UNIVERSITY OF MACEDONIA

School of Economic and Regional Studies

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Bachelor Thesis

IMPACT OF COVID-19 ON THE TRAVEL AND TOURISM INDUSTRY: AVIATION, HOSPITALITY AND AIRBNB

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Abstract

Covid 19 has impacted various aspects of people's lives worldwide, and therefore, has affected many sectors. Tourism is probably one of the industries that has experienced the effects of covid the most, as travel was the first to be banned in order to limit the transmission of the virus. This thesis discusses the direct connection between tourism and the economy, followed by the pandemic's influence on airlines, hotels, and Airbnb. Additionally, it addresses the case of Greece, a country whose economy is primarily reliant on tourism. This study aims to examine the impact of the pandemic on the tourism sector and the recovery efforts required to reach previous years' standards steadily but surely.

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Introduction

In December 2019, China reported an epidemic of an unknown cause of pneumonia. The US Centers for Disease Control and Prevention (CDC) identified a seafood market in Wuhan as the likely center of the outbreak in early January 2020, and the market has remained closed since then. This novel coronavirus was first designated as 2019-nCoV, or COVID-19. The World Health Organization declared COVID-19 a worldwide pandemic on March 11, 2020, indicating the widespread global spread of an infectious illness (World Health Organization, 2020). There were 118,000 confirmed coronavirus infections in 110 countries at the time. China was the first nation to see a large epidemic in January, followed by South Korea, Iran, and Italy in February. Soon, there was a widespread outbreak of the virus that had, as a result, infected every continent, and governments were forced to adopt further measures to reduce the transmission of the virus. Today, in early January 2022, there have been nearly 5,543,802 deaths worldwide, with over 322,453,556 confirmed cases.

As the virus's death toll increased, governments closed their borders, prohibited travel to other countries, and began issuing orders for their populations to remain at home. Schools and universities have ceased physical operations in favor of online education. Sporting events were canceled, airlines reduced flight schedules, tourism declined, restaurants, movie theaters, bars were closed, manufacturing facilities, services, and retail outlets were shuttered. Employees have been allowed to work remotely from home in certain firms and industries, but have been laid off, furloughed, or had their hours reduced in others.

Tourism is one of the sectors undoubtedly affected by the outbreak and the spread of the pandemic. The tourism sector has been adversely impacted in practically every country on Earth, as pandemics prevent people from traveling and negatively affect tourists' behavior and mental health. As a result, many cancel their scheduled tours out of fear of contracting the disease, as it appears challenging to avoid transmission while traveling.

Tourism is critical to the prosperity of many economies worldwide since it increases income, produces thousands of jobs, and strengthens a country's infrastructure.

Tourism generates a sizable number of jobs in a variety of different sectors. These professions are not limited to the tourism sector; they may also exist in the agricultural, communication, health, and educational sectors. As a result, given that the pandemic's development had an enormous influence on tourism, it is logical that the economies of many countries were also considerably impacted, as tourism is inextricably related to each country's economy.

Tourism and Economy

Tourism has a direct effect on national income, altering it quantitatively and qualitatively. Tourist development, in general, adds significantly to a country's tourism income growth, while its redistribution helps reduce economic disparity between its various areas and social classes.

Tourism generates significant revenue for state and local governments by collecting taxes and fees while also significantly improving the current account balance and foreign exchange reserves of the host country and the country hosting the tourists through the import of foreign tourist exchange.

The total contribution of travel and tourism to the global GDP in 2020 was approximately 4,671 billion U.S. dollars. This statistic decreased significantly from the previous year as a result of the coronavirus (COVID-19) pandemic that disrupted travel around the world.

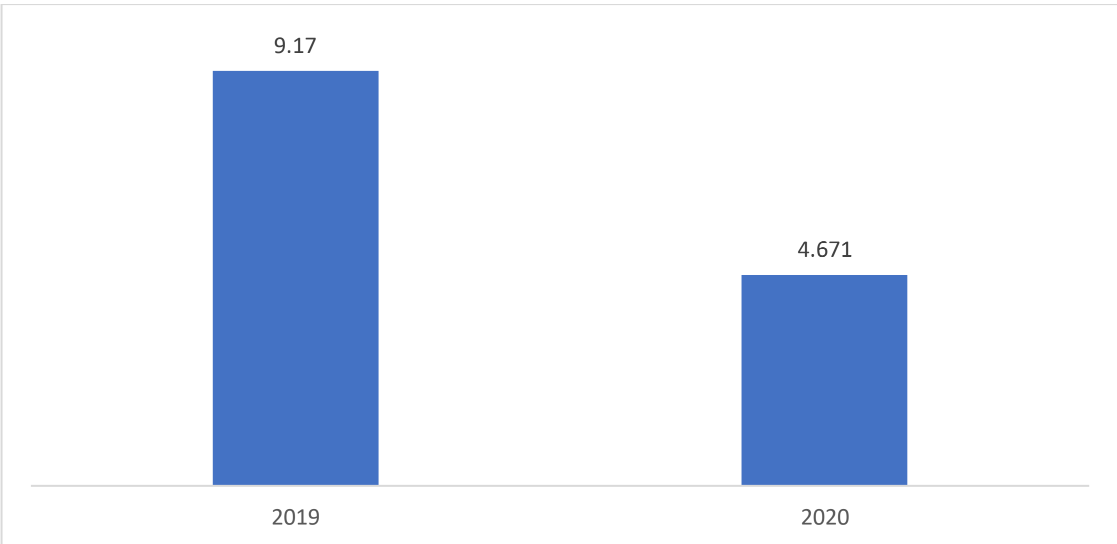

Figure 1*: Total contribution of travel and tourism to gross domestic product (GDP) worldwide from 2019-2020 (in billion US dollars)*

Source*: Statista (2021)*

Leisure tourism is the tourist industry's largest segment. Leisure travel is often defined as a break from work or daily life. Vacations are often used to unwind, discover different cultures and destinations, and broaden one's perspective, depending on the sort of travel selected. Due to the pandemic, global leisure travel spending declined by 49.4% in 2020, reaching 2.37 trillion US dollars, down from around 4.69 trillion in 2019.

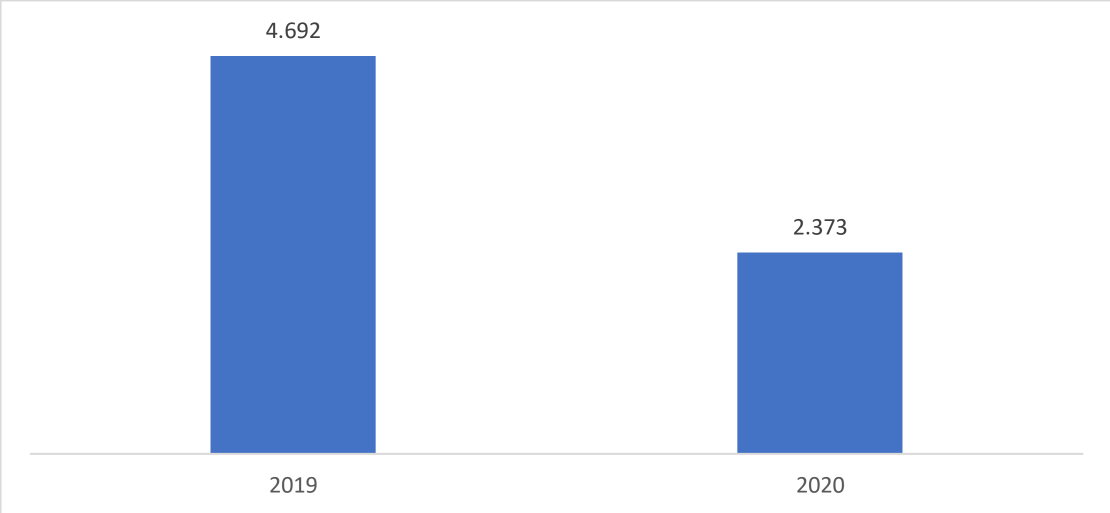

***Figure 2**: Leisure tourism spending worldwide from 2019 to 2020 (in billion US dollars)*

***Source**: Statista (2021)*

Country	2019	2020
Croatia	**24,3%**	**10,2%**
Greece	**20,3%**	**8,7%**
Portugal	**17,1%**	**8,1%**
Malta	**15,9%**	**5,4%**
Spain	**14,1%**	**5,9%**
Cyprus	**13,4%**	**3,7%**
Italy	**13,1%**	**7%**
Estonia	**11,8%**	**5,6%**
Austria	**11%**	**6,6%**
Netherlands	**10,8%**	**7,1%**
Bulgaria	**10,7%**	**4,8%**
Slovenia	**10,6%**	**6,5%**
United Kingdom	**10,1%**	**4,2%**

Germany	**9,8%**	**5,5%**
Luxembourg	**8,9%**	**7%**
France	**8,5%**	**4,7%**
Finland	**7,8%**	**4,6%**
Hungary	**7,8%**	**3,8%**
Latvia	**7,7%**	**4%**
Sweden	**7,3%**	**4,4%**
Denmark	**6,4%**	**4,7%**
Slovakia	**6,4%**	**3,2%**
Czech Republic	**6,2%**	**3,9%**
Romania	**6,1%**	**2,9%**
Lithuania	**6%**	**2,7%**
Belgium	**5,6%**	**3,3%**
Poland	**4,7%**	**2,2%**
Ireland	**4,2%**	**1,2%**

Table 1*: Share of travel and tourism's total contribution to GDP in European Union member countries (EU 28) in 2019 and 2020*

Source*: Statista (2021)*

The majority of European countries rely on tourism to grow their domestic economies, which have all been significantly harmed by the pandemic outbreak. Due to the impact of the coronavirus (COVID-19) pandemic, the total contribution of travel and tourism to GDP in European Union member countries decreased significantly in 2020 compared to the previous year. Croatia was the EU country where travel and tourism contributed the most to GDP in 2020. Travel and tourism contributed roughly 10% of the country's GDP that year, both directly and indirectly. However, this industry accounted for approximately 24% of Croatia's GDP in 2019. Meanwhile, Greece and Portugal's economies are also heavily reliant on travel and tourism, accounting for 8.7 percent and 8.1 percent of their GDPs, respectively, in 2020. Croatia and Greece saw decreases of 58 percent and 57.1 percent, respectively.

How have responses to COVID-19 impacted our rights to participate in hospitality and tourism?

COVID-19 has brought many changes that affect the lives of all countries and individuals worldwide, obliging society to undergo extraordinary political, economic, and socio-behavioral transformations in the modern period. In terms of tourism, the consumer impact is most pronounced for people of the Global North, whose rights to travel as tourists have been severely restricted. Both those in the Global South and those in the Global North are affected by the influence on tourist workers. Indeed, the impact on the workforce in the former is probably far higher due to the absence of social safety nets common in more prosperous countries (Baum and Nguyen, 2019).

