

In the Name of God

Tourism & Coronavirus pandemic: Effects, Response, Measures, and policy implications

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- **Tourism Status before Covid- 19**
- **World Tourism amid Covid- 19 outbreak**
- **Iran Tourism amid Covid- 19 outbreak**
- **Response Measures to cope with Covid- 19**
- **Policy implications of Covid- 19 for tourism sector**

Tourism Status before Covid- 19

IRAN 2019 KEY DATA



CONTRIBUTION OF
TRAVEL & TOURISM
TO GDP

6.8% OF TOTAL ECONOMY

Total T&T GDP = IRR1,377,440.0BN
(USD32.3BN)

-5.4%

2019 Travel & Tourism GDP growth
vs **-9.3%** real economy GDP growth



CONTRIBUTION OF
TRAVEL & TOURISM TO
EMPLOYMENT

1,734.7 JOBS (000's)
(7.3% of total employment)



INTERNATIONAL
VISITOR IMPACT

IRR267,232_{BN}
in visitor spend (**8.0%** of total exports)
(USD6.3BN)

- LEISURE SPENDING
- BUSINESS SPENDING

94%

6%

- DOMESTIC SPENDING
- INTERNATIONAL SPENDING

75%

25%

Source: WttC, 2020

Key Events before Covid-19 Outbreak (2019- 2020)

