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International trade in travel and tourism services: Economic impact and policy responses during the COVID-19 crisis

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World Trade Organization

Economic Research and Statistics Division

**INTERNATIONAL TRADE IN TRAVEL AND TOURISM SERVICES:
ECONOMIC IMPACT AND POLICY RESPONSES DURING THE COVID-19 CRISIS**

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Manuscript date: 26 August 2020

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* Trade in Services and Investment Division, World Trade Organization.

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ABSTRACT

In this paper, we investigate tourism-related policy approaches that WTO member countries adopted in the early weeks of the COVID-19 crisis. We highlight the need for stakeholders to coordinate their responses in order to mitigate the negative crisis effects and better prepare the sector for the future. In doing so, we explore the economic impact of potential tourism scenarios, underlining both the demand and supply side effects of the crisis.

By compiling and organising information from a range of sources based on information available at the time, the paper provides a systematic approach to map and analyse tourism-related policies for 59 WTO Members across all continents. Our findings confirm that: (i) almost 90% of the countries analysed focused their tourism policy responses on economic stimulus measures to mitigate the negative impacts of COVID-19 and facilitate a strong recovery; (ii) more than half of the examined countries have taken financial measures to support the sector through loans, tax deferrals etc.; (iii) less than a third of the analysed countries enacted social and employment measures.

Keywords: Travel, tourism, services trade, COVID-19, economic policy, monitoring, economic impact.

JEL classification numbers: F13, L83, O14

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TABLE OF CONTENTS

1 INTRODUCTION	3
2 COVID-19 EFFECTS ON TRADE IN TRAVEL AND TOURISM SERVICES	3
2.1 Economic contribution of the sector	4
2.2 Expected economic implications of COVID-19 on travel and tourism services	5
2.2.1 Demand-side implications	6
2.2.2 Supply-side implications	7
2.3 Trade implications of COVID-19	7
3 POLICY RESPONSES	9
4 THE FUTURE OF TOURISM SERVICES	11
4.1 Future tourism demand and supply	12
4.2 Emerging business models and the new marketing mix	12
5 WHAT TO DO NOW	13
5.1 What people can do	13
5.2 What tourism businesses can do	14
5.3 What governments can do	15
5.4 What international organizations can do	18
6 IN CONCLUSION	19
7 REFERENCES	20
Indicative online sources of reported tourism-related measures	25
8 ANNEX	27

LIST OF FIGURES

Figure 1. World's travel and tourism sector growth vs. GDP growth, 2011-2019	4
Figure 2. The impact of COVID-19 on international tourist arrivals (in million tourists)	5
Figure 3. Trade impact of the initial COVID-19 pandemic outbreak (USD million)	8
Figure 4. Direct contribution of tourism and COVID measures stringency in the OECD	9
Figure 5. COVID policy responses and tourism shares in GDP and employment in the OECD	10

LIST OF BOXES

Box 1. Good practices of tourism promotion policies during COVID-19 in Greece, Kenya and the Philippines	17
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LIST OF TABLES

Table 1. Shares of countries enacting tourism specific measures in response to COVID-19, by type of measure	11
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INTERNATIONAL TRADE IN TRAVEL AND TOURISM SERVICES: ECONOMIC IMPACT AND POLICY RESPONSES DURING THE COVID-19 CRISIS

1 INTRODUCTION

Tourism is an important contributor to the world economy. The tourism industry not only generates revenues for a country, but it is also one of the most important engines for growth and economic development. The sector offers simultaneously the opportunity for economies to grow, and people to earn income, while tourism spending is associated with improvements in well-being for consumers of tourism services (OECD, 2020a). Moreover, as a generally labour-intensive sector, tourism generates employment, while fostering skills development and local entrepreneurship. Its connectivity and mobility features also play a key role in regional integration and economic inclusion. As an intrinsically extrovert sector, tourism promotes international services trade, inducing positive spillovers in cultural diffusion, international investment and cross-border synergies and collaboration between enterprises.

The COVID-19 pandemic is an unprecedented crisis for international trade in travel and tourism services. Governments around the world have introduced extraordinary measures to contain the negative impacts on the sector, and to facilitate its recovery. We investigate the economic implications and policy responses that governments have adopted in order to enhance resilience and design the future of travel and tourism services. This is particularly important given the far-reaching positive externalities of tourism services in diffusing economic growth to remote areas, and the overall impact of the current COVID-19 crisis on the economic activity of the sector. In this regard, it is necessary to both understand the channels through which the crisis affects the sector, and to explore potential behaviour and policy responses that could mitigate the negative implications of the pandemic for the future of travel and tourism services. In order to do so, the paper builds on academic and policy literature, as well as original qualitative research concerning the types of policies enacted in fifty-nine WTO Members across all continents.

2 COVID-19 EFFECTS ON TRADE IN TRAVEL AND TOURISM SERVICES

The COVID-19 crisis has triggered a profound, precipitous and simultaneous demand and supply shock to tourism. On the demand side, travel restrictions and border closures limit people's mobility and have a negative impact on tourism. Fewer people are travelling, while their current and potential future income are also severely reduced. On the supply side, the lockdown measures have led to a curtailment of the activities of tourism businesses and destinations, while nature sites and other touristic resources remain closed to the public. The sector includes, at its core, services such as hotels, restaurants, tour operators, and travel agencies. The need for physical proximity between suppliers and consumers of most tourism services severely hampers economic activity under the traditional business model of the tourism sector. In most countries, the sector typically relies on mode two for international supply of services trade, i.e. consumption abroad. Given that travel restrictions have halted the movement of most tourists both domestically and abroad, the sector has arguably been one of the hardest hit by the crisis to date (Wolff, 2020). Domestic travel restrictions and work-from-home requirements have further crippled the sector by closing off most domestic tourism activities.

In light of these changes, new business models are emerging, under which remote destinations and e-tourism are expected to increase their market share. The COVID-19 crisis presents an opportunity for a "tourism reset" focusing on biodiversity and natural resources management, providing a pathway to simultaneously prevent future pandemic outbreaks and boost tourism diversification and resilience (Honeck and Kampel, 2020). In parallel, economic and societal megatrends are bound to shape tomorrow's demand and supply characteristics.

This paper examines the main channels of economic activity through which the COVID-19 crisis affects tourism trends and policies globally. The following section examines the economic links that underpin the contagion effect of COVID-19 on the demand and supply aspects of the tourism

economy. Then we relate them to the overall trade impact of the coronavirus in order to highlight the importance of the international dimension of tourism services. In order to understand how businesses and governments are reacting to the new challenges, sections three and four present the current policy responses and the preparations of stakeholders for the next day of tourism services following the expected structural transformation. The paper concludes with proposals on how tourists, businesses, governments and international organizations can reap the opportunity of subdued economic activity today in order to invest in their future and minimise the medium- and long-term impact of the forthcoming structural change.

2.1 Economic contribution of the sector

According to the World Travel & Tourism Council (WTTC, 2020a), the sector of tourism services accounted in 2018 for 10.4% of global GDP and more than 319 million jobs, i.e. 10% of total employment. In terms of international trade, statistics from the WTO regarding the balance-of-payments reveal that the sector also represented 6.5% of global exports and 27.2% of world commercial services exports in 2018, while it accounted for 32% of services exports of developing countries, and 50% in the case of LDCs.

Depending on their level of development and fiscal space, countries have taken measures to contain the negative economic impact of the pandemic on sectoral turnover and employment. Developing countries have embarked upon significant frontloaded economic stimulus to mitigate the decline in economic figures. The impact figures are even more devastating for many developing countries, where tourism plays a vital role in supporting income and jobs. In small economies in particular, tourism accounts not only for the greater share of total exports, but also for a significant share of their GDP; e.g., 67% in Seychelles, 62% in Saint Kitts and Nevis, 48% in Vanuatu (Knoema.com, 2020). World travel exports, covering travellers' expenditure on goods and services during their stay abroad, had grown by 7% in 2018. In the most developed countries of the OECD tourism sector contributes slightly less than the world average in economic activity. According to the OECD (2020a), tourism in the OECD directly contributes – on average – by 4.4% of GDP, 6.9% of employment and 21.5% of service-related exports.

Economic growth in the travel and tourism sector has constantly outpaced global GDP growth during the last decade, despite the economic crisis (see figure 1). This testifies the increasing importance of the sector for the world economy and a potential increase of its share in total income. Indirect economic impact of tourism is also significant. World travel exports, covering travellers' expenditure on goods and services during their stay abroad, had grown by 7% in 2018 (WTTC, 2020a). At the same time, tourism generates economic activity in related sectors, such as real estate, construction, retail trade, etc.

Figure 1. World's travel and tourism sector growth vs. GDP growth, 2011-2019



Source: Poole (2020), WTTC

Tourism is a sector which strongly supports economic inclusion and is closely linked to customers well-being. Micro and Small and Medium Size Enterprises (MSMEs) make up around 80% of the tourism sector enterprises. Their income is found to be associated mostly with leisure (78.6%) and less with business spending (21.4%). Moreover, tourism domestic spending (71.3%) is more

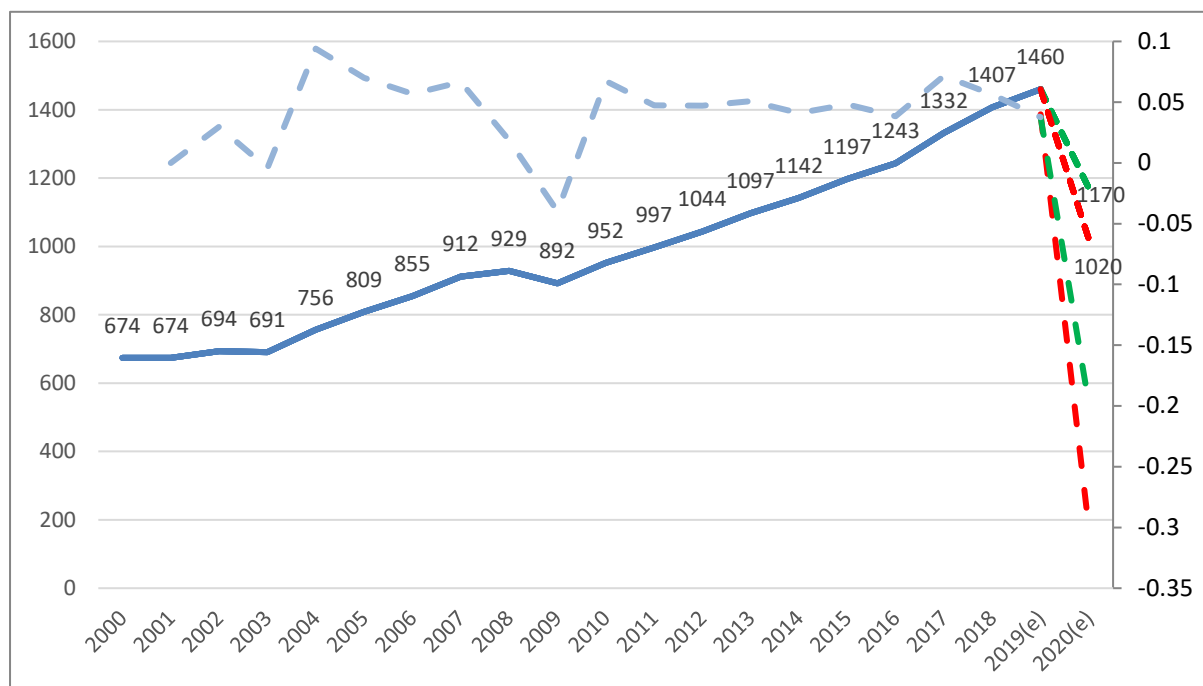
significant than international (28.7%) spending (Poole, 2020). These aspects of tourism make it particularly important for small countries with high dependence on the sector and small size of firms.