Closure of borders

Our expectations of the right to unrestricted movement across national borders have been severely tested by official responses to COVID-19, despite the fact that efforts in this direction began well before the pandemic (for example, President Trump's 'wall' along the Mexican border).

European and North American national borders have effectively been closed to the majority of travelers, including leisure, business, and pilgrimage tourists. In other cases, this meant reintroducing borders that had been eliminated many years earlier, such as within Europe's Schengen zone.

What measures were taken by various European countries at the beginning of the pandemic outbreak:

- **Denmark** said on March 13 that it would temporarily seal its borders to non-citizens, with the exception of residents.
- Except for nationals, EU residents, and travelers with a residency permit issued by Finland, passengers were not permitted to enter **Finland**.

- On April 13, **French** President Emmanuel Macron stated that he would extend a virtual lockdown to contain the coronavirus outbreak until May 11, noting that progress had been made, but the war was not yet won.
- **Greece** suspended all flights to and from Italy, Spain, Turkey, and the United Kingdom. On March 15, it announced that it would close all land, sea, and air services to Albania and North Macedonia. According to authorities, only cargo and individuals of Greece will be permitted to travel to and from Albania and North Macedonia. Athens has prohibited passenger ship routes to and from Italy while also prohibiting cruise ships from docking in Greek ports. Greece announced that it would isolate everyone visiting from overseas for two weeks.
- **Italy's** government placed the 60 million-strong country on lockdown on March 10 in an attempt to halt the spread of the virus. Italy reopened its borders to European Union citizens on June 3.
- **Lithuania** closed its borders to practically all foreigners on March 16. Lithuanian citizens were likewise prohibited from leaving the country, with the exception of business travel.
- **Norway** said on March 14 that it would close its ports and airports on March 16, with exceptions for Norwegians returning from abroad, citizens of Norway, and products. Additionally, the country stated that it would strengthen restrictions at land entrance ports but not close its 1,630-kilometer (1,000-mile) border with neighboring Sweden.

Travel restrictions

Governments and transportation providers have curtailed or eliminated chances for travel, in part as a result of the closure of national borders. Numerous nations had implemented travel restrictions in reaction to the outbreak of COVID-19 in China. President Trump, for example, issued a limited travel restriction on China in late January, which took effect on February 2, 2020. American citizens, lawful permanent residents, and many others were spared from Trump's limited travel restriction. Those who returned were to undergo medical examinations and be quarantined if they displayed symptoms. Quarantines and medical screening were almost certainly insufficient, as demonstrated when the administration put travel restrictions on Europe and returning Americans clogged airports. At least 36 other nations placed similar travel restrictions on Chinese nationals around the same period.

Numerous airlines cut domestic and international service to a skeleton of recent provision and, in certain cases, completely terminated operations. Similarly, rail and bus service operators lowered their offerings in reaction to declining demand and government restrictions on non-essential travel.

As a result, transport operators, particularly airlines, are facing severe financial difficulties, and many of them may be unable to resume normal operations following the crisis. Governments are intervening to nationalize or renationalize airline assets to safeguard their long-term viability.

Closure of tourist attractions and facilities

The primary reasons for tourists to visit many destinations have been eliminated through the closure of cultural venues such as theatres and museums, the postponement of sporting events (including the XXXII Olympiad Games in Tokyo), the elimination of access to beaches and national parks, and the closure of non-essential retail and hospitality outlets. Due to the outbreak, museums throughout China had been obliged to close their doors temporarily. China's National Cultural Heritage Administration (NCHA) had encouraged them to maintain an online presence and offer their services digitally in response. Meanwhile, Boston, Philadelphia, and New Orleans had canceled St. Patrick's Day celebrations, while Chicago had postponed its march indefinitely. It is worth noting, however, that closure of hospitality and tourism establishments is not uniform — countries such as Sweden took a different approach to COVID-19 containment, allowing such facilities to operate for a far more extended period than was the case elsewhere (Franks, 2020).

Consumer protection rights in hospitality and tourism are repealed

A significant effect of the COVID-19 crisis in the travel and tourist industry was the influence on consumer protection. Consumer rights can be viewed as a human right that is shared by governments, corporations, and other important social organizations.

They are governed by the United Nations' Guidelines for Consumer Protection 6 (UNGCP), which were adopted in 1985 and amended in 1999 and 2015. Consumer rights in tourism are addressed in both national and transnational legislation, including those applicable inside the European Union.

Consumer rights were suspended temporarily with government complicity or unilaterally as hotels, airlines, and other operators battled to deal with the repercussions of a global travel shutdown, including refunds, compensation, and insurance (Murray, 2020).

Confinement to place of residence and penalties for non-compliance

Numerous countries and governments have established emergency powers and legislation that effectively imprison individuals in their houses, further restricting their ability to travel, even within immediate neighborhoods.

These authorities were also exercised through the use of financial and additional punitive fines. This was followed by the forced closure of the majority of hospitality establishments.

In the United Kingdom, civil rights groups expressed worry over police deploying drones to target tourists and setting up checkpoints to prohibit admission to national parks. This requirement to demonstrate freedom of mobility was implemented in a variety of methods across countries, including through documentation in France and a health app in China. Such restrictions could jeopardize privacy and, potentially, human rights interpretations and would be opposed in other jurisdictions (Wired, 2020).

Other effects follow from a lack of personal mobility beyond the home (for tourism purposes, for example). There were indications that spousal abuse and violence escalated during COVID-19 lockdowns, with victims essentially having few escape routes. Additionally, there was some indication that when lockdowns were reduced (as was the case in Hubei Province, China), the number of couples filing for divorce increased.

COVID-19 impact on Aviation Industry

Aviation is one of the most developed business sectors, with passenger demand growing at a rate of approximately 4.2% per year in 2019. The aviation industry has been growing at a rapid pace, with over 5000 aircraft and over 40 million flights per year. Passenger demand had been growing at a rate of over 7% annually for several years, but has recently begun to decline, owing primarily to the global economic recession and intense competition in the global airline business. The market value of the world's biggest airliners is calculated in tens of billions of dollars (USD), and the airline industry contributes an estimated 1% to global GDP.

Aviation is a significant driver of all other related services. There are currently over 1200 major international airports serving over 4 billion people per year. Additionally, numerous catering companies provide services to airlines, or in some circumstances, many big airlines operate their own catering operations. For example, US aviation has a catering sector of more than $6 billion USD annually. There are numerous airport services that employ about 1.6 million people, including air traffic control, ground staff, security, and building maintenance, with an annual growth rate of approximately 20%. The global air industry's significance and added value can also be appreciated in a broader framework. Nowadays, each corner of the globe is accessible within 24 hours, and effective mobility is more accessible than ever. Additionally, airliners play a critical role in the global mobility population. Airline-based mobility substantially contributes to the growth of numerous enterprises by facilitating the efficient interchange of various items between countries. Tourism is a significant market sector where aviation services have a significant impact, as the two are inextricably linked. In several countries, the majority of tourists now arrive via plane, and tourism has grown heavily reliant on the aviation industry. For example, Spain and France account for more than 80% of visitors arriving by plane, whereas the number of tourists arriving by plane globally ranges from 35% to over 80%, as is the situation in several big economies. As flights become more economically viable and accessible, airlines have become a significant driver of economies, regional and global growth.

Domestic travel is the most affected in some countries, such as Norway, the Canaries, and Italy, while international flights are badly affected in others, such as the Netherlands, Germany, Luxembourg, Israel, and Turkey (countries that have major airport hubs experienced severe impacts on international flights).

The impact on aviation mobility in the EU region is severe with an average reduction of scheduled daily flights being more than 88% for the given time period, which means more than 157 000 canceled flights.
The COVID-19 outbreak did not significantly impact cargo flights; in certain situations, the number of flights increased due to medical equipment supplies, and the majority of countries permitted the exchange of products to maintain economic activity. Specifically, COVID-19, in addition to being a health risk, has triggered an economic tsunami, with the majority of economies entering a period of recession and facing an uncertain future.

Flybe was the first airline to suspend operations due to the new virus. The largest regional airline in Europe has entered administration, resulting in the loss of over 2,000 employees. The coronavirus's impact on travel bookings proved to be the final straw for the Exeter-based airline, which handled over 40% of UK domestic flights.

Airports Council International, which represents over 500 airports in 46 European nations, provided preliminary estimates of the impact of Covid-19 on regional air traffic:
A loss of -67 million airport passengers in the first quarter of 2020, equating to a -13.5 % decline in airport passenger footfall compared to business as usual.
In 2020, Europe's airports will lose -187 million passengers, a fall of -7.5% under a year when passenger growth was expected to be +2.3% in a business-as-usual scenario.

In financial terms, a revenue loss of -€1.320 million in Q1 alone, as a result of decreased aeronautical revenues, lower commercial (non-aeronautical) revenues, and revenue foregone from ground handling and other services (Coronavirus Disease...).

ACI forecasted that airport passenger traffic would be down at least 12 percentage points in the first quarter of 2020, with Asia-Pacific passenger traffic down 24 percent from earlier projections. Prior to the coronavirus outbreak, global airport revenues were expected to reach about $39.5 billion in the first quarter of 2020. ACI now projects a revenue loss of at least $4.3 billion (Winck, 2020).

Comparison to the past

In many ways, the current scenario is unprecedented in the industry's history. To have a better understanding of how this present pandemic compares to earlier industrial crises like as the 9/11 terrorist attacks (2001), the SARS epidemic (2002–2004), or the Eyjafjallajökull eruption (2010), let us place it in a historical context.

Following 9/11, the United States' airspace was blocked for four days. Soon afterwards, the public was convinced that additional security measures established at airports had restored the safety of air travel. Today, it is not the dread of travel per se that keeps people from flying; it is the worry of contracting an infection or being unable to return home. Moreover, unlike a single event interrupting air travel, the COVID-19 epidemic is continually developing, leaving no one clear of the duration and scope of its spread, let alone the long-term impact on leisure and business travel.

Although there are significant differences, the SARS (severe acute respiratory syndrome) epidemic is considerably more akin to today's problem. For the first time in a long time, SARS was geographically limited within the Asian region. Additionally, the world has evolved significantly since then. China has ascended to economic powerhouse status. While China was ranked sixth in the world's nominal GDP (gross domestic product) in 2000, accounting for less than 5% of the top ten economies, it is currently second only to the United States, accounting for 24% of the top ten economies. The aviation sector has seen significant growth in international long-haul service during the last two decades, owing to the availability of longer-range aircraft. Today's carriers operate a far broader range of services to Asia. Certain Middle Eastern carriers have expanded significantly. Additionally, the ramifications of any crisis in a globalized economy are more significant than ever since people and goods travel at a rising rate worldwide. As a result, the present pandemic poses a severe threat to the world economy as a whole.

