

THE CHALLENGES AND ROLE OF THE COVID-19 PANDEMIC ON TOURISM

BULAT Veronica, PhD., Associate professor
Moldova State University

JONNAH Maria, Professor
Warsaw School of Economics, Poland

Abstract

Currently, tourism is a distinct field of activity, an important component of economic and social life for a growing number of countries in the world. Definitions of tourism have been formulated over the years by international tourism organizations or institutions, and have often been incorporated in more or less modified forms in the national tourism legislation.

Key words: Sustainability, pandemic crisis, tourism strategy, travel in tourism.

JEL: Q01, Z32, Z30

Tourism can be defined in terms of the relationships established between the tourist and the destination area (country, region, locality), as well as the relationship between the tourist and different dimensions of public life (cultural, economic, social, political, religious).

Based on the guidelines adopted by the UN, the main forms of tourism are as follows:

- ✓ domestic tourism: residents of a given country traveling only within that country;
- ✓ inbound tourism: non-residents traveling within the country;
- ✓ outbound tourism: residents of the given country traveling to other countries [2, p.5-6].

The three basic forms can be associated into different ways, leading to other categories of tourism, such as:

- ✓ internal tourism, a form of tourism that combines domestic and inbound tourism;
- ✓ national tourism, consisting of domestic and outbound tourism;
- ✓ international tourism, consisting of inbound and outbound tourism [2, p. 5-6].

A fundamental component of tourism is the tourist, the person who travels to or stays in places outside the area of permanent residence for at least 24 hours, but not more than one consecutive year, for leisure, business or other purposes not connected with the pursuit of gainful employment in the locality [3, p. 6-7].

During their travels, tourists consume a range of goods and services, more or less related to the tourism sector. Therefore, all the related branches of tourism form the tourism industry, which presents a set of economic and commercial activities aimed at producing tourist services, corresponding to the classification standards, linked by accommodation and food services, leisure, transport, with the main function of satisfying tourists' needs.

Despite its small surface area, the Republic of Moldova has considerable tourism potential, represented primarily by the geomorphological aspect of the territory - an unusual diversity of landscape reserves or natural landscapes and unique geological monuments of national and international value.

In the last decade, the main forms of tourism practiced in the Republic of Moldova have been rural, wine, cultural, religious and health tourism. Tourism is a generator of socio-economic progress, regional development, and labour migration reduction [8, p.4].

Tourism potential is one of the main motivators for travel in the Republic of Moldova. There are more than 15 thousand man-made tourist attractions and more than 300 important natural areas in the Republic of Moldova that provide tourist offer.

The development of tourist heritage objects is ensured by territorial tourism planning in accordance with the urban and spatial planning documentation [7]. Natural and man-made tourism potential creates opportunities for the development of domestic tourism in its various forms.

According to the legislation concerning the state policy in this field, tourism is considered a priority for the national economy, with the state supporting tourism activities by planning and protecting the tourist heritage, and by establishing appropriate conditions for its sustainable development [8, p. 5].

In terms of the relatively constant components of the tourism offer, tourism resources determine the attractiveness for tourism of each area individually and the country as a whole, as well as the functional value for the use of certain forms of tourism.

The tourist heritage is one of the main components of tourism that make up the tourist offer. The tourist heritage of a geographical territory is made up of: the natural and man-made tourist potential, the general infrastructure and the technical and material tourist base of the country.

One of the most important anthropic tourist attractions that motivate foreign tourists is the Orheiul Vechi trail, which at certain times of the year is packed with national and foreign tourists. The Orheiul Vechi Archaeological Complex is located on the Raut River Valley, between the villages of Trebujeni and Butuceni, in Orhei district, at a distance of about 50 km northeast of the city of Chisinau, which influences the increasing flow of tourists residing in Orhei. Both the exterior and the history of this complex represent the strengths in motivating foreign tourists. The Orheiul Vechi archaeological complex is of particular importance for attracting foreign tourists because of its monumental stone constructions, which are of particular interest from a scientific and museographic point of view.

