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# THE IMPACT OF COVID-19 ON THE DYNAMICS OF TOURISM IN ROMANIA

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**Abstract:** *After joining the EU, Romania tried to fulfil membership requirements, establishing its cohesion politics basis in the eight development regions, each of these having a certain specific task and a development potential that must be capitalized. This paper examines the improvement of tourism at the regional level during 1990-2022 (establishment of touristic reception with functions of tourists' accommodation and existing touristic accommodation capacity). This analysis also includes the evolution of the Tourist arrivals indicator.*

**Keywords:** *tourism, regional tourism, Romania, impact COVID-19 on tourism*

**JEL Classification:** *Z30, Z32*

## 1. Introduction

Tourism contributes, in general, to the creation of national incomes (GDP, GNI, NNI, etc.), to the achievement of added value including by training and stimulating production in related fields, to the circulation of liquidity and value resources, and to the increase in the level of culture and training the people.

One of the definitions of tourism is formulated by the World Tourism Organization as “activities carried out by people travelling to and staying in places located outside their place of residence for a consecutive period that does not exceed one year, for leisure, business or other reasons unrelated to the exercise of an activity remunerated from within the visited place”.

In Romania, tourism is a field with continuous development possibilities due to unexploited or insufficiently valued tourist resources. Tourism generates a specific demand for goods and services, which generates an increase in their production. Since tourism is a distinct branch of the economy, which interacts directly with other economic branches, the result is a chain growth.

To carry out activities in tourism, products are needed from the domains of transport services, accommodation, food, entertainment, health, culture and public safety, which are related to the productive branches of the food industry, construction, transport and agriculture, through which they positively influence the workforce use.

In the last decades, in Romania, efforts have been made for the development of tourism, while a series of guides, policies and strategic documents have been developed that have also financially supported this sector. However, some niche tourism segments have developed more: agritourism, medical and spa tourism, and city-break tourism

## **2. The evolution of tourism in Romania, at the regional level**

Romania has an important tourist potential, which is obviously an advantage for its South-East region (Black Sea Coast and Danube Delta), characterized however by seasonal tourism, compared to other regions (Bucharest-Ilfov, Centre), which develop other forms of tourism (business, cultural, monastery, weekend, etc.).

The evolution of the tourism sector is described using the analysis of the main specific indicators and is based on official data provided by the Romanian National Institute of Statistics. In this study, the analysis of indicators at the regional level covers the period 1990-2022, with a special focus on the years 1990, 1995, 2000 and the year of EU integration, 2007; the years of the financial crisis 2008, 2009 and 2010; then 2015, 2018, 2019 to study the phase before C19; followed by the health crisis in years 2020, 2021 and then the year 2022.

### ***2.1. Establishment of touristic reception with functions of tourists accommodation***

Tourist reception structures start from a total number of 3213 per country in 1990, when the South-East region, with 936, had the largest number, followed by the Center Region with 762. Their number experienced a positive long-term evolution, but with a change in trend at two moments.

The first moment is after the liberalization of the Romanian economy, a decrease in 1995 with a number of 308 structures, up to 2905 structures in total, but this was felt in all regions (figure 1).

In 2007, the year of Romania's EU integration, there was an increase in the number of tourist reception structures across the country by 50% to 4694, in the South-East region by 21.3%, and in the Central Region by 62.9 % up to 1209 structures, approaching equality with the South-East Region (figure 1).

