подриње"	160	стечај
	"Гучево"	210	стечај
Niska Spa	"Србија"	120	Delta matic Promenada Palace
	"Озрен"	120	Delta matic Promenada Palace
	"Партизан"	132	Delta matic Promenada Palace
Sokobanja Spa	"Турист"	120	У стечају
	"Здрављак"	510	У стечају
	"Сунце"	280	НН
Zajecar – Gamzigradska Spa	"Каструм"	150	У стечају
Nova Varos	Спец. болница "Златар"	350	РФ ПИО
Mataruska Spa	Хотел "Термал"	250	ДП "Матарушка и Бог. Бања" у стечају
Bogutovacka Spa	Хотел "Минерал"	208	ДП "Матарушка и Бог. Бања" у стечају
Total No of beds out of order		5.527	

Losses due to the devastation of capacity



- ▶ Data from the Republic Bureau of Statistics indicate a constant loss of beds in spas of Serbia. According to them, **in the last seven years (2008 - 2015) our spas have lost of 17,300 beds, or 43%**. The reasons are numerous, absolutely unsuccessful privatization of hotels, leads to the lack of interest of investors to the newly built hotels to put in function. But regardless of the reasons for neglecting health - tourism facilities that have used strategic natural resource (curative factor), or are located in its immediate vicinity, one can say that it is in no way justified by neglect.
- ▶ The degree of negative impact on the local community caused by this kind of attitude is also different from city to city. From completely destroyed site (Kuršumlijska spa, where there are no more inhabitants), through the loss of a hotel-type beds (Niska Banja, Mataruska i Bogutovačka spa, Jošanička spa, Vranjska Banja, Gamzigrad), to a significant loss of the number of beds in large tourist destinations (Vrnjačka Banja, Sokobanja and Banja Koviljača). In addition to large financial losses (and state and local government), we should mention the social and economic momentum - loss of jobs, especially since most of these spas in economically underdeveloped municipalities. These, and other examples of accommodation facilities in spas, which are outside the functions. **They were a total of at least 5,527!**
- ▶ Lump sum estimated direct financial losses annually, according to the parameters that the average occupancy rate of 50%, the average cost of stay with full board 3,200 RSD, and the average stay tax of 60 RSD are:
 1. Lost of **ONE MILLION overnights (14% of the total overnights in 2014.)**, caused income not earned from **mild 3.2 RSD (26 million Euros)**.
 2. Loss of local governments on the basis of residence tax is about **60 million RSD (nearly half a million Euros)**.
 3. If we accept that the share price of food in the full board accommodation is 30%, then the state budget remains more empty by 205 million RSD (VAT 10%) and 160 million RSD (VAT 20%), a total of **365 million RSD!** Loss increases for millions of amounts that would be poured into the state budget on the basis of taxes and contributions from salaries. The ratio of number of employees and number of beds in accommodation facilities of health tourism is at least 50:50, so we can say that the **number of jobs lost at least 2,700.**

Health institutions in Serbian spas

general remarks

- Spas in Serbia has 25 health institutions, owned by the state.
- Most of them represent the Spa for themselves, while some of them (Vrnjačka, Sokobanja, Koviljača, Niška Banja, ...) are located in a tourist destinations.
- These institutions, except diagnostic and therapeutic block, has significant accommodation facilities, as well as accompanying facilities (wellness).
- They has about 7,000 beds, half of which are in the "network of health insurance." The rest of the beds are on the free market, i.e., filled with commercial guests.
- Health Insurance Fund of Serbia every year establish the "network plan" for medical rehabilitation. Network Plan covers costs of medical rehabilitation and the number of beds (on a daily basis), which is funded by the Fund for each of the spa.
- These institutions are indirect beneficiaries of the budget, that is, the state does not pay the costs of routine maintenance, investment and wages of employees.
- Medical rehabilitation in spas in Serbia, costs just 1.58% of the budget of state health insurance fund. For that money, this institution every month send to work back between 8,000 and 10,000 people!



Serbian Spas Association regional activities regarding to health tourism development



Balkan Spa Summit

- 2011 Bulgaria
- 2012 Turkey
- 2013 Serbia
- 2014 Croatia
- 2015 Slovenia



Forming a BalkanSpa Institute



BalkanSpa Institute



Mission of the BalkanSpa Institute



BalkanSpa Institute mission is a multidisciplinary and includes:

- Improvement of methods of prevention, relaxation and medical rehabilitation in the Balkan spas, through clinical and experimental research,
- Promotion of the use of natural healing factors in the process of prevention, relaxation and medical rehabilitation in the Balkan spas.
- Spa classification and introduction of standards in spa services.
- In the field of health tourism, to collect all of the common ethnic components of the Balkan countries (traditions, culture, gastronomy, music, customs and certificates tumultuous history) profiling them, and put into use the definition, creation and promotion of new tourist product in Europe - Balkan spas. This process will be succeed if we follow all the quality programs of relaxation, prevention, and rehabilitation in our salvation, “packed” in an authentic and intriguing tourist package, and show the rest of the world why we are unique. And why we are together.

