

THE IMPACT OF THE COVID-19 PANDEMIC ON HUNGARIAN HEALTH TOURISM

Tamás NAGY^{1*}, Tamás LACZKÓ², Gábor László BÁTOR¹,
Barnabás EMÓDY¹

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ABSTRACT. Introduction: Health tourism is a key economic sector in Hungary, and its development and support has been a priority of the national economic development programmes since the millennium. Just like in the rest of the world, Hungary's tourism performed badly in the first year of the COVID-19. **Objective:** The objective of our study was to examine the main indicators of inbound health tourism to Hungary in the period of 2019-2020. Our main objective was to estimate the loss to the country's budget from declining inbound health tourism. **Methods:** The applied research method was secondary research, based on tourism demand data published by the Central Statistical Office (KSH). The national economic effects generated by the expenditure of foreign health tourists in Hungary were estimated using input-output analysis. **Results:** The number of foreign health tourists decreased to 46.4% compared to 2019, and the number of days spent by foreign health tourists decreased to 40.9% compared to the previous year. In the year of the pandemic, inbound health tourist spending generated total national output of €417 million, a decrease of more than 46% compared to the previous year. The contribution of inbound health tourism to GDP was €209.2 million, almost €160 million lower than in 2019. **Conclusion:** After a peak year in 2019, pandemic COVID-19 led to a significant drop in demand in the inbound health tourism market, which will also see a sectoral and territorial shift in 2020.

Keywords: *Health tourism, COVID-19, Macroeconomic impact, Hungary.*

¹ *Doctoral School of Health Sciences, Faculty of Health Sciences, University of Pécs, Pécs, Hungary*

² *Department of Health Promotion and Public Health, Faculty of Health Sciences, University of Pécs, Pécs, Hungary*

* *Corresponding author: nagy95tamas@gmail.com*

INTRODUCTION

Tourism is a key economic sector in Hungary, and its development and support has been a priority of the national economic development programmes since the millennium (MTÜ, 2017). The Hungarian tourism sector was on an almost constant dynamic growth path over the past 3 decades until 2019 (UNWTO, 2022). The tourism sector provided 7% of the Hungarian GDP and 10% of employment in 2019 (ÁSZ, 2021).

The 16.9 million visitors made Hungary the 11th most visited European destination in 2019. The number of tourists arriving in Hungary is significantly below the inbound tourism of popular countries such as France (nearly 91 million p.a.), Spain (81 million p.a.) or Turkey (51 million p.a.) but exceeds the performance of several countries with significant tourism (e.g., the UK or Romania) (Statista, 2022).

Health tourism is a significant segment of the tourism in Hungary (Gellai, 2004; Mundruczó, 2005; MTÜ, 2020). The development of health tourism has been a priority in all tourism development programmes since the mid-1970s (Boros et al., 2012, Laczkó, 2015). The conscious development of health tourism in Hungary has been justified and supported by a number of natural resources, health tourism traditions and consumer/market trends. Natural resources include natural healing factors such as thermal and medicinal water resources, medicinal mud, medicinal caves and climatic and thermal sites. Hungarian health tourism relies heavily on thermal and medicinal waters, of which Hungary has the fifth largest reserve in the world. Under the appr. 80% of Hungary's territory, significant quantities of water can be found with a temperature above 30 C and an excellent mineral composition, which facilitated the establishment of 473 spas in 2019 (KSH, 2022e). In addition to thermal water, the current development of Hungarian health tourism is supported by the professional experience of spa medicine, the reputation of spas with a centuries-old tradition, the competitive price/value market strategy and the significant development of the supply of spa and wellness tourism since the turn of the millennium (Aquaprofit, 2007; Laczkó & Ács 2009; Győri et al 2015, Győri 2020).