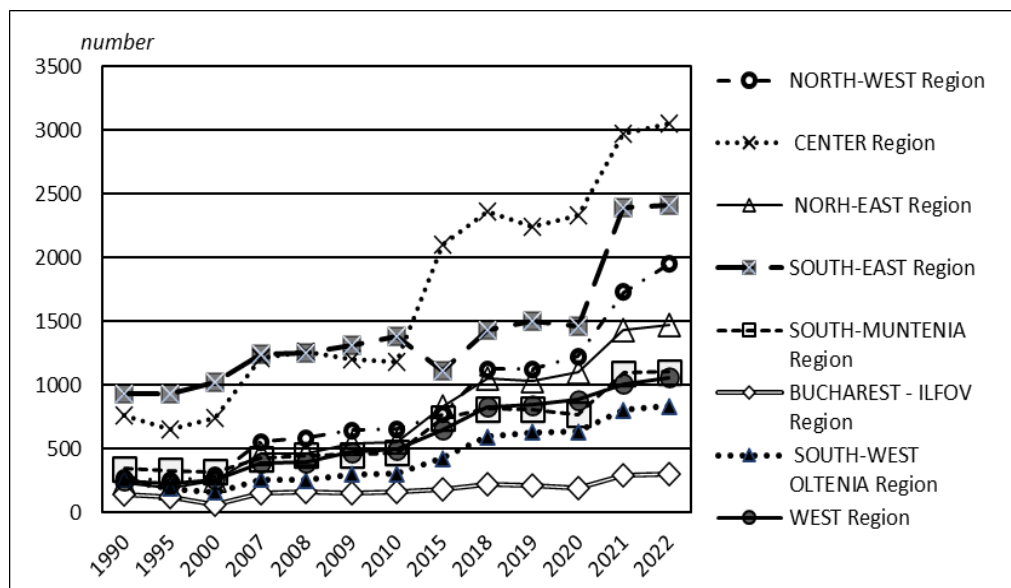
The second distorting moment, strongly influenced by the economic-financial crisis of 2008-2010, represents a sudden drop in 2015, in the South-East Region of 20% to 1111 structures, being surpassed by the Center Region which has 2107 structures (figure 1).

At the time of the Covid crisis in 2020, there was an increase in the total number of tourist structures at country level by 2.5%, up to 8610. This increase continued in 2021 by 36% and by 3.9% registering 12201 total accommodation structures. At the same time, this growth was manifested at the maximum level in the North West region, with an increase of 8.99% in 2020 compared to 2019, in the midst of the pandemic, continued with a 42% increase in 2021 compared to 2020 (figure 1).

The increase from 2020 in the number of accommodation structures was also manifested in the North-East Region, with 7.2%, continued in 2021 with 30% compared to 2020 (figure 1).

But the most spectacular increase in the pandemic is recorded in 2021 compared to 2020, in the South-East Region, by 64%, representing 934 accommodation units, up to a number of 2393 units (figure 1).

However, in 2022, the Central Region has the largest number of tourist structures, with 3054 units, representing 25% of the total for the country, of 12201 tourist reception structures (figure 1).



**Figure 1.** Establishment of touristic reception with functions of tourists accommodation. *Source: Processing of online statistical data from TEMPO\_TUR101D, National Institute of Statistics*

Notes: Establishment of touristic reception with functions of tourists accommodation include hotels, youth hotels, hostels, apartment hotels, motels, tourist villas and cabins, tourist and agro-tourism guesthouses, campsites, holiday villages, bungalows, school and preschool camps and ship accommodation.

## **2.2. Existing touristic accommodation capacity**

In 1990, Romania had a number of 353,236 tourist accommodation places. In terms of structure, hotels have the largest share in accommodation capacities with a number of places of 167,979, representing 47.6% of the total, followed by tourist villas with 46,757 (13.2%), student and preschool camps with 46,598 places (13.2%), campsites with 46,473 places (13.1%) and others (National Institute of Statistics, processing from online statistical data TEMPO\_TUR102D).

In 1990, the South-East Region had 46.1% of Romania's tourist accommodation capacity, especially in the resorts on the Black Sea coast (figure 2), followed by a 12.5% share in the Center Region, the others regions holding a share of up to 10%, and the fewest places were in the Bucharest-Ilfov Region with a share of 3.6%.

