



Impact of the

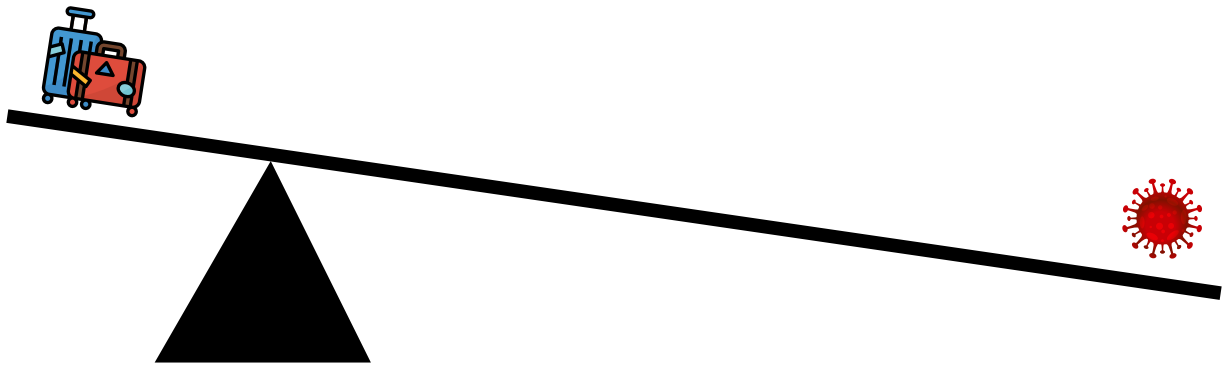
COVID-19

Outbreak on International Tourism

WORLD
TOURISM
FORUM
Institute



TOURISM TOURISM TOURISM



WTFI presented an up-dated assessment of the reaction of the tourism industry to the outbreak of COVID-19, showing a decline in international arrivals and receipts in 2020.

WORLD TOURISM FORUM *Institute*

The World Tourism Forum Institute calls for the importance of the tourism sector in the recovery strategies of governments, foreign agencies and organizations. The World Health Organization (WHO) urges countries suffering from COVID-19 outbreaks to enforce travel or trade restrictions, but many governments have defied this and have placed bans or limitations on other nations. Regarding international tourist arrivals, WTFI has revised its 2020 outlook from 1% to 3%. WTFI expected growth of 3% to 4% before the COVID 19 outbreak. The effect on medical tourism is not yet understood but it is expected to be very badly affected.



WTFI notes that steps to minimize undue disruptions on travel and trade must be enforced in the light of public health; and WTFI has been working closely together with the WHO since the start of the outbreak to guarantee this.

Taking into account the evolution of the situation, WTFI states that the effect of the COVID-19 on international tourism is too early to estimate. In view of the

SARS

scenario, of the global market size and dynamics of the travel industry and its existing threats to travel, COVID-19 geographical distribution and future economic effects, WTFI analyzed the international travel market's 2020 prospects from 1% to 3%. WTFI expected growth of 3% to 4% before the COVID 19 outbreak.

Asia and the Pacific

are projected to be the worst affected area with an estimated decline in arrivals of 9 to 12, down from 5% to 6% projected rise. Estimates of the rapidly developing situation in other world regions are currently premature.

A CALL FOR FINANCIAL AND POLITICAL SUPPORT

**WORLD
TOURISM
FORUM**
Institute

A woman with long, wavy blonde hair is seen from the back and side, looking out at the ocean. She is wearing a light-colored, possibly white, top. The background shows a sandy beach, waves breaking, and a clear blue sky.

WTFI has called for financial and political support for tourism recovery initiatives and for the sector's support to be integrated into broader recovery efforts and actions of the economies affected.

The effect of COVID-19 is felt across the entire chain of interest for tourism. Around 80 per cent of the tourism sector comprise small and medium-sized enterprises and are primarily vulnerable to millions of livelihoods worldwide, including in poor communities, dependent upon tourism.

”

Policy and financial commitments are crucial to ensuring that tourism will contribute to an even broader economic and social recovery, as has been shown in previous crises as the industry is highly resilient and can regenerate steadily.

Notwithstanding periodic surprises, international tourism has seen continued growth, demonstrating the power and durability of the industry and benefiting every region in the world. Global tourism has decreased only in 2003 after the SARS and the Iraq war and 2009 in the midst of the economic and financial crisis.

