



Covid-19: Tourism Policy Responses

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About this note

This note has been prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) for discussion by the OECD Tourism Committee. The Tourism Committee analyses and monitors policies and structural changes affecting the development of domestic and international tourism. It also serves as an important repository of tourism policy responses in times of crisis.

The note is intended as a source of current tourism policy and industry responses for countries in relation to the COVID-19 pandemic – an unprecedented global health and societal emergency, requiring effective and immediate action by governments, individuals and businesses.¹

The OECD is currently circulating a survey to countries to collect relevant information on implemented or planned policy measures to support the tourism sector, and this note will be updated as new information comes to hand.

This paper is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and the arguments employed herein do not necessarily reflect the official views of OECD member countries.

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1. **Tourism is a significant part of many national economies, and the immediate and immense shock to the tourism sector resulting from the coronavirus pandemic is affecting the wider economy.** Outbound travel from China fell sharply in January/February, spreading to the rest of the world in February/March. The tourism economy is now at a standstill in many countries around the world and is likely to remain this way until at least the middle of this year. Containment measures are likely to continue in many countries over the coming months. **Even when tourism supply chains start to function again, demand-side recovery will take some time**, given the interlinked consequences of the economic and health crises, and the progressive lifting of travel restrictions. This will have knock-on implications for many national economies.

2. **The implied shock could amount to a 45-70% decline in the international tourism economy² in 2020**, depending on the duration of the crisis and the speed with which travel and tourism rebounds. With a baseline assumption that tourism flows will remain shut down up to June, this estimate is based on international tourism arrivals for the OECD area with two scenarios proposed:

- Scenario 1: International tourism arrivals start to recover in July, and strengthen progressively in the second half of the year (-45%).
- Scenario 2: International tourism arrivals start to recover in September, and then strengthen progressively in the final quarter of the year (-70%).

3. The domestic tourism economy³ is also heavily affected by restrictions on the movement of people (as of 25 March, 3 billion people are estimated to be constrained by containment measures globally⁴), but is expected to recover more quickly once containment measures are lifted. Nonetheless, it is unlikely that domestic tourism could compensate for the decline of international tourism flows. This will translate into

significant macro-economic effects in countries, cities and regions where the sector supports many jobs and businesses.

The pandemic is an unprecedented crisis for the tourism economy

4. The COVID-19 pandemic is, first and foremost, a humanitarian crisis affecting people's lives, triggering a global economic crisis. This has very tangible impacts for the tourism sector, which is critical for many people, places and businesses. The **sector directly contributes, on average, 4.4% of GDP, and 21.5% of service exports** in OECD countries⁵. These shares are much higher for several OECD countries. For example, tourism in Spain contributes 11.8% of GDP while travel represents 52.3% of total service exports, in Mexico these figures are 8.7% and 78.3%, in Iceland 8.6% and 47.7%, in Portugal 8.0% and 51.1%, and in France 7.4% and 22.2%⁶.

5. Tourism generates foreign exchange, drives regional development, directly supports numerous types of jobs and businesses and underpins many local communities. As a **labour intensive sector**, directly contributing **6.9% of employment on average in OECD countries**. Tourism is a leading job creator, and in normal circumstances can help provide diverse employment opportunities for many low skilled immigrants, women, students and older workers, not only in major cities, but also in remote, rural, coastal and other often economically fragile locations where alternative opportunities may be limited. For example the share of tourism employment represents 15.7% of total employment in Iceland, 13.5% in Spain, 10.3% in Ireland, 10.0% in Greece, and 9.8% in Portugal⁷.

6. Against this background, the tourism sector is one of the most directly affected sectors in this current crisis and will call for immediate and long term responses. With international aviation at a virtual standstill⁸⁹, the closure of most iconic tourism sites/attractions, the cancellation or postponement of major festivals and events, and the ban on public gatherings (indoor and outdoor) in many countries, **the impact of COVID-19 on global tourism has been overwhelming and immediate**. Furthermore, despite the sector's proven resilience in response to previous crises, the sheer depth and breadth of COVID-19-related impacts on tourism and the wider economy will mean a quick recovery is unlikely.

7. The reality is that global **tourism will be hard hit throughout 2020 and perhaps beyond**, even if the spread of the virus is brought under control in the coming months. On 6 March, Tourism Economics (an economics consulting firm specialised in global travel data-sets), estimated that global arrivals in 2020 would fall between 10.5% and 17.9% over 2019 figures (263 million fewer arrivals)¹⁰. Figures from World Travel & Tourism Council (WTTC), released on the 13 March, suggest that global travel could be adversely impacted by up to 25% in 2020, with a corresponding reduction in jobs in the tourism industry of between 12 and 14%. As a result, they estimate that **40-50 million jobs could be at risk globally**¹¹. **The last time the global tourism economy contracted was immediately following the financial crisis in 2009 when international arrivals decreased by 3.9%**. Recent projections (20 March) by the World Tourism Organization (UNWTO) also indicate now a significant reversal from previous growth projections¹².

8. The range and evolution of available forecasts, from relatively conservative to the more extreme, demonstrates the difficulties at this early stage in assessing the likely short-, medium-, and long-term effects of the current pandemic. Eventual impacts will depend not only on the length of the pandemic (with ramifications for business survival), but also potential long-term changes in travel behaviour as a result of the crisis – will people be more cautious about travelling overseas in the future? The importance of domestic tourism varies considerably at country level, however, on average, domestic tourism in OECD countries normally accounts for, on average, 75% of internal tourism consumption. It is expected that it will play an even more important role for many countries during the recovery phase.

9. China has emerged as a global tourism powerhouse over the past decade, ranking first as a source of outbound tourists in 2018 (10.6%), fourth in international tourist arrivals (4.5% - behind only France,

Spain and the United States), and eleventh in international tourism receipts (2.8%). As such, **the sudden interruption of outbound travel from China in January had an immediate demand-side impact on destinations around the world**, and particularly on airlines, hotels, tour operators and other businesses. In fact, 80% of flight capacity between China and the rest of the world was cut because of the Coronavirus. **Seat cancellations began in early February and by the third week of the month, only 20% of seats remained in service**¹³. This was only the first indication of the potential threat the virus posed to international tourism, and as it has spread, it has had knock-on effects on other main markets and destinations, including European countries and the United States.

10. The current pandemic is much more global and will cover a much longer period than former more localised crises in terms of the effect on tourism. Previous examples include, the H1N1 outbreak in Mexico in 2009, which resulted in a loss to the tourism industry in the order of USD 5 billion (to give a sense of scale travel receipts in Mexico in 2018 amounted to USD 22.5 billion). More recently, during the outbreak of MERS (Middle East Respiratory Syndrome) in 2015, more than 54 000 people cancelled trips to South Korea (Korea received 15.5 million international tourists in 2018) and economists estimated that the impact on the economy was in the region of several billion US dollars as a result¹⁴.

Tourism businesses in all branches of the sector are at the forefront of the crisis

11. **The economic impact will vary across branches of the tourism sector, firms, and destinations** depending upon a number of factors, including the nature of the tourism offer, the impact of travel restrictions on visitor flows, the speed with which the economy picks up in main source markets, the scale and complexity of business operations, the size of the domestic tourism market and exposure to international source markets, and the place of tourism in the economy.

12. This has obvious connections with SMEs as **most firms in the tourism sector are small in scale**. The OECD Policy Note *COVID-19: SME Policy Responses*¹⁵, highlights that SMEs may have less resilience and flexibility to cope with the costs that such shocks entail. Costs associated with prevention and changes in work processes (where practicable in the tourism context), such as the shift to teleworking, may be relatively higher for SMEs. Given their often-limited resources and existing obstacles in accessing capital, the period over which SMEs can survive a shock will likely be shorter than for larger firms. As the OECD Interim Outlook signals, there is a risk that otherwise solvent firms, particularly SMEs, could go bankrupt while containment measures are in force²¹.

