

# The Impact of COVID 19 on Tourism Services

Daniel Firiță

Norina Popovici

“Ovidius” University of Constanta, Faculty of Economic Sciences, Romania

[daniel.firica@gmail.com](mailto:daniel.firica@gmail.com)

[norinapopovici@yahoo.com](mailto:norinapopovici@yahoo.com)

## Abstract

*In this paper we aim at showing the impact of the Covid-19 pandemic on the tourism both nationally and internationally. The paper begins with a presentation of the importance of the tourist services in the economic context, and then presents various definitions of the notions of tourism and tourist. From the point of view of the Covid-19 impact on tourism, we can notice during this period a decrease in the number of foreign tourists, as well as a significant decrease in the contribution of the tourism to GDP, a contribution analyzed at the global level. Romania, respectively Constanta County is not an exception to international developments, registering a decrease in arrivals, and in overnight, in the January 2019 - October 2021 period. The paper ends with conclusions which highlight the challenges tourism is faced with in the current context, but also with the hope that the markets will finally find their balance when the virus stabilizes.*

**Key words:** tourism, industry, arrivals, pandemic crisis, impact

**J.E.L. classification:** L80, L83, Z30, Z32

## 1. Introduction

Through its subject matter, functions and role, tourism is a distinct field of activity, a major component of economic and social life for an increasing number of countries in the world. Tourism is evolving under the impact of the achievements of contemporary civilization, its dynamics being integrated into the general development process. Tourism is a stimulating factor of progress and development, through its positive effects on the areas it comes across.

The continuous advance of tourism, materialized in its development rhythms, has made tourism become, along with the scientific revolution, one of the most important elements of the twentieth century (Snack et al, 2001). Tourism, as a distinct economic and social activity, is experiencing a unique grow, encompassing resources from a large number of countries and organizations (Bran et al, 1998).

People, the contemporary consumers, are very receptive to what is new, to the quality of products and services, they are concerned with spending their free/leisure time under certain circumstances and at a certain level, depending on their education, culture, previous experiences, material possibilities.

Tourism is an important means of using one's free time. Increasing the dimension of the free time raises problems related to its organization and efficient use (Angelescu and Jula, 1997). Tourism contributes to broadening the tourist's horizon in terms of knowledge and information, it contributes to the development of individuals, with positive implications for economic and social development in general (Ioncica et al, 1977).

## 2. Literature review

The specialized literature that studies the tourism phenomenon abounds in approaches, concepts, and definitions regarding the notions related to tourism and its implications for the level of development of a country and region.

Tourism is an activity that aims to rest, to admire nature, as a result of the development of other branches of the economy. (Guyer Freuler, 1963).

Tourism is understood as the set of bodies and their functions, seen both from the point of view of the person who is traveling, of the traveler himself/herself, but also of those who are benefiting from the expenses incurred by him/her (Snak, 1976). Tourism designates leisure trips, the set of measures implemented for the organization and development of this type of trips, as well as the industry that competes in order to meet the tourists' needs (DTI, 1969).

The tourism industry is the part of the economy formed by a sum of activities or several branches whose common function is to satisfy the tourists' needs (Minciu, 2001). The client of the tourist services is the tourist, that fantastic and volatile being, is a person who enters a country without settling in that country, and spends the money earned elsewhere. (Norval, 1931).

The domestic tourist, similarly to the international tourist, is the person who visits a place other than where he usually resides, within his country of residence, for any reason other than engaging in a remunerated activity, staying for at least 24 hours.

Tourism has a major influence on people's well-being, on national culture, on all economic sectors, on the overall development of a country (Py, 2007).

The strategy of a country, through its objectives, synergistically gathers the economic interests of the actors in the society. The balance in the economy depends on the results obtained in each economic branch. In this context, tourism has a great influence on the balance of payments, on inflation, on unemployment. (Baretje and Defert, 1972).