Similarly, the monasteries of the Republic of Moldova represent a special group of tourist attractions due to their religious, cultural and motivational characteristics. Among the best-known monasteries which attract visitors through their uniqueness and location, worth mentioning are the following monasteries: Nou-Neamț, Căpriană, Hâncu, Hârbovăț, Saharna, Rudi etc.

The core indicators for inbound and outbound tourism as well as the volume of revenues from travel agency activity have grown more than expected. Therefore, the statistical data analysis shows a significant increase in the number of tourists in inbound tourism between 2013 and 2019, with an average annual increase of 8.2%, the indicator set in the "Tourism 2020" strategy standing at 3% per year. Likewise, the sales volume of travel agencies in 2019 amounted to 2.5 billion lei, which is an increase of 2.5 times the target figure, or an average annual increase of about 17% (compared to the forecast figure of 5% annually) [10, p.34].

Organized tourism is of great importance, with tourists' using the services of travel agencies and tour operators to organize trips within the country. According to the data presented in Figure 1 it can be observed that for the period from 2013 to 2019 the number of tourists and excursionists participating in domestic tourism fluctuates, in 2019 it recorded a maximum value of 46128 excursionists.

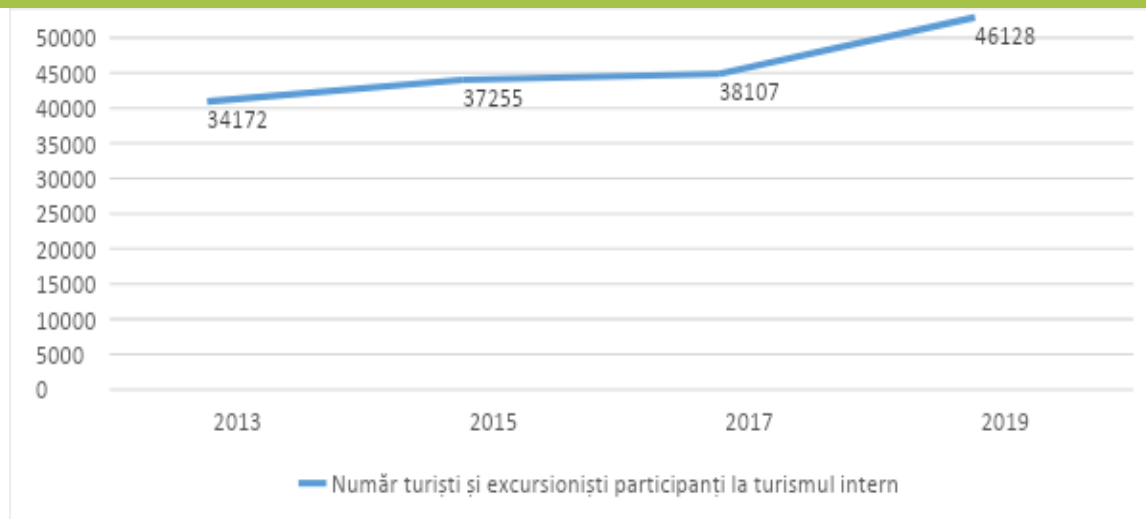


Figure 1. Trends of the number of domestic tourists and excursionists by year expressed in numerical units

*Source: Elaborated by the author based on the data of the National Bureau of Statistics
<https://statbank.statistica.md/>*

According to the data shown in Figure 1, the evolution of the number of tourists in domestic tourism shows a positive trend, with an increase in the number of tourists during the years 2013 - 2019.

Between 2014 and 2020 tourism development in the Republic of Moldova has been supported by various projects and programs with external funding, granted by the European Union, Romania, the United States of America (USA), Poland, Switzerland, Germany, Austria, Great Britain, Sweden, Estonia, the Czech Republic, etc. However, the Republic of Moldova remains a less attractive tourist destination both for foreign tourists and Moldovan citizens.

The tourism and hospitality industry has continued to develop rapidly and has become one of the most important industrial sectors for the world economy. This industry, both directly and indirectly, accounted for 10.3% of global GDP in 2019. Moreover, that same year, 330 million people worked in the tourism and hospitality industry worldwide, roughly 1 in 10 jobs. In 2019, the global economy increased by 2.5%, while the tourism and hospitality industry grew at a rate of 3.5% [15]. However, the tourism and hospitality industry has encountered crises on a more regular basis in recent years.

