

Impact of COVID-19 on Tourism Industry

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The last 20 years have shown an active expansion of the spheres of influence of globalization, this was especially noticeable in the desire of people to visit foreign countries in pursuit of vivid tourist experiences more often.

It was illustrated by an unprecedented increase in international tourist arrivals from 699 million in 2000 (11.5% of the world population) to 1.5 billion in 2019 (19.5% of the world population).

The great economic and social benefits of tourism have been recognized by national governments and companies. Thus, investments in the development of tourism infrastructure had been growing, tourism products had been improved, the latest digital technologies had been actively introduced in the tourism industry.

The United Nations World Tourism Organisation in 2019 presented positive figures regarding global tourism growth in 2018. There were 1.4 billion international tourist arrivals (up 5% from the same time in 2017), with \$1.7 trillion (up 4% from the same period 2017) [1].

However in March 2020 global restrictions on movement and mass gatherings of people due to the COVID-19 pandemic have entailed huge losses for the global economy and especially have struck a crushing blow to the tourism industry. The experts state it could take four years at least for international tourism to recovery to 2019 levels.

Quarantines and a complete closure of country borders, the problems with the affordability of vaccine have led to a collapse in international travel represents an estimated loss of USD 1.3 trillion in export revenues – more than 11 times the loss recorded during the 2009 global economic crisis. The crisis has put between 100 and 120 million direct tourism jobs at risk, many of them in small and medium-sized enterprises [2]. A decrease in demand in the labor market, changes in family dynamics, such as a decrease in disposable income both had a negative impact on the tourism sector in 2020.

Since June 2020 many world destinations have eased or lifted restrictions on travel to restart tourism (see Table 1). The proportion of closed destinations has dropped from 82% in late April 2020 to 18% in early November 2020, expressed in terms of destinations' share in international arrivals [3].

Table 1

Travel Restrictions

Country	Apr 20	May 20	Jun 20	Jul 20	Sep 20	Nov 20	Feb 21
Australia	Compl.	Compl.	Compl.	Compl.	Compl.	Compl.	Part.
Canada	Compl.	Compl.	Compl.	Compl.	Compl.	Compl.	Compl.
China	Compl.	Compl.	Compl.	Compl.	Compl.	Compl.	Compl.
France	Compl.	Compl.	Part.	Part.	Part.	Part.	Part.
Germany	Compl.	Compl.	Part.	Part.	Part.	Part.	Compl.
Italy	Compl.	Compl.	Part.	Part.	Part.	Part.	Part.
Korea (ROK)	Other	Other	Other	Other	Other	Other	Test/Quar.
Russian Federation	Compl.	Compl.	Compl.	Compl.	Part.	Part.	Compl.
United Kingdom	Other	Other	Other	Other	Other	Other	Test/Quar.
United States	Other	Other	Part.	Part.	Part.	Part.	Part.

Remarks:
Complete border closure: Borders are completely closed to tourism
Partially closed: Borders are partially closed and/or have suspended all/some flights
Other measure (until Feb 21): Visa issuances, quarantine or mandatory testing
Testing and Quarantine (as of Feb 21): mandatory COVID-19 test and/or quarantine

Source: [4]

As countries gradually lift travel restrictions and tourism slowly restarts in many parts of the world, health must continue to be a priority, and coordinated health protocols that protect employees, communities and travelers, while supporting companies and employees, must be firmly in place [5].

Experts have high expectations for a short-term tourism recovery strategy, that consists of active financial stimulation of domestic tourism by states – in the form of grants, technical assistance, and loans on one side and on the another – wide implementation by companies of digital technologies.

References:

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4. UNWTO Tourism Recovery Tracker. URL: <https://unwto.org/covid-19-travel-restrictions>
5. Secretary-General's Policy Brief on Tourism and COVID-19. URL: <https://www.unwto.org/tourism-and-covid-19-unprecedented-economic-impacts>