



UNWTO World Tourism Barometer May 2020

Special focus on Impact of COVID-19

(Summary)



Executive Summary

- The world is facing an **unprecedented** global health, social and economic emergency COVID-19 pandemic.
- Travel and **tourism is among the most affected sectors** with airplanes on the ground, hotels closed and travel restrictions put in place in virtually all countries around the world.
- In an unprecedented blow to the tourism sector, the COVID-19 pandemic has cut international tourist arrivals in the first quarter of 2020 to a fraction of what they were a year ago.
- Available data points to a **double-digit decrease of 22% in Q1 2020**, with **arrivals in March down by 57%**. This translates into a loss of 67 million international arrivals and about USD 80 billion in receipts.

Executive Summary

- **Prospects for the year** have been downgraded several times since the outbreak in view of the high level of **uncertainty**.
- **Current scenarios point to declines of 58% to 78%** in international tourist arrivals for the year, depending on the speed of the containment and the duration of travel restrictions and shutdown of borders, although the outlook remains highly uncertain (the **scenarios are not forecasts and should not be interpreted as such**).
- The scenarios reflect three possible patterns of monthly change in arrivals from April to December 2020 supposing that travel restrictions start to be lifted and national borders opened in early July (Scenario 1: -58%), in early September (Scenario 2: -70%) or in early December (Scenario 3: -78%).
- These scenarios would put **100 to 120 million direct tourism jobs at risk**.

Executive Summary

- This is by far the **worst result in the historical series of international tourism** since 1950 and would put an abrupt end to a 10-year period of sustained growth since the 2009 financial crisis.
- Sentiment expressed by the **UNWTO Panel of Experts' points to a start of the recovery of international demand mostly in 2021**. According to Panel Experts from around the world, domestic demand would recover faster than international demand.
- Considerable **challenges remain** ahead, starting with the unknown duration of the pandemic and travel restrictions, in a context of global economic recession. Countries around the world are implementing a wide range of measures to mitigate the negative impact of the COVID-19 outbreak and to stimulate the recovery of the tourism sector.



The impact of COVID-19 on international tourism

January-March 2020

Travel Restrictions

100% of worldwide
destinations have
introduced travel
restrictions in
response to the
pandemic

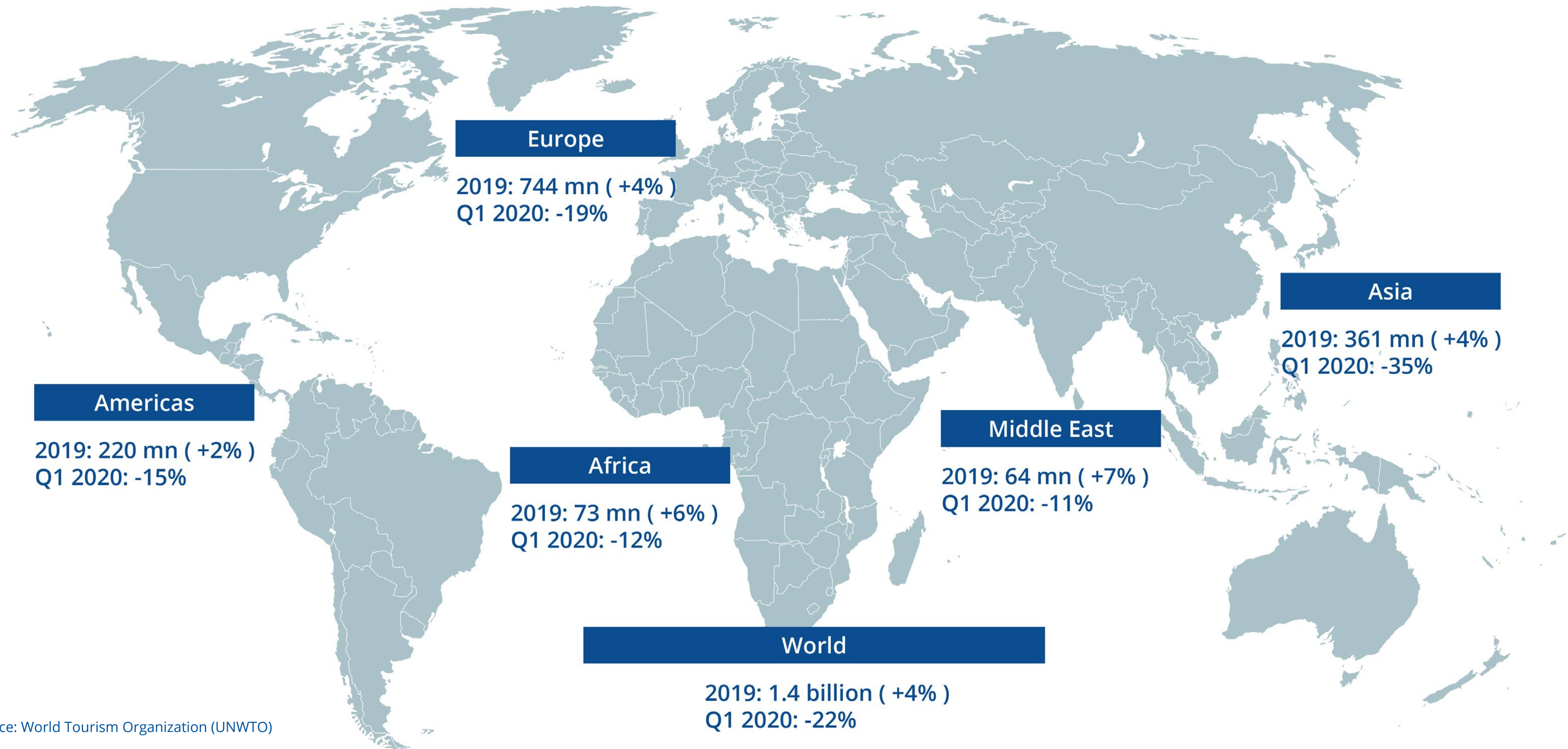
- According to **UNWTO's Report on COVID – 19 Related Travel Restrictions**, as of 20 April, 100% of all worldwide destinations have introduced travel restrictions in response to the pandemic.
- 97 destinations (45%) have totally or partially closed their borders for tourists.
- 65 destinations (30%) have suspended totally or partially international flights.
- 39 destinations (18%) are implementing the closing of borders in a more differentiated manner by banning the entry for passengers from specific countries of origin”.

