INTERNATIONAL TRADE IN TRAVEL AND TOURISM SERVICES

Economic impact and policy responses during the Covid-19 crisis

WTO/TSD Discussion Paper

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1 Introduction

Tourism is a growth engine that strongly contributes to economic development, not only growth. The sector offers simultaneously the opportunity for economies to growth and people to earn income, while tourism spending is associated with improvements in well-being for consumers of tourism services (OECD, 2020a). Moreover, as a labour-intensive sector, tourism contributes to employment growth and skills upgrade. Its connectivity and mobility features also play a key role in regional development and economic inclusion. Lastly, as an intrinsically extrovert sector, tourism promotes international services trade, inducing positive spillovers in cultural diffusion, international investment and cross-border synergies and collaboration between enterprises.

Given the far reaching positive externalities of tourism services in diffusing economic growth to remote areas and the overall impact of the current Covid-19 crisis on the economic activity of the sector, we investigate the economic implications and policy responses that countries have adopted in order to enhance resilience and plan the next day of travel and tourism services. In this respect, it would be necessary to both understand the channels through which the crisis affects the sector and explore potential behaviour and policy responses that could mitigate the outcomes for the next day of tourism. The paper builds on academic and policy literature, as well as original qualitative research of the authors concerning the types of policies enacted in fifty-nine WTO member countries across all continents, in order to enable the businesses of the sector, the employees and the tourism-related ecosystem.

2 The Covid-19 Effects on Trade in Travel and Tourism Services

The Covid-19 crisis has triggered a profound, precipitous and simultaneous demand and supply shock in the tourism industry. On the one hand, people are restricted in terms of their physical relocation, while their income and potential future income are also severely hit. On the other hand, tourism businesses and destinations are also impacted, as the lockdown measures have led to a cease of their activities, while natural sites and resources remain closed to public. The sector comprises at its core services such as hotels, restaurants, tour operators, and travel agencies. Given travel restrictions that have completely halted the movement of tourists both inland and abroad, and the intrinsic relocation characteristics of most tourism services, the sector has arguably been one of the hardest hit ones by the crisis so far (Wolff, 2020). The impossibility of physical proximity between suppliers and consumers of tourism services leaves no space for the slightest economic activity in the traditional business model of the tourism sector. In most countries, the sector largely relies on mode two of international supply of services trade, i.e. consumption abroad. Domestic travel restrictions and work-from-home requirements have further crippled the sector by closing off any domestic tourism activities.
In light of these changes, new business models are emerging, in the frame of which remote destinations and e-tourism are expected to increase their share. In parallel, economic and societal megatrends such as those related to increased inequality and sustainable development are bound to shape the demand and supply of tomorrow. We examine the main channels of economic activity through which the Covid-19 crisis affects tourism trends and policies globally. In order to achieve it, the following sections examines the economic links that underpin the contagion effect of covid-19 on the demand and supply aspects of the tourism economy. Then, we relate them to the overall trade impact of the coronavirus in order to highlight the importance of the international dimension of tourism services. In order to understand how businesses and governments have or are planning to react to the new challenges, section three and four present the current policy responses and the preparations of stakeholders for the next day of tourism services following the expected structural transformation. The paper concludes with proposals on how businesses, governments and tourists can take the opportunity of subdued economic activity today in order to invest in their future and minimise the medium- and long-term impact of the forthcoming structural change.

2.1 Economic contribution of the sector

According to the World Travel & Tourism Council (WTTC, 2020a), the sector of tourism services accounted in 2018 for 10.4% of global GDP and more than 319 million jobs, i.e. 10% of total employment. In terms of international trade, balance-of-payments statistics of the WTO reveal that the sector represented 6.5% of global exports and 27.2% of world commercial services exports in 2018, while it accounted for 32% of services exports of developing countries, and 50% in the case of LDCs. These figures are even higher for many developing countries, where tourism plays a vital role in supporting incomes and jobs. In particular, tourism in small economies not only accounts for the greater share of total exports, but also for a significant share of their GDP; e.g., 67% in Seychelles, 62% in St Kitts and Nevis, 48% in Vanuatu (Knoema.com, 2020). World travel exports, covering travellers’ expenditure on goods and services during their stay abroad, had grown by 7% in 2018. In most developed countries of the OECD, the tourism sector contributes slightly less than the world average in economic activity. According to the OECD (2020a), tourism in the OECD directly contributes – on average – by 4.4% of GDP, 6.9% of employment and 21.5% of service-related exports.

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

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

![Graph showing world’s travel and tourism sector growth vs. GDP growth, 2011-2019](source: Poole (2020), WTTC)

Tourism is a sector which strongly supports economic inclusion and is also linked to customers well-being. Micro and Small and Medium Size Enterprises (MSMEs) make up around 80% of the tourism sector enterprises. Their income is found to be associated mostly with leisure (78.6%) and less with business spending (21.4%). Moreover, tourism domestic spending (71.3%) is more significant than international (28.7%) spending (Poole, 2020). These aspects of tourism make it particularly important for small countries with high dependence on the sector and small size of firms.

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

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

Following a small drop in the beginning of the financial crisis in 2009, international tourist arrivals have been constantly increasing (see figure 2). According to the United National World Tourism
Organisation (UNWTO), international arrivals were expected to increase by 3-4% in 2020. Following the Covid-19 outbreak, projections on international tourist arrivals were initially revised and foresaw by early-April a 1-3% drop globally in 2020. More recent developments on the impact of the health crisis on the economic activity of the sector adjusted downwardly the forecasts to a 20-30% decline compared to 2019. This translates into a drop in the numbers of international tourist arrivals of about 290 to 440 million tourists in 2020, compared to 2019.

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

Source: UNWTO (2020a) Estimates (as of 12 May)
Note: Annual growth rate illustrated through the dotted line and on the right axis.

Significant discrepancies are observed concerning the impact of the Covid crisis on the tourism sector in different regions. The UNWTO (2020a) initially expected that Asia Pacific would be the most affected region globally; 9-12% fall of international tourist arrivals in 2020, down from 5-6% forecasted growth in early January. By early March, the situation in Asia was more dramatic than in Europe and the United States. Given that about 90% of the approximately 150 million trips abroad made by Chinese tourists are towards Asian countries (dw.com, 2020a), the implication of the initial Chinese-originated Covid-19 outbreak on the tourism sector of Asian countries was expected to be considerable.

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

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

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

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

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

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

Price elasticities also change during the current crisis. Literature has argued that the improvement in people's well-being during the past four decades has been accompanied by a decrease in the income elasticity of demand for tourism services (Gunter & Smeral, 2014). According to the authors, this was due to the economic slowdown, the uncertainty about the future and the increased competition between tourist destinations. Changes in prices of tourism services during the Covid crisis do not necessarily lead to increased demand. Therefore, businesses are careful when making offers to attract future tourists, even for the period when they believe that the quarantine will be over.

The structure and type of tourism services may also be reflected in the demand shifts. Health concerns are expected to make tourists less eager to travel to crowded areas, while restrictions are also being put in place in order to limit the density of tourists. This is bound to direct demand towards less known areas with tourism potential and extend the tourism seasons. Moreover, domestic tourism could be chosen as a more secure option, particularly in areas less hit by the virus.