The 2010 eruptions of Iceland's Eyjafjallajökull resulted in the largest air-traffic shutdown since World War II. While there were some obvious ripple effects beyond the volcano ash cloud's direct impact on airline routes, the phenomenon was considerably more localized than the current pandemic. Additionally, a shift toward other forms of conveyance seemed possible, at least in part, and it lasted only a week, whereas no one knows how long the current scenario will remain, let alone how long the economic impact of the COVID-19 pandemic will be felt.

Overview (January 2020 – May 2020)

- Since late January 2020, the COVID19 pandemic has disrupted China's air transportation.
- International passenger capacity decreased by 10% in February 2020, primarily due to traffic from/to states experiencing an early outbreak and those that are firmly tied to China.
- By March 2020, global international passenger capacity had decreased by 48%, with large reductions occurring not only in states affected by an early outbreak, but also globally.
- By April 2020, the world's international passenger capacity had decreased by an astonishing 94 percent.
- As of 18 May 2020, 100% of all world destinations were restricted from travel. Around 185 (85%) locations had closed their borders totally or partially, while 11 (5%) destinations had suspended completely or partially international flights.

The Repercussions for International Airlines

The (COVID-19) pandemic is producing a problem among multinational airlines, who are concerned about the detrimental impact on their operations and are taking appropriate steps, particularly as their stock market prices decline. On February 28, 2020, Air France KLM fell 7.4%, Lufthansa 4.28%, and EasyJet about 4%.

Lufthansa takes the initiative in the face of the prospect of a global coronavirus epidemic. The German airline announced a hiring restriction and various administrative steps aimed at cutting costs, in addition to previously announced modifications to its flight schedule to Asia. Because it wishes to strengthen its position as much as possible in order to withstand the (COVID-19) crisis, all planned hirings (4,500 at group level this year, including 3,000 in Germany) have been suspended, re-examined, or postponed. The company encourages current employees to take unpaid vacations and contemplate extending part-time employment opportunities. Additionally, the corporation wants to lower the number of its projects by 10% and material expenses by 20%.

Air France-KLM predicts that the suspension of flights to China, which was decided in response to declining demand following the coronavirus outbreak, will cost the airline between 150 and 200 million euros in operating profit in 2020. It has already had a significant impact on its long-haul flight bookings, which have declined by three to five points per month till May, compared to last year's level. These projections are applicable solely in the current situation, assuming that flights resume in April.

Air New Zealand also announced a 34% decline in net profit for the first half of its fiscal year and emphasized the impact of the new coronavirus epidemic on the airline's net result. The New Zealand airline reported a net profit of 101 million New Zealand dollars for the period July to December, down from 151 million NZD a year earlier.

SAS, the Scandinavian airline, reported growing net losses for the first quarter of the current fiscal year. In late January 2020, the business paused flights to Beijing and Shanghai due to the coronavirus epidemic, then stated that the ban would be continued until the end of March. It estimates that the cancellation of these flights will result in a loss of 200 million kroner.

El Al, Israel's national airline, declared that it would lay off 1000 of its 6000 employees and expected to lose between $50 and $70 million in the first quarter alone, losses that could force the corporation to undergo significant downsizing.

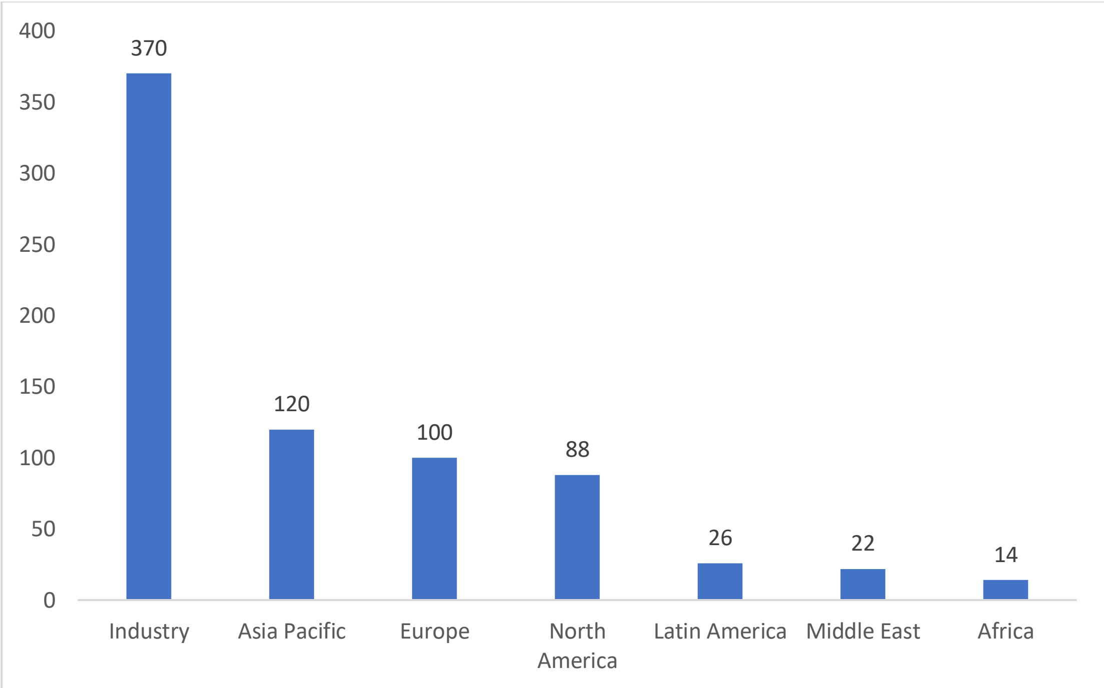

***Figure 3**: Worldwide airline passenger revenue loss due to coronavirus outbreaks in 2020, by airline registration region (in billion US dollars)*

***Source**: Statista (2021)*

Countries and organizations began using precautionary measures to contain the spread of coronavirus (COVID-19) for public health purposes during the coronavirus (COVID-19) pandemic.

Several precautionary measures included establishing lockdowns or persuading citizens to avoid travel unless absolutely essential. Similarly, businesses implemented a variety of measures to address the issue, including avoiding or decreasing business travel. These government and private sector actions had a detrimental effect on the aviation industry when taken together. Beginning in February 2020, the year-over-year revenue passenger kilometer (RPK) change on international routes continued to drop, reaching a level of approximately 99 percent in April 2020. This reduction suggests a near-complete cessation of aviation travel worldwide. As with prior months, COVID-19's massive detrimental impact on passenger aviation will continue to be felt until September 2020.

As a result, airlines were pressed to seek government assistance. For example, Lufthansa Group received nearly 12 billion US dollars in government bailout funds, while Air France – KLM received over 11.7 billion US dollars. Despite this, airlines remain vulnerable as the coronavirus pandemic exposes the world to a second wave of infections.

All world's regions affected

According to the World Tourism Organization's newest data, global tourism had its worst year on record in 2020, with international arrivals falling by 74% (UNWTO). Destinations worldwide will see 1 billion fewer international arrivals in 2020 than in 2019, owing to a remarkable decline in demand and pervasive travel restrictions. This contrasts with a 4% fall during the global economic crisis of 2009.

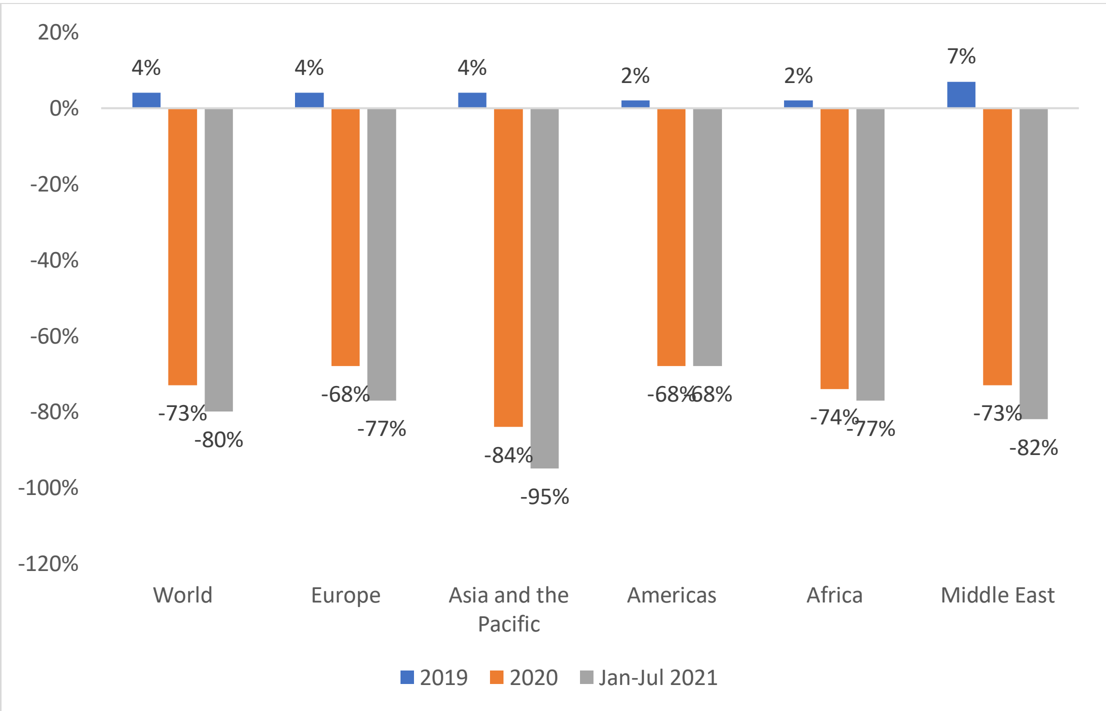

***Figure 4**: International tourist arrivals (%change)*

***Source**: World Tourism Organization (UNWTO) (2021)*

Asia and the Pacific (-84%) - the first region to feel the pandemic's effects and the region with the strictest travel restrictions now in place - saw the largest decline in 2020 arrivals (300 million fewer). Both the Middle East and Africa had a 75% drop.

Europe recorded a 70% decrease in arrivals, despite a small and short-lived revival in the summer of 2020. The region suffered the most significant drop in absolute terms, with over 500 million fewer international tourists in 2020. The Americas saw a 69% decrease in international arrivals, following somewhat better results in the last quarter of the year.

