



“TOURISM INDUSTRY CONDITIONS DURING OF THE PANDEMIC COVID-19”

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Abstract:

Tourism was named one of the most affected sectors of the domestic economy, since the measures to prevent the spread of the coronavirus pandemic almost completely paralyzed the sale of tours. In such conditions, tour operators, travel agents, carriers and other participants in the tourist services market suffered serious losses.

Key words:

COVID-19, Tourism, pre and post pandemic, diseases, sustainable tourism, cultural tourism, green economy.



According to UNWTO forecasts, tourism may partially recover by the second half of 2021. But a return to 2019 levels of international arrivals is likely to take 2.5 to four years. Tourism is among the global industries hardest hit by the economic impact of the pandemic. Traditionally, the tourism and recreation industry is affected by external shocks - for example, events, occurring in specific host countries can lead to large-scale redistribution of travel to other resort regions. However, shocks as powerful as the COVID-19 pandemic could paralyze the global travel market indefinitely. Along with epidemics of viral and infectious diseases, to exogenous factors, oppressive to the global hospitality industry, can also be attributed military conflicts and terrorist threats, climate change and natural disasters, sharp changes in prices for oil and oil products, currency fluctuations, financial and economic crises, etc. The World Tourism Organization named the destinations that, according to the situation at the end of May, completely closed the borders in connection with the coronavirus pandemic: Africa (74% of destinations), North and South America (86%), Asia (67%), Europe (74%), Middle East (69%). Travel restrictions apply worldwide.

In the past year, against the background of all the difficulties faced by tourism, travel within the country received support. Tourism provides livelihoods for millions of people, and enables billions to appreciate the cultural identity of their people and peoples. other countries, as well as the wealth of nature. In some countries, this sector can account for more than 20 percent of GDP, and overall tourism is the third largest export industry in the world economy. Tourism has proven to be one of the sectors hardest hit by the COVID-19 pandemic, which is seriously affecting the economy as people receive livelihood, public service system and limits the range of opportunities on all continents. While maintaining the livelihoods dependent on this sector should be a priority, at the same time restoring tourism activity opens up prospects for transformation with an emphasis on managing the impact of the pandemic on tourist destinations and creating a higher resilience among the population and companies operating in this area through innovation, digitalization, sustainability and partnerships.

Economic impact

As of 2019, tourism accounted for 7 percent of global trade, and this sector, which employs 1 in 10 people on the planet, provides the livelihoods of millions of people through a complex value chain of interconnected industries developed and developing countries. As borders closed, hotels

stopped operating and air traffic dropped sharply, the number of international tourists dropped by 56 percent and losses in the tourism sector in the first five months of 2020 amounted to \$ 320 billion. No country has escaped serious losses in its tourism sector - from Italy, where tourism accounts for 6 percent of national GDP, to Palau, where tourism provides nearly 90 percent of all exports. This crisis was a serious shock for developed countries and caused the most vulnerable segments of the population and developing countries to actually find themselves in an emergency. The impact of the crisis on small island developing States, least developed countries and many African countries is a matter of concern. In Africa in 2019, this sector accounted for 10 percent of all exports.

Nature and ocean tourism is an important incentive to travel and a source of income. According to research, carried out in 2015 by a specialized agency of the United Nations - World Tourism Organization (UNWTO), 14 African countries receive in the form of fees for access to protected natural areas of the order of USD 142 million. The cessation of tourism activities meant that many protected areas and the communities around them months did not receive income, while many of them do not have access to the social protection and survive largely thanks to tourism. Loss of tourism income poses an even greater threat to biodiversity in protected and other protected areas, in which most parts and carried out tourism related wild nature. Having no other possibilities, people can over-exploit natural resources either for their own consumption or for the purpose of generating income. At the same time, the tourism sector is characterized by a high degree of impact on the climate and the environment, as it requires a lot of energy and fuel consumption and puts pressure on land systems. Tourism growth in recent years has jeopardized the achievement of the targets set in the Paris Agreement.