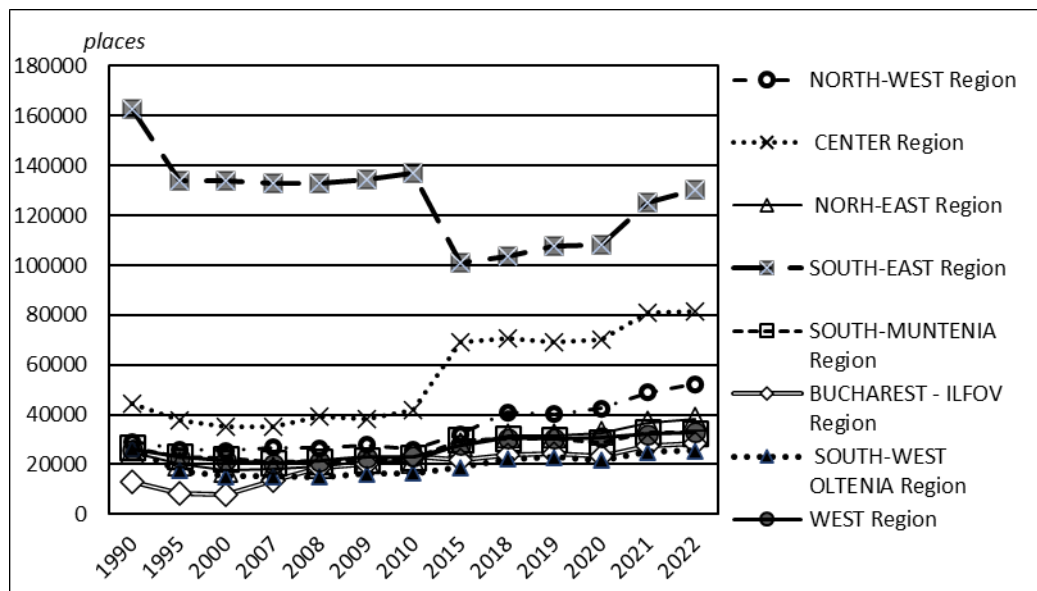
In 2007, there was a 20% decrease in tourist accommodation places across the country to 283,701 places from 353,236 places in 1990, valid for all regions. The biggest reductions are in the South-East region with a decrease of 26.3%, which represents 30 thousand places compared to 1990, and in the Center Region with 20%, representing approximately 9 thousand places (figure 2).

In 2015, at the regional level, there was an increase in accommodation places, represented by a 16% increase for the country as a whole compared to 2007, reaching 328 thousand places. Significant increase also in the Center region by 94% compared to 2007, representing 32 thousand places and in the North-West Region by 20%, representing 5.5 thousand places (figures 2). At the same time, in 2015, the second massive reduction in accommodation places was recorded only in the South-East Region, by 24% compared to 2007, representing 32 thousand places (figure 2).

At the time of the COVID-19 crisis in 2020, there was a stagnation of approximately 355 thousand places in the total number of accommodation places in the country compared to 2019.

In 2021, there is a country-wide increase in accommodation places by 14.5% compared to 2019, and by 2.9% in 2022 compared to 2021. This increase was seen across all regions in 2021, but, especially in 2022, it was at the maximum level in the North West region, with a 30% increase compared

to 2019, and with a 22% increase in the North-East Region, 21% in the South-East and 18% in the Center Region, in 2022 compared to 2019 (figure 2), based on increases in tourist accommodation structures (figure 1).



**Figure 2.** Existing touristic accommodation capacity

Source: Processing of online statistical data from TEMPO\_TUR102D, National Institute of Statistics

Notes: The tourist accommodation capacity represents the number of tourist accommodation places registered in the last act of reception.

