SOVEREIGN INVESTMENT FUNDS AND THE GLOBALIZATION OF TOURISM. DISCUSSIONS ON ROMANIA'S CASE

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Tourism, a well defined field in the services area, is expanding at global level as a result of the complex and diversified amenities it provides as adaptive and dynamic solutions to clients' requirements. Along with the development of this phenomenon, new and innovative decisions for efficient investments like establishing Private Equity Funds (PEFs) or Sovereign Investment Funds (SIMs) aimed at easing the flow of investments into areas of interest like tourism have been made. Thus, the aim of this paper is to overview the evolution of sovereign funds in the current post-crisis context, to make an analysis of the implications incurred by the employment of such innovative macro-investment solutions for the development of tourism in an emerging country. Moreover, it approaches the possibility of establishing a Romanian sovereign investment fund that could contribute to this country's economic development and, inherently, to its tourism.

Key words *Sovereign Investment Funds (SIF), tourism, innovative investment, emerging markets.*
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1. INTRODUCTION

Tourism is well integrated in the services area and as such it can be viewed as one of the most profitable economic sectors that has undergone a rocketing development. Tourism industry is also one of the main triggers of jobs at global level, as well as one of the greatest world producers in terms of the Gross Domestic Product (GDP) to which it contributes. [1]

Tourism industry has been developing lately at global level and is characterized by innovation and increase in the requests for related services that place the field in the position to generate gains during 2015, as well as in the years to come. Its unprecedented development occurs at a time when market freedom favors fresh capital inflows from new geographical areas and the number of players in the field is on the increase. Thus, under favorable circumstances for investment in tourism, numerous sovereign funds have gotten involved in the development of this phenomenon and the use of the various opportunities emerging on the market. It is interesting to study the efficiency of integrating a macro- financial innovation based on investment funds in order to stimulate an industry in an emerging market in a post crisis environment.

Historically speaking, the concept of sovereign investment funds (SIFs) ensued in the 50s when a number of states, most of which owning a lot of oil reserves or renowned for their large amounts of exported goods, were attempting to efficiently invest the liquidities resulting from commercial activities and oil exploitation. The funds were the result of budget and commercial surplus generated mostly by the export of natural resources. One aspect worth noting is that the states that manage such funds are less or not indebted at all to international entities, and the funds are established in order to reduce the volatility in government income or to simply save money for future generations. The main critical problems of emerging markets are linked to the illiquidity, the lack of transparency and the volatility of legislation and in this case the opportunity of introducing such innovative instruments is to be discussed. The answer to this dilemma needs to take into account the synergy between institutional development and financial markets development, which can be incentivized at macro level by innovative funds.

2. SOVEREIGN INVESTMENT FUNDS. AN OVERVIEW OF SPECIALIZED LITERATURE

In specialized literature, as well as in the work environment of various financial institutions there are numerous definitions of the concept of "sovereign investment fund". In general terms, it refers to a public investment instrument based on a generous portfolio of financial assets like shares, stocks, estates, etc. the International Monetary Fund (IMF) defines sovereign funds as those funds meant for investments, established by certain countries in order to hold control over a number of external assets [2].

The International Working Group – IWG of Sovereign Wealth Funds from within the International Monetary Fund defines sovereign funds as investment managed by certain states that, based on the assets they own/manage, aim at achieving some financial goals and adopt strategies focused on investing international financial assets. [3] Other authors define these funds as public investment agencies that manage some a part of state assets [4].

As Simon Johnson indicates, when a country has a surplus in its current account and accumulates more reserves than it needs for its immediate purposes, it may create a sovereign investment fund in order to manage the "additional" resources [5].

According to the official documents published by the European Commission, sovereign funds are established by countries with rich natural resources and especially by Arab ones [6]. This statement is supported and completed by Lenihan who also mention what the resources around which these funds are established consist of: oil, gold, silver, precious stones, phosphates, minerals, etc. [7]

According to euroactiv.ro, an online platform dedicated to the news related to the European Union and its policies, defines these funds as investment funds based on a wide portfolio of assets from various national and international markets [7].

