The impact of COVID-19 on Tourism – Trying to make sense of so much or so little data
- Middle East Insights -

(WEBINAR, MONDAY 11 MAY 2020 - FROM 12:00 - 13:30 GMT+2)

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UNWTO World Tourism Barometer May 2020

Special focus on the Impact of COVID-19

(Summary)
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.”
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)
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
Looking ahead
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.

When do you expect tourism demand for your destination will start to recover?

- By May-June: 3%
- By July-September: 24%
- By October-December: 34%
- By 2021: 39%

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Source: World Tourism Organization (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)

- 2001 Sept 11th attacks
- 2003 SARS epidemic
- 2009 Global economic crisis
- 2020 Scenarios
  - Scenario 1: -58%
  - Scenario 2: -70%
  - Scenario 3: -78%

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
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 (U$ billion)

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

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.
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
International passenger traffic collapses with unprecedented decline in history

World international passenger traffic evolution
1945 – 2020*

-44% to -80%

decline in international passengers in 2020*

Source: ICAO Air Transport Reporting Form A and A-S plus ICAO estimates
Estimated impact on international passenger traffic and revenues by region for 2020

- **ICAO estimates**

### North America
- **Capacity:** -33% to -65%
- **Passenger:** -65 to -120 million
- **Revenue (USD):** -17 to -32 billion

### Latin America and the Caribbean
- **Capacity:** -34% to -65%
- **Passenger:** -50 to -90 million
- **Revenue (USD):** -10 to -18 billion

### Europe
- **Capacity:** -40% to -74%
- **Passenger:** -419 to -731 million
- **Revenue (USD):** -57 to -101 billion

### Middle East
- **Capacity:** -37% to -70%
- **Passenger:** -66 to -119 million
- **Revenue (USD):** -12 to -22 billion

### Asia and Pacific
- **Capacity:** -39% to -71%
- **Passenger:** -238 to -420 million
- **Revenue (USD):** -50 to -88 billion

Note: Compared to Baseline (business as usual, originally-planned)

Source: ICAO estimates
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?
Impact of three previous crises on world arrivals

The recovery of lost arrivals was also the fastest after SARS (11 months)

*Note: From month 0 onwards, cumulative change is compared to same month of year prior to each crisis.*


Source: UNWTO
Impact of three previous crises on **most affected regions**:

**The Americas was the slowest to recover its lost arrivals after a crisis**

(42 months after the Sept. 11th attacks)

Cumulative change in international arrivals (1000s), by months

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**Note:** From month 0 onwards, cumulative change is compared to same month of year prior to each crisis.  
**Month 0** for Sept 11th crisis = Sept. 2001; for SARS = March 2003; for Global economic crisis = Jan 2009.

**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
## Challenge & Opportunities

### Challenge
- 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

### Positive

### Negative
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