2.2.2 Supply-side implications

Tourism businesses have responded to the new situation in a manner which reflects the income and substitutions effects of the tourism market. The World Health Organization has come up with detailed guidance concerning the operational considerations for Covid-19 in the accommodation sector (WHO, 2020). Price and capacity adjustments are expected in the short term in order to mitigate the risks of losses.
Temporarily, the measures to curb the spread of coronavirus and safeguard members of the public and healthcare systems result in the closure of tourism enterprises, such as hotels, restaurants, museums, ski resorts, public beaches, etc. The remaining ones are forced to change their business models in order to retain some clients. For example, hotels may be obliged to reopen only under strict conditions of health measures, change their sanitary precautionary measures and impose enhanced cleaning and distancing standards on housekeeping, food servicing, recreational activities etc. Some hotels may be forced or choose themselves to close their doors in order to minimise losses. For example, hotels facing high competition, particularly in large cities, could minimise their losses by temporarily suspending their services. The Parisian hotels are an example of that. Many of these hotels decided to suspend their activities, as they were seeing their occupancy rates falling from 84% in mid-January to 1.8% in Mid-March 2020 (statista.com, 2020). Others, targeting the luxury niche of the market, may deem it profitable to charge for a combination of accommodation, recreational and health services in a package. This is the case of some Swiss hotels offering ‘luxury coronavirus quarantine packages’, which include luxury perks, such as saunas and high-end accommodation, along with Covid tests and regular nurse services (thelocal.ch, 2020).

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

The distance ordering and provision of tourism, travel and food services implies an increased need for better IT systems and management of related threats. The entire tourism industry is expected to rely more on digital technologies and platforms: virtual tours and e-tourism alternatives are on the uptake (White, 2020; Rowett, 2020); e-commerce and tourism services would be better connected (statista.com, 2020); digital skills will gain more importance for employability in the sector both in developed (EC, 2020) and developing countries (South African Government, 2020). The enhanced reliance on digital infrastructure also increases the privacy and cyber security risks of tourism businesses. More online transactions without security upgrade would render the payments and secure data more apt to cyberattacks.
2.3 Trade and services trade implications of Covid-19

It should be made clear that tourism services highly depend on a number of other sectors, and particularly that of other services in the transport, e-commerce, leisure and cultural services. According to UNCTAD (2020b) estimates, the overall trade impact of Covid-19 is expected to be larger for Europe (36%), followed by the US (14%), and Japan (12%). The WTO has repeatedly called for trade measures needed in the effort to combat Covid-19 to be not more restrictive than absolutely necessary (WTO, 2020a,b,c; Wolff, 2020). In the context of the G20 (2020) Ministerial Statement of 30 March 2020, it was stressed that “emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO rules”.

Figure 3. Trade impact of the Covid-19 pandemic (USD million)

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

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

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

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

The Covid-19 effects are naturally more pronounced in sectors of services trade where physical relocation is required. While services that depend on physical relocation of people or goods may experience a fall, others concerning the online sale of audiovisual services, e-commerce and educational services (online classes) may even experience an increase (Mode 1 of services delivery in WTO GATS terminology). The adverse effects of social distancing practices in the wake of Covid-19 are likely to be larger for services transacted via Mode 2 (“consumption abroad” e.g. tourism services), Mode 3 (“commercial presence” or FDI in services e.g. international banking services) and Mode 4 (“movement of natural persons” e.g. IT professionals working onsite abroad and intra-corporate transferees) as these require some form of physical proximity between the suppliers and consumers (Shingal, 2020). To put things in perspective, the total value of global trade in commercial services in 2017 was $13.3 trillion of which nearly 60% was transacted via Mode 3, 10% via Mode 2 and 3% via Mode 4 (WTO, 2019).

3 Policy Responses

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

The latest analysis of the UNWTO (2020c) shows that as of April 28th all countries have taken travel-and tourism-restrictive measures to curb the Covid-19 expansion. Out of 217 destinations analysed worldwide, 45% have totally or partially closed their borders for tourists. This means that tourists and
passengers are not allowed to enter their territory. Moreover, 30% of destinations have totally or partially suspended international flights, while 18% have banned the entry for passengers from specific countries of origin or passengers who have transited through specific destinations. 7% of destinations also apply different measures, such as quarantine or self-isolation for 14 days and visa measures. No country has so far lifted restrictions introduced in response to the crisis, while the stringency of measures does not seem to vary significantly across the OECD (figure 4).

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

![Diagram showing the direct contribution of tourism and Covid measures stringency in the OECD](image)

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

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

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

Source: OECD and Oxford University (Hale and Webster, 2020)
Note: OECD data on tourism are as of 18 February 2020. Oxford OxCGRT data are as of 15 April 2020.

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

Since the early stages of the crisis, the WTO (2020e) has regularly tracked government responses around the world to mitigate the spread of health and economic impact of Covid-19, while also taking steps towards accelerating the economic recovery by planning and legislating different measures. The regularly reported trade-restrictive measures include both trade in goods and services. Since 23 March⁴, the WTTC (2020e) has been also publishing a listing of government policy shifts supportive of travel and tourism industries, starting with the measures enacted in Australia, France, Hong Kong (specifically for travel agents), Italy, the Philippines, Portugal Singapore, Spain, and the UK. Other organisations and entities also engaged in cataloguing tourism-related measures include the OECD (2020b), Horwath

⁴ Latest update on 29 April 2020.
HTL (2020) etc. In a novelty to other listings, our analysis hereby groups the measures according to their type and facilitates cross-country comparison. On the basis on the three policy priority areas outlined by the WTTC, a number of countries have announced and are implementing targeted policies of social, economic and financial nature as a response to the Covid-19 crisis (see detailed table of policy responses in Annex 1).

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

Secondly, governments have taken measures in order to soften the burden of increased costs for tourism businesses in times of weak demand. In that spirit, policy responses have comprised postponement or cancellation of tax and social security obligations, national tourism promotion and marketing campaigns, the enabling of tourism enterprises to offer their clients vouchers instead of refunds, etc. Government have also provided vital interest-free loans to global travel and tourism companies, as well as the millions of small and medium-sized businesses, as a stimulus to prevent them from collapse. Moreover, taxes, dues and financial demands on the travel and tourism sector have been waived in many countries.

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

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

5 For a continuously updating platform of measures in place by national governments as response to the Covid-19 crisis and going beyond the travel and tourism sector, see the OECD Policy Tracker (http://www.oecd.org/coronavirus) and the Oxford COVID-19 Government Response Tracker: OxCGRRT (Hale and Webster, 2020).
Table 1. Shares of countries enacting tourism specific measures in response to Covid-19, by type of measure

<table>
<thead>
<tr>
<th>Category</th>
<th>Social &amp; Employment</th>
<th>Economic</th>
<th>Financial</th>
</tr>
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<td>Countries_No_Measure (%)</td>
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<td>Countries_Measures (%)</td>
<td>18</td>
<td>51</td>
<td>31</td>
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<tr>
<td>Total_Countries_Analysed</td>
<td>59</td>
<td>59</td>
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Less developed countries have paid less attention on re-training and upskills programmes, which we include in the social and employment measures. These measures are reported only for about a third (31%) of the analysed countries. On the contrary, 87.9% of the countries examined hereby are found to have enacted measures of economic stimulus. Furthermore, more than half of the examines countries have taken financial measures to support the sector through loans, tax deferrals etc. This type of measures has been taken either directly by governments, or through the intermediation of financial institutions that provide soft loans to tourism businesses.

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

4 The Future of Tourism Services

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

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

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

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

4.2 Emerging business models and the new marketing mix

Pushing business transformation towards crisis-driven digitalisation, rather than gradual competition-driven digitalisation, could constitute another outcome of Covid-19. As with laws of nature, it will not
be necessarily the strongest, the wealthiest or the largest tourism service provides, but rather the most adaptive one, that will be able to survive and gain a competitive advantage in the future tourism market. Theory posits that the tourism marketing mix of the future will have to reflect the changes in demand and supply and will be most commonly executed through the necessary adjustments in the 4 P’s of marketing (Kotler, 1967): Product, Price, Promotion and Place.

Firstly, the tourism services and products will be altered. Regardless of the potential date of borders reopening, the tourism services of the post-Covid era will be probably characterised by an increase in the share of e-tourism, a specialisation of non-digital tourism product in areas of comparative advantage for each region, and a decline in non-organised mass tourism. This may have positive repercussions in the sustainability of the sector and the inclusiveness of remote areas, but, at the same time, it would also require a different type of infrastructure investment on the side of public authorities to improve the accessibility of these areas. Another positive aspect consists in the environmental upgrade caused by the reduction in air, sea and land pollution. The increased perception in the value of nature and outdoors activities after the quarantine will likely contribute to the shift of the tourism industry towards more sustainable models.

