



ORIGINAL PAPER

Current effects and future implications of the Covid-19 pandemic on tourism

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Abstract:

The current COVID-19 pandemic has led the global challenges, economic and healthcare crisis and has had an impact on the global industries, including tourism and travel which are heavily involved in the global service industry. This study covers the impact of this pandemic on global and national tourism, its current effect, implications and future trends. Thus, we performed a comparative analysis of the main indicators in tourism in the last 10 years, highlighting the transformations that this industry has gone through, starting with the period before of the appearance of the coronavirus, as well as during the pandemic. We also aim to investigate the consequences of the COVID-19 pandemic and how innovation and change can help bring the tourism industry back to the next normal. The article constitutes a contribution to the evolving literature on the impact of the COVID-19 pandemic on the development of the tourism sector.

Keywords: *tourism, Covid-19, economic crisis, future implications of tourism.*

Jell code: F00, O52, Z32.

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1.Introduction

"The world is facing an unprecedented social and economic emergency as a result of the Covid-19 pandemic" (Stoicea, 2021a). Due to the relatively high mortality of Covid-19 compared to other influenza-like diseases and the ease of its human-to-human transmission, the World Health Organization (WHO) has labeled Covid-19 a pandemic. Many countries have declared a temporary suspension of public / private outdoor activities and closed down key businesses. Chang and the collaborators (2020) said that "it is essential to distinguish between a single pandemic such as Covid-19 and other events that are shaking the earth, such as the world wars", SARS (2002-2003), MERS (2012) and the global financial crisis (2007-2009) - in their long-term effects on the international community and on the physical, economic and financial environment (Chang, Mc Aleer & Ramos, 2020).

Tourism is among "the most affected sectors with a massive decline in international demand amid global travel restrictions" (Santos & Moreira, 2021), including many borders completely closed to control the spread of the virus. The tourism sector is an economic and social system, whose components are interdependent. This system together with its components is sensitive and vulnerable to any cyclical change. Santos and Moreira (2021) stated in their study that "the economic crisis, armed conflicts, terrorism, outbreaks, have an impact on local, regional, national and global tourism system".

Tourism produce special benefits both in terms of "rebuilding the national economy of many countries with high tourism potential and because, according to UNWTO assessments, the tourism industry ranks first in the world in terms of contribution to employment for work" (Gruescu, Nanu & Pîrvu, 2009). Also, the promotion of a sustainable tourism is determined by the essential changes in the models of economic growth by moving towards the intensive types, by changing the emphasis towards the branches that "consume little of material resources exhaustible towards globalization and integration" (Stoicea, 2021b). Firoiu and the contributors (2019) affirm that "at the same time, the opening up at a global level of tourism can lead to the mass destruction of the environment over time", which imposes restrictions in relations to the way travel is conducted, type of practiced tourism, targeted destinations and the selected reception facilities (Firoiu, Ionescu, Bădîrcea, Vochița, & Enescu, 2019).

From the beginning of the Covid-19 crisis in China, the pandemic impact on the tourism industry has been considerably underestimated. The political decision makers do not entirely understand, even at this time, "the scenarios and the effects of the crisis that will have an unprecedented impact on the tourism industry" (Skare, Soriano & Porada-Rochon, 2021). "Covid-19 has changed the world forever in every imaginable way and has had a strong impact on all the individuals and on every industry, including the international travels, tourism demand and the hospitality industry" (Chang, McAleer & Ramos, 2020).

This study tries to explore what is expected to be a negative impact on the world and on the geographical industry of travel and tourism. It is crucial to investigate how the tourism, travel and hospitality industry will recover after Covid-19, after the appearance of the vaccine and how the industry can become sustainable in a dramatically changed world.

Before the pandemic, "travel and tourism accounted for 1 in 4 of the total new jobs created worldwide, 10.6% of total jobs (334 million) and 10.4% of global GDP (\$9, 2 trillions)" (WTTC, 2020). The most recent research report of the world Travel and

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Tourism Center (WTTC) counts up to 75 million workers exposed to immediate risk of employment as a consequence of Covid-19, a loss of GDP for travel and tourism in 2020 of up to 2, 1 trillion dollars. Pine and his collaborator (2004) have studied the "impact of the SARS pandemic in 2002 on the Provence Guandong in China". The results of the study show that the impact was negative.

