
The impact of the Russian offensive on Ukraine on international Tourism

UNWTO Tourism Market Intelligence and Competitiveness Department
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Impact of the Russian offensive on Ukraine on international tourism

- Overall assessment
- Recent trends
- Most exposed destinations

Overall assessment on the impact on tourism



Added risk to a weak and uneven tourism recovery



Lower consumer confidence particularly in more risk averse markets and segments



Weaker economic growth and higher inflation

Oil prices + inflation + higher interest rates and operational costs = higher travel costs & pressure on MSMEs



Disruption of Russian & Ukrainian Outbound Travel

which accounts for some 3% of global spending = US\$ 14 billion in 2020



Impact traditional destinations but also emerging ones

especially island and coastal destinations



Threatens tourism-related jobs and businesses

impacting livelihoods

A risk to the ongoing recovery

- Naturally first and foremost our thoughts go to the human tragedy and suffering that the current situation represents.
- Though it is early to assess the impact on international tourism, the military offensive of the Russian Federation on Ukraine represents a **downside risk that could delay a still weak and uneven recovery of international tourism, despite the increasing number of destinations easing restrictions** (by 24 March a total of 12 countries had fully lifted any COVID-19 related restrictions).
- The offensive risks **hampering the return of confidence in global travel**. The US and the Asian source markets, which have started to open up again, could be particularly impacted, especially regarding travel to Europe, as these markets are historically more risk averse.

A possible loss of US\$ 14 billion to the tourism economy

- **As source markets Russia and Ukraine represent a combined 3% of global spending on international tourism in 2020.** A prolonged conflict could translate into a loss of at least US\$ 14 billion in tourism receipts globally this year.
- In **2019, Russian spending on travel abroad** reached US\$ 36 billion and Ukrainian spending US\$ 8.5 billion. In 2020, these values were down to US\$ 9.1 billion and US\$ 4.7 billion, respectively.
- As tourism destinations they account for **4% of all international arrivals in Europe but only 1% of Europe's international tourism receipts.**
- The importance of both markets is significant for neighboring countries, but also for European sun and sea destinations. The Russian market gained significant weight during the crisis in long haul destinations such as Maldives, Seychelles or Sri Lanka.

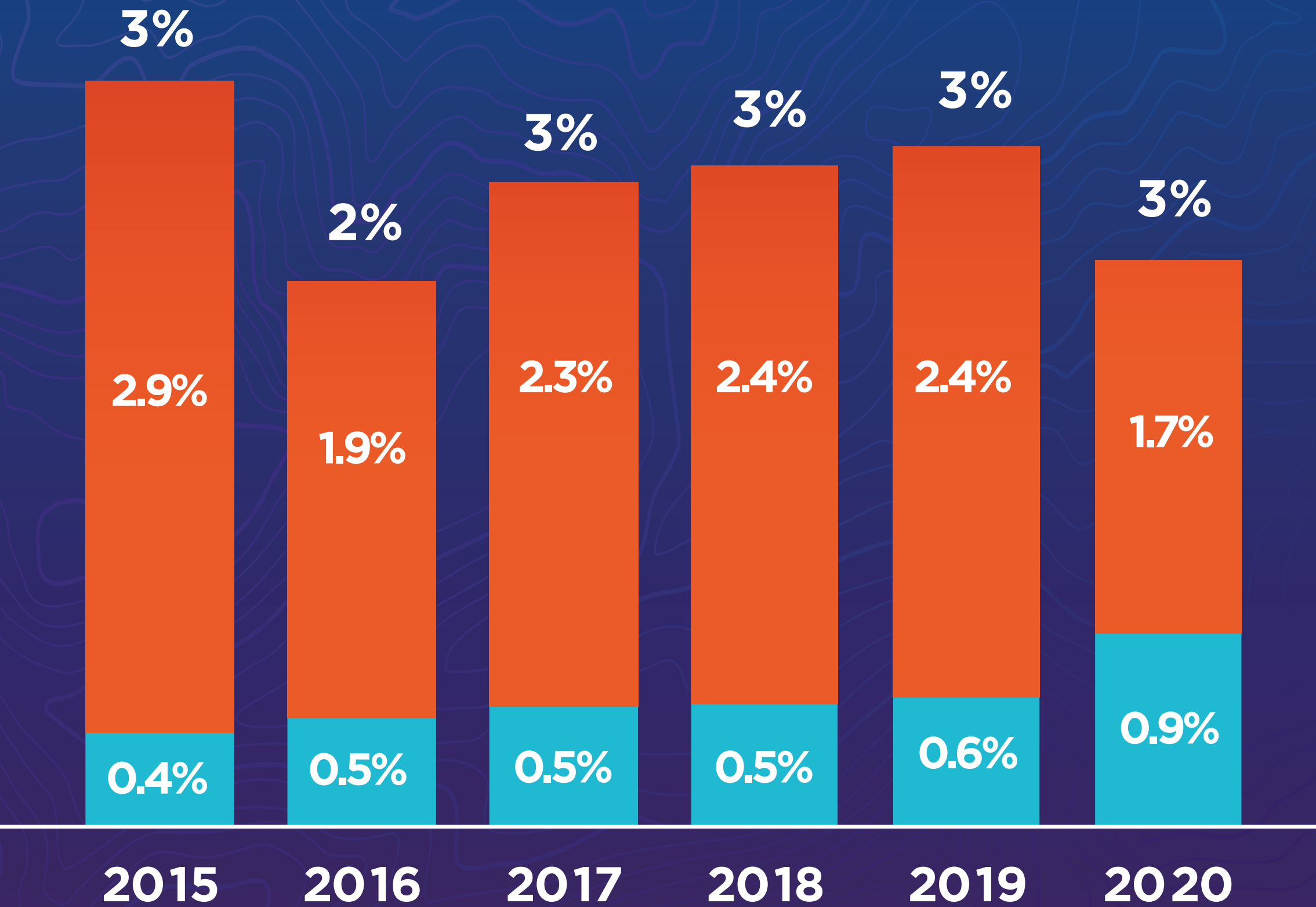
New economic challenges could hamper the recovery

