

CHAPTER 8

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THE IMPORTANCE OF FOREIGN DIRECT INVESTMENTS IN THE DEVELOPMENT OF ECOLOGICAL TOURISM, HOSPITALITY AND CATERING

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The connection between economic growth and development and tourism has long been observed in economic theory and practice. It is certain that tourism affects economic growth, but it is also possible that economic growth affects the additional development of tourism, that there is a reverse causality between these two variables. Every modern economy today is based on a well-developed service sector, especially the hotel and catering industry, so the participation of the service sector in the economy determines the level of development. Compared to developed countries, Serbia has significantly lower rates of participation of the service sector, for example the participation of the hotel industry in its economy, but also it shows a more unfavorable structure of that sector, where traditional services dominate at the expense of those with higher added value. Tourist consumption is at the center of economic measuring of tourism and of economic impacts of tourism, therefore, we should consider the integral effects on the economy as well as certain segments of the impact of tourism: on the balance of payments, on overall economic development through multiple effects, the impact of tourism on regional development and cross-border cooperation. employment and standard of living of the population, especially on environmental protection and ecological tourism.

1. INTRODUCTION

Investments in ecotourism, and especially the inflow of foreign capital, are important for using the opportunities that ecotourism provides for the purpose of economic development of the country. More efficient use of tourist potentials cannot be achieved only by possessing natural resources and other advantages for dealing with tourism in the country, but also by the possibilities of financial investments in facilities, infrastructure, human resources, etc. Many developing countries see ecotourism as a potential source of economic growth. Foreign direct investment (FDI) is one of the ways that developing countries can use to develop ecotourism but the dynamics of FDI in this sector and the implications of these financial investments have been relatively little studied. This paper analyzes certain factors that are important for attracting foreign investment for the development of ecotourism in Serbia. The aim of this paper is to point out the most efficient model by which FDI is attracted to a specific type of tourism such as ecological tourism. This is the primary task of research because Serbia (like many developing countries) through FDI sees the possibility of faster development of eco-tourism, modernization of tourism, export growth, employment, as well as stopping migration from underdeveloped regions where ecotourism, due to preserved natural resources, accelerates development. Serbia, like an increasing number of other countries in the world, recognizes the need and importance of introducing the goals of sustainable ecological tourism in its strategic plans for economic and social development.

Natural resources are a necessary condition but not a sufficient basis for accelerated economic growth. Serbia is in the group of countries with rich natural resources necessary for the development of ecotourism, but it also has below the average available physical capital, and average technological development.

Thus, dynamic and sustainable economic growth can be based, above all, on increasing physical capital through investment in human capital, ie its continuous improvement. A necessary condition for economic growth is to increase the share of productive expenditures in the structure of expenditures, such as public investments and investments in education, research and innovation in relation to current expenditures (salaries, pensions, subsidies, etc.). After that, for the growth of the economy, it is necessary to improve the efficiency of the state in performing all functions (judicial, administrative and security), through more efficient

realization of public investments, to providing better education and encouraging research and innovation.

Serbia attracted \$ 3.44 billion in foreign direct investment in 2020, representing more than half of total foreign direct investment in Southeast Europe, in the year of the COVID-19 pandemic (UNCTAD-2021). The fact is that foreign investors are mainly working to improve the skills (especially in specific occupations) of the workforce, through various types of training, but also through strengthening the management and governance of companies. It is certain that foreign investments contribute to increasing competition and strengthening a more competitive business environment, which realistically contributes to higher productivity, lower prices, but also a more rational use of available resources. Within modern eco-marketing, man is not a central figure, but is viewed as part of the entire ecosystem, and the exchange itself, ie choices and decisions, imply minimizing the harmful effects on the environment. Research in the services sector has intensified in recent years as this sector (especially hotels and catering) is considered a silent enemy of the environment. The main driving force of this sector is, despite all of the above, tourism, which with its intensive growth is responsible for excessive use of natural resources, consuming large amounts of energy but also for damaging the environment due to the creation of "wild" landfills.

Inextricably and in the long run the hotel industry is connected with tourism where environmental issues have a unique role for several reasons. As competition in the tourism industry increases, tourism products are increasingly negatively affecting the environment, as a disproportionate number of tourists may degrade natural resources, prompting many hotels to focus on ecomanagement and reduce water use, waste disposal, etc. A hotel that cares about the environment is much more attractive to stakeholders and affects the motivation of employees, but also brings financial benefits to the company itself (Vukić, Palibrk, 2013). It should be noted that foreign direct investment (FDI) does not only mean direct capital investment, it also includes the transfer of new technologies, new market access, implementation of new managerial and organizational knowledge, etc. Undoubtedly, foreign direct investment is a more favorable alternative for financing the current account deficit, compared to borrowing abroad. Moreover, there is no doubt that foreign investments contribute to better integration of the host country's economy

into international trade and improvement of the foreign trade balance through increased exports. Both direct and indirect positive effects of FDI on employment are evident, due to the increase in the number of new jobs.

The fact that foreign investors often export so-called "dirty technologies" to foreign markets, which have a negative impact on the environment, is often mentioned. Opponents of FDI often point out that many foreign investments create a danger of losing the so-called "economic sovereignty", which can later affect the limitation of political sovereignty, especially when it comes to small or underdeveloped countries. Of course, it should not be forgotten that FDI can also lead to worsening working conditions. The so-called "race to the bottom" phenomenon is especially pointed out when the governments of the countries minimize the application of regulations on working conditions in order to attract new investors, and this can lead to worsening working conditions in foreign-owned companies.

On the other hand, in order to achieve maximum benefits from the presence of foreign companies, the most important is a favorable business environment, which encourages both domestic and foreign investments, provides a favorable climate for innovation and scientific and technological development and contributes to corporate competitiveness. Then, FDI is the shortest possible way to obtain ecocertificates, very important in the business of hotels and restaurants, in the future, because in this way the level of competitive advantage is raised. However, investors should be required to sustainably manage their tourist destination. In general, instead of mass tourism, sustainable tourism should be promoted, ie "quality tourism", which should be the basic characteristic of ecological tourism. Only certain areas with untouched nature should be opened in protected destinations, and that would be the most important tourist resource of the Republic of Serbia. A tourist destination, as an integral tourist product, can be successfully developed only if all the principles of sustainability are respected. This should be the basic requirement when concluding arrangements on foreign direct investments in the development of ecological tourism, ie in investing in hotels and catering facilities.

2. MATERIALS AND METHODS

Numerous specifics of investments in tourism as well as sources of financing with the specifics of investment entities were the motive and starting point of this research. By relying exclusively on one's own strengths and any kind of investment, it is impossible to achieve a significant result in tourism and general economic development. Therefore, a conclusion is imposed on the necessity of obtaining foreign sources of financing, primarily foreign direct investments in tourism, as well as in other economic activities that are in complementary relations (Gligorijević, Ubavić, 2016, p 45).

