



It's history now...

As a result of the collapse of the Berlin wall and the opening of the Hungarian borders, and thanks to an increased international media interest, interest in Hungary has grown considerably. Hundreds of thousands of tourists have come to visit Hungary to see for themselves what is left of so-called "goulash communism".

At the beginning of the 1990's tourism in Hungary underwent a fundamental change: the profile of incoming tourists changed, and the formerly dominant number of tourists from Eastern Europe fell significantly. Tourists from Hungary's former origin countries (the ex-socialist block) preferred to go West, while keen interest was shown from other markets. Lake Balaton is no longer a meeting place for divided German families, and the demand for higher quality services, accommodation and programmes has grown. In the wake of these factors service providers have learnt a new approach, placing much greater emphasis on sales and customer-related marketing.

Hungarian citizens have obtained a world passport, and many of them have visited the Mediterranean, while the wealthier have travelled to the USA, Thailand, and the Caribbean.

The incredible boom of the early nineties was followed by development of a different nature, and the priorities of tourist management also changed. Rather than mass tourism, quality was focused on, and the aim of the tourism sector was to increase the length of stay and the tendency to spend. Many investments were started in health and convention tourism, with cultural tourism, gastronomy and wine tourism playing a leading role. The range of things on offer was enriched with more and more large events: in addition to the Budapest Spring Festival and Formula 1, several hundred cultural and sports events over the country attracted visitors. These all served to dilute the concentration of tourism, both in time and in space. In parallel with the consolidation of the Hungarian economy the effective demand of the population increased, leading to an increase in the proportion of domestic tourism, which has won back its former prestige.

At the end of the 1990's many hotels started in Budapest, while four and five star hotels (luxury hotels and stately homes) opened outside Budapest too. The importance of tourism to the economy was increasingly widely recognised, and investment in Hungarian tourist concerns became attractive to foreigners too. During privatisation many hotels and part of our hotel chains went to international investors, the large multinationals on the Budapest

hotel market and many travel agencies with memorable names appeared. From the end of the 1990's attractions were continually developed, and new health tourism, wellness and conference facilities opened.

Educational institutions recognised the need to train professionals for tourism, and all over the country courses and post-graduate training started in colleges and universities. On these courses students were able to gain both theoretical knowledge and practical experience in diverse organisations of public administration related to tourism management, and in regional marketing, in hotels or in travel agents.

Hungarian tourism management has undergone several changes. The Hungarian National Tourist Office (*Országos Idegenforgalmi Hivatal*) became the Hungarian Tourist Service (*Magyar Turisztikai Szolgálat*), then in 1996 the Hungarian National Tourist Office and later on the Tourism Secretary of the Ministry for Industry and Trade. Since 1996, as a result of the ministries being restructured several times, the location of the state management of tourism has changed on several occasions. Since July 2003 management of tourism has been carried out by the Tourism State Secretariat of the Ministry of the Economy and Transport. The Minister for Economy has set up an advisory body called the National Board of Tourism, and since 1996 current issues in the sector have been debated on Parliamentary Open Days and in the Board of Tourism in Parliament. The executive committees for tourism has been replaced by regional tourist boards and regional marketing directorates and project offices, and the number of Tourinform offices has risen to exceed 100. The number of Hungarian tourist representations operating abroad has steadily increased, and at the same time countries favoured by Hungarians have targeted the Hungarian travelling public by opening information offices in Budapest.

Our most important origin market continues to be the German-speaking countries – Germany and Austria – while the number of incoming tourists from Italy, the Netherlands, United States of America (USA), Japan, the UK, Spain and Belgium amongst others, has significantly increased. In parallel with this, domestic demand has also risen markedly.

At the beginning of the 21st century, tourism faces new challenges. The record number of visitors in the millennium was followed by a more austere year: fear of terrorism, the economic recession and general uncertainty fundamentally changed the map of world tourism, although with adequate management of the problem we can remain competitive even as a member of the European Union.



Tourism in Hungary 1990-2002

We must now plan in the long term, and restructure the strategic framework conditions for tourism. But these remain to be seen...

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