The effects of tourism can be grouped into three categories – the global effects on a country's development strategy, partial effects on the various economic sectors and effects induced by the advantages of the tourist activity on the socio-cultural fields and of the human resource in general.

### **3. Research methodology**

In this paper we have set out to show the effects of the Covid-19 pandemic on tourism, both nationally and internationally. From the point of view of the studied issue, it is a theoretical-fundamental kind of research, with a pronounced theoretical character and without immediate applicability, based on observational research, with a descriptive character, providing statistically processed data in the form of graphs that draw a clear picture of the topic tackled in the paper.

By means of the observation method, we have objectively described the data found in various domestic and international sources on the studied phenomenon, we have captured the phenomenon from different angles, and we have completed the observation by explaining the data and formulating conclusions and proposals.

By analyzing the existing data, in this paper we have shown once again a harsh reality - the negative effects of Covid-19 on the tourism and travel industry have been and continue to be significant, effects that can be measured up to the present day; however, the negative impact will be felt for years due to its penetration into the entire socio-economic system of each country and, implicitly, the world economy.

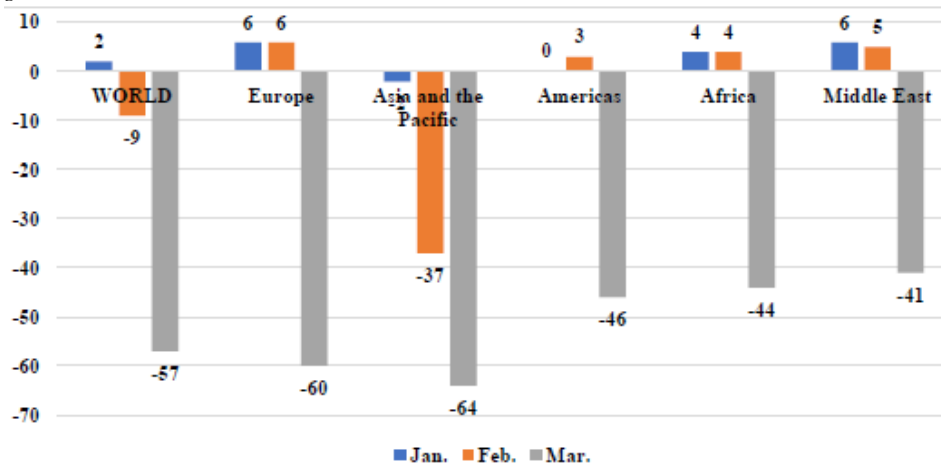
### **4. Findings**

Since the beginning of the COVID-19 crisis in China, the impact of the pandemic on the tourism sector has been significantly underestimated. Even nowadays, political decision-makers and tourism practitioners do not have a full understanding of the scenarios and effects of the COVID-19 crisis, which have had and will continue to have an unprecedented impact on the tourism sector.

In this context, it is very possible that if the COVID-19 pandemic remains a problem for a longer period of time, it will continue to have a negative impact on the tourism sector, thus being likely to also change the tourists' habits, especially the habits regarding domestic trips, exploring areas closer to where they live, buying cheaper holidays, using promotions to book their holidays, reducing their travels for many years to come.

The following figure shows the negative effect of Covid-19 on the number of tourists globally in the first quarter of 2020. The figure shows, by percentage, the evolution of the number of tourists in the mentioned areas.

Graph no. 1. The evolution of the number of tourists in the first quarter of the pandemic year 2020, at global level.