The tourism industry is currently one of the most severely hit by the COVID-19 outbreak, with an impact on both travel and demand, particularly in China, the world's leading spending outbound market, and other main Asian and European destinations, such as Italy.

The availability of transportation services – domestic and foreign – has diminished dramatically and demand has decreased. Transport restrictions and cancellation and frequency cuts have decreased.

A NEW DOWNSIDE RISK:

COVID-19

In the background of an already weakened global economy, COVID-19 has become a new downside risk. The outbreak of COVID-19 is followed by an unpredictable scenario of ongoing economic, social and commercial conflicts and an unequal output between large outbound transport markets.

The Director General of the WHO has declared the outbreak of COVID-19 a Public Hygiene Emergency of International Concern in the light of the advice given by the International Health Review Regulations (COVID-19 Emergency Committee).

Key
FACTS

U I

The public health situation is unprecedented. Keeping the pandemic is the top priority and all measures taken to contain the epidemic should be sponsored by tourism. To ensure organized and efficient response, WTFI works in close partnership with the World Health Organization (WHO), its member states and industry.

n 1

U2

The outbreak of COVID-19 has brought down our world with a never-ending effect on our lives, economies, communities and our livelihoods and the chances of a global recession and significant job losses are rising.

02

UW

The rapidly evolving environment rapidly overcomes any estimation of the effect of this unprecedented crisis on the tourism sector.

UW

U4

Given the unprecedented and rapidly changing nature of the crisis, the effect of COVID-19 on international tourism is extremely difficult to estimate.

04

04

Based on the latest developments (quarantine measures, travel bans & border closures in most of Europe, which represents 50% of international tourism, and in many countries of the Americas, Africa and the Middle East), the evolutions in Asia and the Pacific and the patterns of previous crises (2003 SARS and 2009 global economic crisis), WTFL estimates international tourist arrivals could decline by 20% to 30% in 2020.

05

00

That will mean a loss of USD 300-450 billion in receipts for international tourism (exports), about a third from the world's worst-case estimate of US\$ 1.5 trillion.

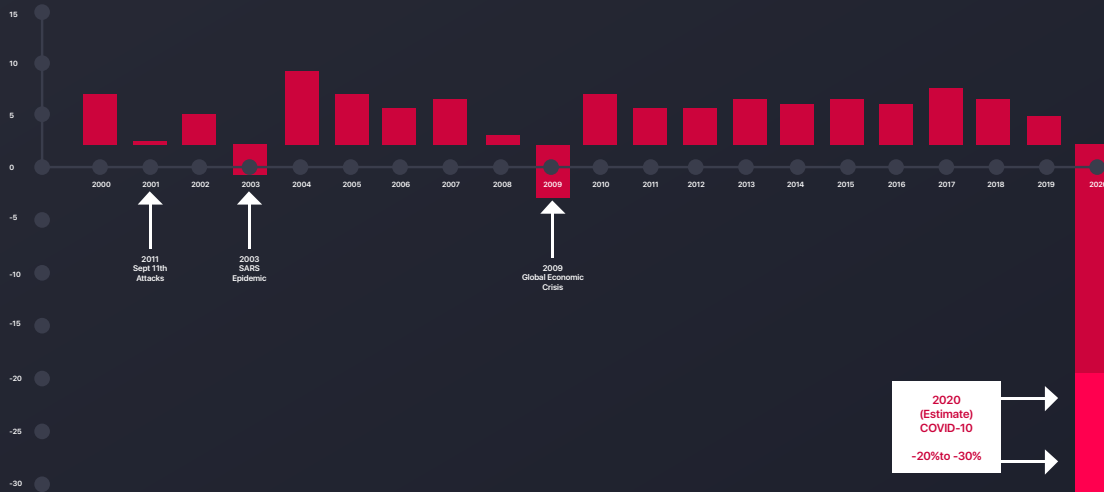
06

The size, uncertainty and unparalleled nature of the crisis should be viewed with caution. The latest comparisons are SARS and the 2009 global economic crisis, but these crises are no different. The effect of COVID-19 on international tourism will still be tracked by WTFL.

