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Romania's tourism industry in free fall

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Abstract. *Tourism is one of the consistent branches of the national economy, which can ensure some concrete results and a tailor-made contribution to the formation of the Gross Domestic Product. The tourism industry is also called invisible trade in the sense that, although it does not export goods and services, by practicing it, by developing it, it ensures consistent revenues to the state budget, but also ensures the possibility of increasing Gross Domestic Product.*
Analysing the current situation of the health and economic-financial crisis, it is found that in 2020 HoReCa, the tourism industry, complementary services have decreased alarmingly. Against this background, tourism has reduced its contribution to the formation of the Gross Domestic Product, which can lead to an even greater decrease.
Investments in tourism are eroding. There is no possibility of refinancing despite support measures provided by the authorities. We say in spite of some measures granted because the postponement of some payments, the postponement of some credits, the transition to technical unemployment and others will be coupled later with other measures with almost devastating effect for the Romanian economy. Thus, many jobs will be lost. On the other hand, tourism companies will not be able to move from technical unemployment to normal activity and give a minimum of six months to those in this situation.
The tourist market practically does not exist because there are only sequential possibilities in which it takes place, but especially under the rule of business activities, which are also considered tourist activities.
The tourist activity materialized through arrivals, overnight stays, arrivals and departures has decreased steadily and this result mainly from the data subject to the study we mentioned. It is necessary to interpret these data and possibly find ways to recover.

Keywords: tourism, HoReCa, crises, investments, recovery measures, national economy.

JEL Classification: H12, J63.

Introduction

In this article, based on the study, the emphasis was on the concrete analysis of the economic situation in the field of tourism after seven months, of which at least five months the health and economic-financial crisis manifested itself, triggered as a consequence of the first.

Authors studied in turn a series of indicators such as: arrivals and overnight stays in the structure of tourist reception with accommodation functions in a single month, compared to the previous month, compared to the same month in 2019, identifying huge decreases. On most tourist destinations we find discounts. Then the arrivals, the overnight stays, the average length of stay, the index of the occupancy capacity of the tourist spaces and so on are analysed, from all of them drawing about the same conclusions, namely that in this field the activity is falling rapidly subsequent periods.

Against the background of declining incomes of the population domestically, domestic tourism will be greatly reduced in the next period. Given the coefficient of infection per thousand inhabitants, which is very high, visits to Romania will be reduced, including business visits, which means an additional drop in tourism activity. HoReCa in which we include only hotels, restaurants and cafes is widely analysed, detaching the opinion that it has a rather uncertain activity and from this point of view the results are what can be seen.

We also performed an analysis of the situation for seven months in 2020, compared to 2019, resulting that the activity was only 42.2% from the previous year on arrivals and 42.5% on overnight stays.

In other words, in order to highlight the way in which the tourist accommodation capacities were used in July or then for seven months, the comparison also led to a decrease in these occupancy possibilities. This results in difficulties for the owners of tourist companies, who will have to reinvest or others to abandon.

As an immediate effect of this health and economic and financial crisis is the fact that the level of classification of hotels has also decreased. If in 2019 the share of three- and four-star hotels was 77.5% of the total hotel spaces, in 2020 this number was drastically reduced.

Representing graphically and through series of data (tables) in the article is a perfect explanation of the situation of the evolution of the tourist activity in its complexity. The current level of deepening of the health crisis must be viewed with concern and with the prospect that in the next period the results in this field will diminish even more.

Literature review

Anghelache and Anghel (2019) addresses theoretical and practical issues of economic statistics and economic modelling. Also, Anghelache and Anghel (2018) are concerned with the quality of life in Romania and in this regard addresses various models and methods for analysing the correlations between the employed population, unemployment and vacancies. In other words, Bran, Marin and Simon (1998) analyse some aspects related to the environment and their impact on tourism development. Carballo, Araña, León and Moreno-Gil (2015) conducted an assessment of tourism from the perspective of the economic factor. Cristureanu (1992) is concerned in his work with aspects related to international tourism. In the vision of De Nisco et al (2017), the tourists satisfied with their travels can be considered the best ambassadors of a country. Iacob (2020) is concerned about the evolution of tourism in Romania and the prospects of this economic branch in the conditions of the pandemic crisis combined with the financial-economic crisis. Kladou, Giannopoulos and Assiouras (2014)

