

The Economic Impact of Coronavirus

Issue 4 – August 2020

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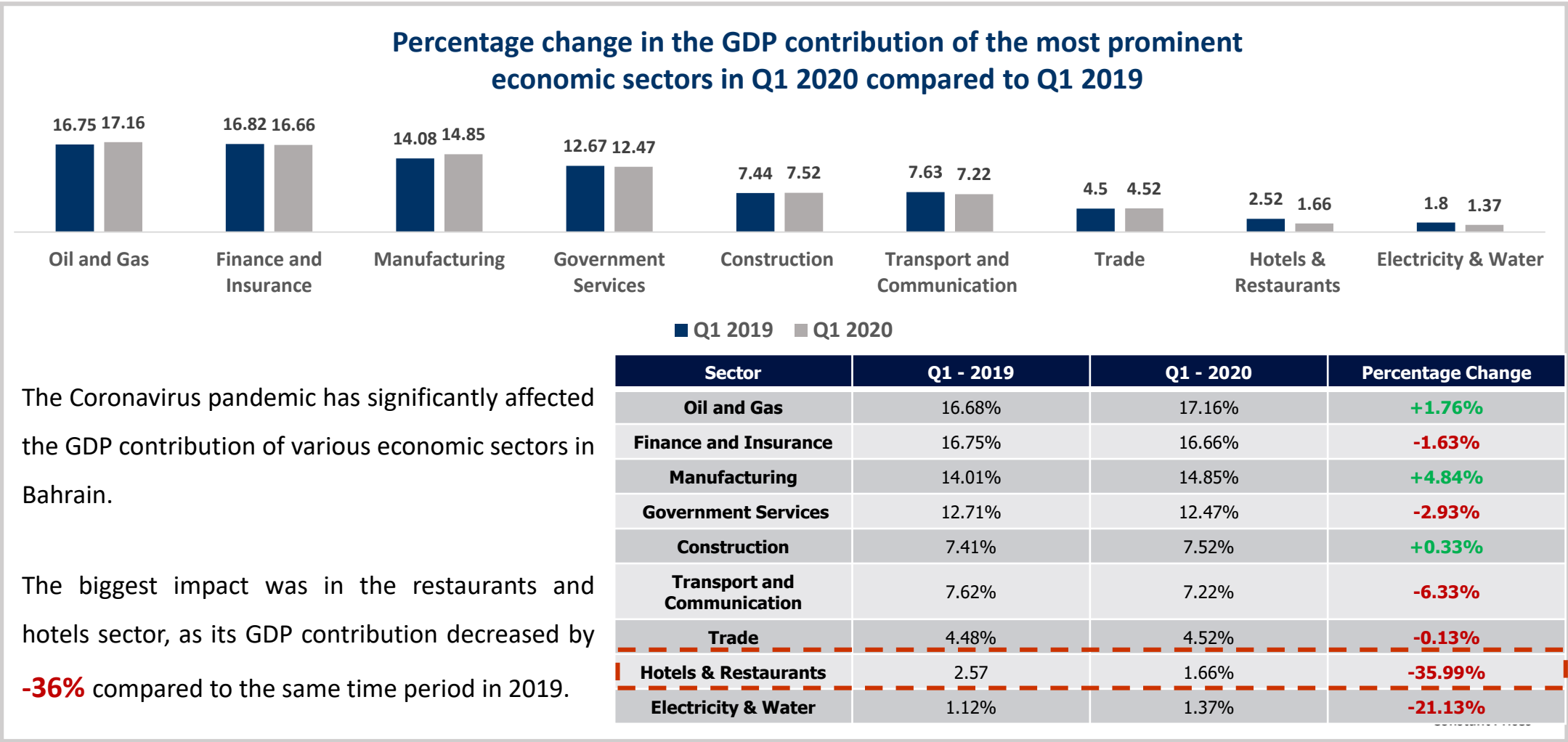
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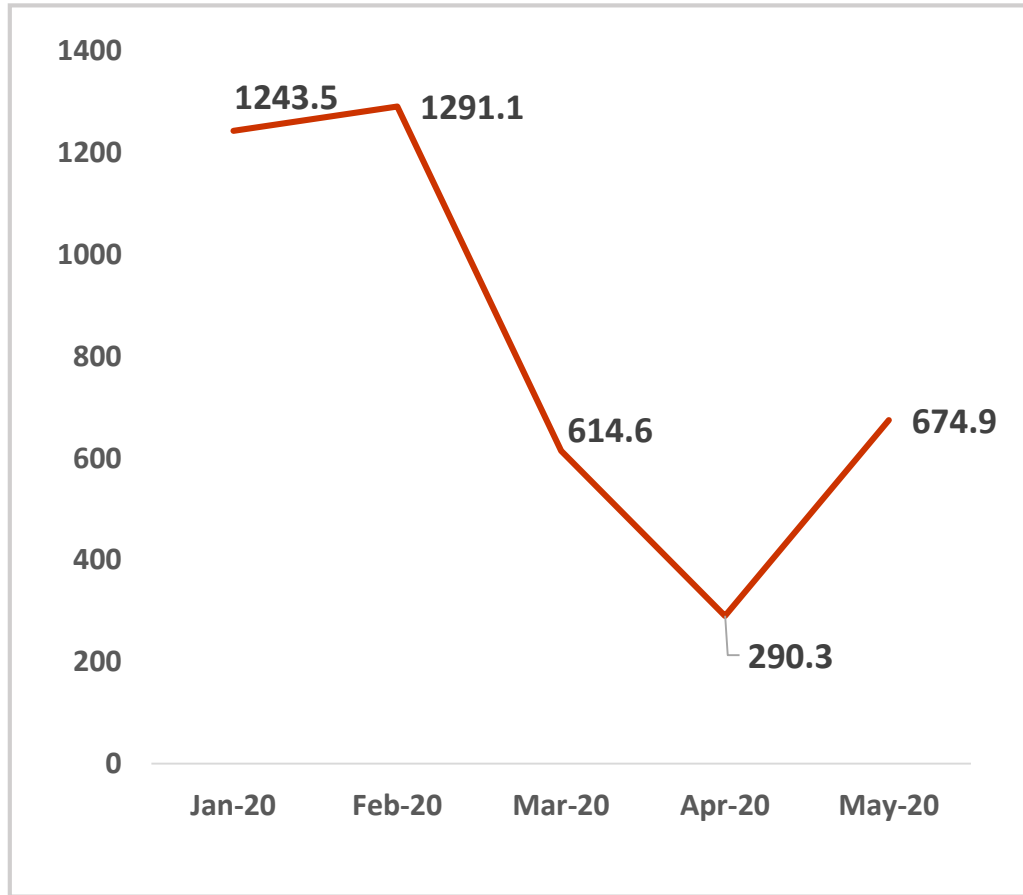
Local Economic Statistics

