

THE ECONOMIC-FINANCIAL AND SOCIAL EFFECTS OF THE PANDEMIC ON TOURISM

Paula STOICEA, Adina Magdalena IORGA, Carina Andreia DOBRE

University of Agronomic Sciences and Veterinary Medicine of Bucharest, 59 Marasti Blvd, District 1, Bucharest, Romania, Emails: stoicea.paula@gmail.com, iorga_adinam@yahoo.com, dobrearina@yahoo.com

Corresponding author: iorga_adinam@yahoo.com

Abstract

Affected by high debt, online competition and geopolitical uncertainty, global tourism has been hit hard by the coronavirus pandemic crisis, halting traffic and staggering the lockdown of all countries. This paper analyzes the factors that caused tourism to collapse in 2020 and implicitly precarious economic effects. Romania will be the country studied for analysis, even if the direct contribution of tourism to GDP was 2.70% (2019) and total contribution (direct and indirect) of 5.2% (2019). The key questions posed are those related to the search for means to return to normalcy and to find ways to recover the hospitality industry.

Key words: *tourism, pandemic, opportunities, recovery*

INTRODUCTION

In a statistical context, tourism is defined as the activity that visitors perform to a destination outside their usual environment, for less than a year, including business, leisure or other personal reasons, other than employment by a resident employer, a household or an enterprise in the place visited [5]. In a world of dense and interdependent supply chains, the impact of a crisis affecting major tourism will be felt not only in this sector but also in other sectors of the economy - agriculture, food industry, distribution, construction, technology suppliers, transport, energy, etc. Tourism is a major job creator and a safety belt for many economic sectors. Tourism has recovered from many crises and, given its proven importance at every level of society, needs to be supported to sustain and increase jobs again [11]. At European Union level, the tourism sector, as a traditional provider of travel and tourism services, comprises 2.3 million enterprises, especially small and medium-sized enterprises, which provide employment to around 12.3 million people [2]. In 2019, international tourism recorded 1.5 billion arrivals (+4%), of which 745 million in Europe, i.e. 50% of the total (+8%) [11]. The outbreak of the COVID-19

pandemic in March 2020, with the uncertainty it created in terms of travel bans and health obligations, is now the biggest challenge for the future of the tourism sector [3, 4, 6, 10, 12]. From a European perspective, tourism policy also contributes to the achievement of general policy objectives in the field of employment and growth [11]. Tourism plays an important role in the EU with deep implications on its economy, employment, environment [9]. Tourism is the most dynamic branch of the world economy, a key driver of the economic development [8].

MATERIALS AND METHODS

The paper was elaborated having as central element the SARS-COV2 pandemic and the devastating impact on the economy and implicitly on the hospitality industry, taking as sources of analysis the statistical situations existing at the level of Romania and the European Union. The comparative analysis of the existing situation before and after the onset of the pandemic (2019 being considered the reference year in the analysis performed), but also the analysis of the evolution and the forecast analysis of the tourist circulation during the pandemic period, led to the formulation of the following key questions:

What are the possibilities for tourism to recover in the next period? What are the opportunities that Romania can benefit from? The answer is that Romanian tourism will be able to resume its contribution to GDP by: increasing accommodation revenues (in 2019 they were 1.4 billion euros), increasing revenues from restaurant and catering (3.5 billion euros in 2019), increasing the average length of stay of tourists (2 days in 2019), increasing the number of foreign tourists (2.85 million foreign tourists in 2019), increasing the number of jobs in hotels and restaurants (220,000 jobs in 2019) [7].

RESULTS AND DISCUSSIONS

Globally, the hospitality industry, severely hit by the crisis imposed by the pandemic, is

constantly looking for ways to break the deadlock and lead to a return to normalcy. In this critical period the pandemic imposes the limits of normalcy in tourism and affects the quality of life of the entire population, regardless of whether we refer to beneficiaries of tourism services, employees in this industry, entrepreneurs, managers, commercial or financial suppliers. All these people represent users of tourism services and are both affected by repeated lockdowns and the braking of the activity until it stops. Tourism has the potential to contribute to employment and economic growth, as well as to the development of rural, peripheral or less developed areas.

In Fig.1, there are presented the beneficiaries of tourism industry.

