



## The Influence of the Health Crisis on the Romanian Tourism Industry

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**Abstract:** At the beginning of February in 2020, no one could have imagined what would happen in the coming months due to the SARS-CoV-2 pandemic and, in particular, that it would become a health emergency and soon a global economic emergency. An economic emergency that we will probably compare to the crisis of 29. In the initial phase, the phenomenon was almost everywhere underestimated. All economic sectors were affected. Tourism is certainly one of the sectors that has suffered the most dramatic impact, the main cause being the lack of mobility of people, an essential condition for protection against Covid-19. The negative economic situation manifested itself in all sectors, affecting companies and destinations. The IMF (International Monetary Fund) predicted in mid-April 2020 a loss of -9.1% for Italy, -7.0% for Germany, over 10% for Greece, -5.9% in the US, -8% for Spain, -7.2% for France, -7.1% for the European Union as a whole, -6.5% for the United Kingdom, warning, however, that the compression of this sector could be even greater depending on the evolution of the pandemic. Many companies that belong to or have a connection with the various tourism sectors, immediately experienced a major liquidity crisis due to the almost total lack of demand. While expecting a certain recovery in the second half of the year, it is estimated that the turnover of hotel companies will decrease between 60% and 70% in 2020; Similar percentages indicate airlines, cruises, MICE sector (Meetings, Incentives, Conferencing, Exhibitions). In Romania, the HORECA sector registered massive decreases, and the forecast still cannot fully appreciate the phenomenon.

**Keywords:** HORECA; health crisis; tourism industry; impact; pandemic COVID-19

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## 1. Introduction

Following the Covid-19 pandemic, the world plunged into an unprecedented economic crisis in the era of globalization. Governments of all countries around the world have had to change social dynamics, close borders and establish quarantines. Tourism has been one of the most affected industries.

The World Travel & Tourism Council (WTTC) estimates that the economic impact on the tourism industry will be 5 times greater than that of the global financial crisis of 2008. It is estimated a loss of 31% of workplaces with respect to 2019, is over 100 million people who depend on the industry will remain without work. In addition, there is a 30% reduction in tourism in world GDP.

Such predictions are building the current scenario of the industry which, according to the World Trade Organization (WTO) and the World Tourism Organization (WTO), in 2018 was the third category of exports in the world, after chemicals and the automotive and agri-food industry. And in the last seven years, it has reported a higher income from international tourism than exports of goods.

Thus, its remarkable contribution to the global economy now coexists with a sense of uncertainty. However, tourism is a resilient industry that will eventually recover from collaborative work as well as digitization and process innovation.

The Incoming Romania Association notes that in the last months of facing the crisis caused by the COVID-19 pandemic, they have seriously affected the infected people and their families and have had financial consequences for businesses, entrepreneurs and the workforce. In addition, this period also required sacrifices from all. Health workers on the front lines or those in more intense forms of social isolation have suffered particularly.

Many countries around the world show that tourism contributes to the growth and development of their national economy, on the one hand, by the many economic connections it generates in relation to other economic sectors, by job creation and by its contribution to GDP, and on the other hand, by building and consolidating an image identity, a notoriety in the collective mind and by building a country brand, which attests to the originality and quality of the destination.

### **The Impact of COVID-19 on Tourist Circulation in Romania**

Each responsible country evaluates the economic field of tourism not only from the perspective of the capacity to attract tourists, but as a platform for economic growth and sustainable development. It is difficult to correctly define an economic indicator that measures reputation, but this is the landmark that sows the desire to visit a