The role of health tourism in Hungary is well illustrated by the fact that there are more than 200 settlements in the country where health and/or wellness services and products play a significant role in tourism (Laczkó & Rébék, 2008; MTÜ, 2020). The special importance of health tourism is also shown by the fact that 5 of the TOP 10 Hungarian municipalities with the highest tourism turnover in 2019 have a health tourism profile, while the other 5 municipalities (e.g., Budapest, Szeged, Győr) also provide unique and significant health and wellness services (KSH, 2022a).

| Settlement | Number of guest nights (thousand nights) | | Share of foreigners |
|-----------------------|--|---------|---------------------|
| | All | Foreign | |
| Budapest | 10 704 | 9 470 | 88% |
| Hévíz | 1 144 | 675 | 59% |
| Hajdúszoboszló | 980 | 369 | 38% |
| Balatonfüred | 734 | 256 | 35% |
| Bük | 723 | 416 | 58% |
| Siófok | 695 | 233 | 34% |
| Zalakaros | 669 | 161 | 24% |
| Sárvár | 533 | 308 | 58% |
| Győr | 453 | 240 | 53% |
| Szeged | 441 | 147 | 33% |

Fig. 1. Top 10 most visited places in Hungary in 2019 by number of guest nights
(Source: KSH, 2022a. Own editing)

Although several areas of wellness tourism (e.g., medical wellness tourism) have undergone significant developments and expansion in Hungary in the last two decades, the main attraction for inbound tourism is still the medical tourism. Among these, there is a strong international interest in dental treatments and spa and thermal spa services (Kincses et al., 2009; MTÜ, 2020; Laczkó, 2021).

A characteristic feature of foreign demand for health tourism, which has been constant for decades, is that it is highly spatially concentrated in Hungary (Ács & Laczkó, 2008; Csapó & Lőrincz, 2020). In summary, three tourism regions, West Transdanubia, Lake Balaton and Central Hungary (including Budapest), are the most popular areas among foreigners who are motivated by health tourism (Michalkó et al, 2011; MTÜ, 2020). This strong concentration is also reflected in the spatial distribution of foreign visitors to health resorts, as more than four-fifths of the number of guests (81.1%) and the number of guest nights (81.5%) was realized in these three regions in 2019 (KSH, 2020f).

COVID-19, which started in China in 2019, spread rapidly and became a pandemic by March 2020. In order to slow down the spread of the virus, countries introduced various restrictions, which hit the tourism sector very hard (Shretta, 2020; Raffay, 2020). UNWTO estimates that international tourism fell by around 1.1 billion, causing a loss of revenue of more than USD 820 billion for tourism worldwide, and 100-120 million workers lost their jobs as a result of the coronavirus pandemic (UNWTO, 2021; Ozili & Arun, 2020). International tourism has been the most drastically affected by the pandemic, as cross-border travel worldwide dropped by more than 70% compared to the pre-pandemic period (UNWTO, 2020).

Health tourism and wellness economy could not avoid the downturn, as reported by Global Wellness Institute (2021) report, and it also shows that wellness economy, which had exceeded the average global GDP growth until 2019, contracted by 11% in 2020 (GWI, 2021).

GWI estimates that the global wellness tourism market in 2020 was 39.5% lower than in 2019, while the value of the thermal and mineral springs sector was 38.9% lower than in 2019, and the value of the spa sector 38.6% lower. The revenues of the global medical tourism market were 40.0% below what had been expected before the coronavirus. Medical tourism in the US, the world's top revenue generator, fell by 49.4% in the first year of the pandemic (GWI, 2021; Research Dive, 2021; Fortune business insights, 2021).

Just like in the rest of the world, Hungary's tourism performed badly in the first year of the pandemic. The turnover of Hungarian accommodation establishments fell to 43.4% compared to the peak year of 2019, while the number of foreign visitors fell to 43.8% and the number of days spent in the country fell to 49.7% of the previous year. In addition to these negative developments in inbound tourism, the number of guest nights spent by foreigners in commercial accommodation in 2020 decreased by 76% compared to the previous year. Foreign tourist expenditure in Hungary fell by €3.8 billion in 2020 compared to €6.9 billion in 2019 (KSH, 2022d; KSH, 2022c).

Hungarian health tourism providers also experienced a significant decline. The number of pools, thermal and leisure spas operating in the country fell from 470 to 414, while the number of visitors to spas fell to 45.6% of the 2019 figure (KSH, 2022e). In 2020, the number of guests staying in hotels with spa hotel certification fell to 44.6% of the previous year's figure, the number of guest nights to 41.6% and revenues to 43.2% (KSH, 2022f).