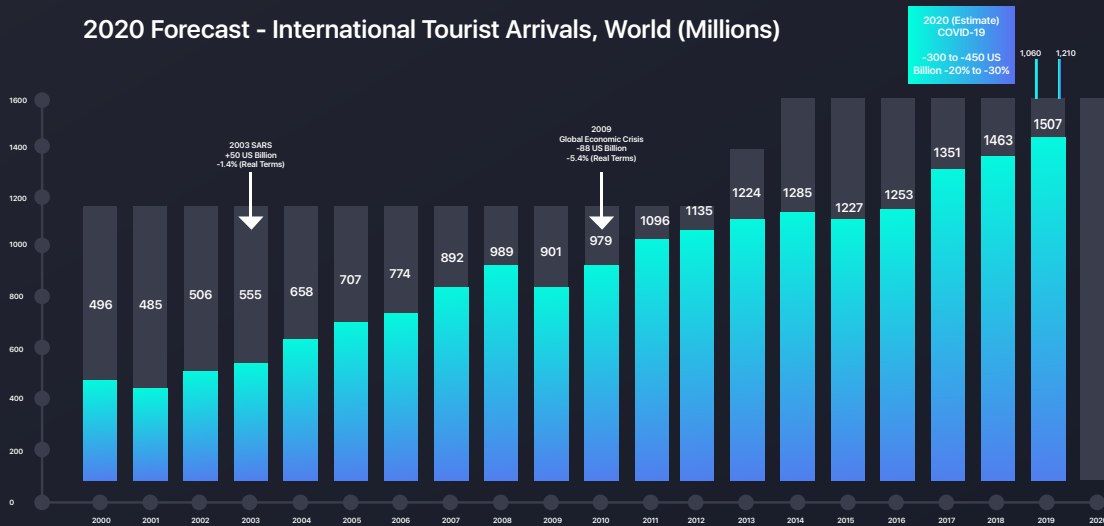
2020 Forecast - International Tourist Arrivals, World (Millions)



2020 Forecast - International Tourist Arrivals, World (%Change)




2020 Forecast - International Tourist Arrivals, World (Millions)



2020 Forecast - International Tourism Receipts, World (Real Change, %)



A satellite view of Earth at night, showing the curvature of the planet and numerous glowing city lights across the continents. The background is a deep black space with some faint stars.

ESTIMATED
Global
IMPACTS

**-290 to 440
million**

**International
Tourist Arrivals**

**5 to 7
years**

**Lost in number
of tourists**

**-300 to 450 US
Bn**

**Tourism Exports
(Receipts)**

**1/3 of 1.5 Us
Trillion**

**Lost in Tourism
Exports**

**Estimated impact of COVID-19 on air transport in 2020
(RPKs and air passenger revenue loss), IATA**

Region of Airline Registration	% Change in RPKS (2020 vs. 2019)	Est. Impact on Pass Revenue 2020 vs. 2019 (US Billion)
Africa	-31%	-4
Asia Pacific	-37%	-88
Europe	-46%	-76
Latin America	-41%	-15
Middle East	-39%	-19
North America	-27%	-50
Industry	-38%	-252