36% Decrease in the GDP Contribution of Hotels and Restaurants



Source: Information and E-Government Authority

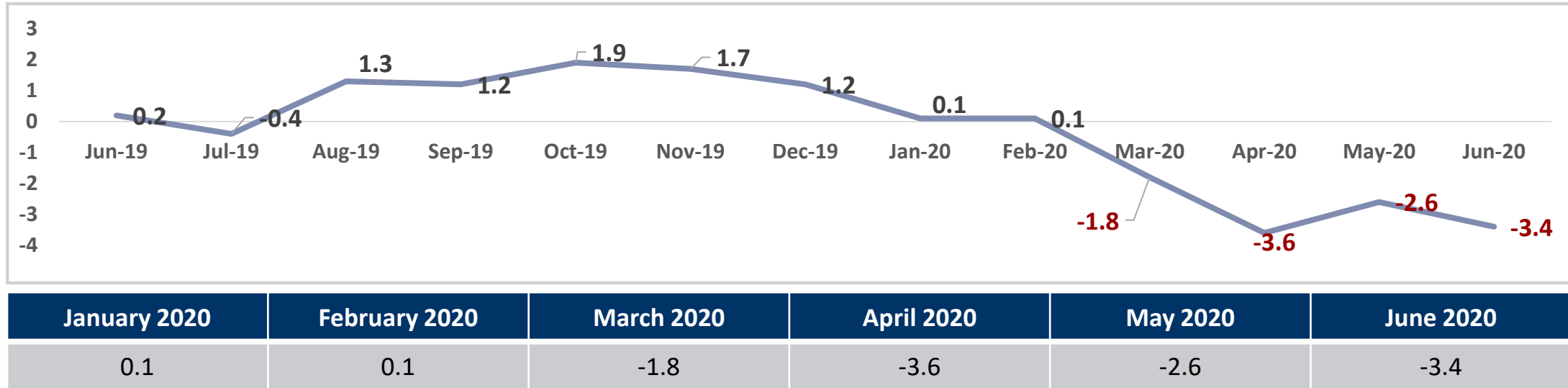
Foreign Reserves have Decreased by 46% since the Beginning of 2020



Source: CBB

- ▶ The volume of foreign reserves in Bahrain decreased by **46%** in May 2020, reaching BD 674.9 million compared to BD 1243.5 million in January 2020.
- ▶ In April 2020 foreign reserves reached the lowest point at BD 290.3 million.
- ▶ Foreign exchange reserves are the deposits and bonds of foreign currency that are held by central banks and monetary authorities. Countries rely on foreign reserves to maintain a constant price value and competitive export prices, to maintain liquidity in the event of a crisis, to provide confidence to investors, and to pay foreign debts.

The Consumer Price Index (CPI) fell 3.4% during H1 2020



The Consumer Price Index (CPI) is a measure that examines the weighted average prices of a basket of consumer goods and services and the changes that occur in the general level of prices, based on tracking all goods and services consumed within a particular country. The composition of this basket is supposed to reflect the structure of household consumption spending in that country.

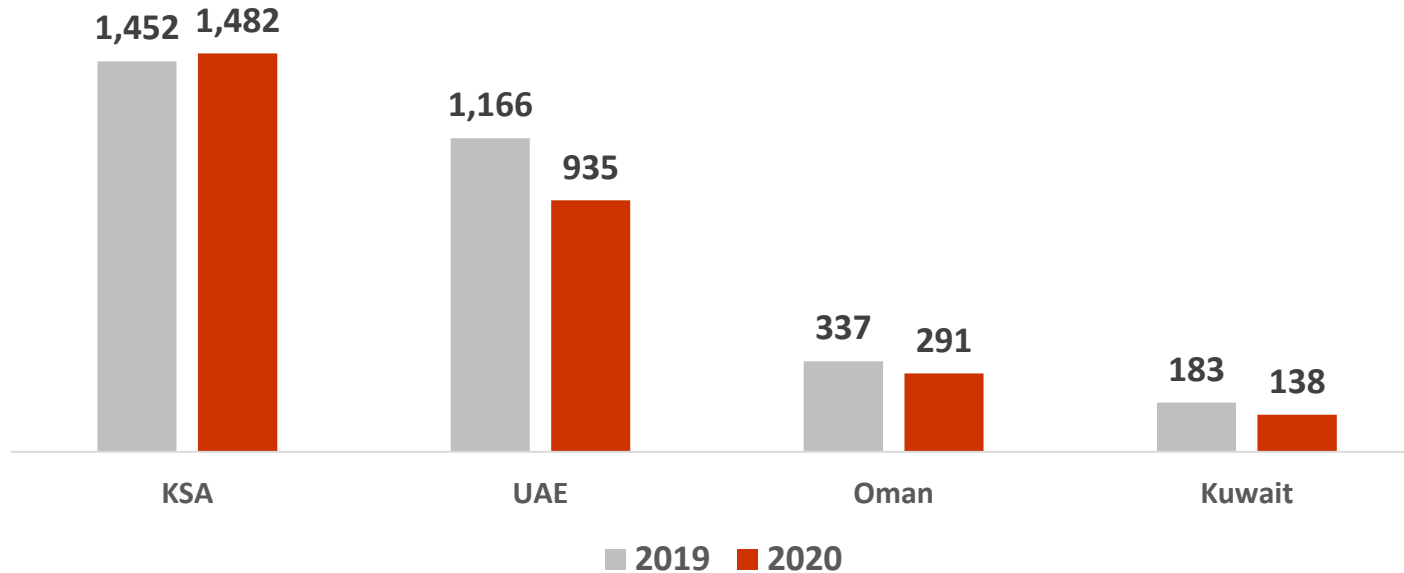
The consumer price index decreased in June 2020 by **3.4%** compared to June 2019, and this decrease is due to a number of reasons, most notably:

- ▶ A **38.5%** decrease in recreation and culture goods and services due to the decrease in package holiday prices during the coronavirus pandemic.
- ▶ A **0.3%** decrease in the prices of education-related goods and services due to the reduction of some private sector fees during the study suspension period extending from April 2020 to June 2020.

Source: Information and E-Government Authority

Decrease in the Volume of Trade with Gulf Countries

Volume of Trade during H1 2020 (USD)



Volume of Trade during H1 2020	2019	2020	Change (%)
KSA	1,452	1,482	+2%
UAE	1,166	935	-20%
Kuwait	183	138	-25%
Oman	337	291	-14%

Source: Information and E-Government Authority

The volume of trade between Kingdom of Bahrain and other GCC countries was significantly and noticeably affected during the first half of this year compared to the first half 2019 due to the coronavirus pandemic.

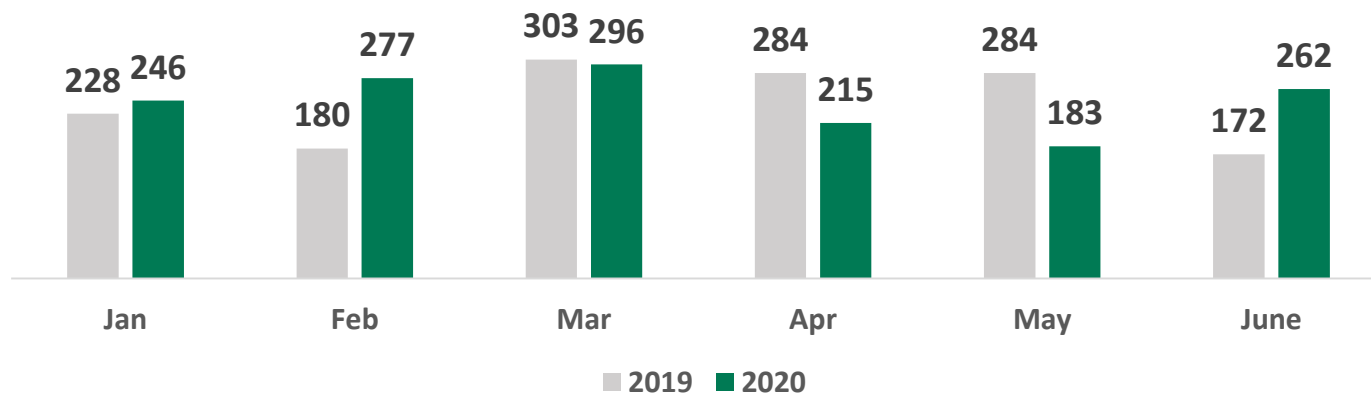
The volume of trade between Bahrain and Kuwait decreased by 25%, and decreased by 20% and 14% with the UAE and Oman respectively.