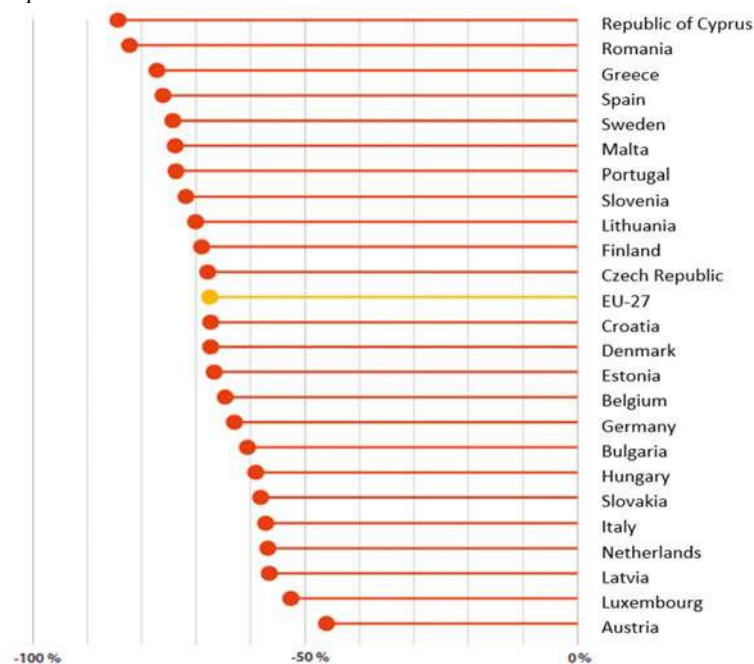
Source: <https://www.statista.com/markets/420/travel-tourism-hospitality/> (STATISTA, 2022).

As can be seen, the significant impact has been recorded worldwide since March 2020.

The COVID-19 pandemic has had a dramatic and unprecedented impact on the tourism sector worldwide, drastically reducing tourism flows and therefore the revenues of businesses in this sector.

In the first three quarters of the year 2020, the number of foreign tourists in the EU was 67.5% lower than the one recorded during the same period of the year 2019. The decrease ranged from 46% to 84%, depending on the Member State concerned (SR, 2022).

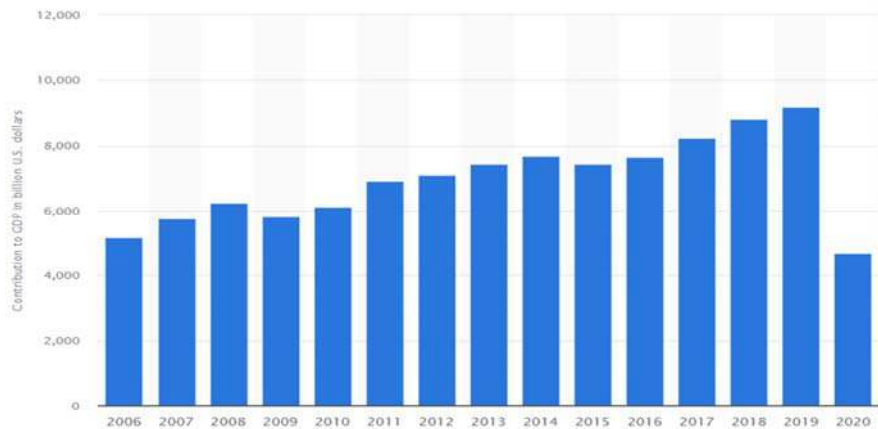
Graph no. 2. Number of foreign tourists in the EU, January-September 2019, compared to January-September 2020.



Source: The European Court of Auditors, based on the UNWTO World Tourism Barometer, December 2020 (SR, 2022).

The contribution of tourism to the GDP of each country has been significant over time. The Covid-19 pandemic has had a negative impact on these statistics, as one can notice in the following graph.

Graph no. 3. The contribution of the tourism and travel industry to GDP.

