

IMPACT OF COVID-19 ON TOURISM INDUSTRY

The main objective of this study is to determine the impact of the COVID-19 outbreak on the global tourism industry. The research focuses on all countries and determines the challenges they faced in tourism, and the strategies to overcome those challenges in the short- and long-term while minimizing the global economic shocks due to the pandemic.

The study also concentrates on the impact of the other main sub-services supporting tourism sector development, such as hospitality, air travel, food and beverages, transport, and communication.

Tourism plays an important role in the growth of international economy. In 2019, tourism sector accounted for 29 % of the world's services exports and 300 million jobs globally (UNCTAD, 2020). Tourism is an important source of global income and employment and contribute significantly in GDP of the countries. The global contraction of tourism arrivals due to COVID19 could have devastating impacts worldwide.

By November 2020, COVID-19 has infected over 60 million people and caused death of over 1 million- worldwide (WHO, 2020). In most countries, the international borders are closed for tourists. As a result, the International tourism has been totally suspended and domestic tourism also curtailed with the restrictions imposed due to lockdown. The long term closing of borders of countries have impacted adversely the global tourism industry and vast number of job losses.

With airplanes on the ground, hotels closed and travel restrictions implemented, travel and tourism became one of the most affected sectors since the very start of the virus spread (Infomineo, 2020). Every component of tourism industry is being affected with the closure of the borders of the countries due to spread of the disease. The impacts of the pandemic can be seen on every area of the tourism industry: aviation industry, hospitality industry, travel agency and tour operations.

The dramatic drop in demand for passenger air transport (and freight, to a lesser extent) due to the COVID-19 pandemic and containment measures is threatening the viability of many firms in both the air transport sector and the rest of the aviation industry, with many jobs at stake (OECD, 2020). COVID-19 is the largest shock to commercial air travel and aviation since World War II. According to IATA annual review report, 2020, the pandemic has the worst impact on the global aviation industry, previously

the adverse impacts of 9-11 attack and Global Finance Crisis were thought to be worst.

The adverse impacts of closure of travelling activities due to COVID-19 can be seen on the hospitality industry too. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in temporary closure of many hospitality businesses and significantly decreased the demand for businesses that were allowed to continue to operate (Bartik et al., 2020; Gurshoy& Chi, 2020).

With the high chances of communicability of this disease and people being quarantined in their respective homes, the hotels are witnessing zero almost revenues over all the expenses of maintenance and other fixed costs that they have to bear (Expert Market Research, 2020). No event has impacted the hospitality industry greater than the coronavirus (hotstats, 2020).

This study focuses on the impact of the COVID-19 outbreak on the world tourism industry. The outbreak of COVID-19 is a novel pandemic that severely impacted the lifestyle of the majority of people across the globe. The critical economic shock to every person and every industry in most countries is the most common feature of the novel coronavirus.

The United Nations World Tourism Organization (UNWTO) reported that the 100% travel restrictions on global destinations in 2020 had the hardest hit on the tourism industry, compared to the other trades.

The unavailability of sufficient data regarding the outbreak of COVID-19 is more challenging to point out a specific influence on the tourism industry. The study found the decline of tourist arrivals and tourist revenue in the world and regions in the world in 2020. Thus, it can be concluded that the COVID-19 pandemic era hit hard in the tourism sector.

REFERENCES

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