Secondly, the determining factors of pricing strategies will be the fiercer competition and the increased income inequality. While, in the short run, tourism businesses will have to bear some operational costs without or with significantly reduced revenues, it is crucial that they be able to refrain from suddenly increasing the prices at the expense of consumers. The gradual amortisation of these costs would allow both consumers and tourism service providers to somehow split the adjustment costs. In the context of the international competition for tourists and given the increasing number of destinations claiming shares of the growing tourism pie, it will be imperative to adjust the business model in a way which not only emphasises competitive advantages, but also promotes efficiency gains and cuts redundant costs.

Thirdly, the promotion of tourist services will increasingly go online. An ever-growing share of online bookings, along with the tourist preference for safer destinations or close to home, will impact mostly those businesses selling locally or on spot. Online advertisement is thus crucial in the new marketing mix, while customer loyalty through the use of social media will become increasingly important. Promotion strategies may also make more use of vouchers in order to attract returning tourists. Going digital also implies threats and challenges for traditional businesses, which will need to adjust their business model.

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

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

5 What to Do Now

As per the analysis of the previous sections, profound changes in the structure of demand and supply of travel and tourism services are expected to shape the sectors of travel and tourism services in the aftermath of Covid-19. The radical uncertainty regarding the evolution of the virus, its health effects and the repercussions in the economy render imperative an alternative approach to the business as usual and mean reversing approach adopted so far by individuals, businesses and governments. Learnings from major structural transformations of economy sectors should urge all stakeholders to embrace a strategic foresight approach, dynamically assessed based on recent evidence and careful scenario analysis. In practice, this means that governments need to consider more than one scenario and work on multiple fronts simultaneously. This would allow for quick reflexes in policymaking, while it would provide a reassurance for investments by businesses and future service consumption by individuals that would recognise the preparedness of governments.

5.1 What can people do

Covid-19 has impacted people both on the supply and demand of tourism services. Responses of tourism sector professionals, as well as tourists themselves, need to take into account the "new normal". This means that due attention should be paid to the changes in the tourism products, the necessary safety concerns, as well as the proper reading of the trends of the sector.

*Maintaining flexibility between employment opportunities within the sector*

Tourism sector professionals or people working in the tourism service value chain need to consider the combined effects and the prospect of flexibility in the short term, as well as the upcoming structural transformation of the sector. In response to the drastic fall of demand in certain areas of the market as long as restrictions last, it would be wise that they consider shifting towards market niches that are still functioning, or even growing. Such a flexibility has led sectors such as food delivery, health tourism in internal market, digital galleries and take away food services to flourish. Employment in these sectors has been more resilient compared to other tourism market segments.
Multi-specialisation, adaptability and flexibility remain crucial for tourism sector employees. Given the seasonality and asymmetrical hit of various segments of the market, current, former and prospective tourism sector employees should possess or develop transferable skills that allow them to match the demand in the labour market. In this respect, two opposing labour market trends could shape the decisions of workers when determining their specialisation path: diversification versus specialisation. Finding the right balance between the two is a dynamic process that employees have to go through in order to enhance their employability in times of radical uncertainty. Although difficult to pinpoint the exact balance between the two, there are two considerations that tourism sector employees may deploy in order to inform their decisions. On the question of the extent of diversification, continuous learning constitutes a good starting point. As job insecurity and continuous shifts of market patterns urge tourism – as well as other sectors’ – employees to be flexible enough, lifelong learning approaches through vocational education and training would play a key role and need to be embraced by employees in the sector. As concerns specialisation, the increased competition for job positions leads to a need for specific skills in order for new entrants in this labour market to have success in the selection process.

**Upskilling and reskilling to adapt to evolving labour market needs**

Tourism sector employees should strategically prepare themselves in anticipation of the new pace that was being shaped by the long-term trends that pre-existed the Covid-19 and accelerated during the crisis. In this respect, it is crucial that they consider the ongoing digital transformation of the sector and its repercussions for their career prospects. The current situation of subdued or no demand creates time abundance, lowering thus the opportunity cost for tourism employees to reskill. Studying the needs of the market of the future, it becomes obvious that time should be invested in mastering digital skills, as well as other sector-specific skills such as foreign languages. Investing in skills development would better position tourism employees in the future tourism market.

The increased tourism market concentration in large firms that can bear the cost of digital infrastructure investment could lead to labour monopsony or oligopsony situations. Digitalisation of tourism businesses and the spread of platforms could lower labour demand and render the tourism sector less labour intensive. According to recent OECD (2020c) research, the fall of labour share could lead to monopsony powers of tourism service providers and a large number of non-skilled workers being laid off. Therefore, it is essential that the upskilling and reskilling process of tourism sector employees be in line and close consultation with the evolving labour market needs of the sector.
Keeping an eye out for the tourism offers and destinations of the future

Despite radical changes brought about by Covid-19, the underlying need and desire for tourism, vacations, travelling, accommodation and other related services will always be part of the human intrinsic tendency for exploration, relaxation and leisure. In light of the changing landscape of the tourism market and the increased competition, tourism services providers and destinations will likely make substantial offers in order to attract clients. It is important thus for tourists to keep an eye out and make reservations taking into account the preferences, risk appetite, etc. Yet, it is equally important to consider the various governments measures and restrictions, as well as the increased travel flexibility provided by free cancellation or reimbursement policies that also help in this direction.

Scenaria planning is key. In the case of a health and tourism recovery in the short run, demand may increase sharply, particularly in budget destinations. This would reflect the cut in tourism spending caused by the income decrease, combined with an increase in the willingness of people to escape from home after the long quarantine measures. Another potential option could be that of vacations in destinations with low Covid exposure or even staycations (Carty, 2020). At a time when people strangely find themselves forced to explore their close world, and perhaps, what is happening within a kilometre radius from their residence, tourism service providers may start targeting local needs. In such a way, people would find the opportunity to explore the gems of their community or nearby areas.

5.2 What can tourism businesses do

While travel and tourism businesses certainly suffer disproportionately compared to other service sectors, there are certain measures that they can take in order to mitigate the effects of the current crisis and better prepare for the future. Taking the opportunity of the time flexibility and fall in demand caused by the Covid restrictive measures, tourism businesses can aim at both optimising repetitive procedures and undertaking initiatives that would better position them in the post-Covid travel and tourism market.

Business reorganisation to respond to future tourism trends

For as long as the restrictiveness measures limit the actual provision of travel and tourism services, businesses in the sector can take the opportunity to optimise their procedures in order to quickly and fully benefit in the future from the demand. In this regard, by optimising procedures and organising input services, businesses can hope for efficiency gains once the market starts opening. Lower overall demand would imply that efficiency gains need to be achieved even without expecting economies of scale. Practical ways to start the organisational optimisation could include effort of tourism MSMEs to
organise clients lists, standardise and operationalise contacts with suppliers and partner businesses, review client satisfaction surveys and undertake spending reviews to identify unnecessary expenses.

The opportunity of distance working and a broadened range of clients and suppliers around the world should constitute an incentive for travel and tourism businesses to update their network systems and infrastructure. As inferred from the analysis above, the expected increase in online reservations, hotel booking, and e-tourism would require a faster transition of travel and tourism services in the digital world. Businesses in the sector should carefully consider both the opportunities (such as the lower costs, broader outreach, enhanced client base, etc.) and the potential challenges (such as the cybersecurity threats, privacy risks, increased need for skills upgrade, etc.) that such a transition would engender.

**Expanding client base and partners network**

Businesses in the sector should seek ways to remain in touch with past customers and potential future tourists. The smaller number of tourists and travellers in the short run would trigger enhanced product and price competition among businesses. In a response to that, businesses in the sector could deploy loyalty offers and advertisement in order to boost the share of repetitive tourists. Trust and customer care can be shown through the circulation of e-mails or other means of communication. These can include hotel credit, reward points, voucher offers for customers to postpone their stay, etc. (Sitereminder.com, 2020). In such a way, tourism businesses build relations with clients that could persuade the latter to postpone their demand for later rather than asking for reimbursement or pre-paid services.