Floods in different provinces
of the country

Ambiguity in JCPOA
(Joint Comprehensive Plan
of Action) cooperation



Covid-19 Outbreak

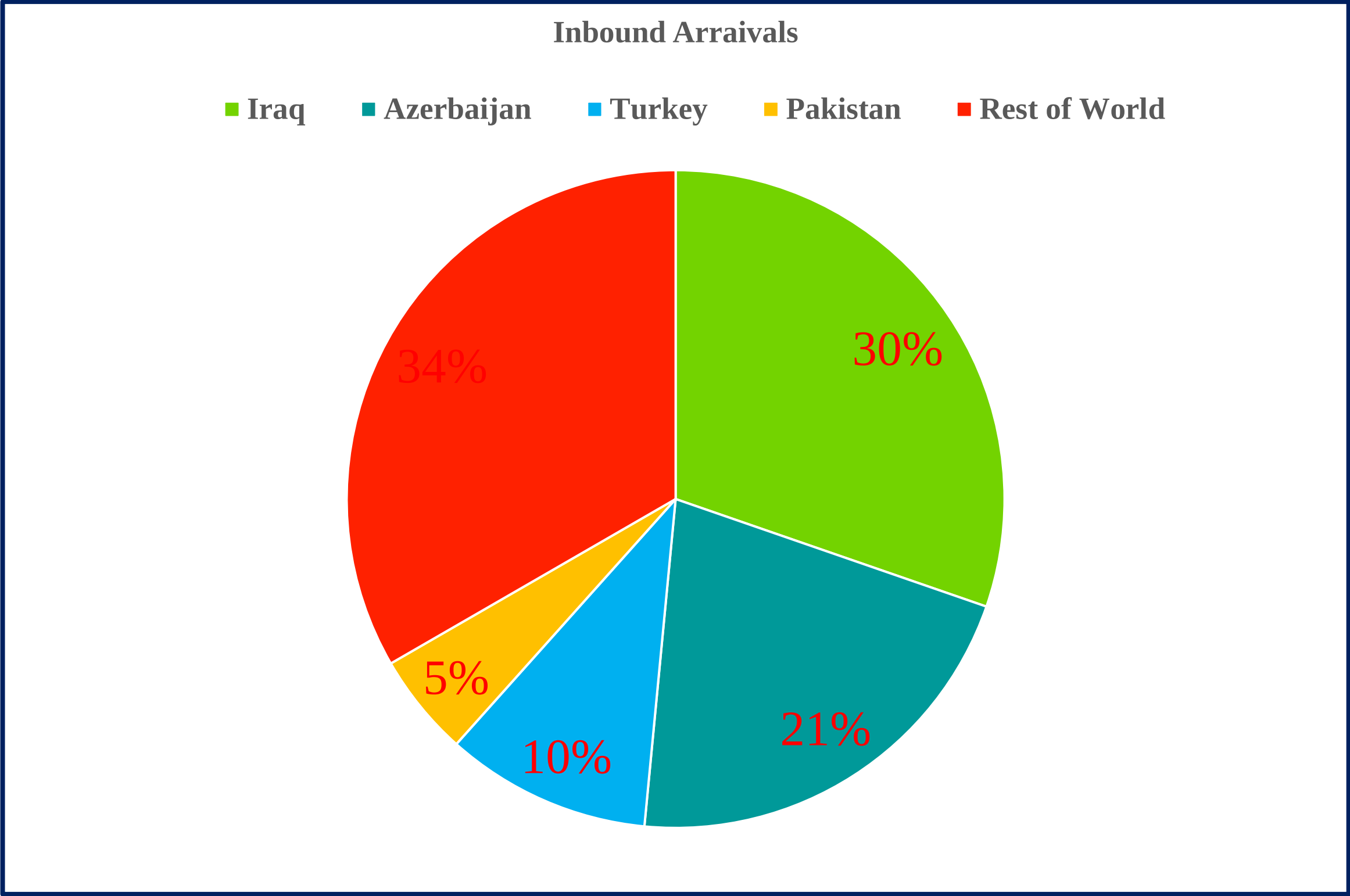
Abrupt increase of fuel
price

The terror of
General Soleimani

Plane Crash



Source: WTO, Tourism Yearbook, 2012-2018.



Source: WttC, 2020

Number of Arrivals to Iran from neighboring countries (2012-2017)							
Country	2012	2013	2014	2015	2016	2017	2018
Azerbaijan	677,457	713,077,1	686,377,1	537,341,1	764,270,1	200,143,1	1,609,620
Iraq	447,055,1	920,603,1	585,543,1	561,559,1	687,405,1	656,239,1	2,525,291
Turkey	615,392	283,391	357,407	203,459	006,425	872,497	775,264
Pakistan	754,170	470,151	155,200	209,239	285,242	009,274	294,086
Afghanistan	183,308	559,392	771,423	080,498	727,667	939,763	1,011,317