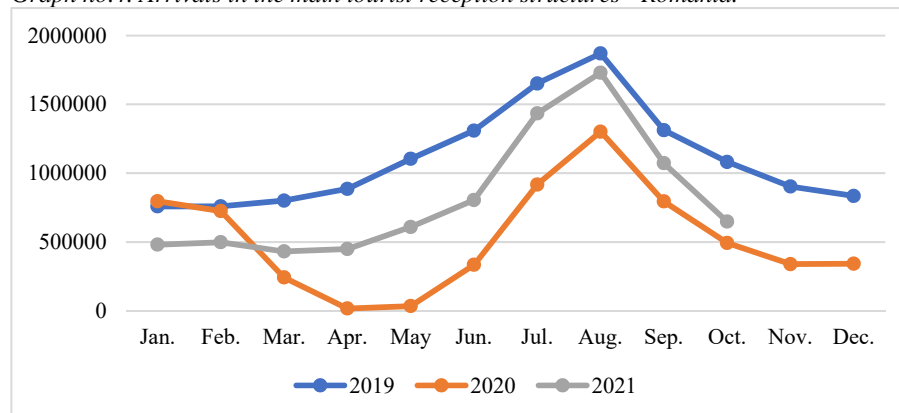


Source: <https://www.statista.com/markets/420/travel-tourism-hospitality/> (STATISTA, 2022).

From the graph, we can see a continuous increase in the contribution of tourism to GDP at the international level, with the exception of 2020, a year in which, under the influence of the pandemic conditions, the contribution of tourism to GDP decreased significantly.

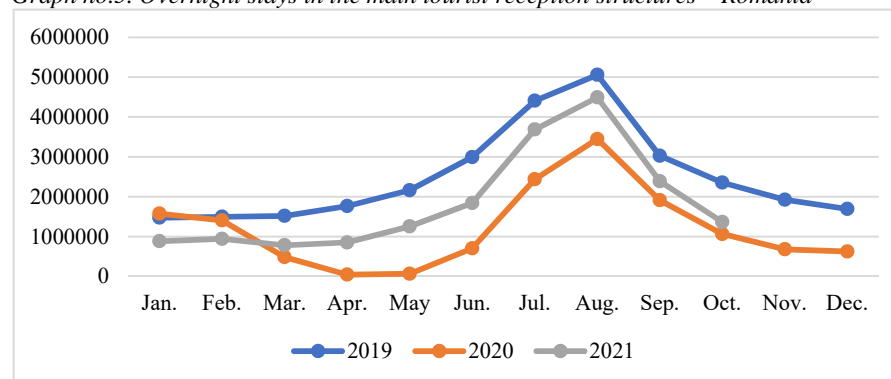
In order to justify this statement, we have graphically presented below two significant indicators that characterize tourism, namely - the number of arrivals and the number of overnights in Romania and in Constanta County during January 2019- October 2021 period.

Graph no.4. Arrivals in the main tourist reception structures - Romania.



Source: <https://constanta.insse.ro/produse-si-servicii/publicatii-statistice/> (NSI, 2022).

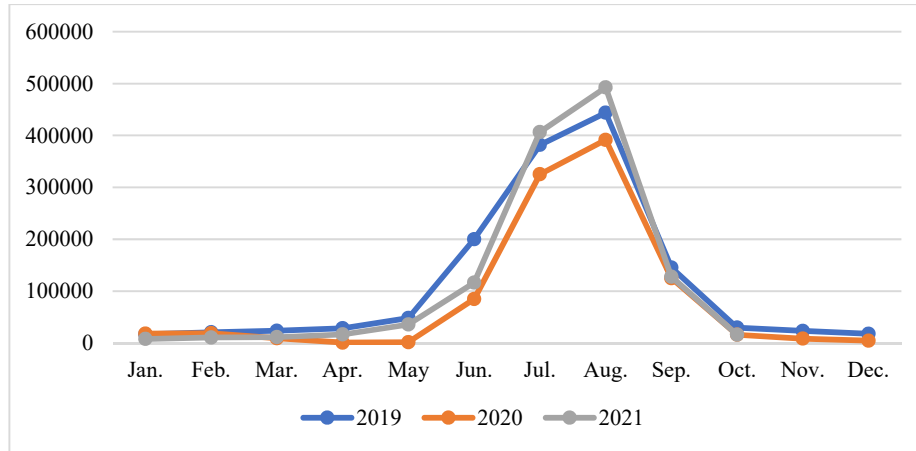
Graph no.5. Overnight stays in the main tourist reception structures – Romania



Source: <https://constanta.insse.ro/produse-si-servicii/publicatii-statistice/> (NSI, 2022).