OBJECTIVE

The objective of our study was to examine the main indicators of inbound health tourism to Hungary in the period of 2019-2020. We wanted to quantify the magnitude and dynamics of the change in the turnover and to estimate the impact on the national economy of the expenditure generated by foreign health tourists for both given years. Our main objective was to estimate the loss to the Hungarian economy caused by the pandemic and the decrease in inbound health tourism due to the restrictions imposed.

MATERIAL AND METHODS

In our study, we used the model developed by Smith and Puczko (2014) to interpret and examine the complex field and terminology of health tourism. In their model, used as the conceptual background for our study, the spectrum of health tourism consists of wellness and health tourism, which are further subdivided into sub-domains based on the purpose of travel and the types of services (Figure no. 2).

| Wellness | | | Medical | |
|---------------------|------------------------|------------------------------------|----------------------------------|--------------------|
| Holistic | Leisure and Recreation | Medical wellness | Medical (therapical) | Medical (surgical) |
| Spiritual | Beauty Treatments | Therapeutic Recreation | Rehabilitation (illness related) | Cosmetic Surgery |
| Yoga and Meditation | Sport, fitness | Rehabilitation (lifestyle related) | Healing and Recuperation | Dentistry |
| New Age | Pampering | Occupational Wellness | | Operations |
| | | | Thalassotherapy | |
| | | | Nutritional and Detox Programmes | |

Fig. 2. The health tourism system
(Source: Smith & Puczko, 2014)

According to their classification, wellness tourism includes trips with holistic, recreational, and medical wellness purposes. The two main forms of health tourism are identified as therapeutic and surgical/clinical. Clinical medical tourism always focuses on some form of surgery, whereas therapeutic tourism mainly includes healing treatments using natural healing agents (e.g., medicinal water, medicinal mud, medicinal caves, etc.) without surgical intervention. This division covers all areas of health tourism in which Hungary has a significant supply and turnover today (Smith & Puczko, 2014; Györi et al., 2015; MTÜ, 2020).

During the data collection, KSH (Central Statistical Office) grouped foreigners arriving in Hungary for health tourism into the categories of health maintenance, medical treatment, medical treatment and dental treatment based on the primary motivation for their visit (KSH, 2022b). KSH groups of

travellers correspond well with the Smith and Puczko health tourism structures and definitions. Based on this, health tourists were classified as wellness tourists, health treatment tourists as therapeutic health tourists and medical and dental treatment tourists as clinical health tourists.

The applied research method was secondary research, based on tourism demand data published by the Central Statistical Office (KSH). The KSH data were obtained from the quarterly survey "Tourism and Other Expenditure of Foreigners in Hungary", which interviewed a total of 54,982 respondents in 2019 and 2020. The information was downloaded from the KSH information database (KSH, 2022b).

The total number of foreigners arriving for health tourism in the KSH data collection was 3,315 in the given two years, who are the sample group for our analysis. The group of health tourists was divided into four subgroups such as: motivated by health maintenance (wellness), therapeutic treatment, medical treatment, and dental treatment (clinical) (KSH, 2022b).

The national economic effects generated by the expenditure of foreign health tourists in Hungary were estimated using input-output analysis. Using information from the Sectoral Balances Approach (hereinafter SBA) and taking into account multiplicative effects, this method of analysis is increasingly used in the literature to estimate the macroeconomic effects generated by the expenditures of foreign visitors arriving for health maintenance (KPMG, 2015; Laczkó & Bánhidi, 2015; Laczkó & Stocker, 2020; Laczkó & Bátor, 2020). In tourism (such as health tourism) where foreign demand does not significantly exceed supply and economic capacity constraints for most of the year, the shortcomings of the input-output modelling are less of a problem in estimating the national economic impacts. The consumption of foreign health tourists does not represent the limitations of increased income leakage and one-sided interpretations of demand growth, the negative consequences of crowding out and substitution effects (Vörös & Kovács, 2020). In our study, we have focused mainly on multiplier effects, estimating the generated added value and the contribution to GDP, and have not examined areas such as employment, export generation or investment effects that are part of the Tourism Satellite Account system.

Based on the spending patterns of foreign visitors, we have defined the sectors concerned in line with the Sectoral Balances Approach (SBA). Based on the KSH data, we quantified the multiplier effect, value added and tax content, as well as the contribution to GDP of the sectors included in the analysis, based on the estimated SBA for 2015. The sectors analysed on the basis of consumption by foreign health tourists were:

- Human health care
- Sport, entertainment and leisure activities,
- Accommodation; restaurants,
- Food, beverages and tobacco
- Land transport, transport via pipelines
- Light industry.