It is noteworthy that the volume of trade with the Kingdom of Saudi Arabia increased by about 2.

36% Decline in the Volume of Trade with KSA in May



Volume of Trade during H1 2020 (USD)



Month	2019	2020	Change
January	228	246	+8%
February	180	277	+54%
March	303	296	-2%
April	284	215	-24%
May	284	183	-36%
June	172	262	+52%
Total Volume of Trade during the first half (Jan – June)	1,452	1,482	+2%

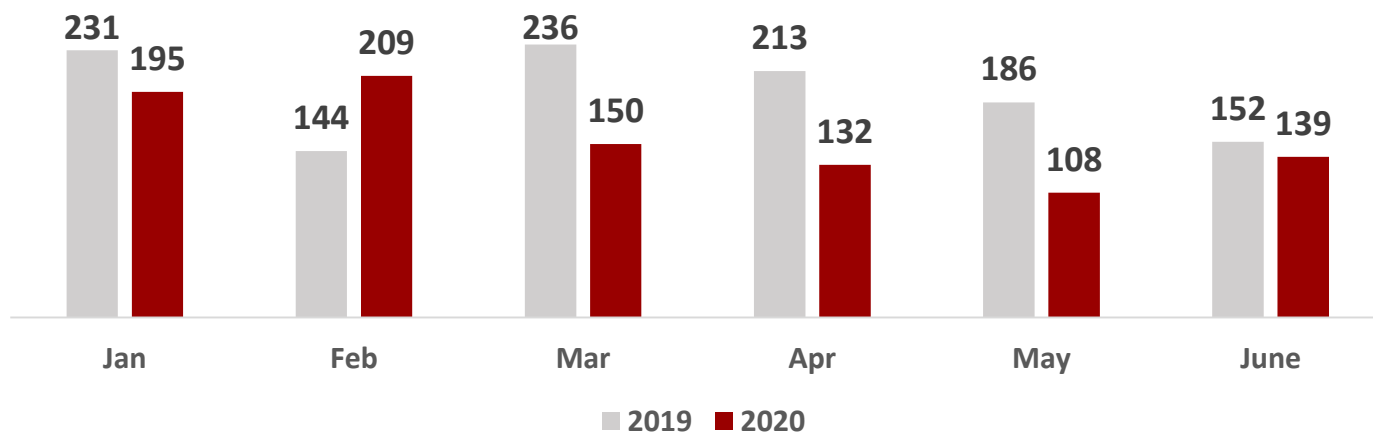
The volume of trade between Bahrain and KSA decreased by 36% during the first half of 2020 compared to the first half of 2019. The maximum increase occurred in February, with VOT reaching 277 USD, an increase of 54%.

Source: Information and E-Government Authority

20% Decline in the Volume of Trade with UAE in H1 2020



Volume of Trade during H1 2020 (USD)



Month	2019	2020	Change (%)
January	231	195	-16%
February	144	209	+45%
March	236	150	-36%
April	213	132	-38%
May	186	108	-42%
June	152	139	-9%
Total Volume of Trade during the first half (Jan – June)	1,166	935	-20%

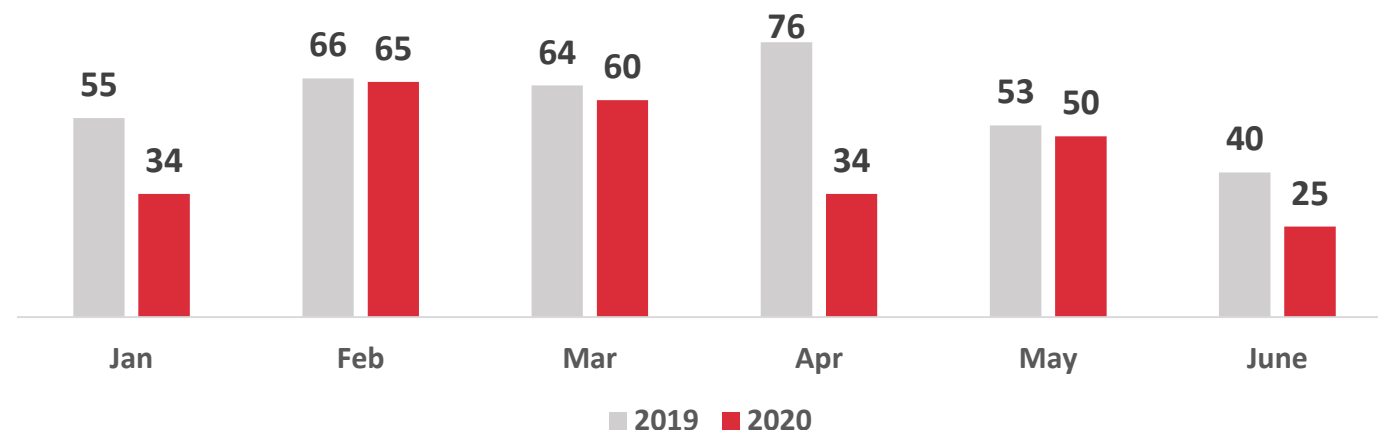
The volume of between Bahrain and the UAE decreased by 20% during the first half of this year compared to the first half of 2019. The highest decline occurred in May, as the volume of trade between the two countries decreased by 42% to reach 108 million USD, compared to 186 million USD during May of 2019.

Source: Information and E-Government Authority

14% Decline in the Volume of Trade with Oman in H1 2020



Volume of Trade during H1 2020 (USD)



Month	2019	2020	Change (%)
January	34	55	+59%
February	66	65	-2%
March	64	60	-6%
April	76	34	-56%
May	53	50	-6%
June	40	25	-38%
Total Volume of Trade during the first half (Jan – June)	337	291	-14%

The volume of trade between Bahrain and Oman decreased by 14% during the first half of this year compared to the first half of 2019. The maximum decrease in VOT was in April, which was a 56% decrease from 76 million during April 2019 to 34 million USD in April 2020.