13. In addition to being characterised by a very large group of SME/micro-businesses, the tourism sector is also **highly fragmented and diverse, covering a wide range of industries**. The sector faces particular challenges due to this cross-cutting, multi-level, and fragmented nature. Tourism services are often interdependent and a crisis in one sub-sector, such as aviation, can have disastrous follow-on effects on the tourism value chain.

14. Outlined below are a selection of impacts experienced by selected tourism industry branches.

Transport

- **Aviation.** Several aviation companies have had to drastically reduce and in some cases cease their activities, with extreme impacts on the short-term on employees and dependant activities. To give an indicative figure of the impact on the aviation industry, on 24 March, the International Air Transport Association (IATA) estimated 2020 global revenue losses for the passenger business up to USD 252 billion, or 44% 2019 figures¹⁶. For example, Air France announced on 15 March that it would place 80% of its workforce in partial unemployment¹⁷. Similarly, in mid-March major airlines including British Airways, Ryanair, easyJet and Virgin Atlantic announced plans to scale-back operations, including plans to cancel the majority of their flights and ground thousands of planes¹⁸. In Australia, on 18 March the national carrier Qantas and subsidiary Jetstar announced that they

would be suspending all international flights, 60% of domestic flights, and standing down 66% of their combined workforce until the end of May. Virgin Australia announced it would suspend all international flights from 30 March to June 14, and that the airline would halve domestic flights during that period. On 22 March, Emirates Airline, announced it would suspend, temporarily, all passenger flights¹⁹ (in the fiscal year of 2018/19, the group transported more than 58 million passengers). As a result, the sector is calling for government bailouts to avoid bankruptcies of companies providing strategic access to countries and destinations²⁰.

On 16 March, IATA reported that **around 150 governments have imposed some form of travel restrictions**. As of 23 March, there are around 53 countries worldwide that have completely closed their borders to inbound tourists (allowing only citizens and residents to re-enter the country), while nine countries have implemented general quarantine measures to any inbound tourist. On 16 March, the European Union introduced a global travel ban. Country (or Area) specific bans or quarantines have been imposed in several countries as well, these usually include bans for inbound travellers coming from China, Europe, Italy, France, Germany, Japan, South Korea, Iran. Beyond travel bans, localised restrictions on recreational activities, the movement of people, and the promotion of 'self-isolation' have completely shut down the tourism sector in the vast majority of destinations.

- **Cruise.** Cruise lines are facing the double challenge of ensuring visitor safety (some cruises were not able to disembark clients and repatriate them), and losses in bookings and revenues. Major cruise lines, such as Carnival Princess Cruises, Norwegian Cruises and Royal Caribbean announced the immediate suspension of global operations. By 13 March, shares of all three companies have fallen over 60% since the beginning of the year²¹.
- **Railways.** As people movement are limited or dis-incentivised, railways are seeing drops in revenues and passengers. For instance, in Japan, the number of bookings for reserved seats on high-speed railway for March dropped by about 50%, compared to the previous year²².
- **Tour operators** are reducing or halting operations since the pace at which the situation is evolving is increasing organisational complexity, across administrative boundaries. For example, TUI suspended activities to ensure safety of visitors²³. On 6 March in Europe, the crisis was preliminarily estimated to cause a reduction of business for tour operators of at least 50% in 2020²⁴.

Accommodation

- **Hotels.** Globally, hotels are seeing lower occupancy rates depending on the level of the virus spread. The effects range from significantly lower occupancy rates to the closure of hotels in some destinations. STR reported that in the week 9-15 March, seven countries faced an occupancy rate decline on the previous year higher than 70% (in order of intensity Italy, Lebanon, South Korea, Greece, Kuwait, China and Croatia), with Italy standing out with a 93% decline²⁵. STR also points to the fact that in the same week most of European cities had occupancy levels lower than 40%. In the United States for example, in the week of 3-9 March alone, the industry recorded a 7.3% decrease in occupancy rate year-on-year²⁶. While in China, 40% of hotels closed and 80% of hotels closed their online bookings, following the virus outbreak in the country. China occupancy fell by 89% in the first two weeks of February. Occupancy went below 10%²⁷. Big hotel chains have seen their stocks plunging in 2020. As of 18 March, Marriott stocks were down 62% for the year, MGM resorts down 75%²⁸.
- **The platform economy.** The virus outbreak is putting transport and accommodation platforms, such as Airbnb under pressure (Airbnb has seen its bookings collapse by 40% in big European cities and China because of the COVID-19 pandemic, according to independent data²⁹). In Seoul, the first week of March saw a decrease of 46% in short-term rental booking, compared to the first week of January, and similarly Rome saw a decrease of 41% over the same timeline (11 March)³⁰.

The crisis is highlighting the need to regulate gig economy workers and people dependent on these platforms for income. Gig economy workers are among the most vulnerable as the virus spreads, both because of the very social nature of their jobs and because they don't tend to qualify for sick leave as independent contractors.

- **Holiday resorts.** Ski resorts were forced to end the winter season earlier due to increasing coronavirus spread. The future for beach resorts in the Northern hemisphere summer remains uncertain. A study in Colorado, United States, released on 17 March shows how in 13 ski towns over the past two years residents and visitors have spent more than USD 500 million in the last two months of ski season; this figure could provide some indication of the estimated loss expected for 2020³¹.

Other sectors

- **Restaurants.** Food and catering service providers have been required in many countries to increase social spacing in eating establishments, limit their activity to delivery only in some instances, or entirely shut down activities. In the United States, the National Restaurant Association estimates that the industry's sales will decline by USD 225 billion during the next three months, which will prompt the loss of between five and seven million jobs³². In France, lock down measures have resulted in the closing of 75 000 restaurants, 3 000 clubs, and 40 000 cafes, affecting 1 million employees, who have been placed under technical unemployment.³³
- **Business Travel.** Around the globe, most companies are cancelling or suspending business travel due to the coronavirus. Business travel to Asia has been affected the most, with at least three quarters of companies reporting they have cancelled or suspended "all" or "most" business trips to China.³⁴ Cancellations and suspensions to regions other than Asia have increased exponentially as well³⁵. Countries are moving towards limiting events and the association of people in groups for health purposes (e.g. 2020 International Tourism Bourse, Berlin), while travel bans have also forced event organisers to cancel or postpone major business/trade events and meetings as a consequence of low forecast attendance. Globally, more than 500 trade shows have been cancelled in recent weeks with an estimated cost of up to EUR 23 billion in lost orders for exhibitors, according to estimates by The Global Association of the Exhibition Industry (UFI) on 10 March 2020. The European Exhibition Industry Alliance, on the same date, estimated that over 220 exhibitions were already cancelled or postponed, with potential economic losses of close to EUR 6 billion³⁶. As of the second week of March, it was estimated that the exhibition and events industry, globally, had already lost a total output of EUR 14.4 billion³⁷.
- **Culture and entertainment.** Museums and cultural event organisers are preparing for huge financial losses as facilities shut down. For instance, the closure of Broadway is estimated to generate losses of over USD 100 Million³⁸. Sports events are also being affected, such as the postponement of the US Masters golf tournament in the United States from May till after the summer and the UEFA EURO 2020 football championships for 12 months.³⁹ There continues to be increased uncertainty around the staging of other global events.

