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## **INNOVATIVE STRATEGY DEVELOPMENT FOR SUPPORTING SUSTAINABLE TOURISM IN LATVIA**

The Covid-19 pandemic has negatively impacted the many different sectors of tourism, ultimately causing the world industry to shut down for almost two years. Though various efforts have been made since June 2020 to reopen the industry, most sectors continue to struggle and the UNWTO has acknowledged tourism as one of the hardest hit industries (Collins-Kreiner & Ram, 2021). Crises are regular occurrences in tourism (Dolnicar & Zare, 2020). Many destinations are affected by natural and human-made crises and, over the years, have developed tactics and strategies of resilience and mitigation (Ritchie & Yaing, 2019). The crisis stemming from the Covid-19 pandemic, however, has been different and unique in many ways. First, the decline in travel, hospitality and tourism has been world-wide (UNWTO, 2020). Second, the economic collapse has been more dramatic. Third, the ongoing crisis has the potential to cause fundamental modifications in many tourism segments. And fourth, the end of the crisis is nowhere in sight. (Collins-Kreiner & Ram, 2021).

Regarding to tourism situation analysis in the EU area, it is obvious that the travel restrictions introduced during the coronavirus pandemic have destroyed the tourism industry, which is making a significant contribution to the EU economy. It was estimated at the end of 2020, that revenues for hotels and restaurants were expected to fall by 50%, for tour operators and travel agencies by 90%, and for cruise companies and airlines by 90% (European Parliament, 2020). Europe is a major travel destination in the world, and the situation is particularly acute in EU countries whose economies are heavily dependent on tourism, such as Spain, Italy, France and Greece. Many travelers were having difficulty returning home, while tourism businesses are still facing serious liquidity problems due to an increase in claims for cancellation due to very few new bookings. In particular, air carriers are under unprecedented pressure which still remains.

The republic of Latvia also suffered from the pandemic impact. As is was said in September 2020 by LR Minister of Economics J. Vitenbergs: «the tourism industry is

currently on the verge of bankruptcy due to the fight against the spread of Covid-19 infection and the introduction of restrictions. The sector has virtually come to a standstill, with international passenger flows being disrupted, which is having a direct impact on the hotel and tour operator sectors, and the tourist season has entered, with a significant reduction in domestic travel. There is a high risk of insolvency in the industry» (Ekonomikas ministrija, 2020).

In regards to the influence of COVID-19, continuous economic downturn, unstable political situation, it was decided by the Ministry of Economics of Latvia to implement following long term and short-term measures to rejuvenate tourism development and to achieve its sustainability.

Long term measures: on February 13, 2020, Latvian Tourism Vision was presented. It contains plan of sustainable tourism development during the years 2021-2027. Main priority targets of the strategy are: increase of overnights stay of the foreign travelers, decrease of seasonal impact, total foreign travelers' expenditure increase. The vision is accompanied by the action plan. (Ruskulova & Kalniņa, 2020).

Short term measures, implemented by the Ministry of Economics of Latvia include, for example, following tourism business protecting measures as Altum program loans state support until end of July 2021 and compensation to tourism operators regarding to repatriation costs, compensation to hospitality companies regarding to their operational activities (4,5 mln EUR).

It should be noted, that most of the supportive measures contributed to tourism and hospitality companies of Riga (capital) region due to uneven foreign tourists' interest to the tourism objects of Latvia.

To sum up, it needs to recognize that major differences exist in the tourism industries of different EU states and that there is no single solution for all. Existing UNWTO tourism recovery strategies as well as existing states strategies provide only partial solutions to an international problem. However, the situation changes dynamically and requires a new kind of evidence-based policy to establish continuous sustainable tourism industry development in the COVID-19 era.

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