

## **WORLD TOURIST INDUSTRY UNDER A PANDEMIC AND AFTER IT**

On January 30, 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a global emergency. In response to the coronavirus pandemic (COVID-19), governments around the world have imposed restrictions and blocked borders to reduce the spread of infection and mortality. Restrictions on transportation between countries have slowed down economic activity on a global scale.

Therefore, to understand the impact of the pandemic on the world economy, it is necessary to systematize knowledge about the impact of COVID-19 on the tourism industry that has suffered the most. In 2019, the tourism sector provided 10.3% of world GDP, which is equivalent to 8.9 trillion dollars. USA, and in 2020 the impact of travel and tourism on world GDP decreased by 30% compared to the previous year, which is equivalent to 2.7 trillion dollars. USA, and global unemployment is rising, job losses are 31% compared to the previous year (100.8 million jobs) [1].

The purpose of the study is to analyze the current economic situation of the global tourism sector and identify its main trends that characterize travel and tourism in 2020. Given the above purpose, it is necessary to highlight the main objectives of the article:

- definition of the main tourist flows (inbound and outbound tourism);
- determination of elements of the structure of the tourist sphere;
- identification of pots, identification of factors influencing the development of tourism;
- analysis of the impact of the COVID-19 pandemic on tourism;
- formation of practical directions of improvement of the tourist industry.

The tourism sector, unlike other social activities with social impact, is based on interaction between people. It is currently one of the most affected by the COVID-19 outbreak, which affects the economic situation in the market. As a direct consequence, the World Travel and Tourism Council (WTTC) noted that the crisis from the pandemic for the tourism business is five times more serious than the one in 2008 [1]. In Ukraine, the pre-quarantine level of inflow was not too high, as there was a huge drop after 2014. If the external borders are closed for longer than the quarantine within the country is lifted, there will be an increase in the flow of domestic tourism, which can partially block the external flow. In general, the tourism industry occupies a modest place in Ukraine's economy – about 1.5% of GDP. Along with outbound tourism, domestic tourism also suffered significant losses. In general, the losses of the tourism industry in Ukraine are estimated at more than 1.5 billion dollars. USA [2].

Thus, according to [3], the tourism sector has suffered global losses due to the implementation of measures to overcome the coronavirus pandemic and the

uncertainty of further development of the situation: 96% of tourist destinations worldwide have been limited. Cruise companies around the world have begun to cancel flights in 2021 due to the coronavirus pandemic. Europe's largest low-cost carrier Ryanair since September 2020 has reduced the number of flights by 20% due to falling demand. Given the changing nature of the situation, it is necessary to assess the impact of COVID-19 on international tourism. Consider in more detail the percentage change in international tourist arrivals based on data from the World Tourism Organization (UNWTO) (Fig. 1 and Fig. 2) [3].

International tourist arrivals decreased by 70% in the first eight months of 2020 compared to the same period last year. This came amid global travel restrictions, including the closure of many borders, in order to contain the ongoing COVID-19 pandemic.