On 24 March, the International Olympic Committee and Japan jointly announced that the Tokyo 2020 Summer Olympics would "be rescheduled to a date beyond 2020 but not later than summer 2021, to safeguard the health of the athletes, everybody involved in the Olympic Games and the international community"⁴⁰. The Olympics is the largest spectator event impacted by the COVID-19 pandemic, with the 2016 Games having sold 6.2 million tickets. The city of Tokyo is estimated to have invested between USD 12.6 billion to USD 25.2 billion for the event⁴¹.

- **Tour guides.** Often working as freelancers, tour guides are seeing significant drops in their activities, placing significant constraints on their income. In Japan, for example, workloads for March and April had declined more than 80% on average. In Israel, 4 000 tour guides have been left jobless.

The spatial dimension: different impacts across destinations

15. The effects of the virus outbreak on tourism are highly localised within countries. Besides the presence and concentration of cases in some locations, **some destinations tend to be disproportionately vulnerable to the effects of such crises due to their high reliance on the sector.** In the United States for example Kahului, Hawaii, Atlantic City, New Jersey, and Las Vegas, Nevada all fall into the top five most recession-vulnerable metro areas, each with more than a third of their workforce in industries threatened by coronavirus-related uncertainties⁴². Another example is Venice, which reported a steep occupancy decline beginning on 24 February, with only 6% of rooms occupied on 1 March. Destination management organisations, are faced with the challenge of providing timely and accurate information and communication to stakeholders.

The industry is proactively developing response initiatives

16. The current crisis is affecting businesses of all sizes, from the largest international airlines to the smallest independent hotel owners. In response to the immediate and widespread effects on the sector, governments are being requested to immediately develop and introduce **policy measures that will provide financial relief to suffering businesses.** Another key area identified by the private sector is the provision of **crucial and timely data and guidance** on how to react to rapidly evolving regulations. Although tourism businesses fully recognise that the crisis is first of all humanitarian in nature, they are **calling for governments to ease financial constraint to businesses and ensure a continuous dialogue between policy makers and industry.** For example, the Ministry of Tourism in Greece set up an Open Communication Line for tourism operators, businesses and market representatives to address emerging issues.

17. Tourism businesses across OECD countries are proactively designing plans for short-term survival and co-operating with governments to identify the key priorities to facilitate recovery in the medium to long-term. In Ireland, for instance, the Irish Tourism Industry Confederation has outlined a 3-step plan calling for government action to support the proposal (business survival, liquidity measures, and demand stimulus). An emerging phenomenon is also voluntary co-operation between the tourism and the health sector. In several instances, businesses are making available excess hospitality capacity to support the medical system, by providing meals to medical personnel, or older people, or by providing spaces for people needing quarantine. Hotels are also being transformed into medical care spaces to absorb the escalating demand for hospital treatments. Some private sector representative are also pleading for governments to consider the impact on this disruptive crisis on the mental wellbeing of entrepreneurs and workers, who are faced with a stressful and uncertain future.

18. Travel and tourism businesses are amongst those sectors that most acutely feel the effects of the crisis, often unable to sustain operations longer than few months without revenue streams due to high operating costs. The industry is now focussed on **ensuring business continuity** despite the crisis. Hotels, airlines, transport companies, the platform economy, and other service providers have **altered booking policies**, including easing restrictions on cancellations and allowing changes to bookings to increase flexibility for customers. As the situation evolves, companies are also **halting activities** voluntarily (e.g. hotel closures, reduction in airline services and/or routes), **furloughing staff** in an effort to secure their long-term employment, and taking steps to **protect workers** by increasing sanitation measures, reducing workforce density to promote greater distancing. In addition, distressed tourism companies in recent weeks

have been forced to make job cuts, freeze hiring, **introduce job sharing**, and asking staff to voluntarily draw on annual and sick leave. Some platform economy companies have responded to the fragile situation of freelance workers by offering previously unavailable basic sick leave provisions and cleaning products like hand sanitizer for drivers. **Digital solutions** are being developed to create virtual tourism experiences, as is the case for several museums who are opening their virtual doors to tourists worldwide in an effort to support those experiencing extended, often government enforced, periods of social distancing.

19. The industry is involved in **setting up dedicated task forces to ensure a coordinated response to the crisis**. One example at the global level is the World Travel and Tourism Council (WTTC) Taskforce, which is coordinating private sector representatives and international organisations to find common solutions to ease the pressure on tourism businesses. The industry has also played an important role to play in communicating to governments the importance of focused initiatives to support the sector. Annex 1.B provides a list of some private sector organisations webpages posting regular updates and analysis on the crisis.

Governments are introducing policy measures to mitigate the economic impact of the coronavirus on the tourism economy

20. While the medium and long-term impacts of COVID-19 remain uncertain and will vary between countries and segments of the industry, **governments will need to take aggressive and co-ordinated policy action** at the local, national and international level, to minimise job losses and business closures in the immediate and long-term.

21. For now, many countries have taken action (see Annex). While the first priority of countries responding to the pandemic is rightly public health, increasingly measures are being introduced to **mitigate the economic impact of the coronavirus on businesses and workers**. These may take the form of economy-wide stimulus packages, often including some liquidity injections and fiscal relief (e.g. the European Commission has announced a EUR 37 billion Coronavirus Response Investment Initiative to provide liquidity to small businesses and the health care sector). While the tourism sector benefits from these general economic measures, given the dramatic pressures the tourism and visitor economy are facing, many OECD countries are taking steps to introduce tourism specific measures to address the immediate impacts on the sector, and in an effort to facilitate its recovery.

22. A preliminary overview of country policy responses to the COVID-19 pandemic, highlights **three major response categories** and types of responses:

People: protecting visitors and tourism workers

- **Visitor protection.** Tourists outside their normal environment often suffer from an information deficit and countries are taking steps to provide assistance and information in multiple languages and formats.
- **Workers support.** The tourism sector benefits also from cross-sectoral measures introduced by governments to provide flexibility and relief for companies and workers in the reduction of working hours, temporary lay-offs and sick-leave. Some countries have introduced measures specifically aimed at the self-employed⁴³.

Firms: ensuring travel and tourism business survival

- **Business Survival.** Countries for which the impact of the pandemic on tourism is most drastically felt have focused on providing financial relief to tourism SMEs, such as postponed VAT payment. Liquidity injections have been introduced to ensure business survival in the immediate term (e.g.

Austria, Croatia, Greece). In Iceland the bed-night tax is being suspended until 31 December 2021. Other assistance efforts include information on helping to prevent the spread of the virus, supports to provide flexibility and relief for companies and workers in the reduction of working hours, temporary lay-offs and sick leave, financial instruments to reduce the impact (e.g. tax relief, guarantees, grants), measures regarding procurement and late payments, and actions to help SME adopt new work processes and find new markets.

Sectoral Policy: fostering co-ordination for targeted responses

- **Taskforces and coordination measures.** Some countries have put in place co-ordination mechanisms, such as taskforces, to monitor the impact of the pandemic on tourism and respond to a fast evolving situation (e.g. Canada, France, and Ireland). These mechanisms often aim to identify those sub-sectors in the greatest distress and where immediate assistance is required. Dialogue with the industry has been made a priority to ensure targeted and efficient responses measures.
- **Sector Recovery.** Some countries (e.g. Australia, Israel, Italy, and New Zealand) are also looking at marketing **efforts** to encourage demand from alternative markets and change the country image. The crisis is also highlighting shortcomings in the availability of timely and comparable data to support policy making in quickly evolving situations. Some countries have established tools for sharing updated data with businesses. For example, Failte Ireland provides weekly bulletins on the COVID-19 evolving situations and Germany set up a webpage including daily updates on the mood of the sector survey. Box 1 gives an overview of examples of country tourism policy responses in these different domains. Annex A contains further details about policies in each country. Given the fast moving nature of the situation, this preliminary **inventory of country responses** aims to share country practices and promote mutual learning and will be updated regularly over the coming weeks. At the moment, the stage of the outbreak varies greatly from country to country and policy responses are highly specific to the national economic and public health contexts. There is also no assessment made at this stage on the effectiveness of such measures.

