

THE EFFECT OF GLOBALIZATION ON ROMANIAN TOURISM, DURING THE COVID-19 CRISIS

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Abstract

Tourism, one of the branches that recorded among the largest losses during the Covid-19 pandemic, both globally and nationally, is the subject of the case study. These losses were due both to the travel restrictions imposed by each state, but also to the reluctance of tourists to travel, especially in 2020. Therefore, the number of tourists has decreased considerably, both in terms of resident tourists and tourists. non-residents. That is why in this paper we set out to analyze the ways in which the development of the Covid-19 pandemic influenced the tourist traffic, taking into account the non-resident tourists who arrived in Romania. We found that the incoming activity of tourists was well below the outgoing activity, which negatively influenced both the tourist entities and the complementary sectors, which in turn are related to the entire national economy. The research methodology consisted in collecting the existing data on the website of the National Institute of Statistics, as well as in other specialized databases, their processing, analysis and formulation of conclusions. Different research methods were used: analysis, deduction, graphical method, comparative method, as well as a series of indicators with a fixed base through which we highlighted the change in time of tourist traffic, as well as their growth rate. Based on the analyzed data, conclusions were formulated that allowed us to characterize the existing situation on the Romanian market in the period 2018-2020.

Key words: globalization, non-resident tourists, tourist traffic, Covid-19

INTRODUCTION

Tourism is the economic activity that operates globally and that has allowed people to travel, people who come from different all social classes whose income has increased and allowed them to do so. Therefore, the number of tourist destinations has increased, and tourism has become the engine of socio-economic progress, due to the fact that it has created new jobs, but has also contributed to the development of other related sectors [3].

Globalization is a term to which several meanings can be attributed and which involves the development of existing financial markets globally, the development of multinationals, the movement of labor, the circulation of information, increased mobility, etc. [5, 15].

Under these conditions, globalization also involves tourism, as an important part of contemporary socio-economic activity that has led to opportunities as a result of the contribution that both technology and communication and transport have had on this sector of activity [6].

Due to the speed of information dissemination, tourism has led both to increase the efficiency of services provided, but also to increase the quality of services provided which has led to the development of this sector of activity [7].

However, globalization also has its downside, which has affected especially the less developed countries, due to the misallocation of resources, due to the growing domination over national economies, the penetration of market values in areas to which they do not traditionally belong [8].

At present, tourists are dependent on communication, on the fact that they have at their disposal a modern information technology, that they can choose the services they want, that they can plan their holidays, which makes them more individualistic, more pretentious, more exclusive. At the same time it benefits from a greater flexibility to travel.

The Covid - 19 crisis, however, brought changes. According to the World Tourism Organization worldwide, the number of tourist arrivals in 2020 was only 27% compared to the previous year [2].

MATERIALS AND METHODS

The scientific researches were performed based on data from the National Institute of Statistics, the Ministry of Tourism, and other sources of economic data. The data used as sources of primary economic information belonged to the years 2018, 2019 and 2020, quarters III and IV, given the fact that for the first and second quarters of 2020 the publication of data was postponed due to the Covid-19 crisis. For the year 2021, at the date of writing the article, there was information regarding the first semester, so I also referred to some of this information. The research methods used in the study were: Analysis, Deduction, Graphical method, Comparative method.

In order to follow the variations registered in the analyzed period, we used the chronological series, which are a way of following the evolution of economic phenomena and which can be highlighted by processing the available data according to time and which can be formed by different categories of indicators. The calculation methodology was based on an analytical function of shape time:

$$y_i = f(t_i) \text{ where:} \quad [1]$$

y_i – the values of the variable

t_i – numerical values of the time variable

Because the relative quantities refer to the level of a period that has variations compared to the base period or to the recording of changes in the values of the analyzed

phenomenon in the studied period compared to the reporting period, in this paper we used the dynamics of indices aimed at presenting changing the time of tourist traffic. The indicator was calculated as a report, taking into account the values recorded in the analyzed period (2018-2020) and the values recorded in the base period (2018), as follows:

$$I_{i/0} = \frac{y_i}{y_0} \times 100,$$

where:

y_0, y_i – the values of the variable in the analyzed period

$I_{i/0}$ – growth rate

The calculation of the growth indices per chain was made as a ratio between the values determined at the level of the study period (2018-2020) and the level of the values registered in the basic period (2018), as follows:

$$I_{i/i-1} = \frac{y_i}{y_{i-1}} \times 100,$$

where:

$I_{i/i-1}$ – growth rate

In order to highlight the growth rate of the indicators referring to the tourist circulation, we used the index with a fixed base, according to the relation:

$$R_{i/i-1} = \frac{y_i - y_0}{y_0} \times 100,$$

where:

$R_{i/i-1}$ – growth rate

y_0, y_i – the values of the variable in the analyzed period.

RESULTS AND DISCUSSIONS

The years 2020 and 2021 were atypical years in terms of economic and social activity given the Covid-19 pandemic, therefore tourism was no exception. The effects of the Coronavirus pandemic on tourism in Romania are reflected in the statistical data.

The data analyzed in the paper follow the tourist circulation of non-resident tourists in Romania. For the first 2 quarters of 2020, the

National Institute of Statistics postponed the publication of data, so we chose that in this paper, to analyze the situation of tourist traffic of non-residents for the last two quarters of 2018, 2019 and 2020. We also did a comparison between the tourist movement of non-residents in the first quarter of 2018 and 2019, before the Covid-19 pandemic, and the first quarter of 2021. In this way we tried to understand how the Covid crisis influenced travel decisions and how tourists to travel.