### 3. The evolution of the Tourist arrivals indicator

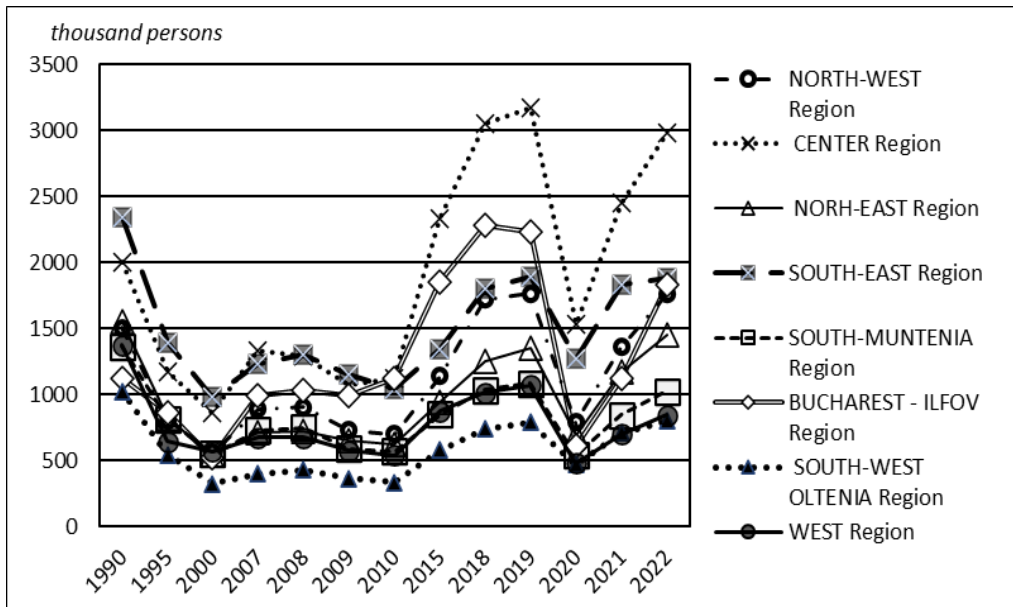
In the period 1990-2000, the tourist activity expressed with the help of the tourist arrivals indicator had a sharp downward trend at the national level from 12296 thousand arrivals to 6073 thousand arrivals, followed by a period with notable fluctuations and differences from one region to another (figure 3). In the same period, at the regional level, the South-East Region, where there are the most arrivals, saw a decrease of 59% in 2000 compared to 1990 and of 48% in the Center Region (figure 3).

Between 2000 and 2010, the number of arrivals in accommodation units in Romania decreased by over 15%. The weakening of the competitiveness of the tourist infrastructure in Romania led to a decrease in arrivals in all regions, by up to 50% compared to 1990, in the context of Romanian tourists having

the possibility of traveling abroad, especially after joining the European Union. However, in 2007, approximately 6.9 million arrivals were registered in Romania, of which approximately 1.55 million are foreigners, representing 22% of the total (figure 3).

Until 2009, the first place in the number of tourist arrivals was held by the South-East region with 1.2 million arrivals, due to its coastal but seasonal tourist potential. After this year, the first place is taken over by the Centru region, with over 1.13 million tourist arrivals, as a result of massive investments in tourist structures. It is worth noting that, starting from 2015, the second place is the Bucharest - Ilfov region, which attracts tourists, as a result of the fact that there is an important sector of business services here (it is the region that in 2014 registered an increase of 13.4% compared to 2013, but also a significant increase of 45.6% compared to 1990).

The least attractive region, from the point of view of tourist arrivals, is the South-West Oltenia region throughout the analysed period (figure 3), with the lowest number of arrivals, reaching up to 337 thousand arrivals in 2010, but with a return to 791 thousand arrivals in 2019 growth.



**Figure 3.** Arrivals of tourists

Source: Processing of online statistical data from TEMPO\_TURI04B, National Institute of Statistics

Note: Arrivals represent the number of tourists staying in tourist accommodation units (Romanians and foreigners) who travel outside the localities where they have their

permanent residence, for a period of less than 12 months and stay at least one night in a tourist accommodation unit in visited areas of the country.