- **Although is too early to assess the impact of the conflict on tourism, air travel and accommodation searches and bookings shows a slowdown in demand the week after the invasion. However, they started to rebound in early March.**
- **This trend is particularly reflected in searches and bookings for intra-European travel and travel from the US to Europe.**
- **Yet, the conflict will add further pressure to an already challenging economic context** and weigh on travel demand in 2022. The recent spike in oil prices (Brent reached its highest level in 10 years) and overall inflation are making accommodation and transport services more expensive and adding extra pressure on recovering tourism businesses. It is important to note that tourism is made of over 80% of SMEs.
- **After the 2009 economic crisis it took 19 months for international arrivals globally to recover pre-crisis levels.** In Europe it took as much as 29 months.

Russia and Ukraine's international tourism spending as a % of world total



As source markets Russia and Ukraine represent around 3% of international tourism spending in 2020. Therefore, a prolonged conflict could translate into a loss of at least US\$ 14 billion in tourism receipts globally.



Source: UNWTO, March 2022

Most exposed destinations: share of Russian visitors (%)

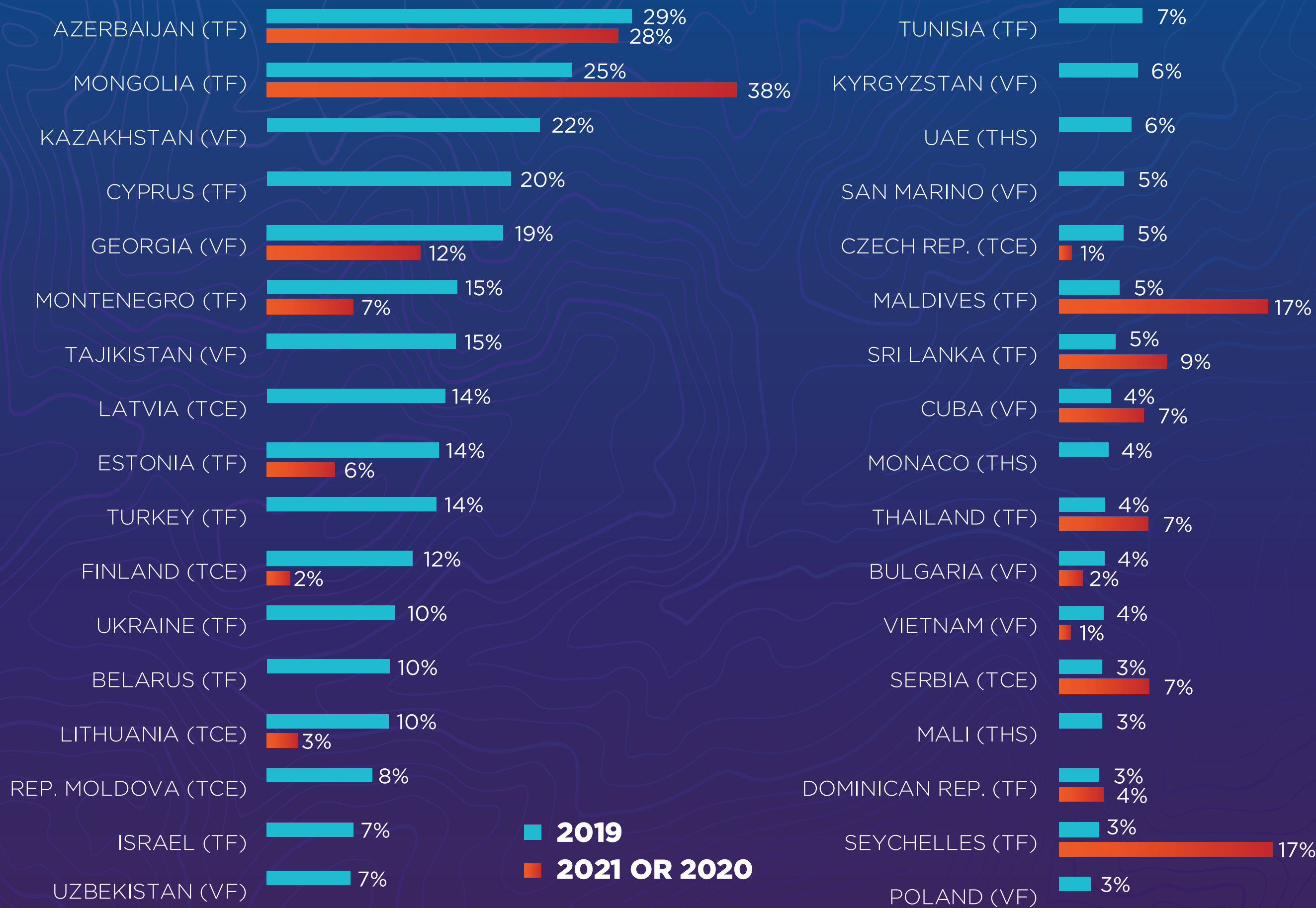
* Data according to various indicators.