From the analysis of data for the period 2018-2020 we found that in the last two quarters of the year, the number of foreign tourists, both those who travelled for business and car, and those who travelled individually, on vacation, visiting relatives, etc. the reason decreased significantly, being represented by the pandemic restrictions imposed both by Romania and by the other countries.

Thus, if in terms of business travel, the decrease in the number of tourists was only 4% in the third quarter and 1.5% in the fourth

quarter of 2019, the same cannot be said about 2020 when it reached a decrease of 89.88% both in the third trimester and in the fourth trimester (Fig. 1).

It is thus found that the highest number of tourists was registered in 2018, their number being 938.3 thousand. In 2019, their number was 900.3 thousand tourists, but the decrease was not significant compared to the previous year. The dramatic decrease took place in 2020. This percentage decrease was 90%. The same is true for the fourth quarter. What is noteworthy is the fact that in the fourth quarter the tourist traffic is lower by about 40% compared to the third quarter, for the entire analyzed period.

The rate of dynamics of the number of tourists in 2020 compared to 2018 was -5%, which also meant a decrease in tourism spending. We find that in 2020 they were 190.4 million lei (third quarter), respectively 139.2 million lei (fourth quarter).

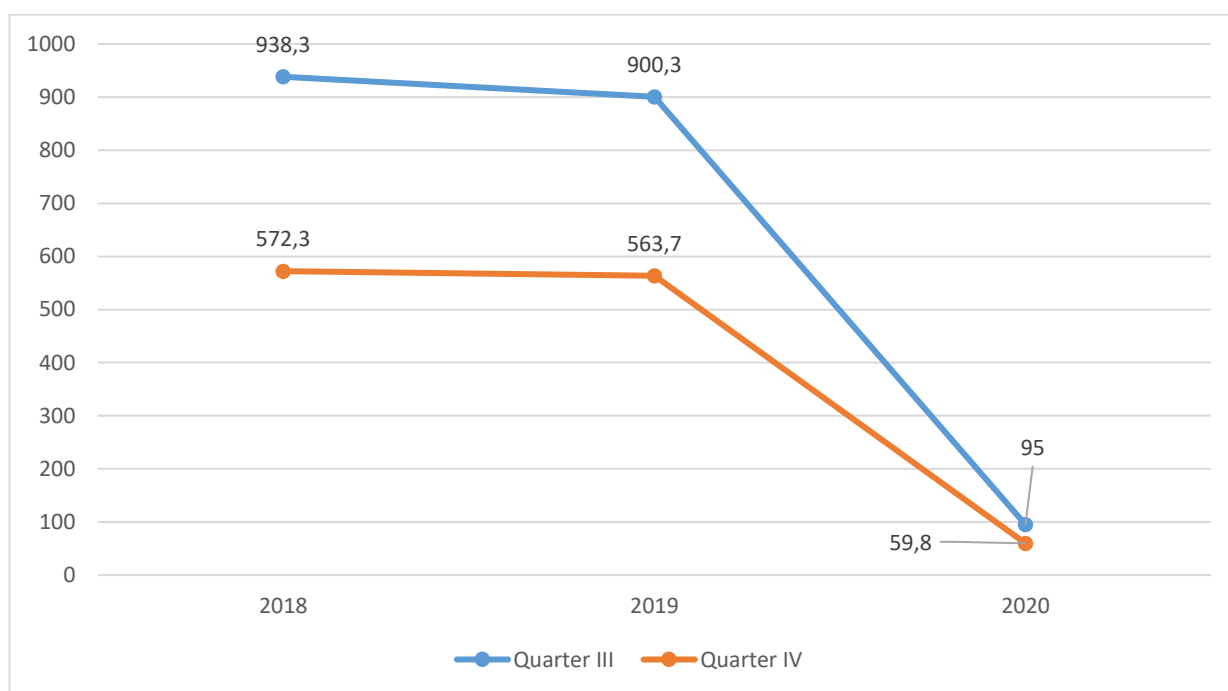


Fig. 1. Situation of the number of tourists in the period 2018 - 2020 (thousands of tourists)
Source: own processing [10-14].

Regarding the pace of tourism spending dynamics in 2020, in the third quarter it was -91%, while in the fourth quarter it was -40.2%. The difference is due to the fact that

the third quarter is during the holidays, the period in which the share of travel is the highest during the year in terms of individual travel.