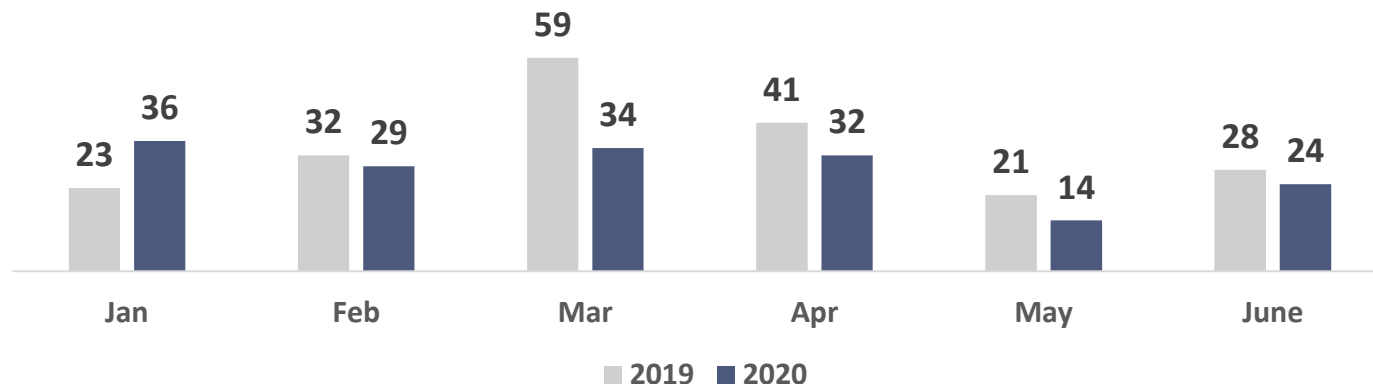
It is noteworthy that the highest VOT increase between the two countries (59%) was recorded in January.

Source: Information and E-Government Authority

25% Decline in the Volume of Trade with Kuwait in H1 2020



Volume of Trade during H1 2020 (USD)



Month	2019	2020	Change (%)
January	23	36	+58%
February	32	29	-11%
March	59	34	-42%
April	41	32	-20%
May	21	14	-31%
June	28	24	-14%
Total Volume of Trade during the first half (Jan – June)	183	138	-25%

The volume of trade between Bahrain and Kuwait decreased by 25% in the first half of this year compared to the first half of 2020.

The maximum decline occurred in March 2020, as the volume of trade between the two countries reached about 34 million USD, compared to 59 million USD during March 2019, a decrease of 42%.

Source: Information and E-Government Authority

02

Coronavirus Impact Locally

A 43% Decrease in the Number of Training Courses Offered

52 online courses in the second half of 2020*

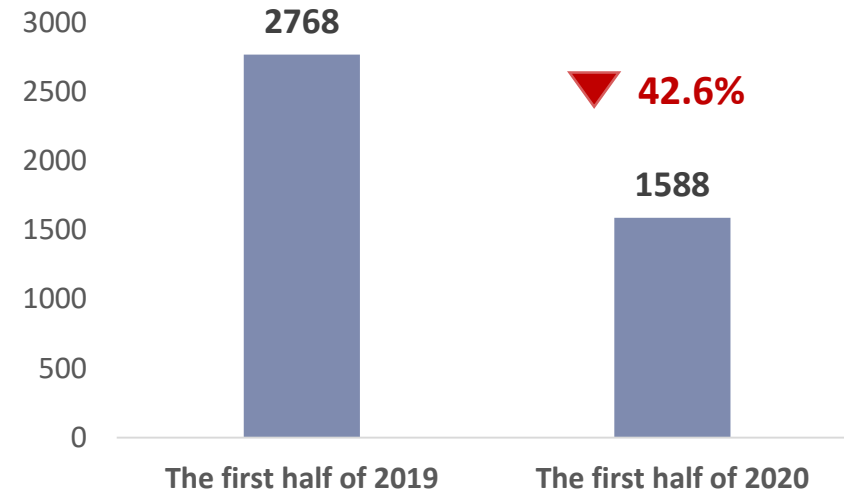


The training sector is one of the sectors most affected by the coronavirus pandemic, and is not less affected than the education sector in general. The work of private training centers and institutes stopped due to the implementation of the social distancing law, and according to the decision of the Coordinating Committee in the Kingdom of Bahrain in March.

Under these circumstances, some institutes and training centers were permanently closed, while some business owners froze their CRs until the return of normal life. In addition, the financial burden on these two sectors was increased due to stopping the training support that Tamkeen provides.

*Remote training has started in the second half of 2020, specifically June

Number of training courses



The number of training courses decreased by an average of 42.6% in the second half of 2020 compared to the first half of 2019 due to the suspension of training programs in light of the coronavirus outbreak. It is noteworthy that the training courses in 2020 were held from January to March only. This is due to the precautionary closing decisions.

Sources: Department of Training and Manpower Development - MLSD

Coronavirus Impact on Domestic Staple Food Prices



Meat



Meat prices increased by **0.5%** in June compared to last May



Grains and Bread



The prices of grains and bread increased by **1.6%** in June compared to last May



Fish and Seafood



The prices of fish and seafood increased by **48.8%** in June compared to last May.



Milk and Dairy Products



The prices of milk and dairy products decreased by **0.1%** in June compared to last May