vf: international visitors at frontiers (overnight and same-day visitors)

tf: international tourists at frontiers (overnight visitors).

tce: international tourists at commercial establishments.

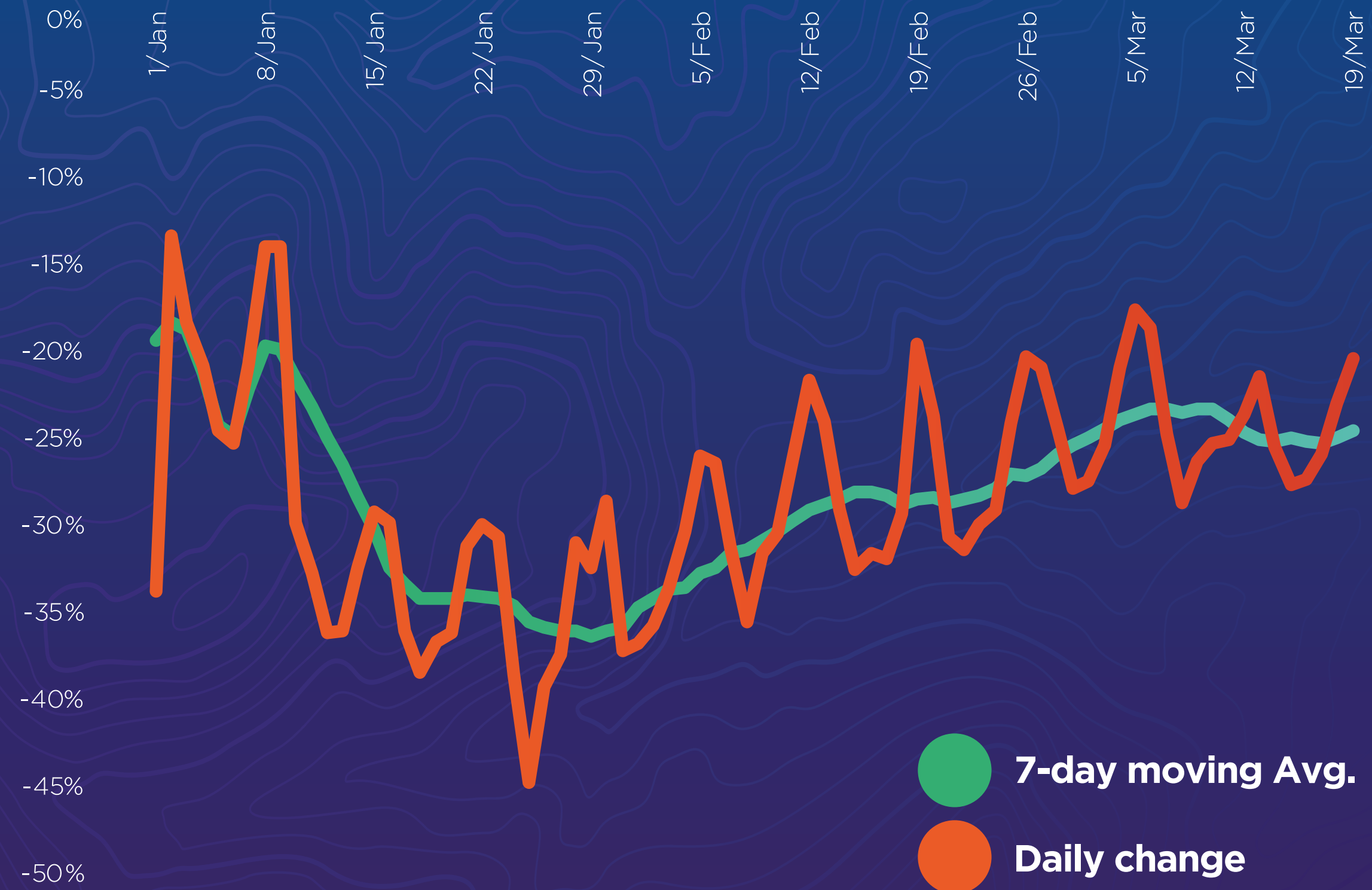
ths: international tourists at hotels and similar establishments



European flights: daily change and 7-day moving average, 2022 (% vs 2019)

Recovery in European
air traffic slowing
down in March 2022

Source: compiled by UNWTO
from Eurocontrol.
Data based on 41 European
countries covered by Eurocontrol.