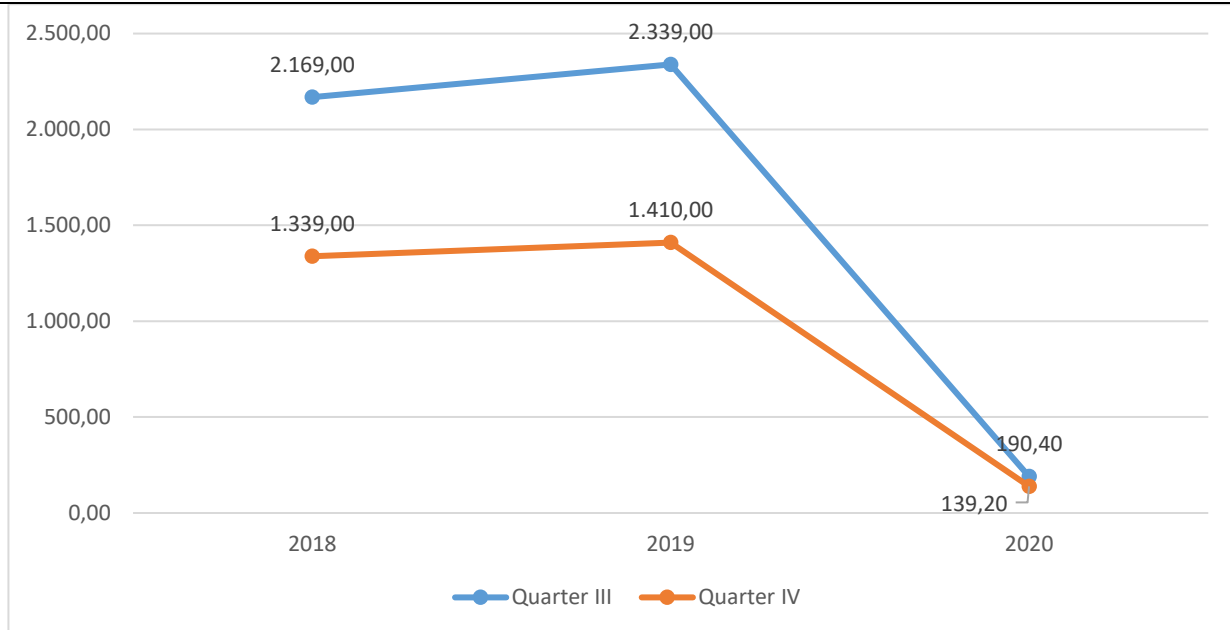


Fig. 2. Situation of the total tourist expenses in the period 2018-2020 (Lei Million)
 Source: own processing [10-14].

Analyzing the structure of expenditures, in the case of business tourism we find that throughout the analyzed period the largest share was held by accommodation

expenditures, which represented between 54.2% (2020) and 48.4% of total expenditures (Fig. 3, 4 and 5).

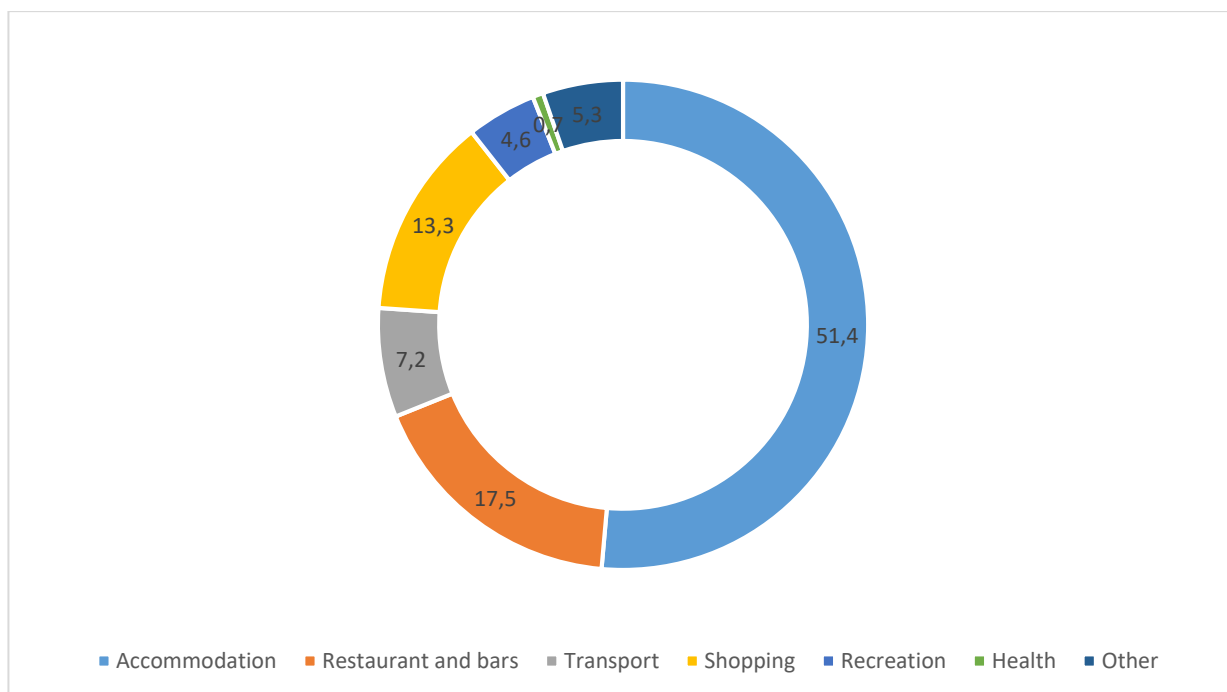


Fig. 3. The structure of business tourism expenditures, from the third quarter, in 2018
 Source: own processing [14].

Restoration expenses had in the third quarter of the analyzed period weights between

19.1% and 17.5%, and in the fourth quarter they had weights between 16.3% and 17.4%.