Box 1. Examples tourism policy responses to the COVID-19 pandemic

Australia, as part of its *industry stimulus package*, will help tourism businesses identify alternative export markets or supply chains. Targeted measures will also be developed to further promote domestic tourism. Follow-on plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities.

In **Canada**, the Minister responsible for tourism will be part of the Cabinet Committee on the Federal Response to the Coronavirus Disease, which will meet regularly to ensure *whole-of-government leadership, co-ordination*.

Croatia implemented on 18 March a set of measures to support tourism businesses including: postponing payment of fees, tourism taxes, and increasing the liquidity. Besides tourism specific measures, general economy intervention support the sector by including tourism in the scope of the Export Guarantee Fund with the aim of *enabling the issuance of guarantees* for loans to banks for additional liquidity.

In **France**, as a tourism specific measure, the government **modified the conditions for cancellations** of travel (and similar) bookings, to allow professionals to propose that the reimbursement be replaced by a credit of an equivalent amount on a future service. This will avoid an immediate cash outflow and help businesses get through a very difficult phase.

The Ministry of Tourism of **Greece**, activated a **Committee for Crisis Management** to promptly respond to crises affecting the industry. The main responsibility is to minimise the potential damage to the image and the visibility of the Greek tourism through protecting travellers and restoring trust.

In **Ireland**, the National Tourism Development Authority (Fáilte Ireland) established a special **Business Supports Taskforce** to provide recommendations to the Government including measures to support business sustainability, employment and initiatives designed to kick-start demand.

In **Italy**, the Council of Ministers implemented a *support package for tourism businesses*, structured in three phases: i) accommodation providers, agencies and tour operators in Italy are released from paying social security taxes and contributions and agencies can reimburse customers with a 1-year voucher; ii) structural intervention measures, and; iii) relaunch the country's image to get out of the emergency.

The **Japan** Tourism Agency will spend JPY 3.5 billion to provide **timely accurate information to international travellers** and make tourist destinations more attractive in order to attract tourists soon after the end of the pandemic.

In **Sweden**, as part of a SEK 300 billion crisis package to help struggling businesses, the government has offered credit **guarantees for airlines in 2020** amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS.

EU State aid rules enable Member States to help companies cope with *liquidity shortages* and needing urgent rescue aid. Member States can compensate companies for the damage directly caused by exceptional occurrences, including measures in sectors such as aviation and tourism.

23. Beyond the immediate responses needed, in the long run policy makers will need to learn from the lessons of the COVID-19 crisis, to **improve crisis management strategies to better prepare destinations and the sector more broadly to respond to future shocks**.

OECD works with its governments and the travel and tourism industry to identify and promote effective response initiatives

24. The travel and tourism economy is facing an unprecedented crisis. In this context, the OECD Tourism Committee is monitoring the impact of the crisis on the tourism sector, and collecting and sharing government policy responses. In particular, the OECD aims to identify effective measures taken to:

- Protect visitors (e.g. information, repatriation assistance, consumer protection)
- Protect tourism workers (e.g. the provision of income support)
- Support business survival, in particular SMEs, including through cash flow supports
- Promote sector recovery (e.g. private sector dialogue, timely provision of data, co-ordinated policy responses for the short, medium and long-term).

25. The crisis is revealing the crucial need for tourism policy to adopt an integrated governmental approach so that response measures are consistent and complementary to general economic stimulus packages (e.g. support measures for SMEs and for workers).

26. The OECD will work with its member and partner countries and the travel and tourism industry to help address the immediate impact of COVID-19 crisis on the tourism economy, build a more resilient tourism economy for the future and strengthen coordination mechanisms across policy areas, levels of government and with the private sector.

Annex 1.A. Preliminary overview of country impacts and policy responses to the COVID-19 pandemic⁴⁴

NOTE: This annex focuses on policy measures targeted at tourism. Tourism businesses also stand to benefit strongly from general economic stimulus measures. Unless otherwise stated, policy measures mentioned in this Annex were inputs and updates provided by countries in response to a survey of OECD member and partner countries, circulated on 10 March 2020. Additional information on general economy actions can be found at the link: www.oecd.org/coronavirus/en/.

Australia

While official data is not yet available, Tourism Australia has analysed Forward Keys bookings data for some markets. This shows for the 13 weeks between 9 December 2019 and 8 March 2020, bookings for priority markets overall were down by 40 per cent (29 per cent excluding China and Hong Kong), with the largest declines being seen from North Asian countries.

In absolute terms, the economic impacts of COVID-19 are likely to be felt most strongly in the cities – with Sydney and Melbourne accounting for 60 per cent of international spend. However, these are larger, more diverse economies with a lower reliance on tourism than many of Australia's regional economies. The most impacted regions will be the Gold Coast, Tropical North Queensland (Cairns), Lasseter (Uluru), Kangaroo Island and the Whitsundays which have a greater reliance on tourism and a higher proportion of international visitors.

The government introduced a Stimulus Package, which includes as one of four main pillars assistance for severely-affected regions. This includes AUD 1 billion to support those sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including tourism. The assistance measure will include the waiver of fees and charges for tourism businesses that operate in the Great Barrier Reef Marine Park and Commonwealth National Parks. It will also include additional assistance to help businesses identify alternative export markets or supply chains. Targeted measures will also be developed to further promote domestic tourism. Further plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities, (Response to OECD Survey, updated on 12 March)

On the 17 March, the Federal Government announced it will waive AUD 715 million worth of fees and charges for domestic airlines, as Australia's aviation industry buckles from the fallout of the coronavirus pandemic. This assistance aims to help airlines, the entire aviation industry, regional Australians, and industries such as tourism and trade.

The Australian Government's AUD 76 million Rebuilding Australia's Tourism Package was announced on 19 January 2020 to assist businesses impacted by the bushfires, and will now assist the industry who are being impacted by the coronavirus. The package includes:

- a AUD 25 million international 'There's Still Nothing Like Australia' campaign
- a AUD 20 million domestic 'Holiday Here This Year' campaign
- AUD 5 million to support our international public diplomacy efforts to mitigate impacts on Australia's interests.

As a long term effort, Austrade, in conjunction with Tourism Australia, state and territory governments, and industry, is developing Australia's next national long-term tourism strategy - Tourism 2030. The issue of industry resilience has been canvassed in consultations for development of the strategy and this has been brought into sharper focus as a result of the current crises. Austrade is working with states and territories and industry partners to develop new and enhanced content on industry resilience. The strategy needs to address short, medium and long-term priorities for creating a resilient Australian tourism industry.

(Response to OECD survey, 23 March 2020)

Austria

Hotel industry revenues have already dropped by 30% since the beginning of 2020 compared to the same period in 2019. Popular city destinations like Vienna or Salzburg are likely to be most affected, as Italians constitute around 25% of incoming tourists in March and April. (OECD internal macro-economic update, 16 March 2020).

To support the tourism industry in this difficult situation and to avoid existential liquidity bottlenecks of the affected SMEs, the Federal Ministry of Agriculture, Regions and Tourism has developed a corona virus package of measures for tourism together with the Austrian Hotel and Tourism Bank. Austrian authorities have put EUR 100 million aside to guarantee loans for tourism sector SMEs to alleviate liquidity concerns related to the management of working capital for three years. The maximum is 80% of the loan or EUR 500 000. Moreover, the government introduced COVID-19 Funds (a EUR 4 billion package for the economy), which will benefit as well tourism SMEs, with measures to secure liquidity for enterprises, jobs. Comprehensive information on COVID-19 for tourists and enterprises is available on the respective websites of the competent authorities (also the tourism ministry), organisations and industry associations.

