
Impact of the Russian offensive in Ukraine on international tourism

UNWTO Tourism Market Intelligence and Competitiveness Department
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Overall assessment of 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:
Higher oil prices + inflation + interest rates = higher travel costs for consumers & pressure on businesses, specially MSMEs



Disruption of Russian & Ukrainian outbound travel which accounts for some 3% of global spending = US\$ 14 billion in 2020



Impact on 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 of tourism

- First and foremost, our concern is for the **human tragedy** in Ukraine. Our thoughts go to the people suffering from this conflict.
- It is early to assess the impact of the Russian Federation's military offensive in Ukraine, though it represents **a major downside risk** for international tourism that could **delay the sector's already weak and uneven recovery**.
- The conflict could slow the recovery despite the lifting or easing of travel restrictions by many destinations (a total of 12 countries had lifted all COVID-19 related restrictions as of 24 March 2022).
- The military offensive risks **hampering the return of confidence to global travel**. The US and Asian source markets could be particularly impacted, especially regarding travel to Europe, as these markets are historically more risk averse.

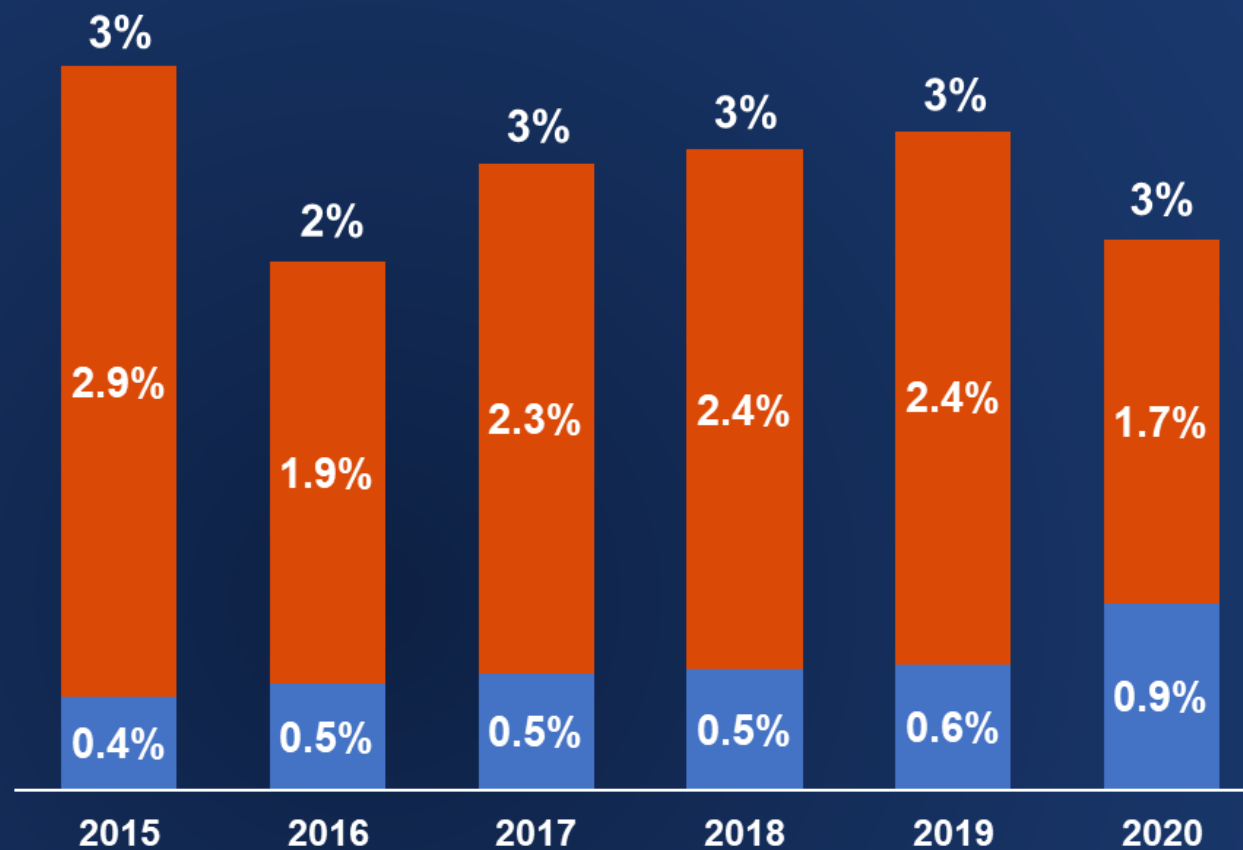
A possible loss of US\$ 14 billion for the tourism economy

- As source markets, Russia and Ukraine represent a combined 3% of global spending on international tourism as of 2020. A prolonged conflict could translate into a loss of US\$ 14 billion in tourism receipts globally in 2022.
- 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, Russia and Ukraine account for 4% of international tourist 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 and Sri Lanka.

Russia and Ukraine's
international tourism
spending
(% of world total)



Source: UNWTO



Destinations with highest share of Russian visitors (%) (various indicators) 2019-2021

■ 2019
■ 2021 or 2020

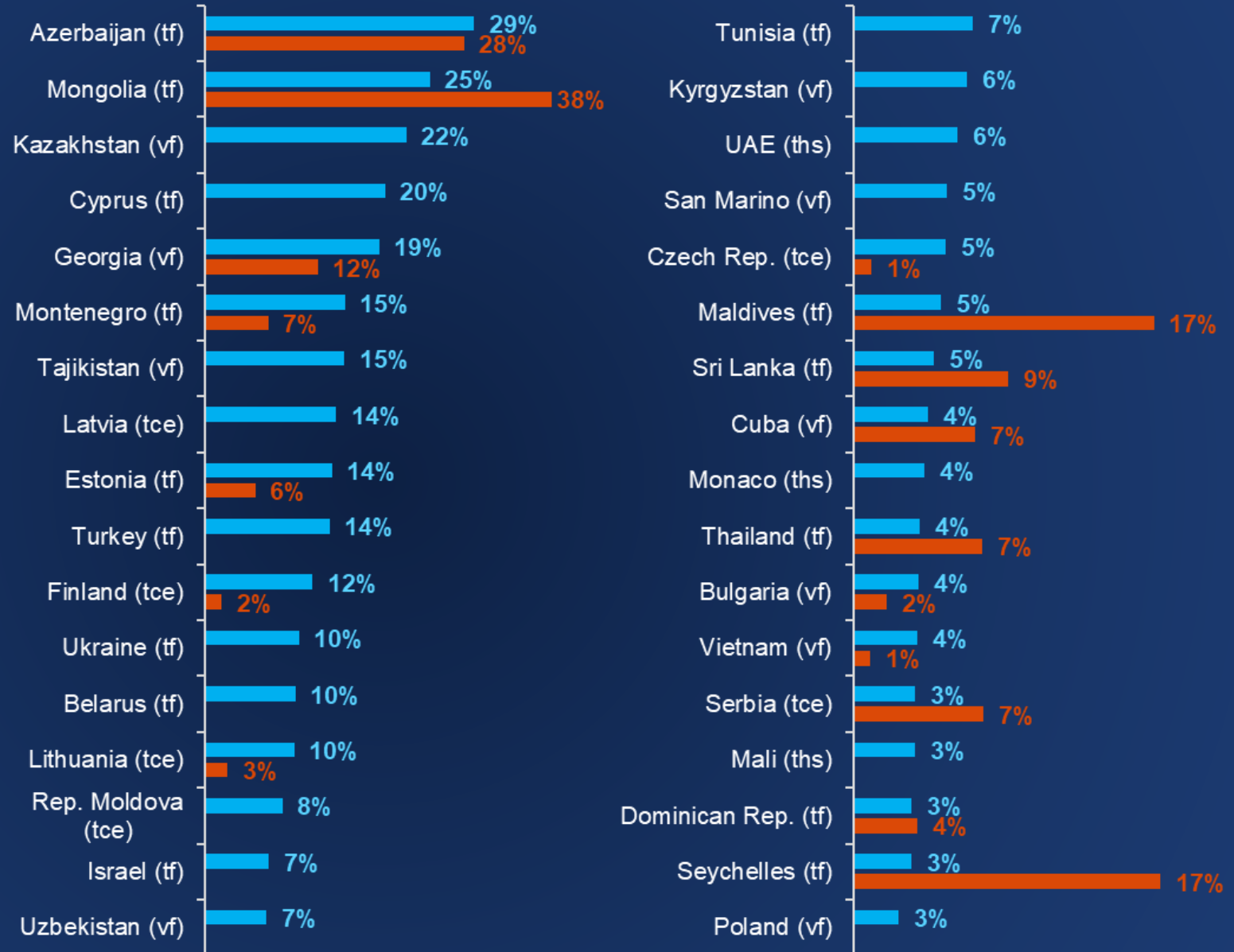
tf: international tourists at frontiers (overnight visitors)