analyzed the main categories of tourism and, at the same time, turned their attention to perceptions of the destination image. Leea and Brahmasreneb (2013) investigates in the paper the impact that the evolution of tourism has on economic growth. Medina-Munoz et al (2015) analyzed the importance of tourism on poverty reduction. Mody et al. (2017) studied the role of the country image in promoting tourism. Silva andToledo (2009), are concerned with some issues related to the cyclical behaviour of vacancies and its effects in most industries.

Methodology

Tourism, as an economic activity, is the most affected by the economic-financial and health crisis. The analysis of this activity was performed using statistical and graphical methods, data series, comparison, study in dynamics and structure.

Below, some methodological aspects are presented, according to the methodology used by the National Institute of Statistics / Eurostat, in order to facilitate the interpretation of the data contained in the article.

Regarding accommodation, this represents the number of accommodation places for tourist use registered in the last act of reception, homologation, classification of the tourist reception structure with tourist accommodation functions, excluding the extra beds that can be installed in case of need.

The data used are obtained through statistical research on tourist accommodation capacity on 31 July. This statistical survey is addressed to all tourist reception structures with an accommodation capacity of at least 5 beds, which operated on July 31, 2020 and which have operating licenses (classified) from the Ministry of Economy, Energy and Business Environment, Department for tourism.

By the arrival of a tourist we mean the moment when it was recorded in the respective records of the hotel. This registration is made only once, even if the tourist has travelled to the country and returned to the accommodation. The tourist leaves when the liquidation takes place at the hotel. An overnight stay is an interval of 24 hours from the time of registration and then this interval is considered until it leaves the accommodation.

The occupancy index expresses the relationship between the tourist accommodation capacity in operation and its actual use by tourists in a given periody.

Results and discussions

According to the data obtained through statistical research, we find that in July 2020, compared to July 2019, arrivals in tourist reception facilities with accommodation functions decreased by 44.4% and overnight stay by 44.7%. Also, in July 2020 compared to July 2019, at the border points, the arrivals of foreign visitors decreased by 69.0% and the departures abroad of Romanian visitors by 63.8%. The data were structured in table number 1.

Table no. 1. Arrivals and overnight stays in tourist reception structures with accommodation functions-July

	Arrivals			Overnights		
	July 2019 Thousands	July 2020 Thousands	July 2020 to July 2019 -% -	July 2019 Thousands	July 2020 Thousands	July 2020 to July 2019 -% -
Total	**1651,3**	**917,8**	**55,6**	**4407,3**	**2436,5**	**55,3**

	Arrivals			Overnights		
	July 2019 Thousands	**July 2020 Thousands**	**July 2020 to July 2019 -% -**	**July 2019 Thousands**	**July 2020 Thousands**	**July 2020 to July 2019 -% -**
Romanian tourists	1350,2	887,7	65,7	3809,2	2370,3	62,2
Foreign tourists **) of which:	301,1	30,1	10,0	598,1	66,2	11,1
- Europe	217,0	26,7	12,3	415,5	58,3	14,0
European Union***)	170,1	22,6	13,3	322,1	49,4	15,3
- Asia	43,2	1,0	2,3	98,4	1,9	1,9
- North America	22,0	1,3	5,9	50,4	3,3	6,5
- South America	2,5	*	_	5,3	*	_
- Africa	2,3	*	_	4,4	1,0	22,7

*) Data less than 0.5;
**) By country of residence;
***) Data on the European Union were recalculated without the United Kingdom of Great Britain and Northern Ireland.
Source: National Institute of Statistics, Press release no. 226/ September 2, 2020

According to the data presented in table number 1, we find that the arrivals registered in July 2020 were 917.8 thousand, decreasing by 44.4% compared to July 2019. We also find that of the total number of arrivals, in July 2020, they accounted for 96.7%, while foreign tourists accounted for 3.3%.