Increasing customer lifetime value for travel and tourism service provides would comprise the reduction of customer uncertainty through offers of cancellations, refunds, and “rebookings”. As consumers are given the choice between refunds and cancellations or postponement, businesses could accompany vouchers for travel and tourism services with other offers that would render the former more attractive to clients.

New partners should be also sought in the process of business transformation. Reaching out to local businesses and associations for potential new efficiency-driven co-operations could rationalise spending, while also creating synergies through outsourcing of inefficient processes. In the same spirit, a number of businesses in the value chain of travel and tourism services could co-operate in order to promote staycation (Carty, 2020) or build local brands and promote cross-border regional ecotourism products specific to intraregional customers (Honeck and Kim, 2020).
**Studying the market competition and preparing for the future**

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

The characteristics of consumer demand should be incorporated when designing the features of tourism services. Certainly, previous estimates of income and substitution elasticities will no longer reflect the reality on tourists’ behaviour. Large companies that can afford machine-learning approaches will be able to frequently retrain their algorithms, obtain updated information concerning the willingness to pay of their customers and will probably have a structural advantage over their peers in terms of price optimization (Guerrini et al., 2020). Smaller companies can regularly test the market through an active approach of personalised products and services and quicker adaptability of their offers to the changing preferences, which would ultimately effect both the health safety and the economic perception of tourists.

The changes brought about by the digitalisation of the tourism product would urge both market incumbents and followers to consider e-tourism and e-commerce alternatives or additions to their services. Moving to the "new normal" would be probably accompanied by a fall of the share of on-the-spot purchases and physical advertisement. As a result, businesses should adapt the promotion channels of their marketing mix in order to capture a larger share in the market.

The offered services are bound to change in many aspects. Innovations that match demand and respond to the needs and financial situation of consumers will better survive the increased competition. A multidisciplinary approach to designing the services that match the future needs could strengthen the chances of tourism services to be profitable. For example, as an innovation at the intersection of tourism and financial services triggered by the Covid-19, a new business model emerged when the Porter & Sail company started offering a tourism product along the lines of a financial derivative product (Wiley, 2020). Just like a call option in futures markets, these products allow potential tourists to buy today a "bond" that allows them to stay at a point of time they choose in a given hotel. In such a way, businesses get access to liquidity at a time of increased risk perception, which tourists may be lured to purchase because of the heavily discounted prices (usually 20-50% discounts). On the other hand, the "tourist-investors" bear the risk of further price falls in the future or a complete closure of the tourism businesses. In the former case, tourists would have paid a higher price than the spot price for the same service, while in the latter case, they would have paid for a service that can no longer be delivered.
5.3 What can governments do

A wide array of policy responses has been designed and implemented by governments around the world in order to mitigate the Covid effects of tourism and stimulate the growth of the sector following the relaxation of measures. In line with policy objectives of employment protection and revenue generation, as well as the overall dependence on the sector, various countries prioritise and allocate resources in order to respond to current and upcoming challenges. In this respect, four dimensions can be distinguished to structure the potential policy responses based on the need to provide immediate stimulus and mitigate economic impact, accelerate recovery in the post-Covid era, seize the opportunity to address in parallel long-term megatrends and address sustainability concerns. This needs to be done through comprehensive policies that integrate all four dimensions, while considering interdependencies and potential synergies.

Immediate stimulus to mitigate economic and social impact

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

Stimulus measures to tourism businesses can be included in the context of broader economy-wide measures or be sector-specific. Depending on the available resources, as well as the importance and interlinks of travel and tourism services with other economy sectors, governments may consider using liquidity injections, insolvency prevention clauses, tax cuts, freeze of payments and interest arrears, and other measures of economic support.

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

Accelerating recovery

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

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

A first pillar that governments can build upon consists in ensuring support for skills development for part-time or seasonal workers in the travel and tourism sectors. As unemployment mounts, concerns over specialised, skilled and professional working force may arise once recovery starts. Governments can foster skills of tourism sector employees and undertake initiatives showing the way for the future transformation of the sector in the digital era. Learning vouchers, online training and knowledge transfer incentives can be embedded in lifelong learning strategies. In order to ensure relevance, it is important that these strategies be closely consulted with the private sector.

Secondly, the health protection objective could be achieved in parallel with sector resurge only by imposing strict health protocols. Chile is an example and among the first countries that have decided to issue the so-called 'immunity passports'. They would allow people who have recovered from coronavirus to travel with less health concerns for the receiving countries. Discussion concerning the feasibility and effectiveness of immunity passports are still ongoing, as this would require mass testing, while risks of contagion may continue due to the shifting nature of the virus itself (Coleman, 2020)

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

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

<table>
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<tr>
<th>Box 1. Good practices of tourism promotion policies during Covid-19 in Greece, Kenya and the Philippines</th>
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<tr>
<td>In the case of Greece, the tourism promotional platform &quot;Greece from Home&quot; was a government-led and funded initiative that was established and launched in March 2020. It focuses on promoting online Greek tourism destinations during the Covid-19 epidemic and capturing a larger share of the tourism market once restrictions measures ease. In Kenya, the government set aside $3 million for its post-Covid-19 recovery strategy, with $2 million being allocated to boost the image of Kenya as a destination. To promote the Philippines as a tourism destination, the Department of Tourism (DOT) allocated USD 118 million (PHP 6 billion), including funding for a domestic travel campaign (PHP 421 million) and for creating content that targets emerging countries that are unaffected by Covid-19 (PHP 467 million).</td>
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**Responding to sustainability challenges and long-term megatrends**

The coronavirus has, strangely, brought some environmental benefits along the many threats and the devastating economic damage. With no vaporettos crossing the channels of Venice, they got cleaner (Hirsch, 2020), while air quality has arguably improved in many large cities, rendering them friendlier to their inhabitants and healthier for tourists (Georgiou, 2020). The current crisis constitutes an opportunity to switch towards a sustainable model of economic growth in the tourism sector, which should take into account the long-term social impact. When considering over-tourism and the environmental damage it engenders, the negative externalities arguably grow exponentially (Bennett, 2020).

Long-term megatrends become obvious as economic activity in the travel and tourism sectors has stalled. This provides a unique opportunity for visionary policymakers to design the policies of the future, while experiencing a unique situation testing the potential for economic activity in the context of less crowded cities, tourism venues, as well as offices. For example, governments should understand the potential benefits of remote work and prepare for new efficient forms of work. Furthermore, policies
and promotional campaigns can be redesigned to mitigate effects of over-tourism by promoting alternative destinations. Options such as the trend of staycations – i.e. the trend of domestic tourism in short distances – can temporarily help the sector to secure revenue streams even when measures are still partially imposed (Carty, 2020).

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

The digital infrastructure investment in tourism could achieve quick wins even while restrictions limit the physical move of tourists. As argued by Honeck and Kampel (2020), even during the current Covid-19 crisis, virtual tourism remains a rapidly growing opportunity to market destinations. Taking this opportunity, health safety perceptions created by destinations less exposed to the pandemic could be catalysed by first mover advantages in the digital tourism market. Moreover, actions to further develop e-commerce and broadly convey the importance of biodiversity in preventing pandemic outbreaks would be crucial for the long-term sustainability of the sector and the wider diffusion of tourism benefits in local economies. Particularly in developing countries, diversifying the tourism services and spreading them across the country can help to address sustainability concerns. Meanwhile, the Covid-19 crisis should be used as an opportunity for authorities to make plans on what kind of tourism we really want.