International Tourist Arrivals

January - March
2020

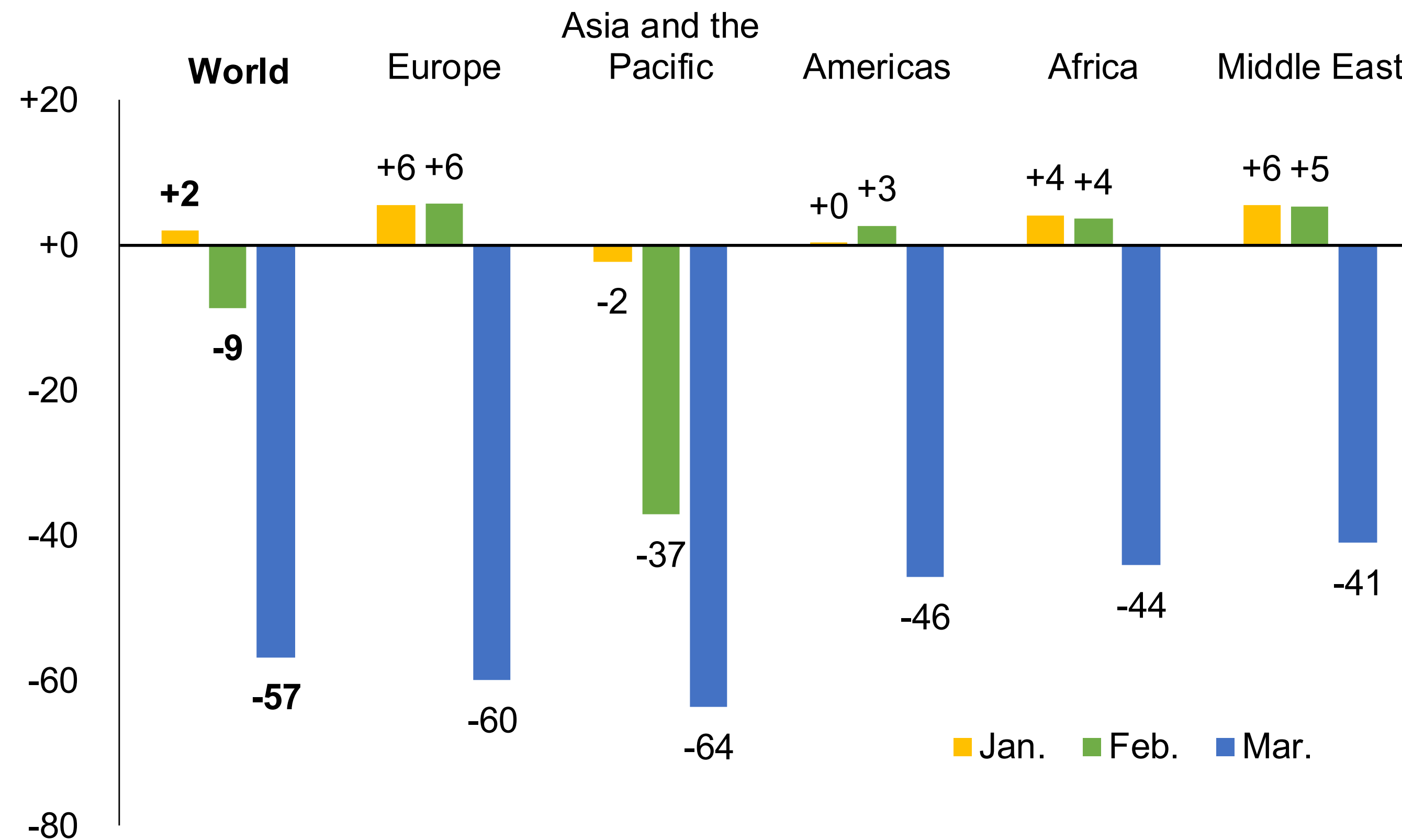
- Available data points to a double-digit **decrease of 22% in international tourist arrivals in Q1 2020**, with arrivals in the month of March down by 57% following the start of the lockdown in many countries, widespread travel restrictions and the shutdown of airports and national borders.
- This represents a **loss of 67 million international arrivals** in the first quarter of 2020 compared to the same period of last year.
- By regions, Asia and the Pacific, the first region to suffer the impact of COVID-19, saw a 35% decrease in arrivals in Q1 2020. The second-hardest hit was Europe with a 19% decline, followed by the Americas (-15%), Africa (-12%) and the Middle East (-11%).