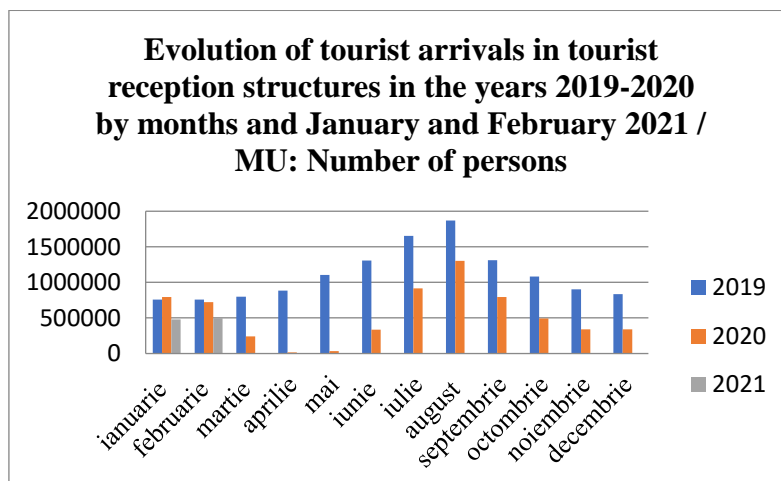
destination and once consolidated this reputation becomes a landmark of the development of that destination.

All industries have been affected by coronavirus, but none are as affected as tourism. As a rule, they are the first to feel the impact of any global crisis, and tourism companies around the world have made urgent requests for help from governments. Faced with the exceptional circumstances, the tourism industry has reached a point of interruption of normal activity never seen before, as more and more borders are closed and more and more travel restrictions are imposed.

**Table 1. Arrivals of Tourists in Tourist Reception Structures in the Years 2019-2020 by Months and January and February 2021 / MU: Number of Persons**

	2019	2020	2021
January	758439	796256	480864
February	758826	724445	498321
March	800361	242105	...
April	885822	16855	...
May	1103937	34569	...
June	1308897	333950	...
July	1651335	917778	...
August	1869383	1301411	...
September	1312488	794451	...
October	1081817	493101	...
November	902837	338728	...
December	834614	341752	...

Source: <http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table>

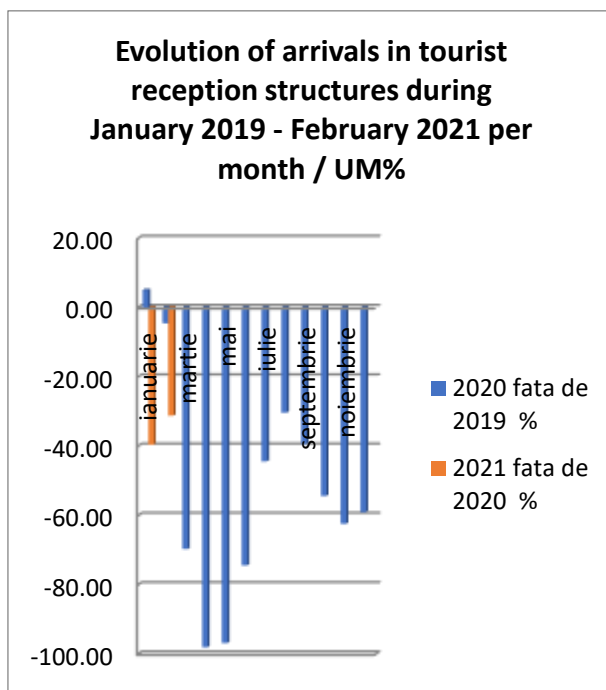


**Figure 1. Graphic Representation of Tourist Arrivals in Tourist Reception Structures in the Years 2019-2020 by Months and January and February 2021 / UM: Number of Persons. Own Realization.**

Analyzing the schedule of tourist arrivals in the tourist reception structures, by months, in the period 2019-2020 we notice that it is clear that the number of tourists arriving and staying in the tourist reception units in 2019 was much higher than in 2020, especially in March - May and December.

During 2019, the number of tourists arriving and staying in tourist accommodation units had the largest increase in August, when it increased twice more than in January, when the lowest number of tourists was registered.

In 2020, the number of tourists arriving and staying in the tourist reception units had the highest increase also in August, but compared to 2019 it decreased by 30.38%, and the lowest values in March, April, May and December.



