



Impact assessment of the COVID-19 outbreak on international tourism

Updated 05 March 2020



Key messages

- International tourism has seen continued expansion, despite occasional shocks, demonstrating the sector's strength and resilience and benefiting all regions in the world. International tourism has only experienced declines in 2003 following SARS and the Iraq war and in 2009 amid the economic and financial crisis, with strong and rapid recovery the following years.
- The tourism sector is currently one of the hardest-hit by the outbreak of the coronavirus disease (COVID-19), with impacts on both travel supply and demand, particularly in China, the world's leading outbound market in spending, and other key Asian and European destinations such as Italy.
- Travel restrictions and flight cancellations/frequency reduction have significantly diminished the supply of travel services (both domestic and international) while demand continues to retract.
- COVID-19 has become a new downside risk in a context of an already weaker world economy. Furthermore, the COVID-19 outbreak comes on top of a rather uncertain scenario of continued geopolitical, social and trade tensions, post-Brexit effects, and an uneven performance among major outbound travel markets.

Key messages

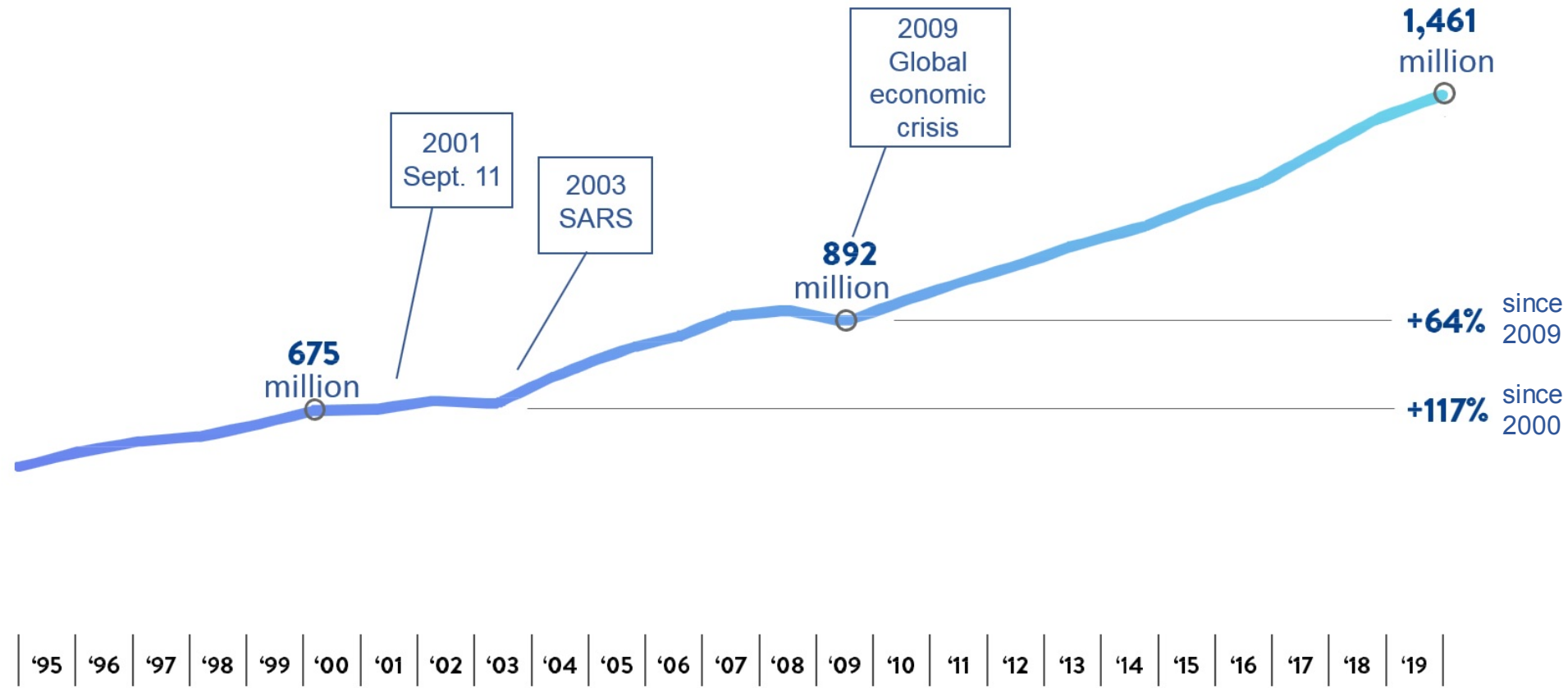
- Considering the evolving nature of the situation, it is too early to estimate the full impact of the COVID-19 on international tourism.
- As of today, factoring the SARS scenario, the size and dynamics of the global travel market, current travel disruptions, the geographic spread of the COVID-19 and its potential economic impact, UNWTO estimates international tourist arrivals could decline by 1% to 3% in 2020 globally, down from a 3% to 4% growth estimated in early January. This would translate into an estimated loss of 30 to 50 billion USD in international visitor spending in destinations (international tourism receipts).
- At the moment, Asia and the Pacific is expected to be the most affected region with a decrease of 9% to 12% in international tourist arrivals in 2020, down from 5% to 6% forecasted growth in early January.
- These estimates should be interpreted with caution due to the volatile evolution of the outbreak which could lead to further revisions of the forecast. Estimates for other world regions are currently premature in view of the rapidly evolving situation.

