

# RUSSIAN INBOUND TOURISM BENEFITING FROM THE FIFA WORLD CUP



The FIFA World Cup has just ended in Russia resulting in a boost for local tourism. In the past years officials and authorities have paid a special tribute to inbound tourism. The goal of Russia is to increase revenues from tourism by 75% by 2024, to \$15.5 billion.

Prime Minister Medvedev has instructed federal authorities to work on a project called “International Cooperation and Export”. The goal is to stimulate inbound tourism flow from various target countries.

## **Moscow and St. Petersburg still on top**

The most popular destinations in Russia are St. Petersburg, Moscow, Baikal, the cities of the Golden Ring, Kamchatka or regions along the Trans–Siberian Railway.

Petersburg and Moscow attract foreigners with a rich history and many attractions. Baikal and Kamchatka are suitable for tourists attracted towards ecology and lovers of natural diversity, while the Trans–Siberian Railway provides a rare opportunity to go on a very special train journey.

Moreover, there are tourists in Altai, Kazan and Sochi. And even in the Arctic. Murmansk region is one of the actual examples of the almost explosive growth of interest from foreign tourists. In recent years, Chinese visitors have been visiting the region in masses. However, the vast majority of foreign inflow comes to Moscow, St. Petersburg and Baikal.

## **Growth in the Asian market**

In 2017, 24 million foreigners arrived in Russia boosting the inbound tourism significantly. This was an increase of 1.7% compared to 2016.

The source markets to concentrate on are most definitely China, USA or for example South Korea. 1.7 million Chinese tourists arrived in Russia in 2017, showing an increase of 13.7% compared to the year before.

US tourism in Russia grew by 17.7% to 293 thousand in 2017, while South Korean by 52.8% to 276,560. Thailand (63.5%), Turkey (51%), Brazil (29.1%) and India (20.2%) are other countries that have registered high growth in terms of inflow to Russia. Overall, as evident, the strongest growth was shown by Asian countries.

On the other hand, the inflow from some European countries fell, for example from Finland (-22.8%) or Poland (-27.5%). These two groups, however, still represent second and third place in terms of source markets.

### **Tourism share on export services to rise**

According to the World Tourism & Travel Council, the export of tourism services in Russia in 2018 amounted to \$14.4 billion. This is 3.6% of all services. The same institution forecasts that by the end of 2018 the export of tourist services in Russia will increase by about 4%.

By 2028, exports of tourism services will reach 1.32 trillion rubles (\$22.8 billion), which is 4.9% of total export of services. The optimistic forecast for 2028 assumes that the export of tourist services can reach 1.956 trillion rubles.

### **The FIFA World Cup effect**

The growth tendency of the sector was also seen during the FIFA World Cup, though it is necessary to point out that this is more of a short-term wow effect. Russian cities were visited by 3 million tourists, almost half of which were foreigners. The tourist flow increased from 15 to 70% throughout the country.

In Kazan, the number of foreign tourists quadrupled. In Kaliningrad it increased by 1.6 times and in Volgograd, the growth was about 70%. Meanwhile, Saransk was visited by 200 thousand tourists during the event – more than for the whole of last year.

According to officials, Moscow was visited by 3 million people during the FIFA World Cup. About as many usually visit the city in two months. 1.2 million of these were foreigners, mostly from China, the USA, Germany, Netherlands and France.

Other than the fact that tourism was booming during the World Cup, tourists were also very satisfied with the organizational level of the event. In France, a poll was conducted, according to which 87% of fans would like to visit Russia again.

Such indicators are given not only by France. According to the executive director of the Association of Tour Operators of Russia Maya Lomidze, in 2019 20% more tourists will arrive in Russia – 30 million.

### **Visa policy called for review**

After the FIFA World Cup it was also shown that Russia open to the whole world is not only politically attractive, but also profitable. Authorities are now pushing for a dramatic simplification of the visa regime for foreigners.

The Russian Parliament has, meanwhile, extended visa-free travel for foreign fans until the end of the year. But some are calling for other changes.

The Governor of St. Petersburg, Georgiy Poltavchenko, **calls for the introduction of electronic visas for tourists, similar to those used by fans during the World Cup.** According to him, such a practice would triple the flow of tourists to the northern capital and would add more than 200 billion rubles to the state budget.

Others are calling for more drastic measures. The deputy chairman of the State Duma, Igor Lebedev, believes that for the sake of tourism growth, Moscow needs to abolish the visa regime with the countries of the West in view of a rapid increase in visits from the European Union.

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