International tourist arrivals by region in Q1 2020



International tourist arrivals fell sharply in March 2020

International tourist arrivals, Jan, Feb, March 2020 (% change)



Data is provisional

Source: World Tourism Organization (UNWTO)

The impact of COVID-19 on Tourism in Q1

67 million fewer international tourists arrivals

80 US\$ billion lost in exports

100% destinations with travel restrictions



Looking ahead



Scenario Assumptions

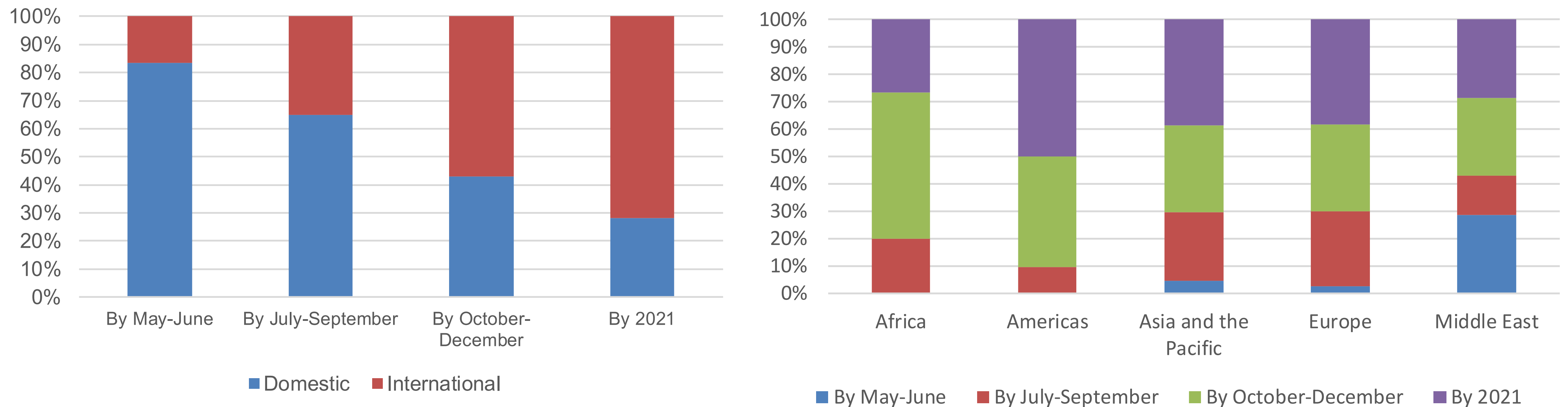
- The three scenarios of international tourism in 2020 presented are **not forecasts** and should not be interpreted as such.
- They reflect three possible patterns of monthly change in arrivals from April to December 2020 supposing that travel restrictions start to be lifted and national borders opened in early July (Scenario 1), in early September (Scenario 2) or in early December (Scenario 3). They are based on available tourism data for January-March and other information such as the shutdown of all national borders as of late April, though still in a context of high uncertainty.
- The three scenarios reflect three very gradual paces of normalization in which monthly declines in arrivals start to recede in those respective months and there is no significant or long-lasting worsening of the pandemic that affects travel conditions thereafter. All three scenarios consider declines in arrivals through December 2020, albeit to different extents.

Scenario Assumptions

- The scenarios are based on models that consider different patterns of recovery for the different world regions, where Asia and the Pacific sees a change in trend earlier, as the pandemic hit Asia before other regions and seasonality in Asia is less significant than in other regions where the bulk of demand takes place in June-September.
- The models do not specifically incorporate economic factors on the patterns of monthly change, though the economic recession resulting from the pandemic is expected to have a major impact on international tourism in the near to middle term affecting consumers' spending propensity.
- The data and assumptions of these scenarios will be adjusted as the situation evolves and more information becomes available.