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

tce: international tourists at commercial establishments

ths: international tourists at hotels and similar establishments

Source: UNWTO

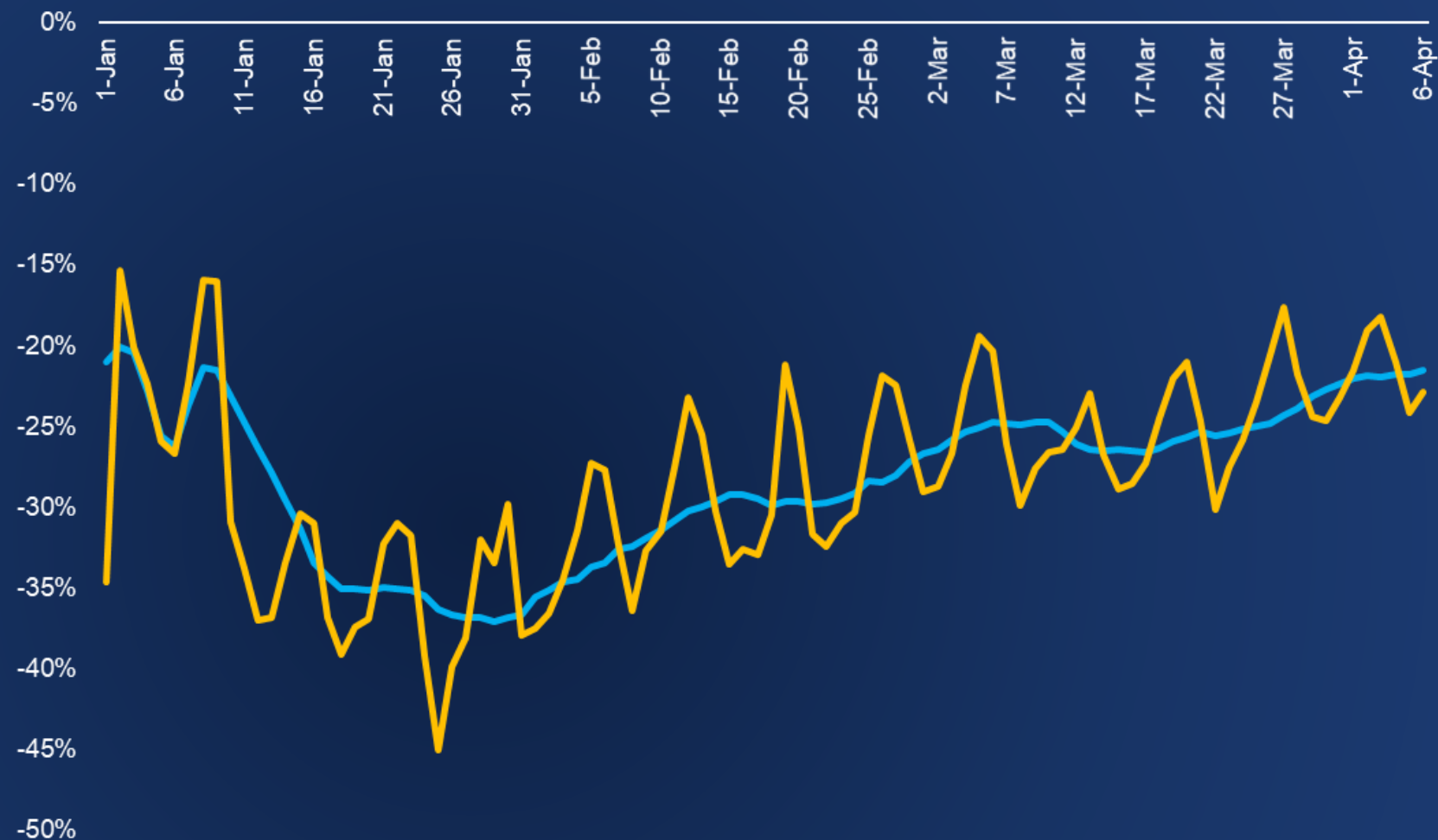


European flights, January- April 2022 (% change vs. 2019)

■ Daily change (%)
■ 7-day moving average

Source: compiled by UNWTO
from Eurocontrol

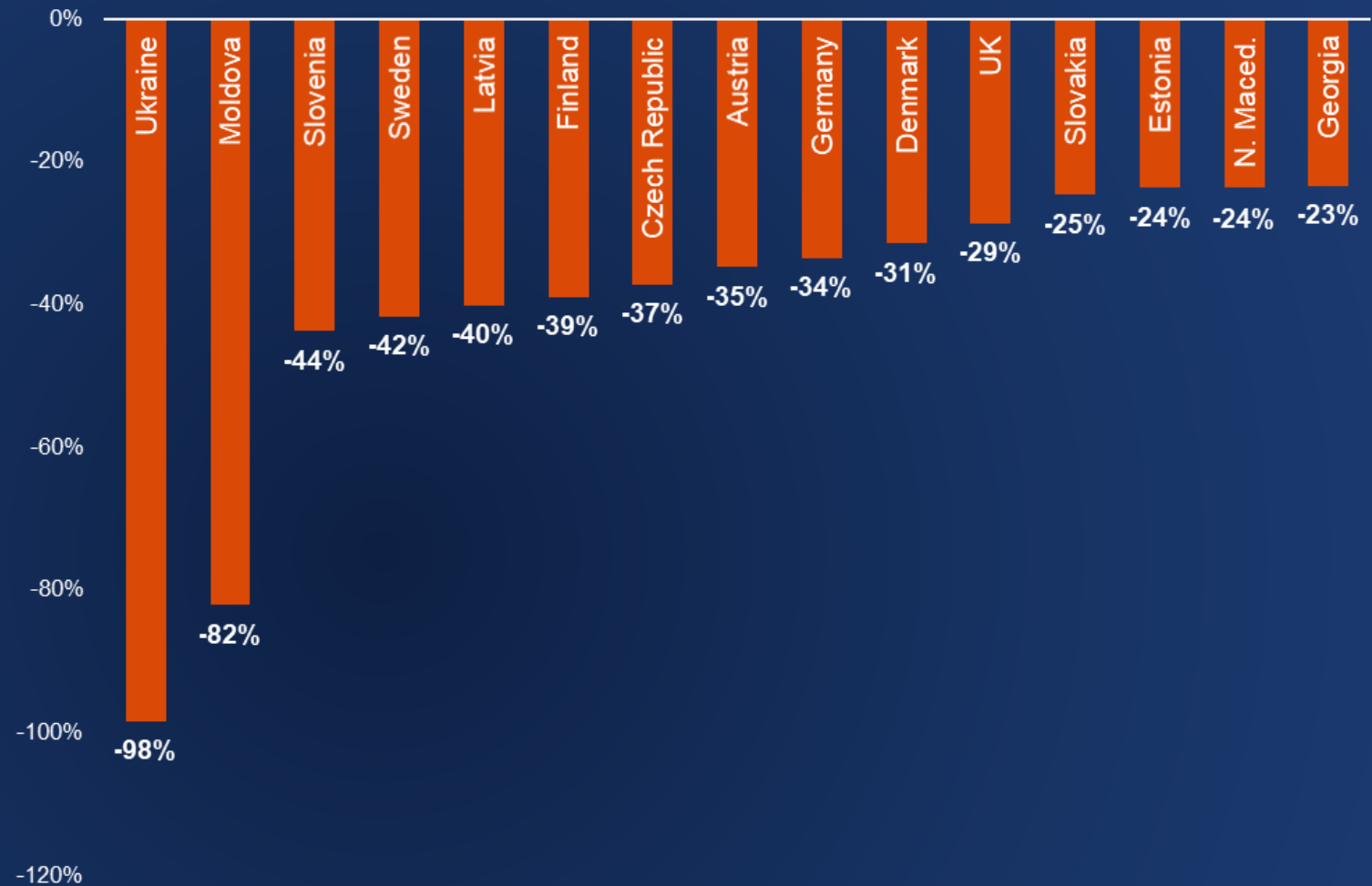
Based on 41 countries covered by
Eurocontrol




