

# GLOBAL TOURISM: THE BILL FOR COVID-19 TO AMOUNT TO 2 TRILLION DOLLARS



United Nations Conference on Trade and Development (UNCTAD) estimates that for every \$1 million in lost international tourism revenue, a country's national income could fall by \$3 million. The effects on employment could be dramatic.

The global tourism sector could lose at least \$2 trillion (two thousand billion), or 1.5% of the world's gross domestic product (GDP), after being stranded for nearly six months due to the coronavirus pandemic, UNCTAD said in a recently released report.

**The United Nations Trade and Development Organization warned that the loss could reach \$2.2 trillion or 2.8 per cent of global GDP** if the suspension of international tourism lasts for 10 months, in line with the expected decline in tourism predicted by the United Nations World Tourism Organization (UNWTO). The organization projected a 60-80% decrease in international arrivals for 2020.

In the worst-case scenario, UNCTAD estimates the losses, with a 12-month interruption of international tourism, at \$3.3 trillion or 4.2% of world GDP.

According to UNWTO, **global tourism, whose revenues have more than tripled over the past 20 years from \$490 billion to \$1.6 billion, is the backbone of many countries' economies and a lifeline for millions of people around the world.** In some Small Island Developing States, for instance, tourism has accounted for as much as 80% of exports.

But Covid-19 has brought this sector to a halt, with serious economic consequences worldwide. According to UNWTO, 90% of the world's museums were forced to close at the height of the pandemic, and more than 10% may never reopen. Lock-in measures in some countries, travel restrictions, reduced consumer disposable income and low levels of confidence could significantly slow the sector's recovery.

Date: 2020-09-07

Article link: <https://www.tourism-review.com/global-tourism-to-lose-2-trillion-dollars-news11662>