Some of the features of this type of investment funds are:

- They are financed/owned by the states;
- They are supplied from the currency reserves of a state;
- They are managed separately from official reserves.

Moreover, another characteristic of sovereign wealth funds is that they are based on investments that can generate high profits that incur at the same time similarly high risks.

Authors like Bodie or Briere (2014) believe that a sovereign investment fund works based on a relatively simple model. The central government collects the yearly taxes and a part of the income that is thus generated can be spent, while the rest can be transformed into a SIF, transferred to the central bank or to the public fund of pensions. The management and investment of these funds is an issue still under debate and analysis. Anyway, the optimal allocation of sovereign funds is to crucially depend on the nature and size of their fixed and active assets, as well as on its specific sources of uncertainty. [2]

As already mentioned before, generally a sovereign investment fund has its own goals, but there are also a number of objectives that are common to all these investment instruments such as: ensuring economic stability, making investments more efficient by generating large profits, diversifying natural resource exports, consolidating regional development processes, as well as increasing the level of savings for future generations. Additionally, sovereign funds contribute to correcting global macroeconomic imbalances, and to avoiding inflation by keeping the financial surplus outside national economies.

According to Abdullah Al-Hassan et all (2013) sovereign investment funds play a major role in the macroeconomic management and global financial stability. The operations characteristic of these instruments are tightly related to public finances (given the financing process itself and the withdrawal norms) and monetary policy (with regard to liquidity terms). The same authors consider that in order to achieve their goals, sovereign funds must be managed as part of a solid governance structure and based on adequate investment strategies. Moreover, a close coordination with macroeconomic policies is essential. Additionally, the governance structure must ensure a clear delineation of the roles and responsibilities among various management entities, as well as operational independence for managers [9].

The goal of these funds, regardless of their underpinnings, is to first protect states against potential future economic crises or failures by diversifying the active assets and by creating additional wealth for future investment.

In terms of their taxonomy, there are various opinions on the main categories of sovereign investment funds. Basically, there are two categories in terms of their origin, and the difference between them resides in the financing manner [10]:

- Commodity sovereign investment funds – are financed from a country's exports (oil, gases, other basic types of commodity);
- Non-commodity sovereign investment funds– financed from the transfer of active assets into the official reserve of a country, from a state's budget surplus or even from the income generated by various privatizations.

According to Makhlouf, SIFs bring other benefits, as well, to their host countries. Thus, companies benefit from the capital they need to develop and the long term orientation of these funds contributes to the stability of these companies [11]. Moreover, it is worth mentioning that, unlike short term oriented investors and speculators, SIFs do not withdraw their investment when short term fluctuations in stock value or decreases in term income are recorded.

Dedu and Nițescu (2014) claim that these funds positively impact economy as a result of the major role they play in ensuring global financial stability. Their purchase power allows these funds to act as a stabilizing force and as a source of liquidity on world financial markets, as well as a client for the banking sector. It is as such that, during the last economic crisis, they actually contributed to the recapitalization of several US and European financial institutions (UBS, Citi, Morgan Stanley, Barclays, London Stock Exchange, Merrill Lynch), by purchasing minor packages as passive shareholders [12].

Bernstein et al. believe that these funds are also characterized by a number of limitations since they can create economic distortions. For example, preoccupation over their lack of transparency and likely political influence has been voiced [13]. In the current context of the massive involvement of these funds in acquiring important packages of shares in strategic companies, there is also the risk of a possible negative impact on the efficiency of corporate governance as a result of the possible constraints imposed on companies to act in a certain manner in order to meet the interests of foreign governments to the detriment and interests of the other shareholders. In this case, the fuzzy line between private and public investors can lead to a number of deficiencies in the international financial system and the consequences are difficult to overlook.