Of the tourists who arrived, 88.7% were from Europe, mainly from the European community.

Also, overnight stays in July 2020 were 2,436.5 thousand, down 44.7% compared to July 2019. The share of overnight stays was held by those in European countries (88.1%) most of the European Union.

The average length of stay in July 2020 was 2.7 days (Romanians) and 2.2 days (foreigners). Net usage index in July 2020 17% lower than in July 2019. More significant accommodations were in bungalows (35.0%), hotels (32.9%), campsites (27.4%), tourist villas (26.8%), accommodation on ships (25.8%), tourist stops (24.6%) and agritourism pensions (22.1%).

Regarding the arrivals of foreigners, they were 494.3 thousand, decreasing by 69.0% compared to July 2019. The means of transport used being road and air (84.5%), respectively (13.0 %).

Also, departures abroad were 874.7 thousand, down 63.8% compared to the same period in 2019. Means of transport used were road and air (75.8%) and 23.6%, respectively. %).

Regarding the distribution of Romanian tourist arrivals in July 2020 compared to the same period in 2019, it is outlined in figure number 1.

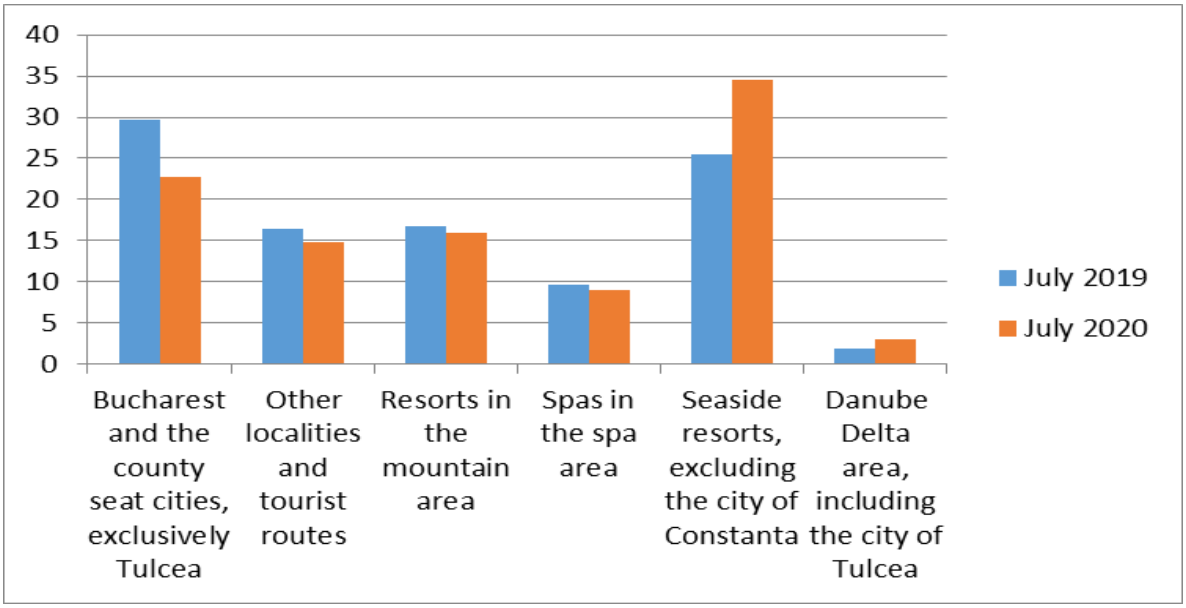


Figure no. 1. Distribution of Romanian tourists' arrivals in tourist reception structures, by tourist areas, in July 2019 and 2020

Source: own representation based on data published by the National Institute of Statistics

In the same order of ideas, the distribution of the arrivals of foreign tourists, by tourist areas, in July 2020 compared to July 2019, is outlined in figure number 2.