Gomez Garcia and the contributors (2021) reported that, in regard to those positive aspects, "the main countries that are the source for the arrivals in tourism are making rapid progress in vaccinating their populations". Also, their economies are rapidly recovering, and people's savings are high for many families whose jobs have not been affected by the crisis. Incentives in the United States are represented by the financial aids granted to middle class families. People's perception of travelling is improving. In fact, there may be a combination of a request for readmission and a "champagne effect", in order for people to feel safe when they travel again. There may be a positive geographic advantage if tourists who prefer long trips go to destinations closer to their home (Gomez Garcia, Money, Rosenblatt, Zegarra, Frazier, McCaskie, Gauto, Bollers, Christie, Khadan & Abdul-Haqq, 2021).

In regard to the negative aspects, there may be the risk that the vaccination programs stagnate in the source countries for several reasons. There may be a geographic prejudice even stronger bias the internal one, rather than international, travelling, because families meet with relatives that live or work in other countries. In general, surveys show that the traveler's preferences have shifted to the familiar, predictable and most reliable. In this pandemic context, there seems to be no place like home (or near home). In short, COVID-19 pandemic could have affected the preferences for touristic products of people from traditional source countries and may be difficult to adapt to those preferences (Gomez Garcia et al., 2021).

2. Literature review

Tourism sector is regarded to be an extraordinarily important domain for world wide economy. Tourism is an indispensable factor in growth and prosperity for all areas, creating positive, direct and indirect effects for the local and regional economy. With a "strong dynamic and a high share of contribution of the global GDP, tourism generates unlimited development opportunities, but also the freedom to travel, therefore being an open system" with extraordinary benefits for society, economy and environment (Firoiu et al., 2019).

The first identification of the Covid-19 virus was in a person in Wuhan, China, then, the virus spread in the entire world causing the WHO to declare this situation a pandemic, meaning that this new disease has spread worldwide. The symptoms of this virus vary from person to person, producing few or no symptoms. However, it can lead to a serious illness and can be fatal. "Common symptoms include fever, dyspnea, cough and loss of taste and smell" and can last 2-14 days (Bakar & Rosbi, 2020).

When people get close to each other, the virus is transmitted, especially through the air. It can also be spread through contaminated surfaces. Until 15 March 2021, this disease has infected over 119 million people, of whom more than 2.66 million have died.

COVID-19 (declared a pandemic by the WHO on March 12, 2020) has a significant impact on economic, political, socio-cultural global systems. Strategies and communication measures in the health sector (for example social distancing, travel and

mobility bans, community lock-in, stay at home campaigns, self-quarantine or mandatory quarantine, limitation of overcrowding) "have stopped travels, tourism and leisure world wide" (Stoicea, 2020).

The touristic impact of COVID-19 will be different in space and time and, in addition to the impact it has on people, the estimates show an enormous economic effect globally. Promising patterns of recovery have been noticed in several internal markets, including in Continental China and the United States of America due to the pandemic control and the availability of effective vaccines (Czerny et al., 2021). There are high expectations for a *new normality* to appear as travel restrictions are relaxed and the quarantine measures are revised for international travel (Tsui et al., 2021).

In the booming touristic industry have been discussions and research on tourism and COVID-19 and, there has been an "unanimous call to see and use the pandemic as an opportunity for transformation" (Mair, 2020). Industry should not only "recover, but reimagine and reform the next normality and economic order" (McKinsey, 2020). Sigala reported in the study *Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research* (2020) that the "researchers should not use Covid-19 as a different context to replicate the existing knowledge to measure and estimate the impact on tourism".

3. Research Methodology

This study considers a pandemic that has been going on since 2020, devastated the world in 2021 and continues in 2022. Since May 2020, World Tourism Organisation has been looking for solutions to restore the touristic sector, and governments all around the world have presented the current situation in their countries to help restart the sector.