Thanks to the demanding economic reforms it has implemented in the previous period, Serbia has positioned itself as one of the most important investment destinations in Central and Eastern Europe. Since 2007, Serbia has attracted over 34 billion euros in foreign direct investment (www.nbs.rs). According to the latest report "IBM Global Location Trends 2020", for the fourth year in a row, Serbia is the world leader in the number of open jobs through foreign direct investment (FDI) projects in 2019, observed according to the number of citizens. According to the criterion of the number of created new jobs (regardless of the size of the population) through FDI, the realization of which began in 2019, Serbia took the high 5th place among European countries.

Table 1 presents the inflow of FDI in various activities in Serbia in the period from 2010 to 2020.

Table 1. FDI inflow in the period 2010-2020 (all activities), billions of \$

	Year	Total investment (all activities)
1.	2010	1,278
2.	2011	3,544
3.	2012	1,009
4.	2013	1,548
5.	2014	1,550
6.	2015	2,144
7.	2016	2,080
8.	2017	2,456
9.	2018	3,496
10.	2019	3,815
11.	2020	3,014

Source: RAS (Development Agency of Serbia), June, 2021

Leading investors, by number of projects in the structure (%) come from the following countries:

(1) Germany 15.1%; (2) Italy 14.4%; (3) Austria 8.1%; (4) USA 6.1%; (5) France 5.4%; (6) Turkey 4.9%; (7) China 3.5%;

Leading investors by value of investments in (%) are the following:

(1) Italy 10.7%; (2) USA 10.2%; (3) France 9.7%; (4) Germany 9.6%; (5) Austria 9.3%; (6) China 6.8%; (7) Czech Republic 6.8%.

We should further mention that foreign direct investments can be realized in various ways such as, for example, such as: greenfield and brownfield investments, joint ventures, international mergers and acquisitions (Grbić & Janković, 2014, p 62). In 2019, Serbia ranked first in the number of foreign direct investments, according to the annual report published by fDi intelligence (part of the British newspaper "Financial Times"). 107 greenfield projects have enabled Serbia to attract 12 times more foreign direct investment than might be expected given its economic development. Among the successful investment ventures that have been realized in the tourism of Serbia in recent years we can classify, above all, multimillion investments in the hotel industry, not only in Belgrade, but also in other parts of Serbia. In this way, for example, the Austrian "Falkensteiner" (Falkensteiner Michaeler Tourism Group AG - FMTG) opened a hotel in Novi Beograd at the end of 2012, in which about 45 million EUR were invested. This famous Austrian hotel chain also took over the management of the hotel on Stara Planina for a period of 15 years.

According to the volume of foreign direct investments, the following hotels are also worth noting:

- "Crowne Plaza" within the chain "Inter Continental Hotels Group",
- "Holiday Inn" and "Metropol" in Belgrade, then
- Hotel "Izvor" in Arandjelovac (where "Alco Group" invested about 35 million EUR, and then another 7 million EUR in the aqua park),
- Hotel "Premier Aqua" in Banja Vrdnik,
- tourist-sports complex on Pašina česma near Leskovac (investor "Emirates Power"),
- aqua park "Petroland" in Bački Petrovac (in which the Slovak company "Aqua Therm Invest" directly invested about 8.5 million EUR), etc. (<http://www.ekapija.com>).

In the second decade of the twenty-first century, the admission of FDI to the hotel and catering industry in Serbia was intensified, thus activating numerous and diverse tourist facilities, such as (Gligorijević, Ubavić, 2016): sports complexes, congress centers, ski centers, spa and wellness centers, aqua parks, stables, wineries and others, which will certainly significantly contribute to the improvement of the tourist offer of Serbia in the coming period. In addition to investing in accommodation and food services, for successful and long-term development, it is necessary to accelerate the arrangement of destinations attractive for ecological tourism with integral protection of the natural environment.

Ecological tourism is a realistic form of modern tourism based on the following goals and principles of sustainable development:

- The principle of ecological sustainability, which ensures that development is compatible with the preservation of basic ecological processes in order to maintain biodiversity and biological resources;
- The principle of socio-cultural sustainability that ensures that development is compatible with the cultural and traditional values of the local community and permanently contributes to strengthening and enriching the identity of the site, and
- The principle of economic sustainability, which ensures that development is economically efficient and that resource management benefits future generations (UNEP & UNWTO, 2005).

The methodology of research on the quality and quantity of foreign direct investments in Serbia, especially in tourism and catering, is primarily based on a qualitative and descriptive research method in order to fully understand the subject of study. The descriptive research method was used for the purpose of interpreting databases primarily collected through the reports of the National Bank of Serbia, in order to analyze the data published by this bank. On that occasion, reports were reviewed that show which countries had the largest number of FDI in Serbia in previous years, in which sectors the most was invested, as well as the assets and liabilities of foreign investors. Qualitative and comparative analyzes are based on previously presented reports and data from other articles. For the purpose of better understanding and clarity, the starting point is that FDI over the years have been explained in detail and in several aspects in the domestic and foreign literature, and this paper is focused only on a new aspect of the analysis. In order to achieve a new aspect of the research, SWOT analysis was applied as a strategic

decision-making tool, which has a dual role in this paper - it can be used equally by a foreign investor, but it can also be used by the state administration in order to review the benefits and disadvantages of foreign direct investment in more details (Milisavljević, 2007).

The operationalization of the work is reflected in the hypotheses that are proven, which in this case, due to the strategic analysis that is applied, are defined from two special angles: the state and investors. Therefore, the following two hypotheses are put forward:

H1: By using the strengths (advantages), and avoiding the weaknesses (disadvantages) of FDI, the state administration makes a strategy to attract foreign investment (especially in the hotel and catering industry).

H2: Summarizing the dangers and chances for doing business on the Serbian market, it is realized that the conditions for FDI in Serbia are very favorable for foreign investors.

In addition, the consequent link between FDI and regional development can be investigated, and whether there is a link between GDP growth and FDI in Serbia at the regional level. In the development strategy, tourism is one of the four priority economic areas (along with energy, agriculture and transport) that are complementary and should be developed in parallel.

Ecotourism in the current conditions in Serbia has not been given priority, so the degree of development of ecotourism is not at an enviable level. Serbia is one of the centers of biodiversity in the world and stands out in areas of exceptional value (canyons, gorges, mountain rivers, mountain lakes, rich flora and fauna), which are not sufficiently valorized, in terms of utilization in the tourism industry. The reasons for that are insufficiently developed ecotourism centers, as well as the lack of a real campaign to raise awareness among people about ecotourism during marketing activities.

