GLOBAL TOURISM IN COVID-19 SCENARIO: CHALLENGES AND WAY FORWARD

Dannya Sadanandhan

ABSTRACT

Tourism industry is one of the largest service sectors contributing to the world economy and plays a major role in the economic and socio-cultural development of a nation. The global pandemic called Covid-19 affected every sector of the world including tourism. Tourism comprise of various sub sectors like hospitality, airlines, cruiselines are deeply affected by the pandemic Covid-19. The world is still struggling for the recovery, most of the countries closed their boarders and restricted international travel. Millions of people engaged directly or indirectly in tourism industry lost their job. This paper discusses the assessment of Covid-19 and its impact on global tourism industry.

Keyword: Pandemic, Covid-19, Global Tourism, Hospitality.
INTRODUCTION

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business purposes. Tourism is the major income source of underdeveloped as well as developing countries. As an industry it is the third largest export in terms of global earnings after fuel and chemicals. Tourism plays a major role in the development of a country.

Travel & Tourism, a diverse sector consisting of millions of companies and employers ranging from the multinational companies to the local tour operator or homestay owner. Tourism is responsible for one out of 10 jobs and 30% of the world’s export of services. According to UNWTO, in 2019, there were 1.4 billion international tourist arrivals, up from a mere 25 million in 1950. These tourists generated US$ 1.7 trillion in exports to the visited economies or 7% of the world’s total exports.

International tourism represents only a part of whole tourism sector. The contribution of domestic tourism to the economy of the nations is no less significant. In the world, millions of people are dependent on these sectors for their employment directly and indirectly. As one of the largest and fastest-growing socio-economic sectors of the world, tourism can stimulate economic growth, create employment and business
opportunities, helping millions of people to escape poverty and improve their livelihoods. It is not only helps to develop the GDP of the country but also fosters international peace and harmony. It’s a powerful tool for community development and can contribute to urban renewal and rural development. As fastest growing industry tourism helping millions of people to escape poverty and improve their livelihoods. Tourism industry is an amalgamation of various sectors like Hospitality, Airlines, Cruise liners and transport operators.

COVID-19 AND IMPACTS ON TOURISM

Global tourism has weathered through a number of shocks in the past like September 11 terrorist attacks in 2001, Tsunami in 2004 (Indian Ocean), the global economic crisis in 2008-09, the Ebola epidemic between 2014-16. But none of them had a long term and severe impact on tourism as COVID-19. According to UNWTO, the tourism sector is currently one of the hardest-hit by the outbreak of the coronavirus disease (COVID-19), with impacts on both travel supply and demand, particularly in China, the world’s leading outbound market in spending, and other key Asian and European destinations such as Italy.

As the tourism is an activity based on the interaction with people, tourism has both contributed to the spread of the disease and as well as experienced the disease along
all parts of the tourism value and supply chains. The disease’s global reach and the application of disease controls in the form of quarantine, reduced mobility and isolation have had a dramatic effect on international and domestic tourism along with a range of sector specific impacts, including airlines, travel agencies, tour operators, Cruise liners, hospitality, restaurants, conventions and attractions.

Tourism has been the worst affected of all major economic sectors. As the number of Covid-19 cases progressively increased day by day and spread throughout the world, travel restrictions were placed from Wuhan epicenter to most countries by the end of March 2020. Most of the countries closed their international boarders, imposed travel restrictions on internal travel includes limited air travel and stay at home orders. The impacts of actions such as restriction of movements, closure of hotels and other accommodation facilities, as well as cultural and natural attractions, cancellation or postponement of events and gatherings, all have contributed to international tourism coming to a standstill with enormous economic repercussions, including loss of income and unemployment.

According to the latest UNWTO World Tourism Barometer, arrivals in March dropped sharply by 57% following the start of a lockdown in many countries, as well as the widespread introduction of travel restrictions and the closure of airports and national borders. This translates into a loss of 67 million international arrivals and about US$80
billion in receipts (exports from tourism).

AIRLINES

According to International Civil Aviation Organization report (2019), the air transport industry supports a total of 65.5 million jobs globally and provides 10.2 million direct jobs. Airlines, air navigation service providers and airports directly employ around three and a half million people. The civil aerospace sector, the manufacture of aircraft, systems and engines employs 1.2 million people. A further 5.6 million people work in other on-airport positions. Another 55.3 million indirect, induced and tourism-related jobs are supported by aviation. The phenomenal growth in the last 20 years has come to a halt now. As a sub sector of Tourism, aviation sector has been massively hit by the Covid-19 pandemic. The airline industry gone through a number of crises in the past like oil price hike, terrorist attack, war etc, but none was quite as rapid and severe as the one posed by the spread of COVID-19.