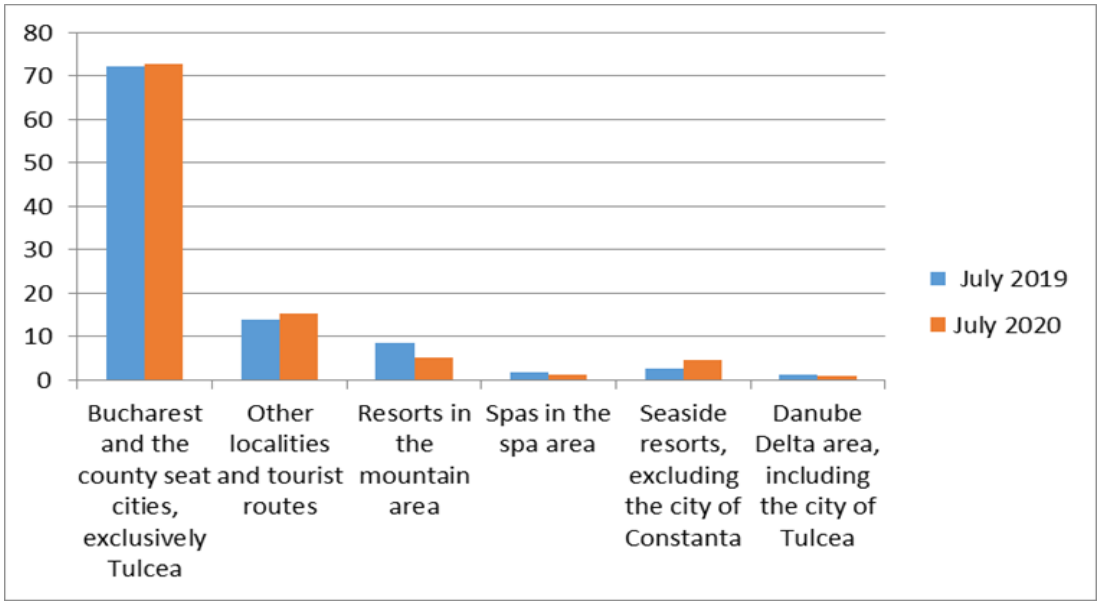


Figure no. 2. Distribution of foreign tourist arrivals in tourist reception structures, by tourist areas, in July 2020 compared to July 2019

Source: own representation based on data published by the National Institute of Statistics

The statistical data on arrivals and overnight stays in tourist reception structures with accommodation functions are structured in table number 2.

Table no. 2. Arrivals and overnight stays in tourist reception structures with accommodation functions

	Arrivals			Overnights		
	Period 1.01-31.07 2019 thousands	**Period 1.01-31.07 2020 thousands**	**Period1.01-31.07.2020 to period 1.01-31.07. 2019 -%-**	**Period 1.01-31.07 2019 thousands**	**Period 1.01-31.07 2020 thousands**	**Period 1.01-31.07.2020 to period 1.01-31.07. 2019 -%-**
Total	**7267,6**	**3066,0**	**42,2**	**15816,4**	**6716,5**	**42,5**
Romanian tourists	5759,9	2737,6	47,5	12843,7	6005,6	46,8
Foreign tourists *) of which:	1507,7	328,4	21,8	2972,7	710,9	23,9
- Europe	1113,0	249,6	22,4	2133,9	529,0	24,8
European Union**)	864,6	183,5	21,2	1637,8	382,8	23,4
- Asia	202,5	39,7	19,6	442,1	100,5	22,7
- North America	107,6	17,7	16,4	233,8	37,7	16,1
- South America	12,1	2,6	21,5	25,4	5,9	23,2
- Africa	11,5	3,3	28,7	22,0	7,4	33,6

*) By country of residence;
**) Data on the European Union were recalculated without the United Kingdom of Great Britain and Northern Ireland.
Source: National Institute of Statistics, Press release no. 226/ September 2, 2020

According to the data presented in table number 1, the arrivals in the period 1.01-31.07.2020 amounted to 3,066.0 thousand, decreasing by 57.8% compared to the same period in 2019. Also, in the period 1.01.-31.07.2020 Romanian tourists have represented 89.3%, while foreign tourists accounted for 10.7%.