Countries with largest decline in European flights from 24 February to 19 March 2022 (versus 2019)

Ukraine, Moldova &
Slovenia saw largest
drop in flights

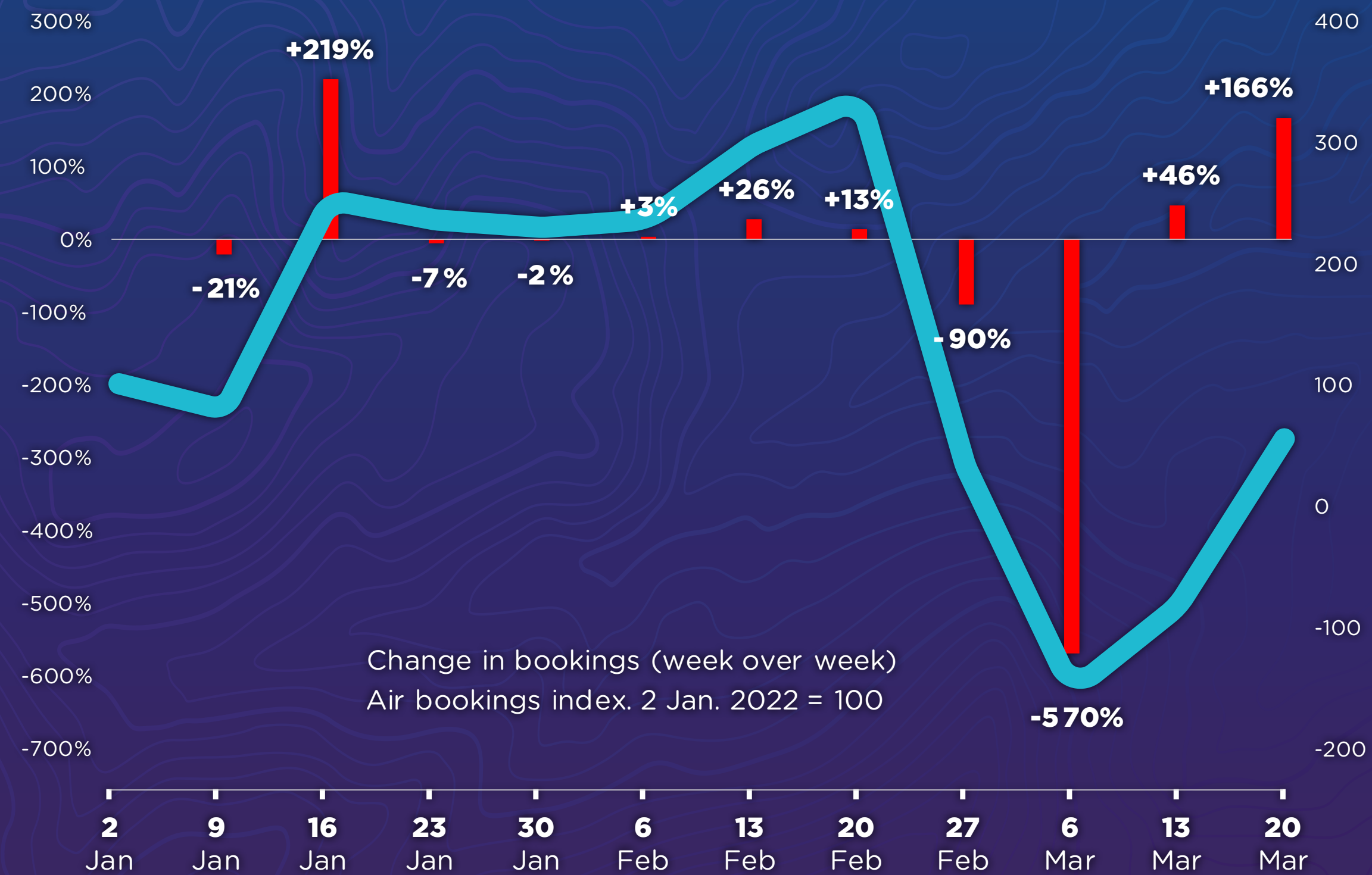
Source: compiled by UNWTO
from Eurocontrol.
Data based on 41 European
countries covered by Eurocontrol.



Air bookings from January to March 2022 for travel from Russia to Europe (index)*