Moreover, the Ministry is in permanent close exchange with the tourism industry and other tourism stakeholders to discuss the current situation/problems arising and further steps; several Round Table Sessions were organised by the Tourism Minister, bringing together important Austrian tourism stakeholders (Austrian National Tourist Office, social partners, industry associations, etc.). Comprehensive information for tourists and enterprises is available on the respective websites of the competent authorities and industry associations.

Tourism businesses can also benefit from a COVID-19-Recovery Package (total of EUR 38 billion), with the aim of securing liquidity for enterprises (guarantees and fiscal measures), securing jobs (short-time work/reduced working hours), supporting cases of hardship (specific fund): in particular for small and very small enterprises.

(Response to OECD survey, 24 March 2020)

Belgium

As of 23 March, the Brussels airport registered a decrease of 90% on passenger numbers, and will receive only 5% of planned flights for the week of 23 March. A survey released on 20 March by Wallonia pointed to a loss in tourism turnover of more than EUR 100 million.

(Response to OECD survey, 20 March 2020)

On the 20 March, the government launched the second part of the Federal Plan for Social and Economic Protection:

- Regarding the travel sector, in case of cancellation of a package holiday, a voucher of equal value will be awarded, valid for at least one year.

- Regarding the events sector, the tickets purchased are still valid if the event is postponed. If the consumer is unable to attend the event, sufficient time will be provided for the refund.

(website⁴⁵ accessed 20 March 2020)

Canada

The Minister responsible for tourism is expected to play a leading role on the recently created Cabinet Committee on the Federal Response to the Coronavirus Disease, which will meet regularly to ensure whole-of-government leadership, co-ordination, and preparedness for a response to the health and economic impacts of the virus. This includes co-ordination of efforts with other levels of government.

(Information provided by Canada, 11 March 2020)

Regional Development Agencies are closely monitoring the COVID-19 global challenge⁴⁶. Tourism operators who have received RDA funding may be eligible to receive additional funding and/or flexible arrangements, further support will be determined on a case-by-case basis as the situation evolves. While tourism operators affected by the sudden shifts in the economy can access to federal funding to help to stay in business, or receive advice and pathfinding services to other federal programs and services available.

(website accessed 20 March 2020)

Chile

Authorities in Chile have announced they are elaborating a plan to support SMEs in the tourism and other services sectors.

(OECD internal macro-economic update, 12 March 2020).

Colombia

The main associations of the tourism sector in Colombia have reported the following data from the coronavirus outbreak:

- From the 1st to the 16th of March, national passenger's air traffic decreased by 12.5% and international passenger's air traffic decreased by 49.7%.
- Losses of USD 9.79 million in cancellations for travel agencies
- Hotel occupancy rate as of March 19 was 21%, the lowest level in history for this month, with a loss of USD 105.39 million
- The amusement parks will stop receiving USD 19.61 million per month, while the closure of operations continues, at least 5,000 jobs are at risk, 40% of them correspond to young people between 18 and 25 years old

The Colombian government has been monitoring and analysing the situation of COVID-19 in the world to take timely and proportional measures according to the evolution of the pandemic in our country. Thus, to date, the Government has adopted a series of measures aimed at containing the spread of the virus and mitigating its effects on the economy. Including measures to protect the tourism sector, such as:

- Postponement of the payment of the fiscal Contribution for the Promotion of Tourism of the first quarter of 2020 until July 29, 2020
- Suspension of the rule "use it or lose it" for the slots in El Dorado airport.

- Training to handle the situation in companies in the hotel environment.
- Implementation of a communication channel to monitor the economic impacts on the sector and respond to contingencies (Tourism Contingencies Whatsapp Chat).

The private sector has also joined in helping during this situation. The Asociación Hotelera y Turística de Colombia (COTELCO) has made available 5,607 rooms from its affiliated hotels. These rooms are located in 77 establishments in 22 municipalities in the country.

(Response to OECD Survey, received on 24 March)

Croatia

A Task Force comprising all the relevant governmental and business sector representatives was established to design measures to mitigate the crisis. Locally many destinations are considering specific measures, which are being analysed and will soon be announced.

As a general economy measure established on 18 March, tourism is included in the scope of the Export Guarantee Fund with the aim of enabling the issuance of guarantees for loans to banks for additional liquidity. Concurrently, the Ministry of Tourism also undertook the following measures:

- Postponement of payment of tourist membership fees for economic operators and private renters.
- Postponement of payment of tourist tax for private renters (flat rate).
- Restriction of working/opening hours of catering facilities.
- Support for programmes for financing working capital and improving the liquidity of vulnerable tourism businesspersons.
- Delay of payment of the fee for the concession on tourist land in the camps.

(Response to OECD survey, 19 March 2020)

Denmark

Credit card and mobile pay transactions from Danske Bank suggest that consumption in restaurant, hotel, and transportation are all down by 50% compared to 2019⁴⁷. (Article published 19 March 2020)

As part of economic support measures introduced on 10 March, issued a compensation to organisers of events that are cancelled due to the ban on large public gatherings.

(OECD internal macro-economic update, 12 March 2020)

France

The Ministry for Europe and Foreign Affairs, convened on 10 March a special meeting of the executive board of the Tourism Sector Committee to discuss the consequences of the COVID-19 epidemic.

As of 25 March, non-food shops, restaurants, cafes, as well as concert halls, nightclubs, museums, leisure parks have been closed until further notice. The closure affects approximately 75 000 restaurants, 40 000 cafes and 3 000 nightclubs, which employ more than a million people.

Tourism specific measures include an ordinance (decree-law) modifying the conditions for cancellations of travel bookings and other types of contracts that was prepared following the adoption of the emergency law to deal with the COVID-19 pandemic. Prior to the ordinance, in the event of *force majeure* causing the consumer or the professional to cancel the service, a full refund was required - both by European law and

by national law. However, cancellations of travel and tourist stays, as a result of the COVID-19 pandemic are already numerous and will continue to increase in the coming weeks. Under these conditions, France has decided to allow all professionals to propose that the reimbursement be replaced by a credit of an equivalent amount on a next service. This will avoid an immediate cash outflow and help businesses get through a very difficult phase.

However, this credit does not completely replace the reimbursement. It was important to align with the framework of European law, where the package travel directive (known as DVAF) explicitly provides for a refund within 14 days of cancellation. In a notification relating to DVAF and COVID-19 (released on March 19), the European Commission opened the possibility of offering a "voucher". But maintaining that the traveller must be able to request reimbursement if he/she does not want to use the voucher. Therefore, if the credit is not used by the client for a new service within the 18-month period, reimbursement may be requested.

(Response to OECD survey 25 March 2020)

Germany

In Germany, the Federal Government Centre of Excellence for Tourism (the central interface between the industry, academia and federal policy-making) created an information webpage for the tourism industry dedicated to the COVID-19 impact on the sector (<https://corona-navigator.de/>). The so called 'Navigator' collects, bundles and disseminates relevant private and public information for tourism professionals. This includes sector-specific measures established by the Federal Government and the Länder, as well as news and analysis specific of the tourism industry worldwide. The service also includes a 'barometer of the mood in the tourism sector', which maps the business expectations in the tourism sector each day.

(website accessed on 23 March 2020).