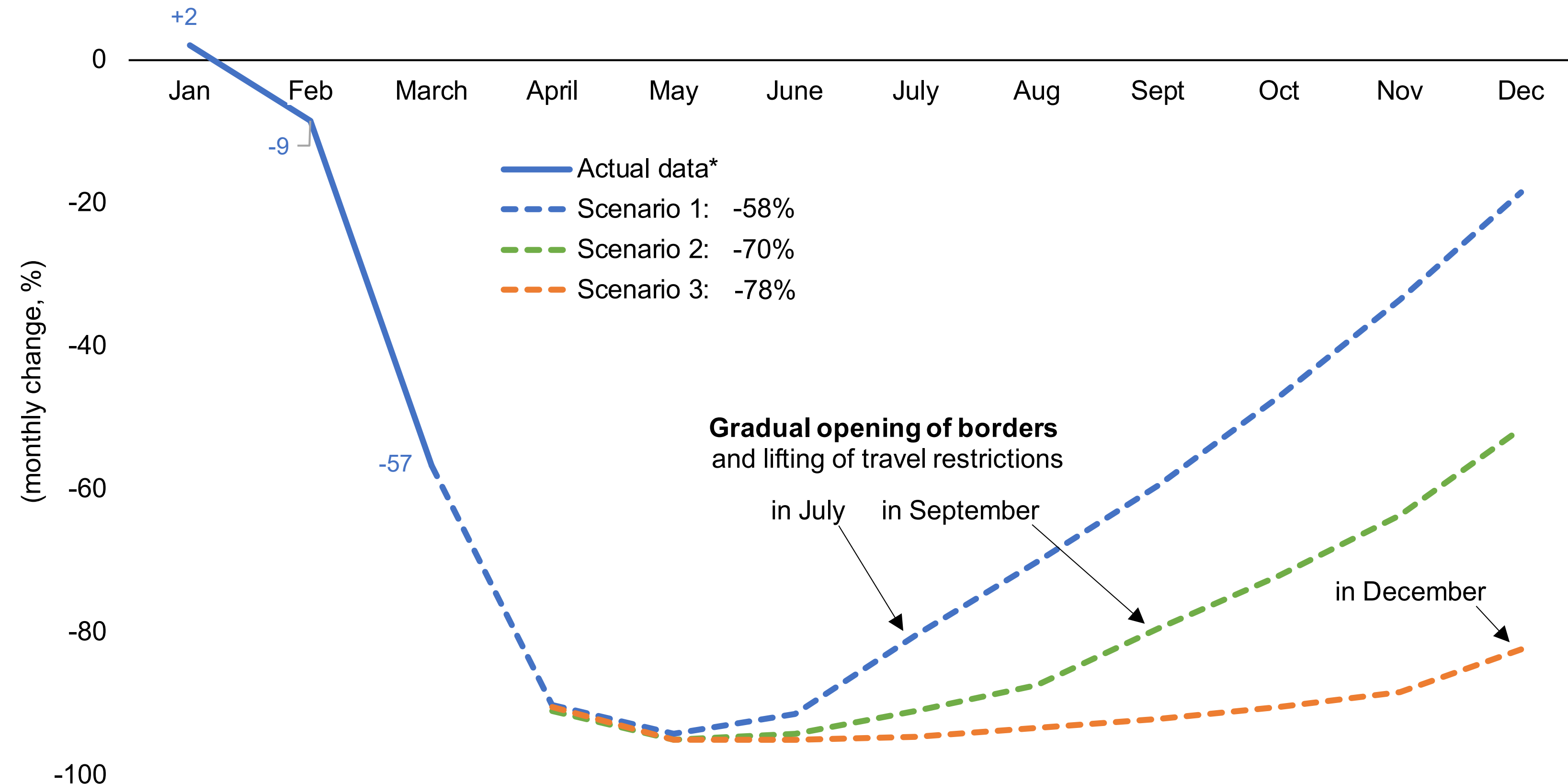
Domestic demand expected to recover faster than international demand

International demand would recover by Q4 and mainly in 2021 according to the UNWTO Panel of Experts survey responses



Forward-looking scenarios depend on re-opening of borders

International tourist arrivals in 2020: three scenarios (YoY monthly change, %)