Source: compiled by UNWTO
from ForwardKeys data

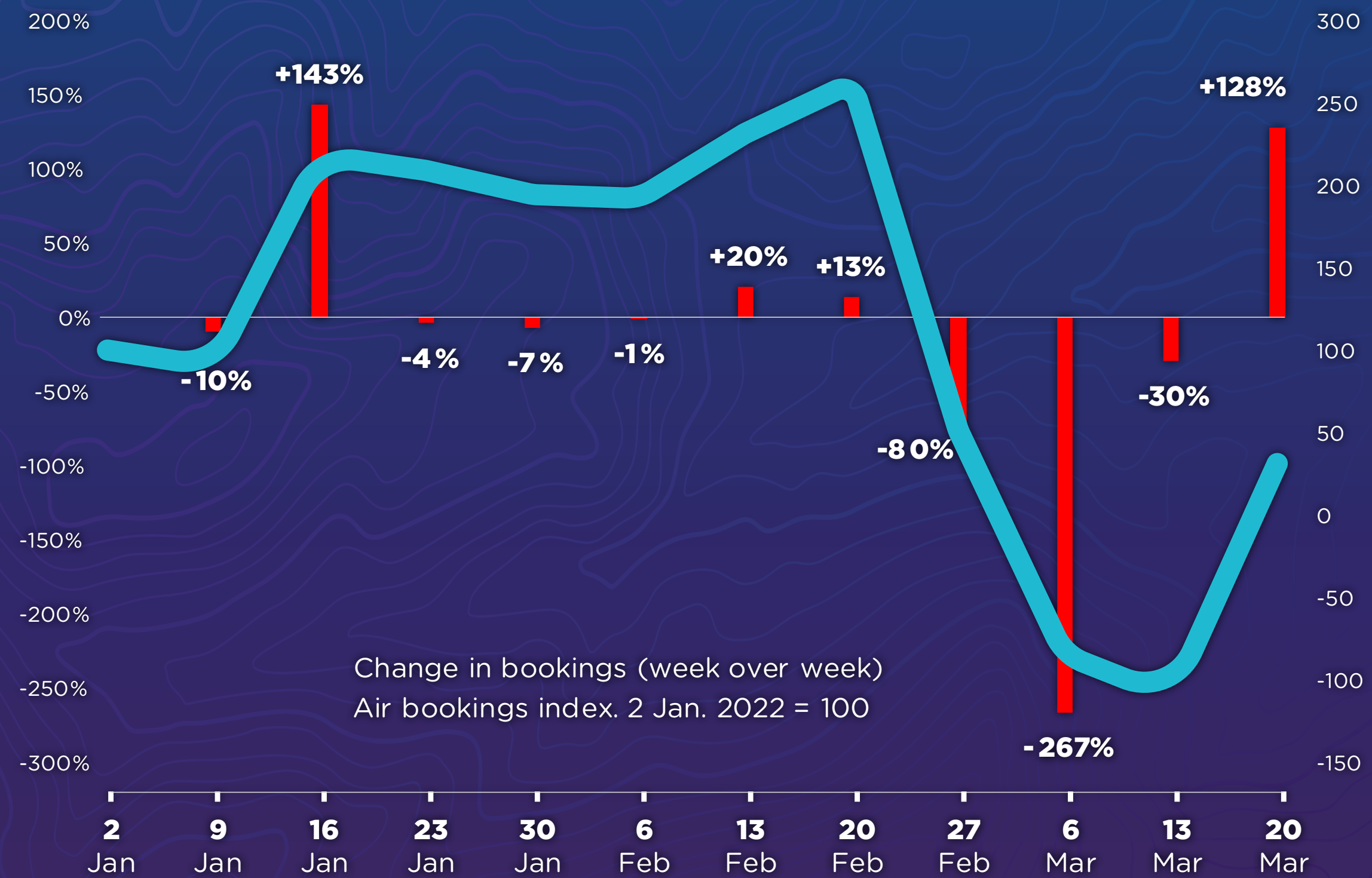
* Bookings from week ending 2
January to week ending 20 March
2022 for any future travel



Air bookings from January to March 2022 for all outbound travel from Russia (index)*

Source: compiled by UNWTO
from ForwardKeys data

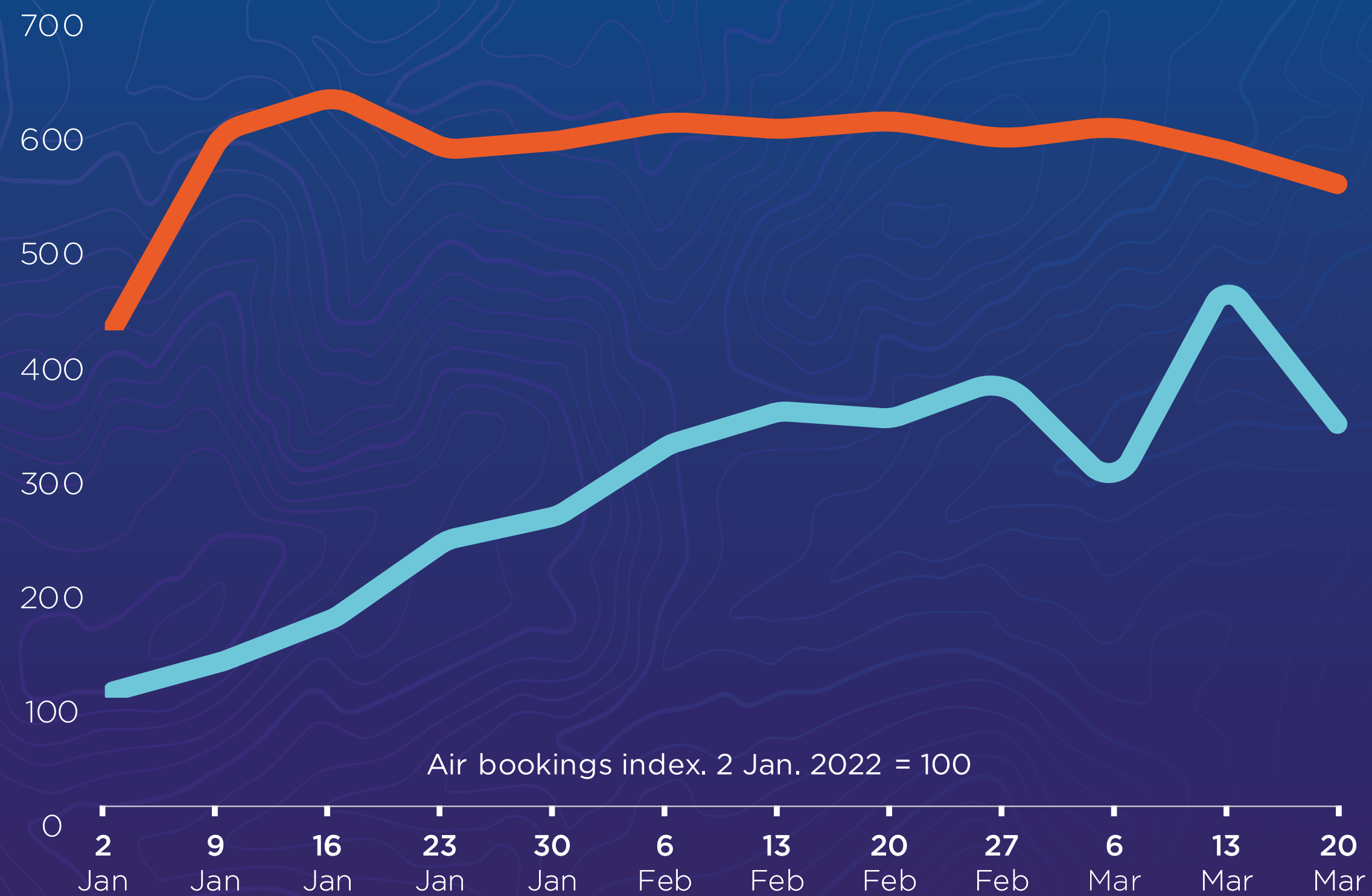
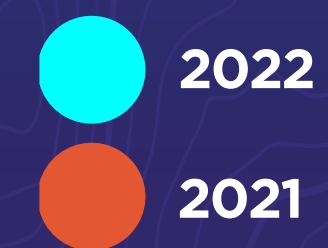
* Bookings from week ending 2
January to week ending 20 March
2022 for any future travel