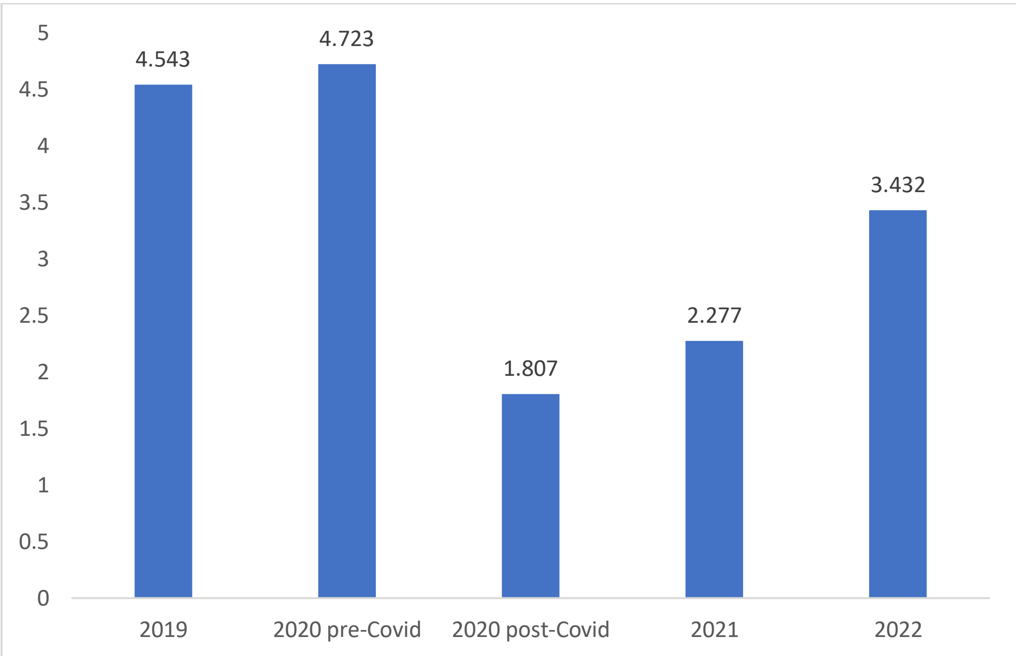

***Figure 5**: Number of scheduled passengers boarded by the global airline industry from 2019 to 2022 (in millions)*

***Source**: Statista (2021)*

The global airline sector has grown the number of scheduled passengers handled in all but one of the last decade. The term "scheduled passengers" refers to people who have made a reservation with a commercial airline. Passengers on charter flights are omitted, as an entire plane is reserved for a private group. In 2019, the Asia Pacific region accounted for one-third of global airline passenger traffic. Additionally, the region is home to the busiest aviation routes.

In 2021, due to the coronavirus pandemic, the global airline sector was expected to board slightly over 2.2 billion scheduled passengers. This is a 50% decline in global aviation passenger volume from 2019.

COVID-19 has had a significant impact on global aviation connectivity. The number of air routes connecting airports plummeted during the start of the crisis, falling by more than 60% year on year in April 2020. Throughout 2020, there was a slight recovery as international short-haul travel resumed in some places, but the majority of that returned owing to fresh COVID outbreaks. In March 2021, there were still 50% fewer routes in operating than there were prior to the crisis.

Additionally, the number of flights on particular routes has decreased. In April 2020, there were on average 70% fewer flights per route than in April 2019. Gains were marginal in 2020, and flight frequency was still less than half of what it was in March 2019.

Airport corridors act as conduits for the movement of ideas, labor, and tourists. Restoring air connection will be critical in assisting economic recovery and livelihoods in devastating economies, as well as reestablishing aviation as 'the business of freedom'.

Downsizing in human resources

The unemployment rate in the air transport business in various countries as a result of the coronavirus pandemic is depicted in the figure below. According to it, around 0.9 million individuals employed in the aviation industry are unemployed in the Middle East, while approximately 5.6 million people employed in the aviation business are unemployed in Europe as a result of the COVID-19 pandemic. However, the hardest hit was in Asia, where about 11.2 million people working for the aviation industry lost their jobs. According to IATA figures, over 25 million individuals engaged in the aviation industry may lose their employment as a result of decreased travel demand during the COVID-19 pandemic. Around 65.5 million people worldwide, including those employed in the tourism industry, rely on the aviation business for their livelihood. This means that many countries that have never had an unemployment problem will begin to suffer after Covid-19, while others that have been suffering for years will face considerably greater difficulties.

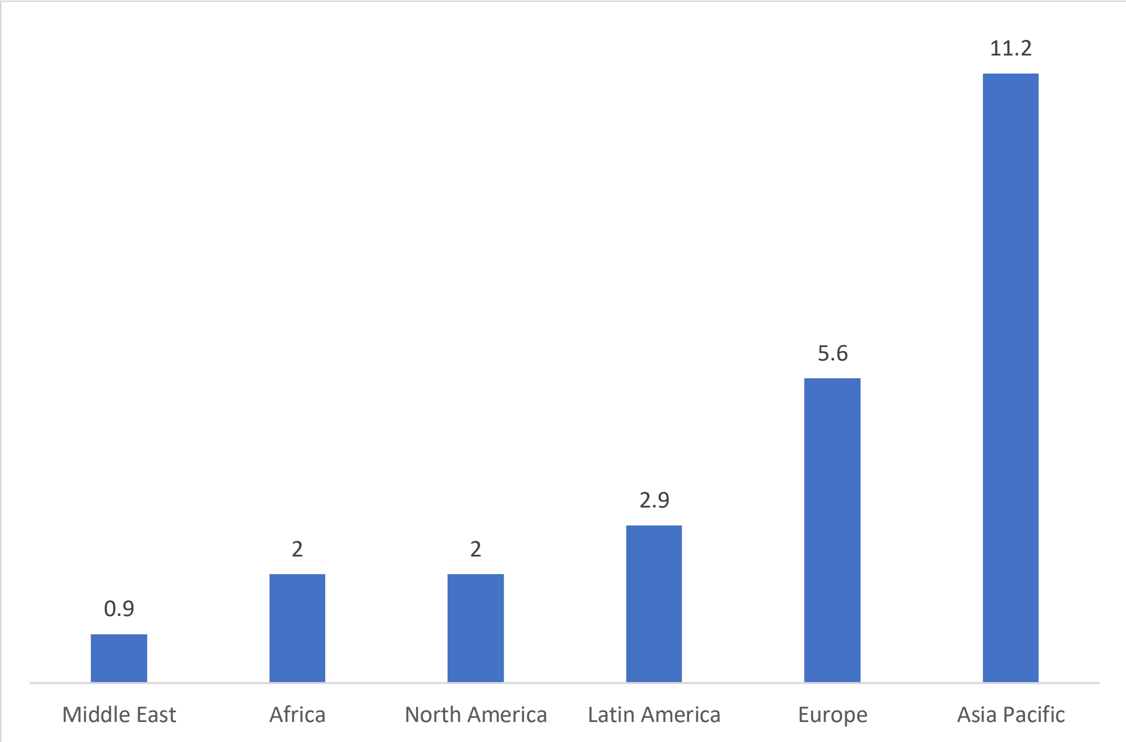

***Figure 6**: Unemployment impact of Covid-19 on industries supported by air transport worldwide in 2020, by region (in millions)*

***Source**: Statista (2020)*

Variety of financial performances

The financial performance of 2020 was bad across the board, although some regions performed better than others. At a global level, operating expenses exceeded sales, resulting in a -28.2% industry operating (EBIT) margin. Prior to the crisis, it had been hovering above 7% between 2015 and 2019, significantly higher than the historical average of 3-3.5%.

Across all major regions, the operating margin was negative. On that criterion, the Middle East and Africa were the most resilient regions, at -18.7% and -19.3%, respectively. Airlines based in both regions maintained a relatively high level of revenue protection relative to the industry as a whole.

Airlines based in North America cut operational costs substantially less than airlines based elsewhere, although this was partially offset by higher revenues. Additionally, carriers in Asia Pacific lowered expenses slightly less than carriers in the rest of the world. As a result, EBIT margins in Asia Pacific and North America were close to the industry average, at -26.8% and -30.0%, respectively.

Europe and Latin America experienced the steepest declines in operating margins (-30.4% and -32.6%). This was primarily due to revenue decreases of more than 60% in comparison to 2019, significantly more than in the other regions.

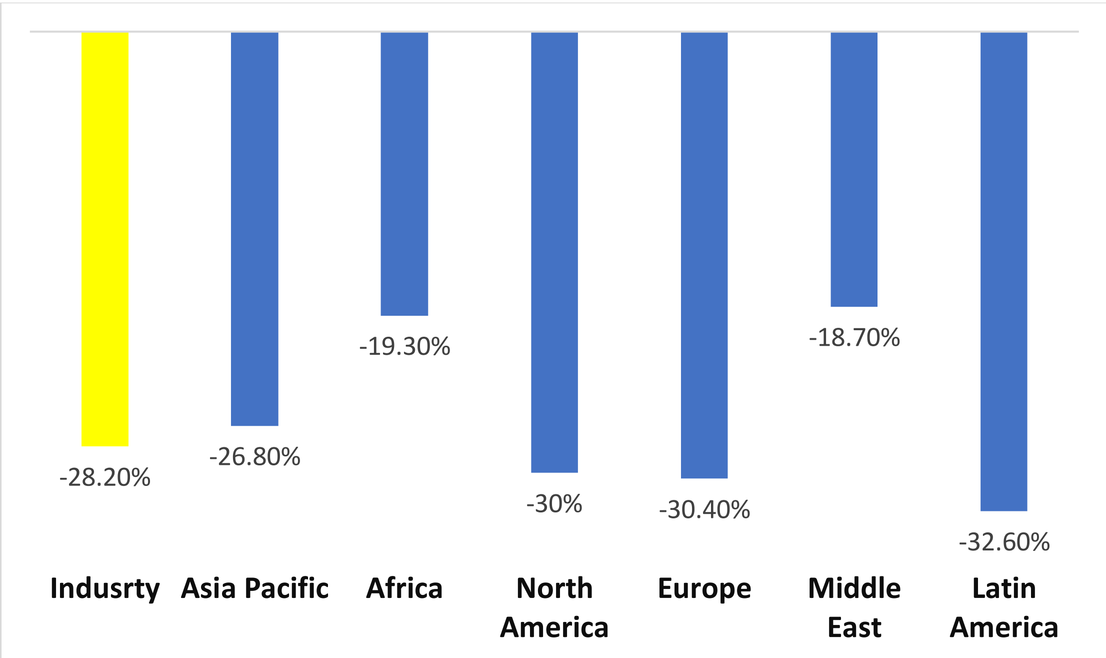

***Figure 7**: Regional profit performance*

***Source**: IATA, The Airline Analyst*

In normal circumstances, the airline industry is a high-volume, low-margin enterprise on a per-passenger basis. Net earnings per paying passenger averaged close to $8 over the previous five years, a high performance by historical standards. All of this pales in comparison to the $71.7 loss per passenger expected in 2020, equating to net losses of $126.4 billion. This demonstrates the financial difficulties airlines will face in the years ahead as they scale up operations and repay costly debt.