Tea and Coffee



Tea and coffee prices decreased by **1.1%** in June compared to last May



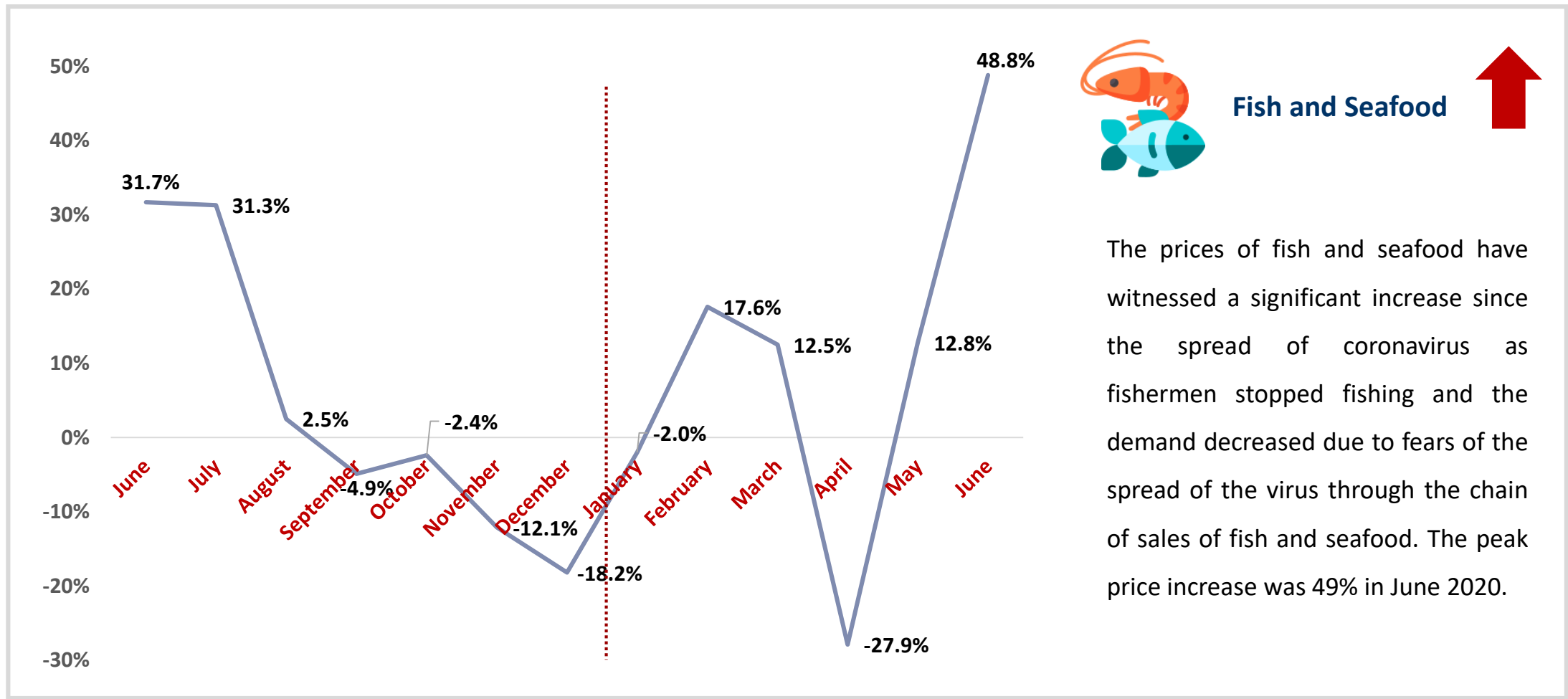
Fruits



Fruit prices decreased by **11.6%** in June compared to last May

Source: Information and E-Government Authority

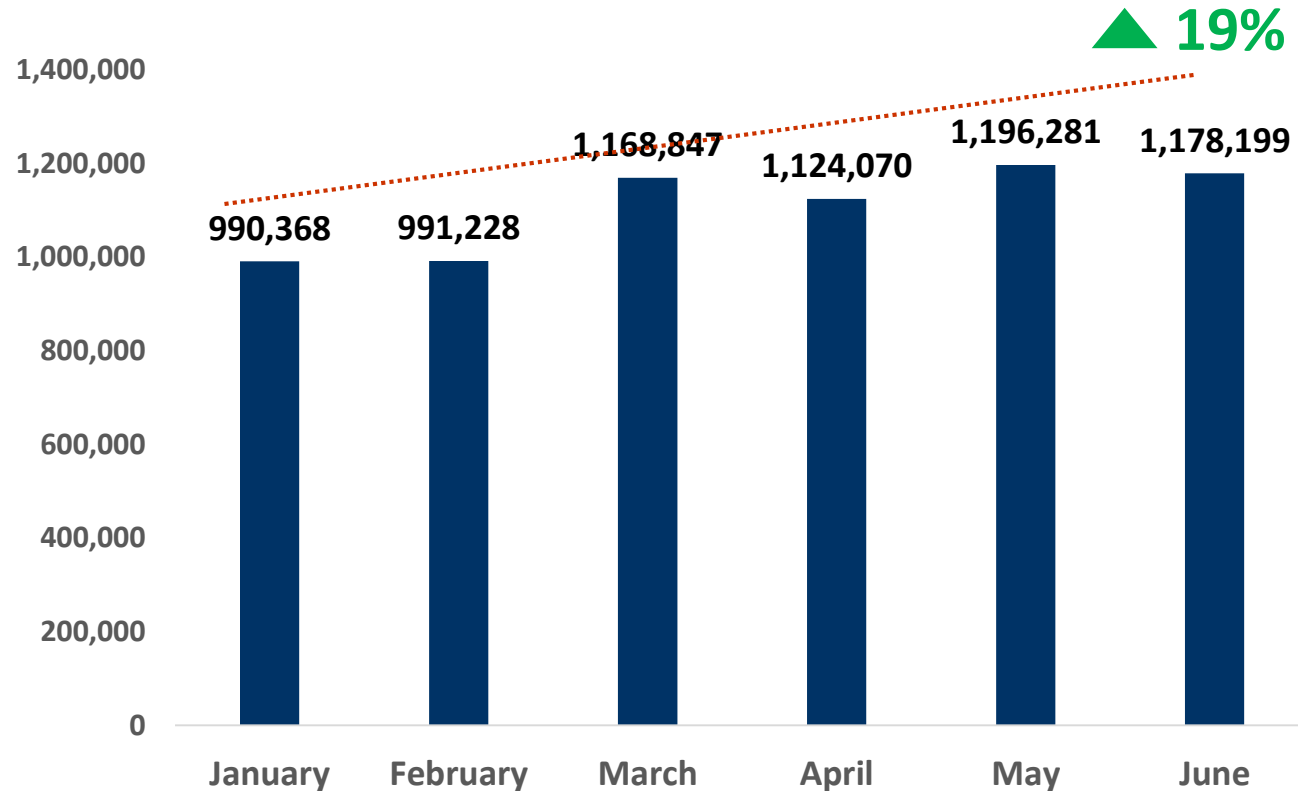
49% Increase in Fish and Seafood Prices in just One Month



Source: Information and E-Government Authority

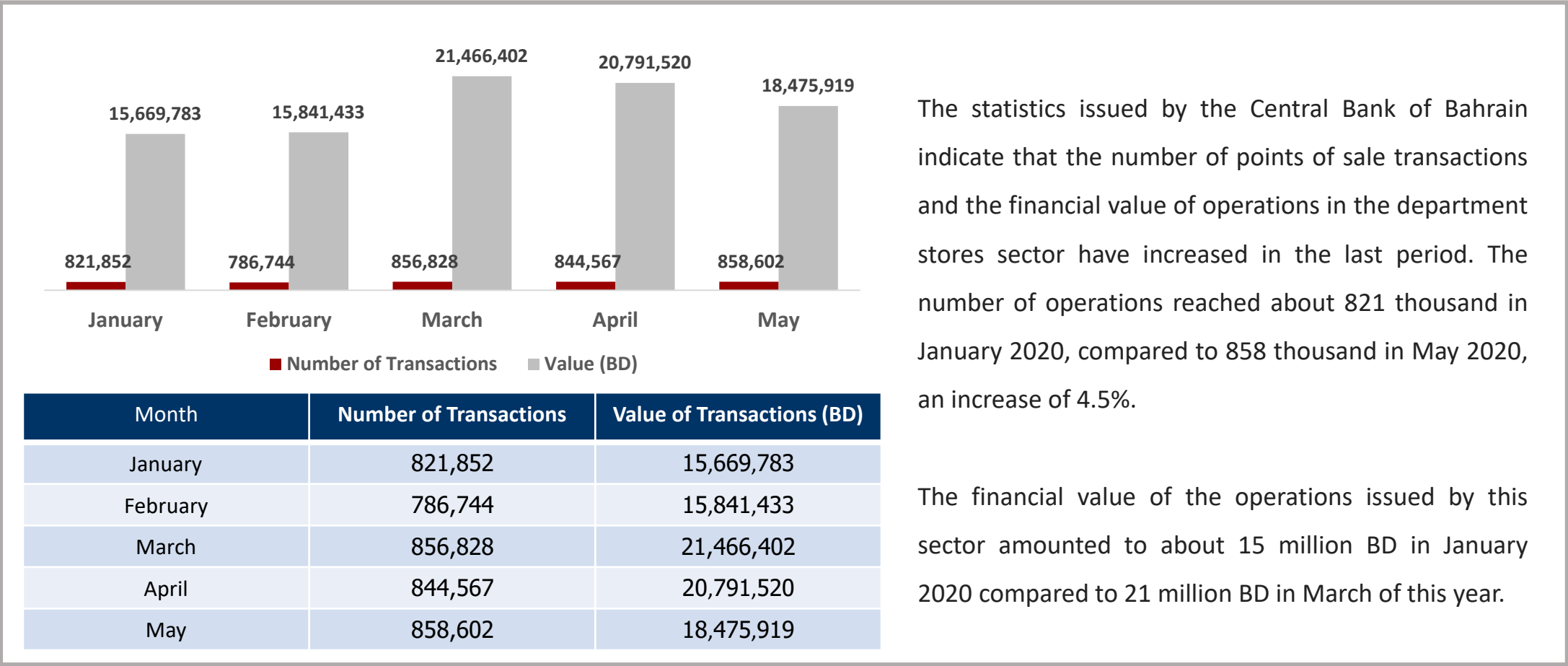
The Number of Supermarket Transactions Increased by 19% until H1 2020

The number of supermarket transactions increased in the time period after the coronavirus outbreak in the Kingdom of Bahrain, as the number of transactions in January of this year reached about 990 thousand operations compared to 1.17 million transactions in June, an increase of 19%.