2.2 Expected economic implications of COVID-19 on travel and tourism services

The estimated economic impact of COVID-19 on tourism sector has been analysed by a number of international institutions and organizations (WTTC, 2020b, 2020c; UNWTO, 2020a, OECD, 2020b). These studies and articles focus on the employment, income and arrivals aspects of international tourism. Although they all acknowledge the difficulty in making accurate forecasts as long as the end date of the pandemic remains unknown, a widely accepted scenario predicts that up to 75 million jobs are at immediate risk in global travel and tourism industry (initial estimate on March 13 was a third lower, i.e. 50 million jobs). Moreover, the WTTC expects the crisis to cause a drop in global travel by 25%, i.e. a loss of three months of global travel (WTTC, 2020c). The OECD (2020b), on the other hand, estimates a 45% to 70% decline in international tourism arrivals in 2020. The cumulative income effect of this drop is expected to result in global losses for the sector of about USD 2.1 trillion in 2020.

Following a small drop in the beginning of the financial crisis in 2009, international tourist arrivals had been constantly increasing (see figure 2). According to the United National World Tourism Organization (UNWTO), early 2020 estimations expected international arrivals to increase by 3-4% in 2020. Following the COVID-19 outbreak, projections on international tourist arrivals were initially revised and foresaw by early-April a 1-3% drop globally in 2020. Further developments on the impact of the health crisis on the economic activity of the sector adjusted downwardly the forecasts to a 20-30% decline compared to 2019. This translated into a drop in the numbers of international tourist arrivals of about 290 to 440 million tourists in 2020, compared to 2019. Latest estimates show that the decline could be as high as 60-80%.

Figure 2. The impact of COVID-19 on international tourist arrivals (in million tourists)



Source: UNWTO (2020a) Estimates (as of 12 May)

Note: Annual growth rate illustrated through the dotted line and on the right axis.

Significant disparities are observed concerning the impact of the COVID crisis on the tourism sector in different regions. As highlighted by Honeck and Kampel (2020) and the OECD (2020d), the effects of the virus outbreak on tourism are likely to be asymmetrical and highly localised within countries, with some destinations disproportionately vulnerable because of their high reliance on the sector. This holds true at the regional level as well. The UNWTO (2020a) initially expected that Asia Pacific would be the most affected region globally; 9-12% fall of international tourist arrivals in 2020, down from 5-6% forecasted growth in early January. By early March, the situation in Asia was more

dramatic than in Europe and the United States. Given that about 90% of the approximately 150 million trips abroad made by Chinese tourists are towards Asian countries (dw.com, 2020a), the implication of the initial COVID-19 outbreak on the tourism sector of Asian countries was expected to be considerable.

Other parts of the world see their expected tourism revenues also declining. While the OECD estimated an overall impact of around 2% decrease of GDP for each month of confinement, tourism-reliant economies are estimated to be hit the most (OECD, 2020b; OECD, 2020d). In the two scenarios examined by the OECD, international tourism arrivals may start to recover in July and September 2020 respectively and then strengthen progressively in the rest of the year. In the first case, the decline in tourism arrivals is expected to be around 45%, while in the second scenario the OECD estimates an overwhelming 70% decline in the international tourism economy. The hit will be bigger for countries with large tourism sectors. For example, tourism is Spain's biggest sector at 15% of the GDP and it has been brought to a complete standstill by COVID-19 (dw.com, 2020b). It is also expected that for many small island developing states (SIDS), the COVID-19 pandemic will directly result in record amounts of revenue losses without the alternative sources of foreign exchange revenues necessary to service external debt and pay for imports (UNCTAD, 2020a).

MSMEs, and particularly microbusinesses (with fewer than 10 employees), are generally more susceptible to the negative effects of the coronavirus than larger tourism corporates. This is partly attributed to their limited human and financial resources, as well as their often greater difficulties in accessing credit and government support. Microbusinesses are linked to over one third of tourism sector employment in 15 EU Member States (Cedefop, 2020), while they are also geographically scattered across regions, supporting thus local development and social cohesion.

The tourism sector all around the world is very sensitive to income shocks and particularly sudden crises, such as the COVID-19 case. The effects of the current crisis on tourism comprise both demand and supply side effects. People are spending less on tourism and travel, while, given the restrictions, less they are willing or able to travel. On the supply side, the international travel restrictions put in place by many governments have directly limited international tourism by restricting cross-border travel. Moreover, closing historical and other sites of tourist interest due to the pandemic contagion effects unavoidably shrinks the sector.

The initial fall in tourism services demand and supply was triggered by people's reluctance to travel due to the coronavirus outbreak. The travel bans and restriction measures that shortly followed precipitously suppressed economic activity in the sector. The simultaneous plummeting of supply and demand is a characteristic seen in previous recessions as well (Guerrini et al., 2020). The novelty of the present crisis consists in the simultaneous – yet, to different extents – compressing of economic activity in all niches of the market. Unlike previous crises, when corporate demand had fallen more sharply than leisure demand, COVID-19 restrictions resulted in a symmetrical and profound decline in all market niches.

2.2.1 Demand-side implications

Consumers of tourism services face a shift in their incentives which originates both from their economic situation and the government-imposed restrictions. On the former, the shrinkage of disposable income leads people to cut expenditure in tourism and other "luxury" goods. The latter consists in an unmatched demand effect, i.e. people that may want to travel, but cannot do so because of the restrictions in place. Both effects drive demand down for each given price of tourist services.

The lower income caused by the decline of purchasing power will lead some tourists out of the market, while others will choose lower cost options, leading thus to a decrease in tourism revenues. Following the end of the COVID quarantine, two driving forces will shape future demand, the set-free effect and the income effect. The former will lead to a sudden surge in demand for travel and tourism services, as people will feel the need to escape from home restrictions and safety concerns. Tourism constitutes a good option in this respect. The latter will limit the desire of people to travel, as economic losses could be so devastating that people could be reluctant to spend, particularly on high elasticity services, such as tourism.

Price elasticities also change during the current crisis. Literature has argued that the improvement in people's well-being during the past four decades has been accompanied by a decrease in the income elasticity of demand for tourism services (Gunter & Smeral, 2014). According to the authors, this was due to the economic slowdown, the uncertainty about the future and the increased

competition between tourist destinations. Changes in prices of tourism services during the COVID crisis do not necessarily lead to increased demand. Therefore, businesses are careful when making offers to attract future tourists, even for the period when they believe that the quarantine will be over.

The structure and type of tourism services may also be reflected in the demand shifts. Health concerns are expected to make tourists less eager to travel to crowded areas, while restrictions are also being put in place in order to limit the density of tourists. This is bound to direct demand towards less known areas with tourism potential and extend the tourism seasons. Moreover, domestic tourism could be chosen as a more secure option, particularly in areas less hit by the virus. Countries where domestic tourism already represents a significant share of the tourism economy are thus likely to see recovery in the sector more quickly than countries that are heavily dependent on international tourism flows.

2.2.2 Supply-side implications

Tourism businesses have responded to the new situation in a manner which reflects the income and substitution effects of the tourism market. The World Health Organization has come up with detailed guidance concerning the operational considerations for COVID-19 in the accommodation sector (WHO, 2020). Price and capacity adjustments are expected in the short term in order to mitigate the risks of losses.

Temporarily, the measures to curb the spread of coronavirus and safeguard members of the public and healthcare systems have resulted in the closure of tourism enterprises, such as hotels, restaurants, museums, ski resorts, public beaches, etc. The remaining ones are forced to change their business models in order to retain some clients. For example, hotels have been obliged to reopen only under strict conditions of health measures, change their sanitary precautionary measures and impose enhanced cleaning and distancing standards on housekeeping, food servicing, recreational activities etc. Some hotels may be forced or choose themselves to close their doors in order to minimise losses. For example, hotels facing high competition, particularly in large cities, could minimise their losses by temporarily suspending their services. The Parisian hotels are an example of that. Many of these hotels decided to suspend their activities, as they were seeing their occupancy rates falling from 84% in mid-January to 1.8% in Mid-March 2020 (statista.com, 2020). Others, targeting the luxury niche of the market, may deem it profitable to charge for a combination of accommodation, recreational and health services in a package. This is the case of some Swiss hotels offering 'luxury coronavirus quarantine packages', which include luxury perks, such as saunas and high-end accommodation, along with COVID tests and regular nurse services (thelocal.ch, 2020).

Other types of tourism businesses also face restrictions, which will dictate their new business model. For example, some restaurants and other food supply services may only work for take away, while food delivery may also hedge part of the losses occurred due to closure measures. At the same time, staff working on waiting services can be trained and redeployed to temporarily work on other services of the business. Those who offer off-premise service, whether that is delivery, catering, or pickup, are likely to rebound faster in the COVID-19 aftermath. Moreover, greater emphasis is expected to be placed on food safety scoring and cleanliness standards, which will impact not only the food consumption, but also the ratings and demand for tour operators working with various hotels, food service and transport service providers (Malbec, 2020; Davant, 2020).

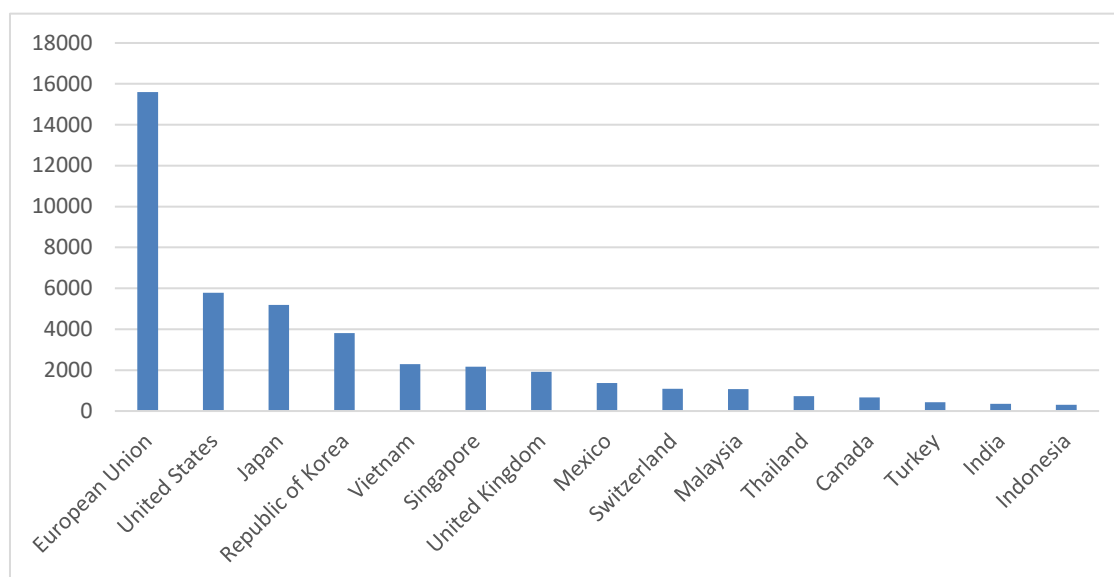
The distance ordering and provision of tourism, travel and food services implies an increased need for better IT systems and management of related threats. The entire tourism industry is expected to rely more on digital technologies and platforms: virtual tours and e-tourism alternatives are on the uptake (White, 2020; Rowett, 2020); e-commerce and tourism services would be better connected (statista.com, 2020); digital skills will gain more importance for employability in the sector both in developed (EC, 2020) and developing countries (South African Government, 2020). The enhanced reliance on digital infrastructure also increases the privacy and cyber security risks of tourism businesses. More online transactions without security upgrade would render the payments and secure data more apt to cyberattacks.

2.3 Trade implications of COVID-19

Tourism and travel related services highly depend on a number of other sectors, including transport, e-commerce, leisure and cultural services. Most of these sectors have been severely disrupted due

to the pandemic – yet, to a different extent in different regions. According to UNCTAD (2020b) estimates and, as shown in figure 3 below, the initial trade impact of COVID-19 was expected to be larger for Europe (36%), followed by the US (14%), and Japan (12%). The WTO has repeatedly called for trade measures needed in the effort to combat COVID-19 to be no more restrictive than absolutely necessary (WTO, 2020a,b,c; Wolff, 2020). In the context of the G20 (2020) Ministerial Statement of 30 March 2020, it was stressed that “emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO rules”.

Figure 3. Trade impact of the initial COVID-19 pandemic outbreak (USD million)



Source: UNCTAD (2020b) Estimates, 4 March 2020

Note: Estimates are based on a drop of Chinese outbound tourism supply in February 2020, as measured by the Chinese PMI. The list does not include Chinese Taipei and Hong Kong, SAR of China.