According to International Air Transport Association (IATA) analysis report, the airline industry’s global debt could rise to $550 billion by year-end. That’s a $120 billion increase over debt levels at the start of 2020. Globally 65.5 million people depend on the aviation industry directly and indirectly, including sectors such as travel and tourism, among these are 2.7 million airlines jobs. In a scenario of severe travel
restrictions lasting for three months, IATA research calculates that 25 million jobs in aviation and related sectors are endangered across the globe. The direct impact of COVID-19 severely affected the airline industry and greater than that caused by SARS, Ebola in the case given the scale of flight cancellation.

The major problem faced by the aviation industry is the cancellation of holidays and travel as large number of domestic and international and domestic flights were scancelled to prevent the transmission of virus. The governments across the globe put restrictions on international travel, including cancellation of visa of tourists and locking down the affected area, which adversely affected aviation sector.

HOSPITALITY INDUSTRY

Hospitality industry is one among the core sector of Travel and Tourism industry playing a major role in the socio-economic development of a country. The hospitality industry is highly labor-intensive and is the biggest employment generator of both direct and indirect jobs. The accommodation sector comprises of hotels and resorts, ranging from international brands to small standalone ones and also includes inns and homestays. The unprecedented lockdown has severely affected this sector. Hospitality units such as bed & breakfast, hostels, pubs & clubs, cafés, restaurants, bistros
and beach bars. All of these being small family businesses are very severely affected by this crisis due to the change in the supply chain, the lesser or almost nil demand. A good number of them are very likely to be partially or even fully shut down until the recovery from this crisis.

According to UNWTO, by March the hotel industry in all world regions recorded large double-digit declines in global RevPAR, with Asia (-67.8%) and Europe (-61.7%) posting the biggest decreases. The hotel industry peaked at -75% in terms of bookings in week 12 compared to the same period of last year due to the COVID-19 impact.

CRUISELINES

The cruise industry is one of the fastest growing segments of tourism, the interest in cruising on both oceans and rivers is growing among travellers across the world. Emerging within the past 50 years, cruise tourism is a relatively young phenomenon. The cruise industry generates more than $150 billion globally in an year and supports over 1.17 million jobs worldwide. According to Cruiselines International Association 89% of the cruise passengers are repeat guest and 28.5 million passengers travelled across the world in the year 2018. Cruising touches almost every sector, from transportation and
agriculture, to hospitality and tourism, manufacturing and beyond.

Unfortunately, the impacts of COVID-19 are being felt across this vast community, with up to 2,500 jobs lost each day that cruises are not operating. The cruise industry is uniquely impacted by the spread of the coronavirus very early stage, especially because the outbreak began in China, an emerging market in the cruise industry.

The British-registered Diamond Princess was the first cruise ship to have a major outbreak on board affected by the Corona Virus, later the pandemic spread to a number of cruise ships. Covid-19 spread rapidly across the ship especially with the nature of such ships includes crowded semi-enclosed areas, increased exposure to new environments, and limited medical resources. Artania, the last cruise ship with passengers on board during the pandemic docked at its home port with its last eight passengers on 8th June 2020.

Governments across the world prevented many cruise ships from docking and advised people to avoid travelling on cruise ships. Similarly, many cruise lines have suspended their operations to mitigate the spread of the pandemic.
THE FUTURE

The global tourism industry has weathered through a number of crises in its history before acquiring the present-day status. In the history, after every pandemic, world has come out much stronger from it and introduced new techniques to handle the situations in more effective way. The international tourism has grown tremendously after disastrous World war II. Travel is part of a person’s day to day life and no man can survive long without adding travel as priority. Peoples have a variety of travel motives other than leisure, people are travelling for business, religious purpose, health reason, education, meeting friends and relatives etc. Hence tourism industry cannot shut down for a long time. UNWTO suggests that tourism can act as a platform for overcoming the pandemic by bringing people together.

Many countries have started to ease the travel regulations applied during the lockdown time to control the spread of virus, as the economic activities cannot be held in lock down mode for long period. The governments should make necessary arrangements in the form of financial assistance for the tourism sector, so that the employees engaged in tourism directly and indirectly are not left in lurch. During any crisis, governance is key and in some countries public-private partnership models have been reinforced and the role of committees and task forces enhanced with participation of stakeholders across different levels of administration and private sector.
Nations should make plans for the long term development on the basis of private public partnership. The governments should give financial assistance to airlines, hotels, tour operators etc in the form of soft loans.