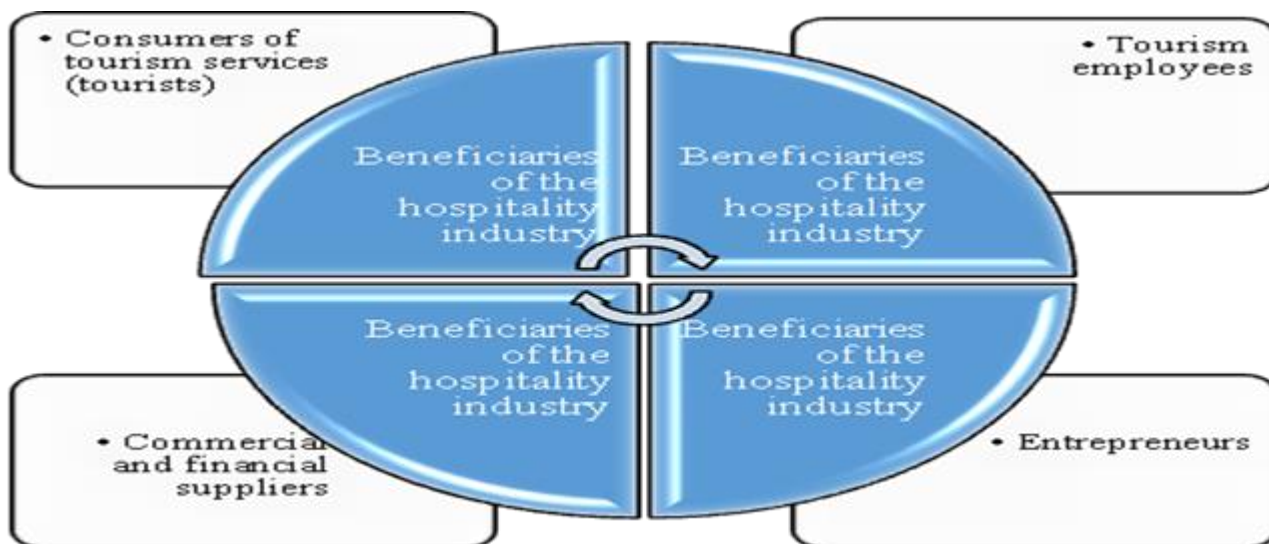


Fig. 1. Beneficiaries of tourism industry
 Source: Own design.

The direct contribution of tourism to GDP Romania									
2	1.93	1.96	2.4	2.77	2.79	2.75	2.7	1.7	5
0	▾	▾	▾	▾	▾	▾	▾	▾	0
	2013	2014	2015	2016	2017	2018	2019	2020	

Fig. 2. The direct contribution of tourism to Romania's GDP

Source: Own design based on [2].

The effects of the pandemic on the global economy are difficult to quantify, and in tourism - one of the hardest hit by the crisis sectors - the effects are major, regardless of

the GDP share that this branch has in each country. In Romania, the direct contribution of tourism to GDP [1] is presented in Fig.2.

During the analysis period, between 2013-2017 there is a constant increase in the direct contribution of tourism in Romania's GDP, followed by a decrease of this contribution in 2017-2020. The year 2020 stands out with a significantly diminished contribution, even compared to 2013, the year in which tourism begins to develop and lead to an increase in the sector's contribution to GDP.

If we refer to the accommodation capacity of Romania, it is found that in 2019, it was 87,424,172 accommodation structures in the form of hotels, hostels, motels, inns, villas, cottages, tourist and agro tourism pensions, campsites, stops, holiday villages, bungalows and children's camps. Regarding the distribution of these tourist accommodation structures on the Romanian microregions, it is found that the highest concentration is found in Microregion 1 (36.72%), Microregion 2 (27.13%), Microregion 3 (19.5%), Microregion 4 (16.65%).

In microregion 1, comprising the North West region and the Center region, there is the highest concentration of hotels, hostels, motels and inns (30.59%), villas, chalets and tourist pensions (46.38%) but also agro tourism pensions (56%). In Microregion 2, with the North-East and South-East regions, it is found that the highest concentration has campsites, stops, holiday villages and

bungalows (54.09%) but also children's camps (40.22%).

In Microregion 3 with the South-Muntenia regions and the Bucharest-Ilfov region, the tourist accommodation structures are mostly represented by hotels, hostels, motels and inns, 24.35% of total at the national level.

Also, in Microregion 4, with the Sout West Oltenia region and the West region, there is a low concentration of tourist accommodation structures, the largest share of which are villas, chalets and tourist pensions with 20.5% of their total existing in Romania (Fig. 3).

The number of tourist accommodation structures increased by 208 new units in 2020 compared to 2019.

A possible explanation for this increase is the introduction of the stimulus measure in tourism through which the holiday vouchers were granted to the employees from the budgetary system and which could be settled only by the registered tourist accommodation structures (Table 1).