European countries with largest decline in number of flights, 24 Feb - 6 Apr 2022 (% change vs. 2019)


Source: compiled by UNWTO from Eurocontrol

Based on 41 countries covered by Eurocontrol



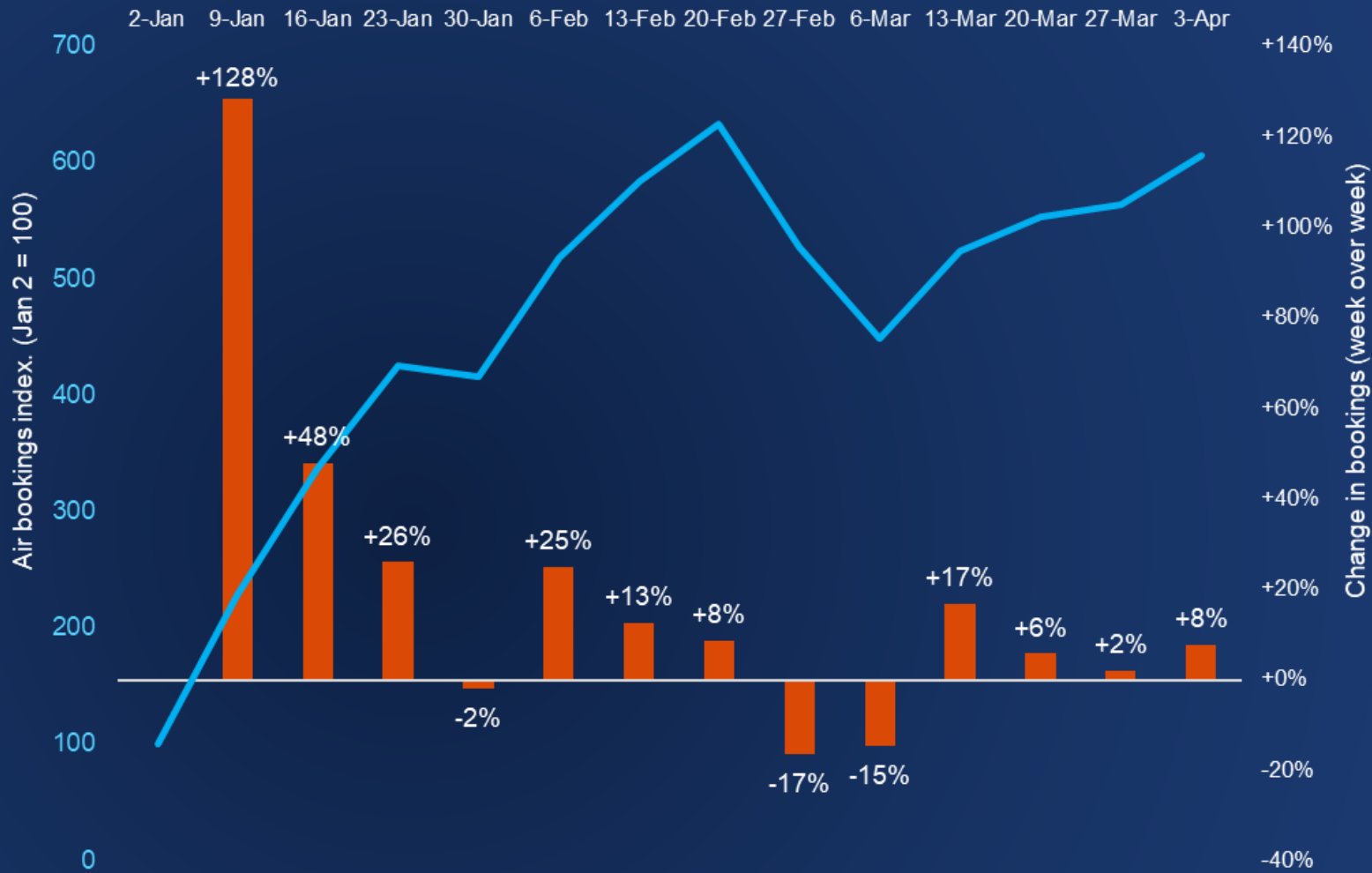
Air bookings for
intra-European
travel,
January to March
2022 (index)*

 % change from
prev. week (R axis)

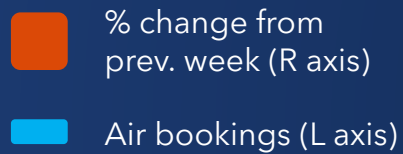
 Air bookings (L axis)

Source: compiled by UNWTO
from ForwardKeys data.

* Bookings from week ending
2 January to 3 April 2022.

