

## A LITERATURE REVIEW ON TOURISM INFRASTRUCTURE INVESTMENTS AND THEIR IMPACT ON TOURISM DEVELOPMENT

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### ABSTRACT

*This research paper provides a detailed analysis of the impact of investments in tourism infrastructure on the development of the tourism sector, through a review of the existing literature. Investments in infrastructure are essential to attract and retaining tourists, and this study highlights how various forms of infrastructure, such as transportation, accommodation and recreational facilities, influence both the tourist experience and local economic development. Additionally, the article examines the challenges encountered in implementing these investments, including long-term sustainability and the necessary balance between infrastructure expansion and the protection of natural resources. The methodology used includes a critical review of previous studies that highlights the different theoretical and empirical approaches used to evaluate the effects of investments. The conclusions emphasize the need for integrated and sustainable management of the tourist infrastructure, which allows tourist destinations to maintain their long-term competitiveness while ensuring the balanced development of the host regions.*

**KEYWORDS:** *economic impact of tourism, investment, tourism development, tourism infrastructure.*

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### 1. INTRODUCTION

In a global context where we notice a sustained increase in international visitors, the need to ensure adequate infrastructure becomes a pressing issue for any tourist destination. Problems such as accessibility and the general experience of tourists put pressure on the development of some elements of tourist infrastructure, such as transport, accommodation facilities, food services, and also digital technologies, since all these elements count for the attractiveness and sustainability of tourist destinations.

The purpose of the specialized literature review is to identify the main elements that differentiate an investment in tourism infrastructure from one in the tourism sector. Thus, our objective is to reveal how each of the two investment categories contributes to the development and long-term success of tourist destinations. We consider this delimitation important because it can help us distinguish between the effects of physical investments, such as roads, airports, accommodation facilities, and the effects of more intangible investments, such as marketing campaigns, the level of professional training, on the overall tourist experience but especially on the local economy.

Investments in tourism infrastructure play an essential role in stimulating economic development and increasing the number of visitors to a destination. Studies show that when properly managed, these investments can bring significant benefits, such as job creation and increased local revenues.

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(UNWTO, 2023). However, research suggests that under certain conditions, infrastructure can reach a saturation point and the positive effects may decrease if sustainable strategies tailored to the specific needs of the region are not implemented (Zhang & Cheng, 2023).

When we talk about tourist infrastructure, we refer to a material, physical base that serves as an element to facilitate access and contributes to the comfort of tourists. Studies in the field (Gunn & Var, 2002; Buhalis, 2000) indicate that investments directed to physical infrastructure are intended to contribute to attracting a greater number of tourists, providing accessibility and the necessary services at the destination. The more developed the infrastructure, the greater the coverage area of tourist activities, the offer becomes more diversified and therefore, opportunities are created both for mass tourism, but also for niche tourism, characterized by specific preferences and expectations on the part of visitors.

Modeling and expanding the field of tourism can only be achieved by making the necessary investments. When we talk about investments in tourism infrastructure, the effects are quickly visible, but when we talk about investments for the development of the tourism sector, the effects are not so quickly evident. The latter means promoting and training the human resource, with a significant contribution to shaping a positive image of the destination that ultimately translates into long-term satisfaction from tourists (Hall & Page, 2014). Only through a synergistic effect of the two types of investments can a real and sustainable contribution be made to economic growth, diversification of local economies, and increased competitiveness of tourist destinations, which today compete in a global market.

As a result, the specialized literature review will highlight the distinct impact of each type of investment with effects on the level of tourism development, with the aim of providing an overview of how the infrastructure and development of the tourism sector both contribute to the achievement of destinations attractive, sustainable, and competitive. The function of transportation infrastructure, hospitality, and cultural amenities, as well as their influence on the increase in tourism and the improvement of the social and economic circumstances of the targeted regions, will be thoroughly examined. Because well-managed infrastructure can support destinations' durability in the face of ecological and economic problems, as well as their appeal, the research will also address the significance of sustainable management of these investments. Therefore, the purpose of the article is to present a thorough understanding of how infrastructure investments in the tourism industry could result in long-term advantages for the growth of tourism on a local and worldwide scale.