Greece

The Hellenic Chamber of Hotels estimated that the losses of the Greek hotels amounted to EUR 522 million (in terms of cancellations of rooms and conferences). Moreover, the study mentions the slowdown of the pace of future reservations, by 72% in 92% of the hotels operating all year round, as well as by 58% in 83% of the seasonally operating hotels, in comparison with 2019. 91% of the all year round operating hotels estimate that they will have a loss of turnover by 51% in 2020, while 83% of the seasonal operating hotels estimate a percentage – based loss of turnover by 36% for 2020. According to the study, it is estimated that 38 234 working positions are directly at risk, constituting the 20.5% of the overall employment in hotels.

According to Alpha Bank's Weekly Economic Developments Bulletin published on 11 March on tourism, there is an expected decline of 940 000 travellers in incoming travel for 2020. The negative impact is estimated to be limited, inter alia, because of the seasonality of tourism demand, since 85% of total tourist arrivals take place between May and October each year.

The Ministry of Tourism monitors the developments, records the problems, informs the operators of the sector and elaborates measures and proposals to support the Greek tourism market in coordination with the National Tourism Organisation, the competent services and the private tourism sector. In this light, it has set up a Crisis Management Committee for Coronavirus, which:

- provides up to date information to the tourism market for developments,
- draws up a continuity plan for the Ministry

- elaborates a package of measures to stimulate the market in the short run and the long run, taking also into account proposals from the private tourism sector,
- sets up a programme to promote the country as a safe destination when conditions are deemed appropriate;
- plans how to recover in the international market
- participates in initiatives to provide a coordinated confrontation to the effects of COVID-19 at European and international level. There is also an Open Communication Line for tourism operators, businesses and market representatives with the Ministry of Tourism to address emerging issues.

Policy responses, connected to the COVID-19 outbreak, are linked to the impact on employment, impact on the tourism businesses, including SMEs (income losses and liquidity issues). The government has introduced general relief measures, which are available for tourism businesses as well (VAT exemption, special support measures for seasonal workers).

The Greek Tourism Confederation (SETE) has proposed a series of measures to promptly support tourism businesses (e.g. lodgings, travel agencies, exhibition and congress organisers, tourism buses, airlines, airports, handling companies, rent a car, shipping, cruise, yachting, marinas, ports, outdoor activities, etc). They are targeted at reducing the operational cost for the months of crisis, supporting employment, ensuring liquidity to enable the possibility of a quick “recovery” after the crisis.

(Response to OECD survey 20 March 2020)

Iceland

International visitors through Keflavik airport decreased by 16% compared to 2019 in the first two weeks of March, is expected to decreased by 83% in the second half of March and by 99% in the first weeks of April (data provided on the 23 March). RevPAR in Reykjavik fell by 32.8% 1st-16th March 2020 compared to the same period in 2019, and by 50% from and including 13th March 2020.

The Government of Iceland’s action plan to respond to the economic impact of COVID-19 as was announced on 10 March includes tourism-specific measures, such as:

- Efforts will be made to provide temporary relief to the tourism industry, including temporarily reducing industry-specific tax payments (e.g. the accommodation tax).
- Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.

On 21 March, the Government announced the first phase of response measures to mitigate the effects of the COVID-19 pandemic. As part of the action, the following three tourism-specific actions together represent a ISK 4.6 billion injection into Iceland’s tourism industry:

- Payment and collection of the tax on overnight stays (bed-night tax) will be suspended from 1 April 2020 through 31 December 2021. Payment of tax on overnight stays from 1 January 2020 through 31 March 2020 is deferred. The payment due date for tax on overnight stays during this period is deferred until 5 February 2022.
- Icelandic residents over 18 years of age will collectively receive ISK 1.5 billion worth of travel vouchers from the Government, to spend domestically. This action will be further implemented in cooperation with the Icelandic Travel Industry Association.
- A promotional campaign for Iceland as a destination is currently in preparation and will be rolled out when conditions allow and when travel can be expected to resume. The campaign is two-fold, one to encourage Icelanders to travel within the country and another to encourage international travel to Iceland.

(Response to OECD survey 23 March 2020)

Indonesia

A first IDR 10.3 trillion (USD 725 million) stimulus package was unveiled at the end of February to support consumer spending and tourism. It consists mainly of reclassification and front-loading of previous spending commitments.

(OECD internal macro-economic update, 12 March 2020)

Ireland

Fáilte Ireland has established a special Business Supports Taskforce focusing solely on supporting the tourism industry during the crisis. The taskforce is providing recommendations to the Government including measures to support business sustainability, employment and initiatives designed to kick-start demand. Fáilte Ireland is working closely with tourism businesses to provide advice on drawing down Government support packages, cashflow management and liquidity, managing cancellations, and supplier relationships.

Fáilte Ireland launched a website⁴⁸ with information on business supports and notes and recorded webinars on actions businesses should take – including operational guidance (for businesses still open), guide to accessing government funding and supports. They also launched a weekly impact bulletin⁴⁹. According to the bulletin of 10 March, bookings to Ireland were down 40% in first week of March, compared with 2020. Forward bookings in March-April are forecasted down 30-40%, with little impact yet expected on May/June. Businesses are moving from contingency planning to crisis management.

(website accessed on 23 March 2020)

Israel

Non-formal news publications from 12 March reported that around 5 000 employees of the incoming tourism sector have been dismissed or sent on an unpaid leave, and more are expected to follow. In addition, around 4 000 tour guides are left jobless. 80% of El Al employees were also sent on an unpaid leave, while another 1 100 were let go.

Since the 9 March, all Israelis returning from abroad are ordered into a 14-days quarantine. This measure will be in effect for two weeks initially. Non-Israeli citizens will be allowed to enter the country until Thursday 12 March 2020. After that, they will be barred completely unless they can demonstrate that they have a place to quarantine in Israel for 14 days. This extends previous measures that were confined to travellers from most affected countries in Asia and Europe.

The government has announced the allocation of ILS 10 billion as a loan fund in support of businesses hit by the initial stages of Coronavirus crisis. This is only a first-aid measure. Naturally, a major number of these were tourism businesses. However, up until now, no assistance was offered to the travel industry directly. More funds will be allocated as the crisis unfolds. The Ministry of Tourism is looking for ways to broaden its marketing fund to include businesses affected by Coronavirus

(Response to OECD survey 17 March 2020)

Italy

The Council of Ministers approved on 28 February the first nationwide measures to support tourism businesses following the crisis caused by the COVID-19 outbreak. The measures will be structured in three phases: i) accommodation providers, travel agencies and tour operators in Italy are released from paying social security taxes and contributions. Moreover, as a short term relief measure, travel agencies can reimburse customers with a 1-year voucher, ii) structural intervention measures, iii) relaunch the country's image to get out of the emergency. On 16 March, the government announced EUR 200 million in measures to support the troubled airlines, Alitalia, and Air Italy.

(website⁵⁰ accessed 9 March 2020)

Japan

Compared with January 2019, the total sales amount of the major travel agencies in Japan in January 2020 decreases by 6.8% due to the COVID-19 pandemic. The number of international visitor in January 2020 was 1.7 million (2.7 million in January 2019) and in February 2020 was 1.1 million (2.6 million in February 2019). The number of flights between Japan and China have decreased by around 80% and the number of flights between Japan and South Korea decreased by around 30% (as of March 6). The Japan Travel Agency will publish February vacancy rates for hotels at the end of March. In addition, the Tokyo Olympic Games was postponed.