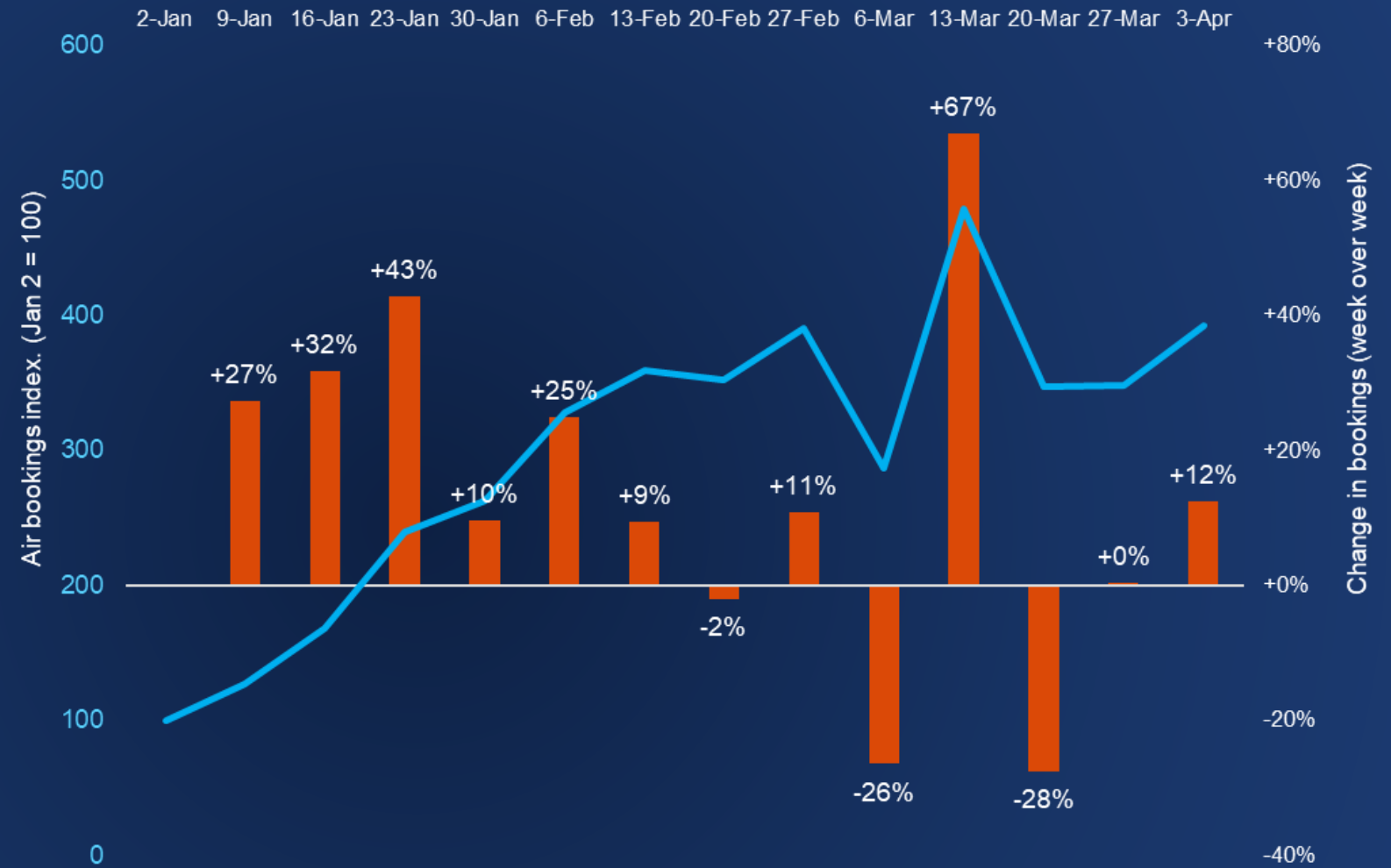


Air bookings for travel from US to Europe, January to March 2022 (index)*



Source: compiled by UNWTO
from ForwardKeys data.

* Bookings from week ending
2 January to 3 April 2022.

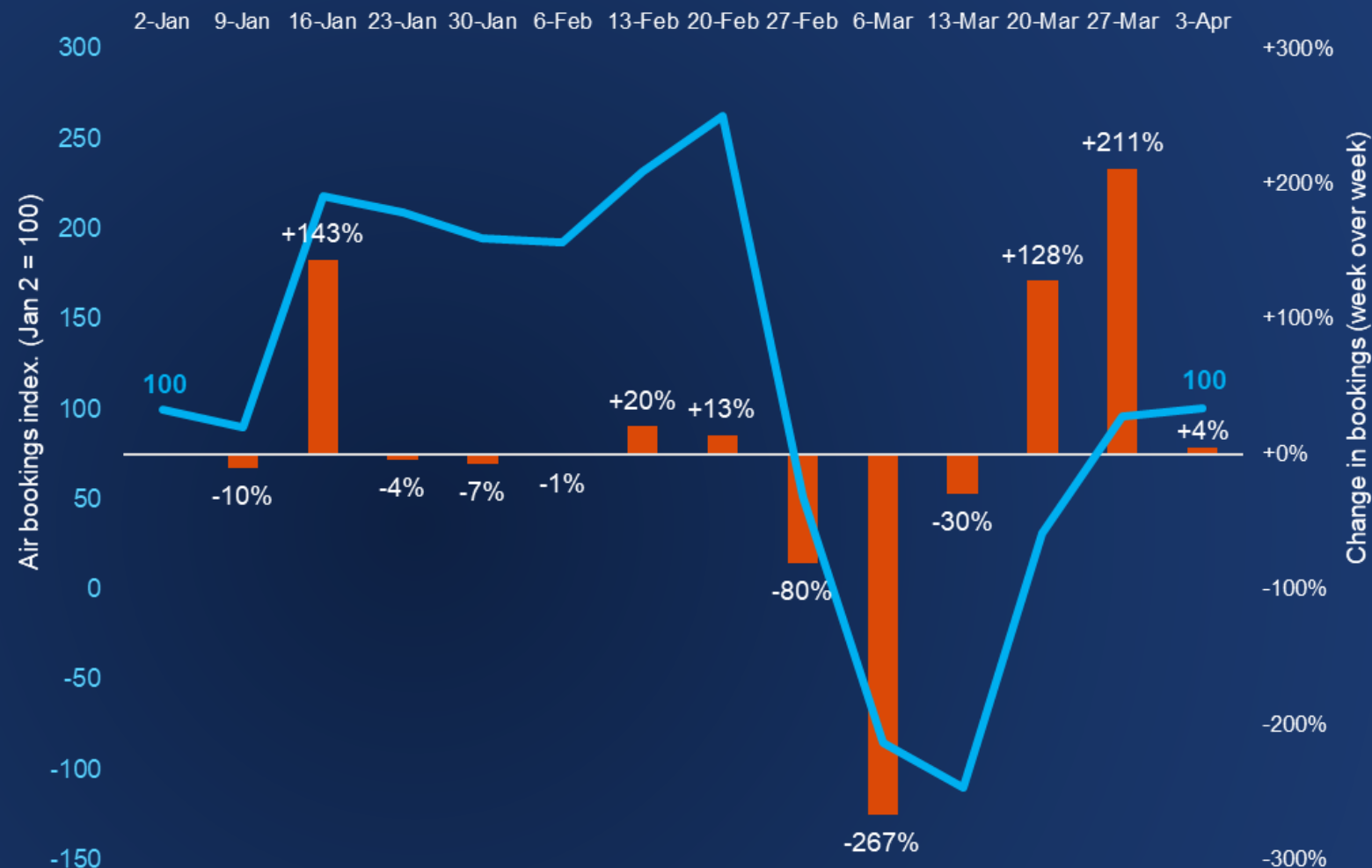


Air bookings for all outbound travel from Russia, January to March 2022 (index)*



- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO
from ForwardKeys data.

* Bookings from week ending
2 January to 3 April 2022.