Table 1. Evolution of tourist structures number between 2018-2020

	Number of touristis structures types			Absolute variation		Evolution of numbers of touristic structures	
	2018	2019	2020	2019 - 2018	2020 - 2019	2019/ 2018	2020/ 2019
	Number (absolute values)					% (relative values)	
Total	8,453	8,402	8,610	-51	+208	99.40	102.48
Hotels	1,616	1,608	1,581	-8	-27	99.50	98.32
Hostels	319	323	328	4	+5	101.25	101.55
Aparhotels	20	17	18	-3	+1	85.00	105.88
Motels	231	219	214	-12	-5	94.81	97.72
Inns	4	3	3	-1	-	75.00	100.00
Tourist villas	695	709	752	14	+43	102.01	106.06
Tourist chalets	231	222	226	-9	+4	96.10	101.80
Bungalows	533	557	458	24	-99	104.50	82.23
Holiday villages	10	9	8	-1	-1	90.00	88.89
Campings	58	58	61	-	+3	100.00	105.17
Stops	47	47	43	-	-4	100.00	91.49
Tourist cottages	73	82	92	9	+10	112.33	112.20
Children camps	59	55	48	- 4	-7	93.22	87.27
Tourist pensions	1,709	1,669	1,729	- 40	+60	97.66	103.59
Agrotourist pensions	2,821	2,800	3,022	-21	+222	99.26	107.93
Floatels	27	24	27	-3	+3	88.89	112.50

Source: NIS, 2021 [7].

We further analyzed the number of tourist reception structures opened in Romania in September of the pandemic year 2020 and we found that 5,578 tourist reception structures were opened out of the total of 8,610, which

represents 64.78% and of these the largest share had the structures that offered individual services (villas, chalets, cottages, tourist and agro tourism pensions, campsites, stops, villages holidays, bungalows) but not mass

tourism (29.65% represented the share of hotels, hostels and inns opened in September 2020)(Fig. 5).

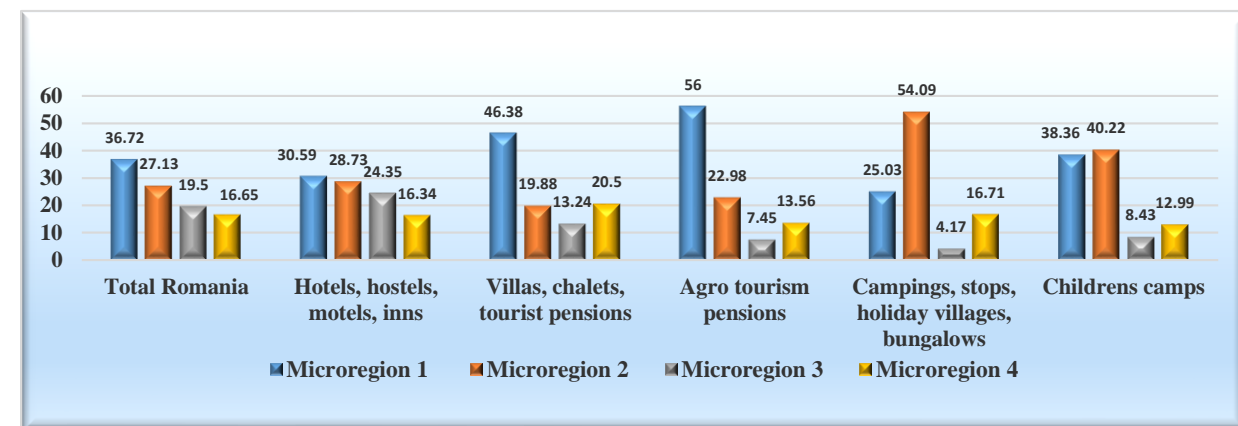


Fig. 3. Romania's accommodation capacity in 2019
 Source: Own calculation.

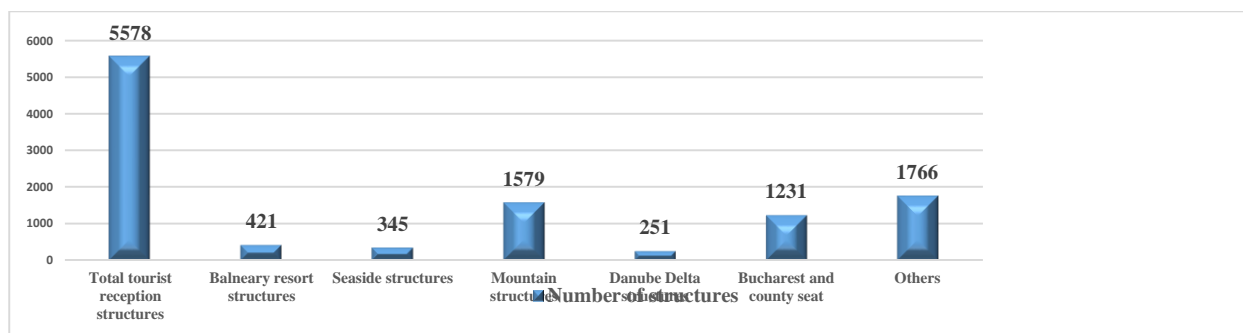


Fig. 4. Tourism reception structures (Sept.2020)
 Source: NIS, 2021[7].