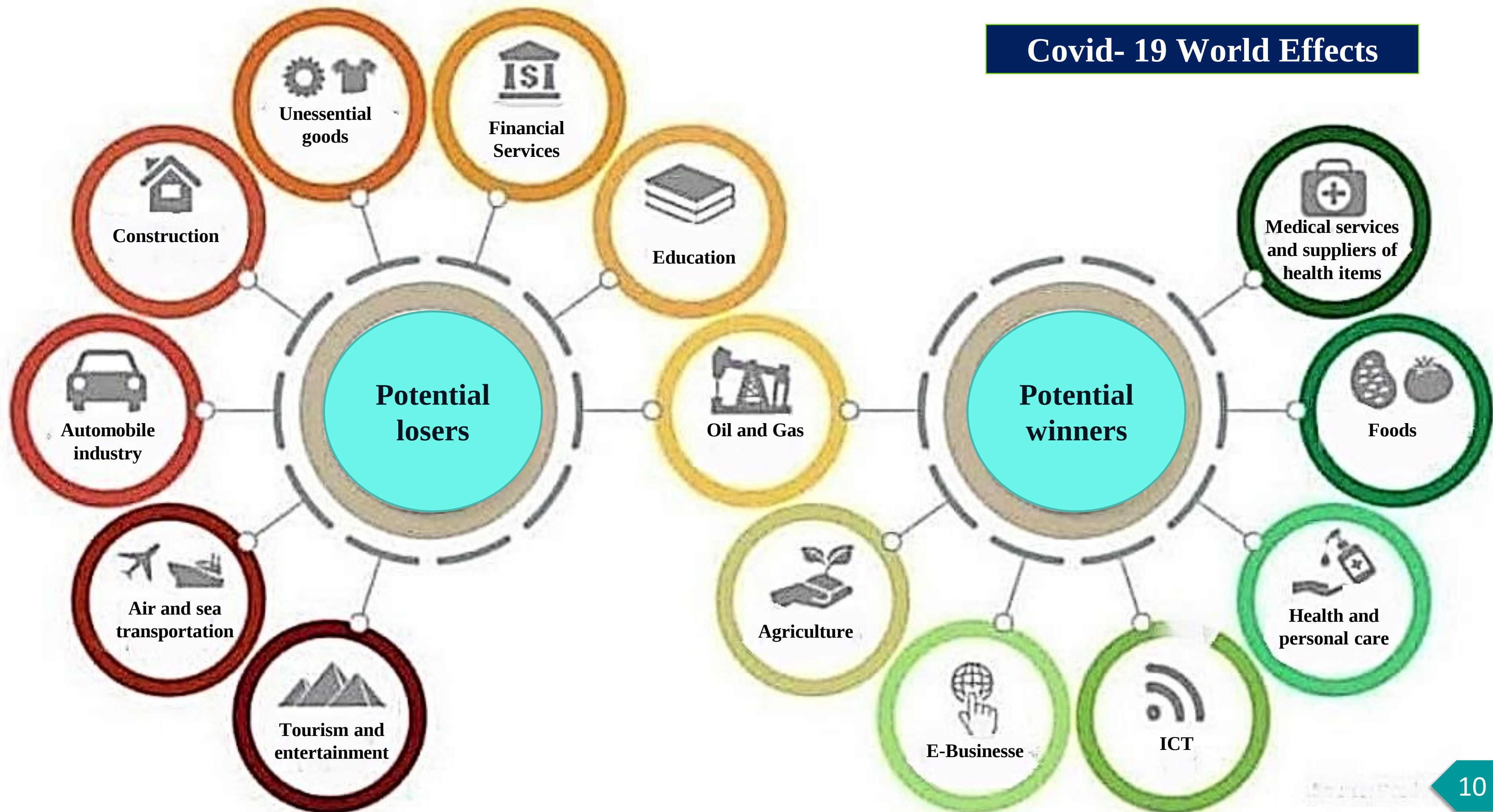
Source: WTO, Tourism Yearbook, 2012-2018.

Number of Arrivals to Iran from EU countries(2012-2017)							
North EU							
Country	2012	2013	2014	2015	2016	2017	2018
Denmark	2,184	2,538	3,720	4,066	5,825	5,953	4,667
Finland	679	776	1,168	1,638	2,025	2,839	2,030
Iceland	49	40	142	68	112	98	64
Ireland	689	738	1,146	1,193	1,652	1,871	1,363
Norway	1,836	2,610	2,694	3,399	3,769	4,679	3,776
Sweden	7,618	6,807	8,850	11,537	10,046	18,034	8,855
UK	3,842	5,449	7,273	9,423	13,510	18,034	9,585
South EU							
Country	2012	2013	2014	2015	2016	2017	2018
Albania	101	98	107	164	172	203	111
Besnia and Herzegovina	233	369	332	299	341	426	352
Greece	1,163	1,572	1,796	1,903	2,563	2,456	1,740
Italy	9,576	13,019	25,103	22,538	22,966	38,752	20,013
Montenegro	24	29	36	35	48	71	42
Portugal	623	713	1,586	1,645	1,826	2,640	1,802
Serbia	431	482	494	667	924	1,143	865
Slovenia	588	824	1,250	743	984	951	1,036
Spain	2,273	3,608	6,710	6,743	8,930	11,228	8,535