Source: CBB

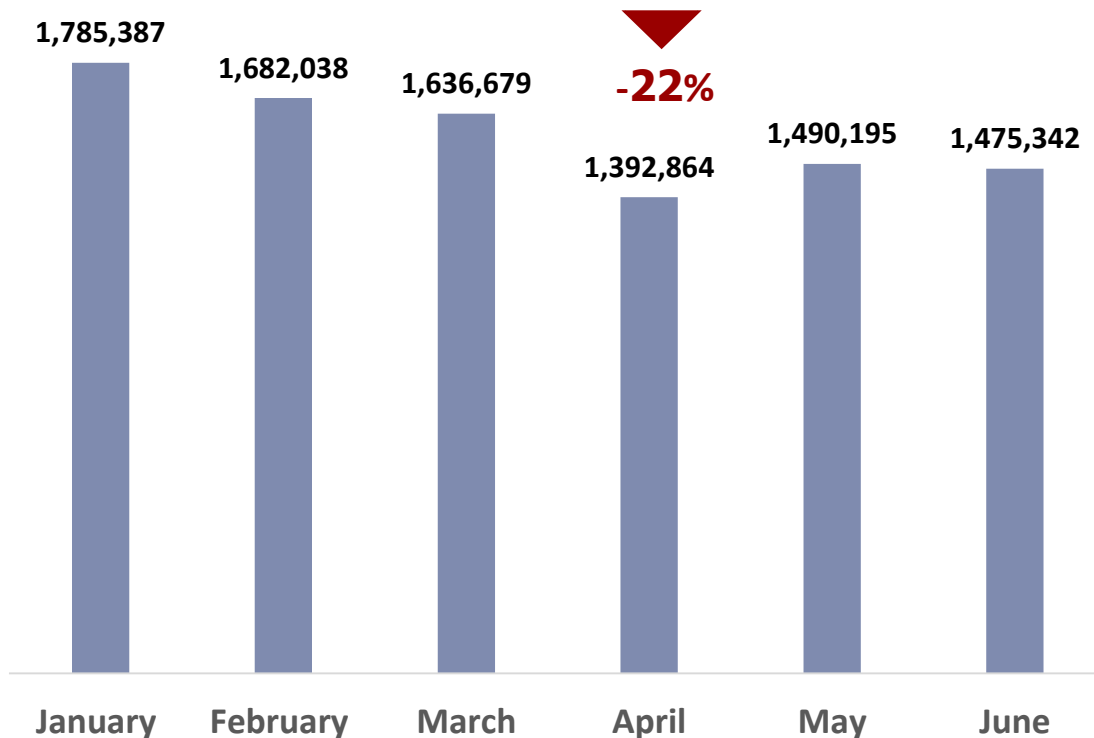
4.5% Increase in the Number of POS Operations in the Department Stores Sector after the Coronavirus Pandemic



Source: CBB

The Number of ATM Withdrawals Decreased by 22% in April

Volume of Successful ATM Withdrawals

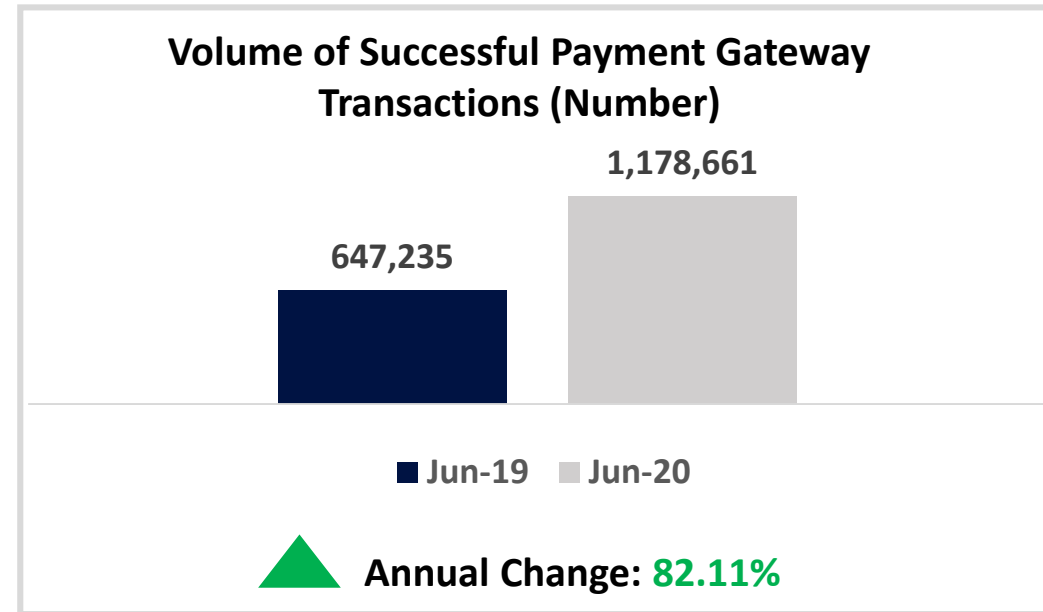
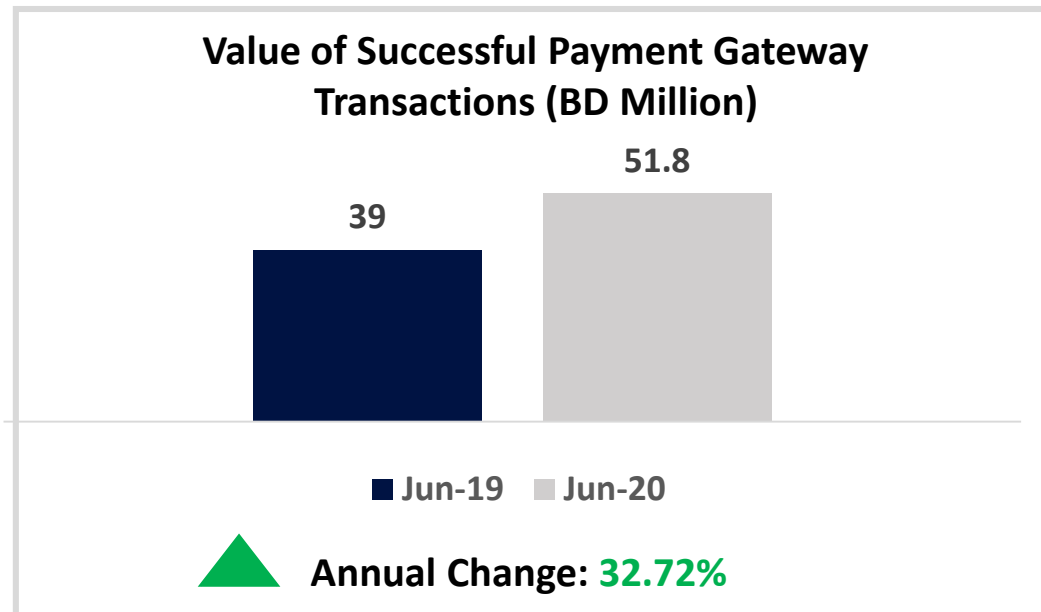


The number of withdrawals from ATMs in January reached about 1.78 million, compared to 1.39 million withdrawals last April, a decrease of 22%, due to the fact that April is considered the peak of the coronavirus outbreak.