Source: IATA

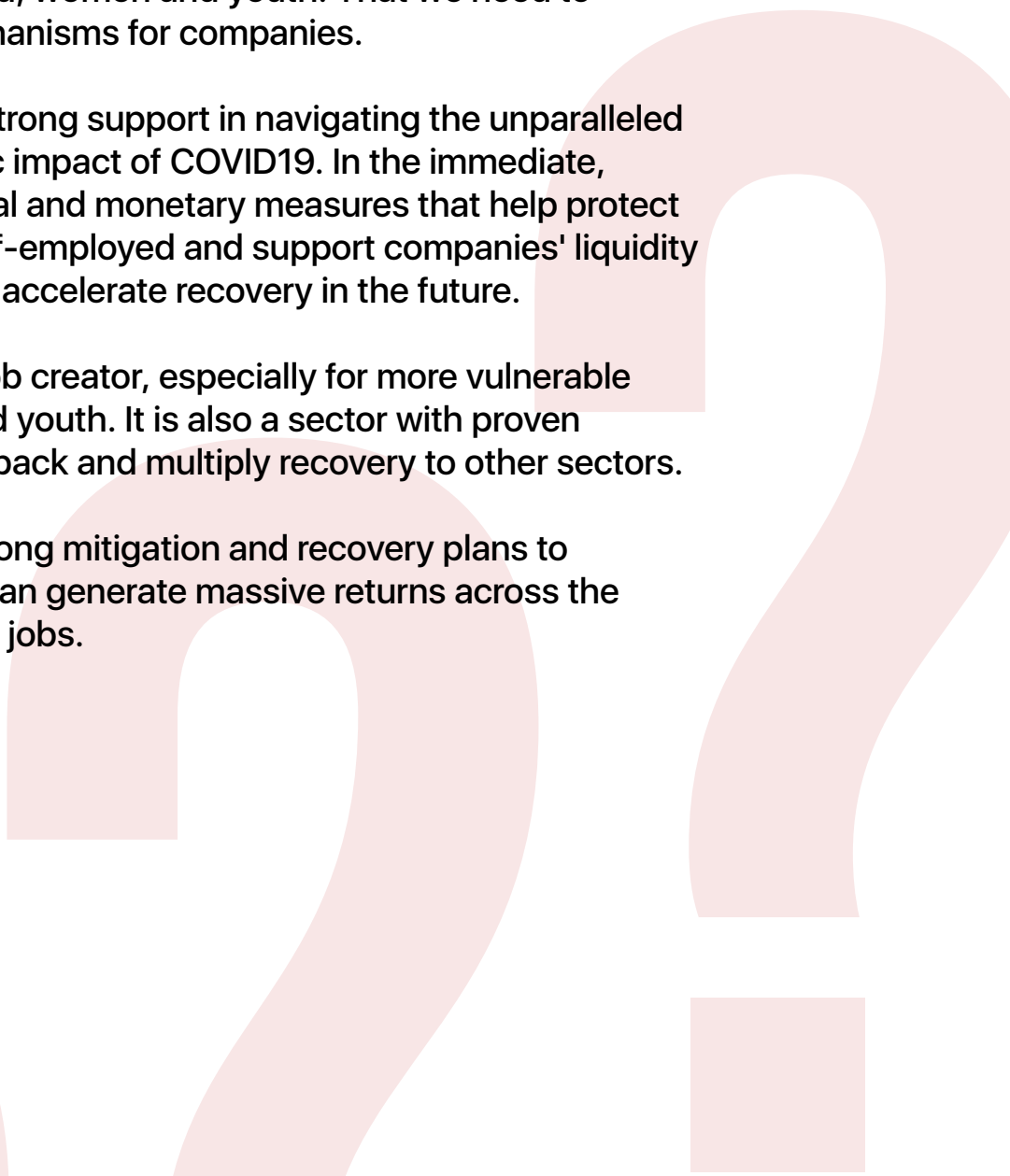
**Importance of international tourism in countries with most reported cases
of COVID-19 (over 5,000 cases, 24 March 2020)**

As of 24 March 2020, a total of 196 countries and territories have reported cases of COVID 19

Countries with more than 5K COVID-19 reported cases	Share of World Tourist Arrivals (%)	Tourism Share of Exports the Country (%)	Share of World Tourism Receipts (%)	Share of World Tourism Expenditure (%)
China	%4	%1	%3	%19
Italy	%4	%8	%4	%2
United States	%5	%10	%15	%10
Spain	%6	%16	%5	%2
Germany	%3	%3	%3	%7
Iran	%1	%6	%0	%1
Republic of Korea	%6	%3	%4	%3
France	%1	%8	%1	%2
Switzerland	%1	%5	%1	%2
United Kingdom	%3	%6	%4	%5
TOTAL	%34		%39	%53



**SUPPORTING
RECOVERY**

- 
- /// What we don't know - we don't know when we will see the end of this crisis.
 - /// What we do know: we know that millions of jobs are at risk, that we need to protect the most vulnerable segments such as SMEs, self-employed, women and youth. That we need to create survival mechanisms for companies.
 - /// We know we need strong support in navigating the unparalleled social and economic impact of COVID19. In the immediate, we need urgent fiscal and monetary measures that help protect jobs, sustain the self-employed and support companies' liquidity and operations and accelerate recovery in the future.
 - /// Tourism is a major job creator, especially for more vulnerable groups - women and youth. It is also a sector with proven capacity to bounce back and multiply recovery to other sectors.
 - /// Coordinated and strong mitigation and recovery plans to support the sector can generate massive returns across the whole economy and jobs.