Serbia has large and diverse potentials for the development of ecotourism, on 564,063 ha of protected area, there are (Luković, Kostić, 2019):

- 5 national parks;
- 1 biosphere reserve;
- 18 areas of outstanding features;

- 120 nature reserves;
- 20 nature parks;
- 3 protected habitats;
- 39 areas of cultural and historical significance;
- about 470 natural monuments;
- 215 plant and 427 animal species marked as rarities.

The reason for the insufficient development of ecotourism is the lack of motivation, both of the potential creators of this tourist product, and of the intermediaries themselves. If things change in the coming period, ecotourism should bring significant progress in economic development in Serbia and increase the national budget (Unković & Zečević, 2011). Many rural areas can potentially become ecotourism destinations. Since it is very difficult to valorize natural values, which would benefit ecotourism organizers and the local population through ecotourism activities, specific methods are applied in order to approximate this type of analysis for future research and planning.

Ecodestinations in Serbia that could be the beginning and basic point of the development of ecotourism in Serbia are the nature reserve Zasavica (near Sremska Mitrovica), the gorge of the river Gradac (near Valjevo), Stara planina, NP Djerdap, NP Tara, Vlasina Lake and the biosphere reserve Golija. So far, ecotourism is represented in our country on farms and villages, and in very small numbers. Ecotourism, as a specific type of tourism, offers solutions in the direction as how to:

- develop tourism in a truly protected or undiscovered area without the risk of visitors disturbing or altering the original character or appearance of the area;
- determine the number of visitors that ensures the continuity of tourism development in an area, without disturbing the natural balance;
- build new or use existing accommodation facilities, ensure water supply, food, dispose of waste with as little disturbance of harmony with the environment as possible;
- ensure that the money spent on travel benefits the local population, and
- educate travelers and create an ecotourist.

However, when it comes to catering services and facilities for the needs of ecological tourism, it is necessary to mention the basic division of

catering into hotels and restaurants, ie facilities for providing accommodation services and facilities for providing food and beverage services. Accommodation facility for the needs of ecotourism is also called eco-lodge, which is essentially a modest facility at the level of basic tourist needs and must meet basic hygiene principles and safety measures. Investments in architecture should be harmonized in the style of local cultural heritage and should not violate aesthetic values, and it is considered that they do not belong to international hotel chains, but are owned by the local community or businessmen from the domicile. Nevertheless, practice shows that those accommodation capacities that by definition do not belong to ecowaste facilities are also used. Accommodation capacities, their spatial distribution, equipment, quality of services, use of modern technologies in management and appearance on the tourist market, perception of accommodation capacities by tourists, are considered as key factors influencing the final decision of tourists to opt for ecological tourism.

Foreign direct investments affect the relationship between spatial distribution and the structure of hotel capacity, as the dominant form of accommodation capacity, on the one hand, and indicators of tourist traffic on the other hand. The tourism industry (especially the hotel and catering industry) strives to direct and locate their business as close as possible to tourist and environmental attractions. There is a high correlation between the location of hotels and the location of attractions and other conditions in space, ie hotels will, as expected, be grouped into zones that have attractions, entertainment, sports and recreational facilities (Urtasun & Gutierrez, 2005). In this way, accommodation capacities become one of the conditions for the development of the destination, although, in themselves, they are not a reason for tourists to come to the destination. To this should certainly be added the quality of services, variety of hotel facilities, hygiene within the hotel, communication of staff with guests, kindness, quality of environment in terms of diversity of entertainment and above all an attractive ecological environment. All this represents the elements of a good business climate for foreign direct investment, ie decision-making in the investment of hotel and catering facilities.

3. THE RESULTS AND DISCUSSION

3.1. Investments in tourism

Investments in tourism, especially in ecological tourism, represent a part of the total economic investments. In theory, as well as in practice, the prevailing misconception is that investments in tourism are, in fact, investments in catering. However, although catering has a huge impact on the development of tourism, other elements of the tourist offer (traffic, trade, crafts, travel agencies, etc.) must not be neglected, which also have a great impact on tourism development, and precisely for that reason, investments in tourism should be viewed in a broader context (Unković & Zečević, 2011, p. 375). Namely, when defining investments in tourism, it is necessary to include all investments in extensive and intensive development of catering, traffic, trade, crafts, travel agencies and other activities that make up the tourism industry, to the extent that they are involved in direct and indirect needs of tourists. In addition to the above, investments in tourism are also considered investments in permanent working capital, which are necessary for the normal functioning of the tourism industry. (Unković & Zečević, 2011).

As a special problem there is the fact that in a number of tourist developed countries in the world there exists a statistical monitoring of investments in tourism. In many countries, only funds invested in catering and tourism businesses are statistically monitored. In our country, until 1965, official statistics showed investments in catering and tourism together with trade, and only after that they began to be expressed separately (Gligorijević, Ubavić, 2016). The growth of the attractiveness of investing in the service sector was influenced by numerous factors, and the most important tendencies are the following:

- rapid growth in demand for services, especially in tourism (hotel and catering);
- growing awareness of the importance of services for achieving efficient and productive production (creation and innovation of hotel products) in all sectors, and
- liberalization of investment policies in the service sector in many, especially tourism-developed countries (Popovčić-Avrić, Đenić, 2011).

In the past ten years there have been major changes in the market of hotel and catering services in Serbia. In the period from 2013 to the end of 2019, the number of hotels increased significantly by about 30% or 86 new hotels. However, despite significant development, in one segment, which is the segment of hotel chains, Serbia still lags behind most European countries, because it is in 21st place, and only Albania has a smaller number of hotels that belong to hotel chains.

Table 2. Basic growth index of the number of hotels in Belgrade from 2013 to 2019

Year	2013	2015	2019 (up to III quarter)
Number of hotels	59	81	112
Basic growth index	100	137	189

Source: Šimičević & Štetić, 2015; Categorized objects in Serbia - third quarter 2019

12.77% of hotels in Belgrade belonged to international hotel chains, which were built mainly on the basis of foreign direct investment. Hotels of international hotel chains make up as much as 60% of all hotels in the 5-star category, 15% of hotels in 4-star hotels and only 3.57% of 3-star hotels (Mašić, 2018). In Serbia, the share of hotels belonging to hotel chains is only 6% in the total number of hotels, which is below the European average (European Chains & Hotels Report, 2019). As of the third quarter of 2019, Serbia had 374 hotels, 112 of which were in Belgrade. This means that 30% of all hotels in Serbia are located in Belgrade.

There are numerous influences of foreign direct investments on the development of ecotourism of the host country, and the most important are: influence on the volume and structure of tourist demand, influence on the formation of tourist offer and range of services in hotel and catering, influence on human resources, influence on domestic economy and development of domestic companies, impact on the environment, impact on the balance of payments and others.