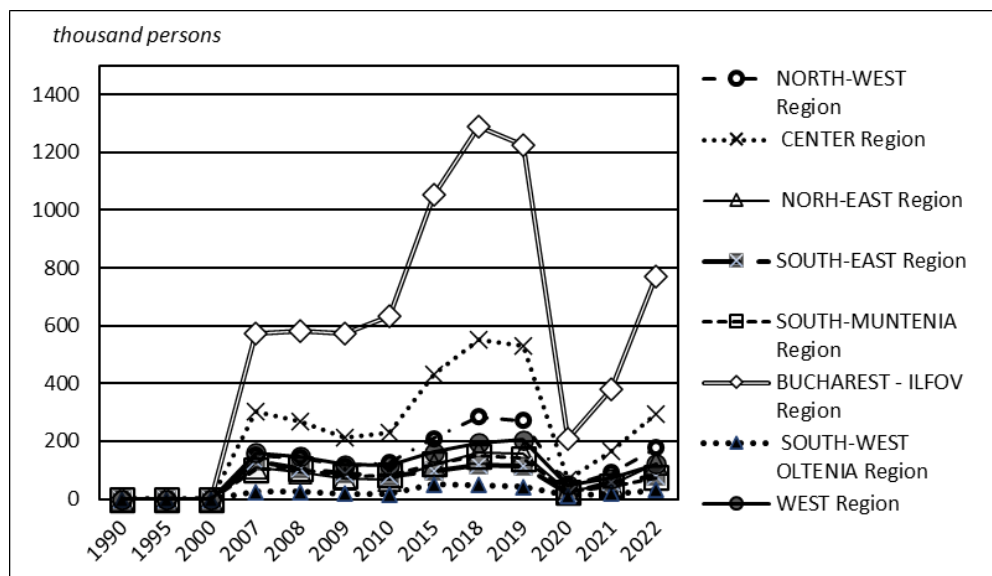
In 2019, the most arrivals were recorded in the studied period, in the Center region, with 3.2 million arrivals, representing a share of 22.3% of the total arrivals per country in that year.

If we study the composition of foreign and Romanian tourist arrivals, we notice that the share of foreign tourist arrivals is returning to 22.6% in 2007 (1550 thousand people) followed by unfavourable situations, for example in 2009 with a share of 20.6% (with arrivals of 1276 thousand people) (figure 4).

However, the foreign tourist arrivals indicator recorded a constant increase in the number of foreign tourist arrivals over the years until 2019 to 2.68 million people, with 92.3% in 2019 compared to 2010 (figure 4).

Approximately half of these arrivals (48.1%) are in the Bucharest-Ilfov region, 1.22 million, in 2019, as a result of the promotion of weekend, cultural and business tourism (increasing from 37, 3%) (figure 4).

The main reason for foreign tourists' visits is leisure, followed by transit, business or day trips.



**Figure 4.** Foreign arrivals

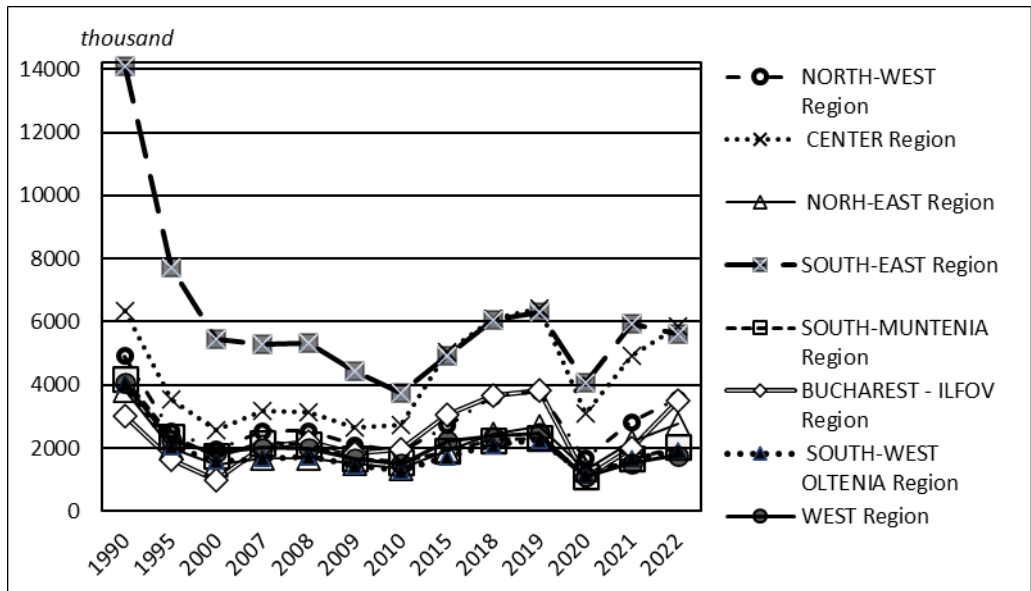
Source: Processing of online statistical data from TEMPO\_TUR104B, National Institute of Statistics