## **2. DEFINITION OF TOURISM INFRASTRUCTURE AND ITS COMPONENTS**

### **2.1 The concept of tourist infrastructure**

In the attempt to define the tourist infrastructure, the specialized literature sees it as the "material basis" without which tourist activities cannot be supported, as it aims to facilitate access, ensure comfort, and also the satisfaction of visitors (Goeldner & Brent Ritchie, 2011). In essence, tourism infrastructure represents both physical elements and complementary services that contribute synergistically and interdependently to ensuring the perception of a quality travel experience (Jovanovic & Ilic, 2016). Mandic et al. (2018) defines as elements of tourism infrastructure those "transportation, recreation, accommodation, and communication facilities" that make up a complex system of physical and organizational elements, integrated to support a certain flow that ensures the visitors' experience within the destination. From the point of view of Lohmann and Panosso Netto (2017), tourism infrastructure is seen as a set of structures and services that not only facilitate tourism activities but also contribute to the image and competitiveness of the destination in the long term.

Tourism infrastructure can be viewed through a "hard" and "soft" approach. Pearce and Wu (2015) propose such a division. Thus, "hard" infrastructure refers to basic physical elements such as roads, airports, railways and the utility network. However, the "soft" infrastructure reveals aspects related

to hospitality and the interaction between tourists and employees, which reflect the quality of the services offered and the level of specialization of human resources. Thus, we are shown that the tourist experience is actually a conglomeration of physical and intangible components.

Another approach to the concept of tourism infrastructure is a classification based on functionality. A relevant study in this regard was carried out by Raina (2005), who classifies tourism infrastructure into four categories: physical, cultural, service, and governance. Accommodation, restaurants, transport, and communications are considered to be part of the physical infrastructure. The cultural infrastructure includes the elements of local cultural heritage such as museums, festivals, and traditions that offer visitors the most authentic experience possible. The service component includes financial institutions and tour guide services, while the governance component includes public order regulations and administrative infrastructure.

The concept of the life cycle is taken up in the specialized literature to outline the approach according to which investments in tourism infrastructure depend on the position on the life cycle of the respective destinations. In this sense, Mandić et al. (2018) propose an approach based on the destination life cycle model (Tourism Area Life Cycle - TALC). This approach assumes that the development of tourism infrastructure and facilities is a primary element in achieving and maintaining the competitiveness of tourist destinations, depending on their position in the life cycle at a given time. Thus, in the launch and growth phases, investments in the basic infrastructure have priority, and in the maturity phase, more investment is to be made in leisure facilities and higher-quality services, as the demands and expectations of tourists become more specific and the growth possibilities are more limited.

Another identified approach to tourism infrastructure investment is the holistic approach. According to a report by the Tourism & Transport Forum (2012) cited in Jovanovic and Ilic (2016), tourism infrastructure should be seen as a "supply chain" that combines transport, social, and environmental infrastructure with the aim of creating an attractive destination. Each link makes a unique contribution: transport provides access to the destination, while social infrastructure provides accommodation and support facilities. Environmental infrastructure protects natural resources such as protected areas and national parks. Thus, this approach highlights the need for an integrated approach to support the multiple facets of the tourist experience.

## 2.2 The key components of the tourist infrastructure

Analyzing the specialized literature, we propose the following key components of the tourism infrastructure: transport infrastructure, accommodation facilities, food services, and digital and communication infrastructure.

A first element of major importance for tourist infrastructure is the **transport infrastructure**, which ensures accessibility and contributes to the attractiveness of tourist destinations. A more specific role of this widely recognized in the tourism industry is to provide the basic facilities for roads, airports, and ports that allow visitors to move efficiently to, but also within and between destinations. Inskeep (1991) emphasized the importance of this component, stating that "transportation infrastructure plays a significant role in attracting tourists by facilitating access to destinations."