There are obviously exceptions. For example, the Norwegian sovereign investment fund (Government Pension Fund - Global), which is one of the most transparent, seeks to promote good corporate governance standards, to encourage enterprises to improve their social and environmental standards and focuses on six strategic areas of activity: equal treatment of shareholders, governance functional responsibility, efficient and legitimate markets, children's rights, water and environment management. Not long ago, this fund announced its intention to become an active investor and thus become involved in the selection of the directors of the companies where it holds a significant percentage of shares, that is more than 5%, and where that share totals minimum 1 billion dollars. In this respect, Yngve Slyngstad, CEO of Norges Bank Investment Management (NBIM) – administrator of the Norwegian investment fund declared that this kind of involvement is meant to actively contribute to creating value for shareholders [14].

Concerning emerging markets, specialized literature in the field is nonexistent and any discussion on this topic seems to be very far from reality. Emerging markets do have particular features but it is exactly government support and a better cooperation at institutional level that could create the premises for their development and for the establishment of synergetic natural self development mechanisms.

3. MECHANISMS UNDERPINNING SOVEREIGN INVESTMENT FUNDS

The interest for sovereign investment funds as key actors on financial markets has rapidly increased lately since many of them have been financed to collect and manage the income of states from natural resource exploitation and exports. Geographically, more than half of these worldwide funds come from the Middle East, which is from countries that, given their rich underground resources (mostly hydrocarbons) have stored large capital reserves for the past years. The Asian continent also holds an important place in the area of sovereign investment funds through countries like China and Singapore. Europe is also well represented in the area, even though there are only two such countries: Norway and Russia, partially [15].

The data published by the Sovereign Funds Institute (SWF Institute), an independent professional organization that tracks the evolution of these funds worldwide, are displayed visually on a map that shows the main areas across the globe where such funds are owned and managed (**Figure 1**).

Figure 1. Map of sovereign investment funds world wide
Source: http://www.swfinstitute.org/sovereignwealthmap.html

According to the same data, at the end of 2014, the value of the active assets of these funds worldwide exceeded 7000 billion US dollars, recording an increase by 219% compared to the value recorded in the third term of 2007, before the beginning of the crisis [16]. The value of the active assets owned by these funds and its evolution between 2007 and 2014 is displayed in **Figure 2**.

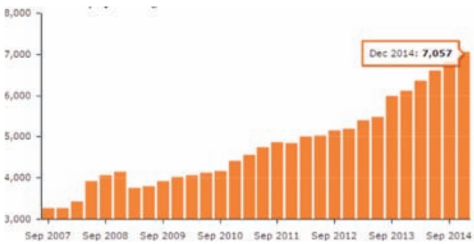

Figure 2. 2007-2014 values of active assets of sovereign investment funds
Source: http://www.swfinstitute.org/fund-rankings/

In a ranking periodically issued by the Sovereign Wealth Fund Institute (Table 1), Norway holds the largest investment fund at the moment (Government Pension Fund - Global) and its assets value $ 893 billion. Second and third come the Abu Dhabi Investment Authority from Abu Dhabi with a value of $ 773 billion, and Saudi Arabia's SAMA Foreign Holdings holding $ 757 billion assets. What is worth noticing is that top ten funds in terms of the value of the assets they manage are four Chinese funds: China Investment Corporation, SAFE Investment Company, Hong Kong Monetary Authority Investment Portfolio and National Social Security Fund. The total value of the portfolios owned by these funds is $ 1822 billion and that makes China one of the main investors in the world in terms of this type of investment. By comparison, ISA's sovereign funds hardly total $130 billion.