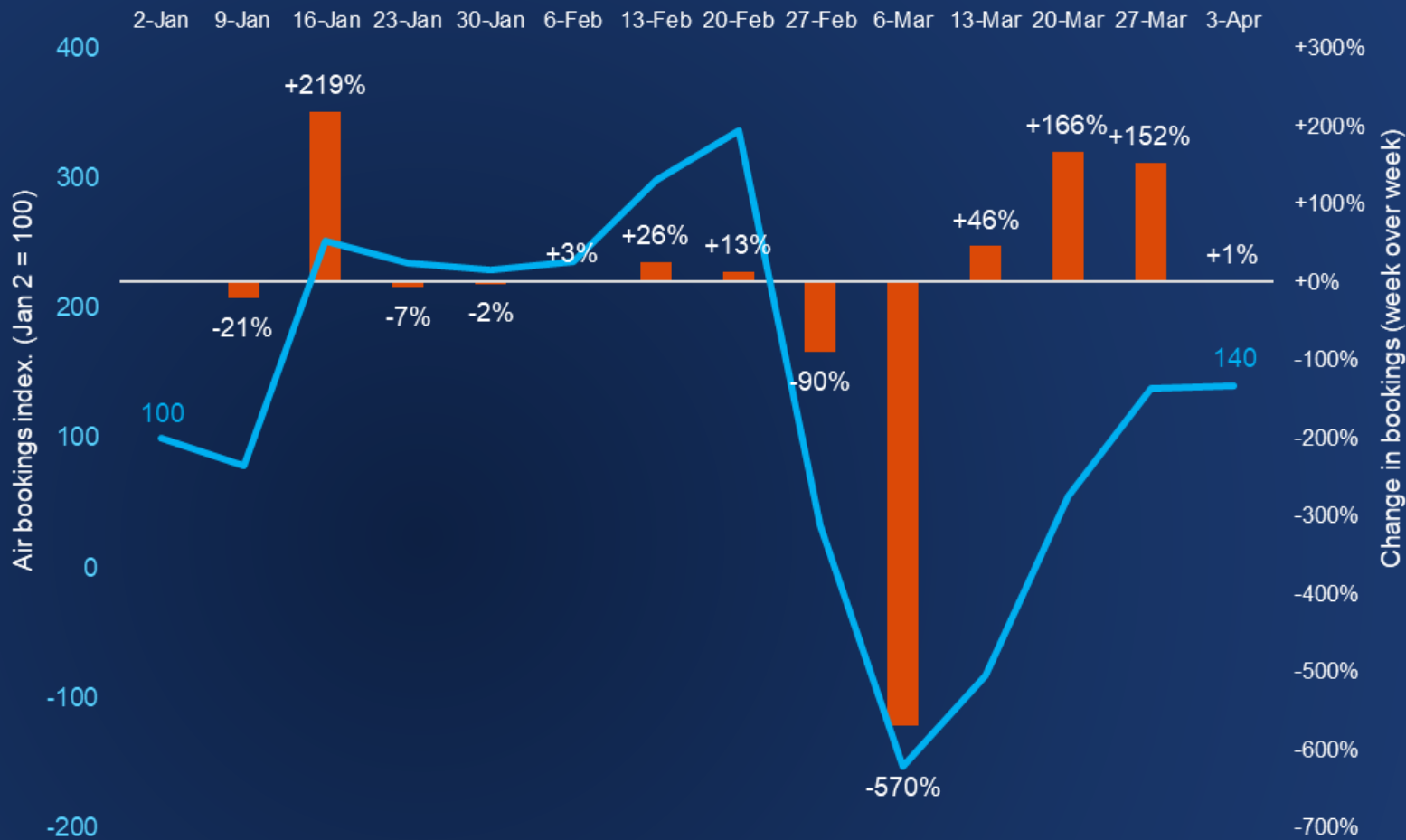


Air bookings for
Russian outbound
travel to European
destinations,
January to March
2022 (index)*



-  % change from
prev. week (R axis)
-  Air bookings (L axis)

Source: compiled by UNWTO
from ForwardKeys data.

* Bookings from week ending
2 January to 3 April 2022.

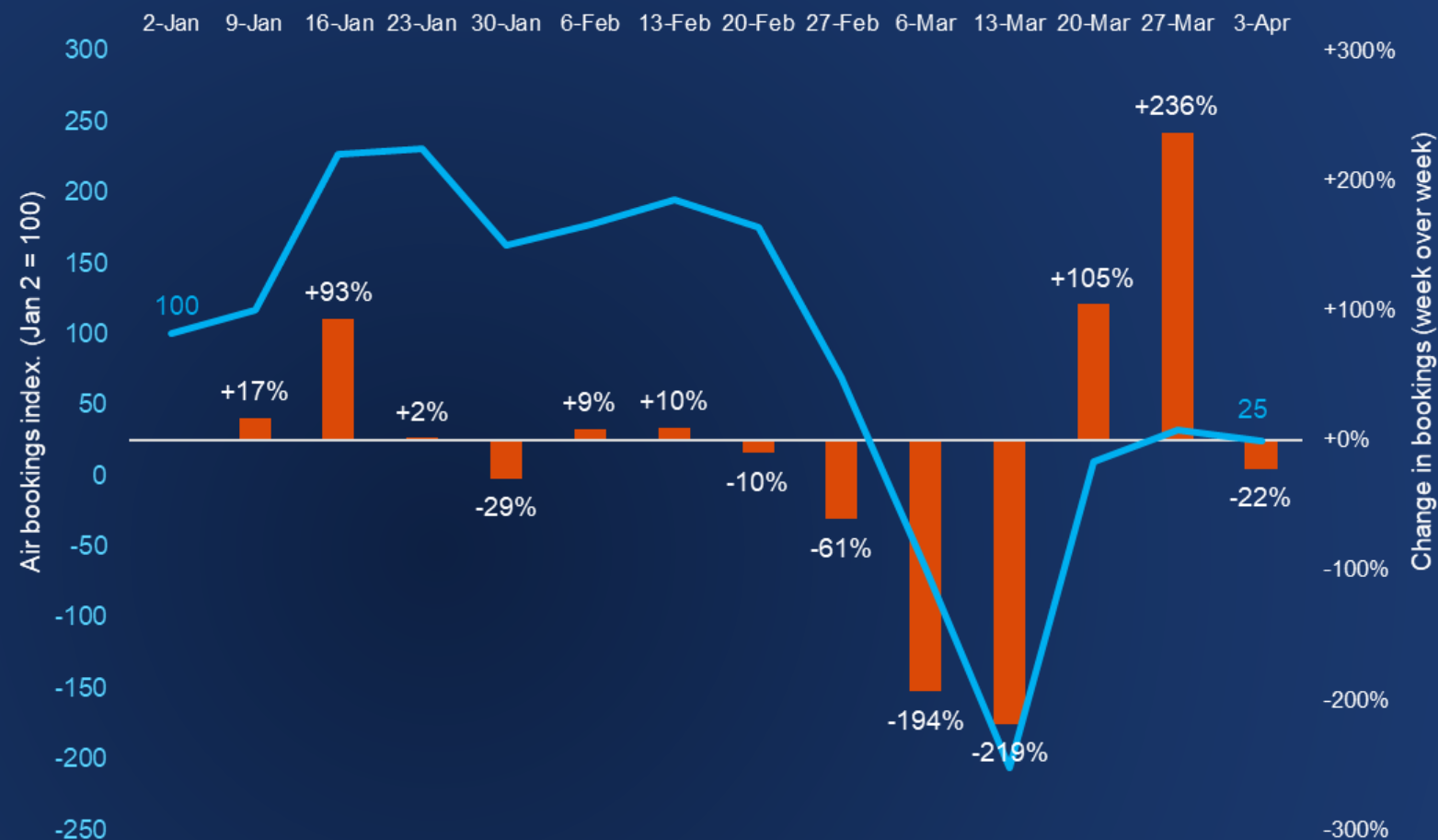


Air bookings for Russian travel to Asia Pacific destinations, January to March 2022 (index)*

-  % change from prev. week (R axis)
-  Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 3 April 2022.