The reason for the decrease in the number of withdrawals from automatic teller machines after the outbreak of the coronavirus in the Kingdom of Bahrain is due to increasing fears of virus transmission through currencies and direct contact with devices. This change in the behavior of individuals has been accompanied by the notable increase in the number and value of bank transfers using electronic platforms in the Kingdom.

المصدر: مصرف البحرين المركزي

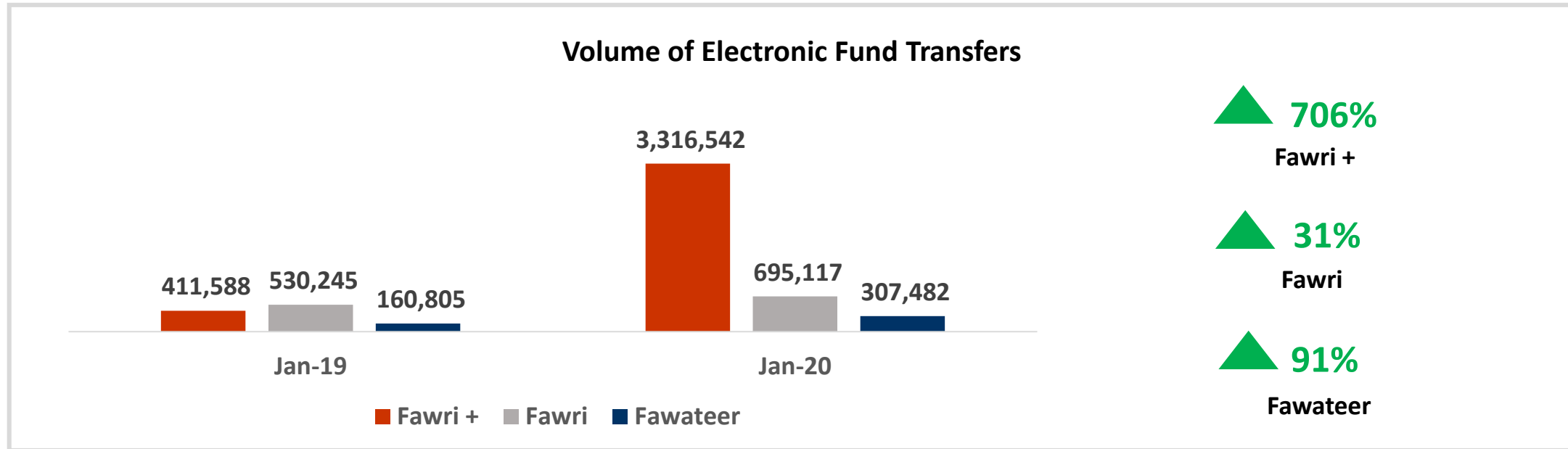
The Number of Electronic Payments Increased by 82% and the Value of Operations Increased by 33% in H1 2020



- ▶ There has been a noticeable change in the way that the majority of individuals conduct financial transactions in 2020, as payment through electronic gateways has increased significantly. This change was accompanied by an increase in the value of electronic payment gateway transactions by 32.72%, reaching 51.8 million dinars in June 2020, compared to 39 million dinars in June 2019.
- ▶ The number of operations increased by 82.11%, reaching 1,178,661 operations in June 2020 compared to 647,235 in 2020.

Source: CBB

706% Increase in Electronic Fund Transfers Using Fawri+

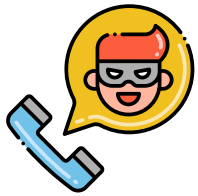


- ▶ The volume of electronic money transfers through the Fawri+ system increased during by 706% during the month of June 2019 compared to June 2019, and transfers through Fawri and Fawateer increased by 31% and 91%, respectively.
- ▶ The volume of transfers via the Fawri system increased from 530,245 transactions in June 2019 to 695,117 transactions in June of this year 2020, an increase of +31.1%.

Source: CBB

The Increase in Type and Quantity of Cybercrimes after Coronavirus

Internet shopping rates have increased due to coronavirus closure decisions and precautionary measures, and this has been accompanied by an increase in cybercrimes and the way they occur, most notably:



Internet fraud, theft and commercial fraud



Phishing, and deceiving the victims of prize money



Text messages, including suspicious links impersonating banks or health institutions to steal data



Spreading lies, malicious rumors, and false news



Crimes of encrypting data with viruses and blackmailing



Fake online stores that present attractive offers for goods that will never be received because they do not exist

Source: Statement of the General Director of the General Directorate of Anti-Corruption and Economic and Electronic Security
- Al-Ayyam Newspaper - Sunday 26 July 2020

Inbound Tourism Expenditure Drops by 55.4% in Q1

Losses in Tourism Sector Q1 2020



-265 million BD in revenue



-2 million overnight stays



-1.5 million visitors

Indicator	Q1 2019	Q1 2020	Change %
International Arrivals (million)	3.5	1.9	-45.0%
Inbound Tourism Flows (million)	3.2	1.7	-47.0%
Total Tourist Nights (million)	4.1	2.0	-49.5%
Average Length of Stay (tourist/night)	3.3	3.4	+2.9%
Average Daily Expenditure Per Visitor (BD)	79.7	68.2	-14.5%
Total Inbound Tourism Expenditure (million BD)	478	213	-55.4%