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

In order to achieve the abovementioned benefits, intragovernmental and intergovernmental cooperation and coordination is necessary. Joint efforts of ministries and government agencies working on tourism, environment and infrastructure would facilitate the effective implementation of multitargeted and multifaceted policies. Strategic foresight and synchronised reflection on the future challenges of travel and tourism services would be imperative in order to develop a comprehensive plan of recovery in the short run and improve the long-term economic competitiveness of the sector.
5.4 In conclusion

Just like the transformation of the virus, the repercussions of the Covid-19 crisis evolve as the economy shows its reflexes to the crisis. Moving forward, more is needed in all fronts, while government responses must take into account the evolving needs of the tourism industry and the changing nature of the health crisis, its implications for travel and tourism services, and the interdependences with other affected sectors of economic activity. On March 25th, the UNWTO (2020b), with the support of the World Health Organization (WHO), called on innovators and entrepreneurs to put forward new solutions to help the tourism sector recover from Covid-19. In this spirit, policy responses will need to be socially embraced and complemented with increased corporate social responsibility in the area of health protection in order to deliver the best possible results. If close consultation and strict coordination was a consideration that could have been sometimes neglected in the past, it now becomes an imperative that all stakeholders need to adhere to, while governments would need to take bold actions both nationally and internationally – certainly going beyond the theory-proposed market-fixing approach.
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Indicative online sources of reported tourism-related measures

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<td><a href="https://www.boe.es/eli/es/rdl/2020/03/12/7">https://www.boe.es/eli/es/rdl/2020/03/12/7</a></td>
<td>Spain</td>
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<td><a href="https://www.greecefromhome.com">https://www.greecefromhome.com</a></td>
<td>Greece e-tourism promotion</td>
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Annex 1. List of policy responses by country and type of policy implemented in the tourism services sector

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<tr>
<th>Continent</th>
<th>Country</th>
<th>Social &amp; Employment</th>
<th>Economic</th>
<th>Financial</th>
</tr>
</thead>
</table>
| Africa    | Cabo Verde|                                                                                     | 1. As part of the EGP 100 billion stimulus, EGP 50 billion has been announced for the tourism sector, which contributes close to 12% of Egypt’s GDP, 10% of employment, and almost 4% of GDP in terms of receipts, as of 2019  
2. Real estate tax relief has been provided for industrial and tourism sectors | Loan guarantees of up to 80% for companies in the tourism and transport sectors (CVE 1 billion). |
| Africa    | Egypt     |                                                                                     | 1. As part of the EGP 100 billion stimulus, EGP 50 billion has been announced for the tourism sector, which contributes close to 12% of Egypt’s GDP, 10% of employment, and almost 4% of GDP in terms of receipts, as of 2019  
2. Real estate tax relief has been provided for industrial and tourism sectors | The preferential interest rate on loans to SMEs, industry, tourism and housing for low-income and middle-class families, has been reduced from 10 percent to 8 percent. |
| Africa    | Ivory Coast|                                                                                     | 1. Pending VAT liabilities, taxes and social charges deferred till July  
(exemption for small companies in the hospitality and tourism sector)  
2. Establishment of a support fund for the private sector for an amount of 415 million USD. | Future tax controls suspended till July. |
| Africa    | Kenya     |                                                                                     | The government sets aside $3 million for its post-COVID-19 recovery strategy, with $2 million being allocated to boost the image of Kenya as a destination. |                                                                                                                                                   |
| Africa  | Rwanda       | 1. Removed the notice period for park permits for both tourists and tour operators. Tourists who need to postpone park visits due to cancelled flights, travel bans, or being infected with COVID-19 have up to two years to postpone bookings at no extra cost.  
       |             | 2. Tourists (including MICE tourists) with low season discounted permits for mountain gorilla trekking can postpone these and use within 2 years. |
|--------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Africa  | Senegal      | The government intends to adopt tax measures, providing some general tax relief and targeted support to the most affected sectors (hotels, restaurants, transport, and culture). |
| Africa  | Sierra Leone | The government is developing a package of measures for business support by negotiating with commercial banks to suspend interest to small and medium-size enterprises in the tourism sectors. |
| Africa  | South Africa | 1. Funds will be available to assist SMEs under stress, mainly in the tourism and hospitality sectors.  
<pre><code>   |             | 2. The government set aside 200 million rand (US$11.4 Million) for tourism SMEs who may be affected by COVID-19. |
</code></pre>
<table>
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<tr>
<th>Country</th>
<th>Action</th>
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<tbody>
<tr>
<td>Asia Bahrain</td>
<td>Exemption of tourist facilities from tourism fees. Doubling of the size of the liquidity fund to support SMEs, including tourism SMEs.</td>
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<tr>
<td>Asia Brunei Darussalam</td>
<td>Effective April 1, businesses in the tourism, hospitality/event management, restaurants/cafes, and air transport sectors (“Affected Sectors”) will be given a six-month deferment of their principal repayments of financing/loans.</td>
</tr>
<tr>
<td>Asia China</td>
<td>1. Subsidize tourism SMEs that offer employment opportunities/did not lay off workers. 2. Offer subsidies for enterprises that provide training programs. 3. Encourage Class-A tourism attractions to be free of charge to the public. 4. Government will pay 50% monthly salary for every local employee (salary up to HK$9,000) for six months after June 2020. 1. 80% of the travel agency deposit is temporarily returned to licensed tour agencies, and the total amount is around 8 billion RMB by Feb 25th. 2. The maximum carryover period for the loss incurred in 2020 is extended from 5 years to 8 years. 3. Income from general service industries and public transportation is exempted from value added tax. 4. Offer subsidies for tourism promotional campaigns. 5. Train fares to be lower by 20% for six months from 1 July 2020. 1. Cities provide bail-out funds for qualified tourism enterprises especially for SMEs. 2. Cities offer tax &amp; fee reduction, e.g. reduction of VAT and reduced/delayed social security payments. 3. Authorities encourage financial institutions to provide low-interest loans, loan extensions and loan renewal support with interest subsidies from the government. 4. Offer subsidies for events including waiving venue rental fee.</td>
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<tr>
<td>Asia Georgia</td>
<td>Suspension of property and income taxes for the tourism sector until November 2020, acceleration of VAT refunds, and higher capital spending. Provision of interest subsidy to small and medium sized hotels, increase in credit guarantee scheme.</td>
</tr>
</tbody>
</table>
| Asia  | Hong Kong | Anti-Epidemic Fund’s Travel Agents Subsidy Scheme  
About 1,350 eligible travel agents may receive a one-off subsidy of HK $80,000. 98% of all licensed travel agents in Hong Kong have registered for the payment. |
|-------|-----------|--------------------------------------------------------------------------------------------------|
| Asia  | Indonesia | 1. 189,000 workers in hospitality industry proposed to receive the Pre-Employment Card to improve the competency, productivity and competitiveness of the workforce, as well as to reduce the living cost due to the COVID-19 pandemic.  
2. Providing accommodation and transportation for medical personnel. |
|       |           | 1. Total Aid of IDR 500 billion (USD32m budget for social protection programs for tourism players).  
2. Tax cuts and discounts on airplane tickets and jet-fuel.  
3. Empower SMEs through fabric masks and ready-to-eat dishes program.  
4. Employees income tax (Pajak Penghasilan - PPh) Article 21 to be borne by the government.  
5. Accelerated value added tax (VAT) refunds.  
6. 30% reduction for the income tax (PPh) Article 25 instalments. |
| Asia  | Japan     | 1. Fiscal measures amounting to 430 billion yen.  
2. The Japan Tourism Agency has allocated 3.5 billion yen to provide accurate and timely information to international travellers and make tourist destinations more attractive to attract tourists post COVID-19. |
government is considering taking additional fiscal policy to support tourism industry.
3. Given the postponement of the Olympics, the government is looking at issuing shopping vouchers to stimulate domestic tourism. It is also looking at expanding a one-year grace period for corporate tax payments for affected SMEs.

