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THE CONSEQUENCES OF THE COVID-19 PANDEMIC FOR THE TOURISM INDUSTRY – STATUS AND OPPORTUNITIES

Summary: The effects of Covid 19 on the economy have been analyzed, with some sectors particularly affected such as international tourism, transport, ancillary industries supporting tourism activities, and the socio-psychological consequences for people.

The lack of security in overcoming the disease creates a feeling of additional danger when traveling internationally, which seriously reduces the attitudes of citizens to choose international destinations.

Three possible scenarios for the overall impact of COVID-19 on the tourism industry have been identified as an optimistic (moderate) scenario in which the duration of the pandemic is 5 months, in which 80% of international tourist travel will be stopped, scenarios with an average duration of the pandemic and the suspension of 80% of international tourism for a period of 10 months and a negative scenario in which restrictions on international tourism will continue until the end of 2020 and the first three months of 2021.

The main approaches for overcoming the negative impact of COVID-19 on international tourism are presented, such as the search for new organizational solutions for international tourism, measures to overcome the psychological consequences of the impact of the disease, as well as measures for immediate assistance. the economic operators concerned. from COVID-19.

Key words: International tourism, Covid 19, Measures to overcome the pandemic crisis.

1. INTRODUCTION

Although humanity has repeatedly faced the emergence of pandemics, in 2020 for the first time the non-medical consequences of its occurrence were so significant not only in terms of the medical status of mankind, but also in terms of economic consequences. According to the data provided by WHO¹ as of June 2020 COVID-19 infected more than 10 million people, and more than half a mil-

¹ <https://covid19.who.int/> [26 June 2020].

lion died from this disease. It can be claimed that we are facing one of the most significant and global crises in tourism. The effects of the disease on the economy are significant, with some sectors particularly affected by it. Undoubtedly, tourism occupies a leading place among the affected sectors of the economy. All the restrictions imposed on international travel and numerous requirements set for those arriving from other countries put the most efficient part of the tourism industry – the international tourism [Aguiar, Chepeliev, Corong, McDougall, van der Mensbrugge 2019] in an extremely difficult position. This world economy sector before the crisis was large enough, its total turnover exceeds 1,480 billion dollars, or 4.4% of world GDP². The World Tourism Organization, although in its unofficial edition, identifies three possible scenarios for the overall impact of COVID-19 on the tourism industry. The forecasts are based on the general period in which the restrictive measures related to the free movement of tourists between the individual countries will be activated. Thus, in an optimistic (moderate) scenario, in which the duration of the pandemic will last 5 months, in which 80% of international tourist trips will be stopped, the losses for the tourist industry will amount to 1.2 trillion US dollars. In a scenario with an average duration of the pandemic and the suspension of 80% of international tourism for a period of 10 months, the losses in the tourism industry will exceed 2.2 trillion dollars, while in a negative scenario, in which restrictions on international tourism will continue till the end of 2020, the losses will be equivalent to 3.3 trillion US dollars³.

2. COVID-19 IMPACT ON INTERNATIONAL TOURISM

The consequences of the COVID-19 pandemic on international tourism should not be considered in isolation. The negative impact also leads to serious difficulties for such areas as transport (especially air and sea transport), the provision of services, as well as serious problems for significant groups of workers in different countries around the world. Perhaps it is the latter category of problems that can be identified as the most significant, especially for those countries where international tourism is essential for the national economy. These countries are characterized by a relatively small internal market, a low degree of diversification of production, as well as a significant transport distance from important transport highways and industrial centers. For them, the impact of the pandemic on national economies is significantly more sensitive, as the main flow of income comes from international tourism. The duration of the pandemic and the lack of predictability for the development of the pandemic lead to significant economic difficulties, impoverishment of the population, manifestations of social tension [Hamilton 2020].

² UN WTO (2020).