A preliminary downside scenario sees a \$2 trillion shortfall in global income with a \$220bn hit to developing countries (excl. China). Trade effects of the COVID-19 are worse for countries which had significant trade links with initially shocked economies, like China and Italy, for oil-exporting economies and for other commodity exporters, which stand to lose more than one percentage point of growth (UNCTAD, 2020c). According to preliminary estimates published by UNCTAD (2020b) on 4 March, the slowdown of manufacturing in China due to the coronavirus outbreak disrupted world trade and could result in a \$US 50 billion decrease in exports across global value chains. Such a drop in output would have implied a 2% reduction in exports on an annual basis. As China accounts for 17% of global GDP, 11% of world trade, 9% of global tourism and over 40% of global demand of some commodities, negative spillovers to the rest of the world are sizeable.

Beside cross-border trade of goods, services trade is also severely impacted. Services trade will likely be adversely affected, especially in transportation and travel (Boone, 2020; Wolff, 2020; WTO, 2020d). There is mounting evidence of sharp declines in tourism, supply chain disruptions, weak commodity demand and falling consumer confidence. The nature of services and trade restrictions in domestic regulation exempt them from the impact of cross-border restrictions. However, unlike goods trade, their non-storage characteristics render the postponement of consumption for later.

The COVID-19 effects are naturally more pronounced in sectors of services trade where physical proximity between suppliers and consumers is required. Constrained mobility measures in the context of the COVID-19 pandemic affect negatively three modes of supply under the WTO General Agreement on Trade in services (GATS) as fewer people are travelling: consumption abroad (mode 2), commercial presence (mode 3) and movement of natural persons (mode 4). While services that depend on physical proximity of people or goods may experience a fall, others concerning the online sale of audio-visual services, e-commerce and on-line education may even experience an increase (mode 1). The adverse effects of social distancing measures to reduce the transmission of coronavirus are likely to be larger for services transacted through mode 2 as tourism services, mode 3 or FDI in services, e.g. international banking services, and mode 4, e.g. IT professionals working

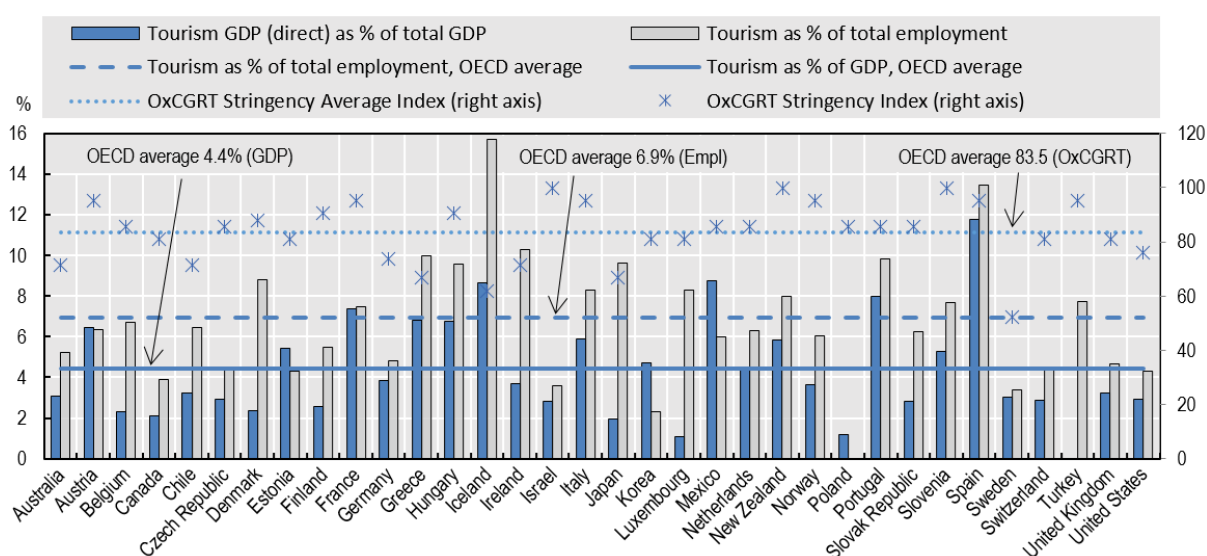
onsite abroad and intra-corporate transferees, as these require some form of physical proximity between the suppliers and consumers (Shingal, 2020). To put things in perspective, the total value of global trade in commercial services in 2017 was \$13.3 trillion of which nearly 60% was transacted via Mode 3, 10% via Mode 2 and 3% via Mode 4 (WTO, 2019).

3 POLICY RESPONSES

Both the types of policies and the speed of implementation by governments will play a crucial role in determining the tourism market's dominant players in the post-crisis era. The post-COVID era will certainly be characterised by increased competition for a smaller number of tourists, particularly in the short run. Moreover, the global spread of the current crisis and the international mobility underpinning tourism services means that coordination at an international level will be necessary to revive the sector. The Economic Outlook 2019 of the OECD (2020b) shows that if G20 economies implement stimulus measures collectively, rather than alone, the growth effects in the median G20 economy will be 1/3 higher after just two years.

In the analysis of the UNWTO (2020c) as of April 28th all countries had taken temporary travel- and tourism-restrictive measures to curb the COVID-19 expansion. Out of 217 destinations analysed worldwide, 45% have totally or partially closed their borders for tourists. This meant that tourists and passengers were not allowed to enter their territory. Moreover, 30% of destinations had totally or partially suspended international flights, while 18% have banned the entry for passengers from specific countries of origin or passengers who have transited through specific destinations. 7% of destinations also apply different measures, such as quarantine or self-isolation for 14 days and visa measures. The stringency of measures does not seem to vary significantly across the OECD (figure 4).

Figure 4. Direct contribution of tourism and COVID measures stringency in the OECD

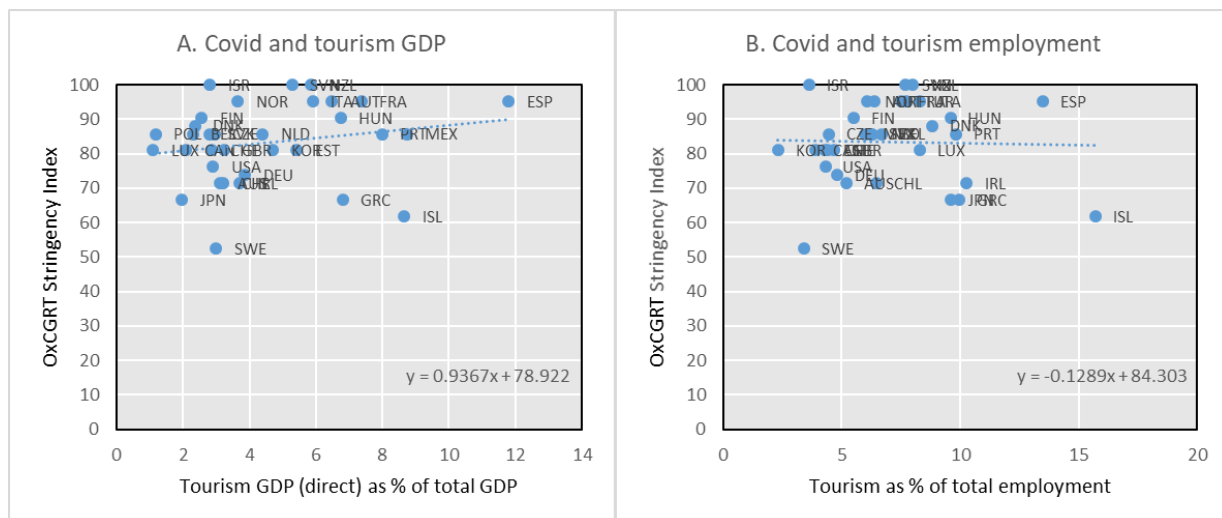


Source: OECD and Oxford University (Hale and Webster, 2020)

Note: OECD data on tourism are as of 18 February 2020. Oxford OxCGRT data are as of 15 April 2020.

COVID policy responses have been generally independent of the economic contribution of tourism. They do not seem to be significantly related to the contribution of tourism to national economies, in terms of both output and employment. Figure 5 shows that the Oxford OxCGRT Stringency Index is positively associated with the share of tourism to GDP and negatively associated with the share of tourism employment to total employment. However, both relations are weak and with large dispersion across countries.

Figure 5. COVID policy responses and tourism shares in GDP and employment in the OECD



Source: OECD and Oxford University (Hale and Webster, 2020)

Note: OECD data on tourism are as of 18 February 2020. Oxford OxCGRT data are as of 15 April 2020.

Measures taken by national governments are in line with recommendations issued by international organizations and other tourism-related institutions. On April 1st, the World Tourism Organization (UNWTO, 2020d, 2020e) released 23 recommendations, divided into three key policy areas, calling for strong, urgent support to help the global tourism sector recover from COVID-19 and "grow back better". The three areas included recommendations in line with the social and employment, economic stimulus and financial measures that governments have taken. WTTC members have taken similar measures for tourism businesses (White, 2020) and the management of tourism destinations (Rowett, 2020).

Since the early stages of the crisis, the WTO (2020e) has regularly tracked government responses around the world to mitigate the spread of health and economic impact of COVID-19, while also taking steps towards accelerating the economic recovery by planning and legislating different measures. The regularly reported trade-restrictive measures include trade in both goods and services. Since 23 March¹, the WTTC (2020e) has been also publishing a listing of government policy shifts supportive of travel and tourism industries, starting with the measures enacted in Australia, France, Hong Kong (specifically for travel agents), Italy, the Philippines, Portugal Singapore, Spain, and the UK. Other organizations and entities also engaged in cataloguing tourism-related measures include the OECD (2020b), Horwath HTL (2020), etc.² In a novel approach compared to other listings, our analysis groups the measures according to their type and facilitates cross-country comparison. On the basis on the three policy priority areas outlined by the WTTC, a number of countries have announced and are implementing targeted social, economic and financial policies as a response to the COVID-19 crisis (see detailed table of policy responses in the Annex).

Firstly, governments have focused on employment and social measures protecting the livelihoods of employees. These often comprise financial support to protect the income of the millions of workers of the tourism industry. Some governments have prioritised financial assistance to companies retaining their workers during the economic slowdown, particularly in sectors like tourism, which are characterised by seasonality and flexibility in employment. A number of WTO member countries have enacted job support and salary replacement schemes for tourism sector employees. Moreover, some governments have taken steps towards the upskilling and reskilling of employees, particularly seasonal and temporary workers, through vouchers for online trainings etc.

Secondly, governments have taken measures in order to soften the burden of increased costs for tourism businesses at a time of weak demand. In that spirit, policy responses comprised postponement or cancellation of tax and social security obligations, national tourism promotion and

¹ Updated 29 April 2020.

² For a continuously updating platform of measures in place by national governments as response to the COVID-19 crisis and going beyond the travel and tourism sector, see the OECD Policy Tracker (<http://www.oecd.org/coronavirus>) and the Oxford COVID-19 Government Response Tracker: OxCGRT (Hale and Webster, 2020).

marketing campaigns, the enabling of tourism enterprises to offer their clients vouchers instead of refunds, etc. Government have also provided vital soft or interest-free loans to global travel and tourism companies, as well as to millions of small and medium-sized businesses, as a stimulus to prevent them from collapse. Moreover, taxes, dues and financial demands on the travel and tourism sector have been waived in many countries.

Thirdly, financial liquidity and cash flow assistance has been granted in many countries in order to support big and small players of the travel and tourism sector, as well as target support to severely affected relevant sectors. Financial support to companies has been channelled through direct liquidity and credit injection, loans and loan guarantees, delayed tax collection, soft loans through co-operation with financial institutions and other measures.

Our analysis reveals that countries have focused on economic stimulus measures to mitigate the negative impact of COVID-19 on tourism enterprises and facilitate the strong recovery following the crisis. The type of measures, their extent, the coverage of sector enterprises and the coverage of sectoral workers differ across countries and regions (see table 1).