Following the arrivals of foreign tourists in the tourist reception structures, we find that the largest share were European (76.0%), respectively 73.5% EU.

Regarding the overnight stays between 1.01.-31.07.2020, they amounted to 6,716.5 thousand, 57.5% less than the similar period of 2019. In the first seven months of 2020, 89 were registered among Romanians. 4%, and foreigners miss 10.6%. Most tourists were from Europe (74.4%), 72.4% being EU.

In the first seven months of 2020, the average duration was 2.2 days in total. The index of net use of accommodation in 7 months from 2020 was 22% of total tourist accommodation structures, being decreased by 9.8% compared to the simulated period of 2019. Also, higher rates of use of accommodation in the same period in 2020 were registered in bungalows (31.1%), hotels (25.8%), campsites (22.0%), accommodation on ships (21.3%), villas tourist (20.0%), tourist houses (18.7%), hostels (17.1%) and tourist pensions (16.2%).

Analysing by counties, we find that in the first seven months of 2020 there were higher values in Constanța (458.9 thousand), Bucharest (364.6 thousand), Brasov (340.3

thousand), Prahova (150, 2 thousand), Cluj (128.7 thousand), Bihor (122.4 thousand), Mureș (118.0 thousand), Sibiu (115.2 thousand) and Suceava (107.2 thousand) and the overnight stays of tourists registered higher values large in: Constanța (1514.5 thousand), Brașov (688.8 thousand), Bucharest (645.9 thousand), Prahova (324.9 thousand), Bihor (290.9 thousand), Vâlcea (273.3 thousand)), Mureș (232.8 thousand), Cluj (231.5 thousand), Suceava (222.6 thousand) and Timiș (205.4 thousand).

Analyzing by countries, most arrivals of foreign tourists staying in tourist accommodation facilities came from Germany (38.7 thousand), Italy (31.2 thousand), Israel (27.4 thousand), United Kingdom (19.6 thousand) and France (19.4 thousand).

Regarding the arrivals of foreign visitors in Romania, registered at the border points, we find that they were in 7 months from 2020 of 3219.2 thousand, being decreased by 54.9% compared to 2019. The most used means of transport for the arrivals of foreign visitors in Romania were the road and air ones, representing 80.4%, respectively 17.0%. Also, the departures of Romanian visitors abroad, registered at the border points, were in 7 months of 2020 of 5995.7 thousand, decreasing by 52.3% compared to 7 months of 2019. The most used means of transport for departures abroad were road and air, representing 69.9% and 29.5% of the total number of departures, respectively.

Regarding the tourist accommodation capacity on July 31, 2020, we find that at this date compared to the similar period of the previous year, the tourist accommodation capacity increased by 0.4% in the number of accommodation places and by 2.5% in total structures tourist accommodation. The data on the situation of accommodation in July 2020, compared to July 2019 are structured in table number 3.

Table no. 3. Accommodation situation in July 2020, compared to July 2019

	31 July 2019		31 July 2020		2020 to 2019 %	
	structures	places	structures	places		
	number	thousands	number	thousands	structures	places
Total	**8402**	**356,6**	**8610**	**358,1**	**102,5**	**100,4**
Hotels	1625	199,9	1599	197,6	98,4	98,9
hostels	323	13,7	328	13,8	101,5	100,7
Motels	219	8,6	214	8,6	97,7	100,0
Tourist villas	709	16,7	752	17,1	106,1	102,4
Tourist chalets	222	6,2	226	6,3	101,8	101,6
Tourist pensions	1669	35,2	1729	35,3	103,6	100,3
Agrotourism pensions	2800	49,1	3022	52,4	107,9	106,7
bungalows	557	3,8	458	3,8	82,2	100,0
Other types	278	23,4	282	23,2	101,4	99,1

Source: National Institute of Statistics, Press release no. 279/ October 22, 2020

According to the data presented in table number 3, we find that most hotels were classified in the category of 3 stars (53.8% of total hotels), 4 stars (23.7%) and 2 stars

(18.4%). There were 34 5-star hotels, 4 fewer than on July 31, 2019. Also, of the total number of places in hotels, 45.6% were in 3-star hotels, 28.4% were in 4-star hotels, 20.5% in 2-star hotels, 4.0% in 5-star hotels, 1.4% in one-star hotels and 0.1% in non-star hotels. Regarding the tourist reception structures with accommodation functions that were not classified on the stars on July 31, 2020, they were 104, compared to 107 on the same date last year, most of them being student and preschool camps, respectively 43, 3% of the total in 2020.