³ COVID-19 AND TOURISM. ASSESSING AND ECONOMIC CONSEQUENCES. UNCTAD. 2020. P. 11–12. https://unctad.org/en/PublicationsLibrary/ditcinf2020d3_en.pdf

It should be noted that the problems facing international tourism do not only affect relatively small countries with a single source of national tourism income. Significant social problems due to “pausing” international tourism are also created in developed countries. In the first place, this is unemployment among people who are the most vulnerable to economic hardship, and who can hardly secure alternative employment. In particular, as a result of the pandemic crisis, between 100–120 million people have lost their jobs, a significant proportion of whom are women and people under the age of 35 [Zarrilli, Aydiner-Avsar 2020]. The majority of those released from the field of tourism find it difficult to find alternative employment, especially in the conditions of a general decline of the world economy and a decline of the economies of the individual, industrialized countries. The support of the population by national governments cannot solve the problems that have arisen in the long run. It can only help these sections of the population to meet the immediate difficulties more easily, but a lasting solution to the problem of unemployment requires a more complex approach based on the economic development of economic entities from tourism and related industries. Not less serious is the impact of the COVID-19 pandemic on the established inter-sectoral links that support the realization of international tourism. Here, in the first place, the negative impact on the transport sector should be placed, with the strongest negative impact on air and sea transport, as well as on the transport directly serving the tourist activities. The almost complete cessation of passenger flights in the first half of 2020, as well as the significant restrictions on sea and river passenger transport, significantly increase the costs of these transport sectors, as smaller companies (one of the main business agents in some types of tourism activities) are forced to leave the relevant markets. The majority of transport companies are deprived of the opportunity to cover the capital investments made by them for 2020, with the corresponding revenues from the realization of tourist trips. This, in turn, leads to the need to reduce highly qualified staff in these industries. Subsequent hiring may require offering better conditions, which will mean additional costs for transport companies.

Closely related to international tourism are such areas of the economy as the provision of various types of ancillary services (massages, spa treatments, various services in the field of entertainment, medical services, etc.), as well as ancillary production (starting from production of consumables for servicing the tourist activity and ending with the production of souvenirs). The “paused” tourist season has one of the most unfavorable effects on them, as most of the representatives of these professions rely on significant revenues from the realization of international tourism, the lack of which may lead to the need to seek a new field for realization of these people. The difficulties for the business are also caused by the preliminary expenses made for the provision of the tourist season of 2020. Most of the companies providing services to tourists, as well as those trading in goods for them, are from small businesses. Most of them simply do not have the necessary free funds to “freeze” in unsold activities and unsold goods.

In addition to the direct economic consequences, the COVID-19 pandemic also has socio-psychological consequences, the negative impact of which on

international tourism can be even more serious than the immediate and unconditionally direct economic damage. These effects are expressed in particular in the following:

- Most people in different countries who have previously used international destinations feel threatened by prolonged international travel using common means of transport;
- It is also essential that the introduction of various restrictive measures related to the access of foreigners to the respective countries further reduces the positive attitudes of people accustomed to different attitudes during their tourist trips;
- It is also important that in the period of rapid development of international tourism (in the last 20–30 years), such a pandemic, covering virtually all countries, occurs for the first time. In this case, there is a “fear of the unknown”, which further reduces the desire to travel internationally;
- The lack of sufficient information on the possibilities for overcoming the crisis with COVID-19 which should be based on specific deadlines. The lack of security in overcoming it, creates a feeling of additional danger in international travel, which seriously reduces the attitudes of citizens to choose international destinations;
- Often negative information on the attitudes for choosing international travel has unverified and unmeasured in social and psychological terms information that is published by various media. With even greater force, this applies to the information that is published on social networks, where there is virtually no control over its objectivity and reliability.