Asia Pacific had the lowest loss per passenger at the regional level, at $39.5, mainly owing to the region's more resilient passenger flow. Africa came in second place with a loss of $41.3 per passenger.

All other regions saw substantially greater per-passenger losses. In North America, this was $66.3, whereas, in Europe, it was $66.7. Despite the substantial EBIT margin in the Middle East, the more significant decline in passenger flow resulted in a loss of $73.2 per passenger (-18.7 percent). Latin American airlines suffered the most considerable per-passenger losses, at $89.4, owing to enormous total losses.

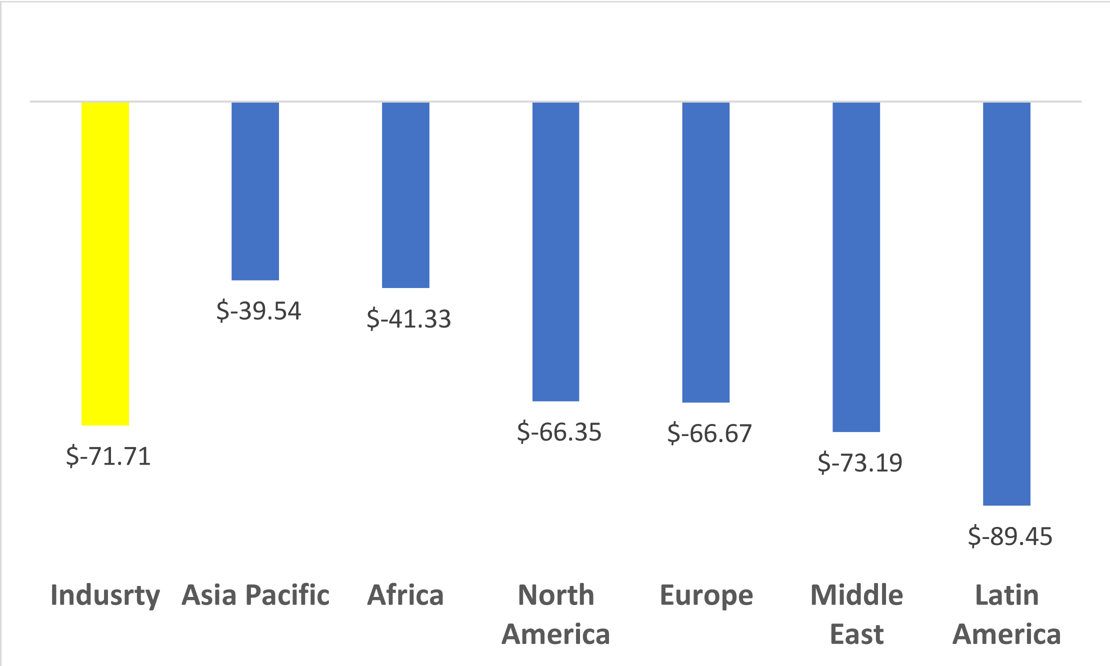

***Figure 8**: Airline profitability per passenger*

***Source**: IATA, The Airline Analyst*

Aviation Industry's Key Developments in 2020

In reaction to the Covid-19 pandemic, government-imposed travel bans resulted in a collapse of air passenger volumes in Australia and throughout the world beginning in

March 2020. According to BITRE, domestic commercial flights in Australia (including charter operations) transported 93.6% fewer passengers in April 2020 than in April 2019. Domestic passenger volumes were still down 54.9% in December 2020 compared to December 2019.

International volumes have been nearly eliminated, with Australian citizens and permanent residents permitted to leave the country only under certain circumstances and severe limitations on arrivals in force. By December 2020, scheduled international passenger travel to/from Australia was still 98% lower than in December 2019.

While Australia has maintained a low caseload compared to other nations, state border closures in reaction to outbreaks have slowed and limited the aviation industry's recovery.

Virgin Australia entered voluntary administration in April 2020 because of the abrupt volume decrease. Bain Capital acquired Virgin Australia in November 2020, and new CEO Jayne Hrdlicka has stated aspirations to position the airline as a mid-market carrier serving 'all sectors of the market.' Virgin Australia's future offering and ability to restore its network will have a substantial impact on domestic airline competition.

What to expect from the aviation industry in 2021-2022

Continued uncertainty

The majority of industry analysts expect a very sluggish and non-linear recovery over an extended time, and IATA estimates that international passenger demand would not return to pre-pandemic levels until 2024 at the earliest. Brendan Murphy, the head of the Health Department, and Chief Medical Officer Paul Kelly have indicated that Australians are unlikely to resume overseas travel until 2022. Even with a vaccine deployment, it is unknown if those who have been vaccinated can infect those who have not. Additionally, it appears that some vaccines are less effective against emerging viral strains. These factors could have an effect on the industry's revival.

Additionally, there are considerable concerns that business travel will ever return to pre-pandemic levels, given the increased use of technology in arranging meetings. On the other hand, leisure travelers showed evidence of pent-up demand near the end of 2020. However, given the recent spate of state-level border closures in response to outbreaks, it is probable that many leisure travelers will lack the confidence to make short-term interstate travel plans. The ACCC concluded in its March 2021 monitoring report that the continued potential of future border restrictions has dampened consumer enthusiasm for booking flights.

Possible consolidation

With the challenging operating environment expected to persist for some time, some airlines are expected to depart the worldwide market. When there have been shocks in the past, the industry has suffered airline bankruptcy and/or consolidation (e.g., following September 11). Airlines with a network centered on foreign flights or fleets of larger aircraft are likely to face more difficulties as demand for international and long-haul flights continues to dwindle. For example, LATAM, which was Latin America's largest airline before the epidemic, filed for bankruptcy protection in the United States in 2020, whereas Korean Air just declared its intention to acquire Asiana Airlines.

Continued focus on slot allocation

The ACCC is anticipated to advocate slot allocation reform in 2021. The ACCC recently stated in comments to Senate and Australian Government inquiries into the future of Australia's aviation sector and Sydney Airport Demand Management that access to Sydney Airport slots is a "critical barrier to entry and expansion" in Australian air passenger service markets. In 2020, airlines’ need to fly a minimum number of flights to retain slot allocations was waived. The topic is likely to remain in the spotlight this year as the investigations continue.

Government Support

The Federal Government announced the Tourism Aviation Network Assistance (TANS) Program in March 2021, as well as an extension of existing support programs through September 2021. The TANS Program entails government assistance that enables airlines to offer 50% off airfares on selected routes in order to promote demand for travel to these destinations. Airlines have already responded by increasing capacity, but questions have been made regarding the criteria used to select destinations and their proximity to areas most impacted by a decline in visitors and tourism spending. Participants in the industry and travelers alike will keenly monitor how the TANS initiative operates in practice.

The effects of the pandemic on the hotel industry and Airbnb

Hotel industry

The hospitality business supports 313 million jobs or 9.9 percent of total employment worldwide. Again, this astoundingly high figure demonstrates how vital the hotel business is to a large number of individuals. These occupations are also critical for the economy, as people who are compensated for their work would spend more, thus boosting the economy. The hospitality industry's employment opportunities will only increase in lockstep with its growth.

The hotel industry accounts for a sizable portion of the GDP of most countries, and this amount is increasing over time. The hotel business sustains local economies and jobs, and many communities would perish without the revenue generated by this sector. Additionally, it provides a source of income for a large number of individuals and families.

The pandemic has presented an unprecedented challenge to the hotel business. Strategies to flatten the COVID-19 curve, such as community lockdowns, social distancing, stay-at-home orders, and travel and mobility limitations, have resulted in the temporary closure of a large number of hospitality firms and a significant decline in demand for those that remained open. Travel restrictions and stay-at-home orders issued by authorities resulted in a substantial reduction in hotel occupancy and income.

The Hospitality Industry's Economic and Social Impact

The hospitality industry accounts for a sizable portion of the global economy. The hospitality industry, broadly defined, encompasses a diverse range of accommodation options, from resorts and hotel complexes to Airbnb homestays; food and beverage services and facilities, including restaurants, fast food outlets, bars and cafes, coffee shops, and nightclubs; and travel and tourism, including package holiday tours and ocean and river cruises. Simultaneously, hospitality is frequently a critical component of a wide variety of sporting, entertainment, and leisure activities and venues. Historically, many aspects of the hospitality sector have been viewed as luxuries that people might enjoy after meeting their basic necessities for food, clothing, and shelter. However, the COVID-19 incident has put into doubt this portrayal of the hospitality business.

Economically, the hospitality industry supports a sizable number of employees, and while exact figures are difficult to ascertain, some trade estimates offer an idea of the magnitude of the jobs involved. According to such trade estimates, the hospitality industry employs around 212 million people worldwide, nearly 12 million workers in the European Union in 2016 (Hospitality Europe 2017), and 14 million in the United States in 2020. (BrandonGaille 2020). According to these figures, the hotel sector provides employment for millions of people and their families. Where travel and tourism are a significant, if not the primary, component of national, regional, and local economies, as they are in Cambodia, Thailand, the Maldives, and Fiji, employment possibilities are mainly dependent on the hospitality industry, either directly or indirectly.

Socially, at a local level, coffee shops, cafés, bars, and public houses typically serve as key gathering spaces for millions of people each day and are frequently focal points of social and community life. Here, guests congregate to unwind, socialize, discuss everyday experiences, play simple card and board games, and watch televised sporting events. At the same time, many people view their hospitality experiences as critical in defining their identity. At one level, an individual's identity may be shaped in part by regular ocean cruises, which are frequently perceived to take place in exotic locations and unique environments; at another level, identities may be shaped by performance prowess in sporting and leisure events, sports and fitness clubs, and games played in cafés, bars, and public houses.

The US example

The COVID-19 pandemic wreaked havoc on the hospitality industry on a never-before-seen scale. According to a report published by the American Hotel and Lodging Association, US hotels are expected to lose nearly $83.7 ($51.2) billion in room revenue in 2020 (2021) compared to 2019, while job losses are expected to total nearly 630,000 in 2020 (2021). (546,000). Additionally, approximately half of hotel markets, accounting for 72% of hotel rooms in the United States, remain in recession or depression. These figures indicate that most of the hotel industry faces a long road to recovery, particularly when considering that many hotels cannot remain open with an occupancy rate of 35% or less. Indeed, individual hotels and major operators anticipate less than 20% occupancy rates.