After the dramatic decrease in tourist arrivals as a result of the COVID-19 pandemic, destinations will be eager to start welcoming visitors as soon as the situation allows. Whereas at the height of the COVID-19 crisis most countries opted to postpone or reduce promotional campaigns, during the recovery phase there will be a need for targeted marketing activities, especially to build destination confidence and approach priority markets with good prospects to capture. According to UNWTO, as of 15 June, 22% of all destinations (48 destinations) have now eased restrictions on travel, up from just 3% (7 destinations) on 18 May.

UNWTO published a set of guidelines to restart tourism globally, mentioning strict guidelines to ensure the safety of passengers with strict hygiene procedures and to promote tourism public private partnership giving attention to each and every sector of tourism.

Tour operators can offer package tours in diversified sector like adventure tourism, medical tourism, space tourism and wildlife tourism where less human contacts require. Staff should be well trained with latest technologies so as to avoid contact as much as possible. Research studies should undertaken to understand the new trends of
customer preferences, which has seriously undergone a change post COVID-19. National tourism organizations can initiate social media campaign to create awareness among travellers about present status of the industry and how safe to travel to their country with exact number of active cases and recovered. Due to the safety concerns and relatively tight budgets, travelers are very less likely to travel abroad or undertake long distance travel. This situation should be used to promote domestic travel as visiting nearby destinations is affordable in terms of money and time.

Accommodation units can promote functioning in the form of tents, caravan and camping sites for the domestic travelers, adhering to social distance norms. New technologies should be adopted by the hospitality sector such as automated check-ins which reduces guest contact as much as possible. Also making payment only through online mode should be promoted. Restaurants’ can plan to start operation of food service limited to drive-through, delivery, take-out, and curb-side pick up. Automated restaurants’ a newest innovation can introduce in most of the cities to avoid the human contacts, where all the procedures includes serving and payment collection can done through an electronically operated robot.

Airlines may be allowed to undertake flight operations to areas which are considered safe, still adhering to social distance and other norms as applicable. The option of using online mode for check in and check out formalities at airport should be explored.
Airlines can make Covid-19 negative certificate mandatory for all domestic and international travel. Authorities should ban travel for those passengers who are not comply with procedures of health authorities related to quarantine. Though airlines are likely to operate on a very limited scale as of now, with situation stabilizing, they may have to redesign their marketing strategies to cater, as volume of air travel is unlikely to be in a good volume, compared to Pre-Covid 19 scenario in the near future.

CONCLUSION

The epidemic Covid-19 results the public health in crises become an economic crisis and affected each and every sector of the world economy includes largest service sector of the world, tourism. COVID 19 is likely to stay with us for time being and speedy discovery is not possible until a new vaccine introduced against the virus is discovered. Covid-19 creates a new lesson to industry stakeholder’s to accept the challenges and more research needs to carryout in the future to cope with a global change. This global epidemic has affected each and every one in the tourism industry ranging from top level managing director of an organization to a local cab driver. Recovery will be a gradual process, the host should ensure the safety of guest and employees associated with tourism.
Considering how the crisis has affected demand and travel patterns, countries need to revisit growth scenarios and priority markets, and adjust planned promotional activities based on available resources and the new reality of the tourism and travel industry.

Destinations may also face a challenge to diversify products, services and markets to avoid dependence on one single activity or market, along with tight budgets due to the need to invest in supporting operations and businesses. More than ever before, innovative digital marketing activities and targeted marketing will be central to help destinations spread their messages in a fast and cost-efficient manner to specific market segments, generating, hereby, interest and traveler confidence. Marketing activities should build on initial crisis recovery communication that spreads the message that a destination has a safe environment to visit. At an initial phase and in certain parts of the world, domestic and intraregional tourism is expected to catch up faster than intercontinental travel, and this may have to be reflected in marketing activities.

It is necessary for host countries to show they are safe for tourists, with low reported infection numbers, but also having credible health systems in place in case tourists do get sick.

The COVID-19 crisis should be considered an opportunity to shift away from the unsustainable tourism practices. The challenge now is to reinvent tourism in a more
sustainable and resilient manner, while adhering to the various safety norms.

REFERENCES


rebound-post-covid-19-but.html
22. https://covid19.who.int/