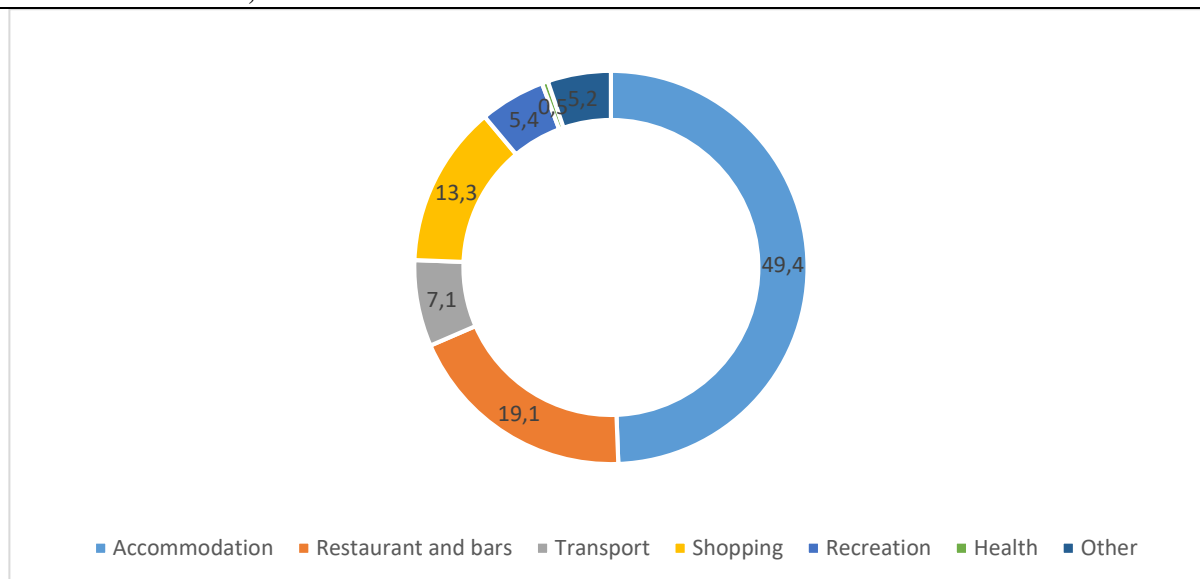


Fig. 4. The structure of business tourism expenditures, from the third quarter, in 2019
 Source: own processing [12, 13].

Expenses for various purchases made during the stay occupied the 3rd place of the total expenses, followed by transport expenses, other expenses and health expenses. The total

value of these expenses and implicitly the value of the revenues resulting from the provision of these services is an important one for the Romanian tourism.

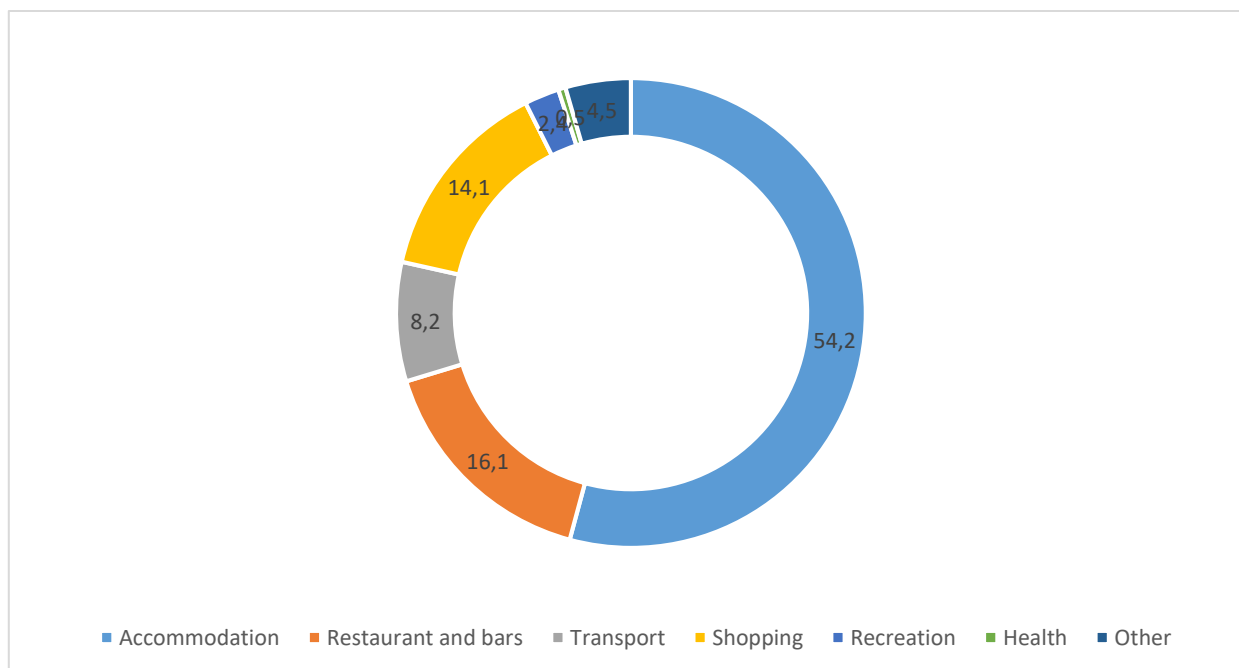


Fig. 5. The structure of business tourism expenditures, from the third quarter, in 2020
 Source: own processing [11].