Considering that foreign investors are very demanding, a very favorable investment climate must be created for their investments, which includes tax relief, incentive measures, protection from bureaucratic arrogance and corruption and the like. The host country, in particular, should provide various tax incentives such as low rates of value added tax (VAT), corporate income tax, payroll tax, etc. Experience so far has shown that the application of tax incentives alone is not enough to attract foreign investors, but that they come to the fore only

after an adequate investment climate is created in the host country and various non-tax incentives are applied. In this regard, financial support in the form of grants is very important, as well as fast registration of economic entities and minimal administrative obstacles in the construction and opening of business facilities.

More serious investments of foreign investors in Serbia are prevented by insufficiently developed infrastructure, bad legislation, lack of liquidity, as well as non-transparency of the market. The difficulties they have in preparing and planning projects and the unpredictability of the market are the biggest problem for foreign investors. In the current conditions, institutional investors, primarily foreign ones, are more interested in short-term low-risk investments (Gligorijević, Ubavić 2016).

Investment of foreign investors in catering in the period 2010 - 2020 is indirect (through food and beverages), as indicated by the following Table 3.

Table 3. Share of investments by sectors (%) in the period 2010-2020

1. Automobil sector	18,7
2. Agriculture, food and beverage	10,4
3. Textile and clothes	8,8
4. Electrical eng. and electronics	6,5
5. Machine and equipment	5,7
6. Civil engineering	5,4
7. Metallurgy and mechanical eng.	3,7

Source: RAS (Development Agency of Serbia) www.ras.rs (accessed: 21.06.2021);

Although ecotourism is a specific form of tourism, on the rise, with new techniques and approaches being developed every year, total investment, even foreign direct investment, is still below the level expected over the years and below the potential opportunities for its much faster development. Many different actors need to be involved in its implementation - including entrepreneurs, government, NGOs and local communities. There are numerous questions about what needs to be done to increase foreign direct investment in tourism, ie to attract investors. Numerous studies have shown that, in most cases, hotel facilities are built near the largest attractions and next to developed infrastructure facilities that are able to best serve the needs of the hotel and its guests (Kosar, 2018). In this way, guests have easy access to the main attractions, but also easy arrival and departure from the hotel and movement within the destination. However, in that way, ecological

tourism is neglected, ie specific destinations that are suitable for its development, and foreign direct investments are lacking, to a greater extent, for more serious development of that type of tourism, ie investments in hotel and catering facilities in mostly rural areas.

On the basis of analytical studies, it is necessary to provide guidelines for investments in infrastructure, typical construction of houses-facilities for accommodation of tourists, mountain and hunting lodges, but also rehabilitation of illegal landfills and construction of standardized hygienic landfills. Furthermore, it is necessary to make optimal proposals for designing eco-trails, proposing locations for summer schools, workshops, outdoor workshops, etc., proposals for selecting locations for potential hunting farms, as well as fish farming and sport fishing, selection of locations for extreme competitions. sports, selection of locations for fitness training and coaching of athletes. Recently, recreational activities in nature have also contributed to the spread of ecological tourism.

FDI would contribute to directing the great potential of ecotourism to the prosperity of the regional and local economy and the creation of a large number of new jobs. These goals will be most easily achieved through a public-private initiative and partnership based on eco-tourism as a strategic and development priority with a positive impact on the intensity of economic activity, employment growth, modernization of infrastructure and investment incentives. In addition, foreign direct investments enable the application of ecocertificates in the hotel industry of Serbia. The importance of ecocertificates in the business of hotel and catering companies is reflected in two ways. First, the importance of preserving the environment and socially responsible business, which is based on the principles of sustainable development, is imposed. The second, no less important importance is in increasing business performance and savings that hotel companies can achieve in their business by applying environmental standards and introducing certificates. It should be borne in mind that eco-certificates are of great importance for the application of the principles of sustainable development in the daily business of hotels and restaurants, with special emphasis on environmental activities and initiatives that save environmental resources and protect the health of staff and guests.

Tourism as an economic and general social phenomenon and activity, unlike other forms of business, is very dependent on the quality of living space and its preservation. Therefore, the commitment to the protection of living space, ie its sustainability and preservation is very important, not only for current but also future generations. In addition to the aspect of preserved nature, ecotourism also includes the socio-economic aspect where numerous activities play a very important role in creating the economic market and realizing benefits for the local population and tour organizers (Štetić et al., 2021).

The realized tourist traffic corresponds to the maximum with the spatial distribution of hotels, ie the largest number of tourists stayed in those Belgrade municipalities that have the largest number of hotels as well as in larger cities in Serbia (Novi Sad, Niš, Kragujevac, Subotica, Čačak, etc.).

It is considered that there is a small number of 5-star hotels, which should be increased in order to clearly differentiate them in the hotel market from 4-star hotels, which would increase the quality of service and adjust prices in 3- and 4-star segments (Šimičević, Štetić, Aksentijević, 2019). This requires serious investments, and that is the motive and path for direct foreign investments in this tourist branch, not only in Belgrade but also in all parts of Serbia.

Table No.4 Changes in the structure of hotels in Belgrade and Serbia from 2013 to 2019

2013					2019				
Category	Serbia		Belgrade		Category	Serbia		Belgrade	
	No of hotels	Particip. (%)	No of hotels	Particip (%)		No of hotels	Particip (%)	No of hotels	Particip (%)
Total	294	100	59	100	Total	374	100	112	100
5*	11	3,74	3	5,8	5*	13	3,47	4	3,57
4*	71	24,14	28	47,45	4*	147	39,30	69	61,60
3*	91	30,95	19	32,20	3*	142	37,96	34	30,35
2*	96	32,65	8	13,56	2*	58	15,50	3	2,67
1*	25	8,50	1	1,69	1*	14	3,74	2	1,78

Source: Šimičević et al., 2019.

3.2. Foreign direct investments and ecomanagement in the hotel and catering industry

Foreign direct investments in Serbia, in large part, come from the European Union, which in its strategic documents (Europe 2020 and the EU Strategy for the Danube Region) devotes a significant place to the

application of the concept of sustainable development, with the intention that each country defines its own concept of sustainability, while respecting its own specifics.

However, with the appearance of the latest crisis in 2020 as a consequence of the pandemic COVID-19 (along with the previous two general crises in the twenty-first century), the realization of strategic documents has been called into question. The latest crisis has almost completely annulled the period of economic and social progress and opened structural shortcomings within the European economy, which required the adoption of a new strategy to overcome the crisis and economic recovery that will ensure a high level of employment, productivity and social cohesion. The Europe 2020 strategy has highlighted three interrelated priorities (Europe 2020 Strategy Guide):

- Smart growth - development of the economy based on knowledge and innovation;
- Sustainable growth - promoting a more resource-efficient, green and competitive economy, reaping Europe's leadership advantage and ability in the race to develop new processes and technologies, and
- Inclusive growth - orientation towards an economy with a high employment rate that contributes to social and territorial cohesion.

