

# TOURISM IN THE FACE OF THE COVID-19 PANDEMIC. TOWARDS SUSTAINABLE REGIONAL DEVELOPMENT

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## INTRODUCTION

The role of tourism in economic development is incontrovertible. Tourism remarkably contributes to the global Gross Domestic Product (GDP) and creates job places worldwide. According to WTTC's (2020) data, as of 2019 the sector accounted for 10.3% of global GDP and supported the livelihoods of 330 million people, creating one in four new jobs worldwide and outpacing the growth of the global economy for the ninth consecutive year. Unfortunately, the world transformed, when the COVID-19 pandemic struck in early 2020. To limit the spread of the COVID-19, governments across the globe have taken drastic measures by locking down the entire country or the most affected cities and also by prohibiting entry to their borders, resulting in an immense hit for the global tourism industry, particularly the travel and hospitality sector (Fotiadis et al., 2021). Sharma et al. (2021) claim that the pandemic has nearly brought the global tourism industry to a halt. WTTC (2020) estimates the impact of COVID-19 on T&T sector. By the data of November 2020, 142.6 million jobs have been lost in 2020 (43% decline) as a result by pandemic. Moreover, WTTC accounts \$3,815 billion loss in T&T in global GDP (43% decline). It is also estimated that international global arrivals have already declined by 65%, while at the same time domestic travel arrivals declined by 33%. If nothing will be done to improve this situation, these numbers of losses are expected to get even higher. The unsustainable practices of the industry did not help the cause of sustainable living worldwide (Sharma et al., 2021). Therefore, with the enormity of the COVID-19 outbreak, it is not essential to come back business as a traditional way when the pandemic ended, rather than it can be a scope to re-evaluate a transformation of the overall tourism system for the sustainability (Gossling et al., 2020). In the face of pandemic, sustainable regional approach may not only be a way for the sector to survive the COVID-19 crisis, but also a step towards more sustainable future in economic, socio-cultural, environmental terms. Consequently, the research question of how the COVID-19 pandemic will affect the tourism and whether it could be a change towards sustainable regional development, is raised.

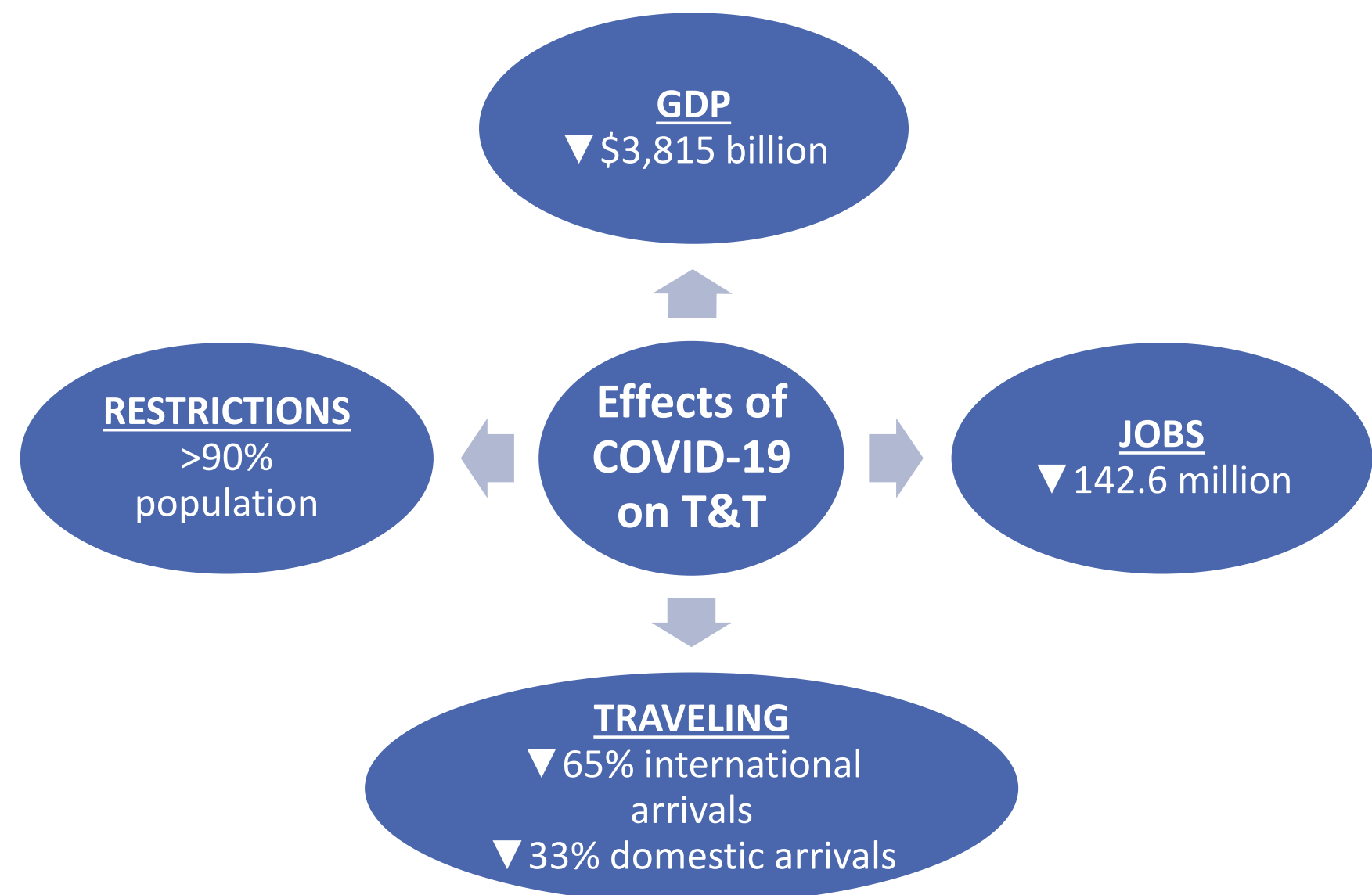
**The problem of the research.** When COVID-19 pandemic struck the world, T&T sector was the first to feel the effects. It got into a precarious position. Traditional tourism business models have stopped working. Travel restrictions and lockdowns hit hard to the sector, that significantly contributes to the global economic development. Tourism numbers have dropped sharply, together responding in economic indicators. The predictions of tourism and economic losses clarifies that to survive, the transformation in T&T sector is essential. This raises the question maybe this crisis situation could have not only negative effects, but at the same time could be the moment for the long-needed change to rethink the tourism, considering regional, more sustainable approach.