Figures 3 and 4 show graphically the weights by classification categories in the total accommodation structures on 31 July 2019 and 31 July 2020, respectively.

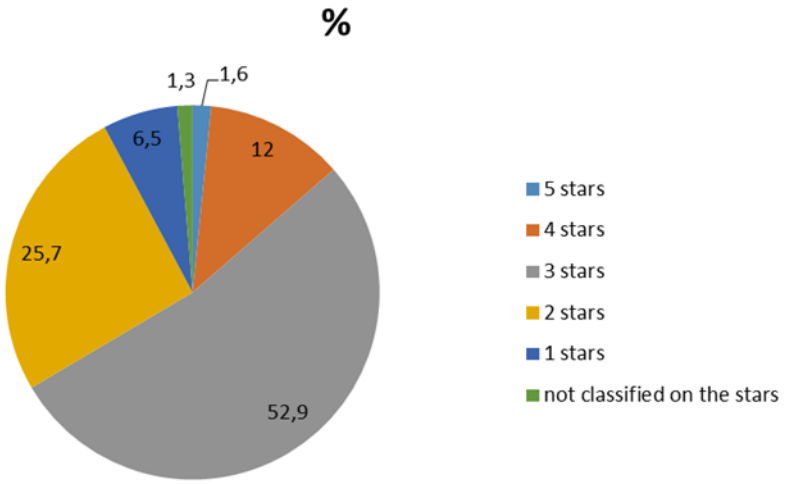


Figure no. 3. Total accommodation structures by classification categories as of July 31, 2019

Source: own representation based on data published by the National Institute of Statistics

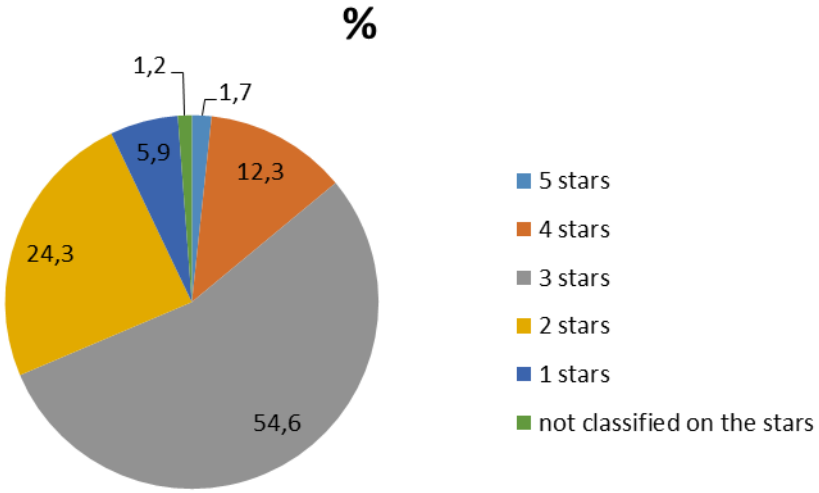


Figure no. 4. Total accommodation structures by classification categories as of July 31, 2020

Source: own representation based on data published by the National Institute of Statistics

According to the data presented and sketched graphically, it results that 27.5% of tourists were in the locations in the mountain area, 18.4% in Bucharest and the county seat cities (excluding the city of Tulcea), 8.9% in the resorts in the coastal area (excluding the city of Constanța), 7.2% in the spa resorts, 3.2% in the Danube Delta, and 34.8% in other tourist locations. We mention that the first seven counties, ranked according to the total number of existing tourist reception structures were: Brasov with 902 accommodation structures, Constanta with 850, Suceava with 496, Harghita with 408, Mures with 363, Cluj with 344 and Sibiu with 318 capacities accommodation.