When attracting FDI, from the aspect of the development of ecological tourism in Serbia, one should keep in mind the necessity of introducing eco-management in the hotel and catering industry. Namely, having in mind the activities of these branches of tourism, due to the nature of business, they are considered one of the significant polluters of the environment, and therefore the need to introduce this management system is a necessity. The main goal of this request, which is put before foreign investors, is to harmonize the requirements for increasing care for environmental protection with the needs of sustainable development, ie to establish a management tool that will provide a more efficient way of environmental management. An organization that decides to introduce this management system, in order to obtain an international certificate, must meet the requirements set out in this standard and thus demonstrate its ability to consistently commit to environmental protection and compliance with applicable laws and regulations governing this area.

Acceptance and implementation of the definition of requirements is aimed at the following:

1) committing that environmental management is one of the key priorities of the organization, and all employees for the implementation of the established system;

2) planning activities that cause:

- the smallest change in the environment;
- pose the lowest risk to the environment and human health;
- reduce the load on space and consumption of raw materials and energy in the construction of production, distribution and use;
- include the possibility of recycling;
- prevent or limit the impact on the environment at the source of pollution;

3) establishing and maintaining communication with internal and external stakeholders, in order to understand the needs and expectations of stakeholders and more efficient risk management;

4) determining the responsibilities and obligations of management and employees to adhere to all instructions during the introduction and implementation of the system. The main task of management representatives in the system implementation team is to control the implementation of the established system, and team members from the ranks of employees to present to employees all requirements for system implementation and present all requirements for system implementation and train them for proper application of documentation;

5) continuous provision of necessary resources, including professional training of employees to achieve the target level of environmental performance;

6) defining and evaluating the impact of environmental protection in relation to the general and specific goals of the organization, as well as identifying improvements in the system and performance of environmental protection by monitoring and measuring environmental impact, documenting flows, identifying and documenting deviations, and determining corrective measures;

7) objectively informing the public about the situation and problems in this field (Barjaktarović, D., Barjaktarović, L., 2019).

Tourism as an economic branch, taking over the role of leader and achieving an increasing share in the domestic gross product and total employment, takes on a significant responsibility in relation to the economic, social, cultural and natural environment. Conversely, without

strategic planning and management of sustainable development, (proper targeting of foreign direct investment) "mass" or "wild" tourism can cause great damage to the destination environment and cause social and cultural conflicts in the local community. Therefore, in order for ecological tourism to contribute to the overall development of the destination in the right way, it needs to be planned and managed so as to contribute not only to tourist satisfaction but also to the quality of life of the local population and to reflect and improve the natural and cultural environment.

4. POTENTIALS FOR ATTRACTING FDI

4. 1. Natural resources

Well-preserved nature is one of the fundamental competitive advantages of the development of ecological tourism in Serbia. The diversity of natural resources is an additional reason to consider the development of ecological tourism as an important means of sustainable tourism development and a consistent and long-term approach in order to achieve sustainability. These are protected natural assets, primarily national parks and nature reserves, then landscapes characterized by diverse geo and biodiversity, landscapes with minimal anthropogenic impacts of urbanization, localities in areas and the most peripheral parts of urban areas, adaptation and harmonization of catering facilities for ecotourism. Ecotourism, as a modern model offered to tourists, aims to raise awareness of the indisputable link between tourism and the environment. Ecotourism offers an alternative to mass tourism, because it is based on a responsible attitude towards nature. Natural and human resources for the development of ecotourism in Serbia are huge, but they are not sufficiently presented to the public, so they are not fully used.

The current level of development of ecological tourism in Serbia is below expectations and below what is realistically possible. Therefore, in the coming period, the multivalence of tourism is expected to start agricultural production for tourism needs, animate and revive free capital, ensure the creation of new jobs and improve the quality of life of the population. Serbia has great potentials, attractive for investing in the hotel and catering industry. A large part of Serbia has an excellent basis for the development of ecotourism - preserved untouched natural environment - five national parks, ten protected areas, a biosphere

reserve, more than a hundred reserves and twenty nature parks, about 500 natural monuments, etc. Very beautiful are the picturesque forests and glades of Šumadija, the "rainforest" of Perućac, the slopes of Fruška gora, the "carpet" of the meadows of Tara and Zlatibor, the land in Beli Blato near Zrenjanin, the banks of the Danube, Tisza, Drina, Tara, with their waters rich in fish. The wealth of Serbia is represented by more than 200 plant and 400 animal species that are marked as natural rarities. Along with tradition, folklore, historical heritage, the Serbian village provides visitors with the opportunity to have diverse and unique content in the natural environment throughout the year.

Many areas in Serbia have already gained an enviable reputation as an ecotourism destination. Adoption of the concept of sustainable development and management of ecotourism, using the experiences of other countries, can contribute to the appropriate positioning of Serbia as an ecotourism destination on the international tourism market. This should contribute to the development of ecotourism and at the same time provide a greater inflow of foreign tourists and foreign currency. For the development of ecological tourism in Serbia, the fact that the quality of agricultural products is at the highest level and that Serbian products are highly valued in the world is extremely important. It is estimated that about 4.1 million tons of agricultural products worth \$ 5.5 billion are produced annually on 4.1 million hectares of arable agricultural land. In addition, as much as three quarters of the territory of Serbia are areas where approximately half of the population lives.

Experts believe that food production can be most effectively valorized in the manifestation tourism of Serbia, because about 2,000 different cultural, scientific and sports events are held throughout the country every year. Many of them have gained an international reputation, so they can most quickly attract a large number of tourists from around the world, eager to have fun and enjoy Serbian specialties. Also, through Serbian culinary specialties, one can quickly gain affirmation and a good reputation in big world cities, primarily where people from these areas live, and according to some estimates, there are more than four million of them. There are 200,000 Serbs in Austria alone, of which as many as 120,000 are in Vienna. A wise move would be to open a "Serbian house" in every major European city. It would be at the same time the return of Serbia with its products to the world, and certainly the biggest buyers will be our people, who would protect their identity by buying Serbian

products. In addition, foreigners, who are otherwise enthusiastic about Serbian food, can be regular buyers of Serbian products, which would open the possibility for further cooperation, sale and improvement of Serbian agriculture and rural or ecological tourism, which is expanding in Serbia today.