<table>
<thead>
<tr>
<th>Asia</th>
<th>Lao PDR</th>
<th>Tax relief and extensions of interest payments are being discussed for tourism and agriculture companies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>Malaysia</td>
<td>The government introduced an Economic Stimulus Package (of RM3.5bn; $0.8mn) with a focus on stimulating tourism.</td>
</tr>
<tr>
<td>Asia</td>
<td>Maldives</td>
<td>1. Requirement on all guest houses and city hotels operating in the Maldives to suspend all tourist check-ins during March 17 to 31</td>
</tr>
<tr>
<td>Asia</td>
<td>Myanmar</td>
<td>A COVID 19 Fund worth MMK 100 billion (US$70 million, 0.1 percent of GDP) has been established at the Myanmar Economic Bank to provide soft loans to affected business (particularly the priority garment and tourism sectors and SMEs) at a 1 percent per annum interest rate for a</td>
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<tr>
<td>Region</td>
<td>Country</td>
<td>Support Measures</td>
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<tr>
<td>Asia</td>
<td>Qatar</td>
<td>- Qatar’s QAR 75 billion ($20.6 billion or about 13 percent of GDP) package aims at shoring up small businesses and hard-hit sectors (hospitality, tourism, retail, commercial complexes, and logistics), including through six-month exemptions on utilities payments (water, electricity).</td>
</tr>
</tbody>
</table>
| Asia   | Singapore | - 1. Job support scheme with a one-off wage support to help tourism enterprises retain their workers.  
1. License fee waiver for hotels, travel agents and tour guides, enhanced training schemes and subsidising them up to 90%.  
2. Salary support through Workforce Singapore of up to 70% of fixed monthly salaries (capped at $2000 a month per employee) for these companies.  
3. 100% property tax rebate for commercial properties including hotels, serviced apartments, tourist attractions and eateries for 2020. |
| Asia   | South Korea | - Tax payment deferral covering a broad range of taxes for small businesses and the self-employed in medical, tourism, performance, hospitality, and other affected sectors |

one-year period, with terms to be reassessed as needed.
### Asia: Sri Lanka

- Six month moratorium on bank loans for the tourism, garment, plantation and IT sectors, related logistics providers, and small & medium size industries, with reduced rate working capital loans for these sectors.

### Asia: Taiwan

| 1. Travel agencies, hotels, amusement parks, B&Bs, and tour guides, are eligible for paid training programs at the minimum hourly wage of NT$158 for 120 hours, which would provide for up to NT$18,960 for each worker furloughed during the pandemic. |
| 1. Self-employed workers/freelancers, tour guides eligible for a subsidy of NT$30,000. |
| 2. Ministry of Transportation & Communications earmarked NT$1.5b to aid hotels and B&Bs. |
| 3. Hotels would receive NT$200,000 and NT$10 million as part of the plan, depending on their size, while B&Bs and those that have received the Taiwan Host certification from the Tourism Bureau would receive between NT$50,000 and NT$100,000 respectively. |
| 4. The nation’s five largest travel agencies, which typically arrange 500 tours annually, would receive a subsidy of up to NT$25 million. |
| 1. Travel agencies, hotels and amusement parks could apply for loans up to NT$50 million each, while B&Bs will be eligible for loans up to NT$16 million each. |
| 2. Mid-sized travel agencies and hotels would be eligible for loans ranging from NT$150 million to NT$500 million, which are to be provided through additional funding of NT$150 billion package for mid-sized companies that the central bank announced last week. |

### Asia: The Philippines

| 1. $23 million (PHP 1.2 billion) from the Social Security System will be used as unemployment benefits for private sector workers, including those of the tourism sector. |
| 1. $271 million (PHP14-billion) aid from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) has been earmarked for various programmes and projects of the Department of Tourism |
| A microfinancing special loan package will also be put in place, amounting to approximately $19 million (PHP 1 billion) to support affected micro, small and medium-
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<tr>
<th>Asia</th>
<th>Turkey</th>
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<tr>
<td>Asia</td>
<td>United Arab Emirates</td>
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<td>Asia</td>
<td>Uzbekistan</td>
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</tbody>
</table>

2. $58 million (PHP 3 billion) scholarship grant for upskilling and reskilling temporarily displaced workers, including those of the tourism sector.
3. $40 million (PHP 2 billion) for social protection programmes for workers who work in organizations affected by COVID-19, including those of the tourism sector.

2. To promote the Philippines as a tourism destination, the Department of Tourism (DOT) allocated $118 million (PHP6 billion):
   - campaign for domestic travel, PHP421 million
   - create content that targets emerging countries unaffected by Covid-19, PHP467 million.

1. Reduced taxes for affected industries (particularly tourism)
2. Direct support to Turkish Airlines and other affected entities
3. Accommodation tax suspended until November.
4. Postponed VAT withholdings and social security payments by six months.
5. VAT for domestic flight reduced from 18% to 1% for 3 months, starting as of April.

Rebate on commercial lease payments in the tourism and hospitality sectors

Temporary reduction of social contributions for individual entrepreneurs, postponing surcharges on tourism.