Air bookings for travel from US to Europe, 2022 (Index)

Bookings for travel from US to Europe dropped temporarily the week after the invasion

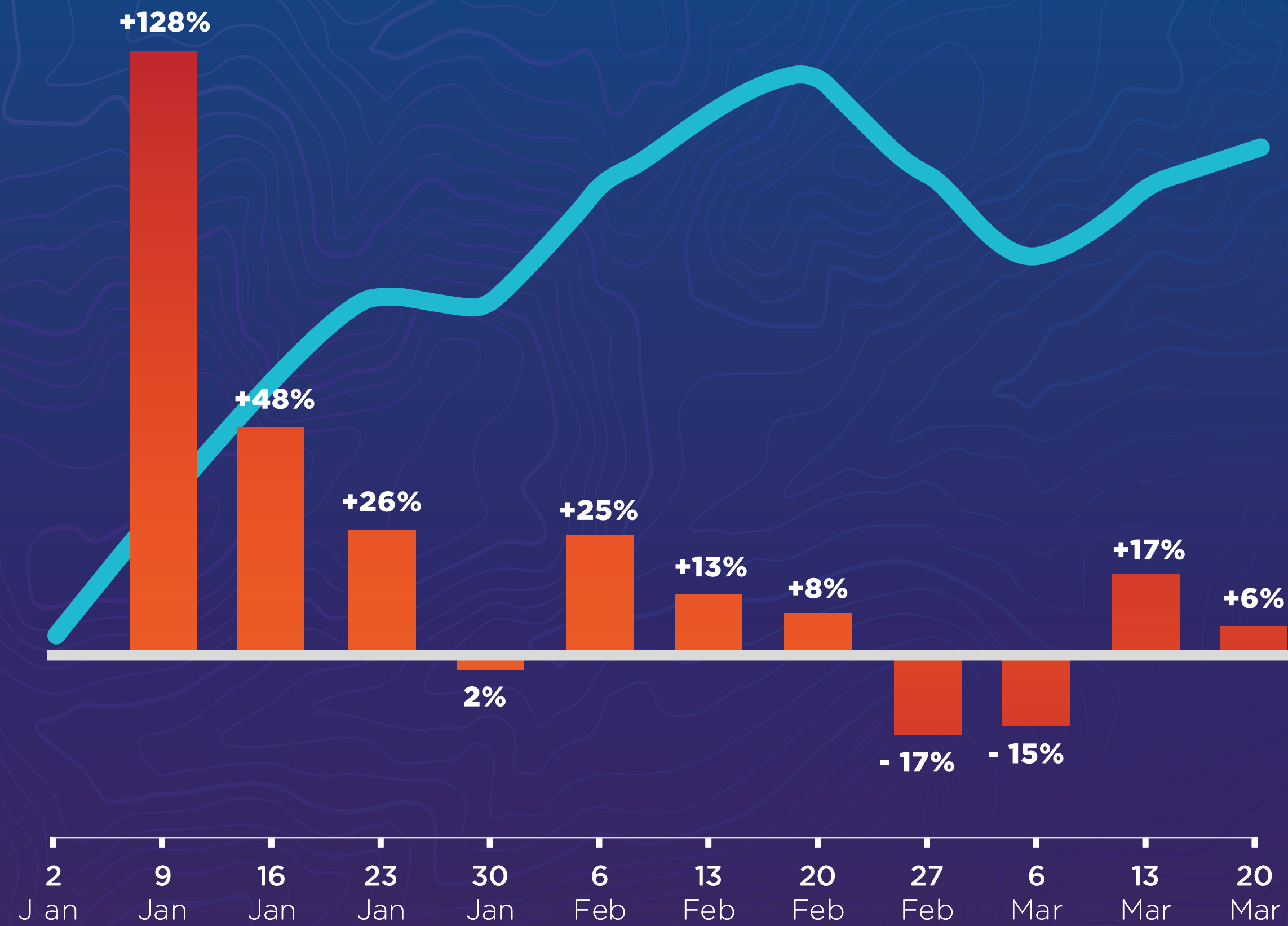
Source: compiled by UNWTO from ForwardKeys Data.