Analyzing the structure of business tourism expenditures for the fourth quarter of 2018-2020, it is found that throughout this period accommodation expenditures accounted for

more than half of the total. The highest share was recorded in 2020, when they were almost 53% (Fig. 6).

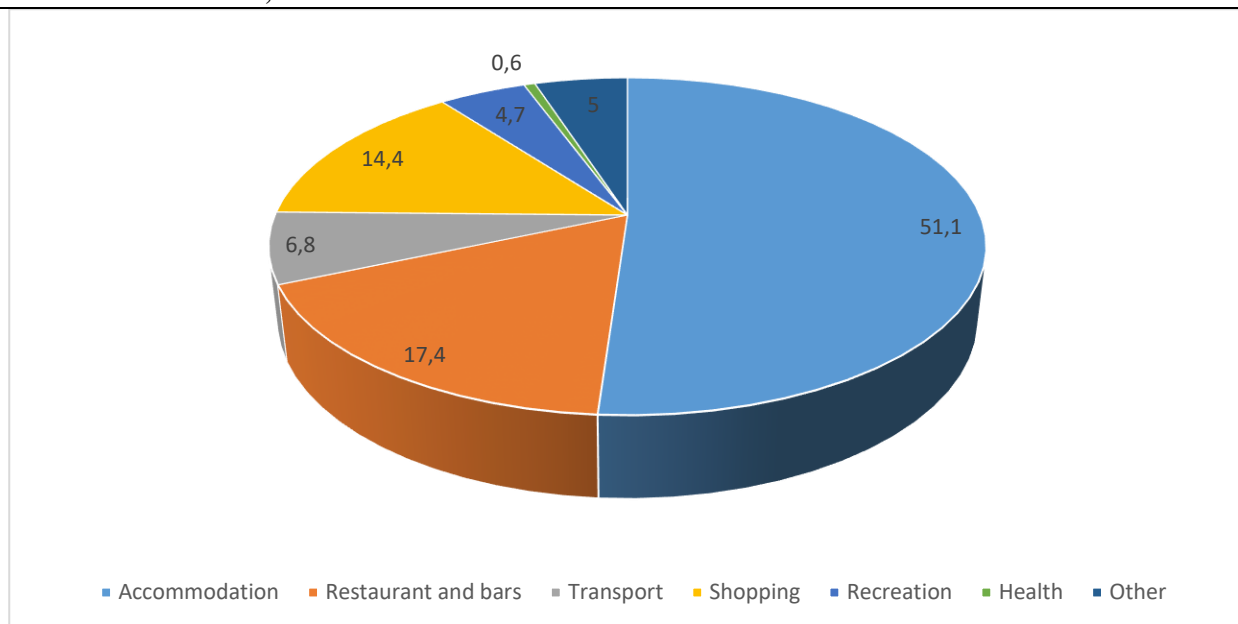


Fig. 6. The structure of business tourism expenditures, from the fourth quarter, in 2018
 Source: own processing [14].

Also, the restoration expenses had high weights, between 17.4% in 2018 and 2019 and 16.3% in 2020 (Fig. 6, 7 and 8). Foreign tourists who came to Romania for business

spent amounts that represented between 14% (2019) and 16.5% in 2020 with shopping, while for health they spent amounts that represented less than 1% of total expenditures.

