UNWTO World Tourism Barometer May 2020
Special focus on the Impact of COVID-19
Executive Summary

The Context
COVID-19 Timeline
Travel restrictions

The Impact of COVID-19 on International Tourism - January-March 2020
International Tourist Arrivals
Air Travel
Hospitality

Looking Ahead
Scenarios for international tourism 2020
Recovery Prospects
The most affected destinations and markets
The Economic Factors
Challenges and Opportunities
The world is facing an unprecedented global health, social and economic emergency with the 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 impact of the COVID-19 outbreak and to stimulate the recovery of the tourism sector.
The Context
COVID-19 timeline

29 JAN 2020
Surge in flight cancellations to China

31 JAN 2020
USA restricts travel from China

29 FEB 2020
Washington first US state to declare state of emergency

14 MAR 2020
Spain lockdown
USA travel ban to 26 European countries

5 FEB 2020
Quarantine of the Diamond Princess
21 FEB 2020
Lombardy region (Italy) lockdown
9 MAR 2020
Italy lockdown

28 MAR 2020
China temporarily suspends entry of foreign nationals
7 APR 2020
Wuhan ends lockdown

20 APR 2020
As of 20 April 100% of worldwide destinations have introduced travel restrictions

31 DEC 2019
Cluster of cases of pneumonia reported in the city of Wuhan, province of Hubei (China)

13 JAN 2020
First novel coronavirus case reported outside China in Thailand

23 JAN 2020
Wuhan lockdown

20 MAR 2020
EC proposes entry ban for 30 days on non-essential travel from third countries to the EU
Number of cases out of China outpaced cases reported in China

11 FEB 2020
WHO names the new disease COVID-19

11 MAR 2020
WHO declares COVID-19 pandemic

13 MAR 2020
WHO declares Europe new COVID-19 epicentre

8 APR 2020
EC recommends to extend temporary restriction on non-essential travel to the EU until 15 May

Source: World Tourism Organization (UNWTO)
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.”
EVOLUTION OF TRAVEL RESTRICTIONS
The impact of COVID-19 on international tourism

January-March 2020
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

- **Europe**
  - 2019: 744 mn ( +4% )
  - Q1 2020: -19%

- **Asia**
  - 2019: 361 mn ( +4% )
  - Q1 2020: -35%

- **Americas**
  - 2019: 220 mn ( +2% )
  - Q1 2020: -15%

- **Africa**
  - 2019: 73 mn ( +6% )
  - Q1 2020: -12%

- **Middle East**
  - 2019: 64 mn ( +7% )
  - Q1 2020: -11%

- **World**
  - 2019: 1.5 billion ( +4% )
  - Q1 2020: -22%

Source: World Tourism Organization (UNWTO)
International tourist arrivals fell sharply in March 2020

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

Source: World Tourism Organization (UNWTO)
Sharp drop of international arrivals in March 2020

World: International tourist arrivals by months (millions)

Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.

Source: UNWTO
All regions suffered a strong decline in March 2020

Europe: International tourist arrivals by months (millions)

* Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.
Source: UNWTO
All regions suffered a strong decline in March 2020

Asia and the Pacific: International tourist arrivals by months (millions)

* Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.

Source: UNWTO
All regions suffered a strong decline in March 2020

Americas: International tourist arrivals by months (millions)

* Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.

Source: UNWTO
All regions suffered a strong decline in March 2020
Africa: International tourist arrivals by months (millions)

* Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.
Source: UNWTO
All regions suffered a strong decline in March 2020

Middle East: International tourist arrivals by months (millions)

* Data for January-March 2020 is provisional and includes estimates for countries which have not yet reported data.
Source: UNWTO
Air Travel

• **ICAO** data shows a sharp 38% decline in world total air capacity in March, with massive double-digit decreases across regions. The latest estimates for the full-year 2020 compared to baseline would be a reduction of 39% to 56% of seats offered by airlines if the recovery is in late May, or 49% to 72% if the restart is in Q3 or later. International passengers would decline 44% to 80% in 2020.