In Europe

Due to the COVID-19 pandemic, the European hotel market experienced a record-low RevPAR (Revenue per available room) in 2020, falling 70% to approximately €24, according to STR data. This was prompted by a nearly 63% decline in occupancy to 27%.

According to HotStats, hotel profitability in Europe has decreased by 101 percent, to EUR -0.71 per available room. This left Europe as the only region where hotels did not break even, despite a relatively strong January and February in 2020, as well as some signs of recovery during the summer, when most markets lifted travel restrictions in part. As expected, hotel transaction volumes in the region decreased significantly, by 63% compared to 2019. However, over €10 billion in transactions were completed in 2020.

According to the most recent Europe Hospitality MarketBeat 2020, the UK closed the most deals in 2020, totaling €2.3 billion, despite a -58 percent decline from 2019. Germany came in second with €1.8 billion (a decrease of 64% from 2019), and Spain came in third with €1.2 billion (-20 percent decline from 2019). Sweden, Switzerland, Greece, Portugal, and Spain were among the least impacted major markets. Indeed, Sweden saw a slight increase in transaction activity, up about 5% from the previous year.

The INTERCONTINENTAL HOTELS GROUP and investments in Europe's hotel property

The InterContinental Hotels Group owns InterContinental, Crowne Plaza, Holiday Inn, Holiday Inn Express, Staybridge Suites, Candlewood Suites, and Hotel Indigo. InterContinental Hotels Group (IHG), based in the United Kingdom, reported a drop in the gross revenue of its different hotel brands globally in 2020. Holiday Inn Express, one of its brands, had gross sales of 4.2 billion US dollars during this period, a decrease of 42.4% from the previous year. The decline was linked to the coronavirus (COVID-19) pandemic's global impact on the hospitality business. Apart from this one hotel, all the others had a significant decline in revenue during the year the pandemic became a concern.

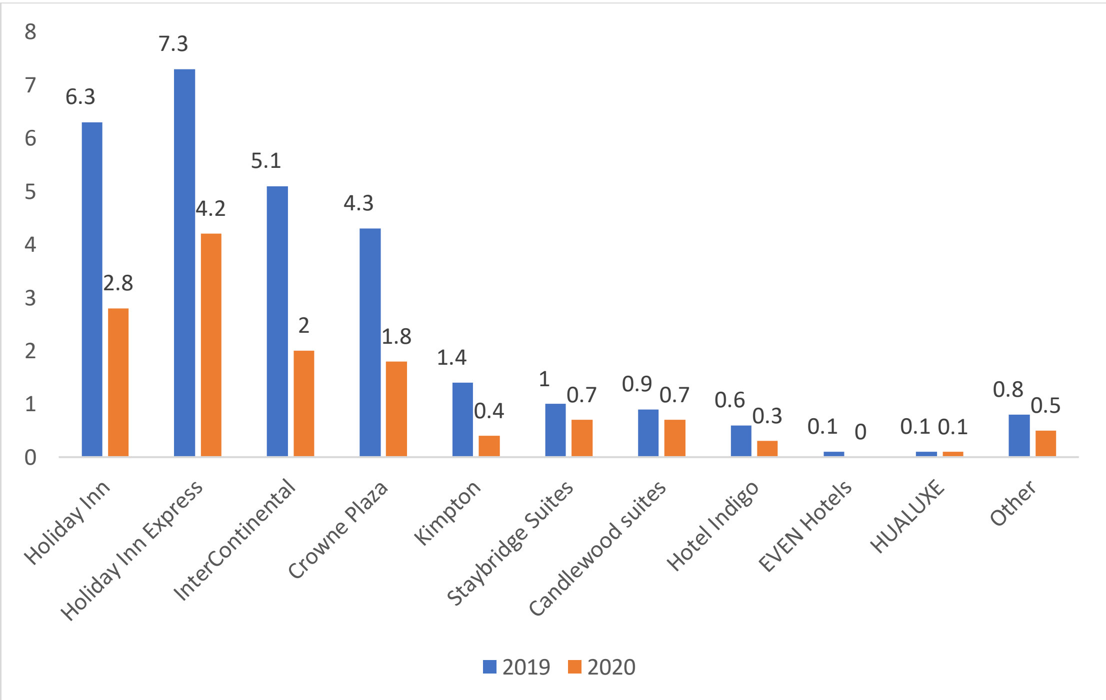

***Figure 9**: Gross revenue of the InterContinental Hotels Group (IHG) worldwide from 2019 to 2020, by brand (in billion US dollars)*

***Source**: Statista (2021)*

As we observe in the graph below, investment in the hotel sector has decreased significantly in 2021. According to industry experts, this figure illustrates the investment and development potential in Europe's hotel property real estate market from 2018 to 2021. The prospects for hotel investment (2.21) and development (2.15) in Europe deteriorated significantly following the onset of the coronavirus (COVID-19) pandemic.

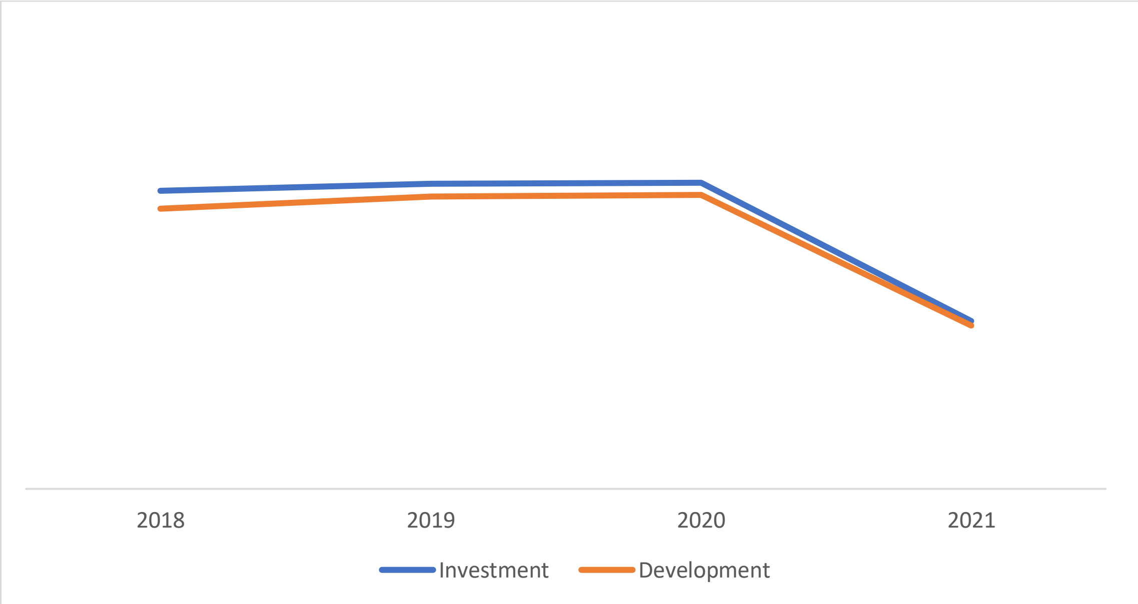

***Figure 10**: European real estate investment and development prospects in hotel properties between 2018 and 2021*

***Source**: Statista (2021)*

AIRBNB

What is Airbnb

Airbnb, an online rental platform for privately owned rooms, apartments, and houses, enables hosts and guests to promote and book homes easily. By providing free access, Airbnb quickly built a loyal following of users and hosts and quickly overcame the initial barrier to entry and mobilization. Airbnb's product is typically less expensive than traditional lodging and provides a more authentic local experience. Although Airbnb lacks many of the services that most travelers desire, its costs are significantly lower than hotels, which is a significant factor in attracting customers. Compared to the traditional hotel industry (which is dominated by large hotels and inns), Airbnb enables anyone to list even a single vacant room online. At the heart of this paper is the fact that a guest sees information not only about the room they are renting but also about the property's host, regardless of whether the host will be staying at or near the property. The majority of the selection is urban, and after initially attracting young travelers looking for inexpensive accommodations, Airbnb now caters to a broader market of leisure and business travelers looking for alternatives to traditional hotels.

The importance of Airbnb in the economy

Since its inception in 2008, Airbnb, Inc. has established itself as one of the most successful sharing economy pioneers, transforming the global travel industry. Airbnb has reshaped the hospitality industry and urban real estate markets by connecting over 200 million guests with private hosts. Airbnb claims to be the world's largest lodging company, with more than three million listings in 2017 and a presence in more than 65,000 cities and 191 countries, eclipsing hospitality giants such as Marriott and Hilton.

Booking.com is the world's largest online travel company, with approximately 91.22 billion US dollars market capitalization. According to a December 2020 study, the company headquartered in the United States outperforms Airbnb, Trip.com, and Expedia competitors. The market capitalization of second-placed Airbnb was approximately 87.1 billion US dollars. This second place proves that Airbnb is a significant factor in travelers' lodging preferences.

In Europe, Airbnb's direct economic impact was greatest in France in 2018; host earnings and guest spending were estimated to have contributed 10.8 billion US dollars to the French economy. Airbnb hosts and guests in Spain and Italy generated the following largest revenue, totaling 6.9 billion and 6.4 billion U.S. dollars, respectively. Greece was in seventh place where host earnings and guest spending were estimated to have contributed 1.4 billion U.S. dollars to the Greek economy.