Cultural implications

Interest in travel is primarily driven by the world's wealth of traditions, culture and diversity. The impact of COVID-19 on tourism puts additional pressure on cultural preservation heritage, as well as the cultural and social fabric of communities, especially indigenous peoples and ethnic groups. So, as a result of the closure of markets for handicrafts, products and in other commodities, the incomes of indigenous women were particularly affected. The incomes of cultural organizations also fell sharply. During a crisis 90 percent countries have completely or partially closed World Heritage sites, and have temporarily closed about 85,000 museums. Tourism as a sector built on synergies between people is one of the main means of promoting culture and promoting intercultural dialogue and mutual understanding.

The current crisis is also an unprecedented opportunity to transform tourism relationships with nature, climate and economy. It has arrived time, building on the work already done in areas of sustainable tourism, rethink how the sector affects our natural resources and ecosystems; explore how it interacts with our societies and others sectors of the economy; better appreciate it and better manage it; ensure fair distribution of the benefits that he brings, and facilitate the transition to carbon a neutral and resilient tourism economy. Transformation of the tourism sector can be stimulated by adopting a collective and coordinated response by all stakeholders along with the implementation of packages of economic recovery and investment in Green economy.

Innovation and digitalization, harnessing local values and creating decent jobs for all, especially youth, women and the most vulnerable in our societies, could play a central role in rebuilding tourism. To this end, the sector needs to intensify efforts to create a new model that would facilitate the development of partnerships, would include, first of all, the interests of the peoples of the host countries, the promotion of evidence-based policy, and investment in the development of carbon neutral technologies and the implementation of activities that are not accompanied by emissions of carbon dioxide into the atmosphere. Support the development of tourism infrastructure and the provision of quality services throughout the entire value chain tourism industry; to promote investment activities and create favorable conditions for activities

local, diversify product range and markets, and to the extent possible to promote the development of domestic and regional tourism. Future tourism recovery and development packages can maximize the use of technology in the tourism ecosystem, advocate and promote digitalization to innovate and invest in digital skills, especially for temporary unemployed workers and job seekers. It is important that tourism gradually becomes a resilient, competitive, resource efficient and carbon neutral sector in line with the goals and principles of the Paris Agreement on Climate Change and the 2030 Agenda for Sustainable Development. Green investments for recovery could be invested in protected areas, renewable energies, smart buildings and the cyclical economy, among others.

Moving forward towards a sustainable future and achieving global goals will require greater flexibility in approaches and alliances. UNWTO Global Crisis Committee in tourism has brought the tourism sector together to chart a sector-wide response to the unparalleled COVID-19 pandemic. In the context of ensuring effective coordination of plans and resumption and recovery strategies would benefit from a people-centered focus, engaging governments, development partners and international financial institutions to significantly impact the economy and people's livelihoods. Tourism stopped in mid-March 2020. In the first months of the year, the number of international tourists decreased by 56 percent, and in May - 98 percent. This resulted in a loss of nearly \$ 320 billion in exports, more than tripling exceeds losses for the entire period of the global economic crisis in 2009. Forward-looking scenarios point to a possible 58 to 78 percent decline in the number of tourists and international tourism receipts throughout the year, depending on the rate of spread of the pandemic, the duration of travel restrictions and a gradual opening of borders that has already begun but remains uncertain.

In addition to a public health threat, the dire economic and social impact of COVID-19 threatens long-term livelihoods and the well-being of millions of people. This is especially true for tourism-dependent livelihoods. For every job directly related to tourism, almost one and a half more indirect (or induced) jobs are created. The labor-intensive hospitality and food service industries alone provide employment to 144 million people worldwide. This includes about 44 million self-employed workers and 7 million employers.