In 2020 in Romania, all cultural events and tourist trips were canceled or rescheduled to reduce the crisis impact on tourist's health (the tourist reception structures left open were those that housed quarantined people or medical staff).

The tourism market is a specific market, its finality materializing in obtaining satisfactions from the demand bearers, as a result of the specific activities carried out within the tourism industry and not in the acquisition of material goods [1].

According to EUROSTAT [9], three basic forms of tourism can be distinguished: domestic tourism (activities of residents of a country who travel only within that country but outside their usual residence), inbound tourism (activities of non-residents traveling in a given country, other than the one where they have their habitual residence) and issuing tourism (the activities of the residents of a

given country, who travel and spend their stays in another country than the one in which they have their habitual residence).

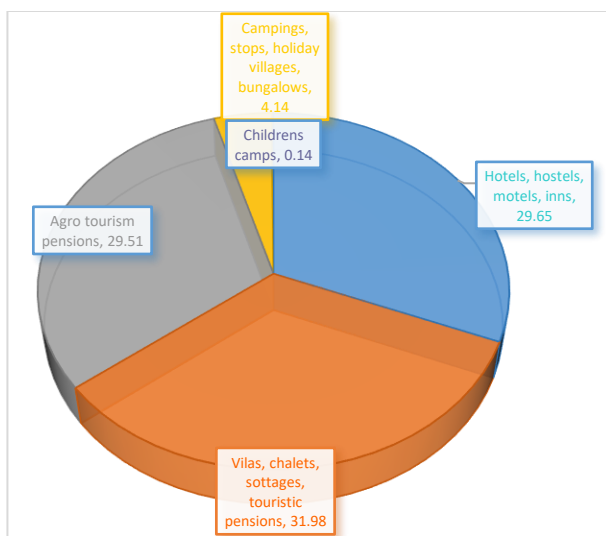


Fig. 5. Types of structures opened in Romania in 2020
 Source: Own calculation.

The key criteria for choosing a tourist destination in the pandemic are presented in Fig. 6.

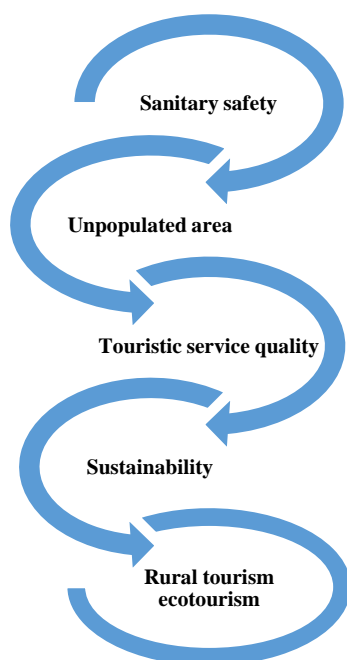


Fig. 6. The key criteria for choosing a tourist destination in the pandemic
 Source: Own calculation.

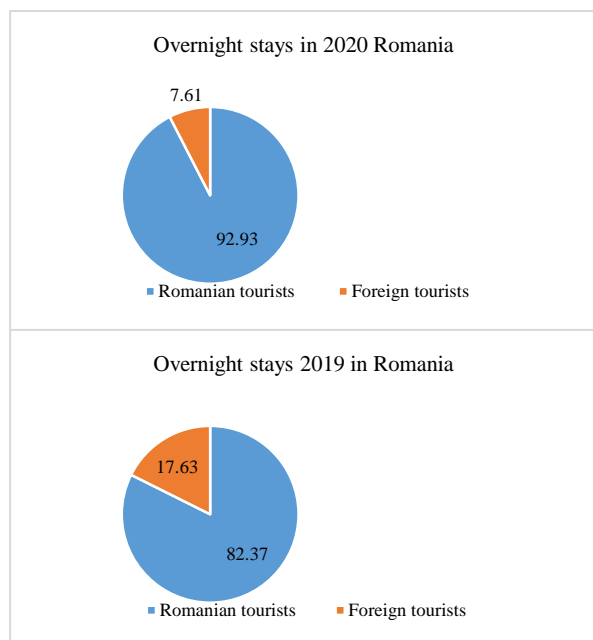


Fig. 7. Total overnight stays in Romania in 2020 compared to 2019
 Source: Own calculation.