In input-output modelling, a series of sequential steps can be used to estimate and quantify the economic impacts using the values of the SBA. In the modelling, the first step was to determine the net direct expenditure of foreigners arriving to enhance health tourism, from which the second step was to quantify the direct national economic impact of the expenditure by subtracting the import content. In the next step, we estimated the spill-over (indirect) economic effects of the expenditure of health tourists from abroad and the amount of direct and indirect value added generated, as well as the amount of tax revenue to the budget. Finally, we quantified the contribution of the expenditure to the GDP of Hungary, both directly and indirectly through spill-over effects.

Descriptive statistical methods are used to present the characteristics of the years and tourism areas examined in the study, while the dynamics and extent of change between periods are quantified using (dynamic) ratios.

RESULTS

Main characteristics of health tourism to Hungary in 2019 and 2020

In 2019, the peak year for Hungarian tourism, 16.9 million foreign tourists arrived in the country. Almost 3.6 million tourists, in other words 21.2% of foreign visitors to Hungary came for health tourism, spending 10.6 million days in the country. Foreign health tourists spent a total of more than 680 million euros in Hungary in 2019. The strong health tourism profile of Hungarian health tourism is illustrated by the fact that more than 70% of inbound health tourists came to the country to receive some kind of medical service or treatment. The largest number of visitors came for spa and thermal water-based services and treatments (spa treatments) (1.56 million), but it should also be noted that nearly one million visitors came to Hungary this year for dental and other medical procedures. Although the number of wellness tourists (health care) is far below the number of spa tourists, wellness facilities, which have been significantly improved since the turn of the millennium, still attracted more than one million visitors in 2019.

Dental tourism is one of the key sectors of Hungarian health tourism, which is one of the largest in the world (Bánhidi & Laczkó, 2015). Expenditure on dental treatment by foreign visitors accounts for almost a third of total expenditure on health tourism in Hungary. The spending tendency (226 Euro/day) of foreign visitors for dental treatments is much higher than that of other health tourists. In terms of total travel-related expenditure, besides dental visits, mainly thermal and spa treatments and wellness trips play the most important role in Hungarian health tourism.

Similar to inbound tourism as a whole, health tourism also shows a significant decline in the year of the pandemic: 2020. The number of health tourists fell to 46.4% compared to the revenue of 2019, while the number of days spent by them fell to 40.9% of the previous year. Significant differences were demonstrated regarding the decline in demand in different areas of Hungarian health tourism in 2020. The biggest decline was in wellness tourism, where both the number of guests and the number of days spent fell to 40% of the previous year. This decline showed a worse than average picture for inbound wellness tourism.

Table 1. Data on inbound health tourism to Hungary in 2019 and 2020

| | | Year | Number of visitors to Hungary (1000 pcs) | Days spent (1000 pcs) | Spending in total (million Euro) | Spending per day (Euro) |
|-------------------------|--------------------------|-----------|--|-----------------------|----------------------------------|-------------------------|
| Wellness tourism | | 2019 | 1063 | 3849 | 205,23 | 53,32 |
| | | 2020 | 435 | 1566 | 75,19 | 48,01 |
| | | 2020/2019 | 40.92% | 40.69% | 36.64% | 90.05% |
| Medical tourism | Treatment | 2019 | 1562 | 5539 | 219,52 | 39,63 |
| | | 2020 | 662 | 2180 | 114,59 | 52,56 |
| | | 2020/2019 | 42.38% | 39.36% | 52.20% | 132.62% |
| | Dental treatment | 2019 | 838 | 1022 | 231,29 | 226,31 |
| | | 2020 | 459 | 448 | 141,28 | 315,40 |
| | | 2020/2019 | 54.77% | 43.84% | 61.09% | 139.37% |
| | Surgery | 2019 | 129 | 225 | 21,04 | 93,49 |
| | | 2020 | 110 | 159 | 14,05 | 88,42 |
| | | 2020/2019 | 85.27% | 70.67% | 66.78% | 94.58% |
| | Medical tourism in total | 2019 | 2529 | 6786 | 471.85 | 69.53 |
| | | 2020 | 1231 | 2787 | 269.92 | 96.85 |
| | | 2020/2019 | 48.68% | 41.07% | 57.21% | 139.29% |
| Health tourism in total | | 2019 | 3592 | 10635 | 677,07 | 63,66 |
| | | 2020 | 1666 | 4353 | 345,11 | 79,28 |
| | | 2020/2019 | 46.38% | 40.93% | 50.97% | 124.53% |