**Figure 2. Evolution of Arrivals in Tourist Reception Structures during January 2019 - February 2021 per Month / UM%. Own Realization.**

Regarding the situation of arrivals in 2020, the summer period is the most requested, according to Figure 4 below, because that was the period when the restrictions were lifted and the traffic during the day was regular. Compared to 2019, arrivals in accommodation units in August accounted for 14%, according to Figure 3 below, in 2020, they increased by 7%, reaching 21% of total arrivals.

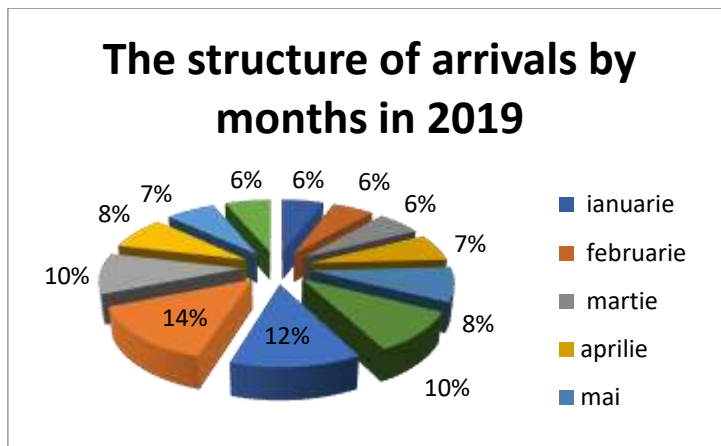


Figure 3. The Structure of Arrivals by Months in 2019. Own Realization.

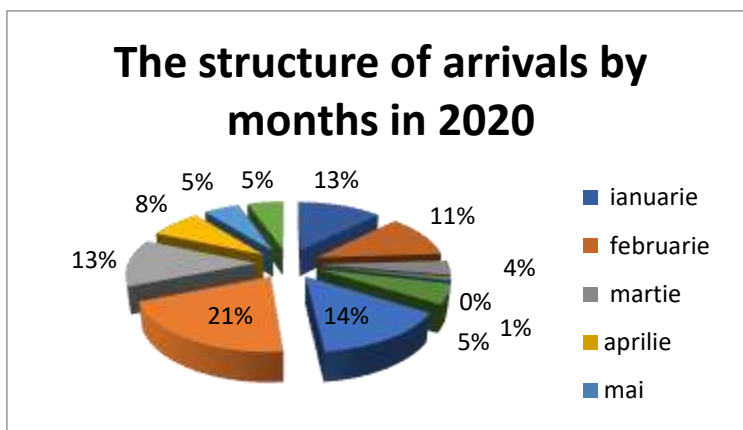


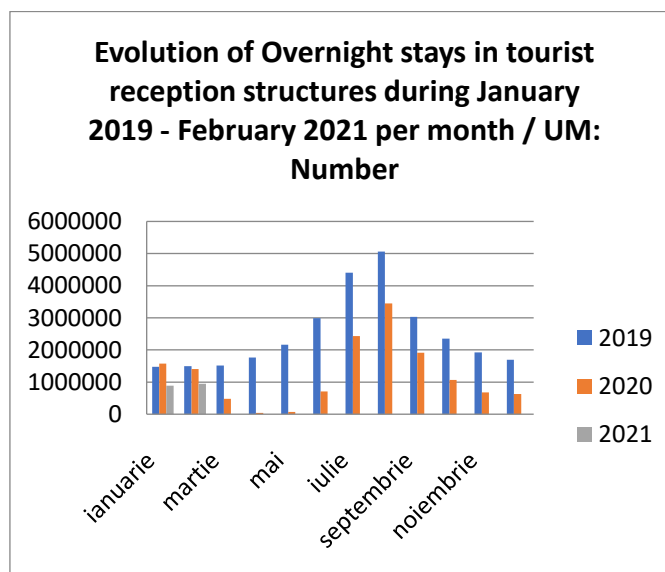
Figure 4. The Structure of Arrivals by Months in 2020. Own Realization.

