

THE RECOVERY OF EUROPEAN TOURISM HALTED BY SECOND COVID WAVE



According to the latest quarterly report of the European Travel Commission (ETC), the relaxation of pandemic restrictions across Europe last July and August led to a slight recovery of European tourism compared to the previous months.

However, the recent reintroduction of bans and travel restrictions due to rising numbers of Covid-19 cases quickly destroyed any chance of an early recovery of the sector. According to the ETC report, **European arrivals are likely to decline by 61% in 2020.**

Common Solutions Necessary

Following the publication of the report, Eduardo Santander, executive director of the ETC, commented:

“With the second wave of the Covid-19 pandemic gripping Europe before the winter season, it is now more important than ever for European nations to join forces to agree on common solutions. Not only to contain the spread of the virus, but also to support the sustainable recovery of European tourism, restore the confidence of travelers and, above all, to protect the millions of businesses and jobs that are at risk,” he said.

According to the ETC, the direction of economic recovery across Europe will depend significantly on the recovery of the tourism industry. The sector accounts for nearly 10% of the EU’s GDP and provides over 22 million jobs.

Southern Europe Hit the Hardest

The Mediterranean destinations Cyprus and Montenegro are the ones hit the hardest by the decline in arrivals with decreases of 85% and 84% respectively, which is due to a higher dependency on foreign travelers.

Other countries that suffered heavy losses include Romania, where arrivals fell by 80%, Turkey (-77%), Portugal and Serbia (both -74%). Iceland and Malta (both -71%) also performed poorly due to their geographic location and strict border restrictions.

On the contrary, Austria seems to have benefited from winter trips in 2019 and at the beginning of the year, which led to a decrease of “only” 44% for the year up to September 2020. A greater dependence on short-haul travel also put Austria in a strong position to achieve a less volatile upswing, as the restrictions in the country were relaxed much faster than in other countries.

According to the ETC, this underscores the need for European tourism - wide cooperation among the member states. The different approaches to travel restrictions have dampened the demand for travel and consumer confidence.

A recent survey by IATA suggested that travel restrictions are just as daunting as the perceived risk of contracting the virus itself. Harmonized solutions for testing and tracing as well as quarantine

measures would be crucial to contain the downside risks across Europe.

More Trips to Rural Areas in the Future

According to the analysis, the latest forecasts would nevertheless be mildly positive, as there are signs of a faster recovery in domestic travel in the European tourism industry. The ETC expects the 2019 levels to be reached by 2022.

European short-haul travel is also expected to recover more quickly by 2023, benefiting from a faster relaxation of travel restrictions and a lower perceived risk compared to long-haul travel. According to the forecasts, the total travel volume will only reach pre-pandemic levels in 2024.

The Covid-19 pandemic is also having an impact on travel choices in certain European countries. There was a significant increase in trips to rural areas and to the coast in the summer season. This indicates that there is a clear concern about traveling to highly populated urban locations where it is more difficult to maintain social distance.

Less Overtourism

This change in travel preferences could ultimately be **the solution to the problem of overtourism and could allow destinations to stimulate demand for sustainable tourism.**

According to forecasts by the ETC, an increased interest in travel to secondary travel destinations could relieve some of the popular tourist hotspots that have previously struggled with excessive travel demand. The adapted travel behavior could also help distribute the economic benefits of tourism more evenly within the countries in the European tourism sector.

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