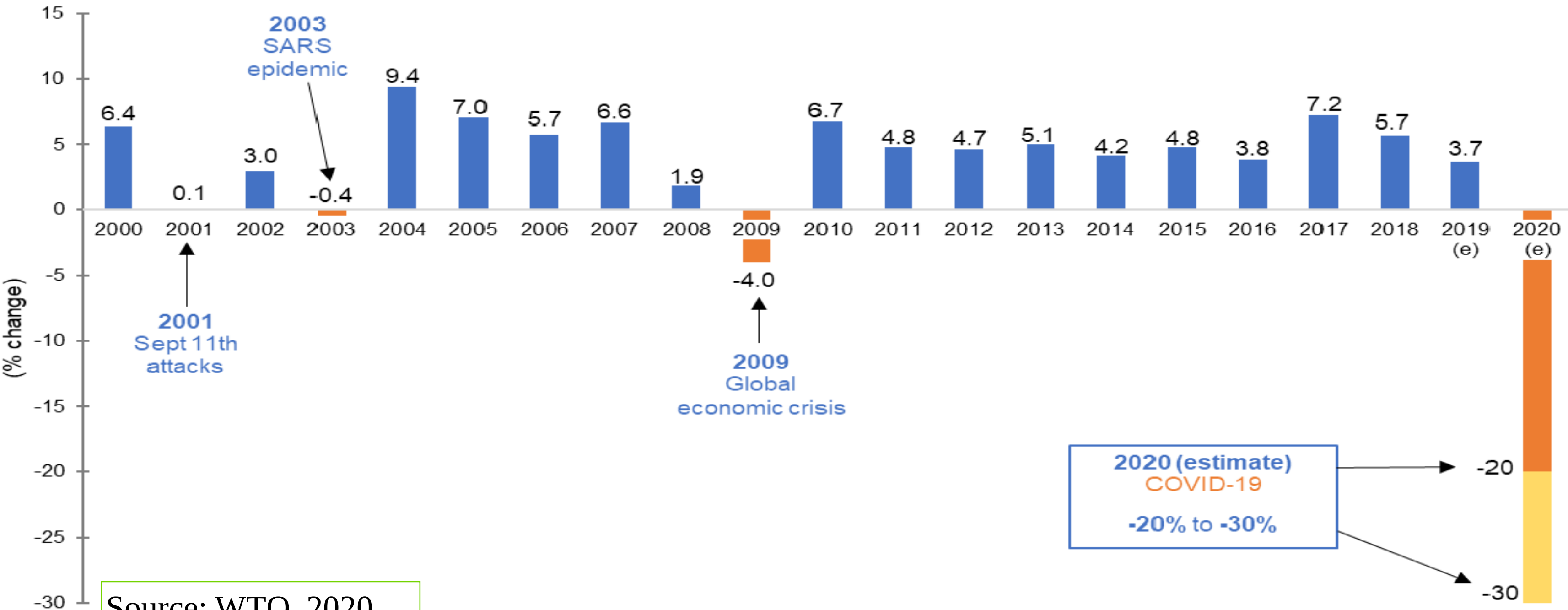
West Eu							
Country	2012	2013	2014	2015	2016	2017	2018
Austria	2,692	3,319	6,235	7,735	9,355	13,602	9,191
Belgium	1,284	1,613	3,572	4,545	6,140	6,899	4,653
France	5,863	7,271	13,065	17,931	34,922	45,576	28,389
Germany	17,981	21,242	32,067	47,057	53,596	57,894	37,125
Luxembourg	42	48	109	154	237	363	243
Netherlands	1,268	6,953	8,433	10,672	15,156	20,367	14,724
Swiss	1,987	2,372	4,116	4,900	6,813	7,874	5,896
Central / Eastern Eu							
Country	2012	2013	2014	2015	2016	2017	2018
Armenia	7,089	7,280	6,753	7,617	8,861	20,924	142,979
Azerbaijan	677,457	1,077,713	1,377,686	1,341,537	1,270,764	1,143,200	1,609,620
Bulgaria	1,020	1,019	1,355	1,233	1,515	1,196	796
Czech Republic	724	931	1,289	1,492	2,295	2,529	1,925
Georgia	3,359	7,103	10,101	15,536	23,135	30,193	33,185
Hungary	818	681	1,016	1,293	1,120	1,482	1,328
Kazakhstan	1,904	2,261	2,539	2,495	3,507	3,902	2,695