These aspects of the impact of epidemics have been observed before, in the emergence of epidemic difficulties that arose after SARS, as well as in the psychological consequences of such terrible diseases as Ebola. Today, however, the consequences are much more serious, as the spread of the virus itself affects virtually all countries in the world. This seriously deepens people’s problems and practically reduces their attitudes towards international travel in general. It can be reasonably argued that the purely economic consequences of a pandemic can be overcome between 19 and 24 months, but the psychological consequences will require a significantly longer period of time as well as significantly better communication skills on the part of international tourism companies.

3. BASIC APPROACHES FOR OVERCOMING THE NEGATIVE IMPACT OF COVID-19 ON INTERNATIONAL TOURISM

Overcoming the consequences of COVID-19 in international tourism cannot be predetermined and precisely determined. The main reason for this is the fact that the end of the pandemic cannot be predicted at the moment, as well as the calming of the epidemic situation in an individual country or group of countries.

Without strictly defined medical indicators, it is not possible to give a relatively reliable forecast for the prevention of the consequences both in tourism and in other areas of the economy and social sphere. However, I will try to outline the main groups of methods that will reduce the negative effects and that could be applied in different scenarios of the medical situation with the disease.

Actions to reduce the negative impact on international tourism can be considered in three main groups:

- organizational measures of the travel agents, related to reviewing the priorities of the business and searching for new organizational solutions for carrying out international tourist activity;
- measures to overcome the psychological consequences of the impact of COVID-19;
- measures for immediate state aid to the most affected by COVID-19 business entities, as well as adequate measures to promote international tourism.

The seriousness of the psychological consequences of COVID-19 is so serious that even with the most favorable development of the purely epidemiological situation worldwide, these consequences will have an impact on the preferences of tourists. Among them will be the desire to reduce contacts between larger groups of people, the avoidance or complete abandonment of the use of public transport, preferences for organizing holidays with a high degree of “closeness” in the implementation of the holiday (limited contacts with staff in the organization of meals, the use of tourist routes that are not used or used to a limited extent by other tourists, reductions in contacts with persons without established health status, etc.), restriction of tourist animation and significant reduction of direct commercial transactions in the process of tourist trips. These processes, which will obviously last for at least 2 or 3 years, will require a high degree of flexibility from companies involved in international tourism. In particular, they will require:

- revising a number of elements of the building stock used for international tourism. The large hotel complexes operating today, suggesting close contact between large groups of people, are unlikely to be needed in the near future. Obviously, preference will be given to smaller buildings in which to accommodate one or 2–3 families, where each of the tourists will have the opportunity to distance themselves from the others;
- revising a number of elements of tourist transport. In particular, it is clear that the existing model of air transport must undergo significant changes and, in particular, a reduction in the overall volume of transport flows and the associated increase in the price levels of air transport. Based on the data on the preferences of tourists, after the anti-epidemic measures, it can be assumed that priority will be given to individualized means of transport, which assume minimal interaction between staff and tourists. At the same time, it can be expected that the preferences will be related not so much to the price of the respective trips, but to the individualization of the transport;

- closer interaction with the medical authorities in the respective country. Obviously, there is a need for significantly closer cooperation between travel companies and individual medical institutions in the respective destinations, as well as the use of their own medical specialists by travel companies. Also, with a high degree of probability it can be expected that it is the medical specialists who will consult the management of the tourist enterprises, in determining the specifics of the organization of the stay of the tourists;
- A serious decrease in the attendance of various sites of cultural and historical heritage of the respective tourist destinations can be expected, as the preferences will be concentrated on individual visits or visits by relatively small groups of tourists. The companies working in the field of international tourism must achieve a high degree of integration between the information resources they offer and the actual visit of the cultural and historical landmarks in a given destination.