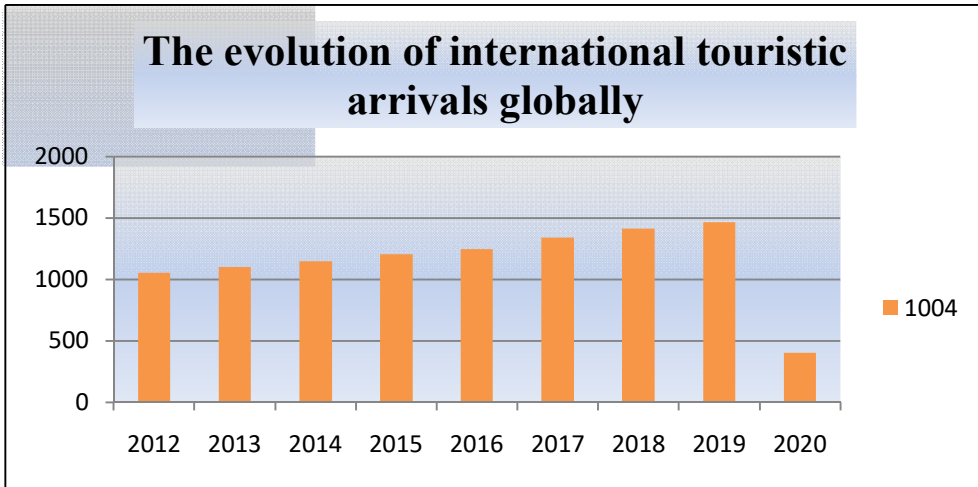
While qualitative research focuses on the depth and quality of collected data, quantitative research keeps in the first place the number and volume of collected data. In this paper I have used a mix of research methods to analyse the current effects and future implications of the Covid-19 pandemic on global and national tourism. The study commences with the description of the present crisis.

3.1. World tourism during Covid-19 pandemic

Coronavirus epidemic is putting the tourism industry under an unprecedented pressure. It has led to the "suspension of most internal and international travels, causing a significant reduction in revenue and creating liquidity problems" (Stoicea, 2020) for all tour operators. Both travelers, and businesses face uncertain prospects.

The evolution of international touristic arrivals globally in the period 2011-2020

At the level of the analysed period, 2011-2020, there is a generally positive evolution with significant decreases at the level of 2020, in which the economic and health crisis was intensely manifested because of the COVID-19 pandemic. The greatest share of international tourist arrivals was registered in 2019, showing a slight increase compared to 2018, and respectively 2017.



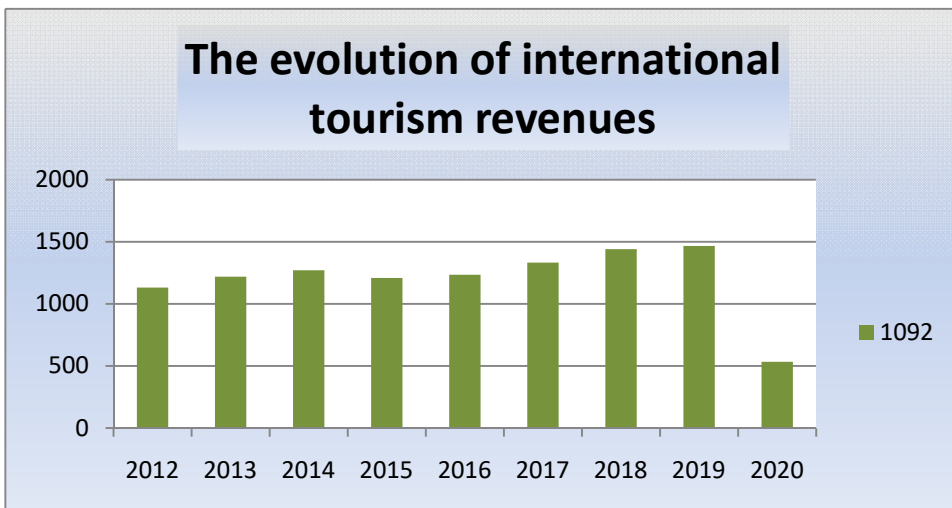
ITA – international touristic arrivals

Figure 1. The evolution of international touristic arrivals globally – million tourists

Source: UNWTO

The evolution of international tourism revenues in the period 2011-2020

Given the data presented in image 1.2. it is found that there is a generally positive evolution, with small decreasing fluctuations in revenues from international tourism in 2015, 2016 and 2020. The highest volume of international tourism revenues was recorded in 2019, followed by a decrease of 64% in 2020. This sharp drop was due to the restrictions imposed by authorities worldwide to stop the spread of coronavirus.