World Tourism amid Covid- 19 outbreak

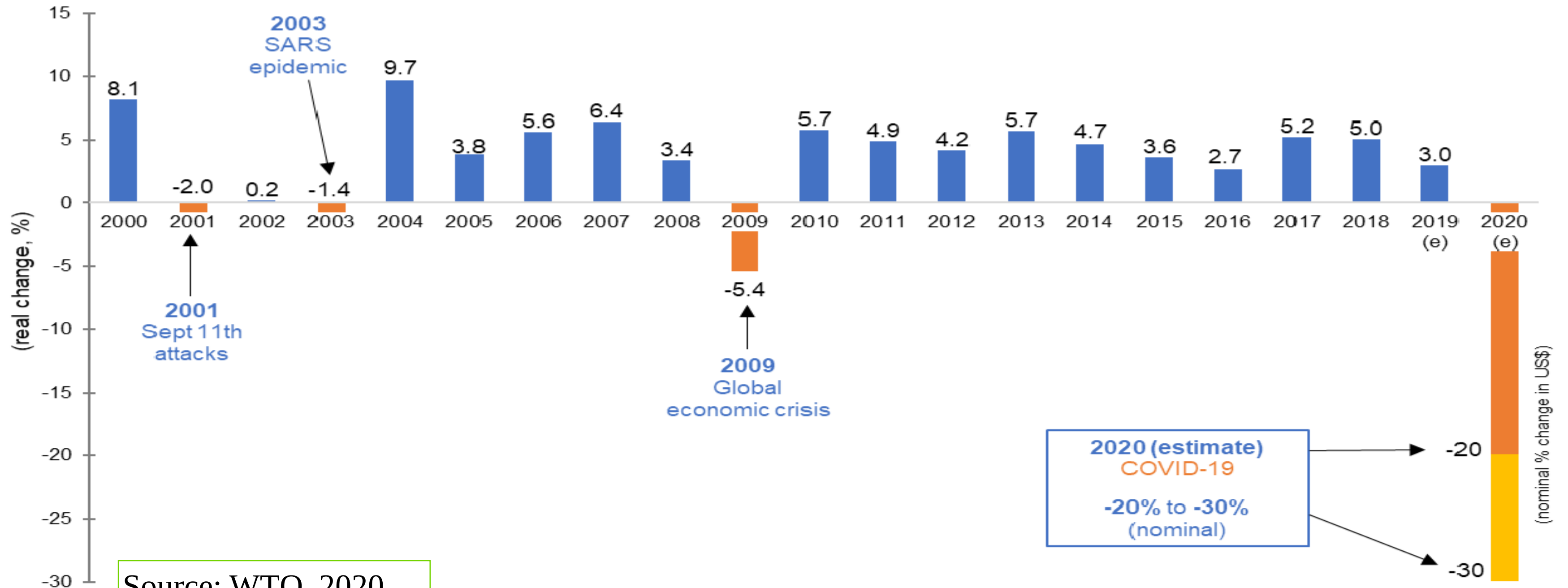
Covid- 19 World Effects



Covid- 19 World Effects (International Tourist Arrivals)