State-owned banks are extending maturities of loan repayments for the affected sectors, including for the national air carrier.
<table>
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<tr>
<th>Region</th>
<th>Country</th>
<th>Details</th>
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<tbody>
<tr>
<td>Asia</td>
<td>West Bank and Gaza</td>
<td>The Palestine Monetary Authority has postponed monthly/periodic loan repayments to all borrowers for the next four months, and for the tourism and hotel sectors for the next six months.</td>
</tr>
</tbody>
</table>
| Australia & Oceania | Australia        | 1. $10.3 billion (AUS$ 17.6 billion) stimulus plan and an additional $38.3 billion to be spent over the next six months.  
2. AUS$1 billion (US$613 million) to support those sectors, regions and communities, including Travel & Tourism that have been disproportionately affected by the virus.  
4. AUS$700 million allocated to increase the instant asset write off threshold from $30,000 to $150,000 and expand access to include tourism businesses with aggregated annual turnover of less than $500 million (up from $50 million) until 30 June 2020.  
5. Government will pay AUD 1,500 fortnightly per employee from 30-Mar-20 |
<table>
<thead>
<tr>
<th>Australia &amp; Oceania</th>
<th>New Zealand</th>
<th>Government pays 78% of the weekly minimum wage per week for people working more than 20 hours per week and 46% of weekly minimum wage for people who work less than 20 hours per week.</th>
<th>The government will open a NZ$900 million (US$580 million) loan facility to the national carrier as well as an additional NZ$600 million relief package for the aviation sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>1. Businesses can now claim tax depreciation deductions for commercial buildings, previously tax depreciation on all building was at 0%.</td>
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<td>2. Tax office will waive interest and penalty payments for businesses unable to pay their taxes on time due to the impact of COVID-19.</td>
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<td>3. Auckland Council has postponed the targeted rate for payable by hotels.</td>
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<td>4. Businesses with annual revenue between $250,000 and $80 million can apply to their banks for loans up to $500,000, for up to three years. Government is guaranteeing 80% of the risk, while the banks are covering the remaining 20%.</td>
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<tr>
<td>Tonga &amp; Oceania</td>
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<td>In March 2020, it toughened measures for incoming travellers, while all international cruise ships and yachts were barred indefinitely.</td>
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<td>Restructuring loans to businesses that have reduced business hours, in affected sectors such as tourism and related industries like transportation and to individuals who have been laid off.</td>
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<tr>
<td>Europe</td>
<td>Albania</td>
<td>Sovereign guarantee fund of USD 150 million to be activated targeting the tourism sector, textile, garments and footwear manufacturing, and production industries.</td>
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<td>1. 10,000 professionals of the tourism sector to receive direct financial support of about USD 400.</td>
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<td>2. Instalment payments of profit taxes for all businesses (except telecommunication, banking, wholesale trade and state-owned enterprises) are postponed for after 30 September. Exceptionally, for tourism MSMEs with annual turnover up to USD 140 thousand they are postponed beyond the 31st of December 2020.</td>
<td></td>
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<tr>
<td>Europe</td>
<td>Austria</td>
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<td></td>
<td>The government announced €100 million of support for the Travel &amp; Tourism sector. The €100 million will cover liabilities if a (family run) hotel applies for a loan to cover the loss due to cancellations (they have to prove that they suffered a loss of at least 15% in comparison to the last year).</td>
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<td>Europe</td>
<td>Belgium</td>
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<td>A budget of 5m has been made available for youth and social tourism in Flanders.</td>
<td>1. In the travel sector, the cancellation of a package trip will result in the award of a voucher of equal monetary value with a validity of at least one year.</td>
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<td>2. Visit Flanders decided to waive tax collection in 2020 from youth hostels.</td>
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<tr>
<td>Europe</td>
<td>Croatia</td>
<td>Supporting employees with fixed salary of $580 per month.</td>
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<td>1. Payment of tourist tax repealed, for duration of crises.</td>
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<td>2. Income tax repealed – for duration of crises – for companies with &gt; 50% revenue decline.</td>
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<td>3. For other companies – with &lt;50% revenue decline, income tax payments postponed.</td>
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<tr>
<th>Europe</th>
<th>Cyprus</th>
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<tbody>
<tr>
<td></td>
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<td>1. Support for affected businesses to maintain jobs, support for the tourism sector, and deferral of the VAT payments due in two months.</td>
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<td>2. Various subsidies have been given to Hoteliers (90% of staff cost) whilst a subsidy for energy and overhead costs is still under consideration.</td>
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<td>3. Government guarantees for prepayments effected by tour operators and tourist (direct bookings) and will issue coupons valid until the end of 2021.</td>
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<td>Europe</td>
<td>France</td>
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<tr>
<td>1. Total wage support of €45 billion plan.</td>
<td>1. €2 billion Solidarity Fund for:</td>
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<tr>
<td>2. €8.5 billion of those to fund short time working /partial unemployment measures, including those of the tourism sector.</td>
<td>- Businesses whose activity has been closed (mainly refers to catering businesses (which are 160,000));</td>
<td></td>
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<tr>
<td>3. Companies pay compensation equal to 70% of gross salary (around 84% of the net) to its employees, including those of the tourism sector.</td>
<td>- non-food trade (140,000);</td>
<td></td>
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<tr>
<td>4. Employees with minimum wage or less are 100% compensated.</td>
<td>- tourism (100,000);</td>
<td></td>
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<tr>
<td>5. The State will also fully reimburse partial unemployment for wages up to 6,927 euros gross monthly, i.e. 4.5 times the minimum wage, including those of the tourism sector.</td>
<td>- SMEs that have lost turnover by 70% compared to March 2019;</td>
<td></td>
</tr>
<tr>
<td>6. Employees with minimum wage are 100% compensated.</td>
<td>- SMEs with a turnover of less than €1 million.</td>
<td></td>
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<tr>
<td>7. Up to three months grace period for social charges.</td>
<td>2. Order no 2020-315 of 25 March 2020 gives the right to tourism sector professionals to propose to their clients a voucher valid for 18 months instead of the reimbursement of their pre-paid expenses for travel or accommodation, which has been cancelled due to the Covid measures.</td>
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<td></td>
<td>Govt’s 50% Risk Share for loans granted to small &amp; medium business - up to 25% of 2019 revenues.</td>
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<tr>
<td><strong>Europe</strong></td>
<td><strong>Greece</strong></td>
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</tbody>
</table>
| 1. Employees are protected against dismissal from 18 March onwards. However, even for those fired before that date, are eligible for a special funding program to protect their incomes.  
2. Workers whose labour contracts are temporarily suspended will receive EUR 800 in April - the state will cover their social insurance and health contributions. | 1. The government will offer unemployment benefits for April and May for employees whose unemployment card expired in January, February, and March. What's more, employees in the tourism sector, who would not have a loss of income under normal conditions, will receive the special allowance of €800.  
2. Legislative Order of 13 April 2020 (Official Gazzette no 84/2020) gives the right to tourism sector professionals to propose to their clients a voucher valid for 18 months instead of the reimbursement of their pre-paid expenses for travel or accommodation, which has been cancelled due to the Covid measures. After the elapse of the 18 months, unused or partially used vouchers should be reimbursed in cash.  
3. The Greek Ministry of Tourism enacted a phone line (1572) to inform and provide continuous support to tourism professionals concerning latest developments on the Covid-19 situation.  
4. Greece launched an e-tourism campaign named "Greece from Home" (https://www.greecefromhome.com/). | The Greek state will immediately pay all state arrears to the private sector. |
<table>
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<tr>
<th>Region</th>
<th>Country</th>
<th>Measures</th>
</tr>
</thead>
</table>
| Europe | Hungary | 1. The state will pay 70% of net wages for hours that employees cannot work if companies can show a 15%-75% reduction in man-hours (capped at approx. EUR210/person).  
2. For Hungarians who have lost their jobs due to the pandemic, the state is offering a zero-interest student loan to cover living costs while paying 95% of the cost of retraining programs.  
3. Social security paid by the companies/pension contribution paid by employees/healthcare contribution paid by employees/tourism development contribution is suspended till 30 April ‘20. |
|        |         | 1. Temporary cancellation of tourism development contributions.  
2. Non-residential rental agreements cannot be terminated until 30.06.2020 to protect tenants.  
3. Companies in the most affected industries (tourism, F&B, sport, etc.) are exempt of payroll related expenses until 30.06.2020.  
|        |         | 1. All currently running loans and credits, whether for private individuals or companies, are given a grace period / payback and admin cost freeze until 31.12.2020.  
2. Loans and credits, whose agreement would terminate during this period, are to be automatically prolonged.  
3. Approximately EUR1.7 billion special loan for hotel and tourism developments (to improve infrastructure by the time standard operation resumes).  
4. Loan package made available to retain staff (for maximum 9-month period) for 0.1% interest to be paid back in 2 years. |
| Europe | Iceland | 1. Tax incentives for real estate improvement  
2. Temporary tax relief for the tourism sector  
3. Marketing efforts to encourage domestic tourism.  
4. The government has suspended tourist bed night tax. |
<table>
<thead>
<tr>
<th>Country</th>
<th>Measures</th>
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</thead>
</table>
| Europe | Ireland | 1. Temporary COVID-19 Wage Subsidy Scheme for employers, 70% - 85% subsidy, subject to caps €410 per week.  
2. COVID-19 Pandemic Unemployment Payment for employees and self-employed - €350 per week, up to 12 weeks.  
3. Short Term Work Support for employees.  
4. Illness benefit for Covid-19 absences (Enhanced Illness Benefit) €350 per week. |
|         | 1. Suspension of interest on late payments of VAT liabilities for Jan/Feb and March/April 2020.  
2. The government has agreed with local authorities that they should agree to defer rates payments due from the most immediately impacted businesses including hospitality for three months, until end-May.  
3. 3-month moratorium on repayments from all 5 major banks.  
2. SBCI Covid-19 Working Capital Loan Scheme originally €250m increased to €450m – Loans €25k to €1.5m.  
3. SME Credit Guarantee Scheme - Loans of €10k up to €1m.  
4. Local Enterprise Office – Business continuity voucher €2,500 for third party consulting costs to help with financial, planning, IT, development & HR.  
5. Microfinance Ireland Loans - Various grants available for SMEs.  
6. Financial grants specific for businesses including hospitality within Gaeltacht locations. |