Along with healthy ethno-food and organic food, the great trump cards of ecological tourism, as everywhere in the world, are becoming increasingly popular. These are mountain biking, hiking, rafting, adventure tourism, bird watching, collecting herbs and mushrooms. By enriching the tourist offer and foreign exchange inflow from foreign tourists, the profit from ecotourism has reached the figure of one billion dollars in 2019. However, for further progress of ecotourism and rural tourism, it is necessary to change the situation on the ground, which is quite unfavorable. The villages are rapidly aging and disappearing, because young people go to the city where they have better living conditions. In addition, engaging in rural tourism requires large investments, which the impoverished peasant cannot afford, in order to tidy up the household and have working conditions. It is certain that rural and ecological tourism is a very important part of the tourist offer, which raises the cultural content in Serbia and gives the opportunity to educate rural children, and urban children the opportunity to learn about some forgotten values, Serbian tradition and beautiful nature.

The development of ecological tourism, as defined in the international framework, is still in its infancy in Serbia, and the reason is the insufficient motivation of all carriers of tourist activities. From the aspect of interested investors, it is necessary to determine tourist activities that should be valorized in an adequate way and assess their value. The assessment of tourist values should be realistic and based on reliable criteria. On the other hand, excessive urbanization, uncontrolled economic and technological development, climate change, frequent natural disasters and eventually pandemics, as well as other negative phenomena led to the destruction of ecosystems, which affected the decline of living standards and the health of the general population.

The COVID-19 pandemic has contributed to the economic crisis and a further decline in living standard in Serbia. The negative consequences of the COVID-19 pandemic have affected all segments of the economy, especially service activities: hotel and catering, and thus the development

of tourism (Živković et al., 2021). Research studies have shown that there are different negative and positive effects. However, research in the tourism sector has shown that there are opportunities for the development of ecotourism and rural tourism in the mountainous regions of Serbia after the pandemic (Božović et al., 2021).

Foreign investors have already recognized Serbia as a center of biodiversity and extraordinary natural potential important for the development of alternative forms of tourism such as ecological tourism based on nature protection and conservation, where "environmentally friendly" activities stand out (walking and cycling tours, herbal tours, bird watching, photo safaris, hiking, etc.). Additional activities are also important, such as events dedicated to gourmet tourism, conference tourism and other forms of tourism that contribute to the diversification of a tourist destination within ecotourism (Živković, 2018).

4.2. Specific forms of FDI and investments in eco-tourism

In response to the negative consequences of mass tourism (mass orientation to a smaller number of destinations with a large number of tourists, disruption of the original beauty of tourist places, environmental pollution due to excessive construction, etc.) the development of ecotourism begins to align with tourist destinations (physical, biological and sociological). Ecological dimensions are introduced into the development of tourism and the ecosystem approach is promoted as a new phase in the development of tourism - sustainable ecological tourism which should establish a positive relationship between the tourism economy and environmental protection.

To invest in hotels and restaurants requires significant capital from REIT (Real Estate Investment Trust) which is a closed-end investment fund that comes to fresh capital in two ways (Mašić, 2017):

- recapitalization on the capital market,
- through various forms of borrowing on the financial market.

Prior to the emergence of specialized real estate investment funds (hotels and restaurants), the main investors in this sector were most often large corporations and private investment funds.

Now a large number of small investors can invest in the real estate sector and participate in the profits generated in the hotel and catering sector. In addition, investors are exempt from income tax. REIT funds are most often divided into asset mortgages and hybrids. Property REIT further specializes according to the type of real estate they invest in and can be identified as follows (Brueggeman and Fisher, 2005): specialized funds for investing in hotel facilities, business premises, industrial facilities, shopping malls, residential complexes where catering facilities are located.

In the case of recapitalization on the market, issuance and sale of new shares of the fund, the collected capital is most often directed towards the purchase and adjustment of hotel facilities that are already operating on the market. The reason is simple because by investing in the construction and development of a new hotel facility, the first profit based on the investment can be expected only after a few years. Investing in new hotels does not contribute to increasing current profitability, but represents an investment in the future. The management of these investment funds, which specialize in investing in the hotel industry, is in a constant effort to increase current and short-term profitability in order to meet the expectations of potential investors. (Mašić and Barjaktarević, 2014). This is the main reason why hotel REITs often buy hotel facilities that are already operating on the market because in this way, in the short term, they can increase both real profitability and profit expectations (Mašić, 2017). By entering the business system of a strong hotel corporation and providing the possibility of using an established hotel brand, a number of advantages and possibilities for raising the profitability of hotels owned by hotel funds are realized. The main advantages are the following (Martorel Cunill, 2006):

- conquering a larger market with the help of a strong brand;
- charging higher prices from consumers;
- higher level of return on investment, which is especially important for potential investors;
- creating a better basis for further growth and development;
- building tourist loyalty and ensuring stable incomes in the future.

The SWOT analysis of ecological tourism in Serbia showed the strengths, opportunities, threats and weaknesses in the development of ecotourism.

Strengths, natural and anthropogenic potentials for the development of ecotourism are great, but they are not presented in the right way to the general public (including possible foreign investors), and therefore they are not fully used. Therefore, it is very important that these values are identified, protected and, with adequate promotion and a designed tourist offer, valorized on the tourist market. Many regions have adequate economic, technical and organizational capabilities that can be used as a starting point, and which will be adapted depending on the tourism market. The benefits are reflected in the tourist-geographical and transit position according to the wishes of the environment. It is important at the very beginning to set the development of ecological tourism on a sustainable basis and adapt it to the carrying capacity of the space.

Opportunities, development and improvement of ecological tourism in Serbia are significant and are reflected in the readiness and support of competent institutions for the development of planning and development documents related to tourism, and thus its specific forms such as ecological. Approaching European integration opens the possibility of applying for accession funds to finance infrastructure projects and facilities, which contributes to improving the quality of the environment and the development of underdeveloped regions. However, from the aspect of financial support to the development of ecotourism, the inadequacy of the banking sector is evident (Živković et al. 2020).

Weaknesses are reflected in the insufficiently developed environmental awareness of the local population, and the insufficient readiness to change that situation. Poor quality waste management policy and the existence of illegal landfills contribute not only to poor appearance, but also to the destruction of the quality of the environment and the natural environment. It is necessary to engage relevant institutions in order to neutralize these weaknesses. Weaknesses are the lack of various tourist products, insufficient local cooperation, insufficient support for good projects, poor transport infrastructure, low quality of services, lack of adequate accommodation facilities, lack of educated staff specializing in harmonizing the development of ecological tourism and spatial protection of natural and cultural-historical resources.

Threats are perceived through unbalanced and uneven development, with depopulation of rural areas (with unfavorable age and educational structure of the population). Insufficient level of control and sanctions of all types and forms of pollutants directly affect the condition and quality

of the environment. In addition, uncontrolled hunting tourism can be a threat.