The industry's continued growth trend has recently been threatened by the sudden outbreak of Covid-19 in December 2019 in Wuhan, China, according to data provided by the World Health Organization, 2020 [15]. In just a few months, there have already been cases reported from 114 countries, according to WHO. The outbreak of the pandemic occurred on March 11, 2020. Worldwide, political authorities have taken steps to mitigate the spread of the virus. Social distancing and contact restrictions have come into force. Border crossings have been closed and heavily affected areas quarantined to combat the spread of the virus. As a result, chaotic and unsafe travel conditions led to a catastrophe in the tourism and hospitality sector.

The tourism industry is, by definition, one of the most vulnerable industries when it comes to threats related to an economic, military or medical crisis. Covid-19 has had dramatic effects on the tourism industry and national tourism businesses. The COVID-19 pandemic was a devastating economic and health crisis with negative effects on developing countries, especially those dependent on tourism. As governments tried to protect their people, blockades, quarantines and major restrictions on national

and international mobility were put in place. This, in combination with consumers' decision to limit international travel, has led to a sharp contraction in the tourism sector, which has been severely affected, particularly in countries that rely on the sector. The number of international tourist arrivals fell by 74% in 2020 compared to the previous year [16]. In many developing countries, arrivals fell by 80-90%.

The start of 2021 worsened for most destinations, with an overall average decline of 88% from pre-pandemic levels, although the northern summer and autumn could see a significant improvement for some destinations, especially for domestic and regional travel. The indirect effects of this decline have been more devastating, as labor and capital remain unused together with a lack of demand for intermediate goods and services having a negative impact in several sectors.

The COVID-19 pandemic has had a significant influence on the tourism industry as a result of travel restrictions, along with a collapse in demand from potential tourists. Travel companies have been severely affected by the spread of Covid-19, as a handful of countries have instituted travel restrictions in an attempt to control the spread of the virus, which has led to the shutdown of an entire sector and other related industries.

One major problem in this context has been the fact that many workers in tourism are in direct contact with tourists, e.g. in travel agencies, airlines, hotels, restaurants, shopping centres and various tourist attractions, and as the Covid-19 virus has been found to be easily transmissible (even though the mortality rate is low compared to previous pandemics, and deaths are mostly common in the elderly and those with poor medical histories), the HORECA sector has partially stopped its activities to minimise contact between citizens.

The Republic of Moldova has not been spared by this devastating virus. In 2020, the largest decrease in the number of foreign tourists visiting Moldova has been recorded, almost 13 thousand less than in 2019. At the beginning of 2020 the tourism industry in the country was forecast to be quite good. Pre-bookings, which increased by 10-15% compared to the previous year, reflected this trend [24]. But with the migration of the COVID-19 pandemic to the European continent and subsequently to other continents, all forecasts and predictions have been turned upside down.

The National Bureau of Statistics reports that travel agencies and tour operators provided tourist services to 82.1 thousand tourists and excursionists between January and September 2020, or 74.3% less than during the same period in 2019, the decrease being caused by a reduction in the number of participants in outbound tourism (-81.5%), inbound tourism (-56.3%) and domestic tourism (-23.9%) [20]. Thus, the number of foreign citizens visiting Moldova in 2020 decreased by 3.21 million people compared to 2019, which represents a decrease of about 70%.

According to the data provided by the National Bureau of Statistics, the number of overnight stays of tourists in collective tourist accommodation facilities decreased in 2020 by 76% compared to 2019, or by 284.5 thousand people. This considerable decrease is shown in Figure 2.