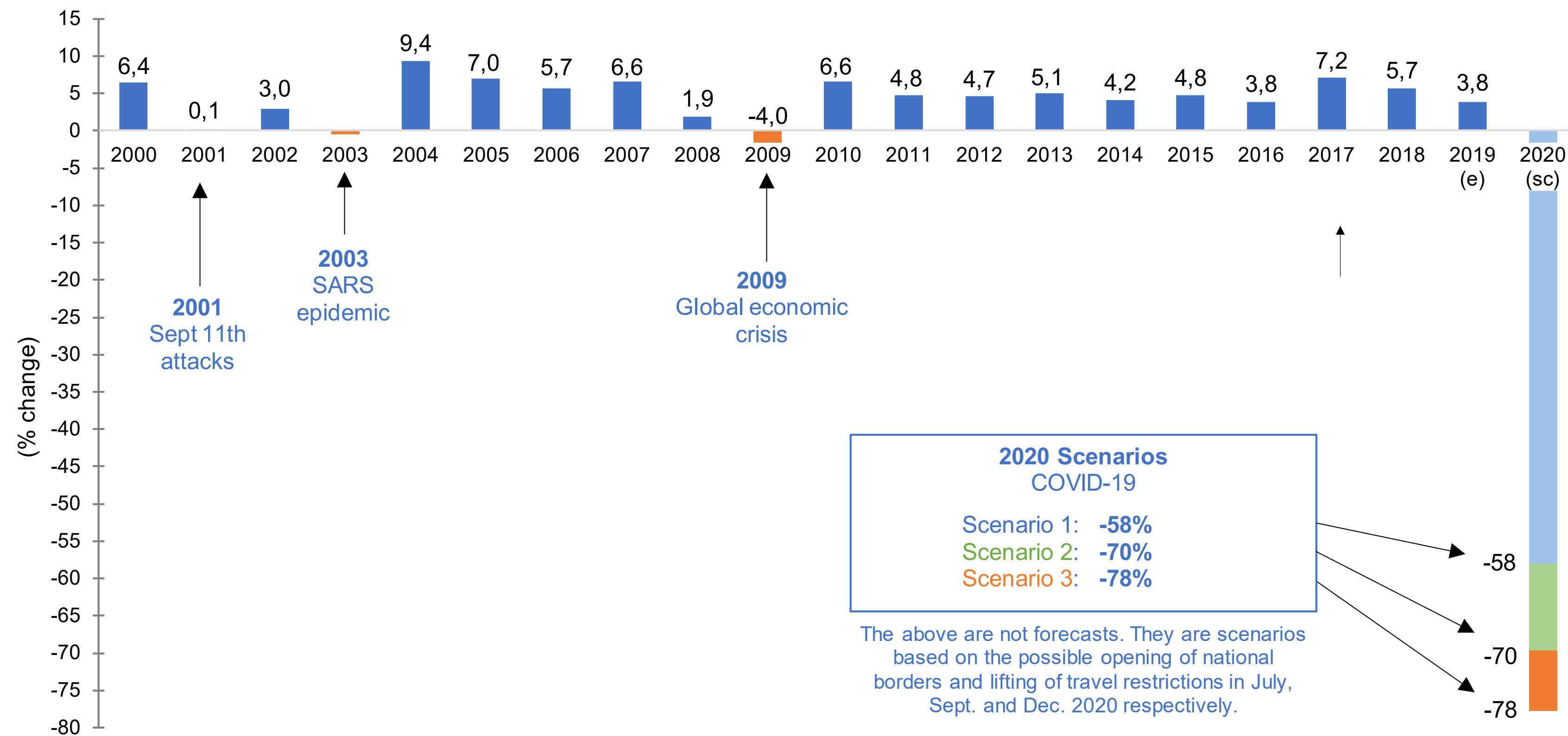
* Actual data through March includes estimates for countries which have not yet reported data.

Source: UNWTO

Note: the scenarios presented in this graph are not forecasts. They represent alternative monthly change in arrivals based on the gradual opening of national borders and lifting of travel restrictions on different dates, still subject to high uncertainty.

Arrivals could drop 58% to 78% depending on pace of normalization

International tourist arrivals, 2000-2019 and scenarios for 2020 (% change)