Constanța County had a share of 24.6% of the total rooms in the tourist reception structures (excluding the rooms in the cottages). Also, out of the total number of existing tourist accommodation places, Constanța County owned 24.9%, Brașov County 8.0%, followed by Bucharest Municipality with 6.1%, Bihor County with 4.0%, Cluj County and Suceava each with 3.6%, Vâlcea county with 3.2%, Mureș county with 3.1% and Prahova county with 3.0%.

Figure 5 shows the structure of tourist accommodation existing on July 31, 2020, in percentages.

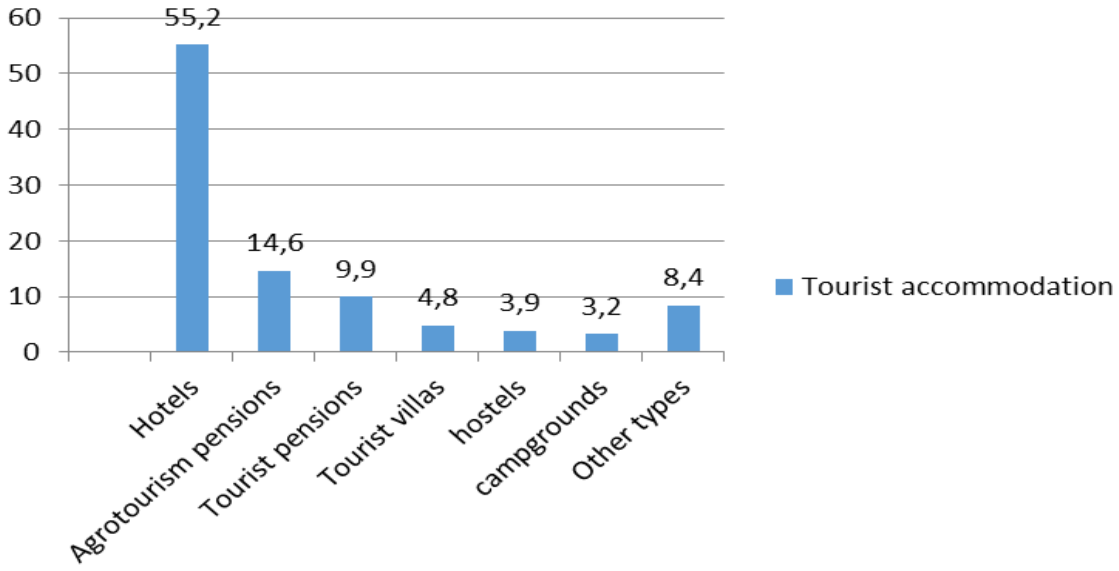


Figure no. 5. Structure of places by types of accommodation existing on July 31, 2020 (%)
Source: own representation based on data published by the National Institute of Statistics

According to the analysed data, we find that out of the total of 163.2 thousand existing rooms in the tourist reception structures with accommodation functions existing on July 31, 2020, in which we do not include the rooms in cottages, 98.4 thousand, representing 60, 3% in hotels. Thus, in 2020 the number of rooms increased by 1,488 in agritourism pensions and by 212 in tourist villas and decreased by 1,290 in hotels. Also, the accommodation at the end of July 2020 was 358.1 thousand. Of these, most places, respectively 197.6 thousand, were in hotels, followed by agritourism pensions with 52.4 thousand places, tourist pensions with 35.3 thousand places, tourist villas with 17.1 thousand places thousands of places and hostels with 13.8 thousand places.

Analysing according to the functioning of the tourist reception structures with tourist accommodation functions, we find that 76.2% of the total rooms were in permanent

tourist reception structures. At the same time, rooms with bath or shower accounted for 96.7% of the total rooms. In the student and preschool camps 57.4% of the rooms were without a bathroom or shower.

Figure 6 shows the structure of tourist accommodation, by tourist areas existing on July 31, 2020 in percentages.

