



Forum: Economical and Social Council

Issue: The question of supporting tourism industry during COVID-19 pandemic

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Introduction

The tourism economy has been heavily influenced by the coronavirus (COVID-19) pandemic, and measures that were introduced all around the world to contain its spread. The potential number of decline in the international tourism economy in 2020 could range between a 60-80%. Beyond immediate measures to support the tourism sector, countries are also shifting to develop recovery measures like considerations on lifting travel restrictions, restoring traveler confidence and rethinking the tourism sector for the future.

Definition of key terms

Tourism industry — travel industry, linked to the idea of people travelling to other locations, either domestically or internationally, for leisure, social or business purposes.

Pandemic — the global outbreak of a disease.

UNWTO — the United Nations World Tourism Organization.

Background information

1) The role of tourism industry in economies

Tourism is one of the most directly affected sectors in this current crisis and this calls for immediate and long term responses.

According to UNWTO estimates, world tourism experienced the worst year in the entire history of observations in 2020:

1. Due to the coronavirus pandemic and widespread travel restrictions, the number of international arrivals decreased by one billion or 74% compared to 2019.
2. Export revenues from tourism decreased by \$1.3 trillion, which is 11 times higher than the losses from the global economic crisis of 2009.

3. Between 100 and 120 million jobs in the tourism sector were at risk, most of them in small and medium-sized businesses.

Tourism is a labor intensive sector, directly contributing 6% of employment in countries on average. The sector is a leading source of employment and job creation, providing a high volume of jobs for low skilled workers, together with higher skilled jobs. This sector employs many seasonal, part-time, and temporary workers. Due to the consequences of the crisis and the reduction of production capacity in many industries, many of these jobs were directly affected.

In the absence of a crisis, this sector can help provide a variety of employment opportunities for migrants, women, students and older workers not only in large cities, but also in remote, rural and coastal areas, as well as in other often economically unstable places where alternative opportunities may be limited. For example, the share of employment in tourism is 15.7% of total employment in Iceland, 13.5% in Spain, 10.3% in Ireland, 10.0% in Greece, etc.

2) *The effect of the pandemic*

The end of 2019 – beginning of 2020 was a turning point for the development of the economies of many countries of the world, leaving a special imprint on the tourism industry. Countries one after another implemented measures to prevent the rapid spread of coronavirus infection, in particular its transmission routes, and introduced quarantine restrictions. The closure of borders, the ban on mass gatherings and visits to institutions led to a deterioration in the financial condition and the closure of a significant number of tourist facilities and a reduction in tourist flows.

The COVID-19 pandemic has caused a significant decrease in the number of international tourist arrivals in all countries. The largest decrease in 2020 compared to the previous year, 2019, was experienced by China (-84%), France (-82%), Thailand (-79%), Spain (-76%), the United States and Turkey (-72%).

3) *Important aspects of restoring policy of tourism to a more stable position:*

1. The return of tourism to the right track, including developing countries

Much remains to be done to restore the trust of travelers who are worried about their health and risk canceling travel plans and getting stuck abroad. Vaccination seems to be the most important element.

2. Mitigate the socio-economic impacts on livelihoods

Developed countries apply fiscal measures to support tourism enterprises and workers. This is borrowing from the future, and although it is useful as a transitional measure, it entails debt that will need to be repaid at some stage. Where support is provided to an

otherwise healthy business, it is likely to pay off. This strategy is challenging for most developing countries, especially where tourism is large. Public security networks often do not exist, and informality is high. Workers should be protected, not in specific jobs in declining sectors, for example, through vocational training.

3. Countries need to make strategic decisions about the future of tourism.

Some tourist enterprises will not survive even after the lifting of travel restrictions. Governments need to decide who to support and for how long. The long-term effects of the pandemic must be taken into account. Some structural adjustment will probably be required. It seems likely that COVID-19 will exist for some time yet.

That is why the tourism industry is undergoing major transformations and requires a high-quality and thorough analysis of factors influencing demand in connection with the COVID-19 pandemic. Almost all countries develop and implement programs to stimulate and support the development of the tourism industry, providing, in particular, support for small and medium-sized businesses by providing affordable loans, government loans, and subsidies, delaying the payment of debt obligations, providing tax holidays, benefits, and reducing individual tax rates, etc.

Relevant treaties and the UN Resolutions

- The UNWTO-led Global Tourism Crisis Committee is a public-private initiative to co-ordinate the pandemic response, which on 1 April published recommendations for government action focusing on three key areas: i) mitigating the impact on employment and liquidity, ii) protecting the most vulnerable, and iii) preparing for recovery. Subsequently, on the 28 May, the Committee agreed a series of priorities for tourism recovery and endorsed the UNWTO Global Guidelines to Restart Tourism.
- United Nations Policy Brief: COVID-19 and Transforming Tourism (August 2020)
- United Nations conference on Trade and Development (June 2021)

Possible solutions

1. Flexibility measures:

- Updating the cancellation policy, including new measures specifically designed for epidemics, natural disasters and various levels of international preparedness.
- Ability to make changes 24 hours before arrival for current and future prepaid bookings.

- Providing comfort through more flexible improvements that allow guests to have a better room to work

2. Hospitality measures:

- Creating a comprehensive guide to hotel actions to prevent COVID - 19 infection and make it easily accessible on the hotel's website.

- Delivering a message of social integration that resists COVID-19, without distinction of nationality, race or geographical origin.

- Assisting guests in all their preparations for Arrival and create a guide on what needs to be done during their stay, which involves service providers authorized and trusted by the hotel.

3. Security measures:

- Creating a register of travelers that records the history of recent trips by both guests and employees.

- Avoiding your guests' needing to use public transportation by ensuring transfers to the accommodation from airports and stations

- Reviewing of the entire process of cleaning bedding and linens is highly recommended.

Useful links:

[Tourism Policy Responses to the coronavirus \(COVID-19\) \(oecd.org\)](#)

[sg_policy_brief_covid-19_tourism_august_2020.pdf \(un.org\)](#)

[Impact assessment of the COVID-19 outbreak on international tourism | UNWTO](#)

[Covid-19 and tourism - an update \(unctad.org\)](#)