Socio-psychological measures to counteract the effects of COVID-19 are also of great importance for the recovery of international tourism. These measures should aim to form a real idea in tourists about the risks of choosing a particular destination. In this case, the information must be as specific as possible and relate to the risk in a specific destination. Of course, it is also important to increase the level of reliability of the information provided to tourists. Today's man, incl. and tourists, perceive information mainly through numerous and diverse media systems, including those that are defined as "independent social networks". It is in this direction that the efforts of companies engaged in international tourism should be directed, as well as the assistance that the international tourism sector receives from state and local authorities. The information flow should not only cover different means of information, but should also be at a new quality level. Thus, a number of aspects of the preliminary information received by tourists (tourist routes, information about the cultural and historical sights of a certain destination, information about additional opportunities, etc.) must acquire a type that is relevant to the channel of receiving information. Some of these actions should focus on:

- creating multilingual information servers to provide complete and reliable information to tourists about the peculiarities of tourist destinations;
- creating systems that will be able to develop the optimal routes for tourists, taking into account the peculiarities of the chosen type of transport, the peculiarities of the preferences of tourists, etc.;
- creating multimedia applications, integrated with GPS navigation, which will be able to present the cultural and historical landmarks, entertainment and other opportunities for tourists to take advantage of;
- creating electronic platforms through which tourists can benefit from additional services of a medical nature, as well as to receive comprehensive information about the health situation in the region in which they are located.

One of the important measures to overcome the consequences of COVID-19 is related to the assistance provided by the state and local authorities to the companies engaged in international tourism. This group of tools is already actively applied in different countries, incl. and in Bulgaria, as their efficiency has variable success and depends on the specific conditions of the respective country and the peculiarities of its tourism. Obviously, state aid should continue in the future, and its scope should affect not only tourism companies but also the transport companies that have been most affected by the pandemic. This primarily applies to air carriers, as well as to certain activities related to sea and ocean voyages.

4. CONCLUSIONS

The practice of state aid in the field of tourism has shown that the provision of the entire industry, without the necessary differentiation, can often lead to unjustified spending of public financial resources without achieving the expected results. In this regard, it should be pointed out that it is international tourism that needs support, and domestic tourism for the countries concerned has suffered significantly less and therefore needs less support. Therefore, state aid measures, whatever their form, need to be significantly more precise, and the aid should be directly linked to the implementation of measures related to business restructuring and its better adaptation to existing ones. market conditions.

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KONSEKWENCJE PANDEMII COVID-19 DLA PRZEMYSŁU TURYSTYCZNEGO – STAN I SZANSE

Streszczenie: Przeanalizowano wpływ Covid-19 na gospodarkę, przy czym niektóre sektory są szczególnie dotknięte, takie jak turystyka międzynarodowa, transport, branże pomocnicze wspierające działalność turystyczną oraz konsekwencje społeczno-psychologiczne dla ludzi. Brak poczucia bezpieczeństwa w walce z chorobą stwarza dodatkowe zagrożenia podczas podróży zagranicznych, co poważnie ogranicza skłonność obywateli do wybierania kierunków zagranicznych.

Przedstawiono trzy możliwe scenariusze wpływu COVID-19 na branżę turystyczną. Scenariusz optymistyczny, w którym czas trwania pandemii wynosi 5 miesięcy, a 80% międzynarodowych podróży turystycznych zostanie zatrzymanych. Scenariusz z średnim czasem trwania pandemii, w którym zawieszona będzie 80% turystyki międzynarodowej na okres 10 miesięcy oraz negatywny scenariusz, w którym ograniczenia w turystyce międzynarodowej utrzymają się do końca 2020 roku i pierwszych trzech miesięcy 2021 roku.

Przedstawiono główne podejścia do przezwyciężenia negatywnego wpływu COVID-19 na turystykę międzynarodową, takie jak poszukiwanie nowych rozwiązań organizacyjnych dla turystyki międzynarodowej, środki przezwyciężenia psychologicznych konsekwencji skutków choroby, a także środki pomocy doraźnej dla zainteresowanych podmiotów.

Słowa kluczowe: turystyka międzynarodowa, Covid-19, środki w celu przezwyciężenia kryzysu pandemicznego.

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