ITR – international tourism revenues

Figure 2. The evolution of international tourism revenues – billions of dollars

Source: UNWTO

The impact of tourism on the economy

Analysing, worldwide, the total contribution of tourism and travels industries to GDP in the period 2011-2020, it can be seen that, on average, tourism and travel industries has contributed a total of 7392 billion dollars to GDP, which represents on average a percentage of 9.55% of GDP, according to Table 1.1.

Table 1. The total contribution of tourism to global GDP

Year	Percentage increase	Percentage of GDP	Billions of dollars (Nominal price)
2011	5,65	9,49	6915
2012	3,57	9,54	7085
2013	3,57	9,68	7392
2014	4,74	9,89	7725
2015	4,40	10,11	7429
2016	3,26	10,2	7613
2017	2,6	10,4	7600
2018	4,6	10,4	8300
2019	3,5	10,3	9170
2020	-49,1	5,5	4671

Source: WTTC

Figure 1.3. shows us the situation of tourism in 2020 compared to previous years. The lowest level of travel GDP was recorded in 2020 amid the Covid-19 pandemic, even lower than 2008-2009 when it was the highest point of the worldwide economic crisis, which began in 2007.

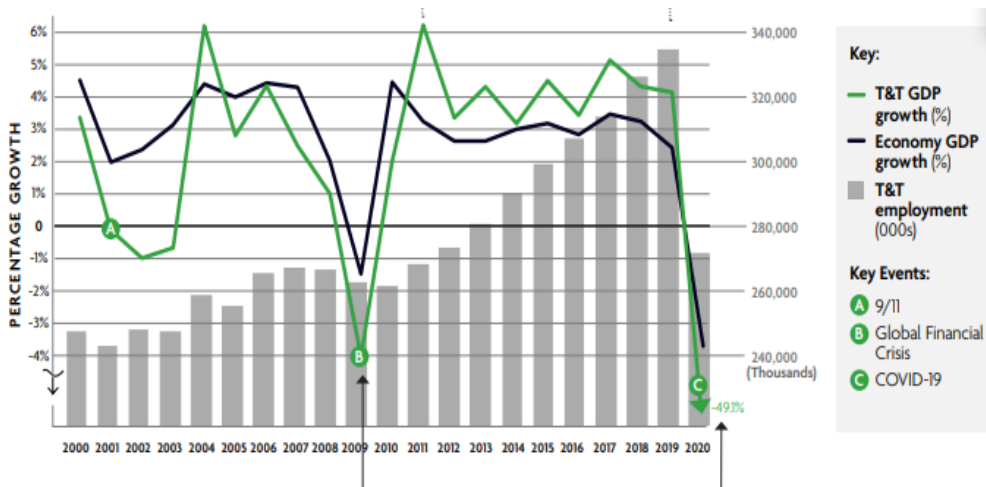


Figure 3. The economic impact of tourism

Source: WTTC

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3.2. Tourism in Romania

On July 1, 2021 entered into force the Regulation on the European Union Digital Certificate on Covid. Thus, all EU citizens who have the right to stay or legally reside in a member state have the right to travel to another one and can get this certificate if they have been vaccinated, cured of Covid or have a negative PCR or antigen test. The Covid digital certificate should facilitate free movement inside the European Union, but it is not a mandatory condition for free movement (ec.europa.eu).