Impact of COVID-19 on Airbnb

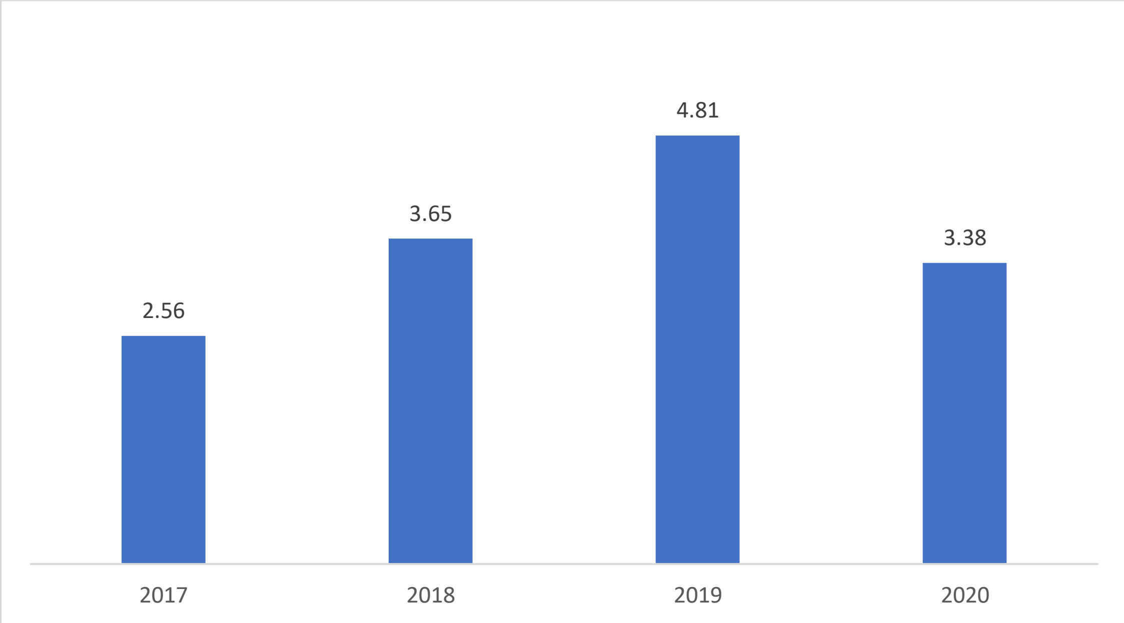

***Figure 11**: Revenue of Airbnb worldwide from 2017 to 2020 (in billion US dollars)*

***Source**: Statista (2021)*

The COVID-19 pandemic had a global impact on the travel and tourism industries, with numerous countries implementing stay-at-home orders or travel bans to prevent the virus's spread. Along with revenue declines in 2020, the company saw a decrease in the number of nights and experiences booked through Airbnb. Due to these travel restrictions, bookings fell to less than 150 million in 2020, less than half the previous year's total. In particular, the company had already lost $696.9 million in the first nine months of 2020, more than it did in the entire year of 2019.

Airbnb earned $1.11 billion in revenue during the fourth quarter of the year 2019. However, by the second quarter of 2020, when the pandemic was at its peak, Airbnb's revenue had fallen to $334.78 million, a 72 percent year-over-year decline. Airbnb's losses increased to $575.6 million in the second quarter, up from $297.4 million in the same period a year ago.

However, Airbnb received a reprieve in May 2020, when users began returning to the service primarily for local travel and remote work. Between July and September, the number of stays and "experiences," which Airbnb refers to as tours and lessons, had stabilized — albeit at a 28 percent year-over-year decline.

Airbnb implemented several cost-cutting measures in response to the slowdown. Along with laying off 25% of its workforce, Airbnb reduced marketing spending, eliminated 2020 bonus payments, suspended executive salaries for six months, and halted all new office construction.

Airbnb reported a $219.3 million third-quarter profit on $1.34 billion in revenue due to the cost-cutting measures. This compares to a loss of $297.4 million on $1.21 billion in revenue the previous year.

The road to recovery in European countries

The coronavirus pandemic has deeply affected the travel industry, which forced the closure of most of the world's tourism hotspots last year. Airbnb outperformed competitors due to the slight work movement, which saw city dwellers forego apartment rentals in favor of extended stays in rental homes near beach towns and mountain villages. Bookings fell by 80 percent last March but quickly recovered by the summer.

Even before COVID-19, short-term rentals were the fastest-growing segment of the online travel industry. They have largely kept the sector afloat over the last 18 months. According to an analysis of data compiled by researchers AirDNA and STR Inc., nearly 30 cents of every dollar spent in hospitality is now spent on short-term rentals.

- **August 2021**

  August is traditionally the peak month for European short-term rentals, and 2021 did not disappoint. In August 2021, AirDNA tracked over 42.3 million listing nights sold, the highest number since the pandemic began. It was still 21.0 percent lower than in 2019 but 16.5 percent higher than in August 2020. The decrease is a significant improvement over April 2021's -45.5 percent loss. Only Russia was able to generate sufficient demand in August 2021 to surpass 2019 levels, while Germany and France were less than 10% below 2019 levels. While Hungary, the Czech Republic, and Ireland had some of the lowest monthly demand growth rates, each had improved significantly earlier this year, when demand was down more than 70%.

- **September 2021**

  Germany was the only country in the top 20 European countries for short-term rentals to see demand exceed 2019 levels (by 0.5 percent). Germany recorded year-over-year demand growth for the first time since the pandemic began in September. Even with increased international travel, other tourism-dependent countries continue to struggle to recoup demand. For the Czech Republic (-57%), Hungary (-56%), and Norway (-51%), the number of nights booked was less than half of what it was in 2019.

- **October 2021**

  Only Germany experienced positive demand growth in September 2021, but four major European countries exceeded 2019 demand levels in October 2021. Despite an increase in COVID-19 cases, demand increased in both Russia (+31.3%) and Germany (+12%). For the first time since 2019, France (+4.2 percent) and Switzerland (+2.9 percent) also experienced positive growth. Meanwhile, Hungary (-42.5 percent) and the Czech Republic (-51.9 percent) continued to experience the steepest declines in demand throughout 2019. While demand in many countries continues to decline, demand in all 20 major European countries increased from September to October of this year.

The importance of tourism for the Greek Economy

Tourism in Greek Economy

According to the Organization for Economic Co-operation and Development (OECD), the Greek economy is one of the most dependent on tourism worldwide. According to the OECD's annual report (OECD Tourism Trends & Policies 2018), Greece is the 6th most dependent economy among the 35 member states monitored by the OECD. During the crisis years, tourism served as a counterbalance to recession and unemployment, propelling the economy to positive growth rates. Tourism is another area that has attracted significant investment. It is also critical to the growth of the tourism sector due to the widespread distribution of tourist attractions around the country. It plays a catalytic role in altering income in many of its regions.

In 2017, tourism GDP contributed 6.8% of total GVA. In 2018, the industry directly employed 381 800 people, or 10.0% of overall employment in the nation. Tourism is Greece's number one export. In 2018, travel exports accounted for 43.3% of overall service exports. In the same year, inbound tourism to Greece reached an all-time high of 33.1 million foreign visitors, a 9.7% increase over 2017. Tourists from other European Union nations accounted for over two-thirds of all visits, a 15.1 percent raise over the previous year. Germany (+18.2 percent) and France (+7.3 percent) had considerable increases, with 4.4 million and 1.5 million visits, respectively, as did arrivals from the United States, which reached 1.1 million visits, indicating a 26.9 percent yearly increase. Nights spent in all modes of lodging increased by 8.1 percent year on year to 230.7 million.

Domestic visitors traveled 5.7 million miles in 2018, an increase of 3.6 percent from 2017. In 2017, just 4.7 percent of domestic travel was for work purposes, with the great majority being for pleasure. Domestic guests stayed with friends or family or in other non-rented accommodations, with paid accommodations accounting for just 34.2 percent of visits.

Tourism is most heavily reliant on the major tourist regions. Tourism is critical to the economy of three island areas, accounting for 47.2 percent of regional GDP in Crete, 71.2 percent in the Ionian Islands, and 97.1 percent in the South Aegean.

The Greek economy is strongly reliant on tourist activities, particularly foreign travel revenues, which reached 18.2 billion euros in 2019, according to Bank of Greece (BoG) figures, accounting for over 56% of service exports and roughly 26% of total exports. These were historical record numbers for the Greek tourism industry. Additionally, 2020 appeared much brighter until the pandemic outbreak in mid-March in Greece.

The impact of the pandemic

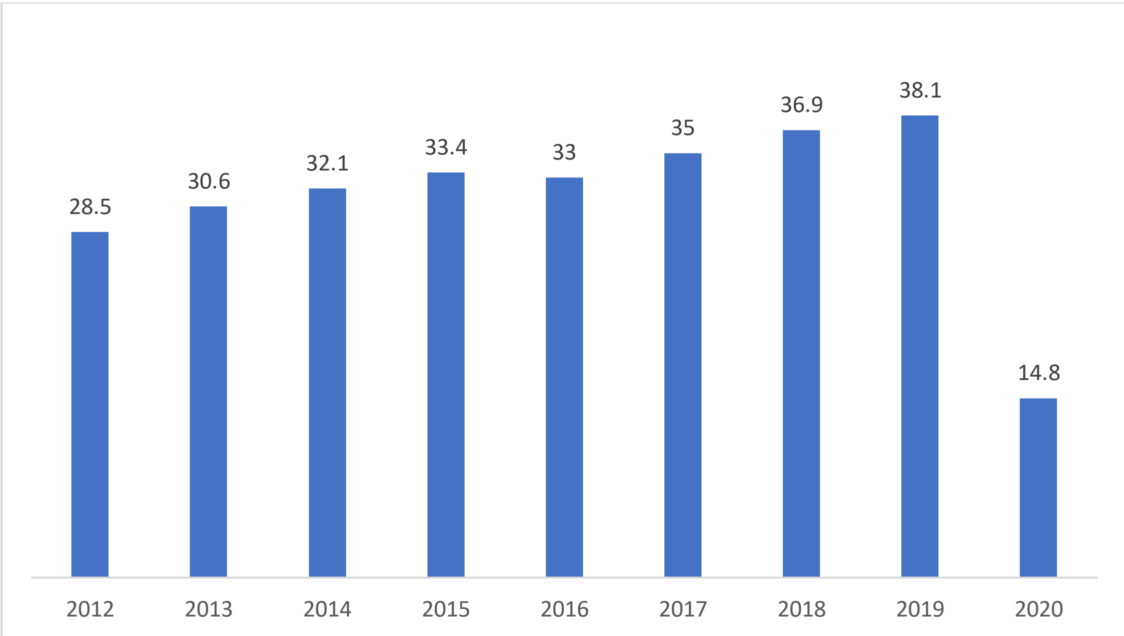

Figure 12*: Total contribution of travel and tourism to GDP in Greece from 2012 to 2020 (in billion euros)*

Source*: Statista (2021)*

Travel and tourism's overall contribution to GDP in Greece declined significantly in 2020 compared to the previous year, owing to the coronavirus (COVID-19) pandemic. Overall, these businesses contributed 14.8 billion euros to Greece's gross domestic product in 2020, up from 38.1 billion euros in 2019.