Historically, tourism has shown an active ability to adapt, innovate and recover from shocks. However, in the current an unprecedented situation requires new approaches, as well as a decisive multi-tiered response and strong partnerships. Recent trends in Europe show that border opening and tourism are not without risks, as this has led to an increase in infections in some places, resulting in new local government restrictions. Action is now being taken to address the immediate socio-economic impact of COVID-19 on tourism and accelerate recovery to safeguard the livelihoods of millions of people, but at the same time, this crisis provides an opportunity for the sector to transform and become more resilient, inclusive and sustainable. It is imperative that Governments, in a swift response to the crisis, with the support of development partners, consider focusing on the impact of the tourism sector on the livelihoods and employment opportunities of millions of people around the world. The rights of workers must be protected and every effort must be made to preserve their jobs.

Short and medium term direct financial assistance is especially needed for vulnerable groups, including women working in the informal sector economy, and those who depend on natural tourism. This can be done through micro or small grants, environmental work programs, fringe benefits, subsidies and vouchers for childcare to make it easier for women return to work, or through targeted financial support measures for the development of women's entrepreneurship, headed by or owned by women⁵¹. Some sources of funding are already involved: for example, funds, allocated by the Lion's Share Fund, for subsidizing communities dependent on wild nature, in order to increase their potential counteraction, and other mechanisms. For example, in the Netherlands, start-ups and companies that are expanding can

apply for a Corona-Overbruggingslening loan of between € 50,000 and € 2 million. On May 20, the government announced the allocation of the second part of the loan in the amount of 150 million euros, which will help increase the liquidity of innovative companies (newly created and expanding their activities).

Development of innovative approaches in the field of tourism and the formation of entrepreneurship ecosystems can foster digital transformation. Innovation can focus on digital models of sector governance and job creation places as well as new sustainable products and experiences that connect travelers to nature and creativity, empower communities, and promote making safe travel with technology. Digital technologies such as unmanned aerial vehicles or remote sensing and satellite technologies can also engage in support of environmental planning and control, protection of natural resources on which tourism depends. In addition, the crisis has accelerated the digitalization process and highlighted the impact of the digital divide on certain groups in society, including women. Tourism workers, especially women and young people, it is very important to work freelance and learn digital literacy in order to be better able to use digital tools and online resources to streamline its operations and provide flexibility in preparing for future work.

Financial support packages for recovery from COVID-19 could be invested in a green economy. Investments in protected areas, for example, can promote job creation and providing local people with funds to exist. Such measures allow to eliminate future economic risks by contributing to addressing climate change and biodiversity loss; providing natural ecosystem services, including clean water, pollination of crops, pest control, etc., as well as reducing the risk of new zoonotic diseases that can develop into a pandemic.

Tourism, one of the most dynamic and labor-intensive sectors of our time, has been among the hardest hit by the current crisis. The livelihoods of millions of people are at stake, and they need support. As countries gradually remove travel restrictions and tourism is slowly re-emerging in many parts of the world, health must remain a priority and coordinated health protocols that protect workers, communities and travelers, while supporting companies and their workers, should be strictly observed. International cooperation, especially on travel restrictions and border controls, with a view to preserving the livelihoods of people, and support the economy with responsibility and solidarity. It is necessary to continue and intensify efforts such as just weeks after the outbreak of epidemics were undertaken by the World Bank Group (WBG), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD) and UNWTO to accelerate recovery⁸² of the tourism sector by three areas of the Technical Assistance Package in order to restore tourism in connection with COVID-19⁸³, with a focus on preserving human capital, and adapting and strengthening integration.

The crisis also provides an opportunity to rethink the role and place of the tourism sector and its contributions towards Sustainable Development, conservation and implementation of the Paris Agreement on Climate Change; the opportunity to work towards a more sustainable and inclusive tourism sector with increased resilience to disasters. Only through collective efforts and through international cooperation we can transform tourism, increase its contribution to implementation of the Agenda until 2030 and make it an inclusive and carbon neutral sector that will actively use innovations and achievements in digitalization, respect values and take into account the needs and interests of local people and provide decent employment opportunities for all without leaving anyone behind.

Hotels, restaurants, tour operators, air carriers and cruise lines have suspended their activities indefinitely. In the hotel and restaurant sub-sectors, 51 million businesses find themselves in extremely difficult business conditions, which seriously impacts on job opportunities. With a sharp drop in economic activity, workers in the labor-intensive tourism

industry face catastrophic shrinking working hours, potential job losses and escalating challenges to decent work.