Table 1. Shares of countries enacting tourism specific measures in response to COVID-19, by type of measure

Category	Social & Employment	Economic	Financial
Countries_No_Measure	41	8	28
(%)	(31.0%)	(87.9%)	(53.4%)
Countries_Measures	18	51	31
(%)	(70.7%)	(13.8%)	(48.3%)
Total_Countries_Analysed	59	59	59

Source: Author's calculations based on compilation of information extracted from IMF (2020), UNWTO (2020a), Horwath HTL (2020), WTTC (2020a), WTTC (2020d), World Bank (2020), etc. See Annex for details.

Social and employment measures are reported only for about a third (31%) of the analysed countries. Developing countries have to date implemented fewer re-training and upskilling programmes, which we include in the social and employment measures. On the contrary, 87.9% of the countries examined hereby are found to have enacted economic stimulus measures. Furthermore, more than half of the examined countries have taken financial measures to support the sector through loans, tax deferrals etc. This type of measures has been taken either directly by governments, or through the intermediation of financial institutions that provide soft loans to tourism businesses.

The currently undertaken measures by national governments are further supported by coordinated policy actions at the international level. Domestic tourism will not fully replace international tourism, which will also be needed to revitalise the economy and the sector. The rebound of international tourism will require extensive international cooperation, both in following the health situation of tourists, their exposure to elevated health risks and the timely health responses to potential threats of pandemic diffusion. These measures will shape the tourism services of the future, and all tourists, businesses and tourism policymakers will need to respond immediately to the new challenges.

4 THE FUTURE OF TOURISM SERVICES

Tourism services in the future will reflect the changes occurred or expected in the behaviour of consumers, the decisions of suppliers, as well as those of governments. These changes will unavoidably affect both demand and supply. Government decisions may have both direct and indirect effects on the new market equilibrium, due to the imposed restrictions and the consequence of both health and economic measures. Moreover, supply side changes are likely to principally alter the marketing mix of tourism services providers and their business models.

4.1 Future tourism demand and supply

The expected industry changes related to anti-COVID measures of governments will most likely affect the future demand and supply of tourism services. On the demand side, if economic contraction is to continue – as foreseen by many institutions – the main price concerns may lead to increased demand for lower budget destinations. At the same time, the documented increased income inequality may lead to further segmentation of the tourism market, with a parallel increase of demand for both budget and luxury destinations. In this context, countries need to strive in order to optimally deploy their comparative advantages to attract high-value tourists. Secondly, tourists may be inclined to avoid crowded destinations in order to escape potential contagion, while favouring regions and countries which have taken early measures and those where COVID-19 has had less of an impact. Thirdly, health safety concerns may also favour countries with strong public health systems and medical facilities.

On the supply side, companies expect that placing tourism services in the markets of the future will surely be on a basis of enhanced competition. This is particularly true for the short run, when the gradual opening of tourism businesses may not be accompanied by a full lifting of travel restrictions. Tourism supply is likely to recover faster than tourism demand on a trial and error basis, even though the recovery will depend on the measures taken by governments and the swiftness of their implementation. Tourism services provision will be dictated not only by demand, but also by the gradual relaxation of governments measures.

The increased supply will exert a negative pressure on prices through increased competition for a smaller number of clients. This is because the recovery and government measures mostly target the supply side, while the demand side of tourism services will be subdued for longer. As the OECD (2020a) argued: *"Even when tourism supply chains start to function again, demand-side recovery will take some time, given the interlinked consequences of the economic and health crises, and the progressive lifting of travel restrictions. This will have knock-on implications for many national economies"*. The extent of market competition will dictate whether consumers will ultimately face higher prices, due to higher costs from health requirements, social distancing, etc. There is certainly potential to innovate in order to match tourist demand, without neglecting health and safety measures. In this context, ensuring a level playing field is crucial for efficient and innovative firms to capitalise on their advantages.

4.2 Emerging business models and the new marketing mix

Crisis-driven digitalisation, rather than more gradual competition-driven digitalisation, could constitute another outcome of COVID-19. It will not necessarily be the strongest, the wealthiest or the largest tourism service providers, but rather the most adaptive ones, that will be able to survive and gain a competitive advantage in future tourism markets. The tourism marketing mix will reflect changes in demand and supply, and be most commonly executed through the adjustments in the 4 P's of marketing (Kotler, 1967): *Product, Price, Promotion and Place*.

As a first step, tourism services and products will be altered. When borders reopen, tourism services of the post-COVID era will probably be characterised by an increase in the share of e-tourism, greater specialisation in areas of comparative advantage for each region, and a decline in mass tourism. If properly harnessed, this may have positive repercussions for the sustainability of the sector and the inclusiveness of remote areas. At the same time, it will also require different types of infrastructure investment to improve the accessibility of these areas. The increased perception in the value of nature and outdoors activities after the quarantines will likely contribute to the shift of the tourism industry towards more sustainable models.

Secondly, the determining factors of pricing strategies will probably be fiercer competition and increased income inequality. While, in the short run, tourism businesses will have to bear operational costs with significantly reduced revenues, it is crucial that they refrain from suddenly increasing prices. Gradual amortisation would allow both consumers and tourism services providers to split the adjustment costs. In the context of international competition for tourists, it will be imperative to adjust business models in a way which not only emphasises competitive advantages, but also promotes efficiency gains and cuts redundant costs.

Thirdly, promotion of tourist services will increasingly go online. An ever-growing share of online bookings, along with tourist preferences for safer destinations or staying close to home, will impact mostly those businesses selling locally or on the spot. Online advertisement is thus crucial in the

new marketing mix, and customer loyalty through the use of social media will become increasingly important. Promotion strategies may also make more use of vouchers in order to attract returning tourists. Going digital also implies threats and challenges for traditional businesses, which will need to adjust their business models.

Lastly, the location of tourism services provision will reflect the abovementioned factors concerning the health measures of competing destinations, as well as the willingness to spend on the side of consumers. Safety and the means of travel will play a key role in the destination choices of consumers. Businesses and governments that act proactively during the crisis will certainly gain the first-mover advantage, while retaining that success will probably hinge upon their ability to cope with the health risks and organise themselves for the challenges of future demand.

The following section provides some broad lines of action for all four groups of stakeholders in the tourism industry to better prepare themselves strategically in light of the forthcoming changes.

5 WHAT TO DO NOW

Profound changes in the structure of travel and tourism demand and supply are expected to reshape the sector in the aftermath of COVID-19. The radical uncertainty regarding the evolution of the virus, its health effects and the repercussions in the economy render imperative alternative approaches to business as usual by individuals, businesses, governments and international organizations. Learning from past major structural transformations should motivate stakeholders to embrace a strategic approach, based on current evidence and careful scenario analysis. In practice, it means that governments need to consider more than one scenario, and work on multiple fronts simultaneously. This allows for quick reflexes in policymaking.

5.1 What people can do

COVID-19 has impacted people with regard to both tourism supply and demand. Consequently, tourism sector professionals, as well as tourists themselves, need to take into account the "new normal". Due attention must be paid to changes in tourism products and services, the necessary safety concerns, as well as the interpretation of sector trends.

Maintaining flexibility of employment opportunities within the sector

Tourism sector professionals working in the tourism services value chain need to consider the prospect of flexibility in the short term, as well as the upcoming structural transformation of the sector. In response to the drastic fall of demand in certain areas of the market, it is wise to consider shifting towards market niches that are still functioning, or even growing. Such flexibility has led sectors such as food delivery, health tourism in domestic markets, digital galleries and take-away services to flourish. Employment in these sectors has been more resilient compared to other tourism market segments.

Multi-specialisation, adaptability and flexibility remain crucial for tourism sector employees. Current and prospective tourism sector employees should possess or develop transferable skills that allow them to match demand changes in the labour market. In this respect, two opposing labour market trends could shape the decisions of workers when determining their career paths: diversification versus specialisation. Finding the right balance between the two is a dynamic process. On the question of diversification, continuous learning through vocational education and training constitutes a good starting point. As concerns specialisation, increased competition leads to a need for specific skills in order for new entrants to have success in the selection process.

Upskilling and reskilling to adapt to evolving labour market needs

Tourism sector employees should strategically prepare themselves in anticipation of the new pace that was being shaped by the long-term trends that pre-existed the COVID-19 pandemic and accelerated during the crisis. In this respect, it is crucial that they consider the ongoing digital transformation of the sector and its repercussions for their career prospects. The current situation of subdued demand lowers the opportunity cost for tourism employees to reskill. By studying the needs of the market of the future, it becomes obvious that time should be invested in mastering digital skills, as well as other sector-specific skills, such as foreign languages.

Digitalisation of tourism businesses and the spread of platforms could lower labour demand and render the tourism sector less labour intensive. According to recent OECD (2020c) research, the fall of labour share could lead to monopsony powers of tourism service providers and a large number of non-skilled workers being laid off. Therefore, it is essential that the upskilling and reskilling process of tourism sector employees be in line with the evolving labour market needs of the sector.

Keeping an eye out for the tourism offers and destinations of the future

Despite radical changes brought about by COVID-19, the underlying need and desire for tourism will always be part of the intrinsic human tendency for exploration, relaxation and leisure. In light of the changing landscape of the tourism market and increased competition, tourism services providers and destinations will likely make substantially revised offers in order to attract clients. It is thereby important for tourists to be alert and make reservations taking into account their preferences, risk appetite, etc. It is equally important to consider government measures and restrictions, as well as the increased travel flexibility provided by free cancellation or reimbursement policies.

Scenario planning is key. In the case of a health and tourism recovery in the short run, demand may increase sharply, particularly in budget destinations. This would reflect the cut in tourism spending caused by the income decrease, combined with an increase in the desire of people to escape from home after the long lockdown and quarantine measures. Another potential option could be that of vacations in destinations with low COVID exposure or even "staycations" (Carty, 2020). At a time when many people find themselves forced to explore their local areas, tourism services providers should start by targeting local needs.

5.2 What tourism businesses can do

While travel and tourism businesses have suffered disproportionally compared to other service sectors, there are certain measures that they can take in order to mitigate the effects of the current crisis and better prepare for the future. Taking the opportunity of the fall in demand, tourism businesses can aim at both optimising procedures and undertaking initiatives that would better position them in the COVID and post-COVID travel and tourism market.

Business reorganisation to respond to future tourism trends

While COVID restrictions limit the provision of travel and tourism services, businesses in the sector can take the opportunity to optimise their processes and procedures. By optimising procedures and re-organising input services, businesses can expect efficiency gains from future demand once markets reopen. Lower overall demand implies that efficiency gains need to be achieved without expecting economies of scale. Practical ways to promote organisational optimisation could include effort of tourism MSMEs to organise client lists, standardise and operationalise contacts with suppliers and partner businesses, review client satisfaction surveys, and undertake spending reviews to identify unnecessary expenses.

Opportunities for distance working and a broadened range of clients and suppliers around the world constitute incentives for travel and tourism businesses to update network systems and infrastructure. Expected increases in online reservations, hotel bookings, and e-tourism require faster transitions to the digital world. Businesses in the sector should carefully consider both the opportunities (such as the lower costs, broader outreach, enhanced client base, etc.) and the potential challenges (such as the cybersecurity threats, privacy risks, increased need for skills upgrade, etc.).

Expanding the client base and partner networks

Businesses in the sector should seek ways to remain in touch with past customers and potential future tourists. The smaller number of tourists and travellers in the short run will trigger enhanced product and price competition among businesses. In response, businesses could deploy loyalty offers and advertisements in order to boost the share of repetitive tourists. Trust and customer care can be enhanced through the circulation of e-mails and other means of communication. These can include hotel credits, reward points, voucher offers for customers to postpone their stay, etc. (Sitereminder.com, 2020). In this way, tourism businesses build relations with clients to persuade them to postpone their stays rather than asking for reimbursements.

New partners should be also sought to promote business transformation. Reaching out to local businesses and associations for efficiency-driven co-operation could rationalise spending, while also creating synergies through outsourcing of inefficient processes. In the same spirit, businesses in the travel and tourism services value chain could co-operate to promote "staycations" (Carty, 2020), or build local brands and promote cross-border regional ecotourism products specific to intraregional customers (Honeck and Kim, 2020).

Studying the market and preparing for the future

In light of the temporarily subdued demand, travel and tourism businesses should conduct a SWOT analysis in order to identify and promote their comparative advantages. While preparing for future market features is important, an analysis of the current situation and recent performance is imperative. The transfer of good practices both from peer and foreign firms should also be considered.