INTERNATIONAL TOURISM **HISTORY OF GROWTH**

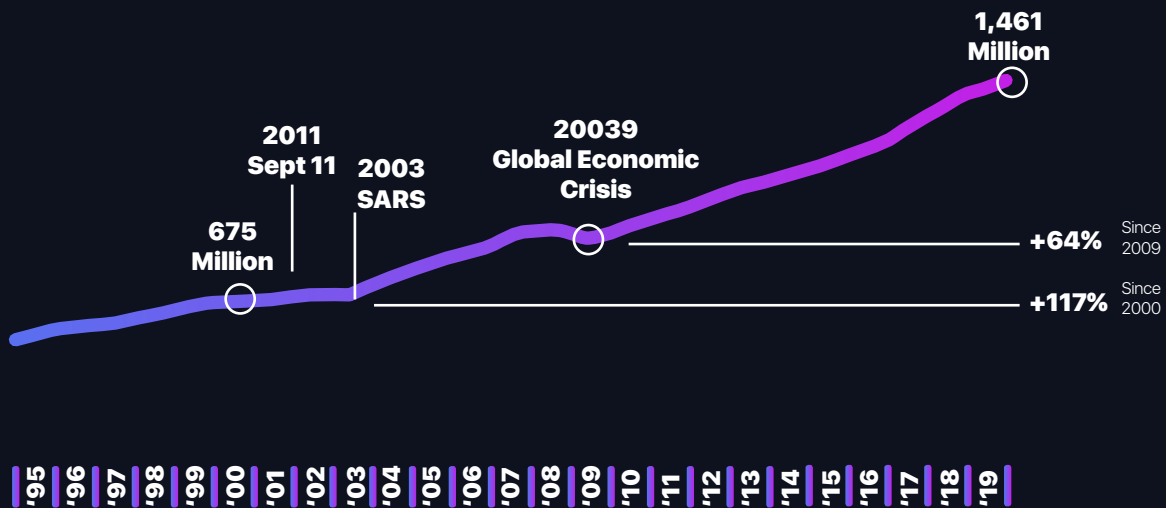
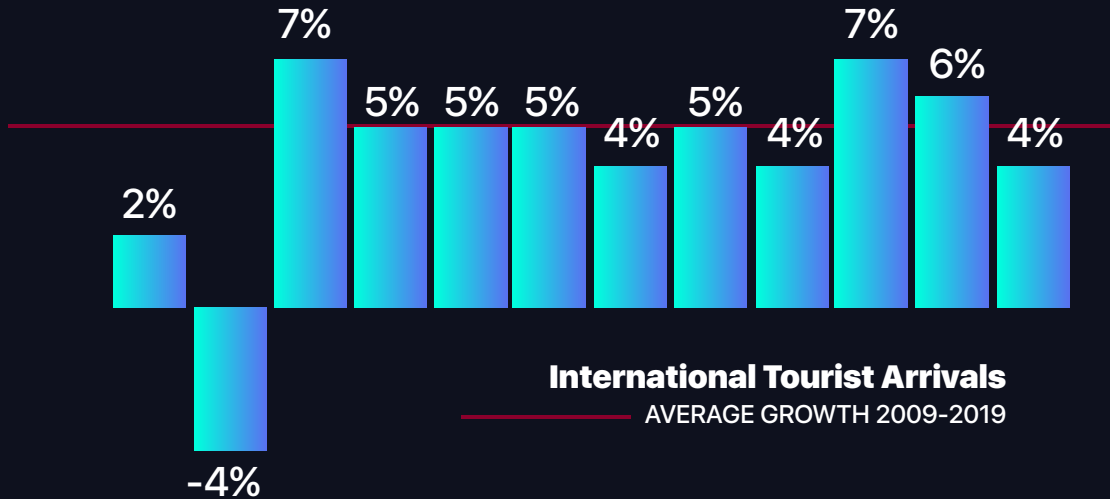


1.5 BILLION IN 2019

Total International Tourist Arrivals

US 1.7 TRILLION IN 2018

Total International Tourist Exports (Receipts & Passenger Transport)

