

## **THE CONSEQUENCES OF COVID-19 IN THE FIELD OF TOURISM OF EGYPT**

Over the past decades, tourism has become one of the most dynamic and fast-growing sectors of the global economy. Its value as a source of employment and the development of the Egyptian economy, culture and goods is reflected in the field of sustainable development, in which specific tasks in the field of tourism are put. The industry helps to create jobs directly and indirectly, especially for women and young people.

In 2019, Egypt's tourism industry provided (directly and indirectly) about 10 million jobs. For each workstation, directly created in the field of tourism, indirectly or indirectly created about one and a half additional jobs. Some time-consuming subproducts of hotels and restaurants give a job 4.5 million people in Egypt. These include about 2.3 million self-employed workers and 0.3 million employers. Most of Egyptian tourist enterprises make up micro, small and medium-sized enterprises with less than 50 employees. Approximately 30% of the entire workforce is occupied in companies with 2-9 employees. Pandemic has a huge impact on tourist enterprises and their employees.

At the present stage, the nearest task of the Egyptian state is to ensure the survival of tourist enterprises through large-scale state support, without which they will disappear earlier than the virus. Such support should be distributed to relevant employees who would otherwise lose their income and social protection.

COVID-19 pandemic has a devastating effect on the economy and employment in Egypt. The tourism industry strongly suffers from the measures necessary to deter pandemic, and it is unlikely that it will return to a normal state in the near future. Even after the gradual removal of the hindering measures, the surviving enterprises are likely to be further encountered with slow recovery challenges. According to ILO estimates, a pandemic can lead to a loss of 10 million jobs, many of which are located in the tourism sector. Pandemic and global efforts to contain it can lead to a reduction in the national tourism economy by 45-70%.

The influence of the pandemic is subject to the internal tourism industry, since, according to estimates, restraining measures limit the freedom of movement of approximately half of the population of Egypt. However, internal tourism is expected to recover faster than the international tourism industry. Hotels, restaurants, tour operators, air travel and cruise companies suspended their activities indefinitely. In subproducts of hotels and restaurants, more than 50,000 enterprises were in

extremely difficult conditions for doing business, which seriously affects employment opportunities.

Due to the sharp drop in the economic activity, employees of the employment of the tourism industry are faced with a catastrophic reduction in working time, potential loss of work and exacerbating problems on the way to decent work.

Self-employed workers and those who are engaged in micro-enterprises, together represent almost 60% of all hotel workers and restaurants, reflecting the serious vulnerability of both tourist extensions in front of the current economic crisis. Although small businesses play a significant role as sources of employment in Egypt, they often do not have access to loans, have a small amount of assets and have the smallest chances to take advantage of the packages of economic incentives, unless they are given to address.

Now small businesses are in a particularly vulnerable position, since governments have prescribed to close all non-core production, and many companies have not had a different choice, except for a while minimizing operating expenses.

The costs caused by the crisis may be disproportionately higher in small enterprises due to their often limited resources and difficulties with capital access. Judging by the consequences of the global financial crisis, the number of small enterprises is likely to decline after the wave of bankruptcies, which will be announced at the end of the Pandemic COVID-19. In addition, it will take a long time to revive investments and production in conditions when recovery can occur slowly.

Deep negative impacts are exposed to all industries to which tourism has a significant multiplicative effect, including civil aviation, craft production, agriculture and food and drinks. Cancellation of flights and closure of airports led to a temporary loss of more than 0.5 million jobs in civil aviation.

Another problem is a high level of informal employment in the tourist sector, in part due to its seasonal nature, which is exacerbated by a weak regulation and enforcement regime and low level of organization of workers. The deficit of decent work, manifested in an excessive length of working time, low wages, the absence of social protection and gender discrimination, is mostly noted in the informal economy. Labor migrants, women and young people are more vulnerable to informal and random employment.

At this stage, timely, large-scale and coordinated political efforts should be made and mechanisms can be created that allow the impact of the COVID-19 pandemic effect on the tourist sector. Short-term, medium-term and long-term measures should be developed on the basis of the ILO response mechanism on a Pandemic COVID-19, which has already been mentioned earlier, implies a decision of four interconnected tasks:

- stimulating economy and employment;
- support of enterprises, jobs and income;
- protection of employees in production;

– support for social dialogue as a source of solutions.

The tourist industry of Egypt will not be released from the crisis of COVID-19, without having experienced repeated shocks. However, it is known for its ability to withstand economic recession and crises, as it was during the atypical pneumonia epidemic (SARS) in 2003 and during the global financial crisis 2008-09. Therefore, the industry can play a key role in the revitalization of the national economy after the completion of the crisis. The task «Restore better than it was» after a pandemic can be more closely associated tourism with sustainable development goals and will create a more sustainable industry with a worthy work for all its employees.