Key messages

- The impact of the COVID-19 outbreak will undoubtedly be felt across the whole tourism value chain. Small and medium enterprises are expected to be particularly affected. This calls for support and recovery measures for the tourism sector in the most affected countries.
- UNWTO will continue to monitor the impact of COVID-19 on international tourism and providing updated data and analysis.

International tourism - growth and resilience

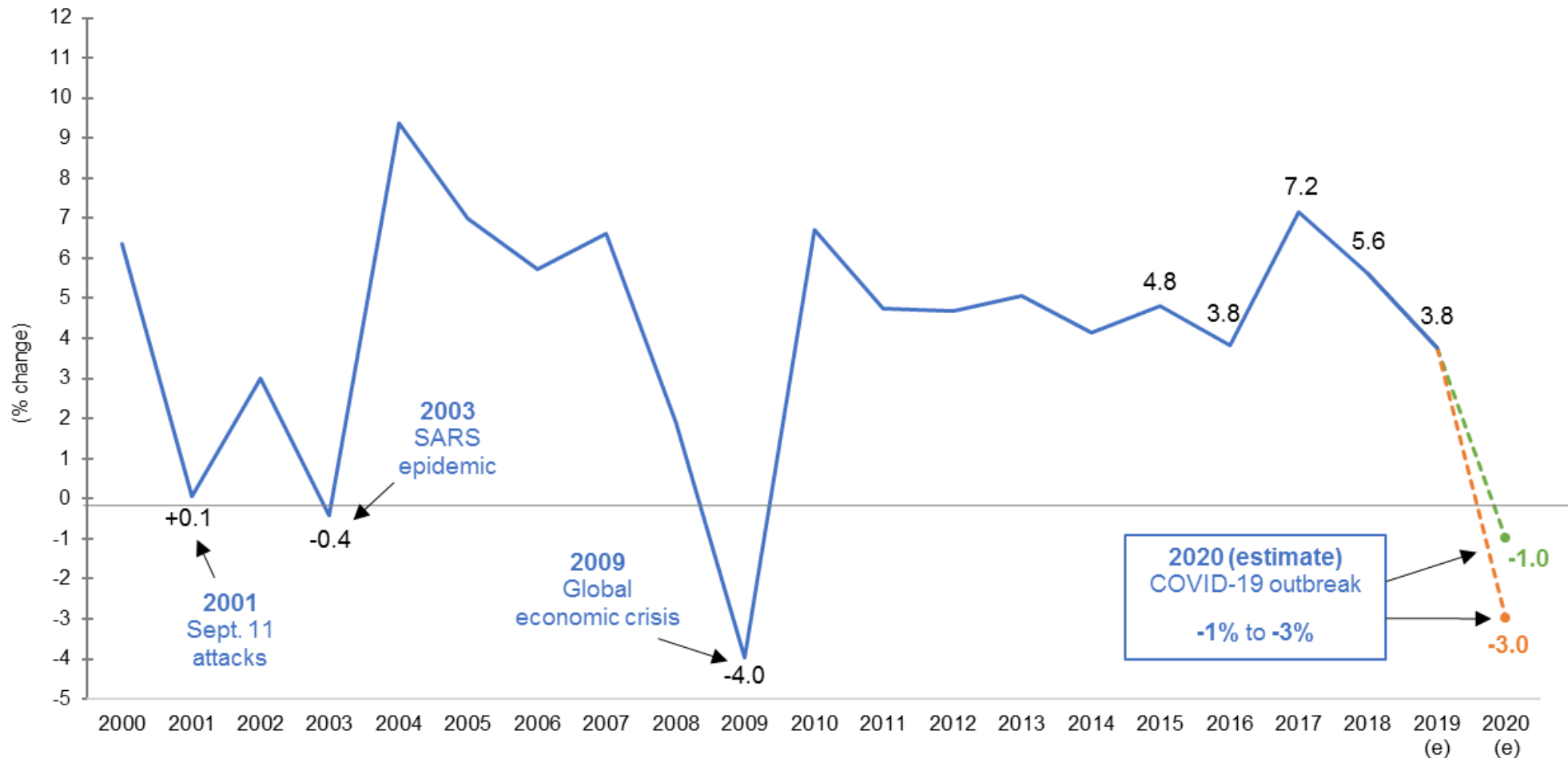
International Tourist Arrivals (1995-2019)