In particular, there was a fall of less than 15% in the number of visits for medical treatment, and a smaller than average fall of 45% in the number of visits for dental treatment. As for visits for spa treatments, the decrease was similar to the average.

Foreigners' spending on health tourism in Hungary fell by 48.2% in 2020 compared to the previous year. There were also significant differences in spending regarding the types of visits. Concerning dental and medical treatments, the decline was much smaller than average, as illustrated by the fact that the total spending on these trips fell by "only" 37-31% in the year of the pandemic. This lower decline was explained by a smaller decrease in the number of arrivals for medical procedures and a significant increase in average spending for dental tourism in 2020. The wellness tourism sector also recorded the largest decline in travel-related expenditure (62.4%).

Macroeconomic impacts of health tourism expenditure in Hungary in 2019 and 2020

Macroeconomic impacts were quantified using input-output analysis, which was examined in the same way for both years. In the first step of the modelling, the direct expenditure of health tourists in Hungary was estimated in net terms. In 2019, the direct expenditure of health tourists arriving in Hungary was €548.3 million, which decreased by almost half to €273.7 million in 2020.

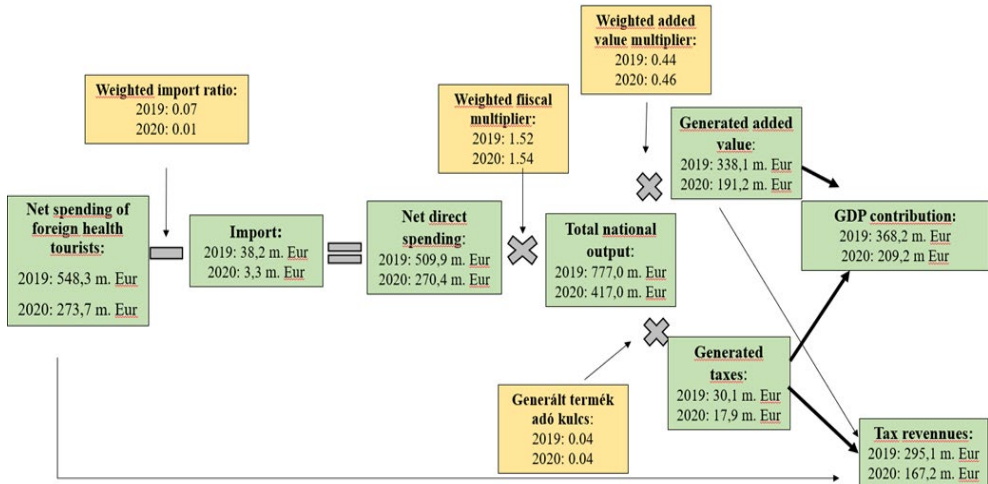


Fig. 3. Estimation of macroeconomic impacts generated by health tourist expenditure in Hungary using the input-output method (in 2019 and 2020, in millions of euros)

In the second step, after quantifying and subtracting the import content of direct expenditure, we estimated the size of the direct national economic impact. This amount was €509.9 million in 2019 and €270.4 million in 2020. In addition to the direct impact, we also quantified the indirect spill-over effects, taking into account multiplier effects, to estimate the total national economic impact generated by the expenditure of foreign health tourists. The overall weighted average multiplier coefficient for the sectors included in the analysis was 1.52 in 2019 and 1.54 in 2020. Based on these results, the total national output generated by inbound health tourism was €777.0 million in 2019, which decreased to €417.0 million in 2020. In 2019, the best year of inbound health tourism in Hungary, the spending of foreign health tourists generated €338.1 million in added value and €30.1 million in product taxes, which implies that the sector contributed €368.2 million to the Hungarian GDP. In the year of the pandemic, inbound health tourists' spending generated €191.2 million in added value, a decrease of more than 40% compared to the previous year. The contribution of inbound health tourism to GDP was €209.2 million, almost €160 million lower than in 2019.