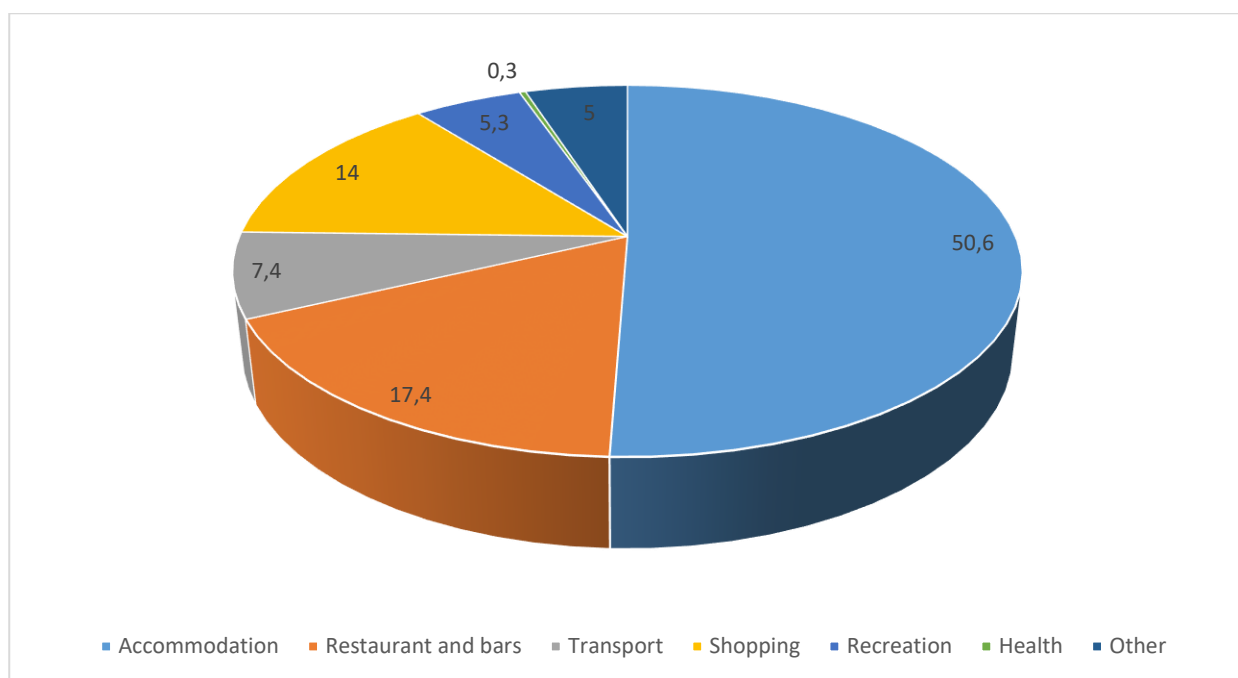


Fig. 7. The structure of business tourism expenditures, from the fourth quarter, in 2019
 Source: own processing [11, 13].

The amounts spent for recreation had shares of 4.7% in 2018, 5.3% in 2019 and 2.5% in 2020, while transport expenses had shares of

6.8% in 2018, 7.4% in 2019 and 6.7% in 2020.

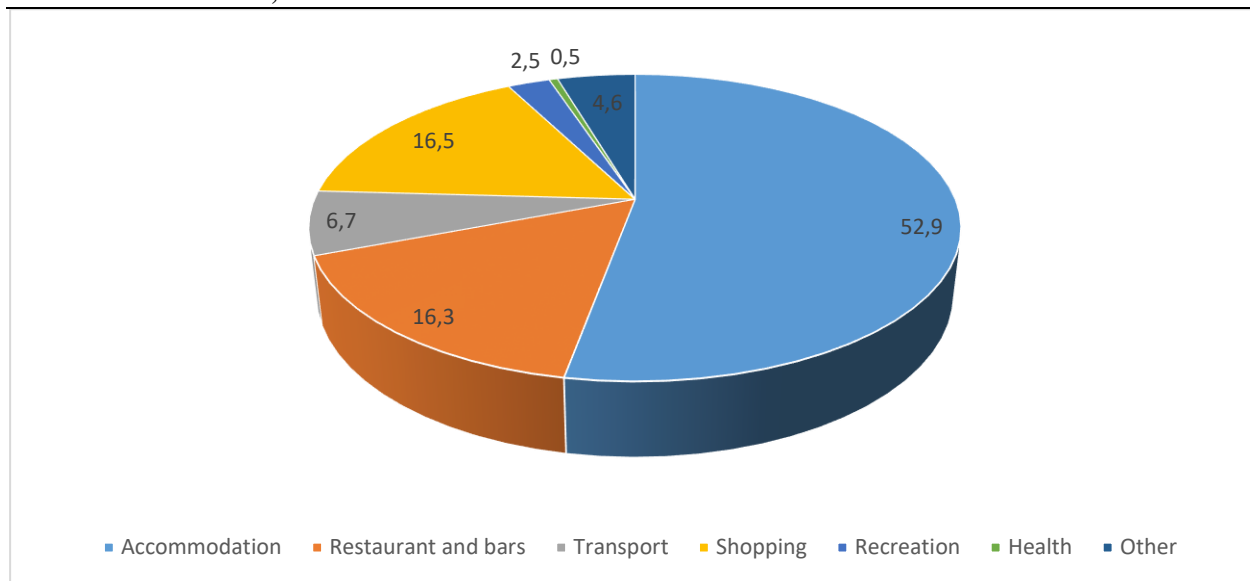


Fig. 8. The structure of business tourism expenditures, from the fourth quarter, in 2020
 Source: own processing [10, 11].

Regarding the expenses that were made by tourists for individual trips, during the analyzed period their share decreased from one year to another for each of the categories already presented. Unlike business tourism,

the share of accommodation expenses was lower being below 50%. In 2019, they were for example 47%. And the restoration expenses were lower, representing between 15.3% in 2020 and 18.9% in 2018.