Table 1. Top 10 sovereign investment funds in terms of asset value

Country	SIF Name	Active assets value	Founding year	Source
Norway	Government Pension Fund .Global	882	1990	Oil
EAI Abu Dhabi	Abu Dhabi Investment Authority	773	1976	Oil
Saudi Arabia	SAMA Foreign Holdings	757.2	n/a	Oil
China	China Investment Corporation	652.7	2007	Non-commodity
China	SAFE Investment Company	567.9	1997	Non-commodity
Kuwait	Kuwait Investment Authority	548	1953	Oil
Hong Kong	Hong Kong Monetary Authority Investment Portfolio	400.2	1993	Non-commodity
Singapore	Government of Singapore Investment Corporation	320	1981	Non-commodity
Qatar	Qatar Investment Authority	256	2003	Oil
Canada	CPP Investment Board	207.8	1997	Non-commodity
China	National Social Security Fund	201.6	2000	Non-commodity

Source: http://www.swfinstitute.org/fund-rankings/

As far as the source of the assets in the portfolio of SIFs is concerned, **Figure 3** shows that 59.5% of the industry depends on assets derived from oil exploitation, whereas 40.5% of the assets come from other sources than the exploitation of natural resources. Geographically, the greatest value of SIFs assets is to be found in Asia (i.e. 39.1%) and in the countries from the Middle East (37.1%). The SIFs from Europe make only 16.7% of these funds and they are represented by those held by Norway ($ 893 billion), Ireland ($ 27.4 billion), France ($ 25.5 billion) and Italy ($ 6 billion).

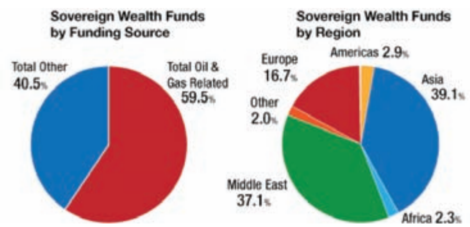

Figure 3. Source of the assets in SIFs portfolio
Source: http://www.swfinstitute.org/fund-rankings/

4. TOURISM GLOBALIZATION AND SOVEREIGN INVESTMENT FUNDS

In the context of nowadays global economy continuously influenced by the major economic, military, monetary and diplomatic changes, globalization has contributed to the emergence and development of sovereign investment funds along with tourism, a tertiary sector of economy. Tourism provides for 266 workplaces worldwide and contributes by 9.5% to the global GDP. Moreover, an increase by 3.8% to 3.9% in 2015 is foreseen and that means tourism is unequivocally growth engine within the global economy.

Moustrous et al. state that the development of sovereign investment funds as investment opportunities reflects quite accurately the latest economic changes, namely the transformation of emerging national economies from debtors to creditors. Thus, SIFs represent an irreversible consequence of these transformations [17].

The Asian countries have become models of this trend, even though the oil exporters from the Middle East and the developing countries from Latin America perfectly fit these patterns. The assets acquired and the budget surpluses have allowed these countries to attempt increasing their benefits as a result of the reserves resulting from investments through sovereign investment funds. Additionally, as a result of these investments, these countries have soon become touristic destinations that annually attract millions of visitors.

The economic pressure of the past few years have led to the establishment of sovereign funds aimed at exploiting the opportunities generated by the recent economic crisis. For example, the Nigerian Sovereign Investment Authority was founded in 2011 with a view to managing the income resulting from crude oil resources exploitation and the Italian Strategic Fund was established in order to support the growth of strategic companies from Italy, some of which are in the tourism industry. The worldwide economic changes have also led countries like Canada, India, Taiwan, Thailand or Japan to plan the establishment of such funds [18].

The value of the assets managed by SIFs during the economic crisis has had a positive dynamics and, compared to September 2007 it increased by 57% in September 2012. During the first trimester of 2009, their value decreased for the first time way below that recorded all along 2008. According to the 2011 report issued by World Investment, the funds that mainly invested in state bonds have not been too much affected by the economic crisis, compared to those with "equity exposure" [19].