• **IATA** points to a decline of 22% in international passenger demand (RPKs) in January-March, with a 56% drop in March. IATA forecast total air passenger market to end 2020 at -48% in RPKs.

• **ForwardKeys** data shows a massive 80% decline in air bookings worldwide in Q1. Asia and the Pacific (-98%) suffered the biggest drop and started to decline earlier, with the introduction of travel restrictions in China. Air bookings from Europe (-76%), the Americas (-67%), Africa and the Middle East (-65%) all had severe declines in the first quarter of 2020.
• According to STR, the impact of COVID-19 on the global hotel industry in January 2020, measured in change in revenue per available room (RevPAR), was apparent in Asia (-9.6%), but not in other world regions.

• 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.

• Global occupancies declined significantly in March with double-digit decreases in countries around the world, ranging from 20% to more than 70%.
The impact of COVID-19 on Tourism in Q1

67 million fewer international tourist arrivals

80 US$ billion lost in exports

100% destinations with travel restrictions
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

Source: World Tourism Organization (UNWTO)
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.
Progressive decline in arrivals in Q1 2020, with 57% drop in March

International tourist arrivals (YoY monthly change, %)

Note: Data for January-March 2020 includes estimates for countries which have not yet reported data.
Source: UNWTO
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)

The above are not forecasts. They are scenarios based on the possible opening of national borders and lifting of travel restrictions in July, Sept. and Dec. 2020 respectively.

Source: World Tourism Organization (UNWTO)
(e) Estimate
(sc) Scenario-based data
**Crisis could severely impact summer season** *(northern hemisphere)*

International tourist arrivals by months, 2020: three scenarios (millions)

Note: the data for 2020 presented in these graphs are not forecasts. They represent three scenarios based on the gradual opening of national borders and lifting of travel restrictions in July, September and December 2020 respectively, in a context of still high uncertainty.

Source: World Tourism Organization (UNWTO)
Largest blow to tourism ever could slash 1 billion arrivals

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

The above are not forecasts. They are scenarios based on the possible opening of national borders and lifting of travel restrictions in July, Sept. and Dec. 2020 respectively.

Source: World Tourism Organization (UNWTO)    (e) Estimate    (sc) Scenario-based data
International tourism receipts could plunge by US$ 1 trillion

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

2020 Scenarios
COVID-19
Scenario 1: -US$ 910 bill. -62%
Scenario 2: -US$ 1080 bill. -73%
Scenario 3: -US$ 1170 bill. -79% (nominal)

The above are not forecasts but scenarios based on the possible opening of national borders and lifting of travel restrictions in July, Sept. and Dec. 2020 respectively.

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

Source: International Labour Organization
Europe was the slowest to return to growth after a crisis (14 months after econ. crisis)

Impact of three previous crises on most affected regions:

- Americas after Sept. 11th attacks (2001)
- Asia during SARS (2003)
- Europe during the global economic crisis (2009)

Monthly change in international tourist arrivals (%)

Note: Month 0 for Sept 11th crisis = Sept. 2001; for SARS = March 2003; for Global economic crisis = Jan 2009. Source: UNWTO
The recovery of lost arrivals was the fastest after SARS (11 months)

Impact of three previous crises on world arrivals

**World** - Cumulative change in international arrivals (million), by months

- SARS: 11 months for recovery
- Sept 11th attacks: 14 months for recovery
- Global econ. crisis: 19 months for recovery


Source: UNWTO
The Americas was the slowest to recover its lost arrivals after a crisis
(42 months after the Sept. 11th attacks)

Impact of three previous crises on most affected regions:
Cumulative change in international arrivals (million), by months

- Asia during SARS: 14 months for recovery
- Europe during Global econ. crisis: 29 months for recovery
- Americas after Sept 11th attacks: 42 months for recovery