Several factors have negatively affected the inflows of foreign direct investment in Serbia:

- problems in law and general legal regulations,
- unresolved ownership relations, especially in rural areas;
- inefficient judiciary at all levels;
- inconsistent implementation of the cadastre system;
- underdeveloped infrastructure (traffic and telecommunications);
- delayed reforms, in many areas and at various levels;
- high taxes;
- unfavorable economic environment.

These are the key problems that need to be solved in order to increase the inflow of foreign direct investments in Serbia in the future. For example, one of the reasons why American investments have not been more present in Serbia for a long time is the case of the privatization of "Putnik" by the company Uniworld holdings Ltd. (UHL) 2003. This company secured its investment with the Private Foreign Investment Corporation (OPIC) from which DFC emerged in 2018. The Privatization Agency terminated the privatization contract in 2005, and although the UHL won the international arbitration, it was unable to collect claims from Serbia. That is why he collected from OPIC, where he secured the investment, and the claim from the Government of Serbia was taken over by the American government agency OPIC. OPIC has been trying for a long time to collect receivables from the state, which is why Serbia has gained a bad reputation as an investment destination, especially with American investors.

4.3. FDI inflows and sustainable development

Foreign investors realize that tourism is one of the strongest "industries" in the world in the modern era. For many countries, tourism is a significant export product, a significant factor in foreign exchange inflows and a source of added value of underdeveloped areas, as well as a significant generator of employment. However, its basic characteristic is mass, and the number of tourist trips is constantly multiplying, which leads to the destruction of tourist resources and tourist destinations as a whole. Therefore, the concept of sustainable development must be

intensively applied at all levels from local to regional, state and general, universal. The concept of sustainable development strives to increase well-being, ie to preserve well-being over time, which requires harmonization in the behavior of various economic activities in order to protect the environment and the richness of ecosystems (Muntilak-Ivanović, 2005).

The focus of sustainable development is on maintaining a constant balance between natural resources and the quality of human life. Such an approach to sustainable development should ensure long-term preservation and protection of natural, cultural and social resources and contribute to economic growth and personal satisfaction of individuals, ie to establish a balance between: economic and technological systems (balance in technological development); economic and social resources (preservation and improvement of cultural heritage in all its forms); economic and political interests (readiness and commitment of competent state institutions to implement the concept); ecological systems and economic resources. All these systems are connected in different ways into one complex system that provides efficient management of environmental protection, which is achieved by their integration into the process of making and implementing planning and investment decisions.

The benefits that a hotel and catering company has from the introduction of the environmental protection system are the following (Barjaktarović, D., Barjaktarović, L., 2019):

- improving the competitive position;
- more rational use of energy and water;
- waste control and recycling in order to reduce costs and increase competitiveness;
- improving the quality of life of workers;
- reducing the number of situations for which responsibility is borne.

Among other things, foreign investors are required to ensure full commitment to environmental protection through: monitoring, identification and control of the impact of business processes on the environment, application of modern technologies that protect the environment, timely measures to improve environmental quality and true and objective informing of the public about the preservation of the environment. In the conditions of the general economic crisis caused by

the COVID-19 pandemic, it is important to establish mechanisms of circular economy in order to reduce food waste and use surplus food as a resource in catering facilities (Živković et al., 2021a).

The importance of sustainable management of a tourist destination is achieved by optimal use of natural resources, respect for socio-cultural authenticities of host communities, provides socio-economic benefits, strengthens the economy and achieves a better quality of life for residents and tourists at eco-destinations. On the other hand, there is a great impact of general crises on international tourism, and to a lesser extent on domestic tourism. A tourist destination, especially one destined for ecological tourism, is faced with the virtual certainty that a catastrophe will occur in one form or another. In recent history, the tourism sector, globally, has suffered many crises and disasters including terrorist attacks, political instability, economic recessions, as well as natural disasters. However, the general health crisis caused by the COVID-19 pandemic left catastrophic consequences not only on the business of hotels and catering facilities, but also stopped the development and inflow of investments.

Research studies of the negative and positive effects of the pandemic in ecotourism, which arise as a result of the limitation of industrial activities, are not yet convincing enough (Virijević et al., 2021).

4.4. Attracting FDI and green hotels in Serbia

Ecological form of tourism is an innovative type of tourism that is increasingly present in the tourism market. It is necessary to coordinate activities to attract foreign direct investment and sustainable development at all levels, which aims to establish harmony between business and life, respecting nature and its environment. The appearance of green hotels contributes not only to the protection of natural resources, but also creates a better image of hotels in the tourist market and cost savings. These hotels increase the application of environmentally friendly and sustainable methods of work, the development of environmental awareness and encourage change in the behavior of guests, employees, suppliers, as well as increase the competitiveness and sustainability of Serbia as a tourist destination. Changes on the side of tourist demand also refer to the intensification of specific selective requirements of tourist consumers for increasing the ecological quality and health-recreational

functionality of the receptive space (Čerović, 2013). Establishing and maintaining quality in the hotel industry requires the application of standards at all levels of realization of the hotel product, with the aim of ensuring the quality of the hotel product and survival in the tourism market. In addition, social responsibility is interrelated with the concept of sustainable development, which refers to the rational use of limited resources. The role of "green hotels" is to apply the appropriate way of building and managing the hotel as follows (Milićević, 2016):

- reduce energy, water and carbon dioxide consumption;
- increase waste recycling;
- reduce the use of classic detergents and other chemical agents to a minimum, ie replace them with ecological means;
- prevent or reduce environmental pollution;
- enable the preservation of local biodiversity.

Energy flows in green hotels are controlled because sustainable hotels, through the application of modern technologies, adequately manage and achieve savings that are not present in their conventional competitors. According to some research (Krejić, Andjelkoić, 2019), sustainable hotels, by introducing a series of processes through which waste is recycled and through wastewater treatment, reduce energy and water consumption in the hotel (by 20 percent), while garbage collection costs are reduced by an average of 15 percent.

Improvements are also visible in the condition of the environment in which the hotel is located. For example, the first ecological hotel in Serbia was the hotel "Premier Aqua" in Vrdnik, on Fruška Gora. An example of good practice (from the aspect of inflow of foreign direct investments and so-called sustainable hotels) is "Hyatt Regency Belgrade", which in many ways combines innovation and savings with the preservation of the living environment. Then, the first hotel in Serbia that received the "green key" certificate in 2015, was the "Radisson Blue Old Mill", and in the next two years, this hotel was on the list of green hotels. During 2015, the "green key" was given to the hotel "In" Belgrade, and also in the next two years. These hotels are joined by the hotel "Zlatibor Mona" on Zlatibor, as the first domestic hotel with a green key, during 2019 (<https://www.monazlatiborcom/rs/>).