One of the main factors contributing to the latest increase in the popularity of SIFs is their endorsement on behalf of the international financial institutions (the International Monetary Fund, the World Bank the Organization for Economic Cooperation and Development- OECD, the European Commission). As Ana Socol underlines in her article, the European Commission has promoted a common approach to SIFs encouraging states to use such funds. In this respect, the IMF even elaborated an Ethical Code meant for these funds. [20]

One of the major working principles of the European Union is the open flow of merchandise, capital and people and that has undoubtedly led to the development of tourists' inflow into member states. In the context of an open economic system, the EU can become the main player in the field of foreign investments in tourism industry, either as a generator of investments or as a user of these.

Considering the increasing role of sovereign investment funds especially in the hotel and civil aviation business, the European Union is more and more determined to maintain an open market. In this respect, through institutions like the European Commission, the EU got involved in initiating and promoting some principles based on which its member states can maximize their benefits and minimize their risks incurred by sovereign investment funds. Moreover, the EU also encouraged the debates on the issue of sovereign investment funds with a view to adopting some common policies concerning these investment instruments and that mainly aim the respect for free capital flow, international treaties and commitments made by each member state [21].

Sovereign investment funds have increased in an accelerated manner. It is worth noting in this respect that, according to the data issued by Thomson Reuters, about $ 24.5 billion was spent on mergers and acquisitions in the first six months of 2014, that is the greatest amount of money spent since 2010.

According to an Ernst & Young study [22], the number of mergers and acquisitions has been on the increase by 8% annually, and in this respect a further increase is expected given capital and financing availability under favorable conditions. For example, Asian investments (mainly on behalf of countries like China, Hong Kong, Singapore or Japan) have totaled 43.2% of all cross border transactions in the hotel industry for the past twelve months since October 2014, whereas the North American and Middle East investors came second. In this respect, Manhattan, Hawaii and London rank first three in the hotel business industry where Asian investments were made until October 2014 with a value of 48.5% of the total Asian investments in this industry worldwide [23].

The sovereign investment funds like those from Singapore, Abu Dhabi and Qatar are highly interested in investing in countries where tourism is a developed industry or in those where this represents a potential investment area. Kuwait, through its SIV, allocates important amounts of money to the real estate sector from London, namely to the City Hall, office buildings, shops, restaurants. Thus, for the "More London" project that is a real tourist attraction, this country invested $ 2.7 billion [24].

The Abu Dhabi Investment Authority in its turn is continuously expanding especially after its acquisition of about 16% of the Gatwick airports, the second largest international airport of Great Britain, where both line and low cost companies operate. This airport is actually owned by several investment funds owned by countries like Australia (17.23%), or South Korea (12.4%) [25].

The Heathrow airport is in a similar position. China Investment Corporation purchased 10% of the shares owned by the Spanish infrastructure investment company, Ferrovial, for an amount totaling $ 727 million. Similar to Gatwick, Heathrow is owned by several investment funds like those from Qatar (20%) and Singapore (11.88%) [26].

Moreover, Qatar's Sovereign Investment Fund through Qatar Airlines purchased 9.99% of the shares belonging British Airlines and Iberia (member companies of International Consolidated Airlines Group (IAG)) in January 2015 for £15 billion, a strategic move that will allow this company to extend its access to the transatlantic destinations that so far have been operated by British Airlines [27].

Numerous transactions have been made in the hotel industry and various sovereign funds have become involved in these. For example, according to Bloomberg, in September 2013 the Abu Dhabi Investment Authority purchased the greatest hotel group from Australia – Tourism Asset Holdings, Ltd. consisting of 31 units positioned in the largest cities of the country for $ 800 million [28]. A year later, Mike Goodson, head of the hotel industry investment division from within the Abu Dhabi Sovereign Fund, declared the intention of the fund to expand the investments in the tourism industry in Australia, should opportunities in the area arise [29].