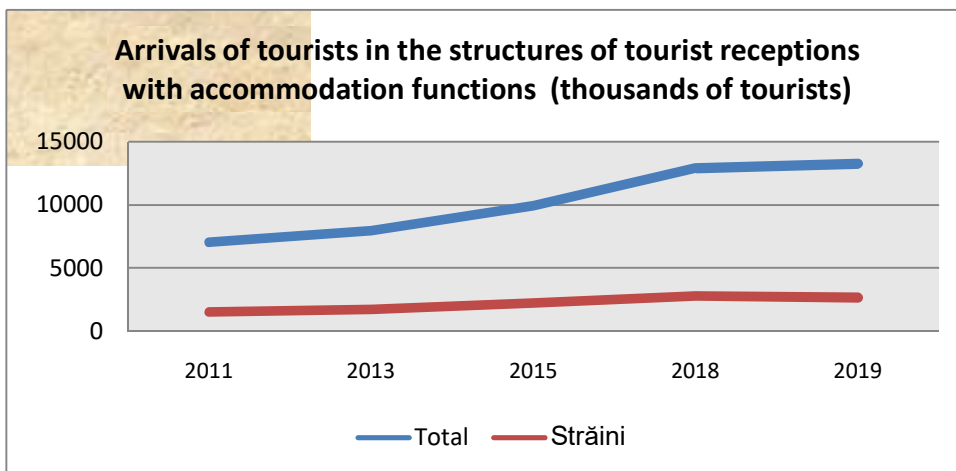


Figure 4. Arrivals of tourists in the structures of tourist receptions with accommodation functions in the period 2011-2020

Source: National Institute of Statistics

Foreign tourists who prefer accommodation in units with a high and very high level of comfort in Romania, visit our country when practicing business tourism. The number of these tourists has increased considerably in the last 10 years, reaching 2671 thousands in 2020 from 1517 thousands in 2011. The total number of tourists accommodated has recorded the same increase of almost 100 % in the analysed period. In 2020 a very small percentage of only 16.4% of the foreign tourists chose to spend stays in Romania.

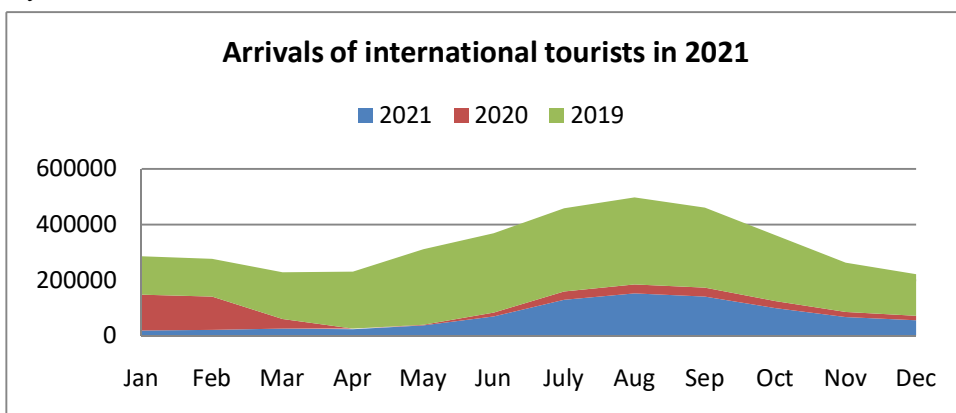


Figure 5. Arrivals of international tourists in 2021 compared to 2020

Source: UNWTO

From the graph above you can see the drastic decrease in the number of international tourists who arrived in Romania in the period 2020-2021, 2020 being the year in which our country has welcomed the fewest foreign tourists. The lowest number was recorded in April and May of 2020 because of the restrictions imposed by the governments of the countries to stop the spread of Covid-19. In the following year, respectively 2021, the recovery of tourism supported by the World Tourism Organisation, being observed the upward trend since the beginning of the year, and in the summer months record figures were reached for this pandemic period.

3.3. Future implications of tourism

UNWTO reported a 4 % increase in international tourist arrivals in 2021. However, 2021 has been another difficult year and recovery requires a closer coordination and higher vaccination rates (UNWTO, 2022).

The World Tourism Organisation indicates that rising vaccination rates combined with easing travel restrictions have helped increase demand. The pace of recovery remains slow and uneven across regions of the world due to varying degrees of mobility restrictions, vaccination rates and travel confidence.