Studies such as those by Khadaroo and Seetanah (2007, 2008) have shown that transport infrastructure has a significant impact on international tourist flow, being a determining factor for tourists from Europe, America, and Asia. In particular, investments in roads and airports have considerably increased the attractiveness of the destinations studied, and improved access has facilitated the development of new tourist attractions.

**Road infrastructure** helps make the destination accessible and allows visitors to reach various tourist attractions in an efficient and effective manner. Studies show that the development of road infrastructure not only improves accessibility but also contributes to increasing local communities for tourism as it brings both economic and social benefits (Kanwal et al., 2020). Another study (Ivankova

et al., 2021) revealed that, at least with applicability in European OECD member countries, the quality and number of roads correlate positively with the volume of tourists' expenses, since greater accessibility stimulates tourist activities and implicitly related expenses. Furthermore, investment in road infrastructure contributes to greater tourist satisfaction and increased visitor numbers, especially in emerging economies.

**Airports and seaports** are considered "gateways" for different destinations and leave a first impression on visitors about the place of destination. The modernity of the airport, its efficiency, and level of equipment contribute to increasing the flow of tourists and improving their experience (Seetanah & Khadaroo, 2007). A transport system that provides the necessary conditions for tourists allows them to reach their desired destinations quickly and comfortably but also to move between various points of interest (Prideaux, 2000). Lohmann and Duval (2011) highlighted the importance of an integrated transport system that connects the origin of tourists with tourist destinations and provides efficient means of transport on site. For example, some studies have indicated that rapid transit services have significantly increased the volume of tourists, highlighting how mass transit can facilitate fast and efficient travel of tourists within the destination (Liu & Shi, 2019).

Another defining element of the tourist infrastructure is represented by **accommodation facilities**, which not only have the role of satisfying the need for tourists to stay but also outline the entire quality of the tourist experience. Gunn and Var (2002) argue that beyond providing a place to stay, these facilities undoubtedly contribute to the overall quality of the tourist experience by influencing the level of satisfaction and the likelihood that those tourists will return to the same destination.

**Hotels and resorts** are frequently associated with mass tourism and offer a wide range of services, as well as luxury facilities that meet the demands of international tourists and those looking for increased comfort. A study by Sharpley (2000) in Cyprus demonstrates that the unprecedented development of the hotel sector has transformed the island into a mass tourist destination supported by the accommodation infrastructure prevalent in the coastal areas. This example highlights the importance of balancing accommodation capacity with general infrastructure and other tourist facilities to support sustainable and attractive long-term tourism development.

Predominantly in rural areas, **guesthouses** are particularly important accommodation units for supporting niche tourism, such as, for example, agritourism. Research (Provotorina et al., 2020) shows how rural accommodation facilities not only support rural tourism but sometimes contribute decisively to the process of preserving cultural traditions and generating additional income for the respective communities at the local level. This is because the accommodation units allow tourists to interact with local traditions and culture and are considered to be ideal for those looking for a personalized but above all authentic experience.

**Alternative accommodation** (B&B, cabins, traditional houses) is preferred especially by those tourists looking for unique and novel experiences. However, some studies (Sharpley, 2000) draw attention to the fact that an uncontrolled development of these types of accommodation can also bring with it negative effects in terms of the attractiveness of a destination, especially where the destinations are insular, and as a result, the space is limited.

Accommodation units play a particularly important role, influencing the type of tourists attracted through their distribution, density, and quality. They also contribute to the creation of an image of the respective place.

Another component revealed by the specialized literature on tourism infrastructure is represented by **food services**. According to Hall and Page (2014), these services allow tourists to interact with local culture, giving them the opportunity to experience the culinary and gastronomic traditions of the destination.