Consumer demand characteristics should be incorporated when designing tourism services. Previous estimates of income and substitution elasticities will no longer reflect the reality of tourist behaviour. Large companies that can afford machine-learning approaches will be able to frequently retrain their algorithms, obtaining updated information concerning customer willingness to pay, and will probably have a structural advantage over their peers in terms of price optimization (Guerrini et al., 2020). Smaller companies can regularly test the market through constant development of personalised products and services, and quickly adapt their offers to changing preferences, which can positively affect the health, safety and value perceptions of tourists.

Changes brought about by digitalisation of tourism products urge both market incumbents and followers to consider e-tourism and e-commerce alternatives. Moving to the "new normal" will probably be accompanied by a fall in the share of on-the-spot purchases and physical advertisements. As a result, businesses should adapt their marketing mix in order to capture a larger market share.

Services offered are bound to change in many aspects. Innovations that match demand and respond to the needs and financial situation of consumers will better survive increased competition. A multidisciplinary approach to designing services could strengthen their profitability. For example, as an innovation at the intersection of tourism and financial services triggered by COVID-19, a new business model emerged when the Porter & Sail company started offering a tourism product along the lines of a financial derivative (Wiley, 2020). Similar to a call option in futures markets, it allows potential tourists to buy a "bond" granting them the right to stay at a point of time they choose in a given hotel. Businesses get thus access to liquidity at a time of increased risk perception, and tourists are to purchase at heavily discounted prices (usually 20-50% less).

5.3 What governments can do

A wide array of policy responses is being designed and implemented by governments around the world, in order to mitigate COVID effects on tourism and stimulate recovery. In line with policy objectives of employment protection and revenue generation, various countries are prioritising and allocating resources to respond to current and upcoming challenges. Four dimensions can be distinguished: the need to provide immediate stimulus and mitigate economic impact; accelerating recovery in the post-COVID era; seizing the opportunity to address long-term megatrends; and addressing sustainability concerns.

Immediate stimulus to mitigate economic and social impact

Preventing job losses and boosting the potential of healthy firms to maintain productive activities lies at the core of government responses. In this regard, incentives for firms to retain tourism sector employees, as well as government-led upskilling programmes, can be broadly used to mitigate potential long-term losses.

Stimulus measures for tourism businesses can be included in economy-wide measures or be sector-specific. Depending on available resources, governments may consider using liquidity injections, insolvency prevention clauses, tax cuts, freeze of payments and interest arrears, and other measures of economic support.

Specific financial support to tourism service providers can be either direct (i.e. through dedicated credit lines, soft loans, subsidies etc.) or indirect (i.e. through tax breaks, deferrals of interest and tax payments, etc.). Moreover, besides financial support to businesses, governments need to respond to the immediate financial needs of laid-off, part-time and seasonal workers. They can be partly or fully compensated through direct financial support or included in special training programmes to boost potential future employability (voucher schemes, subsidised training, etc.).

Accelerating recovery

The WTO (2020d, 2019) and other international organizations have repeatedly highlighted the importance of rapid measures to assist services sectors. In contrast to merchandise trade, services suffer more due to their non-storability. As a result, declines in services trade during the pandemic may be lost forever. Services are also highly interconnected; for example, air transport enabling an ecosystem of other cultural, sporting and recreational activities. Some services, however, benefit from the crisis. This is true of information technology services, the demand for which has boomed as companies enable employees to work from home, and as people socialise remotely.

Front-loaded measures can not only prevent abrupt discontinuities in the market, but also lay the foundations for a sustainable and frictionless recovery once conditions improve. In this respect, governments need to funnel their efforts into effective and wide-reaching programmes with economic and social spillovers. At the same time, measures need to enhance productivity and ensure social cohesion.

A first pillar that governments can build upon is support for skills development for part-time or seasonal workers in the travel and tourism sectors. As unemployment mounts, concerns over loss of specialised, skilled and experienced staff may arise. Governments can foster skills of tourism sector employees and undertake initiatives to accelerate the digital transformation of the sector. Learning vouchers, online training and knowledge transfer incentives can be embedded in lifelong learning strategies. In order to ensure relevance, it is important that these strategies be designed in close consultation with the private sector.

Secondly, health protection objectives can be achieved in parallel with the sector's resurgence only by imposing strict health and safety protocols to restore the confidence of tourists. These protocols need to be coordinated with local suppliers along the tourism value chain and among the private sector, transport sector and health authorities to protect tourists, tourism industry workers and host country citizens. Moreover, international co-operation concerning the design and implementation of health protocols is crucial in order to minimise discrepancies and health risks due to regulatory differences.

Thirdly, governments need to work closely together in order to achieve regulatory convergence and the elimination of trade barriers. As an internationally traded service, tourism exports depend on both home and host country domestic regulations, rather than on border-enforced tariffs or standards. In that respect, and given the increasingly digital nature of services trade, regulatory barriers to trade should be assessed from a perspective of maximising value creation and employment growth. This is particularly important for cross-border electronic services and purchases.

In order to both promote e-tourism activities during the period of restrictions and prepare for the surge of tourism demand in the post-COVID era, governments need to shift resources from destination promotion at tourism fairs and festivals to online promotional campaigns. Good practices, such as the international online promotion effort in Greece, the earmarking of special funds for tourism promotion in Kenya, and the domestic travel campaign in the Philippines, could be emulated by other countries facing similar challenges (see Box 1).

Box 1. Good practices of tourism promotion policies during COVID-19 in Greece, Kenya and the Philippines

In the case of Greece, the tourism promotional platform "*Greece from Home*" is a government-led and funded initiative that was established and launched in March 2020. It focuses on promoting online Greek tourism destinations during the COVID-19 pandemic and capturing a larger share of the tourism market once restrictions measures ease. In Kenya, the government set aside \$3 million for its post-COVID-19 recovery strategy, with \$2 million being allocated to boost the image of Kenya as a destination. To promote the Philippines as a tourism destination, the Department of Tourism (DOT) allocated USD 118 million (PHP 6 billion), including funding for a domestic travel campaign (PHP 421 million) and for creating content that targets emerging countries that are unaffected by COVID-19 (PHP 467 million).

Sources: www.greecefromhome.com, www.tourism.go.ke/nairobi-tourism-stakeholders-crisis-management-meeting, WTTC (2020d), COVID-19 related policy shifts supportive of travel and tourism sector.

Responding to sustainability challenges and long-term megatrends

The coronavirus has brought some environmental benefits, along with many threats and devastating economic damage. With vaporetto no longer crossing the channels of Venice, the water became cleaner (Hirsch, 2020), while air quality has arguably improved in many large cities, rendering them friendlier to their inhabitants and healthier for tourists (Georgiou, 2020). The current crisis constitutes an opportunity to switch to more sustainable models of economic growth which better take into account long-term impacts. Considering over-tourism and the damage it engenders, avoidable negative externalities arguably grow exponentially (Bennett, 2020).

Long-term megatrends become more obvious as economic activity in the travel and tourism sectors has stalled. This provides a unique opportunity for policymakers to design future-proof policies, while experimenting in the context of temporarily less crowded cities and tourism venues. Paving the ground for efficiency gains through flexible work forms, policies and promotional campaigns can be redesigned to mitigate effects of over-tourism by promoting alternative destinations. Options, such as the trend of "staycations", – i.e. hyper-local domestic tourism – can temporarily help the sector to secure revenue streams even while restrictive measures are still partially imposed (Carty, 2020).

Responding to the COVID-19 challenge has required governments to move proactively in shaping markets, rather than merely fixing failures. In doing so, economies have relied on public investment, both in their health systems and beyond. Investing in digital and green infrastructure for tourism services (digital tourism campaigns, new advertisement models, broadband connections in remote areas where tourism can be promoted in a sustainable fashion, etc.) presents an opportunity to direct the sector towards more sustainable models.

Digital infrastructure investment in tourism could achieve rapid benefits, despite restrictions limiting physical movement of tourists. As argued by Honeck and Kampel (2020), even during the current COVID-19 crisis, virtual tourism remains a rapidly growing opportunity to market destinations. Taking this opportunity, health safety perceptions created by destinations less exposed to the pandemic can be catalysed by first-mover advantages in the digital tourism market. Moreover, actions to further develop e-commerce and broadly convey the importance of biodiversity in preventing pandemic outbreaks will be crucial for the long-term sustainability of the sector and the wider diffusion of tourism benefits in local economies. Diversifying tourism services and spreading them across the country can help to address sustainability concerns. Overall, the COVID-19 crisis should be used as an opportunity to make plans for the most beneficial kinds of tourism.

In line with the arguments first developed by David Ricardo (1817), international trade and cooperation are beneficial in order for countries and regions to produce the goods and services they are best at, while trading with others in order to obtain the goods and services that others produce best. It makes sense, from a trade policy perspective, for governments to reduce production and transaction costs by keeping markets open, harmonising regulations, lowering duties, expediting customs clearance and working to expand production of goods and services (Stewart, 2020).

In order to achieve these benefits, intragovernmental and intergovernmental co-operation and coordination is necessary. Joint efforts of ministries and government agencies working on tourism, environment and infrastructure facilitate the effective implementation of multitargeted and

multifaceted policies. Strategic foresight and synchronised reflection on the future challenges of travel and tourism services is imperative, in order to develop comprehensive recovery plans in the short run and to improve the long-term economic competitiveness of the sector.

5.4 What international organizations can do

In addition to the actions of national governments, international organizations have been working relentlessly to support national government efforts to mitigate the COVID crisis effects and "build back better" the travel and tourism sectors. As platforms for international cooperation, they have undertaken joint activities to highlight synergies and foster the exchange of best practices. Nonetheless, more is needed in terms of cooperation and coordination between international organizations, as well as between international organizations and national governments.

Considering that multilateralism itself has faced serious threats in recent years, the roles of international organizations in rebuilding the foundations for sound economic recovery of the travel and tourism sectors become especially relevant. On June 23rd, 2020 the WTO Trade in Services and Investment division hosted an event that focused on specific measures undertaken by the UNWTO, OECD, ITC, the Commonwealth, and the WTO, as well as discussed broader tourism-related roles of international organizations³. Building upon the webinar, as well as WTO research, this section summarises some key aspects of international organizations' work to support the recovery of tourism services in light of the COVID-19 challenges.

The World Tourism Organization (UNWTO) has sought to map interdependences in the tourism ecosystem, while also benchmarking and comparing policy responses. The analysis of aggregate estimates on global tourism impact of COVID-19 has allowed the UNWTO to estimate economic impact at national level, and transparently provide comparable information. The UNWTO has significantly contributed to disseminating tourism-related information through courses, webinars and other resources. In parallel, the advocacy role of the organization has supported the public debate for open and sustainable cross-border tourism flows.

Since the early days of the COVID outbreak, the Organization for Economic Co-operation and Development (OECD) has provided a platform for member governments and partner countries to work together, in order to address structural issues and support preparations for a rapid post-COVID economic recovery. In this regard, the OECD Tourism Committee works closely with governments and other stakeholders to collect, share and shape tourism policy responses. In designing and preparing three scenarios concerning the impact of the pandemic on tourism (recovery in July, September and December 2020 respectively), the OECD has remained actively engaged as part of the G20 Extraordinary Tourism Ministers Meeting on COVID-19 and Tourism Working Group, the UNWTO Global Tourism Crisis Committee, and the WTTC Travel & Tourism Task Force on COVID-19. The dissemination and transparent information sharing on sectoral policy among OECD countries is further supported by the regular update of the OECD Policy Note on Tourism Policy Responses to COVID-19, which is available on the OECD Digital Hub on Tackling the Coronavirus (COVID-19).

The International Trade Centre (ITC) has been actively supporting the rebuilding of the tourism industry, through the provision of support and the strengthening of digital capacities of market participants. Digital services offerings, direct online marketing capabilities and distance-learning capabilities are crucial instruments to achieve this goal. To build sustainable tourism value chains for community-based tourism, the ITC provides technical support in product development. This is expected to increase local knowledge and skills while, in the longer term, it could contribute to building an inclusive tourism model. The ITC is also assisting in the inclusion of women and youth in travel and tourism supply chain development, as well as the enhancement of product and policy development. By collaborating with partners and UN organizations, the ITC has helped to revitalize global partnerships and create synergies. All these actions are taken with a keen consideration for country-specific needs, while ensuring that projects are in line with the tourism agenda of each country.