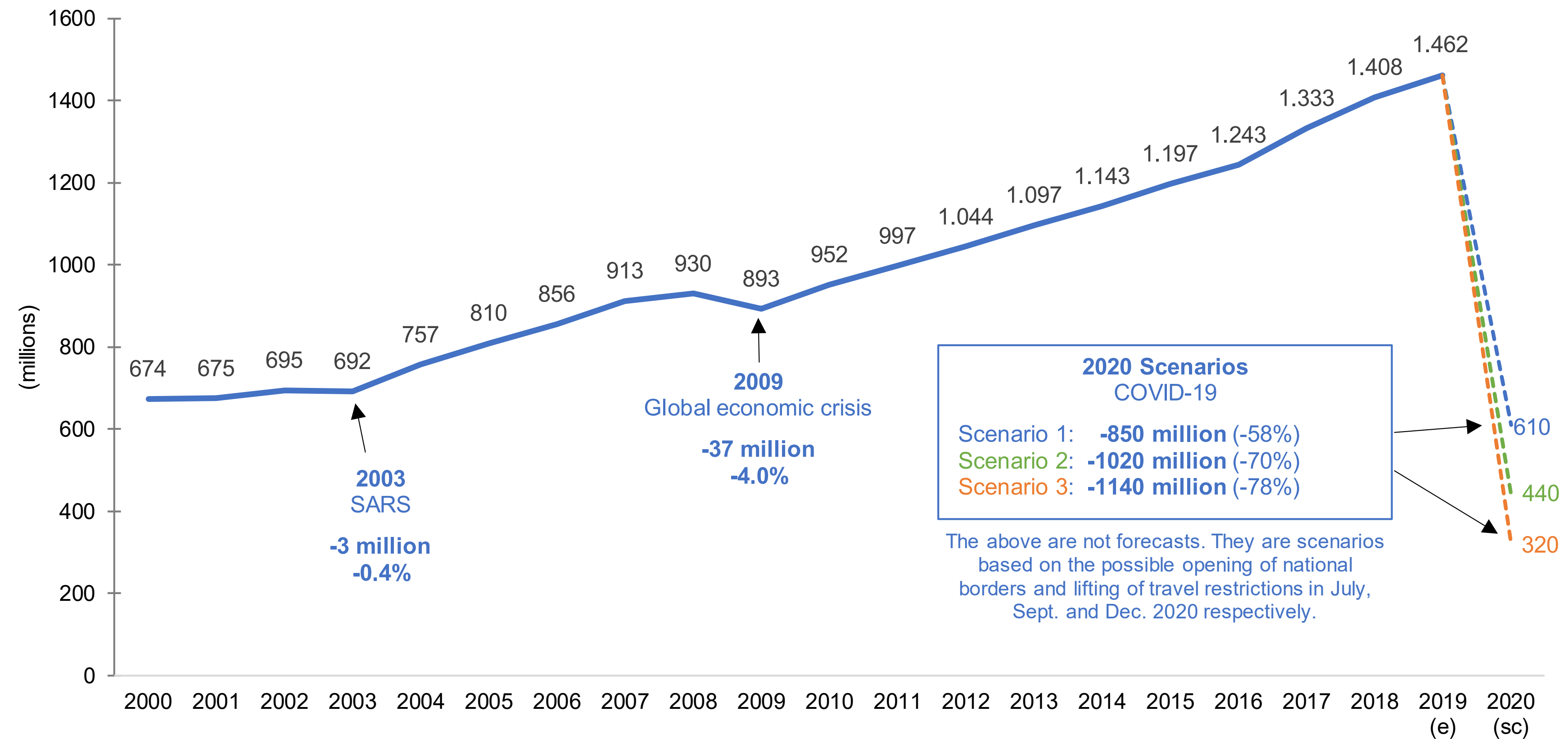


Source: UNWTO (e) Estimate (sc) Scenario-based data

Source: World Tourism Organization (UNWTO) (e) Estimate (sc) Scenario-based data

Largest blow to tourism ever could slash 1 billion arrivals

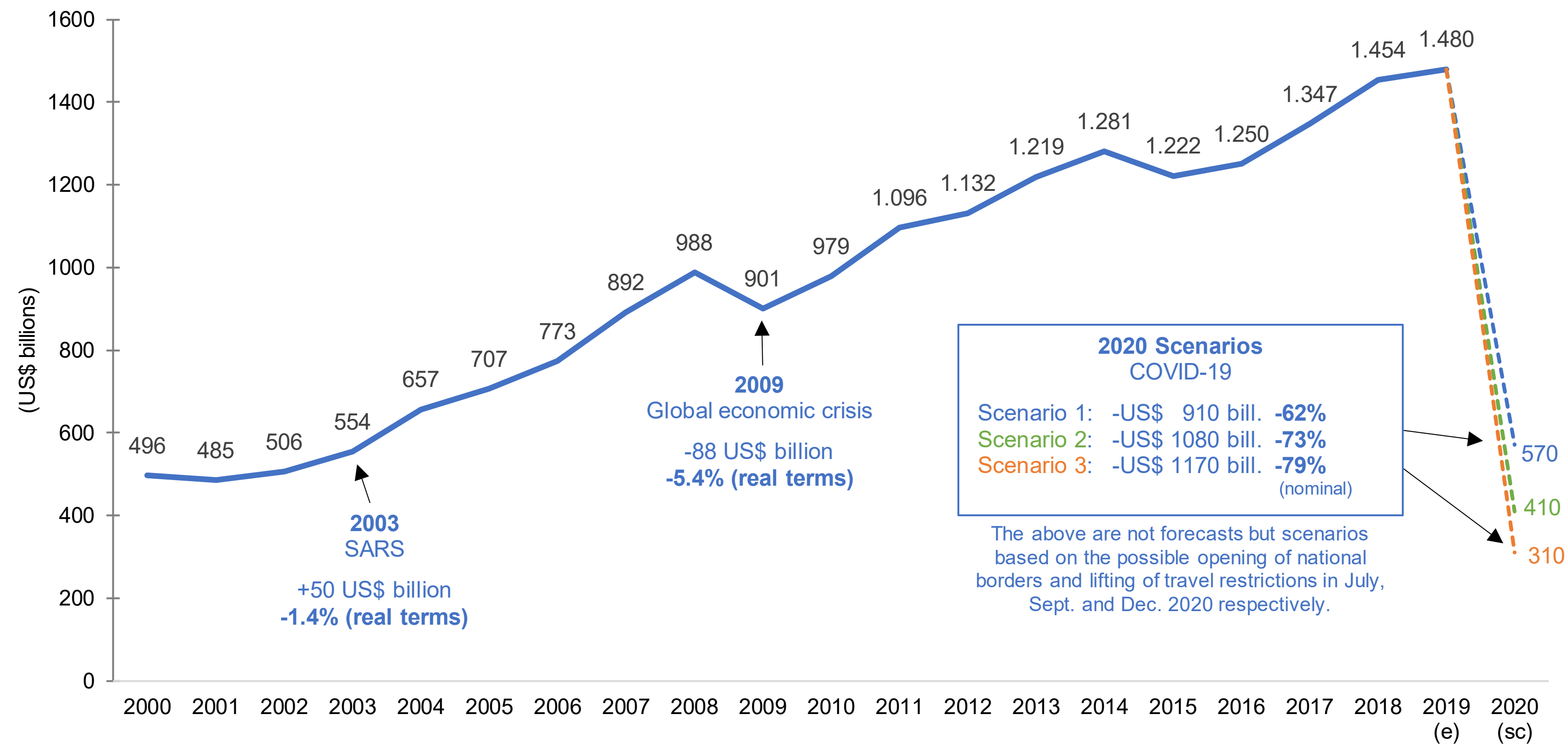
International tourist arrivals, 2000-2019 and scenarios for 2020 (millions)