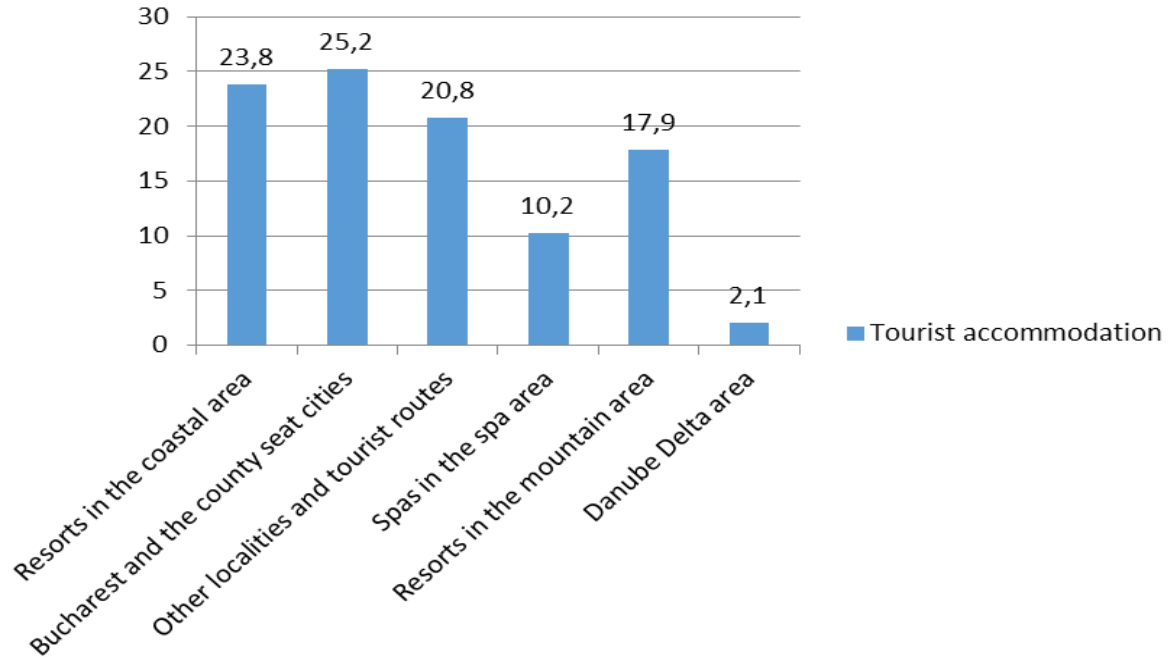


Figure no. 6. Structure of accommodation places, by tourist areas, existing on July 31, 2020 (%)

Source: own representation based on data published by the National Institute of Statistics

We find that out of the number of places, 90.1 thousand were in Bucharest and the county capitals, Tulcea is not included, 85.2 thousand were in resorts in the coastal area, excluding the city of Constanţa, 74.7 thousand in other localities 63.9 thousand in mountain resorts 36.6 thousand in spas and 7.6 thousand in the Danube Delta area.

Conclusion

From the analysis of the article based on the study undertaken by the authors, in the conditions of deepening the health and economic-financial crisis, several theoretical and practical conclusions can be drawn. First of all, the health crisis and now the economic and financial crisis have had and continue to have very special effects on the activity in the field of tourism and other complementary services. In this sense, it should be noted that this decrease in activity will also have an effect on the quality of tourist services that Romania will provide to tourists in the future, given that at least the health crisis will be controlled. However, the conclusion that emerges is that this economic and financial crisis and its effects on the tourism sector will be particularly large. Probably, as there are no investments, the owners of the tourist spaces will be unable to bring them to a level corresponding to the international tourist standard. We make a clarification, what we present is not only specific

to Romania, but also to the other states with tourist potential, which are in the same situation with Romania.

Another conclusion is that in the field of tourism, a significant number of employees will move into the sphere of unemployment and then gradually the unemployed population. This will affect the general situation of the economy and there is little chance of a speedy recovery.

A final conclusion would be that at national level, the authorities must urgently find the most concrete and rapid ways to stimulate, at least in part, the relaunch of tourism in general, HoReCa in particular and other services complementary to tourism.

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