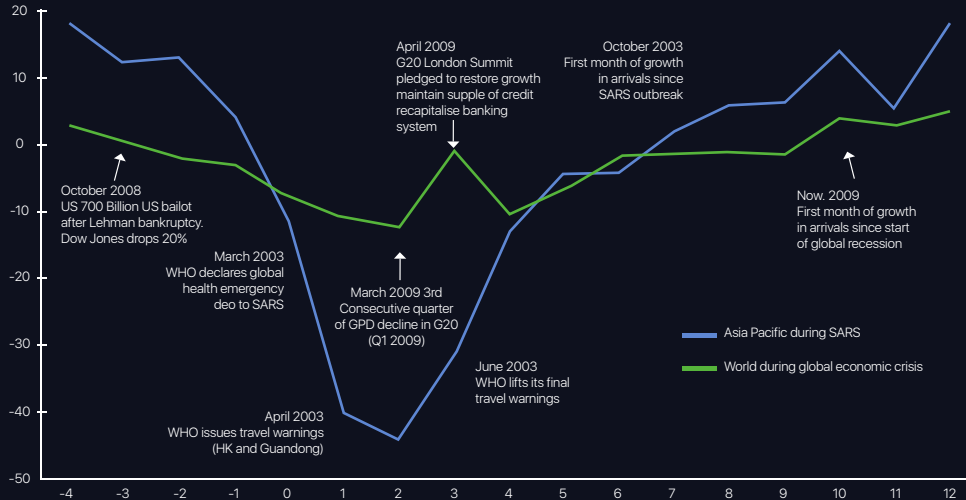


Following occasional surprises, international tourism has seen its sustained growth show the strength and durability of the industry and benefited many of the world's regions.

However, this crisis is like no other and calls for fast, concerted action.

International Tourism & Previous Crises

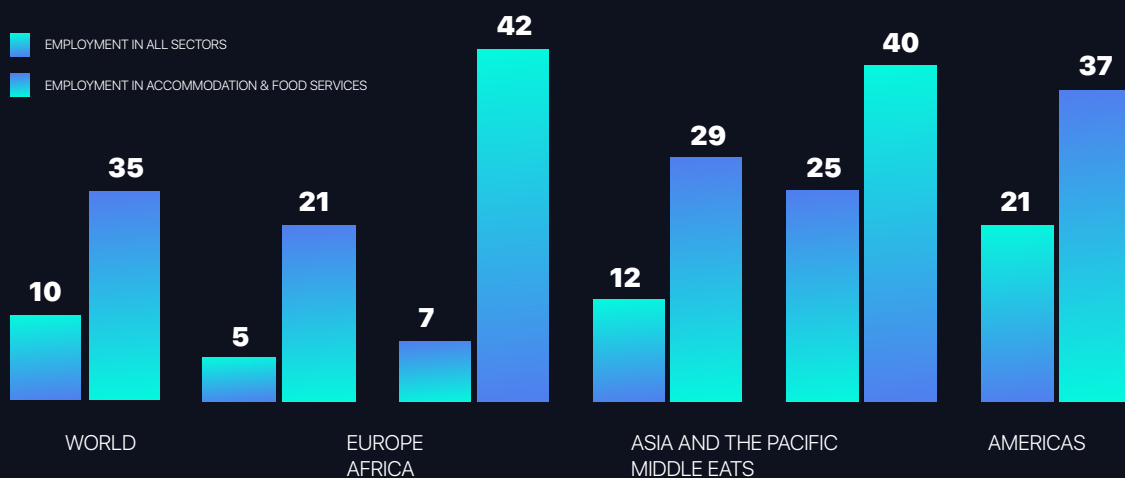
International tourist arrivals in Asia Pacific during SARS and worldwide during 2009 global economic crisis, monthly growth (%)



Note: Month 0 (zero) is considered to be March 2003 for SARS (Asia Pacific) and January 2009 for global economic crisis (World)

TOURISM CAN ACCELERATE JOB CREATION...