Table 2. Macroeconomic impacts generated by the expenditure of health tourists in Hungary by type of visits in 2019 and 2020.

| | | Year | Direct expenditure (million Euro) | Total national output (million Euro) | Generated value added (million Euro) | Generated approximate GDP (million Euro) | Generated tax impact (million Euro) |
|-------------------------|--------------------------|-----------|-----------------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|
| Wellness tourism | | 2019 | 168,3 | 252,8 | 95,8 | 105,0 | 82,0 |
| | | 2020 | 59,2 | 102,0 | 40,1 | 44,3 | 37,6 |
| | | 2020/2019 | 35,18% | 40,33% | 41,83% | 42,16% | 45,79% |
| Medical tourism | Treatment | 2019 | 181,2 | 271,5 | 111,8 | 122,1 | 93,1 |
| | | 2020 | 92,2 | 148,7 | 58,8 | 64,6 | 56,0 |
| | | 2020/2019 | 50,89% | 54,79% | 52,61% | 52,90% | 60,15% |
| | Dental treatment | 2019 | 182,1 | 227,7 | 119,1 | 128,7 | 100,6 |
| | | 2020 | 111,2 | 149,7 | 84,2 | 91,5 | 66,6 |
| | | 2020/2019 | 61,09% | 65,75% | 70,73% | 71,13% | 66,21% |
| | Surgery | 2019 | 16,6 | 25,1 | 11,5 | 12,6 | 10,2 |
| | | 2020 | 11,1 | 16,5 | 8,0 | 8,8 | 6,9 |
| | | 2020/2019 | 66,79% | 65,83% | 69,61% | 69,62% | 67,57% |
| | Medical tourism in total | 2019 | 379,9 | 524,2 | 242,4 | 263,4 | 203,9 |
| | | 2020 | 214,5 | 314,9 | 151,1 | 164,9 | 129,5 |
| | | 2020/2019 | 56,47% | 60,08% | 62,32% | 62,61% | 63,51% |
| Health tourism in total | | 2019 | 548,2 | 777,1 | 338,2 | 368,4 | 285,9 |
| | | 2020 | 273,7 | 416,9 | 191,1 | 209,2 | 167,0 |
| | | 2020/2019 | 49,93% | 53,65% | 56,52% | 56,78% | 58,43% |

Regarding the sectors of inbound health tourism, the contribution of health tourism to the Hungarian GDP is significantly higher than that of wellness tourism. In the year before the pandemic, health tourism accounted for 71.5% of the contribution of health tourism to GDP, while in 2020 it accounted for 78.8%. In terms of macroeconomic impacts generated by the spending of foreign health tourists, the role of dental treatments and medical treatments stands out. These two sectors accounted for more than two thirds (68.1%) of the total GDP generated by inbound health tourism in Hungary in 2019, while in 2020 they accounted for almost three quarters (74.6%).

The decline in the macroeconomic impacts due to the COVID-19 pandemic was also apparent in the macroeconomic impacts, but in general, the decline in the number of visitors and days spent was less than the decline in the generated economic impacts. The dental treatments, medical procedures and surgeries experienced the smallest decreases, both in terms of taxes and generated GDP. The largest decline appeared in wellness visits concerning all the studied macroeconomic impacts.

CONCLUSION

Health tourism has been a high priority area for the Hungarian tourism sector for several decades. Although the Hungarian health tourism sector, which is predominantly based on domestic resources, has seen an increase in domestic turnover in recent decades, health tourism is still a tourism sector in which foreign visitors play a particularly important role (Csapó & Lőrincz, 2020; KSH, 2022b).

The importance of foreign visitors in Hungarian health tourism is shown by the fact that the presence of foreign visitors in Hungarian health resorts is almost 50%, while the most popular five health tourism places (Hévíz, Hajdúszoboszló, Bük, Sárvár, Zalakaros) have a tendency to have a higher number of foreign guest nights than domestic ones year after year (KSH, 2022a).