Even if it was a year full of restrictions and very limited from a tourist point of view, Romanians kept the tradition of having at least one vacation a year in 2020 and benefited from the coastal, seaside or mountain areas of the country.

**Table 2. Overnight Stays in Tourist Reception Structures in the Years 2019-2020 for Months and January 2021 / UM: Number**

Overnight stays in tourist reception structures by months / UN: Number					
	2019	2020	2020 compared to 2019 %	2021	2021 compared to 2020 %
<b>January</b>	1472761	1575540	6.979	884347	-43.87
<b>February</b>	1496516	1404576	-6.144	942710	-32.883
<b>March</b>	1519148	483698	-68.160		
<b>April</b>	1764779	45196	-97.439		
<b>May</b>	2162490	65665	-96.963		
<b>June</b>	2993412	705305	-76.438		
<b>July</b>	4407335	2436496	-44.717		
<b>August</b>	5057673	3446880	-31.849		
<b>September</b>	3027852	1911998	-36.853		
<b>October</b>	2352335	1063847	-54.775		
<b>November</b>	1924251	679756	-64.674		
<b>December</b>	1691806	625770	-63.012		

Source: <http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table>



**Figure 5. Graphic Representation of Overnight Stays in Tourist Reception Structures by Months / MU: Number. Own Realization.**

Analyzing chart overnight stays in tourist accommodation on Monday during 2019-2020 observe that during 2019 the number of tourists and even overnight stays in

tourist accommodation establishments had the highest increase in August when it increased 3.4 times more than in January when it recorded the lowest number of tourists and then fell late getting to be up only 14.87% compared to January.

In 2020, the number of overnight tourists in the tourist reception units had the highest increase also in August, but compared to 2019 it decreased by 40.13%, and the lowest values in April, May and December.

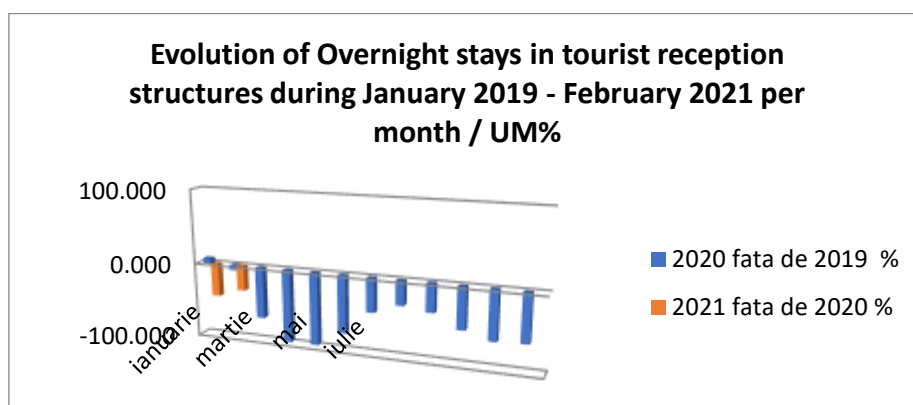


Figure 6. Graphic representation of the Evolution Rate of Overnight stays in tourist reception structures during January 2019 - February 2021 per month / UM%. Own realization.

Also, regarding the structure of tourists overnight stays in accommodation units in Romania, as in the case of arrivals, August was the busiest tourist period for 2020, but also for 2019. The difference is also seen in the quarantine months of 2020, compared to 2019. For March, April, May 2019, overnight stays represent 18% of the total months, according to Figure 7 below, but for 2020, March, April, represent only 4 % of the overnights stays of the year, according to Figure 8 below.