Air bookings for Intra-European Travel, 2022 (Index)

Change in air bookings from January to March 2022 for intra-European travel (index)*

- % change from prev. week
- 2022 bookings



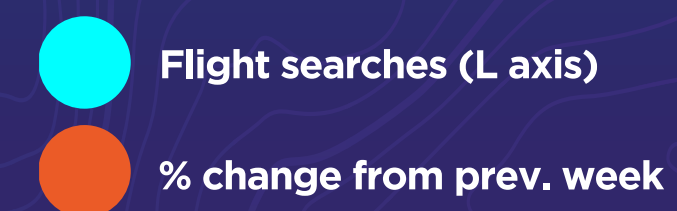
Source: compiled by UNWTO from ForwardKeys Data.

Google flight searches January-March, 2022 (Index)

Change in international flight searches from January to March 2022 (index)*

Source: compiled by UNWTO from Google data.

* Flight searches from week ending 2 January to 13 March 2022.



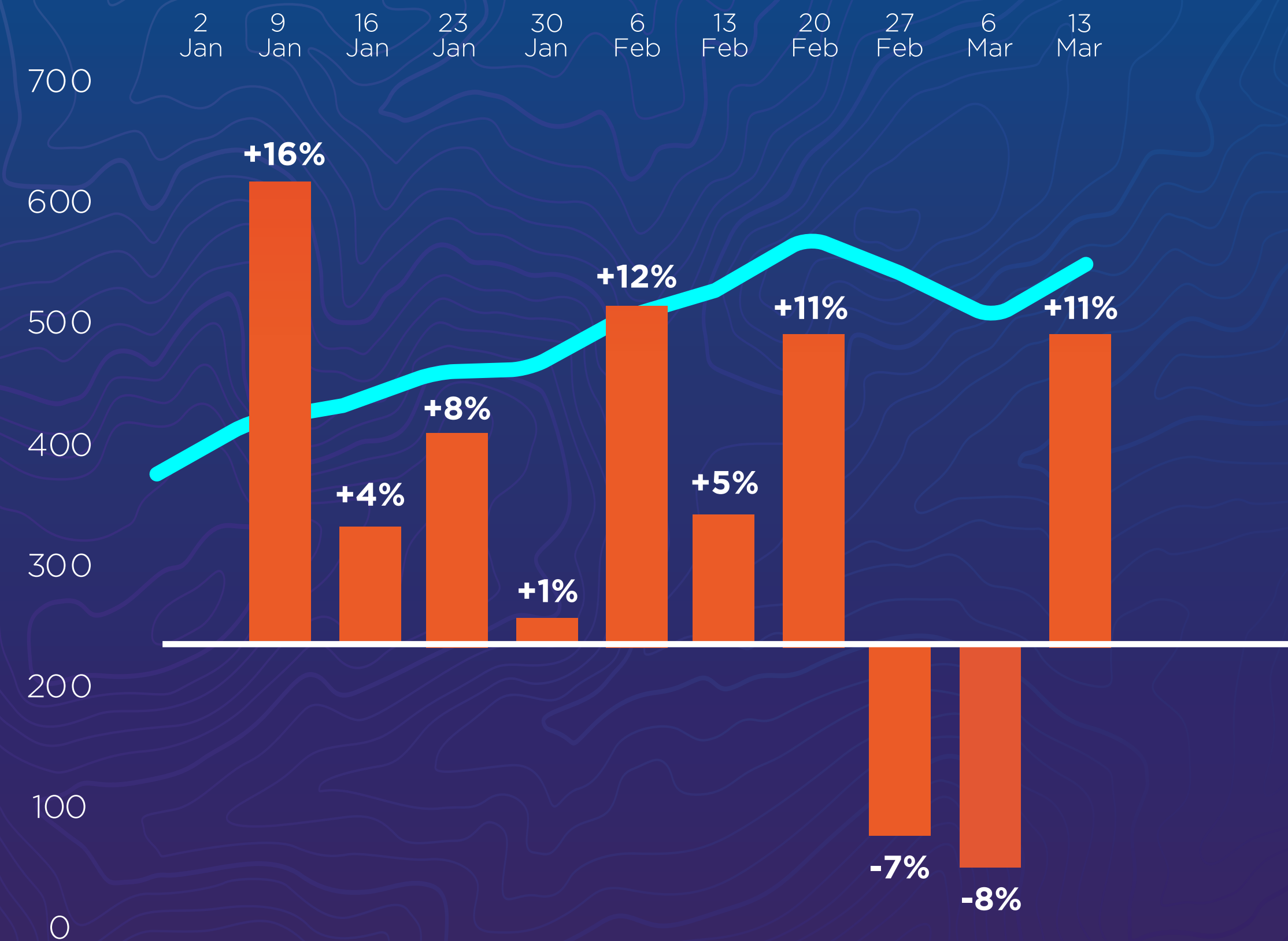
Google flight searches US to Italy, January-March, 2022 (Index)