³ This section has largely benefitted from the contributions of speakers and participants of the WTO Simply Services Webinar "[Building Back Better in Tourism: The roles of international organizations](#)", organised by the WTO Trade in Services and Investment Division on June 23rd, 2020. Authors wish to acknowledge the invaluable input of Mr. Anders Aeroe (ITC, Director of the Division of Enterprises and Institutions), Ms. Kim Kampel (Commonwealth Small States Office, Geneva, Trade Adviser, Trade Negotiations and Emerging Trade Issues), Ms. Jane Stacey (OECD, Head of Tourism Unit, Centre for Entrepreneurship, SMEs and Local Development), and Ms. Zoritsa Urosevic (UNWTO, Special Representative to the United Nations in Geneva).

The Commonwealth, as an inter-governmental organization, has been playing an instrumental role in voicing the needs of the industry stakeholders and tourism-dependent small countries at the international level. As highlighted during the WTO Simply Services Webinar, the Commonwealth Small States Office in Geneva works to boost economic growth and diversification, as well as create sustainable economy-wide linkages, particularly in countries which are highly dependent on tourism. In parallel, publications and webinars⁴ serve the goal of awareness-raising, as a key pillar of work for the Commonwealth to inform the policymaking community, at both the national and international levels, while helping the diffusion of good practices.

Using the systematic work of its Trade in Services and Investment Division, the World Trade Organization (WTO, 2020f) has carefully reported and categorized by theme the services-related and tourism policy responses that its 164 members have enacted. The summary table was compiled by the WTO Secretariat as an informal situation report and an attempt to enhance transparency with respect to measures affecting trade in services taken in the context of the COVID -19 pandemic. At the same time, the UNWTO, the OECD, the Commonwealth and the ITC have also collected and analysed data to support their members in designing appropriate policies to map and analyse the impact of the pandemic.

As a platform to collect and consistently report trade restrictive measures, the WTO is useful in guiding the international and political dialogue across governments and international organizations involved in the cross-border trade of tourism and travel services. By benchmarking and comparing national and international tourism policy measures against those of other services sectors, the analyses of the WTO Secretariat have highlighted the sector's trade importance and economic interdependence. Moreover, the systematisation and categorisation of policy responses facilitated the comparison of policy actions, the diffusion of good practices, and the showcasing of lessons learnt.

Overall, international organizations have advocated since the earliest days of the crisis for a multilateral and coordinated response, to foster the sustained recovery of travel and tourism services. To help achieve this, they provide much-needed data and analysis for making informed decisions and policies. Moreover, their focus on the Sustainable Development Goals has led to strategies for leveraging the crisis as an opportunity to redesign long-term plans for the travel and tourism sector.

International organizations are consequently essential for vocally or silently orchestrating a global response to the pandemic. By motivating countries to collaborate in exploring synergies and interdependencies, they strengthen the strategic engagement and partnerships of all parties. Cooperation and coordination, at the national, multinational and international levels, is key to addressing the challenges of the pandemic and post-pandemic eras, guaranteeing the integrity of the multilateral trading system, levelling the playing field for travel and tourism market players, and tackling the challenges of potential protectionist measures.

6 IN CONCLUSION

Somewhat like the virus itself, repercussions of the COVID-19 crisis continue to evolve, as the global economy responds to the crisis. Moving forward, government responses must take into account the evolving needs of the tourism industry and the changing nature of the health crisis, its implications for travel and tourism services, and the interdependences with other affected sectors of economic activity. On March 25th, 2020 the UNWTO (2020b), with the support of the World Health Organization (WHO), called on innovators and entrepreneurs to put forward new solutions to help the tourism sector recover from the COVID-19 pandemic. In this spirit, policy responses will need to be socially embraced and complemented with increased corporate social responsibility in order to deliver the best possible results. If close stakeholder consultation and coordination was a consideration that had too often been neglected in the past, it now becomes an imperative that all must adhere to while taking bold actions both nationally and internationally.

⁴ For example, 'COVID-19 hitting tourism hard: What does this mean for the world's poorest countries?' (EIF Trade for Development News, May 2020); 'COVID-19 and Tourism: Charting a Sustainable, Resilient Recovery for Small States' (Commonwealth Trade Hot Topics, June 2020); and 'Comsec: Tourism, Debt and Natural Disasters' (May 2020).

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Indicative online sources of reported tourism-related measures

Source	Note
https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19	IMF Summary
https://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=548	UNCTAD
https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2297	UNCTAD
https://oecdecoscope.blog/2020/03/02/tackling-the-fallout-from-the-coronavirus/	OECD
https://www.oecd.org/coronavirus/#op-ed	OECD
https://www.unwto.org/impact-assessment-of-the-COVID-19-outbreak-on-international-tourism	UNWTO
https://www.dw.com/en/spain-tourism-sector-in-crisis/av-52886148	Spain
https://www.dw.com/en/coronavirus-hits-global-tourism-hard/a-52619138	DW article
https://www.wttc.org/government-advice/	WTTC
https://www.wttc.org/about/media-centre/press-releases/press-releases/2020/coronavirus-puts-up-to-50-million-travel-and-tourism-jobs-at-risk-says-wttc	WTTC
https://www.unwto.org/news/COVID-19-unwto-calls-on-tourism-to-be-part-of-recovery-plans	UNWTO
https://www.bag.admin.ch/bag/en/home/das-bag/aktuell/medienmitteilungen.msg-id-78445.html	Switzerland
https://www.argentina.gob.ar/noticias/el-gobierno-presenta-un-paquete-de-medidas-que-benefician-al-sector-turistico	Argentina
https://economie.fgov.be/fr/themes/entreprises/coronavirus/informations-pour-les/reduction-des-pertes/coronavirus-premier-volet-du	Belgium
http://www.tourism.go.ke/nairobi-tourism-stakeholders-crisis-management-meeting/	Kenya
https://pre2020.treasury.gov.my/pdf/Booklet_2020_Economic_Stimulus_Package.pdf	Malaysia
https://www.visitnorway.com/plan-your-trip/coronavirus-and-travelling-to-norway/	Norway
http://business.turismodeportugal.pt/pt/Gerir/COVID-19/Paginas/informacao-empresas-COVID-19.aspx	Portugal
https://rbc.gov.rw/fileadmin/user_upload/guide/NOTICE%20FOR%20TOURISM%20AND%20TRAVEL%20STAKEHOLDERS%20ON%20THE%20COVID-19%20(CORONA%20VIRUS)%20OUTBREAK.pdf	Rwanda
https://voyagesafriq.com/2020/03/23/COVID-19-prez-ramaphosa-announces-200-million-rand-package-for-tourism-smes/	South Africa
https://www.lamoncloa.gob.es/lang/en/gobierno/councilministers/Paginas/2020/20200312council-extr.aspx	Spain
https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-COVID-19-self-employment-income-support-scheme	United Kingdom
https://www.legifrance.gouv.fr/jo_pdf.do?id=JORFTEXT000041755833	France
https://www.boe.es/eli/es/rdl/2020/03/12/7	Spain

https://kryeministria.al/newsroom/176-mije-familje-dhe-individe-te-tjere-perfitojne-nga-paketa-e-zgjeruar-e-mbeshtetjes/	Albania
https://www.e-nomothesia.gr/kat-ygeia/astheneies/praxe-nomothetikou-periekhomenou-tes-13-4-2020.html	Greece
https://www.greecefromhome.com/	Greece e-tourism promotion
https://cdn.horwathhtl.com/wp-content/uploads/sites/2/2020/04/Industry-Report-Tourism-Hospitality-Country-AssistanceV2.pdf	Summary of tourism measures on Tourism & Hospitality Sector Assistance (V.2) by Horwath HTL on April 27, 2020

8 ANNEX

Table A.1 List of policy responses by country and type of policy implemented in the tourism services sector

Continent	Country	Social & Employment	Economic	Financial
Africa	Cabo Verde			Loan guarantees of up to 80% for companies in the tourism and transport sectors (CVE 1 billion).
Africa	Côte d'Ivoire		<ol style="list-style-type: none"> 1. Pending VAT liabilities, taxes and social charges deferred till July (exemption for small companies in the hospitality and tourism sector) 2. Establishment of a support fund for the private sector for an amount of 415 million USD. 	Future tax controls suspended till July.
Africa	Egypt		<ol style="list-style-type: none"> 1. As part of the EGP 100 billion stimulus, EGP 50 billion has been announced for the tourism sector, which contributes close to 12% of Egypt's GDP, 10% of employment, and almost 4% of GDP in terms of receipts, as of 2019 2. Real estate tax relief has been provided for industrial and tourism sectors 	The preferential interest rate on loans to SMEs, industry, tourism and housing for low-income and middle-class families, has been reduced from 10 percent to 8 percent.
Africa	Kenya		The government sets aside \$3 million for its post-COVID-19 recovery strategy, with \$2 million being allocated to boost the image of Kenya as a destination.	
Africa	Rwanda		<ol style="list-style-type: none"> 1. Removed the notice period for park permits for both tourists and tour operators. Tourists who need to postpone park visits due to cancelled flights, travel bans, or being infected with COVID-19 have up to two years to postpone bookings at no extra cost. 2. Tourists (including MICE tourists) with low season discounted permits for mountain gorilla trekking can postpone these and use within 2 years. 	

Africa	Senegal	The government intends to adopt tax measures, providing some general tax relief and targeted support to the most affected sectors (hotels, restaurants, transport, and culture).		
Africa	Sierra Leone	The government is developing a package of measures for business support by negotiating with commercial banks to suspend interest to small and medium-size enterprises in the tourism sectors.		
Africa	South Africa	1. Funds will be available to assist SMEs under stress, mainly in the tourism and hospitality sectors. 2. The government set aside 200 million rand (US\$11.4 Million) for tourism SMEs who may be affected by COVID-19.		
Asia	Bahrain, Kingdom of	Exemption of tourist facilities from tourism fees	Doubling of the size of the liquidity fund to support SMEs, including tourism SMEs.	
Asia	Brunei Darussalam	Effective April 1, businesses in the tourism, hospitality/event management, restaurants/cafes, and air transport sectors ("Affected Sectors") will be given a six-month deferment of their principal repayments of financing/loans.		
Asia	China	1. Subsidize tourism SMEs that offer employment opportunities/did not lay off workers. 2. Offer subsidies for enterprises that provide training programs. 3. Encourage Class-A tourism attractions to be free of charge to the public. 4. Government will pay 50% monthly salary for every local employee (salary up to HK\$9,000) for six months after June 2020.	1. 80% of the travel agency deposit is temporarily returned to licensed tour agencies, and the total amount is around 8 billion RMB by Feb 25th. 2. The maximum carryover period for the loss incurred in 2020 is extended from 5 years to 8 years. 3. Income from general service industries and public transportation is exempted from value added tax. 4. Offer subsidies for tourism promotional campaigns. 5. Train fares to be lower by 20% for six months from 1 July 2020.	1. Cities provide bail-out funds for qualified tourism enterprises especially for SMEs. 2. Cities offer tax & fee reduction, e.g. reduction of VAT and reduced/delayed social security payments. 3. Authorities encourage financial institutions to provide low-interest loans, loan extensions and loan renewal support with interest subsidies from the government. 4. Offer subsidies for events including waiving venue rental fee.