At the level of Romania, these indicators registered a decrease in the years 2020 and 2021 compared to 2019, the year 2020 being the most affected, and in 2021 there would be an increase compared to the first pandemic year, 2020, but not reaching the level of 2019.

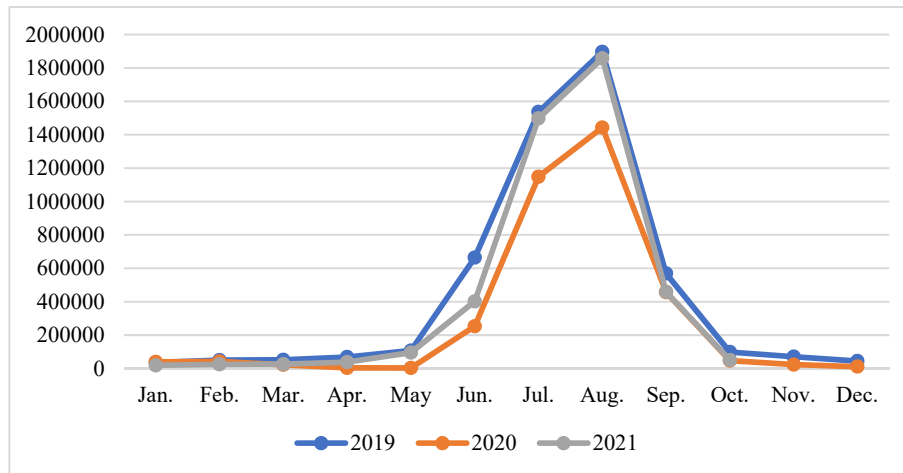
Graph no.6. Arrivals in the main tourist reception structures - Constanta county.



Source: <https://constanta.insse.ro/produse-si-servicii/publicatii-statistice/> (NSI, 2022).

At the level of Constanta County, arrivals in the year 2020 registered a decrease compared to 2019, but in 2021 in the summer months the number of arrivals exceeded the level of the year 2019. All the statistics show that during the pandemic Romanian tourists did not go abroad anymore, rather they spent their holidays in Romania, and moreover the coastal area of the Black Sea was the most sought after at the level of the whole country.

Graph no. 7. Overnight stays in the main tourist reception structures - Constanta county.



Source: <https://constanta.insse.ro/produse-si-servicii/publicatii-statistice/> (NSI, 2022).

The number of overnight stays in Constanta County registered a significant decrease in the year 2020 compared to 2019; however, in 2021 in the summer months it was at the level of the year 2019, which proves once again that tourists have chosen the Romanian seaside for their holidays and their vacation.

## 5. Conclusions

Tourism involves the act or process of spending time away from home, for purposes such as: recreation, relaxation, or pleasure, while using the commercial products and services offered by the suppliers available in the chosen destination.

In terms of economic activity, tourism influences several variables, such as: employment, inflation, the foreign exchange supply and currency circulation speed, production, balance of payments, investment, especially in setting up physical infrastructure, which makes tourism possible and, finally, the state budget by increasing public spending due to public services, but also by increasing government revenue due to direct and indirect tax collection.

In the European Union, tourism is a major economic activity, which has a fairly big impact on economic growth, employment, and social development at EU level. It can be a powerful tool in fighting economic downturn and unemployment. However, in the 2020 – 2021 period, the tourism sector has faced and continues to face a number of challenges due to the COVID-19 pandemic.

Initially, at the beginning of the pandemic, in April 2020, it was estimated that the tourism sector in the European Union, which had around 13 million employees, would lose revenue of around € 1 billion per month as a result of the COVID-19 outbreak.