Source: UNWTO
# Summary of previous crises

<table>
<thead>
<tr>
<th>Crisis Year</th>
<th>Sept 11th attacks</th>
<th>SARS</th>
<th>Global econ. Crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2003</td>
<td>2009</td>
</tr>
<tr>
<td><strong>World arrivals (% change)</strong></td>
<td>+0.1%</td>
<td>-0.4%</td>
<td>-4.0%</td>
</tr>
<tr>
<td>N. of months for return to growth</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>N. of months for return to previous volumes</td>
<td>14</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>World receipts (real change, %)</td>
<td>-2.0%</td>
<td>-1.7%</td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

**Most impacted region**¹

<table>
<thead>
<tr>
<th>Region's arrivals (% change)</th>
<th>Americas</th>
<th>Asia Pacific</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-5.9%</td>
<td>-9.4%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>N. of months for return to growth</td>
<td>12</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>N. of months for return to previous volumes</td>
<td>42</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>Region's receipts (real change, %)</td>
<td>-11.1%</td>
<td>-8.1%</td>
<td>-6.7%</td>
</tr>
</tbody>
</table>

Note: Arrivals refers to international tourist arrivals. Receipts are international tourism receipts (visitor expenditure in destinations).

¹ Most impacted region in terms of international tourist arrivals that year. In 2009, Europe was the most impacted region in terms of arrivals, but Americas suffered the largest drop in receipts: -8% (real terms).

Source: UNWTO
Most Vulnerable Destinations

- Tourism is a key economic sector and an important source of export revenues in many advanced and emerging economies.
-Destinations which have a high share of tourism as a source of export revenues, economic income, job creation and investments, are particularly vulnerable to the impact of the COVID-19 pandemic.
- This is the case of many Small Island Developing States (SIDS), where the share of exports from international tourism in total exports of goods and services can be as high as 90%.
- Most affected countries by COVID-19 account for 54% of all tourism spending (as of 2 May). This potential loss of this income represents a considerable challenge in many destinations relying on it.
Small Island Developing States are highly vulnerable
Share of international tourism revenues as of total exports (%)

<table>
<thead>
<tr>
<th>Between 50% and 90%</th>
<th>Between 30% and 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macao (China)</td>
<td>Montserrat</td>
</tr>
<tr>
<td>90%</td>
<td>50%</td>
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<tr>
<td>Saint-Lucia</td>
<td>Gambia</td>
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<tr>
<td>89%</td>
<td>48%</td>
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<tr>
<td>Bahamas</td>
<td>Tonga</td>
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<tr>
<td>86%</td>
<td>47%</td>
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<tr>
<td>Maldives</td>
<td>Ethiopia</td>
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<tr>
<td>84%</td>
<td>46%</td>
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<tr>
<td>Grenada</td>
<td>Belize</td>
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<tr>
<td>84%</td>
<td>46%</td>
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<tr>
<td>Antigua</td>
<td>Lebanon</td>
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<tr>
<td>83%</td>
<td>45%</td>
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<tr>
<td>Aruba</td>
<td>Georgia</td>
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<tr>
<td>80%</td>
<td>45%</td>
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<tr>
<td>St Vincent</td>
<td>Jordan</td>
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<tr>
<td>76%</td>
<td>41%</td>
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<tr>
<td>St Maarten</td>
<td>Mauritius</td>
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<tr>
<td>75%</td>
<td>39%</td>
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<tr>
<td>Vanuatu</td>
<td>Seychelles</td>
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<tr>
<td>70%</td>
<td>39%</td>
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<tr>
<td>Cabo Verde</td>
<td>Haiti</td>
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<tr>
<td>67%</td>
<td>38%</td>
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<tr>
<td>Sao Tome</td>
<td>Dominican Rep</td>
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<tr>
<td>65%</td>
<td>37%</td>
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<tr>
<td>Dominica</td>
<td>Bermuda</td>
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<tr>
<td>64%</td>
<td>37%</td>
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<tr>
<td>Barbados</td>
<td>Albania</td>
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<tr>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>Samoa</td>
<td>Croatia</td>
</tr>
<tr>
<td>58%</td>
<td>35%</td>
</tr>
<tr>
<td>St Kitts and Nevis</td>
<td>Tanzania</td>
</tr>
<tr>
<td>56%</td>
<td>32%</td>
</tr>
<tr>
<td>Jamaica</td>
<td>Curacao</td>
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<tr>
<td>54%</td>
<td>30%</td>
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<tr>
<td>Montenegro</td>
<td></td>
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<tr>
<td>54%</td>
<td></td>
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<tr>
<td>Fiji</td>
<td></td>
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<tr>
<td>52%</td>
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</tbody>
</table>