A study by Okumus (2020) points out that food services are a way for tourists to experience the authenticity of the place, being one of the main attractions for „foodies”, tourists attracted by unique and authentic culinary experiences. Local gastronomic experiences offer tourists not only culinary

satisfaction, but also a cultural connection to the destination, making dining an integral part of the journey and perception of the place. In Scandinavia, for example, Andersson et al. (2017) noted that approximately 20-30% of a tourist's budget is spent on food services, thus demonstrating the economic importance of this sector in tourism. In addition, they show that, in the context of sustainable development of destinations, the promotion of local dishes can contribute to reducing the ecological impact and supporting local producers.

Among the units that offer food services, we find **traditional restaurants and cafes** that offer tourists the opportunity to experience traditional recipes and dishes, which, not infrequently, are associated with the history, but also the culture of the region. In particular, the study by Hall and Sharples (2003) shows that restaurants focusing on local dishes often become points of attraction, and collaboration between restaurants and local producers amplifies the authentic experience offered.

Gastronomic events such as food festivals, agricultural fairs, and farmers markets are great contributors to creating unique experiences that attract visitors, especially interested in local food culture. Andersson et al. (2017) show that such events also contribute to the destination brand and an integrated and quality experience can be obtained through collaboration between local producers and event organizers.

**Gastronomic routes** are another form of culinary tourism. They combine different dining destinations into a continuous experience and allow tourists to experience the local specifics by visiting several locations that offer traditional dishes, while also becoming a boost to the local economy. Food trails are popular in countries with a strong gastronomic identity and offer educational experiences that include tastings and cooking workshops.

A final element revealed in the specialized literature as fundamental for tourism infrastructure is the **digital and communication infrastructure**, which plays a stable role in what it means to improve the modern tourist experience. Internet access, mobile applications, and digital platforms have transformed the way tourists plan, experience, and share travel experiences, contributing to the creation of a "smart tourism" or "tourism 4.0" ecosystem (Pencarelli, 2020).

Today, today's tourists consider internet access essential as they use their mobile phones to navigate, make and manage reservations and share their travel experiences with family and friends. A study by Pencarelli and Gabbianelli (2020) shows that millennials frequently use social networks and mobile applications to organize their trips, and platforms such as Google Maps, Booking and TripAdvisor are among their preferences when it comes to traveling. In addition, mobile applications allow tourists to access local information, and their use increases in the consumption phase, during travel.

Innovations in **augmented reality (AR)** and **virtual reality (VR)** offer tourists an interactive way to experience destinations before they even get there. Pencarelli (2020) mentions that AR applications allow tourists to test experiences through virtual simulations, adding a digital dimension that increases the attraction of places to visit (Beck et al., 2019). All these technologies are a point of attraction, especially for younger tourists who show an appetite for digitally integrated but also authentic travel experiences.

In a smart tourist destination, Big Data and digital assistants enable personalization of experiences, offering flexible packages and relevant information to tourists in real time. Digital assistants, such as Siri or Google Now, provide tourists with guidance and price comparisons for various tourist options, facilitating purchase decisions (Pencarelli, 2019). In addition, the use of Big Data helps destinations segment their demand and develop offers that better meet the diverse needs of tourists.

### **3. THE DIFFERENCE BETWEEN INVESTMENTS IN TOURISM INFRASTRUCTURE AND THOSE IN THE FIELD OF TOURISM**

Tourism is a complex economic sector that involves a diverse range of activities and services designed to support and enhance visitors' travel experiences. According to the definition proposed by the World

Tourism Organization (UNWTO), tourism refers to "the activities of people who travel and stay outside their usual environment for a period of less than one year for recreational, business, or other purposes" (UNWTO, 2020). Thus, both the economic and social aspects of tourism are emphasized, highlighting that it represents a multidimensional industry that includes transport, accommodation, food, cultural and recreational services, as well as other auxiliary facilities necessary to support tourist activities (Buhalis, 2000).