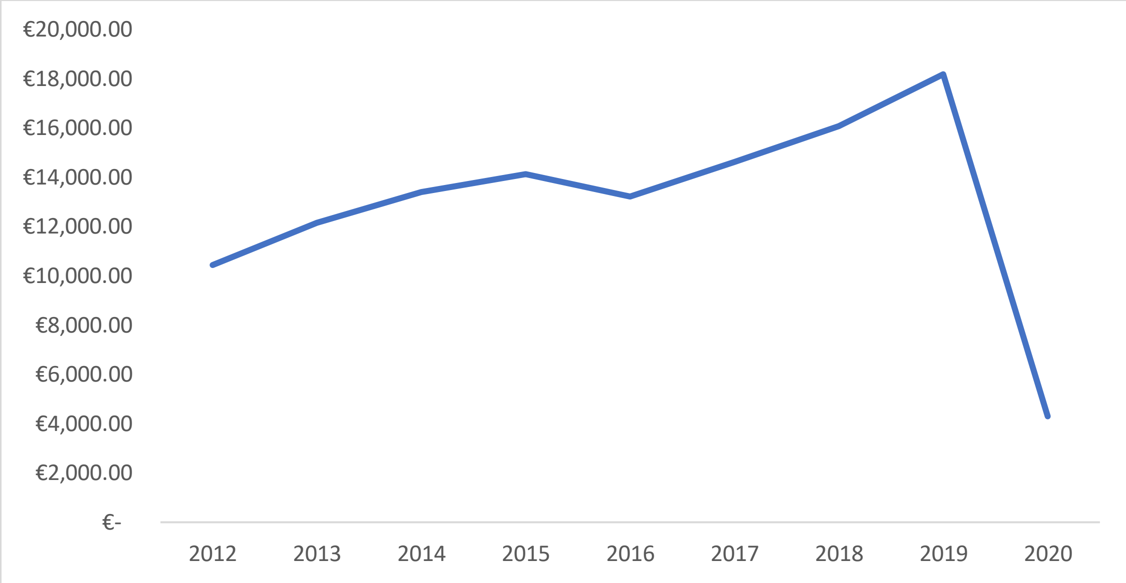

***Figure 13**: Greece's tourism revenue (in million euros)*

***Source**: Bank of Greece (2021)*

The graphic above demonstrates the significant hit to Greek tourism and, by implication, the country's economy, since tourism receipts will total only 4,297.88 million euros in 2020. The magnitude of the decline can be gauged by comparing 2020 revenue to the prior tourist season. The country's tourism receipts topped all previous records in 2019, totaling 18,178.79 million euros. Revenues in 2020 are expected to decline by 76.36 percent compared to those in 2019, equating to a loss of 13,880.91 million euros.

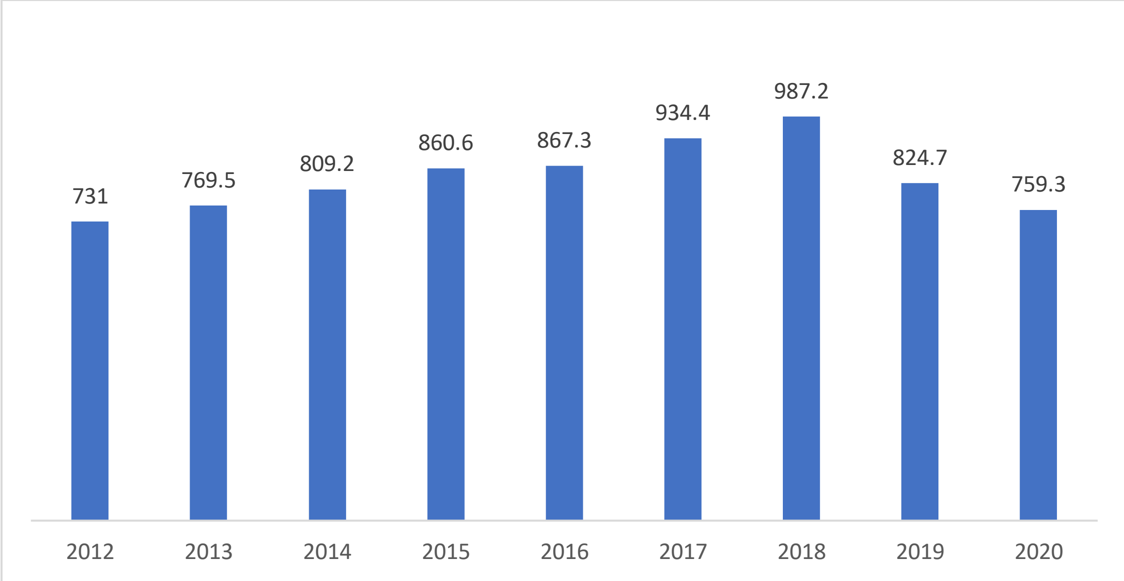

Figure 14*: Total contribution of travel and tourism to employment in Greece from 2012 to 2020 (in 1000 jobs)*

Source*: Statista (2021)*

Tourism is a significant employer in Greece, employing a sizable portion of the population. As illustrated in the chart below, tourism's contribution to the labor market increased steadily until 2018, when the most significant figures were recorded. The numbers decreased in 2019, which continued into 2020 due to the rise of the pandemic. The European Commission assessed that 30% of persons in Greece were "at risk of poverty or social exclusion" in 2019, prior to the COVID-19 epidemic. Analyzing the data reveals that the epidemic wreaked havoc on Greece's recently rebuilding economy. According to an MDPI study performed in Greek cities shortly after the country's lockdown period ended in May 2020, 73.3% of respondents indicated that lockdowns and limitations had a material financial impact on them. Additionally, almost 9% of respondents reported job losses, and 18.6% reported work suspensions due to COVID-19's consequences. The unemployment rate was 16.85% in 2020. Greece now has the highest rate of unemployment in the European Union.

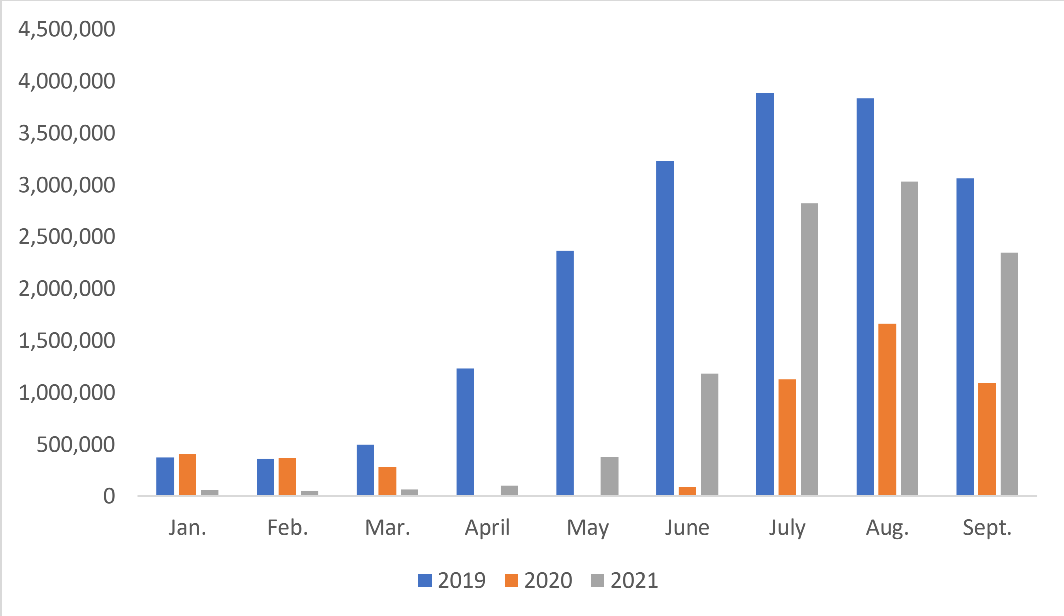

Figure 15*: International airport arrivals*

Source*: INSETE (2021)*

International flight arrivals totaled 10.0 million in January-September 2021, down from 18.8 million in January-September 2019, a decline of -46.7 percent /-8.8 million arrivals. International plane arrivals decreased significantly in the first quarter of 2021. Only 60 thousand arrivals were recorded in January, indicating a decrease of -84.1 percent /-316 thousand, 50 thousand arrivals were recorded in February, indicating a decline of -86.1 percent /-308 thousand, and only 60 thousand arrivals were recorded in January 2021, showing a decrease of -84.1 percent /-316 thousand. 66,600 in March, a decline of -86.6 percent /-429,600 arrivals. The second quarter began similarly to the first, with a fall of -91.8 percent /-1.1 million in April and 101 thousand international air arrivals. The fall in international air arrivals slowed for the first time in May (-83.8 percent /-2.0 million), with 382 thousand arrivals. June saw a decline (-63.4 percent /-2 million), despite 1.2 million international air arrivals. July saw steady improvement in the recovery, reaching -27.4 percent/-1.1 million, while 2.8 million international visitors were recorded. For the first time in 2021, August had over 3 million foreign air arrivals, a recovery rate of -20.9 percent or -802 thousand arrivals. The recovery rate slowed to -23.4 percent /-717 thousand in September, despite 2.3 million international air arrivals.

Conclusion and Discussion

The tourism industry has been adversely disrupted and may continue to be so for an extended period due to the spread of COVID-19. As previously stated, tourism is inextricably linked to the economy, which means that many businesses in various nations were also impacted and suffered revenue losses due to the pandemic. In order to re-establish tourism and allow it to thrive in the future, governments will need to adopt specific actions and make significant decisions, some of which are explained below.

Governments should assist the industry with liquidity. Latvia, for example, has implemented a 5% value-added tax on food and tourist accommodation. France, Greece, and Germany have all done the same. In Switzerland, the tourism business has been placed under a legal moratorium on customer claims originating from the failure of a travel service. A third of OECD nations, beginning with Greece and Italy, have established specific tourism lines of credit through state-owned development banks. These lines of credit feature lengthy grace periods (up to five years), allowing businesses to access cash without incurring further interest payments.

Numerous OECD nations have improved domestic demand by subsidizing tourism services. The United Kingdom pioneered the concept with its "Eat out to help out" discount scheme, valid for eat-in food and drink on Mondays through Wednesdays. The discount is limited to £10 per person and excludes alcoholic beverages. Italy's rehabilitation program provides free coupons for every household for movie, theater, museum, and concert tickets. Italy is also refunding 10% of credit card transactions to international and domestic travelers, up to a maximum of €300. Greece offered a €150 discount coupon to young individuals aged 18-25 who choose to be vaccinated. They may use the ticket to make purchases within Greece at tourism, culture, and transport businesses. Other countries could use similar strategies to attract tourists.

The urgent goal, and most successful strategy for reviving foreign tourism, is to address the issue of confidence. People want to feel safe when they travel, and what needs to be done is to reduce personal touch in the tourism industry through technology. Governments should sponsor the development of online booking applications for tourist services and online tourist guides. Private enterprises throughout the whole tourism sector can also contribute to re-establishing confidence. Airlines, airports, and hotels must take a proactive approach to implement the tightest safety measures. Hotel owners may conduct check-in and check-out operations without contacting customers, which could be accomplished online.

To conclude, of all the events that occurred following the pandemic outbreak and the impact they had on the tourism industry, what needs to be investigated further in order for governments and businesses to be better prepared for a possible future crisis is that most procedures of various functions should be carried out online.

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