Overall, more than one in every five foreigners came to Hungary in 2019 whose travel purpose was health tourism. According to KSH data, more than three and a half million foreigners travelled to Hungary for health and wellness tourism that year, staying in Hungary for a total of more than 10 million days, during which they spent more than 7 million guest nights. These foreigners stayed in Hungary for an average of 2.96 days, during which they spent an average of €64 per day. These figures represent a longer stay and a significantly higher spending tendency than the average foreign tourists (who stayed 2.26 days and spent €45 per day) (KSH, 2022b).

Following the peak year of 2019, the impact of the pandemic COVID-19 in the first third of 2020 also had a very strong impact on inbound tourism to Hungary. By 2020, the number of foreign tourists arriving in Hungary had fallen to 7.4 million, in other words 43.8% of the year before, and they spent half as many days (49.7%) in Hungary as in 2019 (UNWTO 2022; KSH 2022b). Although this decline is very significant, these figures are considered to be more favourable than the international average. UNWTO (World Tourism Organization) declared that the global tourism industry experienced its worst year on record in 2020, with the number of international tourists falling by 74% (UNWTO, 2022).

A similar decline to the average inbound tourism in Hungary was seen in health tourism in 2020. The number of inbound trips motivated by health tourism fell to 46.4% of the 2019 figure, while the number of days spent in Hungary fell to 40.9% of the previous year and total expenditure to 52.4%. It should be highlighted that different areas of health tourism were affected in very different levels by the pandemic-generated decline. Medical inbound tourism was the least affected, with all the parameters analysed (number of trips, guest days and expenditure) showing more favourable conditions than in the global medical tourism market and the average inbound tourism in Hungary. In terms of the number of trips and expenditure, dental tourism also showed a smaller decline than the average inbound tourism in Hungary. Regarding the economic impact of health tourism to Hungary it has to be pointed out that expenditure by foreign visitors on dental tourism fell by only 37.2% compared to pre-pandemic levels. Clearly inbound wellness tourism was defeated by the pandemic as it suffered a larger decline than the average for global markets in this sector and the average for inbound tourism in Hungary considering all parameters.

The total national output, generated by the direct expenditure by health tourists visiting Hungary, was €777 million in 2019, while in 2020 it fell by €339.2 million. Furthermore, tax revenues to the budget were €111.3 million lower in the same year than a year before.

Overall, the restrictions imposed by pandemic COVID-19 caused a significant drop in inbound health tourism to Hungary, resulting in a sector contribution by almost €149.6 million lower to the GDP of Hungary in 2020 than in 2019, which was a peak year.

Traffic data and macroeconomic studies confirmed that Hungarian inbound health tourism has a strong medical tourism profile. Among the Hungarian health tourism services, medical treatments and dental procedures are the most attractive to foreigners. It should be pointed out that the downturn caused by the pandemic has affected the medical tourism areas to a lesser extent, thus further enhancing the tourism and economic role of the area. In

2020, 78.8% of the GDP contribution of inbound health tourism to Hungary was generated by medical tourism. The results highlight the need to continue to prioritise clinical and therapeutic health tourism areas in inbound tourism products and destination development.

Experts in the field hope that, as the pandemic is tackled and economic and social life returns to normal, tourism will return to the pre-pandemic conditions, and thus, as in the period of economic crises, it will only be a temporary setback for Hungarian tourism. Tourism data for the year 2022 also point to a return to the pre-pandemic demands, as Hungarian tourism improves significantly compared to previous years and almost reaching the peak of 2019.

Positive expectations for Hungarian inbound tourism are significantly overshadowed by the negative impact on Hungarian inbound health tourism due to the unfolding war conflict after the pandemic subsided. Significantly higher energy prices and increased inflation have created very unfavourable operating conditions for health tourism. In addition, Russian and Ukrainian tourists, who are important inbound target groups for Hungarian health tourism, have practically been excluded from the market. In 2019, Russian health tourists spent 479,000 guest nights in Hungary, while Ukrainian visitors spent 25,000 guest nights. The drop-out of Russian visitors has had a particularly negative impact on Hévíz, the most popular Hungarian health tourism destination, which was the second most visited place after Budapest in the 2010s. Preliminary data for the year 2022 show that the pandemic and the war conflict have not only changed the proportions between the sectors of Hungarian health tourism, but have also partially altered the spatial structure of the turnover. Hungarian health tourism will also need a new strategy in terms of outbound markets if it intends to remain a competitive and significant destination for health tourism in Europe.

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