International tourism has seen continued expansion, despite occasional shocks, demonstrating the sector's strength and resilience and benefiting all world regions.

The sector only experienced declines in 2003 following SARS and the Iraq war and in 2009 amid the economic and the financial crisis, with a strong and rapid recovery the following years.

Revised 2020 forecast - international tourist arrivals, world (% change)

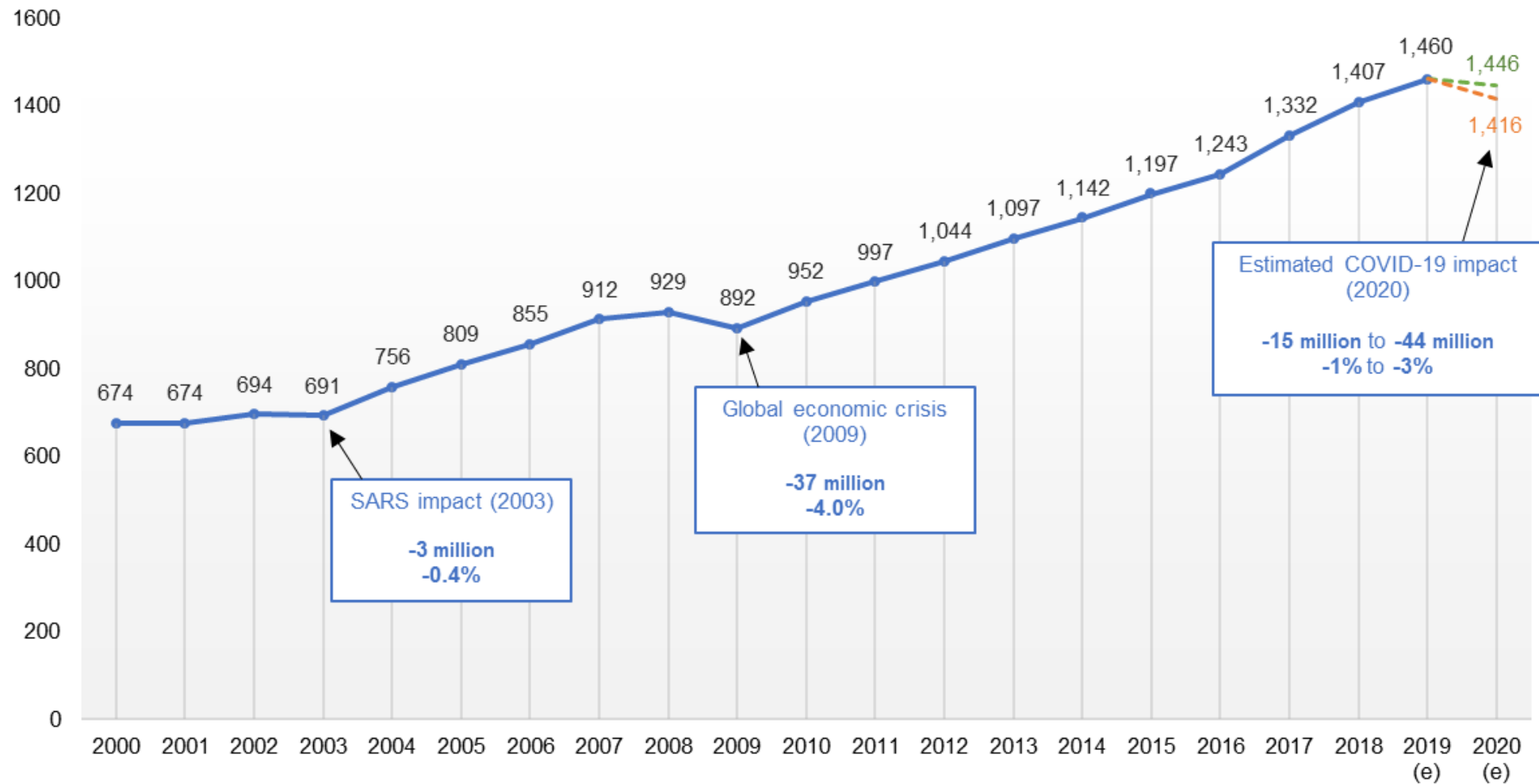


(e) Estimate

Source: UNWTO

As of today, factoring the SARS scenario, the size and dynamics of the global travel market, current travel disruptions, the geographic spread of COVID-19 and