Change in international flight searches from January to March 2022 (index)*

Source: compiled by UNWTO from Google data.

* Flight searches from week ending 2 January to 13 March 2022.

- Flight searches (L axis)
- % change from prev. week



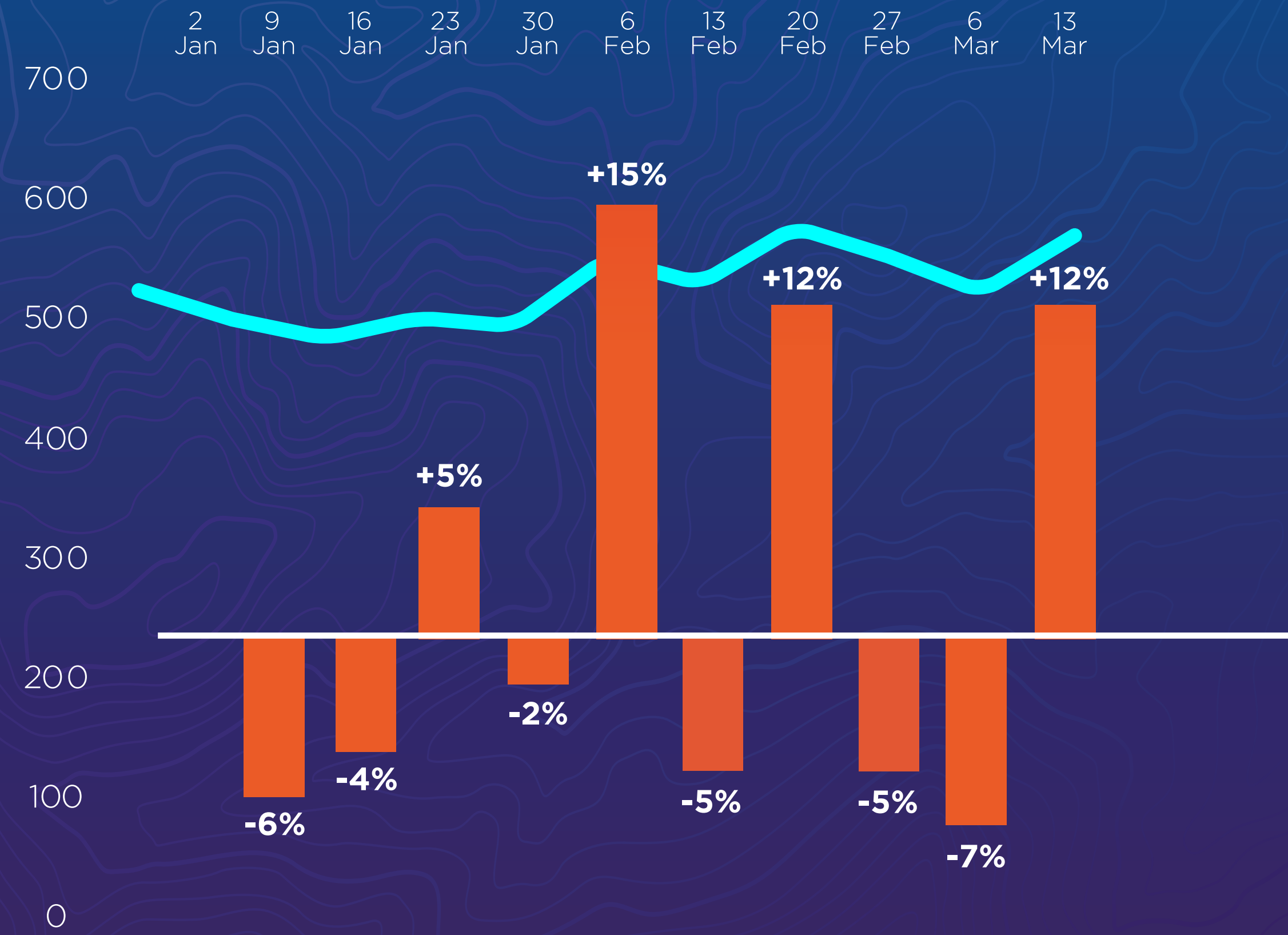
Google flight searches US to France, January-March, 2022 (Index)

Change in international flight searches from January to March 2022 (index)*

Source: compiled by UNWTO from Google data.

* Flight searches from week ending 2 January to 13 March 2022.

- Flight searches (L axis)
- % change from prev. week



International tourist arrivals: 2020, 2021 and Scenarios for 2022 (y-o-y monthly change over 2019, %)





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