

THE CHALLENGES OF THE COVID-19 PANDEMIC TO THE TOURISM INDUSTRY

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Abstract

The aim of the paper is to identify the effects of the covid-19 pandemic on the tourism industry sector and to address the key challenges.

The economic shock caused by the coronavirus to the tourism sector is discussed. The tourism sector turned out to be in complete collapse, the tourism industry sector (accommodation, food, transport, etc.) stopped almost 100%.

The paper notes that once the pandemic is over, the world will no longer be the same as it used to be, tourists will start traveling to places where safety measures will be maximized, preferring to visit and relax in places with more open spaces and increased social distance instead of crowded places. In the first stage, the Georgian tourism sector plans to launch domestic tourism and create safe tourist zones, and here it is necessary to more actively promote eco, agro, mountain, adventure, recreational and rural tourism development, which means synergy of agriculture and tourism and protection of rural resources. Development can have many positive effects for the countryside, as well as for the region and ultimately the country.

Keywords: pandemic, tourism safety, tourism industry

1. Introduction

The fact that tourism is one of the leading sectors of the world economy has once again shown us the modern world pandemic. The reality that the whole world is facing today is very grim. As a result of COVID – 19, the development of tourism in the world turned into a complete collapse. The tourism industry sector has been significantly affected. The world tourism industry has lost 3 trillion euros and 330 million jobs. The world is heading for a recession. The World Tourism Organization predicts that the number of international tourists will reach 1.8 billion by 2030 remains a myth.

Safety issues have always been a necessary condition in travel and tourism. But security issues have taken on special significance over the last two decades, when natural disasters, pandemics and epidemics have intensified, leading to declining demand for tourism. [Aladashvili, 2020: 338].

Pandemic is a Greek word and means the spread of the disease in the geographical area of the world and the word is derived from „pandemos“. Pan – means everyone, „demos“ – the population. It follows from this notion that infection can affect most of the world’s population. The world remembers various pandemics that left a black mark on world history, such as the Black Death, which raged in the Middle Ages (1346–1353) and claimed the lives of 60 billion people. In 1870, the flower of the world came to life, killing up to 2 million people, or every 8th of those infected, and the mortality rate among children was 30%. In 1918-1920, the Spanish flu, which spread from Spain to the so-called. „Spain“ – Spanish flu has

appeared. The disease has affected 20-40% of the world's population and claimed 17 to 100 million lives. In 1981, the world was shaken by the emergence of a new HIV infection, or AIDS. According to experts, it spreads the fastest – 16 ten a day. Man is characterized by a world and high mortality. The world remembers the family of coronaviruses known as SARS 1 and SARS 2, which is represented by acute respiratory syndrome, was discovered in Asia in 2002 and spread to 26 countries, with 8098 cases detected, including 774 deaths. Then the so-called Swine flu H1N1, 2009, which killed between 100,000 and 400,000 people. Acute Respiratory Syndrome (MERS) was reported in the Middle East in 2012. Camels are considered to be the source of infection – MERS-CoV strains isolated from camels in Egypt, Oman, Qatar and Saudi Arabia are identical to human strains. The spread of the new coronavirus COVID-19 has been declared a pandemic. In 4-5 months, the world reported 72,109,884 people as of November 2020, killing 1,611,637 people (these figures change daily in the face of a raging pandemic). The virus has spread to about 210 countries. Existing pandemics have had a negative impact on the economic development of countries. Due to the 2020 pandemic, the global world economy could slow to a record high in the last 12 years. The financial losses of world GDP from coronavirus are up to 1 trillion. In 2020, the growth rate of the world economy slowed from 2.6% to 1%. The pandemic has paralyzed the whole world. It has affected almost every sector of the economy. But the most sensitive of them turned out to be the tourism sector, which suffered a complete collapse, which will take more time to recover than other industries. The whole sector of the tourism industry is parked, including: various organizations in the accommodation, food, transport and tourism industries. Social background and unemployment are rising catastrophically. Due to closed borders, international tourism has been suspended by almost 100%, except for a few countries. Predicting this situation is still difficult because the pandemic is not over.

2. What is the World Tourism Barometer?

International tourist arrivals (overnight stays) decreased by 65% in the first half of 2020 compared to the same period last year, while in June they were reduced by 93%.

Despite the gradual opening, with the existence of the summer season, the expected improvement in June was almost unnoticed. There has also been a decline in international demand in major emerging markets such as the United States and China. However, some markets, such as France and Germany, showed some improvement in demand in June.

The resumption of international tourism remains unanswered. Demand for domestic tourism is growing. Many large markets such as China and Russia are opening up airspace, but in July it will reach about 90% of 2019 levels. Instead domestic flights to Russia were supported, which led to an increase in domestic travel.