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<tr>
<th>Country</th>
<th>Measures</th>
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| Europe | Italy | 1. Government pays 80% of the employee salaries (Cassa integrazione), including those of the tourism sector.  
2. Self-employed or seasonal workers can apply for a special payout of €600 in March, including those of the tourism sector.  
3. Extended parental leave of 15 days in March and April, including those of the tourism sector.  
4. Freezing of layoffs for 2 months |
|         | 1. 500 million Euro fund to deal with the damage suffered by the aviation industry and the Alitalia operation.  
2. Total €2.4 billion reduction in taxes includes:  
- Suspension of VAT  
- 60% tax break on commercial rent  
- 50% tax break on sanitization costs  
- Deductibility of donations for COVID-19  
- Suspension of expiring tax payments demands and tax declarations |
<p>|         | 1. Government’s Risk Share for loans up to €800,000 – 70-80%. |</p>
<table>
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<tr>
<th>Region</th>
<th>Country</th>
<th>Measures</th>
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<tbody>
<tr>
<td>Europe</td>
<td>Latvia</td>
<td>50 percent cut in interest rates on loans for SMEs in the tourism sector and a 15 percent cut for large enterprises.</td>
</tr>
</tbody>
</table>
| Europe  | Netherlands | 1. 3 months deferral of tax payments for most taxes, including payroll taxes, corporate income tax, VAT, insurance premium tax, betting tax, excise duty, consumer tax and environmental taxes (e.g. energy tax, waste tax).  
2. Reduced recovery interest rate to approx. 0%.  
3. Deferral or suspending city taxes is discussed.  
4. Compensation for SME in sectors hit by government measures, including hospitality, for decline in revenue between March and June: € 4,000 net. |
| Europe  | Norway  | Work is underway on measures, both general and industry-specific. Travel & Tourism is included in the general rescue packages based on lay-off rules, loan guarantees, postponements, etc., and a compensation scheme for tour operators has apparently been made. |
| Europe  | Portugal | 1. Training scholarships in the Institute for Employment and Vocational Training in Portugal  
1. Government pays 2/3 of the salary remuneration and ensures 70% of Social Security of tourism sector  
1. A dedicated €200 million credit line for businesses, €60 million credit line for micro-enterprises in the |
(IEFP), including those of the tourism sector.
2. Extraordinary support for the maintenance of employment contracts in a company in the amount of 2/3 of the remuneration, and ensuring 70% of Social Security, the remainder being borne by the employer.

2. Extending the deadlines for payment of taxes and other declarative obligations, including those of the tourism sector.
3. The government is also strengthening the response capacity of IAPMEI (specialised public agency of the Ministry for the Economy providing technical and financial support to enterprises, in particular SMEs and Turismo de Portugal in assisting the impact caused by COVID-19.
3. The government is also supporting the reimbursement costs incurred by organizers whose events in 2020 were postponed or cancelled. It was also decided to exempt rents related to properties held by Turismo Fundo (real estate investment funds). The Government decided to postpone the fulfilment of several corporate tax obligations. In addition to financial support for companies, advisory services were created for tourism entrepreneurs, supporting the management of companies at a critical moment of their existence.

2. The Government approved a set of credit lines for companies, three new lines of financing of 1,700 million euros aimed at the sectors most affected, notably restaurant business: €600 million of which €270 million are for micro and small enterprises; travel agencies, entertainment companies, event organization and similar: €200 million, of which €75 million are for micro and small enterprises; tourist developments and accommodation, €900 million, of which €300 million are for micro and small enterprises. These credit lines include a 4-year repayment term, including a grace period until the end of the year.
<table>
<thead>
<tr>
<th>Europe</th>
<th>Russian Federation</th>
<th>1. Tax deadlines extended for tourism and aviation industries, as well as for SMEs and other affected industries; 2. Tourism companies not to pay contributions to the tourist sector reserve funds.</th>
<th>Temporary regulatory easing for banks intended to help the transport and tourism sectors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>Slovenia</td>
<td>The government is increasing promotion funds for travel agencies and tour operators in 2020.</td>
<td>Payment deadlines for payments to private suppliers from public funds will be reduced to 8 days.</td>
</tr>
<tr>
<td>Europe</td>
<td>Spain</td>
<td>1. Entitlement of unemployment benefit for workers temporarily laid off under the Temporary Employment Adjustment Schemes (ERTE) due to COVID-19, with no requirement for prior minimum contribution or reduction of accumulated entitlement, including those of the tourism sector. 2. €440 to temporary workers who lose their jobs. 3. Moratorium of 6 months for Social Security contributions payment – applicable to SMEs and self-employed workers; no interest on delayed payment.</td>
<td>1. €200 billion package to help vulnerable companies and workers, including those of the tourism sector. 2. Half of that money is tied to a public guarantee scheme. 3. 50% exemption from employer’s social security contributions and professional training activities, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities. 4. €400 million guarantee from the ICO (Official Credit Institute of Spain) for self-employed and tourism companies (liquidity limit of €500,000). The funds operate as a 4-year loan; with a fixed interest rate (with a maximum of 1.5%) in which the ICO will guarantee Credit Institutions with a 50% of the risk of their clients. Operations can be agreed until 31 December 2020. 2. Deferred repayment of loans granted to businesses by the Ministry of Industry, Trade, and Tourism. 3. Deferral of Tax Debts for companies up to €30,000 for 6 months. 4. Government guarantee covers, in the case of the self-employed and SMEs, 80% of new loans and loan renewals.</td>
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</table>
The government will provide airlines with credit guarantees in 2020 amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS. The credit guarantee framework is being expanded to support Swedish export companies and, by extension, the shipping industry.

| Europe    | Sweden                        | 1. A grant will cover 80% of wages up to £2,500 for those employees kept on payroll, including those of the tourism sector.  
                                                    | 2. Sickness benefit of £94.25/week for self-employed sick workers. | A support package of £330bn was announced:  
1. It includes the provision of £20 billion of business rates support and grant funding to help the most-affected firms manage their cashflow through this period.  
2. The scheme provides all retail, hospitality and leisure businesses in England a 100% business rates holiday for the next 12 months.  
3. Grants to small businesses eligible for Small Business Rate Relief from £3,000 to £10,000.  
4. £25,000 grants to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.  
5. Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate  
| United Kingdom | 1. Coronavirus Business Interruption Loan Scheme, offering loans of up to £5 million for SMEs, including those of the tourism sector.  
                                                    | 2. Govt to provide £350 billion in loan guarantees across sectors.  
                                                    | 3. Coronavirus Business Interruption loan scheme is interest free for 12 months.  
                                                    | 4. 3-month mortgage holiday without credit repercussion. |
6. No business will pay VAT until the end of June, including those of the tourism sector. Future VAT liabilities waved off till end of the year. Tax credit allowance to be increased.

7. Grants of £10k - £25k for small hospitality businesses.

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<tr>
<th>Region</th>
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<th>Measures</th>
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| North America    | Belize           | 1. Reduced risk-weights for banks on loans in the tourism sector from 100 percent to 50 percent.  
                  |                  | 2. Guarantee of 80% for lenders giving interest free loans for 12 months to SMEs, including those of the tourism sector. |
| North America    | Costa Rica       | To support the Travel & Tourism sector, the government created a quarantine insurance for tourists who visit to the country. |
| North America    | Eastern Caribbean Currency Union | Payroll support to the affected sectors (such as tourism) and individuals. |
| North America    | El Salvador      | 3-month extension:  
                  |                  | - for income tax payments for individuals and firms operating in the tourism sector with a taxable income lower than US$ 25,000;  
                  |                  | - from the special tourism tax for |
companies operating in the tourism industry.

<table>
<thead>
<tr>
<th>South America</th>
<th>Argentina</th>
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</thead>
<tbody>
<tr>
<td>1. Businesses in tourism, passenger transport and hospitality are exempt from the payment of employer contributions.</td>
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<tr>
<td>2. Travel Agencies will be allowed to serve the public exclusively through electronic channels for 30 days.</td>
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<td>3. Inclusion of hotels among the essential activities and services in the emergency.</td>
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<td>4. Opening of three communication channels for tourists and the tourism sector.</td>
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<tr>
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<th>Colombia</th>
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<td>Postponed payment of the VAT and income taxes for the tourism and aviation sectors.</td>
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<td>Individuals who have paid to visit protected natural areas and Cultural Heritage sites can be refunded the fees.</td>
<td></td>
</tr>
</tbody>
</table>

1. New credit line providing liquidity support to all tourism-related companies
2. Delayed tax collection for the tourism and air transportation sectors