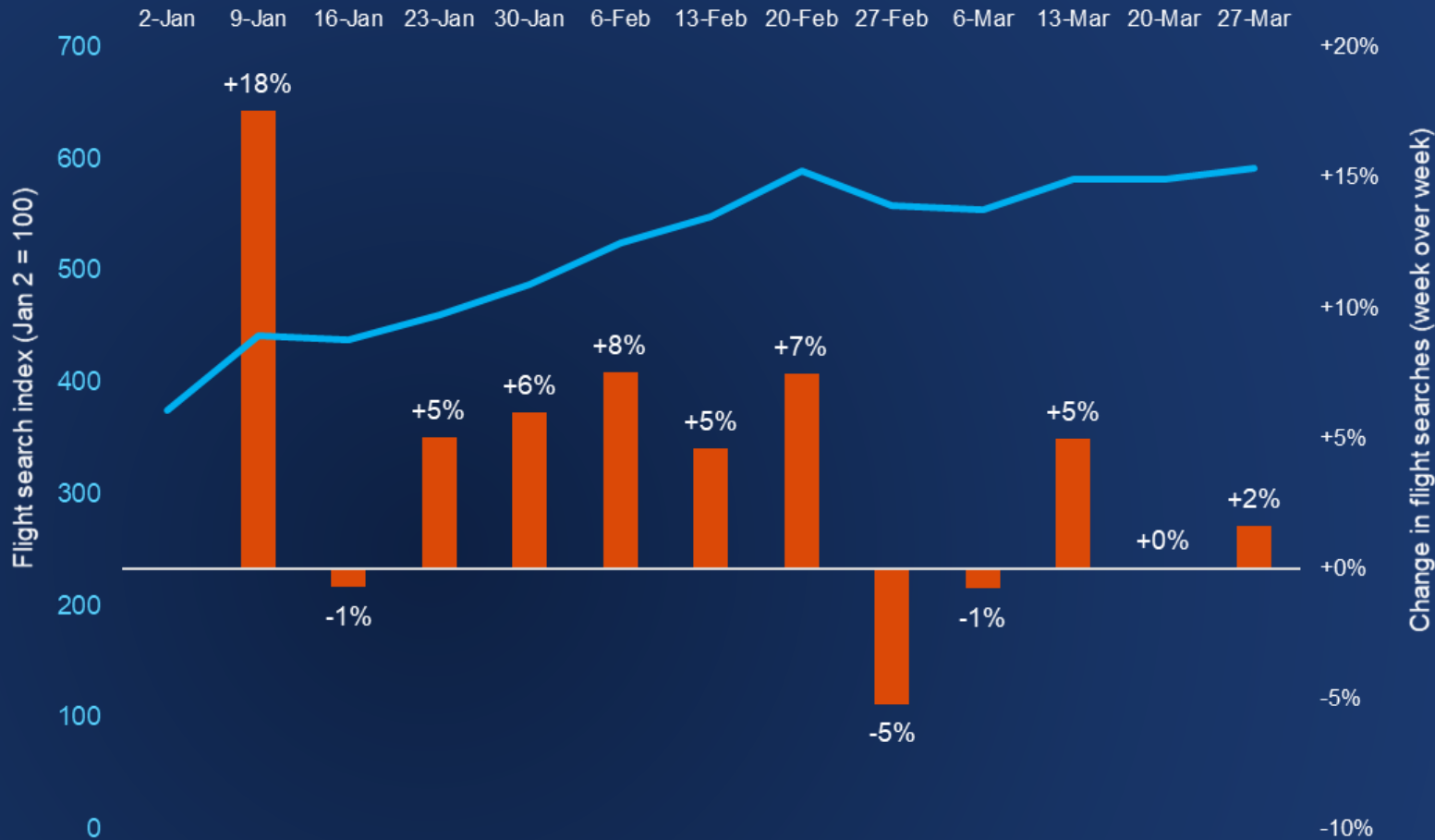


Flight searches for all international travel, January to March 2022 (index)*

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

Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 27 March 2022.

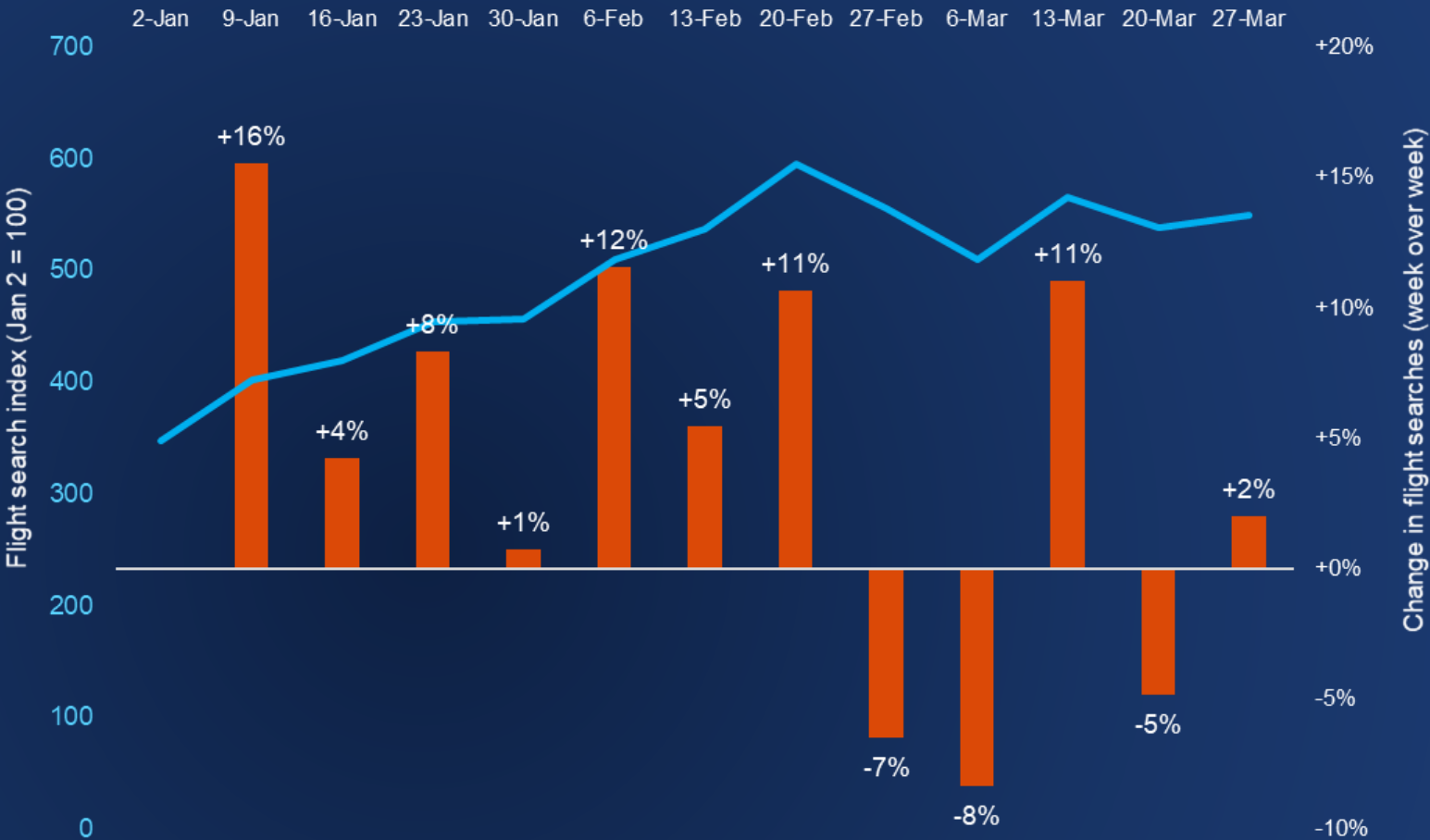


Flight searches for US travel to Italy, January to March 2022 (index)*

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

Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 27 March 2022.