Globally, since the beginning of the COVID-19 crisis in China, the impact of the pandemic on the tourism sector has been significantly underestimated. Even nowadays, political decision-makers and tourism practitioners do not have a full understanding of the scenarios and effects of the COVID-19 crisis, which have had and will continue to have an unprecedented impact on the tourism sector and the management of tourism services.

Travel restrictions have affected hotels, campsites, or other types of accommodation, as well as restaurants, museums and other activities attended by both local and international tourists. These facts have generated a series of challenges that the management of tourist services has had to cope with in order to overcome these moments of crisis.

The pandemic generated by the new coronavirus has affected, at the European Union and global level, both the health and the social and economic sectors, in a spontaneous and significant way.

Tourism is certainly one of the most affected sectors of activity due to the closure of airports, the suspension of activities in the hotel industry, travel restrictions and so on.

The COVID-19 pandemic affected the world economies significantly in 2020, the world GDP fell by 3.3% in 2020 compared to 2019. At EU level, the European Union recorded a decrease by 6.1% of its GDP in the pandemic year 2020, compared to 2019. Europe ranks second internationally in terms of the decline in international arrivals in the year 2020, reaching -60% in March.

Certainly, all tourism companies around the world will be affected to a greater or lesser extent by the pandemic, but airlines will no doubt face greater challenges; therefore, by virtue of their role in stimulating other tourism activities, they will need extraordinary support from governments and financial institutions.

Nevertheless, leading world economy experts agree that no matter how serious the impact may seem at the moment, the markets will eventually find their balance when the virus stabilizes, given the monetary and fiscal incentives implemented by the major countries of the world.

## 6. References

- Angelescu, C., Jula, D., 1997, Timpul Liber. Conditionari si implicatii economice [*Free time. Economic conditions and implications*], Bucharest, Economica Publishing House.
- Baretje, R., Defert, P., 1972, Aspects economique du tourisme [*Economic aspects of tourism*], Paris, Berger-Levrault Publishing House.
- Bran, FL., Marin, D., Simon, T., 1998, Economia Turismului si mediul inconjurator [*Tourism Economics and the Environment*], Bucharest, Economica Publishing House.
- DTI, 1969, Dictionnaire touristique international [International tourist dictionary], Suisse, French edition, 3 edition, Academie Internationale de Tourisme.
- Guyer Freuler, E., 1963, Contributions a une statistique du tourisme [Contributions to tourism statistics], CHET, Aix- en - Provence.
- Ioncica, M., Minciu, R., Stanciulescu, G., 1977, Economia serviciilor [*The Economics of Services*]–, Bucharest, Uranus Publishing House.

- Minciu, R., 2001, *Economia Turismului [The Economics of Tourism]*, Bucharest, Uranus Publishing House.
- Norval, JA, 1931, *The Tourist Industry*, London, Pitman Publishing House.
- Py, P., 2007, *Le Tourisme. Un phenomene economique [Tourism. An economic phenomenon]*. The French Documentation, Paris.
- Snak, O., 1976, *Economia si organizarea turismului [Economy and organization of tourism]*, Bucharest, Sport-Tourism Publishing House.
- Snak, O., Baron, P., Neacsu, N., 2001, *Economia Turismului [Tourism Economics]*, , Bucharest House Expert Publishing House.
- SR, 2022. *The European Court of Auditors - Special Report 27/2021 - EU support to tourism: need for a fresh strategic orientation and a better funding approach* [online] <<https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=60287>> [Accessed 5 January 2022]
- STATISTA, 2022. *Travel, Tourism & Hospitality* [online] <<https://www.statista.com/markets/420/travel-tourism-hospitality/>> [Accessed 5 January 2022]
- NSI, 2022. *National Institute of Statistics* [online] <https://constanta.insse.ro/produse-si-servicii/publicatii-statistice/> [Accessed 5 January 2022]