

09APR2021

THE WORLD TRAVEL & TOURISM COUNCIL'S (WTTC) ANNUAL ECONOMIC IMPACT REPORT REVEALS THE GLOBAL TRAVEL AND TOURISM SECTOR SUFFERED A LOSS OF ALMOST US\$4.5 TRILLION (\$5.9 TRILLION) IN 2020.

The annual report also shows the sector's contribution to GDP dropped 49.1 per cent, representing a significant decrease compared to the overall global economy, which dropped by 3.7 per cent last year.

Altogether, the sector's contribution to global GDP plummeted to US\$4.7 trillion (\$6.14 trillion) in 2020, representing 5.5 per cent of the global economy, from nearly US\$9.2 trillion (\$12 trillion) the previous year, when it represented 10.4 per cent of the global GDP.

In 2019, when global travel and tourism were thriving and generating one in four of all new jobs around the world, the sector contributed 10.6 per cent (334 million) jobs globally, according to the WTTC.

However, last year, amid the pandemic, more than 62 million jobs were lost, representing a drop of 18.5 per cent, leaving 272 million still employed across the industry globally.

These jobs losses were felt across the entire ecosystem of travel and tourism, the WTTC said, with SMEs – which make up 80 per cent of all businesses in the sector – particularly affected.

Furthermore, as one of the world's most diverse sectors, the impact on women, youth and minorities was significant, according to the organisation.

The threat persists as many of these jobs are currently supported by government retention schemes like Australia's JobKeeper program that **ended late last month**, and reduced hours.

The WTTC has praised governments around the world for their prompt response. However, the global tourism body fears governments cannot continue to “prop up threatened jobs indefinitely” and must instead turn to the sector to help its recovery, so it can power the global economic revival by saving businesses and creating new jobs. The report also reveals a loss in international travel spending, which was down 69.4 per cent on the previous year. Domestic travel spending fell by 45 per cent, a lower decline due to some internal travel in a number of countries. Gloria Guevara, president and chief executive of the WTTC, said: “With the sector's contribution to GDP plunging by almost half, it's more important than ever that travel and tourism is given the support needed so it can help power the economic recovery, which will be instrumental in enabling the world to revive from the effects of the pandemic.”

Pathway to recovery

WTTC research shows that if international mobility and travel is resumed by June this year, it will significantly boost global and country-level GDPs, and jobs.

According to the research, the sector's contribution to global GDP could rise sharply this year, up 48.5 per cent year-on-year. It also shows that its contribution could almost reach the same levels of 2019 in 2022, with a further year-on-year rise of 25.3 per cent.

The WTTC also predicts that if the global vaccine rollout continues at pace, and travel restrictions are relaxed just before the busy summer season, the 62 million jobs lost in 2020 could return by 2022.

The organisation strongly advocates the resumption of safe international travel in June this year, if governments follow its four principles of recovery, which includes a comprehensive coordinated international testing regime upon departure for all non-vaccinated travellers, to eliminate quarantines.

It also includes enhanced health and hygiene protocols and mandatory mask-wearing; shifting to individual traveller risk assessments instead of country risk assessments; and continued support for the sector, including fiscal, liquidity and worker protection.

The WTTC said the introduction of digital health passes, such as the recently announced ‘Digital Green Certificate’, will support the sector's recovery.

The global tourism body also urges governments around the world to provide a clear and decisive roadmap, allowing businesses time to ramp up their operations to recover from the pandemic.