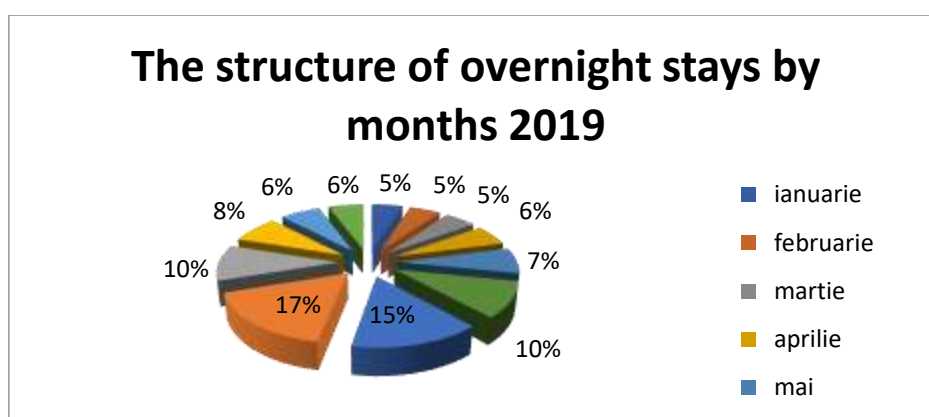
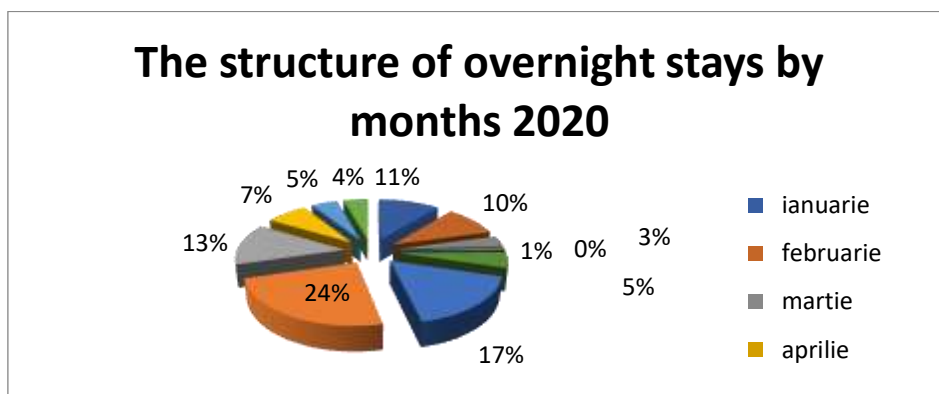


Figure 7. The Structure of Overnight Stays by Months 2019. Own Realization.



**Figure 8. The Structure of Overnight Stays by Months 2020. Own Realization.**

### Conclusions

The coronavirus pandemic has an extremely severe and immediate impact on the tourism economy. Many companies in this sector have seen a drop in demand in a very short time. Apart from a real wave of cancellations, there is hardly rebooking. The reasons are the global uncertainty and the measures taken to stop the spread of the virus. Both business tourism in cities and holiday tourism in rural and alpine areas suffer from this. In order to support the tourism industry in this crisis situation, various measures have been implemented within the available promotion tools.

As part of the instruments for promoting tourism policy, immediate measures have been in place since February this year. These mainly concern information and consultancy activities, as well as interventions to solve liquidity problems.

Many countries have now reached the peak of urgency, causing some governments to enter a slow and difficult second phase. Gradual reopening is an extremely delicate process, which requires a thorough analysis of activities that can be restarted, as well as careful monitoring of the situation.

According to experts, the coming months will be a period of great uncertainty, in which there will be phases of relaxation interrupted by a sudden return of restrictive measures in the event of an increase in the number of new cases. Therefore, the future remains complicated, especially for companies that cannot plan long-term investments and strategies.

The most likely will focus on local tourism, with short trips short and a better quality of service than prices. Hotels, transport companies, travel agencies and airlines need to ensure social distancing, frequent disinfection and more flexible booking systems.



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