**The aim of the research:** to evaluate the COVID-19 pandemic effects on tourism considering whether it could be a change towards sustainable regional development.

**Research object:** the effects of the COVID-19 pandemic on tourism, considering whether it could be a change towards sustainable regional development.

**Research methods:** scientific literature analysis and synthesis, statistical data analysis, situation modelling, logical conclusions.

## MAIN FINDINGS



**Figure 1. The main effects of the COVID-19 on tourism in numbers.**

Source: Compiled by the authors, based on the WTTC (2020) and Gossling et. al. (2020).

**Table 1. SWOT analysis of T&T in the face of the COVID-19.**

Source: UNTWO, 2020.

POSITIVE		NEGATIVE	
<b>STRENGTHS</b>		<b>WEAKNESSES</b>	
<ul style="list-style-type: none"> <li>Proven resilience of tourism in past crises</li> <li>Domestic tourism can be a buffer</li> <li>Adaptation capacity: safety and hygiene protocols, trips closer to home, value for money, responsible consumer behaviour</li> <li>Government support to the sector</li> </ul>		<ul style="list-style-type: none"> <li>Segments potentially affected are also high spenders: international, long haul, business travel and events</li> <li>Major disruption in airline industry with airline failures and concentration</li> <li>Lack of references in previous downturns</li> <li>Perception of travel as a risk</li> <li>Low levels of demand when restarting tourism due to social distancing</li> </ul>	
<b>OPPORTUNITIES</b>		<b>THREATS</b>	
<ul style="list-style-type: none"> <li>Re-think business model</li> <li>Innovation and digitalization</li> <li>Sustainability and sustainable-oriented segments (rural, nature, health)</li> <li>De-escalation phases initiated by several countries toward the 'new normal'</li> <li>Progress in adaptation plans in destinations &amp; companies</li> </ul>		<ul style="list-style-type: none"> <li>Economic environment: world recession, rising unemployment and jobs at risk, closure of business mainly SMEs, disposable income, uncertainty weighing on consumer and business confidence</li> <li>Uncertain length of pandemic (including resurgence) and vaccine unavailability</li> <li>Extent of lockdowns and travel restrictions</li> <li>Unknown form of the "new normal"</li> </ul>	
		<b>INTERNAL FACTORS</b>	
		<b>EXTERNAL FACTORS</b>	



**Figure 2. The framework of the changes in the face of the COVID-19, towards sustainable regional development.**

Source: Compiled by the authors.

## CONCLUSIONS

The analysis confirmed that the COVID-19 pandemic has wide effects on tourism sector. As more than 90% of world population is under the restrictions (Gossling et al., 2020), it results in the reducing numbers in T&T in global GDP, in jobs, in tourist arrivals (international and domestic) and other important indicators. However, as the world grapples with the realities of the global pandemic, there is an opportunity to rethink exactly what tourism will look like for the decades ahead (Brouder, 2020). The crisis situation brings challenges for the sector, but however, also provides opportunities to encourage innovation, drive new business models, explore new niches or markets, open up new destinations, and move to more sustainable and resilient tourism development models (OECD, 2020). This pandemic will contribute to creating new business models, which will essentially determine the industry's chances of survival by transforming it into a much more sustainable form (Sharma et al., 2021). As the world is under the restrictions, it especially effects international travel, the focus goes to the local, regional level. During the pandemic and post-COVID-19, domestic tourism is dominating with most travellers coming from nearby areas (Haywood, 2020). It is believed that the feeling of belongingness among locals will dictate terms for the revival of the tourism industry (Sharma et al., 2021). Therefore, as the local, regional level trips in these difficult times could be the only way of traveling and the COVID-19 pandemic is considered to be a stimulus for tourism sector transformation, the answer to the main research question of whether the effects of COVID-19 pandemic on tourism could be a change towards sustainable regional development, is positive.

Concluding briefly, besides the negative effects, the COVID-19 pandemic has also a positive approach considering the future of tourism as it is the call for a change towards more sustainable future of tourism, contributing sustainable regional development.

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