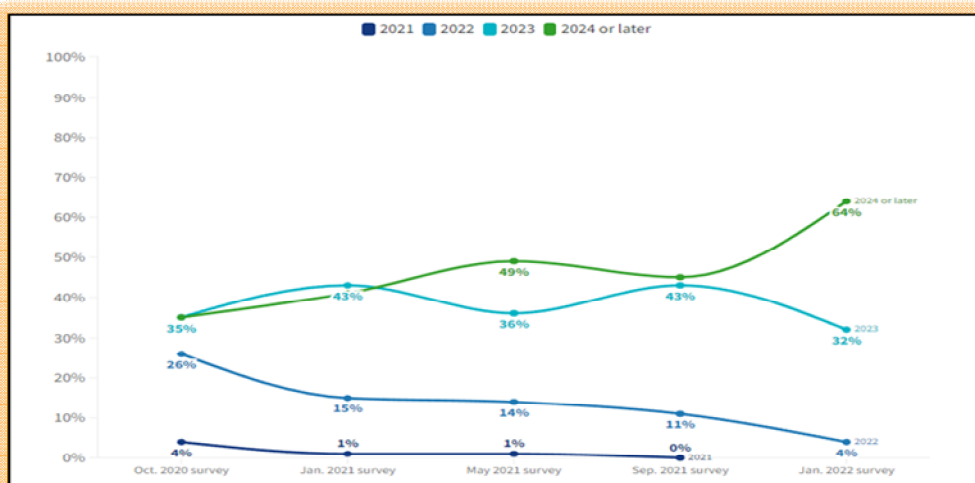


Figure. 6. The return of international tourism expressed by specialists
Source: World Tourism Barometer UNWTO / Global tourism statistics

According to UNWTO experts, most tourism professionals see better prospects for 2022. While 58% expect a return in 2022, 42 % indicate a potential return only in 2023. Most experts expect that the international arrivals return at the level from 2019 only in 2024 or later.

The recent rise in cases of Covid-19 and the Omicron variant is set to disrupt recovery and affect people's confidence. Also, a difficult economic environment could put additional pressure on the effective recovery of the international tourism with rising oil prices, rising inflation, rising interest rates and high debt.

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4. Conclusions

The Covid-19 epidemic will have an unequalled negative impact on global travel tourism. In this study I have empirically investigated these effects. The negative shocks will be significant not only in the short term but also in the long term and will take several years for the industry to recover. The fear of travelling, combined with the extremely restrictive governmental measures imposed on various economic activities have led to a sharp decline of all touristic activities indicators.

In regard to those positive aspects, the main countries that are the source for the arrivals in tourism are making rapid progress in vaccinating their populations. Also, their economies are rapidly recovering, and people's savings are high for many families whose jobs have not been affected by the crisis. Incentives in the United States are represented by the financial aids granted to middle class families and people's perception of travelling is improving.

In regard to the negative aspects, there may be the risk that the vaccination programs stagnate in the source countries for several reasons. There may be a geographic prejudice even stronger bias the internal one, rather than international, travelling, because families meet with relatives that live or work in other countries (Gomez Garcia et al., 2021).

Industry operators need strong skills of creativity, innovation and resilience to apply innovative solutions to rebuild the sustainable tourism industry. Entrepreneurial ideas for destinations, products and sales and, in general, for new business models will be essential to help the sector to attenuate the pandemic impact and start effective recovery efforts. Eventually, it is "essential that the political decision makers to use the aftermath of the COVID-19 pandemic" (Livandoschi & Melnic, 2020) to improve the crisis management strategies and to strengthen the international and internal coordination and mutual learning mechanisms between regions and touristic sub-sectors to rethink a more sustainable and stronger touristic system, and thereby respond in a conjoint and focused manner to possible future shocks.

Acknowledgment:

This work was supported by the grant POCU380/6/13/123990, co-financed by the European Social Fund within the Sectorial Operational Program Human Capital 2014 – 2020.

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Article Info

Received: March 24 2022

Accepted: March 31 2022

How to cite this article:

Stoicea (Ignătescu), D.-M. (2022). Current effects and future implications of the Covid-19 pandemic on tourism. *Revista de Științe Politice. Revue des Sciences Politiques*, no. 73/2022, 171-181.