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### FINANCIAL PROBLEMS OF TOURISM BUSINESSES AND SOLUTION OFFERS

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### EXTENSIVE SUMMARY

Accommodation businesses are businesses which have a large amount of fixed assets and therefore which need significant amounts of capital at the investment stage yet. The high fixed charges which create problems in terms of liquidity and profitability. However, also at the operating stage, many renovations may be faced with the situation of intended modernization and strategic incorporation and realization purchasing investment for reasons such as accommodation businesses, changing consumer behavior, competition in the market, continuously differentiation of preferences and pleasures. Therefore, also in the accommodation businesses, finding the proper financial resources for either pre-investment or investment process and after to be carried out investments and the design of capital structure gains importance. (Özen ve Kuru, 1998: 112).

After determining amount of investment current asset in working capital management, and should be decided what short and long term resource combination will be for their finance. Debt is used as a principle in the financing of current assets. Debts are divided into two as the short-term and long-term according to their terms and focuses on the more short-term debt resources in financing of business capital. (Dağlı 2004: 183).

The financing of working capital is characterized as part of the financial policies of businesses and intertwined with long-term financing policy. when determining the working capital financing policy, the business value is thought to increase; naturally is expected to increase value of the businesses because of the amendments to the financing policy. (Erdoğan, 2008:141). Working capital financing sources are internal and external business financing sources. organizations which can provide external credit for tourism investments and crediting principles are as follows (Özen, 1998: 34).

- The World Bank
- International Finance Corporation
- European Investment Bank
- EU Financial Funds
- SME Loan (Kreditanstalt für Wiederaufbau (the KfW))
- Council of Europe Development Bank loan

Tourism Finance Techniques; are listed as Franchising, Leasing, Factoring and Forfeiting. Also tourism is an industry, controllable and uncontrollable risks are produced intensively there. Experienced in any country,

terrorism or natural disaster adversely affects the country's tourism industry as it is in Turkey. On the other hand, tourism is an industry and international cash and funds flow are characterized by intense because of the a global tourism industry. Therefore, companies which are integrated in different countries, are facing some financial risk (Witt, 1995; 110).

Tourism as service sector, funding issues such as not benefiting from securities exchanges and inability to provide bank loans at favorable conditions, new funding methods are intentionally not applicable are important problems for businesses operating in the field of tourism. All over the world and in Turkey's tourism businesses financing problems negatively affect the success of the businesses are in the relevant sector and hence affect the success of sector. Therefore, in the last years, tourism businesses go on the road to funding in the stock market with the way of going public, in addition to other resources, in solving the financing problems (Sakarya, 2008: 2).

The high interest rates and inflation rates, fluctuations in exchange rates, implemented economic policy, as with every sector, tourism also leads to living constantly in funding shortages. Decrease of interest rates can not contribute to solving the financial problems in tourism. Moreover, the biggest financial problems of accommodation businesses can be sorted as inadequate earnings, high input costs and cash deficits. Although Turkey is country where always have been destination for international tourism demand in terms of tourism supply data; there is still a great lack of investment in most of our tourist areas. Our financial resources that can fix these vulnerabilities are quite scarce. For this, every opportunity to evaluate in a smart way, can be exploited from the creative ability of the attempt power and foreign investment. (Çeken, 2003: 29).