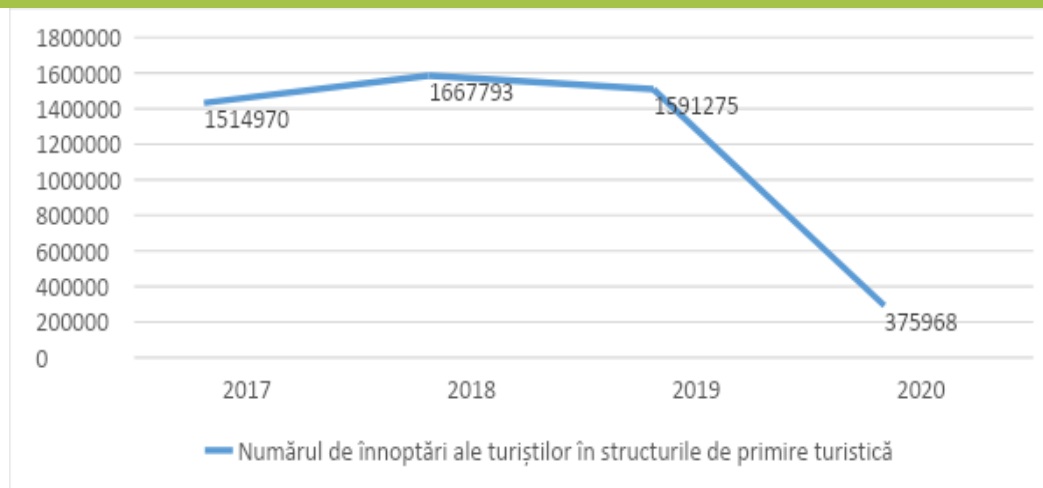


Figure 2. Activity of tourist accommodation facilities between 2017 and 2020

Source: Elaborated by the author based on data provided by the National Bureau of Statistics <https://statbank.statistica.md/>

The most affected was inbound tourism, which decreased by 83.5%. To a lesser but still essential extent, the number of local tourists decreased by 139.1 thousand people, or by 69.3%. A breakdown of the distribution of tourists by type of accommodation showed that in 2020 the least affected were tourist and agritourism inns, which saw a decrease of around 7%.

The volume of revenue of travel agencies and tour operators also fell considerably. Therefore, the number of tourists and excursionists who traveled through travel agencies and tour operators in 2020 decreased by about 252 thousand people compared to 2019, which represents a decrease of about 67%. It should be noted that, in support of tourism diffusion, Law No. 72/2020 on some measures to support travelers and economic agents in the tourism industry to mitigate the negative effects caused by the epidemiological situation (COVID-19) has been adopted, which amended the deadline for refunding money in case of termination of contracts for the provision of tourism services [21].

A feature of general computable equilibrium modeling involves cross-sectoral effects. This means that a reduction in production in one sector leads to a reduction in demand for inputs in other sectors and so on along the supply chain. Hence, the cascading effect is based on the idea that any interrelated sectors will undergo changes in the chain if one sector is changed under the influence of certain factors. An example of the cascading effect is presented in a UNWTO report, which shows how a \$1 trillion drop in tourism receipts leads to a \$2.5 trillion drop in global GDP, demonstrating the interdependence between sectors.

The number of tourists fell sharply in 2020 compared to previous years. According to World Data, the number of tourists in the Republic of Moldova in 2020 decreased by 70%, generating a decrease in tourism revenue of about 33%. The table below provides an overview of the number of tourists traveling to our country, as well as the revenue generated from tourism and the percentage contribution of tourism to GDP for the years 2017-2020.

Notice that although the number of tourists has decreased, tourism revenue has only decreased by 33%, due to the increase in revenue collected for tourism. In 2019, the revenue per tourist was 3029 USD, while in 2020 this indicator went up by 75% compared to the previous year, which was reflected in the total revenue collected.

Table 1. Number of tourists and tourism revenues for 2017-2020

Year	Number of tourists	Total revenue received (mln. USD)	% of GDP	Revenue per tourist (USD)
2020	29000	354.00	3 %	12207
2019	174000	527.00	4,4 %	3029
2018	160000	500.00	4,4 %	3125
2017	145000	442.00	4,6 %	3048

Source: Developed by the Author according to data from WorldData,
<https://www.worlddata.info/europe/moldova/tourism.php>

The change in consumer behavior is mainly due to the perception of risk. The COVID-19 pandemic has significantly increased the perception of travel risks, joining excursions, traveling to unknown places and other general hospitality hazards. However, no one could have predicted that the tourism industry would almost completely shut down worldwide as a result of the pandemic. This has radically fuelled both the development and demand for virtual forms of tourism. Whether it is during times of isolation or because of fear of traveling after the epidemic, there is certainly a demand for a tourism product that, just a few months before, was unknown to most of the population.