The tourism sector is central to regional and national development, having a major impact on local economies by creating jobs, increasing export earnings, and stimulating infrastructure investment. Furthermore, tourism plays an important role in promoting cultural diversity and facilitating intercultural exchanges, which contributes to better understanding and social cohesion (Corboş & Popescu, 2011; Molina et al., 2010).

Tourism is not limited to its tangible components such as infrastructure, but also includes less visible aspects such as promoting destinations, developing personalized experiences, and sustainability initiatives. All these aspects contribute to building and strengthening the brand of a destination, to the satisfaction of tourists, and to the competitiveness of the destination on the global market (Ferguson, 2024; Popescu & Corboş, 2011).

Thus, the field of tourism extends beyond core activities to include strategic development, marketing, and training initiatives, all of which contribute to enhancing the tourism experience and creating a sustainable competitive advantage for destinations.

### **3.1 Investments in tourism infrastructure**

The physical development of tourist destinations can be achieved through investment in tourist infrastructure. Such investments mean the rehabilitation of roads, the construction and modernization of airports, ports, and accommodation facilities. The purpose of these investments is to increase the attractiveness of a destination through a solid material base that supports the tourist flow and improves the tourist experience. According to Gunn and Var (2002), "investment in tourism infrastructure focuses on improving essential physical components, such as roads and accommodation facilities, to make the destination more accessible and attractive".

Nawaz and Hassan (2016) highlight the role of public and private investment in infrastructure as a catalyst for tourism growth, especially in economies that depend on tourism for economic growth. In countries such as the United Arab Emirates, investment in tourism infrastructure has increased considerably as the government has sought to compensate for economic vulnerabilities by promoting the tourism sector through physical investment and the development of tourism infrastructure.

### **3.2 Investments in tourism**

On the other hand, tourism investments focus more on intangibles such as marketing campaigns (Popescu & Corboş, 2010), professional development, and digital technologies that support tourist attraction and satisfaction. Such investments are aimed at creating a more attractive image of the destination and improving the visitor experience. For example, a human resource development strategy in the tourism sector can be implemented to improve service quality and attract more profitable tourists, highlighting the importance of human capital in the long-term success of destinations (Semone, 2012).

As Hall and Page (2014) state, "in contrast to physical investments, tourism investments include promotional and professional development efforts aimed at improving the experience and perception of the destination." These investments are necessary to adapt to changing demands of the market and create a competitive advantage by offering the most authentic experiences.

### **3.3 The distinct impact of investment on tourism development**

The impact of the two types of investment, namely tourism infrastructure investment and tourism investment, is different but complementary. Investments in physical infrastructure have a direct and immediate impact on the accessibility and attractiveness of tourist destinations, contributing to the increase in the number of visitors and the income generated from tourism. The study by Plzakova (2022) shows that investments in physical infrastructure are often associated with economic growth at the local and regional levels, improving tourist flow and facilitating the development of ancillary services and local businesses.

On the other hand, investments in promotion and professional development contribute to the long-term image of the destination and to building an attractive brand for different segments of the tourist. They support the sustainability of tourism by training staff and creating positive experiences that lead visitors to return, as Buhalis (2000) also shows, in the context of digital marketing strategies for competitive destinations.

### **3.4 Stages of evolution of tourist destinations**

International tourism contributes to the growth of local economies by attracting foreign currency, increasing residents' incomes, creating jobs, and improving living conditions. It also supports the development and strengthening of international economic relations. In this context, the promotion of tourism has become an essential objective for many governments, especially in developing countries. Therefore, research and the formulation of tourism development policies have become a topic of great interest for both government authorities and researchers in recent years.

Improving tourism infrastructure to make the destination more attractive to visitors is an essential component for attracting visitors (Nguyen, 2021). In addition, recent studies have shown that the continued development of tourism infrastructure has a positive impact on the quality of life of residents both directly and indirectly (Mamirkulova et al., 2020).

In particular in emerging and developing countries, tourism is considered to be one of the fastest growing sectors in recent decades. Despite the obvious growth of the tourism sector, it is essential to maintain and develop a sustainable strategy to continue to grow (Thapa, 2012).