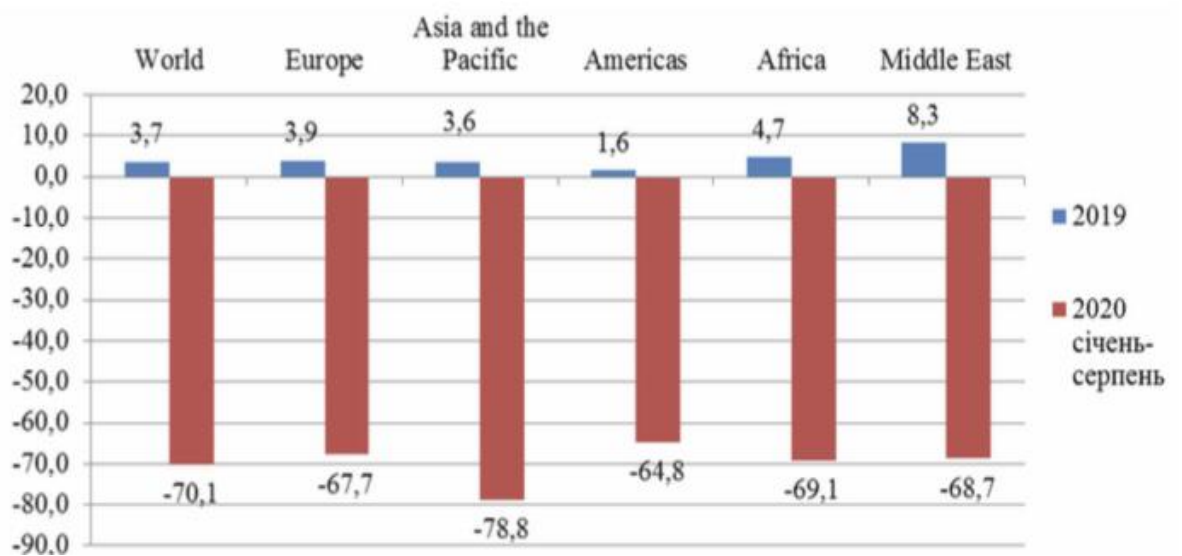


Fig. 1. – International tourist arrivals 2019-2020 by region

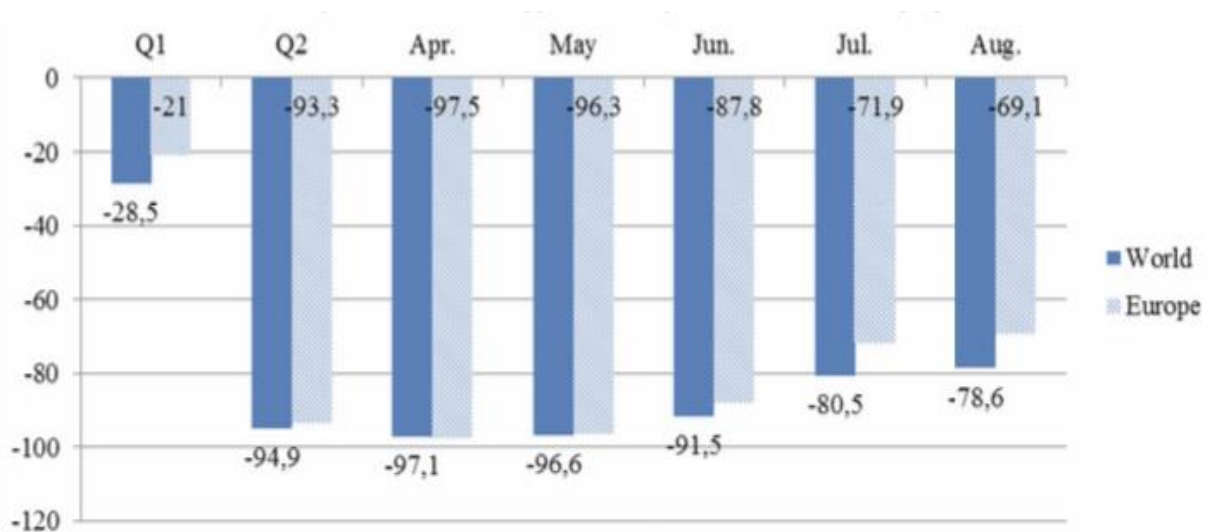


Fig. 2. – International tourist arrivals in the world and Europe in 2020,% change

International arrivals fell by 81% in July and by 79% in August 2020, traditionally during the two busiest months of the year and the peak of the summer season in the Northern Hemisphere. However, despite such significant declines, it is worth noting a relative improvement compared to a decrease of more than 90% in previous months, as some destinations began to open up to international tourism, mainly in the European Union.

The decrease in international tourist arrivals in January-August 2020 is 700 million less compared to the same period in 2019, which is a loss of 730 billion dollars. USA from exports in international tourism, and exceeds 8 times the loss in 2009 from the impact of the global economic crisis.

In Asia and the Pacific, the first region to be affected by the pandemic, the number of arrivals decreased by 79% in January-August 2020. Africa and the Middle East fell 69 percent in the eight-month period, while Europe fell 68 percent and America fell 65 percent.

Expenditure on international tourism continues to reflect very weak demand for outbound travel, although several large markets, such as the United States, Germany and Italy, saw a slight increase in spending in July and August this year.

The regions in Europe saw the largest reduction in «full» closure – from 92% of the total number of arrivals in the region in late April to 8% in early September). This reflects the significant opening of destinations across the European Union in late May and June.

In the Asia-Pacific region, this share has also decreased, albeit to a lesser extent (from 88% in April to 64% in September), as several major destinations, such as China, remain closed. «Complete» closure in America has fallen from 40% to 25% over the same period, reflecting the opening of borders at several destinations in the region, mostly in the Caribbean. However, the United States and Canada remained closed.

In contrast to other regions, in Africa and the Middle East the share of «full» closures increased between April and June, before decreasing in July and early September. This is due to the later impact of the pandemic on these regions compared to Asia and Europe. In Africa, the share of destinations with a «full» stop peaked at 91% in June and fell to 63% in September. In the Middle East, the share peaked at 80% before falling to 49%.

As of September 1, 2020, Africa (64%) and the Americas (63%) had the largest share of destinations with «complete» border demarcations, followed by Asia and the Pacific (49%) and Europe (25%). In the Middle East, destinations that remain completely closed account for only 8% of arrivals in the region.

Thus, the resumption of tourism both in Ukraine and in the world as a whole depends entirely on the removal of quarantine restrictions. However, tourism around the world is suffering as a result of measures to counter the COVID-19 pandemic. At the same time, the current situation should be considered not only as a problem, but also as an opportunity to bring the tourism industry to a qualitatively new level [4].

According to experts [1; 5], the main trends in the tourism sector during the corona crisis will be:

- development and predominance of domestic tourism, close trips;
- choice by consumers of shorter terms of rest, booking closer to the date of departure of a trip;
- increasing the demand for independent (family) travel by own vehicles and individual accommodation;
- choice of health, sea and rural tourism (outdoor recreation, accommodation in recreational areas, suburban recreation complexes, rent of green estates, individual houses in compliance with the requirements of social distance and providing the necessary means of protection);
- sanitary and hygienic conditions and the possibility of distancing during residence and rest will be important factors of competition.

Taking into account the expected preferences of tourists and the risk of using illegal resorts with the possibility of infection, support for the development of the tourism industry at the central and local levels should be built. This would reduce the negative effects of the COVID-19 pandemic and create a basis for increasing the competitiveness of domestic tourism.

The practical realization of demand in the tourist infrastructure will depend on the ability to establish its activities in the face of anti-epidemic restrictions. For tourism to begin to recover, it must be revived by improving the service and strengthening the information campaign, in particular by:

- ensuring the availability and reliability of information on possible restrictions on travel and their cancellation in terms of major countries of outbound tourism, depending on the degree of epidemic threat;
- creation of mechanisms to guarantee the loss of tourists from the cancellation of the trip due to the spread of the epidemic by providing vouchers for canceled reservations;
- introduction of a transparent mechanism for the use of funds received from the tourist tax for budgets exclusively for the development of domestic tourism, related infrastructure and improvement of the environment;
- conducting information and advertising campaigns aimed at reorienting consumer demand for domestic tourism [1; 5].

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