Another fund from Dubai, the Investment Corp of Dubai (ICD), became one of the shareholders of

Kerzner International hotel chain that manages hotels like Atlantis and One & Only. Kerzner International along with Istithmar – part of the Dubai World state conglomerate, built the iconic resort Atlantis in the palm like artificial island in the Gulf. Thus, such a strategic move, allowed ICD to control the second largest luxury hotel chains from Dubai (the first, the Jumeirah Group, belonging to the head of Dubai). Moreover, through this investment, ICD committed to support local tourism industry, which is actually the pillar of economic development of the whole area [30].

Meanwhile, Qatar took ownership of the highest sky scraper in the EU – the Shard Tower, as well as of Harrods, both of which attract dozens of tourists yearly. Additionally, a number of representatives of Qatari Diar Real Estate Investment – part of the Qatar SIF started negotiations to purchase the Greek island, Astir Palace, well known for the numerous personalities like Frank Sinatra, Nelson Mandela or Tony Blair who spent their vacations here with the National Bank of Greece that owns 85% of the whole resort (consisting of three hotels, private beaches and 58 bungalows) and the state privatization fund in 2013 [31].

Several investment funds expressed their interest for the Greek islands along time. For example, in January 2015, the American SIV, NCH Capital, announced an investment of € 100 million aimed at developing a project in Corfu based on the 99 year concession it had obtained. By attracting such investments, Greece hopes to overcome its economic difficulties and thus secure its financing from the EU and IMF [32].

Qatar has actively become involved in tourism industry by purchasing luxury hotels from France, including units like Martinez of Cannes or Concorde Lafayette of Paris. In this respect, Katara Hospitality of Qatar took an active part in the development of the hotel Peninsula from Paris, as well as in the renovation of hotels like Gallia of Milan or Schweizerhof of Zurich [33].

The Qatar Investment Authority, through the Qatari Diar (QD) company aims to invest in two tourism projects in Egypt. One of them is about the construction of St. Regis Hotel Tower, a 180 meter high hotel, that is to be the highest building from Egypt, with 300 rooms and that is to be accompanied by two twin towers situated in the same area. The other project of the company focuses on the construction of a 43.000 square meter resort in Sharm El-Sheikh [34].

In 2014, Wessal Capital – a joint venture investment fund, supported by Qatar, Saudi Arabia, Kuwait and The United Arab Emirates announced investments of about $ 1.1 billion in the tourism industry from Morocco. These were aimed at developing the Bouregreg Valley, a 6000 hectare area in the heart of the capital city, Rabat, by building hotels, entertainment centers, theatres, residential areas. Moreover, $ 737 million was meant to modernize the Casablanca harbor [35]. In 2014, England's Sovereign Investment Fund holding a value of about $ 5 billion started a number of extensive investments in the hotel industry, as well as in tourism infrastructure in the Sub-Saharan area [36]. According to Forbes.com, the Angola Fund was to allocate $ 500 million in order to develop the hotel industry in Africa [37].

In November 2014, the Italian Sovereign Fund announced the acquisition of 23% of the shares of the Rocco Forte Hotels luxury hotel chain. Most likely, some of the money resulting from the transaction was to be allocated for the development of new projects in Venice, Millan, Naples, and Sicilly after launching a new hotel in Jeddah, Saudi Arabia, in the summer of 2015. What is worth mentioning is that, as a result of recent capital inflow, Rocco Forte Hotels, intends to expand into areas like Madrid, New York, Paris and Shanghai [38].

A number of investment initiatives in the area of tourism emerged in Russia in 2014. For example, a joint venture fund established with the support of the Chinese SIF, Corporation (CIC), and Russia Direct Investment Fund (RDIF), totaling $ 800 million in assets is to focus, among others, on tourism development and, implicitly, on facilitating tourists' travel among the signatories of the agreement [39].

With a view to all of the above, the global tourism industry is undoubtedly becoming increasingly sensitive to the investments made by these funds. Financial innovation, in this macro-formula setup could be an effective solution because institutional investors are interested in this industry and because the critical mass of investments and the long- term profile is better adapted to their risk- return profile.