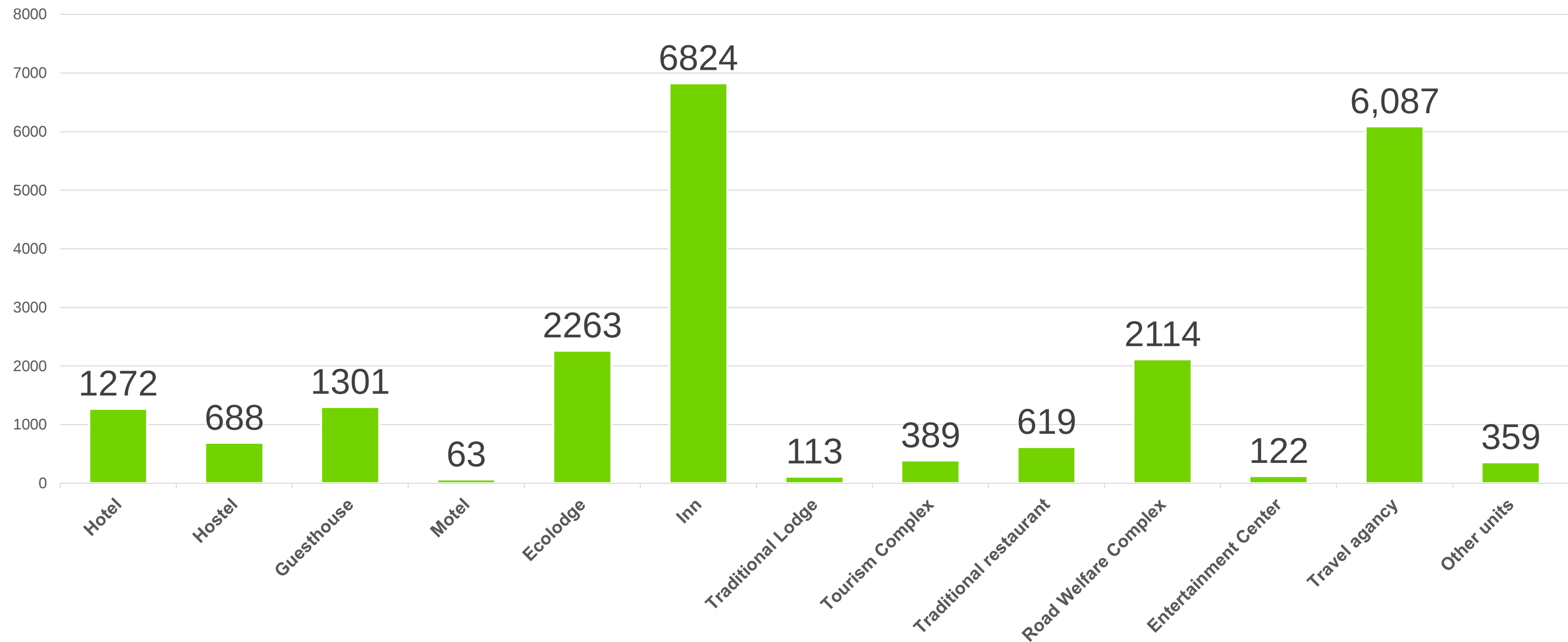
Covid- 19 World Effects (International Tourism Receipts)



Iran Tourism amid Covid- 19 outbreak

Tourism Businesses situation before Covid-19

Number of Businesses



Response Measures- industry

- Closure (partly or completely) of tourism establishments.
- Complete cancellation of inbound tours
- Cost management strategies
- Devising protocols to manage revenue stream like New Normal

Response Measures-Government

- Identify tourism as one of the 13 category affected by the National Corona Headquarters
- Launching Kara system to give facilities at a rate of 12%
- Deferment payment of electricity and gas bills.
- Consider forgiving municipal tolls for damaged businesses by municipalities
- Deferment of the employer's insurance share
- Deferment the payment of bank installments
- Deferment VAT due dates of affected businesses
- Shift from “strict travel ban” to “conscious & safe travel”
- Shift from “inter-cities traffic ban” to “organized tours in authorized destination”

Response Measures to cope with Covid- 19

Country	Measures
Indonesia	▪ Elimination of taxes on active tourism establishments. ▪ Marketing and rebranding for the country.
UK	▪ Granting loans to active businesses in tourism ▪ Provide cash-in-flow
Italy	▪ Tax exemption ▪ Payment of social security and welfare benefits for tourism sector workers ▪ Support for Italian Airlines ▪ Free cancellation of air and train tickets

Measures of countries against Covid- 19

Country	Measures
Ireland	▪ Financial support for canceling major events ▪ Reduction of taxes to zero percent ▪ Double the international marketing budget
Spain	▪ Grant to small tourism businesses ▪ Cut some taxes ▪ Free-cancellation of air and train tickets
France	▪ Tax deferral ▪ Assistance to airlines

Policy implications of Covid- 19 for tourism sector

- Better Understanding the effects of tourism by the tourism stakeholders.
- Importance of domestic spending in tourism & necessity of due attention.
- **Supply-side protection measures** should necessarily accompanied by **demand-side protection** measures.
- Due attention to interconnectivity of tourism industry with financial instruments .i.e. insurance.
- Developing tourism products that has the potential to recover soon.

Thank You

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