

THE RISKS OF THE WAR FOR TOURISM RECOVERY



A drop in consumer confidence, a rise in inflation that makes travel more expensive, loss of spending in the Russian and Ukrainian markets, impact on traditional destinations and also on emerging ones... These are some of the consequences that the war in Ukraine may have on international tourism recovery this year according to a report by the World Tourism Organization (UNWTO).

"It is too early to assess the impact of the war in Ukraine, but it does represent a major risk for international tourism that could delay the already weak and uneven recovery of the sector," warns the **UNWTO, which presents two scenarios that are not at all encouraging: a 50% to 63% drop in foreign tourist arrivals compared to 2019.**

In this regard, the conflict could slow down the incipient reactivation despite the lifting or relaxation of COVID travel restrictions by many countries.

Thus, the organization identifies six impacts that the war may have on the sector:

- Added risk to the weak and uneven tourism recovery.
- Travel disruption in the Russian and Ukrainian markets, which account for 3% of global tourism spending, some \$14 billion in 2020. It should be recalled that in 2019, Russian spending on international travel reached US\$36 billion and Ukrainian spending was US\$8.5 billion.
- Decline in consumer confidence, especially in more risk-susceptible markets and segments. Outbound markets in the U.S. and Asian countries could be affected, especially when traveling to Europe, as these markets are traditionally more apprehensive or susceptible to risk.
- Impact on traditional destinations, but also on emerging destinations, especially islands and coastal destinations.
- **Weaker economic growth and rising inflation, due to higher oil prices, coupled with the recent increase in interest rates**, which is leading to higher consumer travel costs and increased pressure on businesses, especially SMEs.
- All of the above, added together, pose a threat to employment and tourism businesses.

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