The shift from traditional to virtual tourism took place long before the pandemic broke out in neighboring or Western countries, for instance: the American giant Amazon launched the "Amazon Explore" platform during the pandemic, which offers access to live, virtual tours around the globe with local guides and experts [22].

The use of the Internet has increased throughout the pandemic as a source of information and as a tool for consumers to communicate with their friends or other tourists. Online channels have become a source of information for tourism planning activities with the development of digital technology.

The tourism industry has also undergone a digital transformation so that tourists can experience tourist destinations through virtual reality (VR). According to IGI Global, virtual tourism refers to a simulation of an existing location of tourist interest, usually composed of a sequence of videos or static images. In essence, virtual tourism is a hybrid concept, it has different forms and varying degrees of technological capability, it itself combines both virtual reality and tourism concepts and facilitates a tourism experience without the need for physical presence.

Virtual tourism offers a timely and temporary solution for potential tourists. However, most people may adopt and want to use virtual tourism beyond the pandemic. Consequently, on-site tourism is expected to coexist with virtual tourism simultaneously. It is therefore necessary to formulate marketing strategies for virtual tourism that target tourism consumers with different functional needs.

In the Republic of Moldova, the Visit MD website is available, a non-profit project created by a team of enthusiastic professionals and launched solely through the Private Investment Initiative [25]. Visit Md offers a wide range of tourist attractions, monasteries, museums, Moldovan villages, natural and man-made sites, all of which can be viewed free of charge by all interested parties. Recently, virtual tours have also been developed, accompanied by a guide with direct translation from the spot.

Another site worth mentioning is VirtualTur, which offers a wide range of services, in addition to sightseeing, visitors to the site have the opportunity to view various HORECA locations, restaurants, cafes, hotels. Cultural and art institutions have attracted tourists by developing and implementing various promotional tools based on modern technologies.

The National Art Museum of Moldova has created a 3D virtual tour. The National Museum of Ethnography and Natural History has developed the virtual tour section of the museum's permanent exhibition. The National Museum of History of Moldova developed a virtual tour of its exhibitions. The National Library of the Republic of Moldova has created the Virtual Museum of the Library, which consists of documents, data, images and information, regardless of the support on which they are located, that must be protected and preserved for later consultation on historical, library or cultural criteria.

In order to identify the advantages and disadvantages of virtual tourism in the Republic of Moldova, a SWOT analysis of virtual tourism as a new form of tourism in the process of development is proposed. This analysis is represented in Table 2.

Table 2. SWOT analysis of virtual tourism in the Republic of Moldova

Strengths	Weaknesses
Allows to visit more tourist sights online without physical presence; Provides access to more tourist destinations; Existence of virtual tours accompanied by professional tour guides; Minimal costs or free of charge as well as no risk of contact/illness, as with regular tourism; Promotes existing tourist locations with the prospect that they will be visited by people who have visited the virtual location.	Little promotion of online virtual tourism platforms; Minimal state funding; Few locations available; Services included (buying souvenirs from locations, or watching live); Permanent internet connection.
Opportunities	Threats
Development on the national and international market; Promotion of tourist locations via virtual tourism platforms for additional travel motivation; Virtual tourist platform is an ideal opportunity to visit tourist attractions for people with disabilities.	Poor awareness of the population about the possibility of virtual travel; Lack of interest from the population, as most of the people are used to traditional tourism.

Source: Elaborated by the author

The Covid-19 crisis has certainly had negative effects on the tourism industry in our country, but at the same time it represents the beginning of a new form of tourism, which is in the process of development and knowledge.

The platforms Moldova Travel, Virtual tour, visit Md started a new type of tourism for our people, a unique possibility to get to know and discover the beauties of the country with the help of the Internet. This type of tourism has the potential of becoming a good method of promoting our country at national and international level, with attractive images and exciting locations that could interest potential tourists to visit our country.