5. DISCUSSIONS ON THE POSSIBILITY OF CREATING A ROMANIAN SOVEREIGN FUND FOR DEVELOPING NATIONAL TOURISM

A possible creation of a Romanian Sovereign Fund remains an interesting idea even if the privatization of tourism industry is practically finished. Past mistakes, failed privatizations, infrastructure degradation and a defiled image portray 25 disastrous years for this industry. The new products based on sovereign funds may represent the key to success. A realistic institutional architecture well anchored in nowadays' reality can be created by rebuilding the trust in markets and industries, as well as through active management actions that enable sustainable performance.

According to the report of the World Travel and Tourism Council (WTTC), tourism contribution totaled about RON 33 billion in 2013 ($ 9.9 billion) in Romania, that is 5.1% of the country's GDP (whereas worldwide tourism counts as 9.5% of the total GDP). Even though for 2014 an increase of up to 5.4% was foreseen, the figures indicate that despite the country's touristic potential, tourism industry is still insufficiently developed to become an engine for economic development. For tourism in Romania to significantly develop, efficient investments are needed and strategies are required in order to help tourist destinations find their own hallmark and thus tackle regional and global competition.

Developing Romania from an economic point of view by financing important investments is possible by establishing a Romanian sovereign investment fund in various areas, tourism included, and discussions in this respect are under way. That is not a novelty since interest in the area has been shown ever since 2005 when Romanian government perceived the setup of such a fund as an efficient solution to attract EU funds [40]. Renewed discussions on the issue were held in 2008 with the privatization of BCR for $ 3 billion. However, the money was spent on increasing salaries in the budgetary area and thus the establishment of the fund was no longer possible [41].

Some publications indicate that the establishment of a sovereign investment fund in Romania could be a solution to stabilize economy at macro level, as well as to counter economic crises like the one of 2008 and the ensuing years. As an investment instrument endorsed by the IMF, the setup of a SIF could also become an important instrument to be used in accessing EU funds [42].

Ionel Blănculescu – former leader of the Consultative Council for the Business Environment – claims that a Romanian SIF could be our country's reply to the international offensive in various areas and, as such, it could be used for investments in large projects that currently are "frozen". According to him, some of the attributions of this fund would also reside in promoting and supporting Romanian investments abroad and in attracting and maintaining Romania's relationship with foreign investors [43]. Lucian Anghel, as President of BVB and CEO of BCR Pensions, stated not long ago that private pension funds could become a sovereign investment fund as a solution to financing the Romanian economy [45]. The relationship between SIFs and pension funds could represent an interesting task for Romania, in the context in which sovereign funds are not visible enough and are very far from the critical mass of assets.

Technically speaking, the SIF could be established and organized like an investment company with a unique shareholder – the Romanian state – and its priority would be investments in areas of interest. In this respect, tourism could be one such field. Investments in road, aerial, rail and sea transportation infrastructure, as well as in the hotel industry, entertainment infrastructure and public food industry are absolutely necessary.

The Romanian state could contribute to the social capital of the fund through shares and other stocks and bonds. As for the financing of this fund on the long term, that could be done by issuing credit certificates (patrimony guaranteed) and based on the dividends paid by the companies to be part of the fund into the account of the latter and not to the state budget, as it is currently the case. At first sight that could be seen as a disadvantage since most of the income will be directed towards state budget, the initiators of this idea claim that the diminishing of state income from the dividends is only a misperception since the very operation simply consists of a transfer from state budget to the one of the fund (that is also state owned). The main advantage consists is the great benefits resulting from the strategic investments made by the SIF [46].