GROWTH IN GLOBAL EMPLOYMENT, 2010-2018 (%)



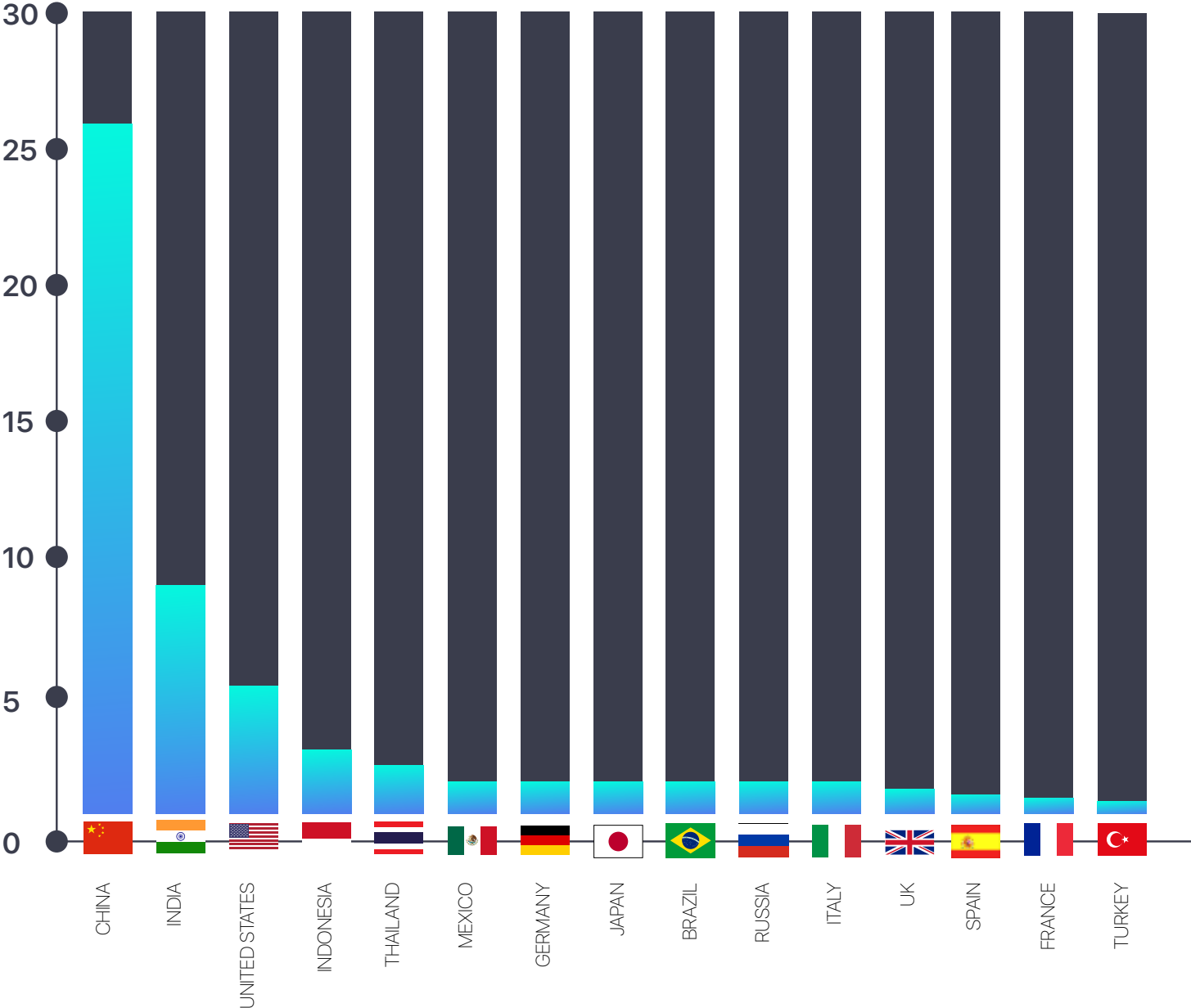
Jobs in all sectors rose by 11% between 2010 and 2018 after the global economic crisis, and jobs in accommodation and food services grew by 35%.

JOB LOSS



Predicted employment loss in the travel and tourism industry due to the coronavirus (COVID-19) pandemic worldwide in 2020, by country (in millions)

COVID-19: forecast job loss in travel and tourism sector worldwide 2020, by country





111 Buckingham Palace Road, Victoria, Westminster, London,
SW1W 0SR, United Kingdom
Centre Number: UK1611
Landline : +442039953381
Registered in the United Kingdom
License Number 12383347

www.worldtourismforum.net

**WORLD
TOURISM
FORUM**
Institute