Source: UNWTO
Tourism is a key sector in many advanced and emerging economies

Share of Tourism GDP in total GDP (%)

Note: When Tourism GDP is not available, Tourism Gross Value Added (TGVA) or Tourism internal consumption is used.

Source: Compiled by UNWTO
Destinations with high share of domestic tourism are less exposed

Guests in hotels and similar establishments (THS), Domestic and inbound tourism (% of total guests)

Source: Compiled by UNWTO

Note: Includes only countries with available data for 2018 or earlier and with share of domestic guests in total higher than 50%
Most affected countries account for 54% of all spending (over 50,000 cases), as of 2 May 2020

As of 2 May 2020, a total of 215 countries, areas or territories have reported cases of COVID-19

<table>
<thead>
<tr>
<th>Countries with more than 50K COVID-19 reported cases</th>
<th>Share of World Tourism Arrivals (%)</th>
<th>Tourism Share of Exports in the country (%)</th>
<th>Share of World Tourism Receipts (%)</th>
<th>Share of World Tourism Expenditure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Spain</td>
<td>6%</td>
<td>16%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Italy</td>
<td>4%</td>
<td>8%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Germany</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>France</td>
<td>6%</td>
<td>8%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>2%</td>
<td>8%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Turkey</td>
<td>3%</td>
<td>17%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Iran</td>
<td>1%</td>
<td>5%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>0%</td>
<td>2%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>China</td>
<td>4%</td>
<td>1%</td>
<td>3%</td>
<td>19%</td>
</tr>
<tr>
<td>Canada</td>
<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39%</strong></td>
<td><strong>42%</strong></td>
<td><strong>54%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Tourism Organization (UNWTO)

Note: Countries with more than 50K COVID-19 reported cases to 2 May 2020, according to the World Health Organization (WHO)
Most affected countries by COVID-19 have a high share of domestic tourism

Domestic and inbound tourism by country (millions)

Source: Compiled by UNWTO

Note: Countries with available data for both indicators (2018 or earlier). Total domestic overnights in accommodation used for the Russian Federation.
Key Considerations

• **Pandemic**
  How long will the pandemic last and when will a treatment or vaccine 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 will it 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)
World merchandise trade is set to plummet by between 13 and 32% in 2020 due to the COVID-19 pandemic

Source: World Trade Organization
• The global economy is projected to contract sharply by 3.0% in a baseline scenario (pandemic fades in the second half of 2020 and containment efforts can be gradually unwound) to pick up in 2021 by 5.8% as economic activity normalizes.

• GDP in advanced economies is expected to decrease 6.1% in 2020 to pick up in 2021 by 4.5%. Emerging and developing economies will decline -1.0% in 2020 to pick up by 6.6% in 2021.

• Collapse in commodity prices: From mid-January to end-March, crude oil prices dropped by about 65 percent (a fall of about US$40 a barrel).

• World merchandise trade is set to plummet by between 13% and 32% in 2020 due to COVID-19.
Challenges & 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

**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’

**INTERNAL FACTORS**

**EXTERNAL FACTORS**
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