Source: UNWTO (e) Estimate (sc) Scenario-based

International tourism receipts could plunge by US\$ 1 trillion

International tourism receipts, 2000-2019 and scenarios for 2020 (US\$ billions)



Source: UNWTO (e) Estimate (sc) Scenario-based

Summary of Potential Impacts in 2020

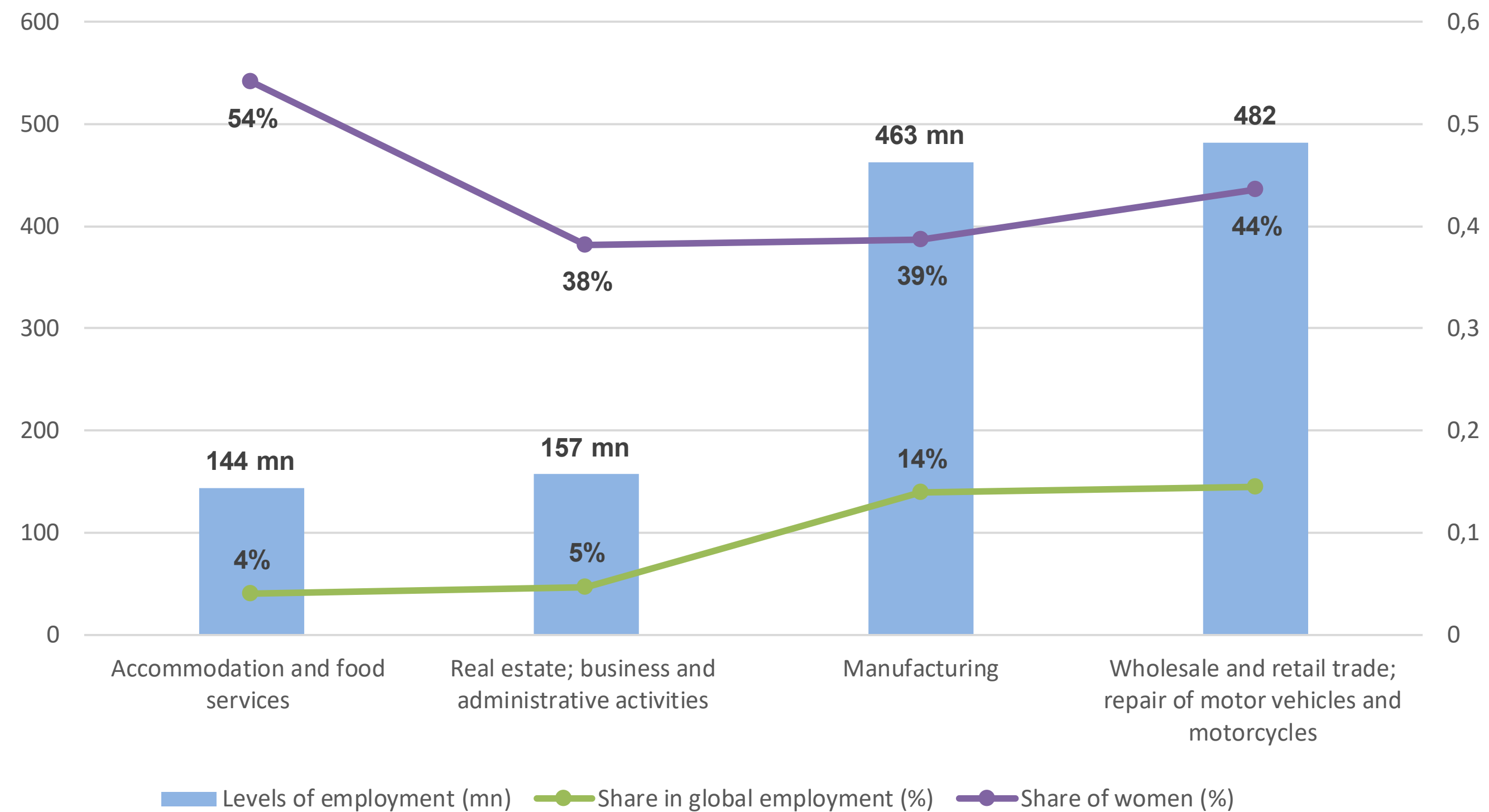
850 million to 1.1 billion fewer international tourist arrivals

US\$ 910 billion to US\$ 1.2 trillion loss in
export revenues from tourism

100 to 120 million direct tourism **jobs at risk**

Employment in accommodation and food services is at high risk, more than half workers are women

Workers in sector most at risk



Key Considerations

- **Pandemic**

how long the pandemic will last and when a treatment or vaccine will become available?

- **Lifting of travel restrictions and lockdown measures**

when will countries start easing restrictions and how?

how will social distancing rules impact supply?

- **Consumer & Business confidence**

how long it will take consumers to reassume travel?

how will travel behavior change?