Measures to support the tourism sector include:

- Among JPY 430 billion of general economic support to businesses in difficulty, the Japan Tourism Agency will spend JPY 3.5 billion to provide timely accurate information to international travellers and make tourist destinations more attractive in order to attract tourists soon after the end of the pandemic.
- The Japanese government is considering taking additional fiscal policy to support tourism industry.
- Japan Tourism Agency and JNTO provide timely information in multiple languages through website, twitter and weibo. (See: <https://www.japan.travel/en/news/coronavirus/>). Japan National Tourism Organization (JNTO) operates a visitor hotline 24 hours a day, 365 days a year. Call for tourist information or assistance in the case of accidents and emergencies including novel coronavirus (COVID-19). Support is available in English, Chinese, Korean and Japanese.

(Response to OECD survey 25 March 2020)

According to official data, the number of foreign visitors to Japan announced in February 2020 Estimated 1 085 000, down 58.3% year-on-year.

(website⁵¹ accessed 23 March 2020)

Japan announced a financial aid package worth YEN 1 trillion yen (USD 9.6 billion) for small and medium-sized companies as well as self-employed workers in tourism and other virus-hit industries⁵².

(Article published 18 March 2020)

Korea

On 5 March, Japan tighten entry restrictions to the people from South Korea and China, and the Korean government took similar countermeasures regarding the entry of Japanese people into South Korea in response today.

(OECD internal macro-economic update 6 March 2020)

Latvia

On the basis of operational data as well as information provided by the industry, as of 23 March, a 100% drop in the turnover of the tourism sector in March is currently recorded, and a 90% drop in April and May is forecasted. The forecasts show a catastrophic situation with a reduction in labour force in the sector of up to 80% in both Riga and the regions.

The Ministry of Economics developed a crisis plan for tourism in co-operation with NGOs of tourism industry sectors and related governmental subordinated bodies such as Consumer Rights Protection Centre, State Revenue service and as well as the Ministry of Finance and the Ministry of Transport. The plan divides the industry in primarily (tour operators, accommodation) and secondarily affected (food and beverage and other – events, tourist guides), to support an immediate action. The crisis plan consists of concrete proposals for rescuing the tourism sector that is primarily affected focusing on ease of access to current assets, deferral of taxes, and financial support to entrepreneurs to maintain salaries in the business standby. With these instruments it should be possible to boost the liquidity of the sector and thus prevent major bankruptcies.

(Response to OECD survey 23 March 2020)

Mexico

As of December 2020, a reduction in the arrival of international tourists by air is estimated at 12.1% less than in December 2019, reaching a volume of 17.3 million tourists, which will represent a decrease in absolute terms of 2.4 million tourists.

The scenario in the fall in tourism GDP would be half a percentage point, dropping its participation from 8.7% of Mexico's GDP to 8.2%. Based on estimates made, it is expected that in 2020 tourist arrivals at hotels will register a reduction that goes from (-) 4.3% to (-) 7.7%, in relation to what was observed in 2019.

A loss in the Mexican ports of the Caribbean and Pacific of almost 829 thousand cruise passengers is estimated, equivalent to a reduction in income of \$ 57 million.

On March 12, 2020, the postponement of the 45th edition of the Tianguis Turístico de México was officially announced, to be held from September 19 to 22, 2020, in Mérida, Yucatán.

On March 18, 2020, the Secretary of Tourism met with the Tourism Executive Committee of the National Conference of Governors, in order to coordinate joint work with the private sector of the tourism industry to face the effects of the pandemic of the Covid-19 in the sector.

On Friday March 20, the Secretary of Tourism released the first video of several that will be disseminated, as part of a campaign that seeks to project the strength of Mexico as a tourist power.

(Response to OECD survey 24 March 2020)

New Zealand

An industry-led survey (reported on 23 March) estimated that large tourism operators are preparing to cut 4 890 jobs in the immediate future. Westpac bank sent an economic bulletin on 19 March 2020, predicting that unemployment will rise from 4% to 5.5%, or by 45 000 people.⁵³

In late February, the Government implemented a NZD 11 million financial support package, including NZD 10 million for international marketing to which will allow Tourism New Zealand to deepen its existing work in key markets by adding new channels to existing campaigns (e.g. collaborate with new partners in market), or increasing the number of joint-venture campaigns with Airline partners. The money will also be spread across domestic (to address immediate reduction in Chinese visitors), Australia (NZs key market), and other international markets, in preparation for the next NZ summer. Tourism New Zealand (TNZ) has made the decision to pause its marketing activity (information updated on 23 March) in response to current border changes. TNZ is now focused on developing plans for when it can resume marketing work to ensure that New Zealand is positioned as a desirable destination once travel restrictions are lifted.

(Response to OECD survey 23 March 2020)

Philippines

The tourism sector will receive a significant portion of the government's PHP 27.1-billion support package: PHP 14-billion (USD 271 million) aid from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) has been earmarked for various programs and projects of the Department of Tourism. About PHP 3.1 billion will be used to purchase test kits, among others. Mobilization of funds from government-owned or - controlled corporations (GOCCs) to assist airlines and the rest of the tourism industry. The Department of Tourism is allocating approximately PHP 6 billion (USD 118 million) to spur tourism amid COVID-19. At least PHP 421 million is earmarked for a new campaign for domestic travel and PHP 467 million to create content that targets emerging countries unaffected by Covid-19. Money also for conducting international events, Covid-19 preparedness and infrastructure developments.

(Philippines news agency⁵⁴, accessed 17 March)

Portugal

In a report published on March 12, the AHP hotels association reported that the hotel sector in the tourism-dependent country could lose 30%-50% of its revenues, or up to 800 million euros between March and June. TAP – the national airline carrier- has rescheduled 2 500 flights scheduled for April-May, after cancelling 1,000 flights. This accounts for 7% of TAP's scheduled flights this month, 11% in April and 19% in May.

On 18 March, the government announced EUR 9.2 billion package out of which 3 billion are state-backed credit guarantees. The EUR 3 billion state-backed credit guarantees will provide liquidity for companies affected by the coronavirus outbreak, out of which EUR 1.1 billion are for companies operating in the travel and tourism sector, and EUR 600 million for the hospitality sector.

(OECD internal macro-economic update 20 March 2020)

Romania

It was estimated that 450 hotels will be closed by the end of March for a period of at least 3 months. The occupancy rate of hotels nationwide decreased in the first week of March, compared to the same period

last year, from 64% to 22%. The information is based on data analysis from 7 000 rooms out of the 12 000 existing in Bucharest. It is estimated that 70 000 people will be dismissed from March – April (data reported on 23 March).

At the level of the Ministry of Economy, Energy and Business Environment – General Directorate for Tourism, a crisis cell has been created on the 5 March, in which proposals are elaborated for measures aimed at stimulating tourism and which could allow operators to operate and have continuity.

(Response to OECD survey 23 March 2020)

Slovak Republic

According to the survey conducted by the Comenius Analytica, Ltd. (Company for the Slovak Association of Hotels and Restaurants), Slovak hotels expect in March 2020 a month-on-month decrease in their turnover from accommodation services to visitors by 47% compared with the previous period of the previous year. In April, they expect a total loss of EUR 2.4 million. However, these results are only indicative.

(Response to OECD survey, received on 19 March)

Spain

According to the latest data (published on 11 March) from the Madrid Hotel Business Association (AEHM), hotel occupancy had plummeted to 15% in March (70% last March). The association, in co-operation with the municipality, announced on 18 March that it has repurposed 40 hotels to help treat early and late stage coronavirus patients. On 19 March, the government announced the closure of all hotels in Spain. Airlines flying in Spain have cancelled 4 400 flights in the second half of March, according to data from the Association of Airlines (ALA).

In the extraordinary Council of Minister meeting on the 13 March, the government announced, among other measures, EUR 400 million credit line to most affected sectors such as tourism and transport.