Comparatively, analyzing the overnight stays of tourists in tourist accommodation structures in 2019 and the first nine months of 2020 (January-September), it is found the significant reduction of overnight stays of

foreign tourists who came to Romania, from 17.63% in 2019 to 7, 61% in 2020. Compared to 2019, overnight stays in tourist accommodation structures decreased representing 40.43% in the first nine months of 2020.

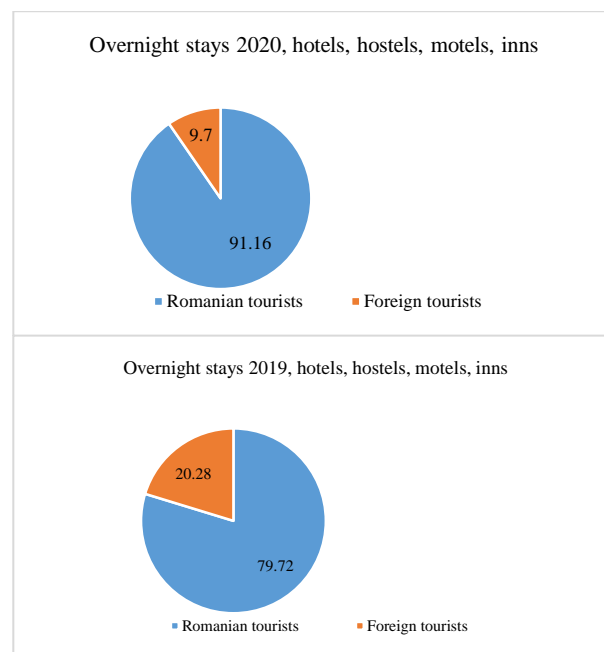


Fig. 8. Overnight stays in Hotels, hostels, motels and inns in 2020 compared to 2019
 Source: Own calculations.

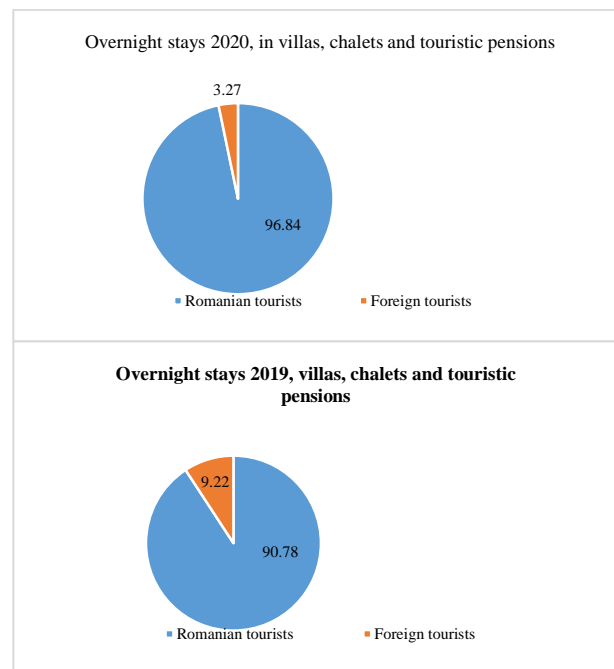


Fig. 9. Overnight stays in villas, chalets and tourist pensions in 2020 compared to 2019
 Source: Own calculations.

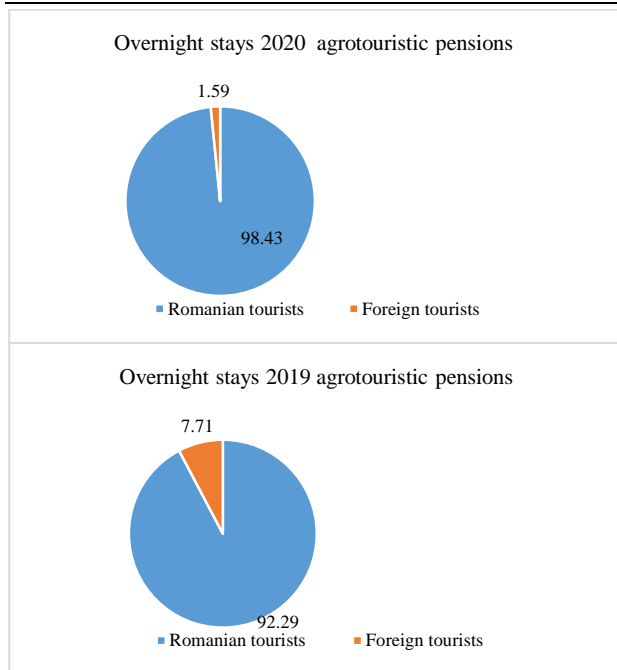


Fig. 10. Overnight stays in agrotourist pensions in 2020 compared to 2019
 Source: Own calculation.