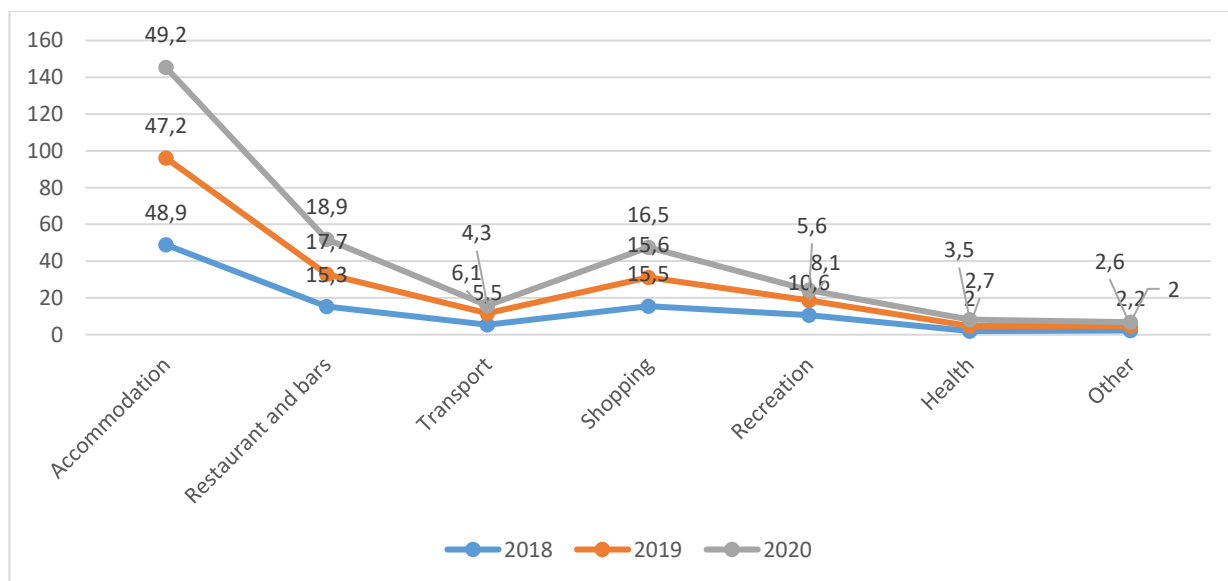


Fig. 9. Situation of individual tourism expenditures, in the third quarter, in the period 2018-2020 (%)
 Source: own processing [10-14].

Being about individual tourism, it is natural that the recreation expenses are higher than in the case of business tourism. Thus, this category of expenses had weights between 5.6% and 10.6%. Another higher category of expenditures is represented by health

expenditures, which in the third quarter were higher than in the fourth quarter. Therefore, we find that tourists who came on vacation to Romania spent money to solve health problems.

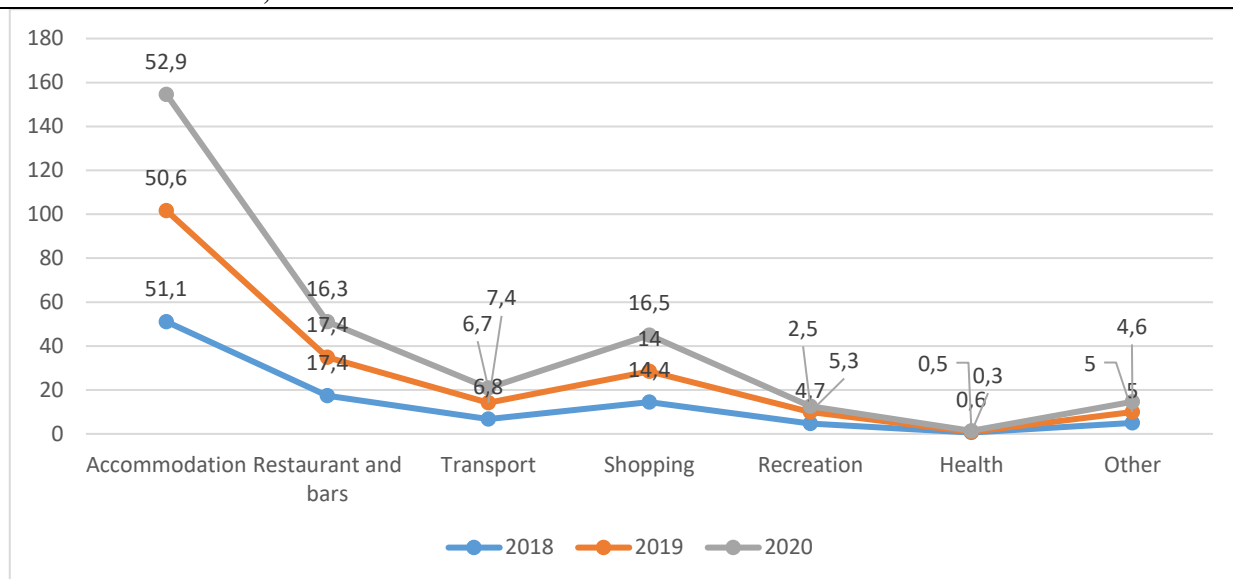


Fig. 10. Situation of individual tourism expenditures, in the fourth quarter, in the period 2018-2020 (%)
 Source: own processing [10-14].

For the organization of trips, in the third quarter, those who turned to travel agencies accounted for between 41% (2020) and 47% (2018 and 2019), while tourists who organized their trips individually accounted for between 33%. % (2019) and 35% (2018 and 2020). In the fourth quarter, those who

turned to travel agencies had higher shares in the total, between 46% (2018) and 53% (2019). However, the share of tourists who organized their stays individually decreased. In 2019 their share was only 27%, while in 2020 it was 29%.

Table 1. Situation of travel arrangements, in the period 2018-2020 (%)

The organizer of the trip	Quarter III			Quarter IV		
	2018	2019	2020	2018	2019	2020
Travel agency	47	47	41	46	53	49
Individual	35	33	35	40	27	29
Other forms of organization	18	20	26	14	20	32

Source: own processing [10-14].

Even if at the beginning of the pandemic it was shown that the spread of the Covid-19 virus is favored by the air currents existing in the planes, it is found that the highest share of tourists resorted to air flights to ensure the transport. In 2019, both in the third quarter

and in the fourth quarter, the share of tourists who entered Romania through airports increased by 2%, respectively 1% compared to the previous year, while in 2020 their share decreased by 10% compared to 2018 for the third quarter and by 13% in the fourth quarter.