its potential economic impact, UNWTO estimates international tourist arrivals could decline by 1% to 3% in 2020 globally, down from a 3% to 4% growth estimated in early January.

Revised 2020 forecast - international tourist arrivals, world (million)



UNWTO estimates international tourist arrivals could decline by 1% to 3% in 2020 globally, down from a 3% to 4% growth estimated in early January.

(e) Estimate

Source: UNWTO

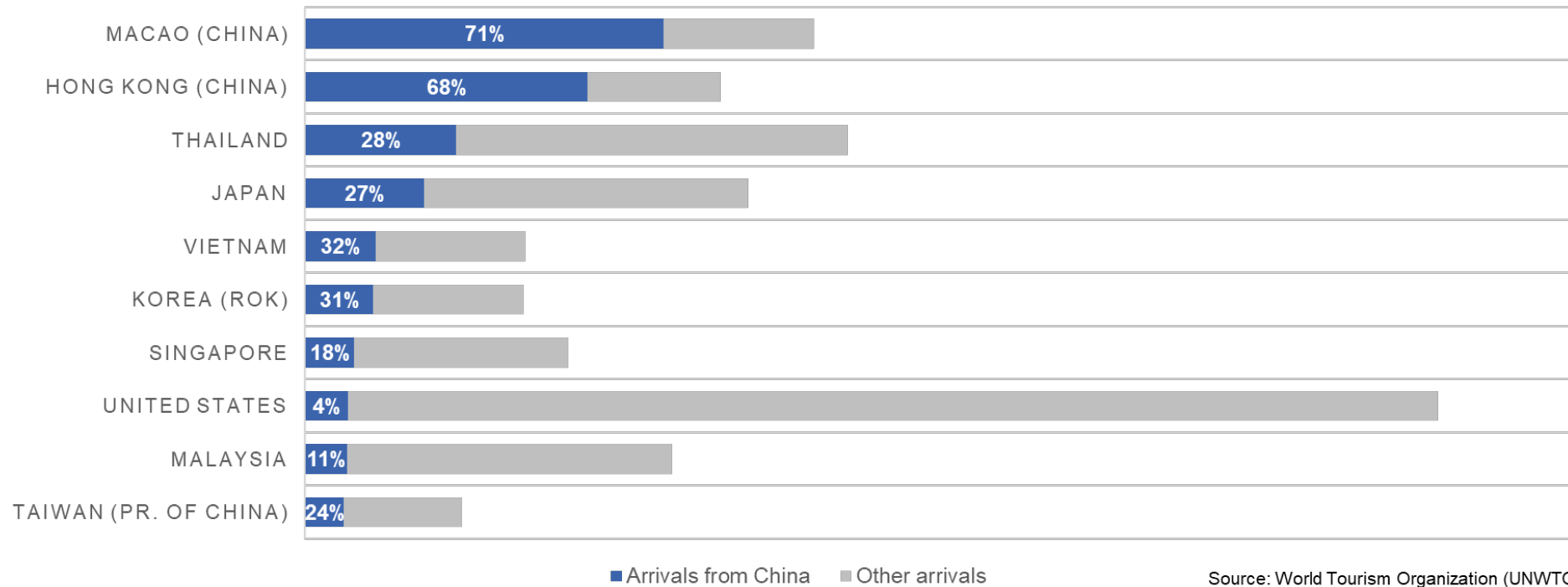
China as a source market

In 2003 China was the 7th largest economy in the world, accounting for 4% of global GDP. Today it is the 2nd largest and accounts for 16% of the world economy.