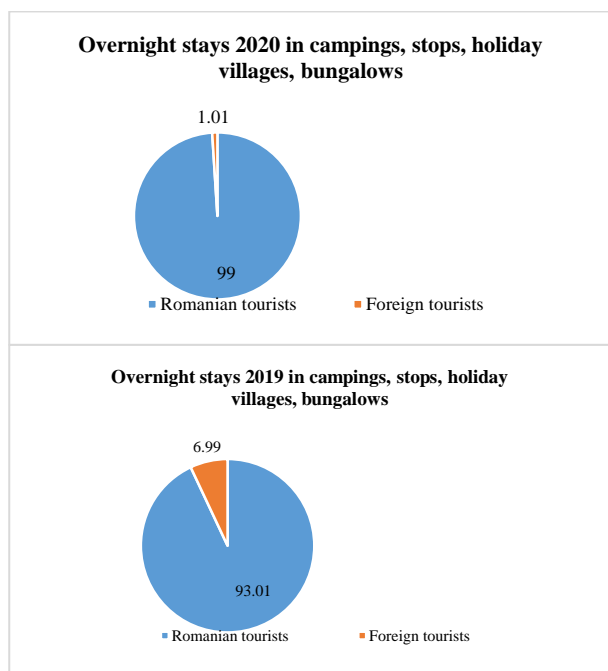


Fig. 11. Overnight stays in campings, stops, holiday villages and bungalows in 2020 compared to 2019
 Source: Own calculation.

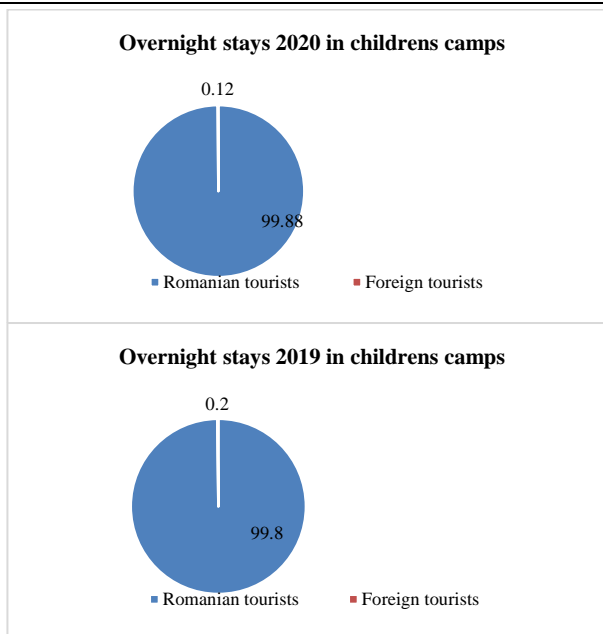


Fig. 12. Overnight stays in children capms in 2020 compared to 2019
 Source: Own calculation.

Romanian tourists spent the night in tourist accommodation structures in proportion of 45.61% compared to 2019. It is noted that the largest share of overnight stays in 2020 was in campsites, tourist stops, holiday villages and bungalows (77.52% of 2019 overnight stays), followed by overnight stays in agritourism pensions (51.30%), overnight stays in villas, chalets and tourist pensions (46.39%), in hotels, hostels, motels and inns (41.27%).

The nights in camps of schoolchildren and preschoolers decreased significantly, representing 4.27% of the total 2019 overnight stays. Besides the obvious reduction of overnight stays in the pandemic year 2020, we also find the preference of tourists for individual tourist reception structures, with small accommodation capacities located in isolated areas (campsites, holiday villages, bungalows, chalets, agritourism and tourist pensions and villas) that offer protection and physical distance, compared to structures with high accommodation capacity (hotels, hostels, motels).

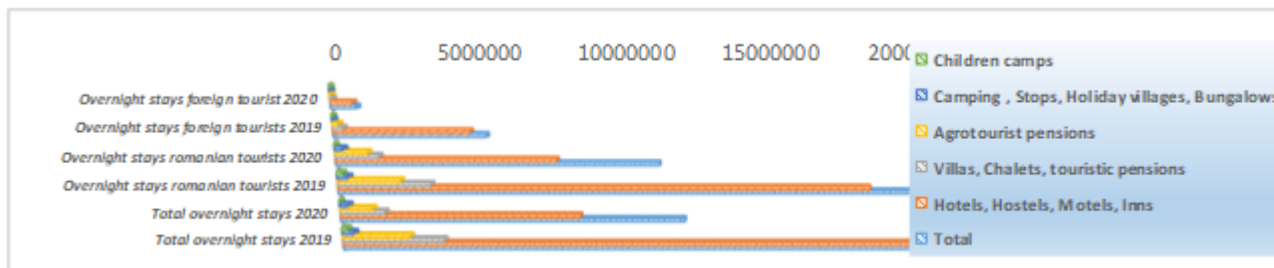


Fig. 13. Evolution of overnight stays in tourist reception structures in 2020 versus 2019.
 Source: Own calculation.

