

DECREASE IN CROSS-BORDER TRAVEL HAD POSITIVE IMPACT ON RUSSIAN ECONOMY



The Covid-19 pandemic has mainly influenced international travel, which is currently at significantly lower levels than in the pre-pandemic period. However, there is also another side of the coin, at least in some regions. Experts in Russia have analyzed the decrease in cross-border travel and its impact on the country's economy and have come to very interesting conclusions.

Foreign Expenditure Five Times Lower

According to their data, the expenditure of Russians abroad from January to September this year amounted to 6.1 billion US dollars. This is almost five times less than in the same period of 2019 and about a quarter less than last year.

It must be noted that gradual growth has been registered since April. For example, **in June Russians spent almost 2.5 times more on trips abroad compared to June 2020**, while the entire summer season saw more than doubled expenditure. However, these numbers are still far away from the pre-pandemic levels.

A similar situation is observed regarding foreign travel to Russia, although the recovery is proceeding at an even slower pace. From January to September this year, foreigners spent 1.9 billion US dollars in the country. This is 78 % less than in 2019 and 22 % less than last year.

With regards to this, it must also be added that inbound tourism has been affected by troubles related to foreign vaccination certificates. The problem is that there is no clear protocol of action in relation to foreign tourists and their vaccination, which creates a lot of confusion and jeopardizes recovery.

Positive Impact on Economy?

It might sound somewhat ironic, but according to experts, the closure of the borders played a positive role for the Russian economy.

The reason for this is that the economy suffered minimal losses because even before the pandemic the flow of tourists from abroad was very modest.

This can be well demonstrated by the fact that with regards to inbound cross-border travel, Russia lost "only" 8.1 billion US dollars, while at the same time "winning" 27.1 billion dollars lost from the expenditure of Russians abroad.

Essentially, the money that Russians used to spend abroad was now actively spent inside the country, supporting domestic tourism and the economy during the crisis period.

Crimea an Example to Follow

An example that confirms that money was well spent in the domestic tourism sector during the pandemic is the tourism situation on the Crimean Peninsula.

According to official reports, **since the beginning of the year, Crimea has been visited by 8.7 million tourists.** This is, quite remarkably, 25 % more than during the most successful tourism year for the peninsula - 2019.

Earlier this year it was reported by authorities that over 5.2 million tourists visited Crimea during the summer season, which is 1.5 times more than last summer and 15 % more than in the same period in 2019.

Date: 2021-11-15

Article link:

<https://www.tourism-review.com/russia-lack-of-cross-border-travel-helped-the-economy-news12273>