- **Economic impact**

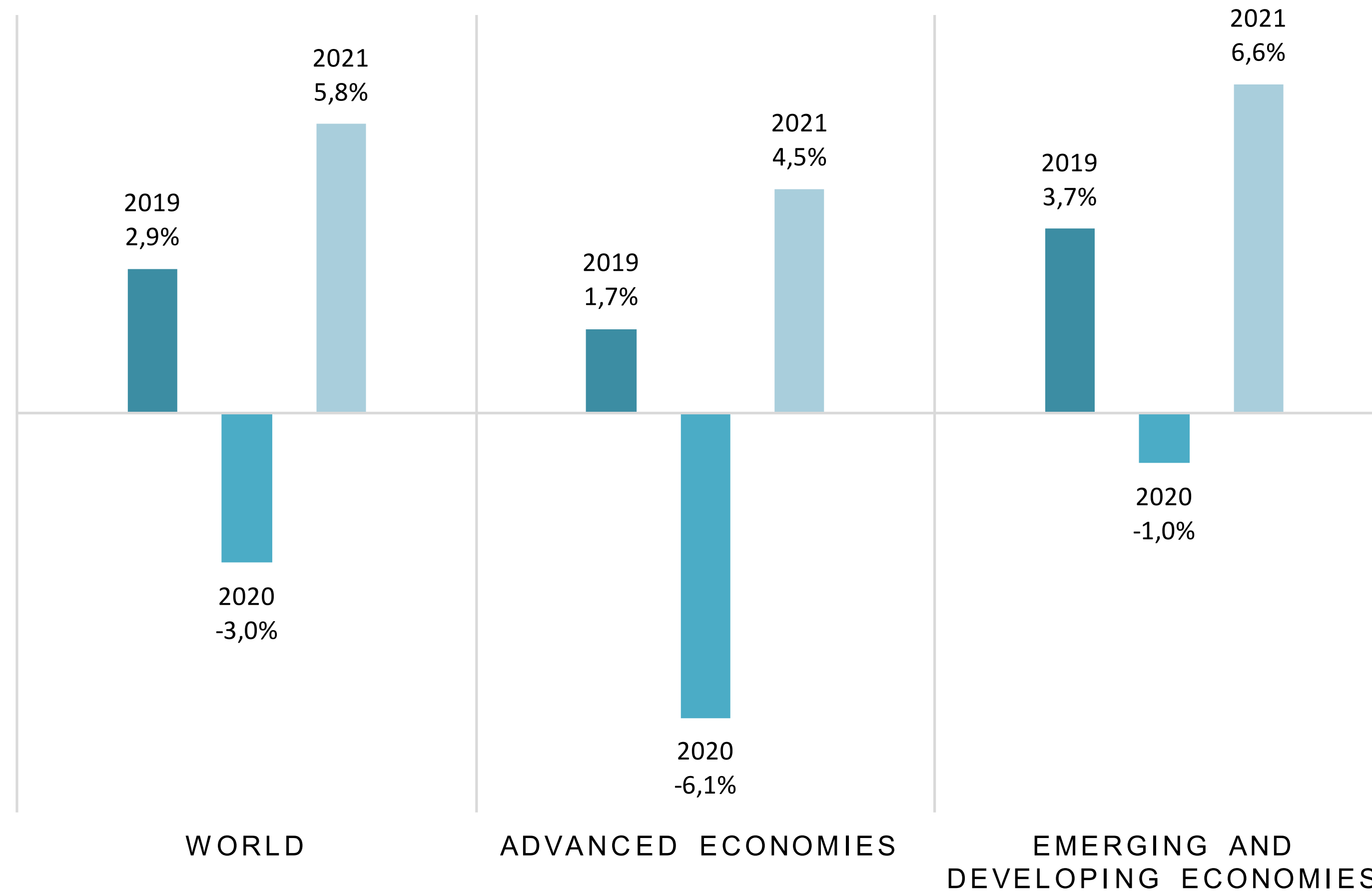
how deep and how long will the global recession be?

what will be consumers' discretionary spending decisions?

- **Governments Measures**

how do government measures support tourism?

The global economy is expected to contract sharply by 3.0% in 2020 to pick up again in 2021



Source: International Monetary Fund (IMF)

Challenge & Opportunities

STRENGTHS

- Proven resilience of tourism in past crises
- Domestic tourism can be a buffer
- Adaptation capacity: safety and hygiene protocols, trips closer to home, value for money, responsible consumer behavior
- Government support to the sector

WEAKNESSES

- Segments potentially affected are also high spenders: international, long haul, business travel and events
- Major disruption in airline industry with airline failures and concentration
- Lack of references in previous downturns
- Perception of travel as a risk
- Low levels of demand when restarting tourism due to social distancing

**INTERNAL
FACTORS**

OPPORTUNITIES

- Re-think business model
- Innovation and digitalization
- Sustainability and sustainable-oriented segments (rural, nature, health)
- De-escalation phases initiated by several countries toward the 'new normal'
- Progress in adaptation plans in destinations & companies

THREATS

- Economic environment: world recession, rising unemployment and jobs at risk, closure of business mainly SMEs, disposable income, uncertainty weighing on consumer and business confidence
- Uncertain length of pandemic (including resurgence) and vaccine unavailability
- Extent of lockdowns and travel restrictions
- Unknown form of the 'new normal'

**EXTERNAL
FACTORS**

POSITIVE

NEGATIVE



UNWTO World Tourism Barometer May 2020

Special focus on Impact of COVID-19

(Summary)