In 2003, China represented 3% of total spending on international tourism, today it accounts for 20%.

Top 10 destinations by Chinese arrivals 2018 (absolute terms)

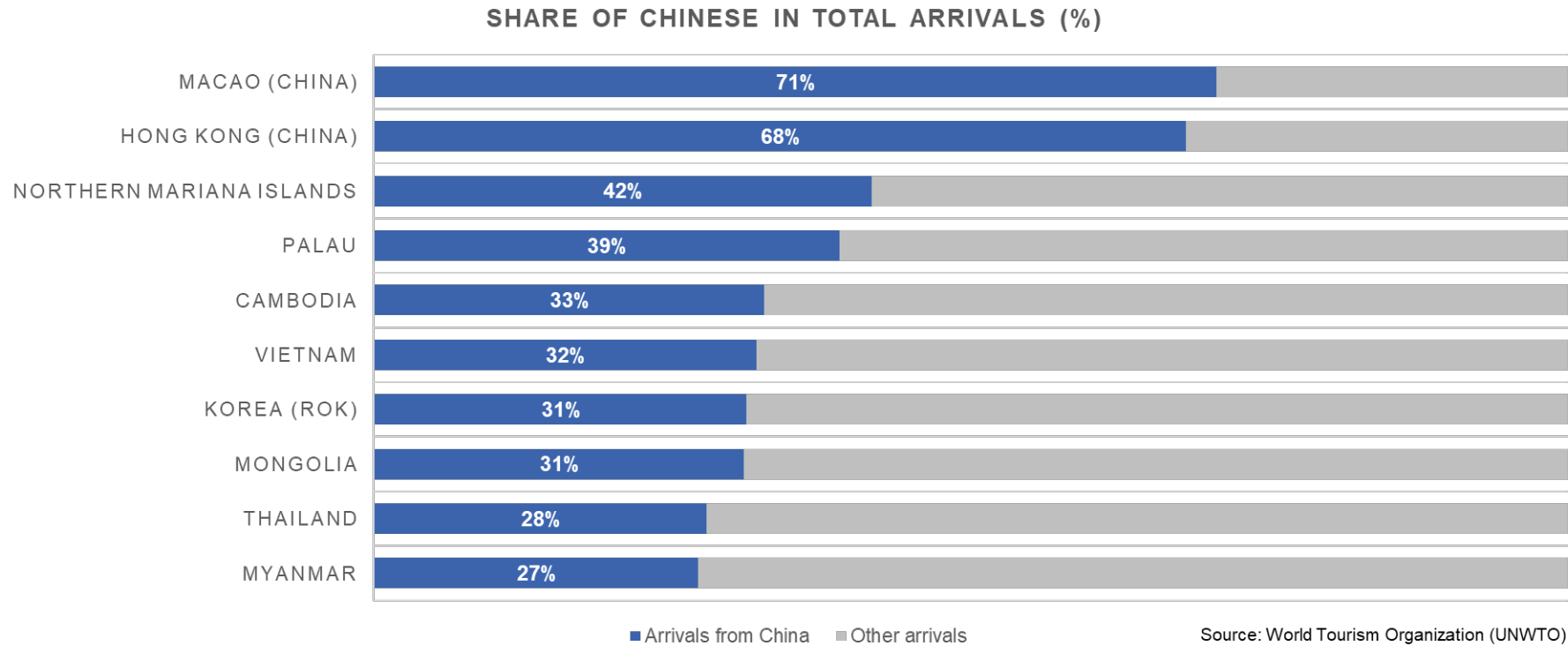
SHARE OF CHINESE IN TOTAL ARRIVALS (%)



Source: World Tourism Organization (UNWTO)

The most affected destinations considering the current volume of the Chinese market, besides Macao, (China) and Hong Kong (China), are set to be the USA, Thailand and Japan.