This further confirms the fact that accommodation facilities are the basis for the development of tourism in a particular area and that tourists

choose those destinations that have adequate accommodation facilities. In the coming period, we can expect the development of the hotel offer along the new roads, which are still under construction, but also in the outskirts of Belgrade, which are ideal for combining rural and urban tourism, with elements of ecological tourism.

For the operation of green ecological hotels, it is important to enable eco-restaurants, the number of which in the world is constantly growing. In Serbia, there is also a need for eco-restaurants that meet the principles of sustainable development and rational use of resources in the restaurant industry and catering (Živadinović, 2020).

4.5. Impact of general crises on FDI inflows

The beginning of the twenty-first century was marked by major general crises (2008, 2014 and 2020) which had a negative impact on the inflow and level of foreign direct investment in the economy and especially in the tourism sector. The global financial and economic decline that hit tourism from 2007 to 2010 until 2014 until the outbreak of the 2020 pandemic confirmed the huge role that general crisis events play in the crises of the tourism industry. No sector has suffered as severe consequences as it was the case with tourism. This had a negative effect on the inflow of foreign direct investments, which fell to symbolic amounts. The potential effects of crisis events on international tourism are likely to increase in scope and frequency as tourism becomes increasingly hypermobile and the global economy even more interconnected. Given that the tourism sector is particularly vulnerable to crises and disasters and that individual organizations cannot cope with major crises, which affect the entire tourism market of several countries, it is crucial to involve national and local governments in developing, coordinating and implementing policies. relate to risk and disaster management. National governments establish strategic directions for the development of risk and disaster management processes, and in most countries, provide funding for related activities.

The emergence of the pandemic, which caused a huge crisis in the business of all types of tourism economy, confirmed the great need for coordination of actions of national governments with other government agencies and key groups in the tourism sector. Therefore, the already modest foreign direct investments should be carefully directed to

attractive types of tourism, such as, for example, ecological tourism. This type of tourism is complementary to spa tourism, which has proven to be very sustainable in the midst of the COVID-19 pandemic, so there is a possible placement of foreign direct investment. Despite the COVID-19 pandemic, spas have remained the dominant tourist destination. In 2020, 35 spas in Serbia were active. It is believed that the situation would be even better if those spa centers that remained "stuck" or largely unused due to poor privatization were activated. (Vešković, 2020).

However, we should keep in mind that the flourishing of tourism has turned many spas in Serbia into urban settlements. Nevertheless, spa tourism together with ecological tourism would be additionally strengthened if its carriers were quality hotels, and not only health institutions. Therefore, attracting foreign direct investment in the development of ecotourism destinations is not only desirable but also imperative. In addition, the possibility of joint investments of FDI in hotel and catering capacities of domestic entrepreneurs should be explored. Tourists, to a large extent, want on their travels a unique experience that family hotels and catering facilities can provide through getting to know the domicile population, local customs, gastronomy, folklore and the transmission of legends. Ecological tourism from the aspect of development of catering capacities and foreign direct investments should follow the tendency to move from a mere catering zone to the space of specific activities that include the contents of ecological tourism.

5. CONCLUSION

Serbia has a good resource potential for the development of ecological tourism, but it is necessary to turn it into new use values with a serious and responsible approach to tourism development planning (among other things, attracting foreign direct investments). In the long-term strategy of social and economic development, the Republic of Serbia has included the development of tourism (especially ecological tourism) in the priorities of its current economic policy and development strategy. scientific field, as well as to point out to the creators of economic, tourist and investment policy the possibilities of developing ecological tourism in Serbia. Apart from investing in accommodation and food services, for successful and long-term development of tourism in Serbia, investments

are necessary in other activities that are complementary to the development of tourism and with it, in a certain area, form a single whole. This primarily refers to traffic, trade, construction, some branches of industry, agriculture, manufacturing and other activities. For the stable and continuous development of tourism in Serbia, the formation of adequate tourist clusters is also extremely important. In doing so, each tourism cluster should develop those types of tourism and those tourism products / services for which it has the best potential. However, care must be taken that tourism clusters do not compete with each other by developing the same tourism products / services. Stimulating the development of ecotourism is related to the lack of capital, infrastructure, knowledge and access to global marketing and distribution channels. Foreign direct investment is the most efficient way to remove the constraints that lead to a lack of capital and create conditions for faster development of ecotourism, hospitality and catering. The tourism sector is one of the least restrictive sectors, attracting increasing attention from foreign investors. However, it is often pointed out that the economic benefits of this development of tourism, which is based on FDI inflows, cannot be maximized due to high levels of foreign ownership, large losses and relative lack of ties with the local economy or host country (Bošković, 2008, p.23). . Attracting FDI should be in line with the general long-term development of tourism. This means that it is necessary to insist on sustainable development, with cooperation at the national, regional and local level and the implementation of spatial and environmental standards, while upgrading and innovating the tourism development strategy. In addition, special attention should be paid to the elimination of development barriers through the adjustment of legislation, tax burden and investment in education of the local population. With all this in mind, a favorable business environment will be created attractive for attracting foreign direct investment. The development of ecological tourism (facilitated by foreign investments) should be an adequate approach for repositioning Serbia as a tourist destination on the international tourist market, creating a desirable image of desire with a wealth of natural and cultural resources. FDI is mainly based on real estate investment funds specializing in hotels and restaurants, and are mostly dependent on acroeconomic trends. These funds show superior performance than most other types of asset REITs in periods of economic growth, while in periods of economic recession they achieve inferior results. Therefore, in the coming period, on the wave of economic prosperity, Serbia can expect an increased inflow of foreign direct

investments in a specific type of tourism, such as ecological. This part of the tourist offer lacks new hotel and catering capacities. The concept of sustainable development from the point of view of the interests of the overall economic development, ie investors is acceptable both for the bearers of hotel - tourist offer: local community, economy, hotel and catering companies, tourist organizations, travel agencies) and for tourists as subjects of tourist demand. Green hotels have gained in importance in public given that their role differs from other hotels in saving the consumption of natural resources, such as energy and water, and in reducing the production of municipal solid waste. On the other hand, the bearers of the tourist offer (including the local community) have an interest in preserving the environment, because only a healthy and preserved natural environment enables long-term development of ecological tourism and enrichment of the tourist offer or assortment of modern tourist products. In that direction, the interest of modern tourists is developing, who consider the preserved nature an important condition for satisfying human needs. Foreign investors, therefore, are increasingly respecting the requirements of this part of the bearers of tourist demand. Ecological tourism, supported by foreign direct investments, has a bright perspective in Serbia as well.

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