The tourism industry sector was severely affected.

3. Covid-19 and airline failures

The International Air Transport Association (IATA) financial forecast released in June showed that airlines would lose \$ 84.3 billion globally by 2020, with a net profit margin of -20.1%. He also noted that revenue will be reduced by 50%. In 2021, losses will be reduced to \$ 15.8 billion.

The CEO and CEO of IATA noted that financially, 2020 will remain the worst year in aviation history. On average, this year's losses will reach \$ 84.3 billion. Many airlines have gone bankrupt or are on the verge

of bankruptcy during the Coronavirus pandemic. Listed below are some examples of coronavirus-related bankruptcies of some of the largest airlines in the world.

LATAM is currently the largest airline in Chile, which filed for bankruptcy in May due to a pandemic. LATAM says it will not be able to continue flying because it will restructure its debts in bankruptcy court.

Virgin Australia: After nearly 20 years of operation, Virgin Australia – the country's second largest airline – has filed for voluntary administration to file for bankruptcy restructuring. It is the largest airline in the history of Australia.

The British regional airline Flybe, despite government assistance, was unable to survive and filed for bankruptcy.

After 29 years of operation, Miami Air International filed an application and then discontinued operations.

4. Lockdown of the Hospitality Sector

The closure due to the pandemic has affected the tourism industry worldwide, with the hotel sector being hit hardest. Global hospitality data company STR compared first-quarter 2020 status to 2019, with hotel occupancy rates up 96% in Italy, 68% in China, 67% in the UK, 59% in the US and 48% in Singapore. Decreased by.

There is no doubt that the hotel industry has been hit hard by the pandemic.

Given this situation, branded and giant hotels in the first stage of tourism recovery will significantly lose visitors and the role of small hotels will become relevant, where it is easier to comply with safety and hygiene norms. The hotels will reduce their personal contacts at the front-office and will be replaced by online platform services. Before giant hotels move to a new type of service, family-run hotel owners will find it even easier to rent apartments, and they will also see a pretty good profit over a period of time, as the apartment is easier to maintain social distance and maintain security measures.

Hotels will initially try to lower prices, and experts predict that many hotels and travel companies will be canceled altogether, charter flights will be called into question, and hitherto very popular cruises with large liners will no longer be carried out. It is possible to stand on e. 6. Cheap cruises with small ships, but in the event that the cabins are separated from each other, the appropriate replanning of the ship itself is technically, with minimal access to the various ports.

As the pandemic led to the closure of countries' borders, it became the cause of rising inflation and a significant reduction in financial savings. This means that even if the borders are opened, people will not have the financial means to travel. According to the analysis of the experts of the World Tourism Organization, it is possible that in the first stage of the restoration of tourism it will become favorable only for the rich, and in the next stage cheaper flights will help to restore mass travel.

According to experts, the profile of tourist packages and the mentality of tourists will change, the demand will increase for such areas of tourism as: health and medical tourism, eco, agro and rural tourism, or tourism related to leisure and recreation, as well as recreation.

Tourists will pay great attention to safety, sanitary-epidemiological situation, which is the main requirement for the consumer properties of the tourist package. Travelers will have to follow the protocols published by the World Health Organization where cleanliness and personal hygiene will be a priority for the traveler.

The re-engagement of tourism requires measures to ensure the safety of people and make them feel safe

towards travel. Global by the World Travel and Tourism Council (WTTC)

Safety and hygiene stamps have been awarded to countries that show their commitment to open up the tourism sector as a result of coronavirus recovery.

The WTTC has created a safe travel brand that has adopted globally standardized health and hygiene protocols – to enable users to travel safely.

Authorities in the tourism industry, such as hotels, restaurants, airlines, cruise lines, tour operators, attractions, short-term rental, car rental, outdoor trade, transportation and airports, using the health and hygiene services provided by the WTTC.

As we have already mentioned, after the end of the pandemic, the world can no longer live as before, tourists will start traveling to places where there will be maximum security measures and instead of crowded places, they will prefer to visit and relax in places with more open spaces and increased social distance. In the first stage, the Georgian tourism sector plans to launch domestic tourism and create safe tourist zones, and here it is necessary to more actively promote eco, agro, mountain, adventure, recreational and rural tourism development, which means synergy of agriculture and tourism and protection of natural resources. Development can have many positive effects for the countryside, as well as for the region and ultimately the country.