Table 2. Situation of transportation means used for arriving at destination in the period 2018-2020 (%)

The organizer of the trip	Quarter III			Quarter IV		
	2018	2019	2020	2018	2019	2020
Plane	78	80	68	80	81	67
Car	11	11	26	14	11	29
Bus and coach	9	8	4	4	7	2
Other	2	1	2	2	1	2

Source: own processing [10-14].

At the level of 2020, due to the fact that a large part of the Romanians abroad returned to the country, there is an increase in the share of non-resident tourists arriving by coaches and buses has increased. This was due to both the pandemic and the loss of jobs and financial instability affecting the global population. Regarding business tourism, it also includes participation in congresses, trade fairs, exhibitions, courses. Travel for private purposes included in addition to those for

holidays and trips for shopping, visiting relatives or friends, participating in cultural or sporting events, pilgrimages, transit, medical, etc.

In the first quarter of 2021, although the structure of expenditures made by non-resident tourists, by categories, was relatively similar to that of 2018, we find that it registers a value of only 113.60 million lei, to which are added expenditures of 57.91 million lei by individual tourists (Fig. 11).

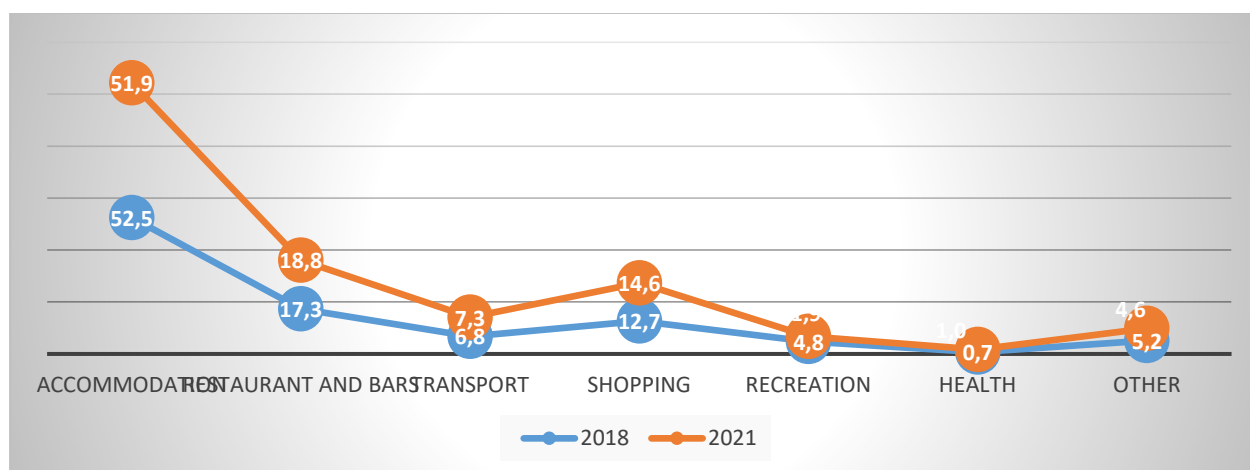


Fig. 11. Statement of expenses incurred by non-resident business tourists, by categories of expenses, in the first quarter

Source: own processing [9].

The expenditures made by private tourists in the first quarter of 2021 compared to 2018 show that the share of accommodation, catering, transport, recreation and health

expenses decreased as a share and that the expenditures on various purchases increased as shares, as well as those included in other expenses category (Table 3).

Table 3. Statement of expenses incurred by individual non-resident tourists, by categories of expenses, in the first quarter (%)

Expenditure category	2018	2021
Accommodation	47.9	49.3
Restaurant and bars	15.9	17.6
Transport	5.7	3.6
Shopping	14.8	17.5
Recreation	10.4	6.6
Health	3.2	2.7
Other	2.1	2.8

Source: own processing [9].

The number of non-resident tourists in the first quarter of 2021 was 64,108, of which tourists arriving for business accounted for 69% and 31% individual tourists. Of these, 28% turned to a travel agency, 41% came on their own, 23% through various organizing

organizations (unions), and 8% combined several categories of organizers.

Existing data on the Eurostat website show that Romania registered in the third quarter of 2020 the largest decrease in terms of the number of arrivals of non-resident tourists

from the European Union [15]. Analyzing the origin of foreign tourists, in 2020, it is found that they came from countries such as Germany (57,400 tourists), Italy (40,100 tourists), France (30,100 tourists), Israel (29,200 tourists) and the United Kingdom (26,900 tourists).

Regarding the number of overnight stays in accommodation units, the decrease in 2020 was almost 90% compared to 2019.

CONCLUSIONS

The Covid-19 pandemic has considerably reduced the number of tourists all over the world. Romania was no exception, so that the decrease in the number of foreign tourists had in absolute values decreases of over 6 million tourists, which made the number of overnight stays of non-resident tourists to represent less than 7% of the total overnight stays. This has negatively influenced the activity carried out both in the tourist reception structures and in other companies providing complementary services that had to either reduce their activity, or re-profile themselves and offer other categories of services, so that they can keep employees. In catering services this was more possible than other types of activities, which required more time to adapt.

Considering the existence of Romania's tourist resources, we consider that a revival of the incoming activity could contribute to the development of this sector of activity, which would lead to the increase of the number of jobs, to the increase of the employment rate, to the development sustainable development of tourist areas, to increase revenues for companies, to increase Romania's visibility, to increase the contribution of tourism to GDP formation, etc.

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