The policy of the President of Uzbekistan Shavkat Mirziyoyev, which focused on the openness of the country, almost immediately turned into a rapid growth in tourism. From 2016 to 2019, the tourism industry approximately tripled - the export of tourism services and the share of these services in the country's GDP increased threefold. By the beginning of 2020, it was 2.3% even according to official data. If we focus on the very successful example of tourism development in Georgia, where the share of tourism in GDP grew rapidly to about 11.6%, then Uzbekistan, where the economy is more diversified, could get a really rapid increase in the share of tourism - perhaps, over the next five years, export tourism revenue would reach \$ 5-6 billion (in 2019, the volume of tourism exports was \$ 1.3 billion). But these rosy plans were overturned by the outbreak of the coronavirus epidemic. In the second quarter of 2020 (and the tourist season in Uzbekistan begins in spring), the industry literally stopped. The country still has limited ways of connecting passenger transport with the outside world (air, rail and road), as well as border crossing points with neighboring countries. They all remain closed to this day. Only special charter flights operate - delivering compatriots to their homeland from abroad. The likelihood of opening border crossing points and resuming international flights by the end of this year is very low due to the threat of a worsening coronavirus situation in the republic, and 1.5-2 months remain until the end of the velvet season in Uzbekistan (the most favorable autumn period for visiting foreign tourists). Considering all this, it is highly probable that the export "tourism revenue" for the whole of 2020 will be at the level of USD 200 million, i.e. 6.5 times less than last year.

The tourism industry is known for generating significant secondary demand and having an indirect impact on the economy of a country or region. According to the World Bank, the indirect - "indirect" contribution of tourism to the GDP of the countries of Europe and Central Asia is on average 4.3%, taking into account the multiplier effect. Taking into account that the volume of export earnings from tourism this year, excluding the pandemic, was expected at the level of 1.53 billion US dollars (the forecast and target indicator of the State Committee for Tourism of the Republic of Uzbekistan at the beginning of 2020), direct losses of the tourism industry of Uzbekistan this year may amount to 1 , \$ 3 billion, and taking into account the multiplier effect - about \$ 3.5 billion in lost total revenue due to COVID-19.

The closure of external borders at the end of March this year completely stopped the flow of foreign tourists, and the introduction of quarantines and other restrictive measures throughout the country stopped domestic tourism. As a result, hotels, hotels, boarding houses, rest houses, water parks, other entertainment establishments and places of rest became empty, the revenue of catering enterprises and the demand for transport services sharply decreased.

The record for the decrease in the volume of services rendered by type of economic activity was the sector of accommodation and food services. A significant decrease is also observed in related areas: transport, personal services and trade. Among the 13 activities listed below, growth was recorded in only 3 areas: financial services, informatization and education.

The tourism industry received a serious impetus for development after Shavkat Mirziyoyev came to power in the fall of 2016 and the launch of large-scale reforms - first of all, the introduction of a visa-free regime with a number of countries. In addition to this important decision, several dozen government documents were adopted aimed at developing tourism in the republic. Among them are the new Law "On Tourism", the Concept for the Development of Tourism in Uzbekistan in 2019-2025, the provision of various benefits and preferences to business in the tourism sector, attraction and stimulation of investments in this industry, the provision of various benefits to foreign investors, and so on.

Samarkand announced the creation of a tourist zone "Samarkand city". A government document dated June 30, 2017 provided for the construction of modern hotels of various classes, entertainment and shopping centers, amphitheatres, bowling alleys, cafes, restaurants, and so on in the city.

Over the past 3 years, there have been significant changes in the distribution structure of tourists from Central Asia. During this period, the share of tourists from Kazakhstan in the total number decreased by half, and from Kyrgyzstan and Tajikistan - increased 2.5-3 times. The reason for this is the restoration of political, economic and social relations by Uzbekistan with Tajikistan and Kyrgyzstan, as well as the activation of regional integration processes.

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