According to Petrova et al. (2018), "the maintenance of local tourism infrastructure is becoming an increasingly important prerequisite for the country's competitiveness".

A variety of perspectives from the literature on the number and type of elements that make up tourism infrastructure are available. These perspectives can be classified into several categories. Pearce and Wu (2015) distinguish two categories of tourism infrastructure: 'social and economic infrastructure' (Hope, 2010).

According to Enimola (2010), "the social infrastructure sub-sector covers some social services such as provision of education, information, city and country planning, health services, and other social welfare services in the society". On the other hand, "the economic infrastructure sector embraces a group of basic economic activities that relate to energy and power production, transportation services, water and communication services and others" (Ayodele & Falokun, 2003).

Bagheri et al. (2018) have shown that "systematizing the tourism sector within soft infrastructure creates an amalgam of factors, including hospitality, interpretation, and person-to-person interactions that tourists experience". "Thapa (2012) also added professional human resources to the subset of soft infrastructure, emphasizing the human factor as the most important element of infrastructure in developing countries", says Bagheri et al. (2018).

Nguyen's (2021) research examined the effects of investment in Vietnam's tourism industry on three different types of tourism infrastructure. Transportation and communication infrastructure, restaurant and hotel infrastructure, and entertainment infrastructure are the three types of tourism infrastructure used in the study. This study examined the long-term and short-term impacts of the three components

of Vietnamese tourism infrastructure on attracting foreign visitors after testing the stationarity and cointegration of the data. This study used the ARDL approach (**Autoregressive Distributed Lag**). Investments in tourism infrastructure have a lasting positive effect on attracting visitors from all over the world. Investments in transportation and communication infrastructure have the highest impact, followed by investments in hotels and restaurants, and finally investments in recreational facilities. Another significant study is that of Mandić et al. (2018), who investigate the relationship between tourism infrastructure, recreational amenities, and tourism development, emphasizing their importance at various stages of a tourist destination's lifecycle. The authors employed a methodology based on semistructured questionnaires distributed to a sample of 312 directors in Croatia, a popular southern Mediterranean destination, to assess the opinions of managers in tourism offices. To obtain a complete picture of condition of the facilities and infrastructure, the study included both qualitative and quantitative studies.

The results showed a significant correlation between a destination's position in the **Tourism Area Life Cycle** (TALC) model and aspects such as the number of arrivals and overnight stays, as well as the condition of the existing infrastructure. It was also found that the increasing demands and expectations of tourists regarding the quality of infrastructure vary depending on the stage of tourism development of the destination. In particular, destinations in the initial phases and those in maturity exhibit different levels of compliance between their stage of development and the quality of the available infrastructure.

Another important finding is related to the reluctance of managers to take responsibility for the development of tourist infrastructure, mainly due to financial constraints. They consider that the involvement of the private sector is essential, but the level of expectations varies depending on the type of infrastructure needed and the destination's position within the TALC model.

The study brings a new perspective from the supply side, highlighting the relationship between infrastructure development and the stages of the tourism life cycle, as well as managers' attitudes towards private sector involvement in this process.

### **3.5 The Impact of Tourism Infrastructure Development on Destination Viability**

In the study conducted by Jovanović and Ilić (2016), it is highlighted that tourism infrastructure is an important determining factor for the development of tourism in Southeast European countries. The authors emphasize that modernization and investment in the tourism infrastructure significantly contribute to the competitiveness of this sector, improving both the tourist experience and the economic performance of tourist destinations.

The methodology used by the authors includes the analysis of the correlation between tourism competitiveness indicators, such as the **Travel & Tourism Competitiveness Index** (TTCI), and the level of development of tourism infrastructure. The conclusions of the study show a close link between these variables, and an essential factor identified is the increase in the number of hotel rooms, which has positively influenced tourism competitiveness in most of the countries analyzed, such as Croatia and Slovenia. However, a decline in competitiveness was observed in countries such as Serbia during the period 2007-2013.