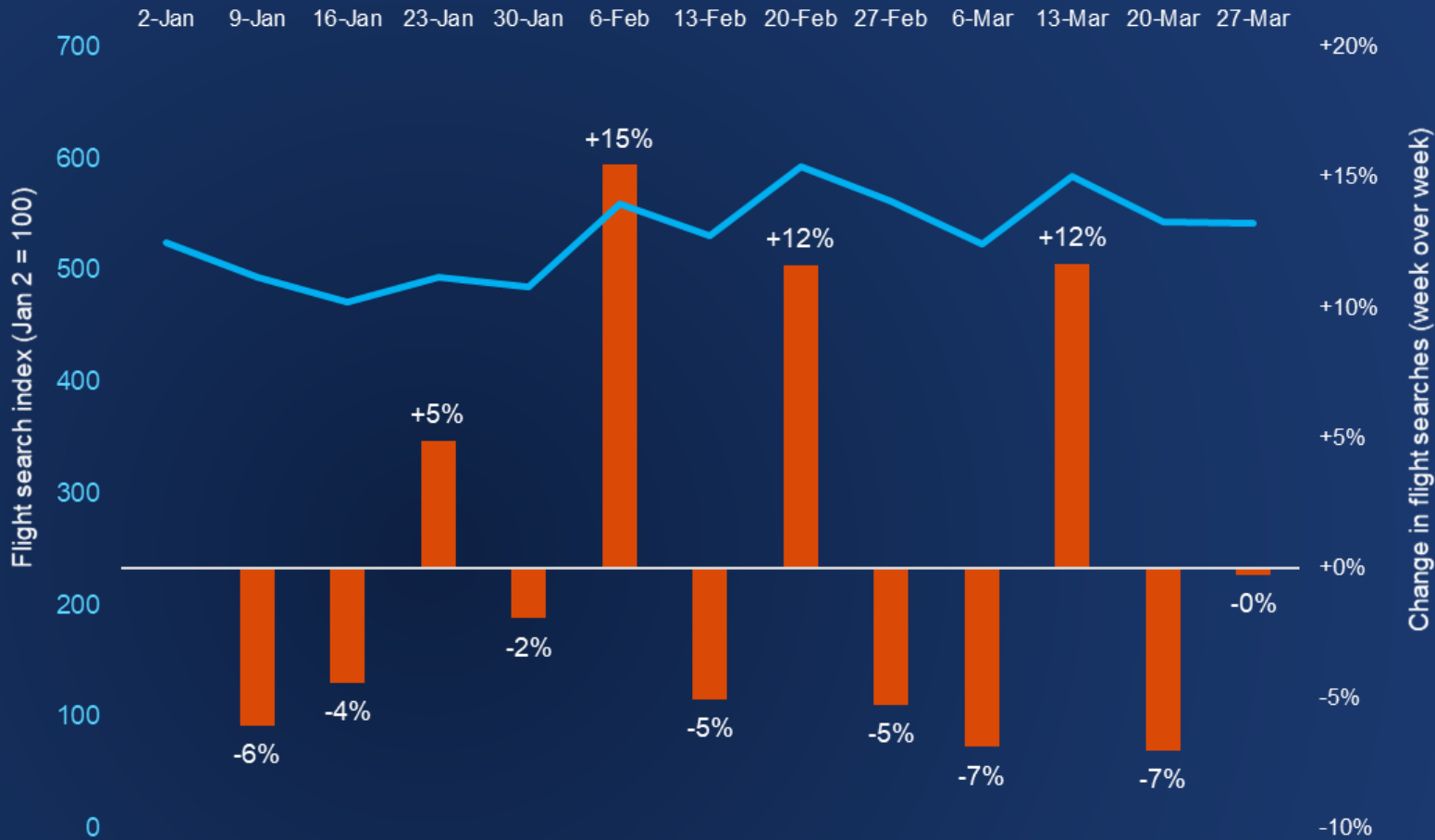


Flight searches for US travel to France, January to March 2022 (index)*

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

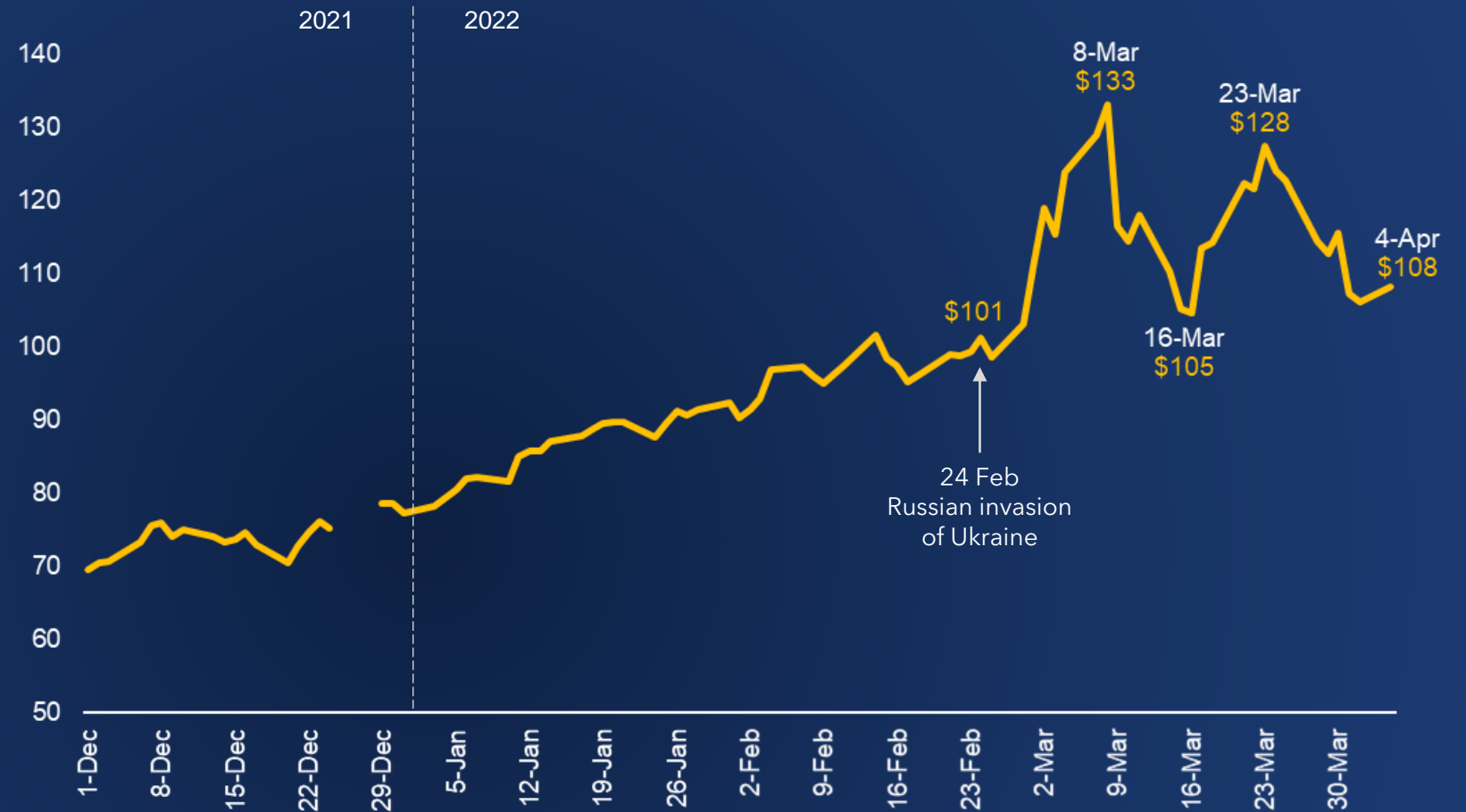
Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 27 March 2022.