In 2021, there were 8.53 million arrivals of Romanian tourists in accommodation units, with 19.0 million overnight stays, but also 843



thousand arrivals of foreign tourists and 1.83 million of their overnight stays in accommodation units. Romanian tourists represented 91.0% of total arrivals and 91.2% of total overnight stays, which proves that Romanians are the main source market for Romanian tourism (figure 5).

Among foreign tourists, Europeans registered 1.4 million overnight stays in Romania in 2021, representing 76.7% of the total international overnight stays and 6.8% of the total overnight stays, representing more than a quarter of the total foreign tourist arrivals.



**Figure 5.** Tourist overnight stay

Source: Processing of online statistical data from TEMPO\_TUR105D, National Institute of Statistics

Notes: The tourist overnight stay is the 24-hour interval, for which a person is registered in the tourist accommodation space and benefits from hosting.

### Conclusions

The South-East region has a special tourist potential, in particular, due to the presence of the Romanian coast of the Black Sea (with 70 km of coast between Năvodari and Mangalia) and the Danube Delta. Thus, Romania’s access to the Black Sea created conditions for the development of coastal tourism, the 13 existing resorts concentrating almost half of the existing accommodation, treatment and leisure capacity at the level of the entire country (42.7%)



Accommodation structures on the Black Sea coast are mainly concentrated in the coastal area, with limited opportunities for expansion.

At the time of the COVID-19 crisis in 2020, there was an increase in the total number of tourist structures at country level by 2.5%, up to 8610. This increase continued in 2021 by 36% and by 3.9% registering 12201 total accommodation structures. At the same time, this growth was at the maximum level in the North West region, with an increase of 8.99% in 2020 compared to 2019, in the midst of the pandemic, continued with a 42% increase in 2021 compared to 2020.

Starting with 2010, there are major increases in the number of accommodation structures for the Center Region (figure 1) of 27% compared to 2009, reaching the highest number of tourist structures owned by a region. In 2022, the trend is maintained, with the Central Region having the largest number of tourist structures, with a number of 3054 units, representing 25% of the country's total of 12201 tourist reception structures.

In the distribution of tourist arrivals in recent years, there is a sharp reversal of the situation by region in 2015, in which the most tourists are registered in the Central Region, followed by the Bucharest-Ilfov Region and the South-East Region only in third position.

The effect of the 2020 COVID-19 pandemic crisis can best be seen on arrivals which decrease by 52% and overnight stays by 51%, when they actually collapse. The receipts are also greatly reduced and that is why the government of that period supported the sector, by providing grants and incentives for private sector investments (e.g. the "Start-Up Nation" Program). In order to mitigate the shock produced by the COVID-19 pandemic, certain state aid schemes have been created, some of them directly or indirectly targeting the tourism sector. They supported the return to 10.2 million tourist arrivals in 2021, with an increase of 59.5% compared to 2020 and to 12.5 million tourist arrivals in 2022 with an increase of 23.4% compared to 2021. However, foreign tourist arrivals, although they have an increase of 93.7% in 2021 compared to 2020 and 90.5% in 2022 compared to 2021, reached a number of 1.675 million arrivals in 2022, representing only 59.8% of foreign tourist arrivals in 2019. However, Romania has a great potential for attracting international tourists and increasing the share of tourism in the economy.

Investments in transport infrastructure support the development of tourism. The completion of major road infrastructure projects must be one of Romania's priorities in the coming years. With adequate management, with the involvement of local bodies, tourism represents a means of education, raising the level of training, culture and civilization of the people.

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