A crucial role in overcoming economic problems after overcoming a pandemic is given globally to the state, which must first and foremost help small and medium-sized business entrepreneurs who otherwise would not be able to survive. The development of domestic tourism should also be stimulated by taking into account the recommendations of mandatory safety and sanitary norms, it is also necessary to liberalize tax policy, be it tax cuts or deferrals and even abolish them if necessary, as well as restructuring bank loans. In case of direct (financial) assistance to entrepreneurs, it is necessary to consider the list of direct and indirect business entities, be they hotels, tourist facilities, vehicles, guides, tour operators, digital technology suppliers, food outlets, etc. It is also important to choose correctly Those tourist destinations, where by solving infrastructural problems, it will be possible to eliminate the overload of tourist facilities as much as possible, thus restoring its principle of authenticity and permeability, adhering to the principles of sustainable development, which will allow us to comply with state sanitary-hygienic recommendations.

After the end of the pandemic, all countries need to find their own way out of the crisis in order to restore the economy in time and get out of the situation at a lower cost. The players of the tourism market will be those who have the strength to maintain themselves and come out of the crisis not only at a lower cost, but even stronger, and will do so with enhanced security.

While tourism is slowly returning in some areas, most members of the UNWTO Tourism Expert Panel expect international tourism to recover only in the second half of 2021, followed by those who expect a return in the first half of next year.

However, there are still concerns about the lack of credible information and the deteriorating economic environment, which are reflected in consumer confidence factors, especially due to potential new travel restrictions as the world moves into the second wave of Covid-19. The returning holidaymakers have raised concerns about the „second wave“ of the coronavirus in the world tourism industry.

After the end of the pandemic, according to the scenarios of the World Tourism Organization, the tourism sector should be gradually restored, in particular, the tourism industry should be developed by encouraging long-term investments in tourism infrastructure. For example, attracting investment in national park

infrastructure and developing digital projects is one of the important milestones in the first phase of tourism recovery. Much attention will also be paid to tourism safety issues.

The UNWTO recently published a Strategic Guide to Restoring Responsibility in the Tourism Sector, which outlines ways to recover from the current situation and create safe tourism. It outlines 5 points of action: public health, social inclusion, biodiversity conservation, climate mitigation, green economy.

On the recommendation of the World Tourism Organization, preference will be given to offering relatively low-budget package tours to customers, which can be of great importance in the post-crisis period. One of the recommendations is for the Georgian government to launch an information campaign during the crisis. For example, Portugal has already started campaigns, the main message of which is – do not cancel the party, postpone the trip ... With such messages, countries are actively communicating with tour operators, potential investors. Such a campaign is always beneficial.

Based on the UNWTO scenario, a reduction in international travel by 2020 from 58% to 78% was published.

5. The current scenario is as follows:

Scenarios for 2021-2024 indicate that the extension of the extended restrictions will take place in the second half of 2021.

Significant changes in pandemic evolution and improved traveler confidence and major lifting will be possible by mid-year;

Nevertheless, returning to 2019 levels will take 2 to 4 years for an international arrival.

According to these scenarios, international air demand is slowly recovering, but still can not approach the 2019 data.

The opportunities of our country in terms of tourism are quite large. Diverse natural resources, fresh air, natural food, mineral waters – are serious prospects. A large share of Georgia's domestic tourism comes from four-, five-, and seven-star hotels, although today there are infected people accommodated in these hotels. The forecasts of international organizations regarding the restoration of tourism in 2022-2024 are not promising. No one knows exactly what the infected or intimidated people will do, so public attitudes, plans, desires and methods regarding travel will change, and no one will argue about that anymore. This is confirmed by the fact that people are shaken psyche. On the one hand, changes are inevitable that will affect crowded tourist destinations in the future, as interest in them will change dramatically. On the other hand, people in the post-coronavirus period will travel not to the capitals but to small villages, towns and cities where history, culture and traditions will replace the main tourist attractions and monuments. People mostly prefer to relax in the fresh air rather than the noise of the city and the congested traffic, so for example in America the interest will increase more in the direction of Alaska and Montana than even towards Chicago. Travel to the Faroe Islands and not the Maldives. That is, the new trend among travelers will be those routes that are difficult to access, where there is more nature, authenticity and, most importantly, fewer people.

After 10 years, the face of the traveler may become a plane ticket – there are speculations about this and the system is likely to work like this: the biometric software installed in the terminal camcorders will recognize and conform to the features that will allow most travelers to pass the check-in counter smoothly. As for the flight itself, passengers may have to pay extra for hygiene items. It is also suggested to add a „hygiene class“ on board.

6. Conclusion

In conclusion, in the framework of the 112th session of the Executive Board of the UN World Tourism Organization, held in Tbilisi in September 2020, the main commitment of the state is to quickly restore the tourism sector, create an investment environment and tighten security measures, which in our opinion creates optimism.

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