Brent Crude Oil Spot Price (Europe) Dec 2021-Mar 2022 (US\$ per barrel)

Source: compiled by UNWTO
from U.S. Energy Information
Administration



Inflation (CPI) Annual growth rate Jan 2017-Feb 2022 (%)

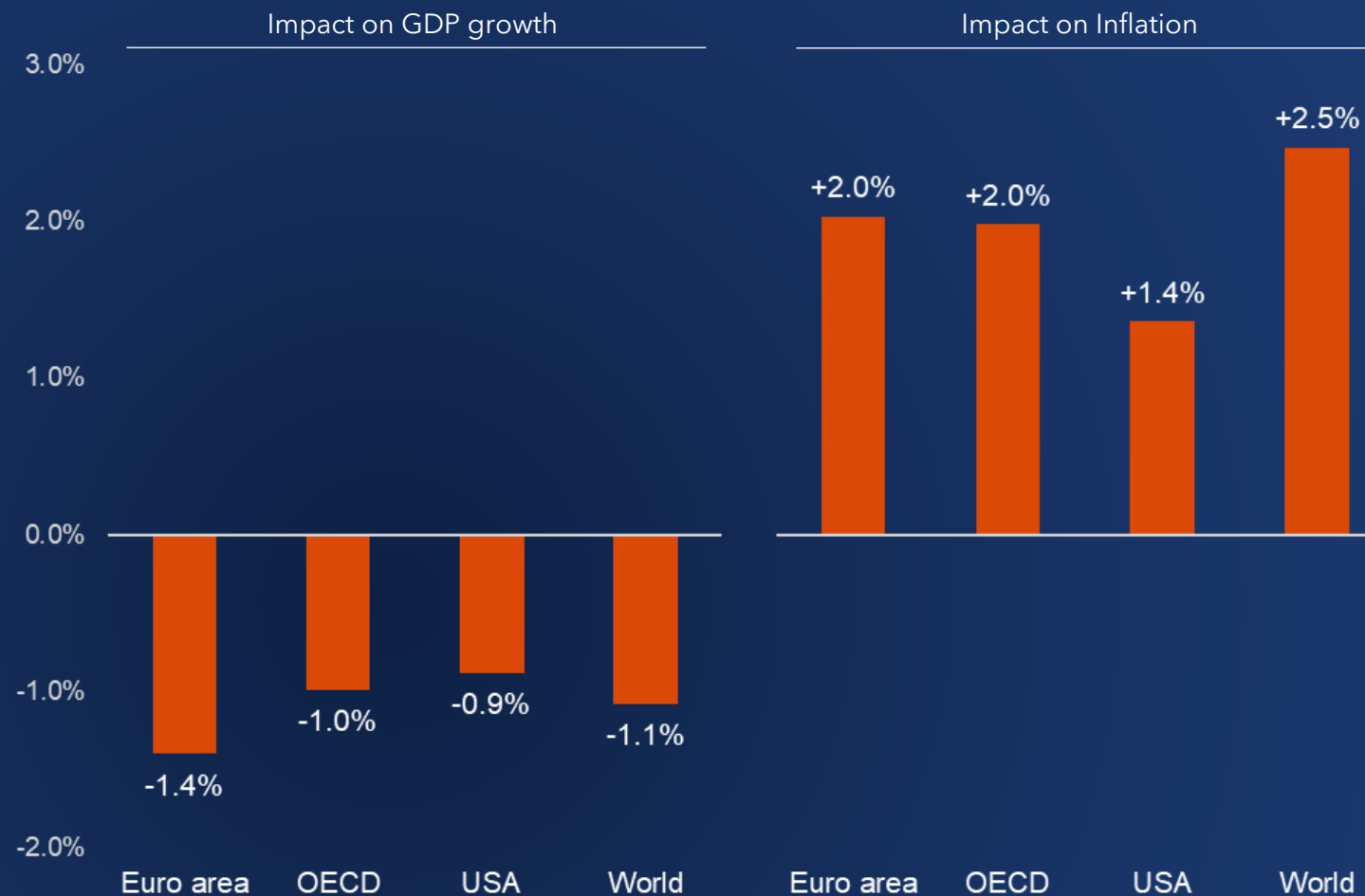
— OECD
— Euro area
— USA

Source: Organisation for Economic
Co-operation and Development
(OECD)

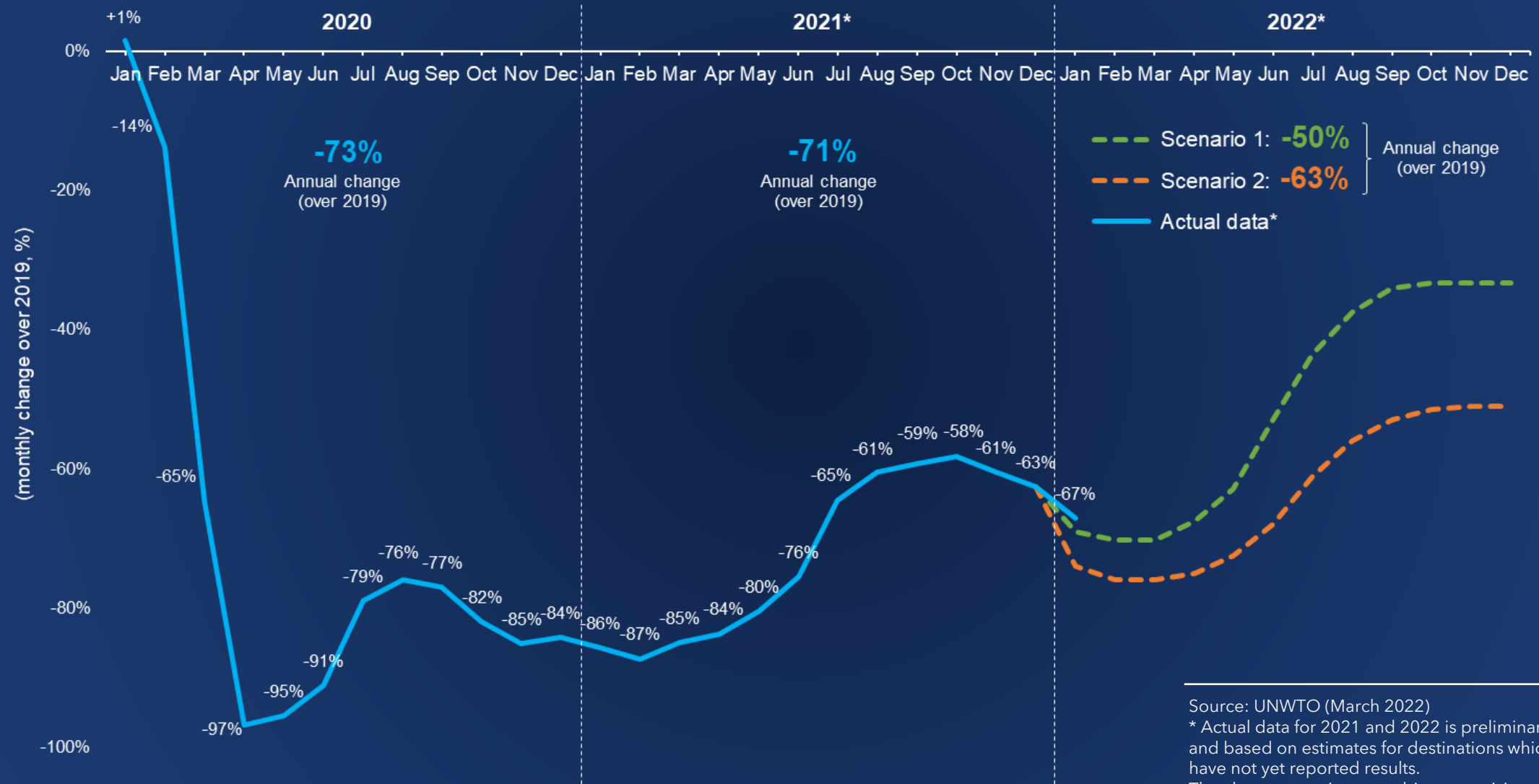


Simulated impact of Ukraine conflict on GDP and inflation, first full year after start of conflict (%)

Source: OECD (2022)
OECD Economic Outlook, Interim
Report, March 2022



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





**COVID-19
RESPONSE**