Through these findings, the authors highlight the need for more intense and better-directed investments in the modernization of tourism infrastructure, to support sustainable growth and efficient adaptation to the demands of an increasingly dynamic and competitive tourism market (Jovanović & Ilić, 2016).

In the paper "The Main Components of the Tourism Infrastructure Development," Žunić et al. (2023) used a methodology based on secondary data analysis and case studies to evaluate the impact of tourism infrastructure development on destinations. The authors applied the analysis of statistical data on tourism infrastructure in various destinations, correlating this information with economic and sociocultural indicators such as urbanization, accessibility, attractiveness, and impact on the local

economy. The study focused on specific examples from emerging destinations, such as Sarajevo, to demonstrate the tangible effects of tourism infrastructure development on the reputation and the quality of life for locals.

Among the main findings of the investigation, the authors highlighted that the expansion of tourist infrastructure, including the development of eco-friendly and luxury hotel chains, has led to increased competitiveness of destinations and improved their international image. Furthermore, the authors observed that these developments had a positive impact on the local economy by generating jobs and improving the standard of living of the host communities. The study also highlighted how the modernization of the urban environment and the integration of tourism infrastructure contributed to the increased attractiveness of destinations and tourist satisfaction (Žunić et al., 2023).

#### 4. CONCLUSIONS

This analysis focused on the important role that tourism infrastructure and tourism investment play in the long-term development and success of tourism destinations. In parallel, investments in the tourism sector - including marketing, human capital development, and digital technologies – were highlighted as having a key role in strengthening the image of destinations and improving the interaction of tourists with the place visited. Such efforts support the sustainability and competitiveness of tourist destinations, promoting authentic and personalized experiences that attract tourists in the long term.

The importance of an integrated approach thus becomes evident: a successful destination requires not only a robust physical infrastructure, but also investment in intangible components such as promotion and professional training. Only by combining these elements can tourist destinations ensure their sustainable development, while adapting to varying market demands and providing a complete and satisfying visitor experience. We believe that such an integrated approach is the key to increasing competitiveness on the global market and to developing sustainable and attractive tourist destinations. **Economic and social benefits.** Research indicates that by increasing employment, increasing economic activity, and increasing government revenue from taxes and visitor spending, investments in tourism infrastructure have a major effect on local economic development. Increased tourism results in significant economic benefits for tourist areas due to investments in infrastructure, including transportation networks, lodging, and cultural institutions. Along with enhancing inhabitants' access to public services and living circumstances, these expenditures may also have positive social effects and improve global economic ties (UNWTO, 2023).

**Challenges to sustainability and regional differences.** A frequently addressed topic in the literature is the importance of ensuring a balance between infrastructure development and environmental sustainability. Research conducted by Wakil et al. (2021) emphasizes that uncontrolled infrastructure development can lead to environmental degradation, overcrowding of destinations, and a decline in the quality of the tourist experience. The impact of infrastructure on tourism development varies significantly depending on the economic maturity of the region, cultural heritage, and environmental policies implemented. For example, developed regions can benefit more from digital infrastructure and smart technologies, while emerging markets need the development of basic infrastructure.

**Methodologies and results.** Most studies use econometric models and panel data analyzes to evaluate the relationship between infrastructure investments and tourism performance. For example, a study conducted by Zhang & Zhang (2022) using panel data from Chinese provinces demonstrated that investments in transportation and hotel infrastructure have a positive impact on tourism growth; however, this impact diminishes after the infrastructure reaches a certain level of saturation. Similarly, case studies focused on specific regions or cities show the long-term effects of infrastructure development on tourism resilience, especially in the context of post-pandemic recovery.

In conclusion, research shows that investments in tourism infrastructure are essential for attracting tourists and economic development, but must be managed responsibly to ensure the long-term sustainability of tourist destinations. The increase in the number of visitors should not come at the expense of the quality of tourist experiences or the economic and ecological balance of local communities.

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