There is a significant low share of overnight stays of foreign tourists in 2020 by only 16.20% compared to 2019. Most foreign

visitors to Romania came from Europe, European Union member states (53.48%) and other European countries (46.52%).

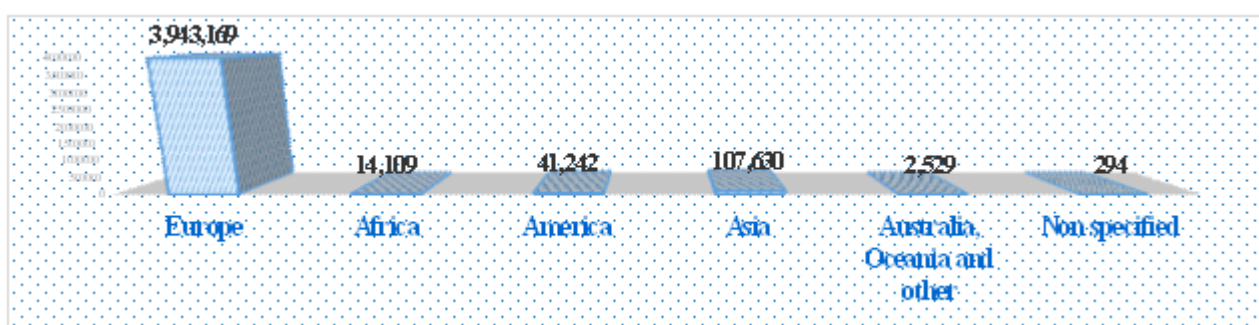


Fig. 14. Foreign visitors arrivals in 2020
 Source: NIS, 2021 [7].

Compared to 2019, overnight stays in tourist accommodation structures decreased representing 40.43% in the first nine months of 2020. Romanian tourists spent the night in tourist accommodation structures in proportion of 45.61% compared to 2019. It is noted that the largest share of overnight stays in 2020 was in campsites, tourist stops, holiday villages and bungalows (77.52% of 2019 overnight stays), followed by overnight stays in agritourism pensions (51.30%), overnight stays in villas, chalets and tourist pensions (46.39%), in hotels, hostels, motels and inns (41.27%). The nights in camos of schoolchildren and reschoolers decreased significantly, representing 4.27% of the total 2019 overnight stays. Besides the obvious reduction of overnight stays in the pandemic year 2020, we also find the preference of tourists for individual tourist reception structures, with small accommodation capacities located in isolated areas (campsites, holiday villages, bungalows, chalets, agritourism and tourist pensions and villas)

that offer protection and physical distance, compared to structures with high accommodation capacity (hotels, hostels, motels).

There is a significant low share of overnight stays of foreign tourists in 2020 by only 16.20% compared to 2019. Most foreign visitors to Romania came from Europe, European Union member states (53.48%) and other European countries (46.52%).

Taking into account these aspects, in the first nine months of 2020, it was analyzed which was the preferred means of transport for visitors in Romania and those who traveled outside Romania, and it was found that individual road transport, was preferred in a significant proportion, both for arrivals (81.6%) and for departures (69.6%), highlighting the idea that social distance is paramount in making a travel decision. It is also found that in total, arrivals accounted for half of the number of departures (0.52), most being made by road (0.61).

Table 2. Visitors arrivals and departures to/from Romania

Arrivals	Values		Departures	Values		Index Arrivals/Departures	Absolute variation, arrivals vs departures
	Absolute	Relative (%)		Absolute	Relative (%)		
Total arrivals	4,108,973	100.0	Total departures	7,872,919	100,0	0.52	-3,763,946
By road	3,351,324	81.6	By road	5,482,630	69,6	0.61	-2,131,306
By air	649,222	15.8	By air	2,342,335	29,8	0.28	-1,693,113
By train	35,388	0.8	By train	31,358	0,4	1.13	+4,030
By ship	73,039	1.8	By ship	16,596	0,2	4.40	+56,443

Source: Own calculation based on the data from NIS, 2021 [7].

In this context, the tourist intensity indicator was analyzed, (determined by reporting the overnight stays of foreign and Romanian tourists to the demographic dimension of Romania) (in 2019 it was 19,414,500 people and in 2020 of 19,318,000 people). It was found that the tourist intensity in 2020 was 0.63 compared to 1.54 in 2019, amid the reduction in the number of overnight stays but also the demographic decline in Romania due to the pandemic.