According to Ziarul Financiar, a Romanian sovereign investment fund could be organized by the French model, namely to be financed by the state from various sources: bonds, privatizations, auto tax, alcohol and tobacco taxes, etc. [47]

Some economic analysts presented the possibility of creating a sovereign investment fund based on something that is already in place in Romania, namely Fondul Proprietatea (Property Fund) whose portfolio also consists of the contributions made by companies from tourism:

- 15.43% from Palace S.A. Sinaia (operating a 4 star hotel consisting of 150 rooms and a 2 star hotel of 71 rooms, both in Sinaia);
- 2.88% from Resib S.A. (a company working in the hotel and restaurant industry and also renting some of its properties);
- 20% from Mihail Kogălniceanu International Airport- Constanța S.A.;
- 20% from Timişoara International Airport - Traian Vuia S.A.;
- 20% la CN Aeroporturi Bucureşti S.A.;
- 19.9% from World Trade Center Bucureşti S.A.

However, considering the mismanagement and mis-organization, the modest value of the assets, the permanent delay in making decisions, the setup of a sovereign investment fund based on Fondul Proprietatea becomes unlikely.

In 2014 the Romanian government began the setup of the Romania-Moldova Republic Private-Equity Fund (it is not a pure sovereign investment fund, though, since it consists also of the money gathered from private domestic and foreign investors, as well as from a contribution of the Romanian state totaling € 250 million). The target of net asset value is € 4 billion for investments in energy, infrastructure and other priority projects. However, currently there is no information as to whether among these projects there is any in the tourism area [48].

The impossibility of introducing among the priorities of the Romanian government along time shows that defining national long terms economic strategies is truly an issue. The possibility of building upon the advantages of SIFs should be reanalyzed through inter and multi disciplinary research that needs to start from the goals of the fund, the investment constraints and fund management agility.

6. CONCLUSIONS. ADVANTAGES, LIMITATIONS AND FUTURE WORK

Sovereign investment funds have been carrying out their work for years now by investing huge amounts of money in various fields, including tourism. However, it is hardly after 2000 that these funds became known as managers of surpluses and foreign assets and hence began to be of interest.

The transfer of large amounts of money from state traditional reserves or from budget surplus, pension funds, etc. towards these investment instruments can have a major impact on the global financial landscape given the fact that their investment strategy is considerably different from that of central banks and other financial institutions.

The recent global financial crisis that led to losses and decreases in the value of the assets owned by these funds, forced them to reconsider their investment strategies and bring changes to them. Some began favoring investments in their country of origin or close to this, others focused on outreach markets. Moreover, they diversified their areas of investment: the energy sector (as it is the case of Qatar that invested in Iberdrola, the largest wind energy company in the world, or of the United Arab Emirates that bought an important part of Cepsa, a oil company from Spain), infrastructure (for example the SIFs of China, Abu Dhabi or Kuwait invested large amounts of money in Great Britain's infrastructure). What is truly important is that every sovereign investment fund that is important at international level, at least in terms of the assets they own, have recently focused on tourism as well.

The possibility of creating a sovereign investment fund in Romania in order to stabilize the country's economy especially in times of economic crises has been under discussion for years but nothing has been accomplished yet.

By the time such a fund is established in Romania, our country should show a real interest towards such investment factors as possible solutions to finance economy in less restrictive terms that the ones imposed by international financing institutions (especially the IMF) and with no political or economic interference. In this respect, Romania should at least be open to the idea, participate in a dialogue with existing sovereign investment funds for exploratory reasons, given current budget constraints.

As with any scientific research, this paper undoubtedly has its limits. However, these do not impede the final conclusions since the goal is to provide a broad overview of specialized references in the field with no ultimate goal to comprehensively cover the field. That is to be part of a further study in this respect. Hence, the article has a preliminary character and anticipates several areas of future scientific investigation such as a thorough outlook on the investment phenomenon generated by SIFs at international level, an analysis of the impact resulting from the involvement of Romanian tourism in sovereign investment funds, a quantitative research on the opinion of economic entities in Romanian tourism on the role of SIFs in general economic development, as well as in tourism development. In these analyses it is possible to integrate specific elements from the theory of strategic investments or elements from the literature on real option analysis (ROA) mixed with strategic games.

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