Conclusions:

The tourism sector in the Republic of Moldova has experienced significant growth in the years between 2014 and 2019. The implementation of the "Strategy-2020" objectives, the integration of tourism into national policies to encourage sustainable tourism, and the allocation of funds for tourism development have led to the progress of tourism and its importance for the national economy. However,

there are a number of factors that can partially or completely stop the development of the industry, including: political conflicts, natural disasters, pandemics, wars, etc.

The tourism industry used to be one of the world's largest markets; until the world collided with the 21st century pandemic, COVID-19. Following the pandemic, many countries of the world imposed quarantines, entry bans and other restrictions on citizens to stop the spread of the virus.

The COVID-19 pandemic is more than a medical crisis, it is a challenge that has affected the entire Republic of Moldova, with an impact on all aspects of social and economic life. In the Republic of Moldova, the pandemic has drastically affected tourism entrepreneurs, transport companies, and the HORECA sector partially or totally stopped their activity. This has led to a decrease in the flow of tourists, a drop in tourism revenues, a decrease in the country's GDP, and has also economically affected other tourism-related sectors.

However, the pandemic has had both negative and positive consequences. Among the positive outcomes can be mentioned: the emergence and development of virtual tourism, an increase in the number of domestic tourists in the country as a result of border crossing restrictions, more active online promotion of tourist attractions, improved health standards in companies offering tourist services.

Finally, the COVID-19 crisis is an opportunity to rethink tourism for the future. Tourism is at a crossroads, and the measures implemented today will shape tomorrow's tourism.

Bibliography:

1. Cristins Cosciug „Particularitățile industriei turismului”, UASM, Chisinau, 2017, pag.141
2. Platon Nicolae, Ghidul Traseelor Turistice ale Republicii Moldova, Chișinău, 2015, p.5
3. Legea nr. 352 din 24 noiembrie 2006 cu privire la organizarea și desfășurarea activității turistice în Republica Moldova
4. Efremov Dumitrița, Ciocanu Sergius, Strategii Urbane Ghidate de Comunitate în Orașe Istorice, Chișinău-2015
5. Raport privind realizarea în anii 2014-2020 a Strategiei de dezvoltare a turismului ”Turism 2020”
6. WTTC- Domestic Tourism-Importance and economic Impact-2018,
<https://wttc.org/Portals/0/Documents/Reports/2018/Domestic%20Tourism-Importance%20Economic%20Impact-Dec%202018.pdf?ver=2021-02-25-182514-683>
7. Bețivu Danaia, Colesnic Olga, Importanța economică a turismului în Republica Moldova, Ediția a V-a / nr. 1, 2015
8. Strategia de dezvoltare a turismului „Turism 2020”, Anexa nr. 1 la Hotărârea Guvernului din 2014
9. OMS, <https://www.who.int/>
10. UNWTO, <https://www.unwto.org/tourism-data/international-tourism-and-covid-19>
11. Biroul National de Statistica, <https://statistica.gov.md/>
12. LEGE Nr. LP72/2020 din 21.05.2020 privind unele măsuri de susținere a călătorilor și a agenților economici din industria turismului pentru atenuarea efectelor negative generate de situația epidemiologică COVID-19
13. Ispas Ana, Adina Nicoleta Candrea, “Marketing Turistic”, Editura Universității Transilvania din Brașov, 2016 pag 10
14. Strobl Maximilian, The Impact of the Covid-19 Pandemic on the Viennese Luxury Hotel Industry, 2021, p.15
15. Visit Md, https://www.visit.md/ro/support_us/
16. Toma Laurențiu, Nistriuc Alexandru “Importanța obiectivelor turistice antropice ale Republicii Moldova în atragerea turiștilor străini”, Sibiu 2014
17. Asociația de dezvoltare al turismului, “Analiza diagnostic a sectorului turistic din R. Moldova pentru anii 2003-2010”, Chișinău 2011

Corresponding author:

BULAT Veronica

ID ORCID: 0000-0002-6051-3460, mail: veronica.bulat@usm.md