CONCLUSIONS

- This increasingly clear the impact of the global health crisis, expecting that by 2023 the growth of the tourism sector at European level and implicitly in Romania, will remain below the levels of 2019 [3]. Job losses in tourism is an important aspect that must be taken into account, given the fact that uncertainty in the evolution of the pandemic continues to persist, and will be decisive for establishing losses in this sector.
- The relaunch of tourism can be done by developing strategies to save millions of jobs and providing optimal conditions in terms of safety to consumers of tourism services.
- Romania will have to discover the strengths it has in the current crisis, primarily through the location of tourist reception structures in rural areas, some of them isolated, which offer high health protection. The strengths and opportunities of Romania identified are:
 - the possibility of attracting a larger category of Romanian tourists to spend their holidays in their own country, maybe even in their own region, where they can relax feeling safe.
 - the existence of areas where one can practice an individual or even isolated and quality tourism, such as the Danube Delta, large parts

of Transylvania, Bucovina, Maramureş, etc. highlighting Romania's competitive advantages through an intelligent promotion of these tourist areas that adapt to the new pandemic conditions.

- An important measure should be taken by government by supporting and prioritizing the tourism sector within the national economy (introduction of capital infusions in tourism that stimulate consumption, with strict observance of protection measures). In order to solve the liquidity crisis and restore consumer confidence, an important measure is to continue granting travel vouchers to all categories of employees in Romania.
- Regarding air transport, the main means of transport that can lead to increased foreign tourists arrivals in Romania, it is proposed to introduce measures and recommendations to stimulate free movement, without restrictions, resuming safely transport services, connectivity and tourism.
- Forms of tourism that must be encouraged and supported by legislative measures are those that refer to family or individual tourism, rural tourism with its components agrotourism and ecotourism as well as the promotion of these green, sustainable destinations, focused on nature, walks and hiking.
- Regarding the types of tourist accommodation structures, campsites, cottages, holiday villages, tourist and agritourism pensions, villas, cottages and small hotels will be preferred, which will inspire the guests to feel safe. Protection measures will have to be prioritized and rigorously observed by both tourism employees and tourists, given that health is a priority, regardless of the mode of consumption of tourist services.

REFERENCES

- [1]Adamov, T. C., Iancu, T., Petroman, C., Brad, I., Popescu, G., Ciolac, R., Şuba, A., 2020, Analysis of the Romanian tourist market, Scientific Papers Agricultural Management, Series 1, Vol. XXII (1), pp. 77- 86.
- [2]Eurostat Statistics Explained, 2020, Tourism, <https://ec.europa.eu/eurostat>, Accessed on 11.february 2021.
- [3]Gössling, S., Scott, D., Hall, C. M., 2020, Pandemics, tourism and global change: a rapid assessment of COVID-19, Journal of Sustainable Tourism, Vol.29(1), 1-20.
- [4]Ilgaz, B., Dunder, Y., Silik, C.E., Atalay Oral, M., 2021, The impact of the Covid-19 outbreak on local tourist behavior in Antalya Turkey, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development, Vol.21(1)2021, 391-404
- [5]Incoming Romania, Solutions for organizing and sustaining Romanian tourism- Alliance for tourism (Solutii pentru organizarea si sustinerea turismului romanesc- Alianta pentru turism), <https://incomingromania.org/industry/solutii-organizare-sustinere-turismului-romanesc-alianta-pentru-turism/>, Accessed on 11 February 2021.
- [6]Marcuta, L., Popescu, A., Marcuta, A., Tindeche, C., Smedescu, D., 2021, The impact of the Covid-19 crisis on tourism and its recover possibilities, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development, Vol.21(1)2021,495-500.
- [7]National Institute of Statistics, 2021, Tempo-online, <http://statistici.insse.ro>, Accessed on 7 February 2021.
- [8]Popescu, A., 2016, Research On The Economic Efficiency In Romania's Tourism, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development Vol. 16(1): 411-416.
- [9]Popescu, A., 2017, Trends in tourism demand in the top visited European countries, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development Vol. 17(4): 243-254.
- [10]Popescu, A., 2021, The impact of Covid-19 pandemic on Romania's tourist flows in the year 2020, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development, Vol.21(1)2021,655-666.
- [11]UNWTO, 2020, Restarting tourism, www.unwto.org/restarting-tourism Accessed on 15.december 2020.
- [12]UNWTO, 2020, Impact assessment of the COVID-19 outbreak on international tourism, <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-internationaltourism>, Accessed on 11.february 2021.