(OECD internal macro-economic update 17 March 2020)

Sweden

As of 21 March, the Hotel- and Restaurant Union reports that 10 000 people within hotel and restaurants have been put on notice and another 10 000 persons who have hourly and probationary workers will not be asked back. Apart from these numbers there are other sectors connected to different services and also within the cultural area that are widely affected but we don't have any statistics here. Also within the transport sector we can see big problems, e.g. SAS temporarily lays off 90% of workforce, affecting 10 000 jobs but it is critical also for passenger traffic within busses, taxis, ferries etc. Hotels in the three largest cities reported decreases in occupancy rates. Stockholm, comparing last year at the same time, 84 % occupancy and now 12%. Corresponding figures in Gothenburg is from 79 to 17 % and in Malmö from 73 to 22%.

The Swedish government announced for what could amount to a SEK 300 billion crisis package to help struggling businesses. Besides measures aimed at businesses, including tourism, the package includes credit guarantees for airlines in 2020 amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS.

(Response to OECD survey 21 March 2020)

Saudi Arabia

In Saudi Arabia the government launched awareness campaigns to avoid confusion and panic amongst existing tourists and tourists planning to visit Saudi Arabia by educating them about the virus and how to prevent it from spreading.

The government has secured temporary quarantine accommodation in hotels for the affected and suspected cases, providing them with food and other needs.

(Response to OECD survey 18 March 2020)

Turkey

Following the monetary package announced by the Central Bank on 18 March, the President introduced a range of fiscal measures. They are targeted to areas particularly affected by the Coronavirus. As part of this, the accommodation tax in hotels and tourism facilities will be waived until November.

(OECD internal macro-economic update 20 March 2020)

United States

On March 11 the United States barred the entry of all foreign nationals who had visited China, Iran and a group of European countries during the previous 14 days.

Vietnam

Currently, no tourist visa is issued for Schengen countries, the UK and some US states, only business and diplomatic entries are still allowed, but travellers have to submit health certificate/questionnaire. All foreign and national travellers coming from infected countries have to be quarantined for a fortnight.

(OECD internal macro-economic update 16 March 2020)

European Union

The Commission is liaising with Member States, international authorities and key EU professional associations to monitor the impact of the crisis on the tourism sector and co-ordinate support measures. Member States can design ample support measures in line with existing EU rules. First, they can decide to take measures, such as wage subsidies, suspension of payments of corporate and value added taxes or social contributions. In addition, Member States can grant financial support directly to consumers, for example for cancelled services or tickets that are not reimbursed by the operators concerned. Also, EU State aid rules enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid. Article 107(2)(b) TFEU enables Member States to compensate companies for the damage directly caused by exceptional occurrences, including measures in sectors such as aviation and tourism. On the 15 of March, the European Union put forward to Members a proposal to stop all nonessential travel into the region for at least 30 days.

(EU press release on 14 March⁵⁵)

Annex 1.B. International Organisations and industry associations' COVID-19 dedicated information

This annex provides links to pages set up by International Organisations and private sector associations on the evolution of the impact of the COVID-19 on the tourism sector.

International Organisations

OECD - <https://www.oecd.org/economic-outlook/>

UNWTO - <https://www.unwto.org/tourism-covid-19-coronavirus>

ICAO - <https://www.icao.int/Security/COVID-19/Pages/default.aspx>

EUROPEAN TRAVEL COMMISSION - <https://etc-corporate.org/press-centre/>

Private sector

STR - COVID-19: Hotel Industry Impact: <https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

ETOA - <https://www.etoa.org/destinations/coronavirus/>

AIRDNA - <https://www.airdna.co/blog/coronavirus-impact-on-global-short-term-rental-markets>

Global Business Travel Association - <https://www.gbta.org/blog/>

WTTC - <https://www.wttc.org/about/media-centre/>

Digital Tourism think tank- <https://www.thinkdigital.travel/opinion/coronavirus-how-is-the-industry-reacting/>

IATA - <https://www.iata.org/en/programs/safety/health/diseases/>

WEF - <https://www.weforum.org/focus/coronavirus-covid-19>

Notes

¹ <https://www.who.int/news-room/detail/16-03-2020-icc-who-joint-statement-an-unprecedented-private-sector-call-to-action-to-tackle-covid-19>

² International tourism refers to tourism that crosses national borders for tourism purposes (leisure, business etc.). OECD estimates are based on international tourism arrivals in the OECD area.

³ Domestic tourism is tourism involving residents of a country travelling only within that country.

⁴ <https://www.thenews.com.pk/print/634159-coronavirus-outbreak-three-billion-people-at-their-homes-worldwide>

⁵ https://www.oecd-ilibrary.org/industry-and-services/oecd-tourism-trends-and-policies_20767773

⁶ Full data for OECD countries is available at <http://dx.doi.org/10.1787/888934076134>. Data for Mexico, Portugal and Spain refers to 2018, while data for Spain and Iceland refers to 2017.

⁷ Data for Iceland, Spain, Greece refers to 2018, while data for Ireland to 2017 and for Portugal to 2016. Full data for OECD countries is available at <http://dx.doi.org/10.1787/888934076134>

⁸ Over 185,000 passenger flights have been cancelled since the end of January in response to government travel restrictions (IATA press release 16 March 2020 - <https://www.iata.org/en/pressroom/pr/2020-03-16-01/>)

⁹ COVID-19 pandemic puts employment at risk – <https://www.iata.org/en/iata-repository/publications/economic-reports/covid-19-pandemic-puts-employment-at-risk/> (IATA, 20 March 2020)

¹⁰ <https://s3.amazonaws.com/tourism-economics/craft/Latest-Research-Docs/COVID-19-RB-Summary-TE-website.pdf> (6 March 2020)

¹¹ <https://www.wttc.org/about/media-centre/press-releases/press-releases/2020/coronavirus-puts-up-to-50-million-travel-and-tourism-jobs-at-risk-says-wttc/> - 13 March

¹² <https://unwto.org/unwto-convenes-global-tourism-crisis-committee>

¹³ <https://forwardkeys.com/air-capacity-to-china-slashed-by-80/>

¹⁴ Source: OECD tourism paper: [Analysing megatrends to better shape the future of tourism](#)

¹⁵ <http://www.oecd.org/cfe/COVID-19-SME-Policy-Responses.pdf>

¹⁶ <https://www.iata.org/en/pressroom/pr/2020-03-24-01/>

¹⁷ https://www.lemonde.fr/economie/article/2020/03/15/covid-19-air-france-va-mettre-80-de-ses-salaries-au-chomage-partiel_6033155_3234.html

¹⁸ https://www.theguardian.com/business/2020/mar/16/ryanair-cancels-80-per-cent-of-flights-and-does-not-rule-out-full-grounding-coronavirus?CMP=Share_iOSApp_Other

- ¹⁹<https://www.forbes.com/sites/jamesasquith/2020/03/22/breaking-emirates-airline-suspends-all-flights/?ss=forbes-travel#1249c7746bd8>
- ²⁰<https://www.iata.org/en/pressroom/pr/2020-03-24-01/> - 24 March
- ²¹<https://www.cnbc.com/2020/03/13/coronavirus-pandemic-the-big-3-cruise-companies-suspend-operations.html>
- ²²<https://www.japantimes.co.jp/news/2020/03/04/business/corporate-business/jr-east-lower-revenue-coronavirus/#.XnnPOYhKq2w> – 4 March
- ²³<https://www.independent.co.uk/travel/news-and-advice/coronavirus-tui-jet2-flight-cancelled-holiday-refund-compensation-travel-a9404116.html>
- ²⁴<https://www.etoa.org/etoa-covid19-update-and-analysis/>
- ²⁵<https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>
- ²⁶<https://str.com/press-release/str-us-hotel-results-week-ending-7-march>
- ²⁷<https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>
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