Asia	Chinese Taipei	<p>1. Travel agencies, hotels, amusement parks, B&Bs, and tour guides, are eligible for paid training programs at the minimum hourly wage of NT\$158 for 120 hours, which would provide for up to NT\$18,960 for each worker furloughed during the pandemic.</p>	<p>1. Self-employed workers/freelancers, tour guides eligible for a subsidy of NT\$30,000.</p> <p>2. Ministry of Transportation & Communications earmarked NT\$1.5b to aid hotels and B&Bs.</p> <p>3. Hotels would receive NT\$200,000 and NT\$10 million as part of the plan, depending on their size, while B&Bs and those that have received the Chinese Taipei Host certification from the Tourism Bureau would receive between NT\$50,000 and NT\$100,000 respectively.</p> <p>4. The nation's five largest travel agencies, which typically arrange 500 tours annually, would receive a subsidy of up to NT\$25 million.</p>	<p>1. Travel agencies, hotels and amusement parks could apply for loans up to NT\$50 million each, while B&Bs will be eligible for loans up to NT\$16 million each.</p> <p>2. Mid-sized travel agencies and hotels would be eligible for loans ranging from NT\$150 million to NT\$500 million, which are to be provided through additional funding of NT\$150 billion package for mid-sized companies that the central bank announced last week.</p>
Asia	Georgia		<p>Suspension of property and income taxes for the tourism sector until November 2020, acceleration of VAT refunds, and higher capital spending.</p>	<p>Provision of interest subsidy to small and medium sized hotels, increase in credit guarantee scheme.</p>
Asia	Hong Kong, China		<p>Anti-Epidemic Fund's Travel Agents Subsidy Scheme</p> <p>About 1,350 eligible travel agents may receive a one-off subsidy of HK \$80,000. 98% of all licensed travel agents in Hong Kong have registered for the payment.</p>	
Asia	Indonesia	<p>1. 189,000 workers in hospitality industry proposed to receive the Pre-Employment Card to improve the competency, productivity and competitiveness of the workforce, as well as to reduce the living cost due to the COVID-19 pandemic.</p> <p>2. Providing accommodation and transportation for medical personnel.</p>	<p>1. Total Aid of IDR 500 billion (USD32m budget for social protection programs for tourism players).</p> <p>2. Tax cuts and discounts on airplane tickets and jet-fuel.</p> <p>3. Empower SMEs through fabric masks and ready-to-eat dishes program.</p> <p>4. Employees income tax (Pajak Penghasilan - PPh) Article 21 to be borne by the government.</p> <p>5. Accelerated value added tax (VAT) refunds.</p> <p>6. 30% reduction for the income tax (PPh) Article 25 instalments.</p>	

Asia	Japan	<p>1. Fiscal measures amounting to 430 billion yen.</p> <p>2. The Japan Tourism Agency has allocated 3.5 billion yen to provide accurate and timely information to international travellers and make tourist destinations more attractive to attract tourists post COVID-19. The government is considering taking additional fiscal policy to support tourism industry.</p> <p>3. Given the postponement of the Olympics, the government is looking at issuing shopping vouchers to stimulate domestic tourism. It is also looking at expanding a one-year grace period for corporate tax payments for affected SMEs.</p>
Asia	Korea, Republic of	Tax payment deferral covering a broad range of taxes for small businesses and the self-employed in medical, tourism, performance, hospitality, and other affected sectors
Asia	Lao People's Democratic Republic	Tax relief and extensions of interest payments are being discussed for tourism and agriculture companies.
Asia	Malaysia	The government introduced an Economic Stimulus Package (of RM3.5bn; \$0.8mn) with a focus on stimulating tourism.
Asia	Maldives	<p>1. Requirement on all guest houses and city hotels operating in the Maldives to suspend all tourist check-ins during March 17 to 31</p>

Asia	Myanmar			A COVID 19 Fund worth MMK 100 billion (US\$70 million, 0.1 percent of GDP) has been established at the Myanmar Economic Bank to provide soft loans to affected business (particularly the priority garment and tourism sectors and SMEs) at a 1 percent per annum interest rate for a one-year period, with terms to be reassessed as needed.
Asia	Philippines	<p>1. \$23 million (PHP 1.2 billion) from the Social Security System will be used as unemployment benefits for private sector workers, including those of the tourism sector.</p> <p>2. \$58 million (PHP 3 billion) scholarship grant for upskilling and reskilling temporarily displaced workers, including those of the tourism sector.</p> <p>3. \$40 million (PHP 2 billion) for social protection programmes for workers who work in organizations affected by COVID-19, including those of the tourism sector.</p>	<p>1. \$271 million (PHP14-billion) aid from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) has been earmarked for various programmes and projects of the Department of Tourism</p> <p>2. To promote the Philippines as a tourism destination, the Department of Tourism (DOT) allocated \$118 million (PHP6 billion):</p> <ul style="list-style-type: none"> - campaign for domestic travel, PHP421 million - create content that targets emerging countries unaffected by COVID-19, PHP467 million. 	A microfinancing special loan package will also be put in place, amounting to approximately \$19 million (PHP 1 billion) to support affected micro, small and medium-sized enterprises across sectors, including Travel & Tourism.
Asia	Qatar		Qatar's QAR 75 billion (\$20.6 billion or about 13 percent of GDP) package aims at shoring up small businesses and hard-hit sectors (hospitality, tourism, retail, commercial complexes, and logistics), including through six-month exemptions on utilities payments (water, electricity).	

Asia	Singapore	<p>1. Job support scheme with a one-off wage support to help tourism enterprises retain their workers.</p> <p>2. Jobs Support Scheme (JSS) wage subsidy of 75% for all sectors (up to \$4,600 gross salary) for May 2020.</p>	<p>1. License fee waiver for hotels, travel agents and tour guides, enhanced training schemes and subsidising them up to 90%.</p> <p>2. Salary support through Workforce Singapore of up to 70% of fixed monthly salaries (capped at \$2000 a month per employee) for these companies.</p> <p>3. 100% property tax rebate for commercial properties including hotels, serviced apartments, tourist attractions and eateries for 2020.</p>	<p>1. Temporary bridging loan programme for cash flow support</p> <p>2. Rebates on aircraft landing and parking charges as well as rental rebates for shops and cargo agents at Changi</p> <p>3. Point-to-point support package for taxis and private hire car drivers.</p>
Asia	Sri Lanka			<p>Six month moratorium on bank loans for the tourism, garment, plantation and IT sectors, related logistics providers, and small & medium size industries, with reduced rate working capital loans for these sectors</p>
Asia	Turkey		<p>1. Reduced taxes for affected industries (particularly tourism)</p> <p>2. Direct support to Turkish Airlines and other affected entities</p> <p>3. Accommodation tax suspended until November.</p> <p>4. Postponed VAT withholdings and social security payments by six months.</p> <p>5. VAT for domestic flight reduced from 18% to 1% for 3 months, starting as of April.</p>	
Asia	United Arab Emirates		<p>Rebate on commercial lease payments in the tourism and hospitality sectors</p>	
Asia	Uzbekistan		<p>Temporary reduction of social contributions for individual entrepreneurs, postponing surcharges on tourism.</p>	<p>State-owned banks are extending maturities of loan repayments for the affected sectors, including for the national air carrier.</p>
Asia	West Bank and Gaza			<p>The Palestine Monetary Authority has postponed monthly/periodic loan repayments to all borrowers for the next four months, and for the tourism and hotel sectors for the next six months.</p>

Australia & Oceania	Australia	<p>Government pays 78% of the weekly minimum wage per week for people working more than 20 hours per week and 46% of weekly minimum wage for people who work less than 20 hours per week.</p>	<ol style="list-style-type: none"> 1. \$10.3 billion (AUS\$ 17.6 billion) stimulus plan and an additional \$38.3 billion to be spent over the next six months. 2. AUS\$1 billion (US\$613 million) to support those sectors, regions and communities, including Travel & Tourism that have been disproportionately affected by the virus. 3. Waiver of fees and charges for tourism businesses that operate in the Great Barrier Reef Marine Park and Commonwealth National Parks. 4. AUS\$700 million allocated to increase the instant asset write off threshold from \$30,000 to \$150,000 and expand access to include tourism businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020. 5. Government will pay AUD 1,500 fortnightly per employee from 30-Mar-20 	<ol style="list-style-type: none"> 1. Businesses can now claim tax depreciation deductions for commercial buildings, previously tax depreciation on all building was at 0%. 2. Tax office will waive interest and penalty payments for businesses unable to pay their taxes on time due to the impact of COVID-19. 3. Auckland Council has postponed the targeted rate for payable by hotels. 4. Businesses with annual revenue between \$250,000 and \$80 million can apply to their banks for loans up to \$500,000, for up to three years. Government is guaranteeing 80% of the risk, while the banks are covering the remaining 20%.
Australia & Oceania	New Zealand		<p>The government will open a NZ\$900 million (US\$580 million) loan facility to the national carrier as well as an additional NZ\$600 million relief package for the aviation sector.</p>	

Australia & Oceania	Tonga		In March 2020, it toughened measures for incoming travellers, while all international cruise ships and yachts were barred indefinitely.	Restructuring loans to businesses that have reduced business hours, in affected sectors such as tourism and related industries like transportation and to individuals who have been laid off.
Europe	Albania		<ol style="list-style-type: none"> 1. 10.000 professionals of the tourism sector to receive direct financial support of about USD 400. 2. Instalment payments of profit taxes for all businesses (except telecommunication, banking, wholesale trade and state-owned enterprises) are postponed for after 30 September. Exceptionally, for tourism MSMEs with annual turnover up to USD 140 thousand they are postponed beyond the 31st of December 2020. 	Sovereign guarantee fund of USD 150 million to be activated targeting the tourism sector, textile, garments and footwear manufacturing, and production industries.
Europe	Austria		The government announced €100 million of support for the Travel & Tourism sector. The €100 million will cover liabilities if a (family run) hotel applies for a loan to cover the loss due to cancellations (they have to prove that they suffered a loss of at least 15 % in comparison to the last year).	
Europe	Belgium	A budget of 5m has been made available for youth and social tourism in Flanders.	<ol style="list-style-type: none"> 1. In the travel sector, the cancellation of a package trip will result in the award of a voucher of equal monetary value with a validity of at least one year. 2. Visit Flanders decided to waive tax collection in 2020 from youth hostels. 	
Europe	Croatia	Supporting employees with fixed salary of \$580 per month.	<ol style="list-style-type: none"> 1. Payment of tourist tax repealed, for duration of crises. 2. Income tax repealed – for duration of crises – for companies with > 50% revenue decline. 3. For other companies – with <50% revenue decline, income tax payments postponed. 	

Europe	Cyprus		<p>1. Support for affected businesses to maintain jobs, support for the tourism sector, and deferral of the VAT payments due in two months.</p> <p>2. Various subsidies have been given to Hoteliers (90% of staff cost) whilst a subsidy for energy and overhead costs is still under consideration.</p> <p>3. Government guarantees for prepayments effected by tour operators and tourist (direct bookings) and will issue coupons valid until the end of 2021.</p>	
Europe	France	<p>1. Total wage support of €45 billion plan.</p> <p>2. €8.5 billion of those to fund short time working /partial unemployment measures, including those of the tourism sector.</p> <p>3. Companies pay compensation equal to 70% of gross salary (around 84% of the net) to its employees, including those of the tourism sector.</p> <p>4. Employees with minimum wage or less are 100% compensated.</p> <p>5. The State will also fully reimburse partial unemployment for wages up to 6,927 euros gross monthly, i.e. 4.5 times the minimum wage, including those of the tourism sector.</p> <p>6. Employees with minimum wage are 100% compensated.</p> <p>7. Up to three months grace period for social charges.</p>	<p>1. €2 billion Solidarity Fund for:</p> <ul style="list-style-type: none"> - Businesses whose activity has been closed (mainly refers to catering businesses (which are 160,000); - non-food trade (140,000); - tourism (100,000); - SMEs that have lost turnover by 70% compared to March 2019; - SMEs with a turnover of less than €1 million. <p>2. Order no 2020-315 of 25 March 2020 gives the right to tourism sector professionals to propose to their clients a voucher valid for 18 months instead of the reimbursement of their pre-paid expenses for travel or accommodation, which has been cancelled due to the COVID measures.</p>	Govt's 50% Risk Share for loans granted to small & medium business - up to 25% of 2019 revenues.