How to realize our mission?



BalkanSpa Institute will divide his activities at medical and non medical fields, with very closely and constant mutually cooperation.

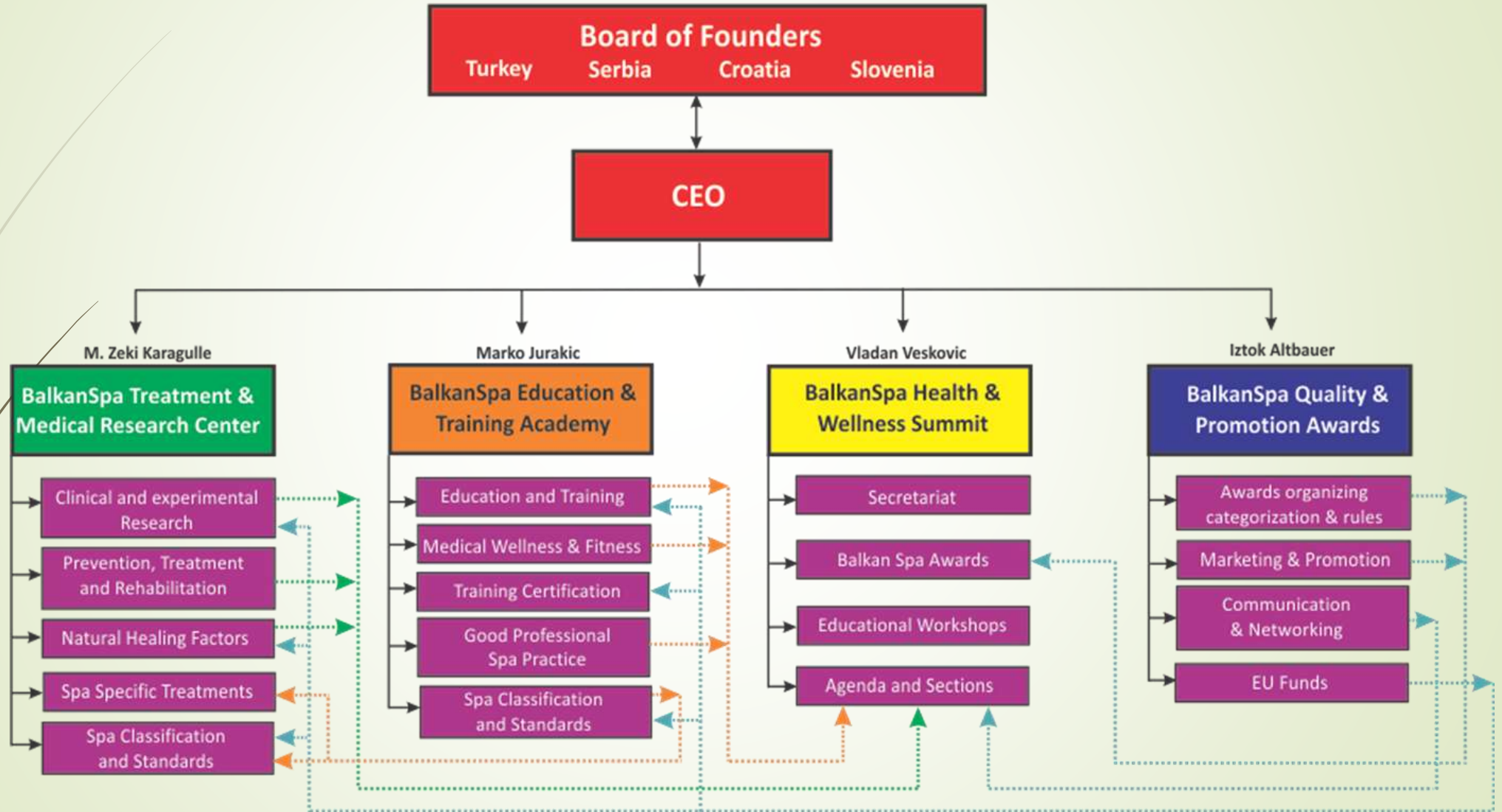
❑ The **four main activities** are:

1. BalkanSpa Treatment & Medical Research
2. BalkanSpa Education & Training
3. BalkanSpa Health & Wellness Summit
4. BalkanSpa Quality & Promotions Awards

❑ For realizing every of this four activities BalkanSpa Institute has a **expert center**, with responsible team leader.

❑ Every interested country, should have at least one member in every expert center.

Organization scheme of the BalkanSpa Institute





Thank you for your attention!