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Global Tourism and COVID-19: An Impact Assessment

Abstract

The world is facing an unprecedented situation with COVID-19. The normal functioning of economies has been completely interrupted with the lockdowns in place. The consequences of pandemic have been deeply felt across the entire global tourism ecosystem. Travel restrictions that were put in place to reduce the outbreak of coronavirus, affected various sectors of every economy. Since recovery of tourism is crucial for the turnaround of any economy, this study aims to provide an overview of the impact of COVID-19 on global tourism and highlighted the ways that can lead the path of revival of the sector. To make this assessment, the paper studied three associated industries of tourism viz. airlines; hospitality with special focus on the hotel segment; and the MSMEs involved directly in tourism related business. Region-wise analysis reveals that the Asia-Pacific zone has been the worst affected followed by the Middle East. As countries are opening up their borders and encouraging tourism, the sector is facing the challenge of rebuilding the consumer confidence in order to promote future tourism. Hence, the paper also provides an overview of policy decisions taken worldwide which will be crucial for sustenance of the global tourism sector.

Keywords: COVID-19, lockdowns, tourism ecosystem, travel restrictions, policy responses

1. Introduction

COVID-19, the novel coronavirus, has brought the entire globe to a standstill. The virus was first detected in the city of Wuhan in China during the month of December, 2019. Although by early January 2020, the infection had spread across hundreds of people in Wuhan and nearly 11 million people were put into isolation, but the initial diagnosis did not show any signs of such a catastrophic impact on public life (Woodward, 2020). The city of Wuhan was put under complete lockdown with inbound and outbound traveling suspended on January 23, 2020 (Illmer et al., 2021). In spite of the early decision taken by the Chinese Government, the virus had moved beyond borders quickly and the number of affected cases increased over the month signaling the need for taking immediate preventive actions. As a result, World Health Organization (WHO) pronounced the disease as a Public Health Emergency of International Concern (PHEIC) on January 30, 2020. By February, the infection had spread to Northern California (Economic Times, 2020) while by March 2020, the concentration of the virus shifted from China to parts of Europe especially Italy and Spain. As a consequence, on March 11, 2020, the disease was declared a pandemic (WHO, 2020). The number of affected cases escalated quickly and by early April the virus had spread throughout the US (Jackson et al., 2020).

Though the number of patients crossed more than ten million globally by the end of June 2020, there was still no clarity in assessing the exact number of patients. This was mostly because, during the initial months of the outbreak, the testing was limited across countries due to a lack of suitable medical and testing equipment to make a diagnosis. The priority of the countries affected by the virus was to contain its spread to the maximum extent. So, nations globally resorted to restrictions on travel and trade (except under necessary cases) to suppress the spread of coronavirus. Initially, by February 2020, 11 prominent destinations including Singapore, Mongolia, El Salvador, Iran, Italy, Maldives, etc. imposed a ban on traveling to and from China

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