Europe	Greece	<p>1. Employees are protected against dismissal from 18 March onwards. However, even for those fired before that date, are eligible for a special funding program to protect their incomes.</p> <p>2. Workers whose labour contracts are temporarily suspended will receive EUR 800 in April - the state will cover their social insurance and health contributions.</p>	<p>1. The government will offer unemployment benefits for April and May for employees whose unemployment card expired in January, February, and March. What's more, employees in the tourism sector, who would not have a loss of income under normal conditions, will receive the special allowance of €800.</p> <p>2. Legislative Order of 13 April 2020 (Official Gazzette no 84/2020) gives the right to tourism sector professionals to propose to their clients a voucher valid for 18 months instead of the reimbursement of their pre-paid expenses for travel or accommodation, which has been cancelled due to the COVID measures. After the elapse of the 18 months, unused or partially used vouchers should be reimbursed in cash.</p> <p>3. The Greek Ministry of Tourism enacted a phone line (1572) to inform and provide continuous support to tourism professionals concerning latest developments on the COVID-19 situation.</p> <p>4. Greece launched an e-tourism campaign named "Greece from Home" (https://www.greecefromhome.com/).</p>	The Greek state will immediately pay all state arrears to the private sector.
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Europe	Hungary	<ol style="list-style-type: none"> 1. The state will pay 70% of net wages for hours that employees cannot work if companies can show a 15%-75% reduction in man-hours (capped at approx. EUR210/person). 2. For Hungarians who have lost their jobs due to the pandemic, the state is offering a zero-interest student loan to cover living costs while paying 95% of the cost of retraining programs. 3. Social security paid by the companies/pension contribution paid by employees/healthcare contribution paid by employees/tourism development contribution is suspended till 30 April '20. 	<ol style="list-style-type: none"> 1. Temporary cancellation of tourism development contributions. 2. Non-residential rental agreements cannot be terminated until 30.06.2020 to protect tenants. 3. Companies in the most affected industries (tourism, F&B, sport, etc.) are exempt of payroll related expenses until 30.06.2020. 4. Tourism tax exemption until 31.12.2020. 	<ol style="list-style-type: none"> 1. All currently running loans and credits, whether for private individuals or companies, are given a grace period / payback and admin cost freeze until 31.12.2020. 2. Loans and credits, whose agreement would terminate during this period, are to be automatically prolonged. 3. Approximately EUR1.7 billion special loan for hotel and tourism developments (to improve infrastructure by the time standard operation resumes). 4. Loan package made available to retain staff (for maximum 9-month period) for 0.1% interest to be paid back in 2 years.
Europe	Iceland	<ol style="list-style-type: none"> 1. Tax incentives for real estate improvement 2. Temporary tax relief for the tourism sector 3. Marketing efforts to encourage domestic tourism. 4. The government has suspended tourist bed night tax. 		
Europe	Ireland	<ol style="list-style-type: none"> 1. Temporary COVID-19 Wage Subsidy Scheme for employers, 70% - 85% subsidy, subject to caps €410 per week. 2. COVID-19 Pandemic Unemployment Payment for employees and self-employed - €350 per week, up to 12 weeks. 3. Short Term Work Support for employees. 4. Illness benefit for COVID-19 absences (Enhanced Illness Benefit) €350 per week. 	<ol style="list-style-type: none"> 1. Suspension of interest on late payments of VAT liabilities for Jan/Feb and March/April 2020. 2. The government has agreed with local authorities that they should agree to defer rates payments due from the most immediately impacted businesses including hospitality for three months, until end-May. 	<ol style="list-style-type: none"> 1. 3-month moratorium on repayments from all 5 major banks. 2. SBCI COVID-19 Working Capital Loan Scheme originally €250m increased to €450m – Loans €25k to €1.5m. 3. SME Credit Guarantee Scheme - Loans of €10k up to €1m. 4. Local Enterprise Office – Business continuity voucher €2,500 for third party consulting costs to help with financial, planning, IT, development & HR. 5. Microfinance Ireland Loans - Various grants available for SMEs. 6. Financial grants specific for businesses including hospitality within Gaeltacht locations.

Europe	Italy	<p>1. Government pays 80% of the employee salaries (Cassa integrazione), including those of the tourism sector.</p> <p>2. Self-employed or seasonal workers can apply for a special pay-out of €600 in March, including those of the tourism sector.</p> <p>3. Extended parental leave of 15 days in March and April, including those of the tourism sector.</p> <p>4. Freezing of layoffs for 2 months for all workers.</p> <p>5. Extension of unemployment insurance.</p>	<p>1. 500 million Euro fund to deal with the damage suffered by the aviation industry and the Alitalia operation.</p> <p>2. Total €2.4 billion reduction in taxes includes:</p> <ul style="list-style-type: none"> - Suspension of VAT - 60% tax break on commercial rent - 50% tax break on sanitization costs - Deducibility of donations for COVID-19 - Suspension of expiring tax payments demands and tax declarations 	<p>1. Government's Risk Share for loans up to €800,000 – 70-80%.</p>
Europe	Latvia		<p>50 percent cut in interest rates on loans for SMEs in the tourism sector and a 15 percent cut for large enterprises.</p>	
Europe	Netherlands	<p>Temporary emergency bridging measure for sustained employment, which compensates max. 90% salary costs for businesses that expect a min. 20% decrease in revenues in three consecutive months between March and July 2020. No personnel may be let go during that period.</p>	<p>1. 3 months deferral of tax payments for most taxes, including payroll taxes, corporate income tax, VAT, insurance premium tax, betting tax, excise duty, consumer tax and environmental taxes (e.g. energy tax, waste tax).</p> <p>2. Reduced recovery interest rate to approx. 0%.</p> <p>3. Deferral or suspending city taxes is discussed.</p> <p>4. Compensation for SME in sectors hit by government measures, including hospitality, for decline in revenue between March and June: € 4,000 net.</p>	<p>1. Increase of the business loan guarantee scheme (GO facility): 80% guarantee for loans of min. €1.5 million and max. € 150 million. Up to 90% of loans when the company is a SME.</p>
Europe	Norway		<p>Work is underway on measures, both general and industry-specific. Travel & Tourism is included in the general rescue packages based on lay-off rules, loan guarantees, postponements, etc., and a compensation scheme for tour operators has apparently been made.</p>	

Europe	Portugal	<p>1. Training scholarships in the Institute for Employment and Vocational Training in Portugal (IEFP), including those of the tourism sector.</p> <p>2. Extraordinary support for the maintenance of employment contracts in a company in the amount of 2/3 of the remuneration, and ensuring 70% of Social Security, the remainder being borne by the employer.</p>	<p>1. Government pays 2/3 of the salary remuneration and ensures 70% of Social Security of tourism sector businesses, the remainder being borne by the employer.</p> <p>2. Extending the deadlines for payment of taxes and other declarative obligations, including those of the tourism sector.</p> <p>3. The government is also strengthening the response capacity of IAPMEI (specialised public agency of the Ministry for the Economy providing technical and financial support to enterprises, in particular SMEs and Turismo de Portugal in assisting the impact caused by COVID-19).</p> <p>3. The government is also supporting the reimbursement costs incurred by organizers whose events in 2020 were postponed or cancelled. It was also decided to exempt rents related to properties held by Turismo Fundo (real estate investment funds). The Government decided to postpone the fulfilment of several corporate tax obligations. In addition to financial support for companies, advisory services were created for tourism entrepreneurs, supporting the management of companies at a critical moment of their existence.</p>	<p>1. A dedicated €200 million credit line for businesses, €60 million credit line for micro-enterprises in the tourism sector.</p> <p>2. The Government approved a set of credit lines for companies, three new lines of financing of 1,700 million euros aimed at the sectors most affected, notably restaurant business: €600 million of which €270 million are for micro and small enterprises; travel agencies, entertainment companies, event organization and similar: €200 million, of which €75 million are for micro and small enterprises; tourist developments and accommodation, €900 million, of which €300 million are for micro and small enterprises. These credit lines include a 4-year repayment term, including a grace period until the end of the year.</p>
Europe	Russian Federation		<p>1. Tax deadlines extended for tourism and aviation industries, as well as for SMEs and other affected industries;</p> <p>2. Tourism companies not to pay contributions to the tourist sector reserve funds.</p>	<p>Temporary regulatory easing for banks intended to help the transport and tourism sectors.</p>
Europe	Slovenia		<p>The government is increasing promotion funds for travel agencies and tour operators in 2020.</p>	<p>Payment deadlines for payments to private suppliers from public funds will be reduced to 8 days.</p>

Europe	Spain	<p>1. Entitlement of unemployment benefit for workers temporarily laid off under the Temporary Employment Adjustment Schemes (ERTE) due to COVID-19, with no requirement for prior minimum contribution or reduction of accumulated entitlement, including those of the tourism sector.</p> <p>2. €440 to temporary workers who lose their jobs.</p> <p>3. Moratorium of 6 months for Social Security contributions payment – applicable to SMEs and self-employed workers; no interest on delayed payment.</p>	<p>1. €200 billion package to help vulnerable companies and workers, including those of the tourism sector.</p> <p>2. Half of that money is tied to a public guarantee scheme.</p> <p>3. 50% exemption from employer's social security contributions and professional training activities, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities.</p>	<p>1. €400 million guarantee from the ICO (Official Credit Institute of Spain) for self-employed and tourism companies (liquidity limit of €500,000). The funds operate as a 4-year loan; with a fixed interest rate (with a maximum of 1.5%) in which the ICO will guarantee Credit Institutions with a 50% of the risk of their clients. Operations can be agreed until 31 December 2020.</p> <p>2. Deferred repayment of loans granted to businesses by the Ministry of Industry, Trade, and Tourism.</p> <p>3. Deferral of Tax Debts for companies up to €30,000 for 6 months.</p> <p>4. Government guarantee covers, in the case of the self-employed and SMEs, 80% of new loans and loan renewals.</p>
Europe	Sweden	<p>The government will provide airlines with credit guarantees in 2020 amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS. The credit guarantee framework is being expanded to support Swedish export companies and, by extension, the shipping industry.</p>		

Europe	United Kingdom	<p>1. A grant will cover 80% of wages up to £2,500 for those employees kept on payroll, including those of the tourism sector.</p> <p>2. Sickness benefit of £94.25/ week for self-employed sick workers.</p>	<p>A support package of £330bn was announced:</p> <ol style="list-style-type: none"> 1. It includes the provision of £20 billion of business rates support and grant funding to help the most-affected firms manage their cashflow through this period. 2. The scheme provides all retail, hospitality and leisure businesses in England a 100% business rates holiday for the next 12 months. 3. Grants to small businesses eligible for Small Business Rate Relief from £3,000 to £10,000. 4. £25,000 grants to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000. 5. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief, including those of the tourism sector. 6. No business will pay VAT until the end of June, including those of the tourism sector. Future VAT liabilities waved off till end of the year. Tax credit allowance to be increased. 7. Grants of £10k - £25k for small hospitality businesses. 	<ol style="list-style-type: none"> 1. Coronavirus Business Interruption Loan Scheme, offering loans of up to £5 million for SMEs, including those of the tourism sector. 2. Govt to provide £350 billion in loan guarantees across sectors. 3. Coronavirus Business Interruption loan scheme is interest free for 12 months. 4. 3-month mortgage holiday without credit reperussion.
North America	Belize			<ol style="list-style-type: none"> 1. Reduced risk-weights for banks on loans in the tourism sector from 100 percent to 50 percent. 2. Guarantee of 80% for lenders giving interest free loans for 12 months to SMEs, including those of the tourism sector.
North America	Costa Rica	To support the Travel & Tourism sector, the government created a quarantine insurance for tourists who visit to the country.		

North America	Eastern Caribbean Currency Union	Payroll support to the affected sectors (such as tourism) and individuals.	
North America	El Salvador	3-month extension: - for income tax payments for individuals and firms operating in the tourism sector with a taxable income lower than US\$ 25,000; - from the special tourism tax for companies operating in the tourism industry.	
South America	Argentina	1. Businesses in tourism, passenger transport and hospitality are exempt from the payment of employer contributions. 2. Travel Agencies will be allowed to serve the public exclusively through electronic channels for 30 days. 3. Inclusion of hotels among the essential activities and services in the emergency. 4. Opening of three communication channels for tourists and the tourism sector.	
South America	Colombia	Postponed payment of the VAT and income taxes for the tourism and aviation sectors.	1. New credit line providing liquidity support to all tourism-related companies 2. Delayed tax collection for the tourism and air transportation sectors
South America	Peru	Individuals who have paid to visit protected natural areas and Cultural Heritage sites can be refunded the fees.	

Source: Author's compilation based on IMF (2020), UNWTO (2020a), Horwath HTL (2020), WTTC (2020a), WTTC (2020d), World Bank (2020), etc.