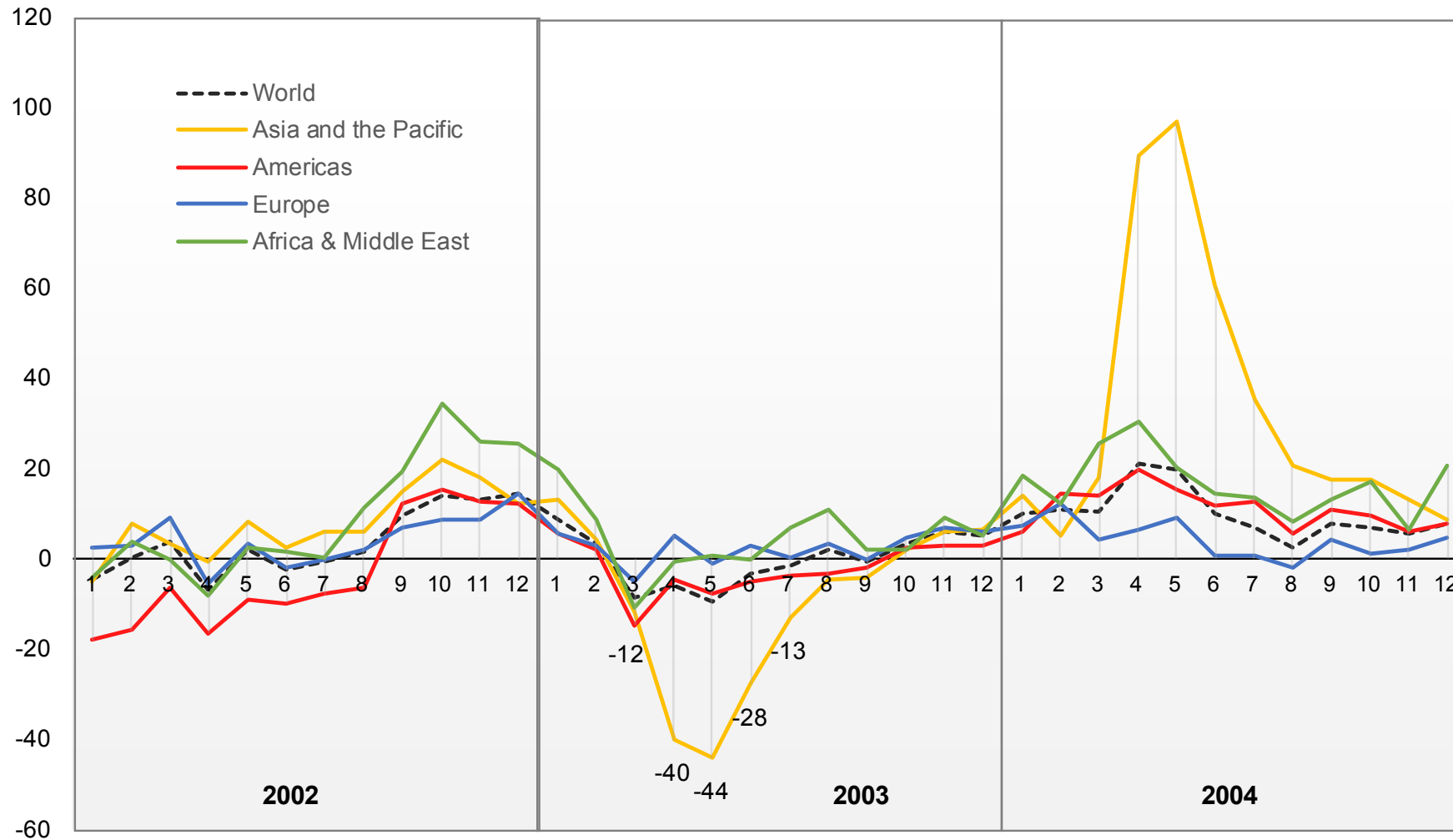
Top 10 destinations - share of Chinese arrivals (%)



Yet, considering the weight of the Chinese travellers smaller, less resilient destinations such as Palau, Cambodia, Vietnam or Myanmar could face a higher impact.

International tourism - growth and resilience

Monthly growth in international tourist arrivals (%), World regions



Experience shows that international tourism tends to rebound strongly from external shocks and crisis.

Source: World Tourism Organization (UNWTO)

Source: World Tourism Organization (UNWTO)



Impact assessment of the COVID-19 outbreak on international tourism

Updated 05 March 2020