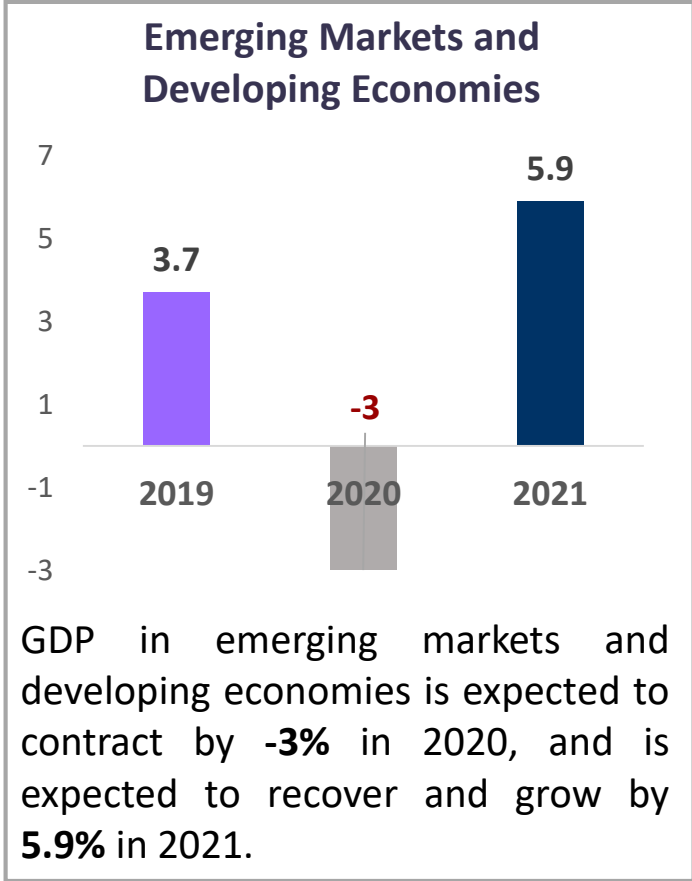
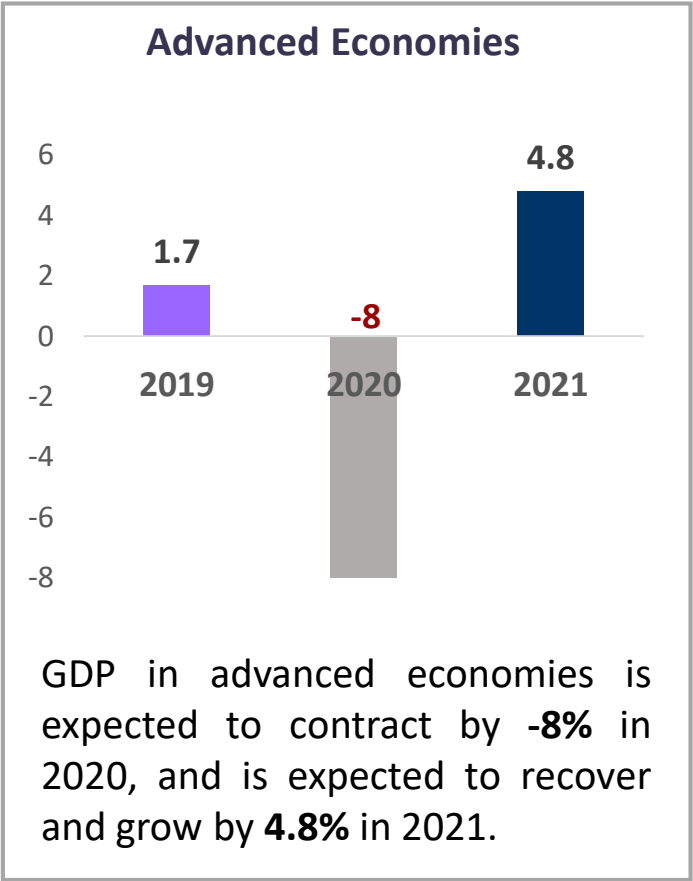
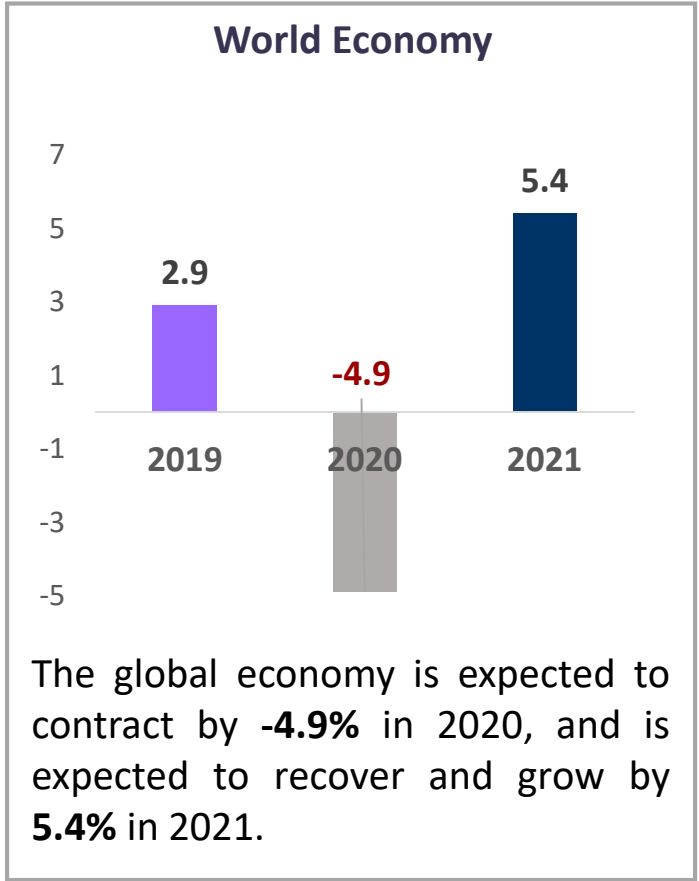
Source: BTEA

03

Coronavirus Impact Globally

The Global Economy is Expected to Contract by -4.9% in 2020

The coronavirus pandemic has had a higher negative impact than anticipated, and GDP growth is expected to be lower than previously projected by the IMF. This is despite the prospects of several economic sectors that may contribute to the economy's gradual recovery.



Source: IMF- June 2020

Global Debt Rose to 331% During the First Quarter



Global debt rose to its highest level during the Q1 2020 at \$258 trillion, which is 331% of GDP.



Debt in developed markets exceeded 392% of GDP, an increase of around 12% from 2019.



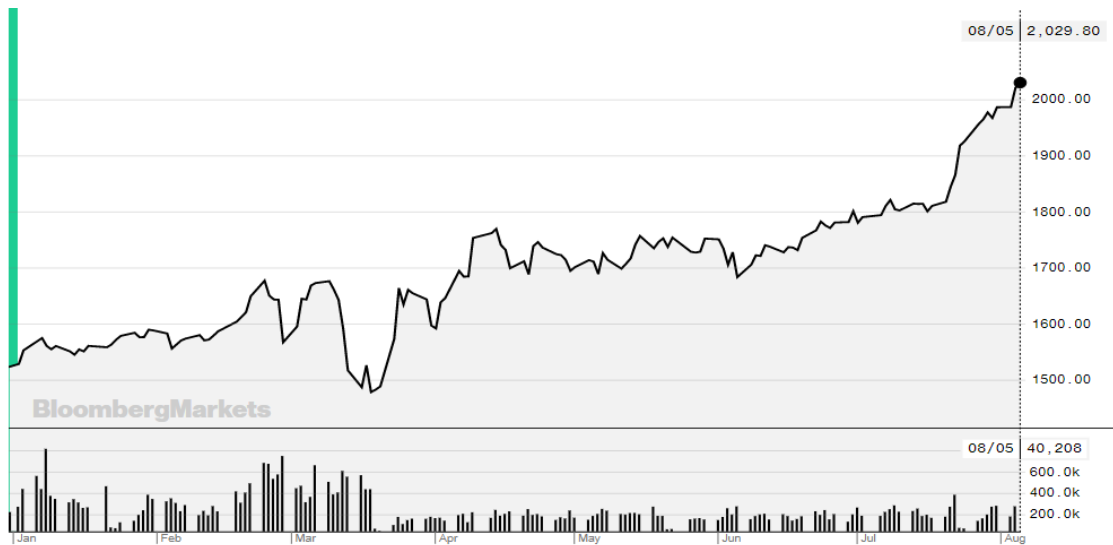
Total debt issuance reached a record value of \$12.5 trillion in Q2, compared to a quarterly average of \$5.5 trillion in 2019.

Most Notable Impacted Markets



Source: Institute of International Finance

Gold Exceeds \$2,000/ounce for the First Time in History



Jan	Feb	March	April	May	June	July	Aug
1528.1	1582.4	1594.8	1591.5	1700.9	1750.3	1779.9	2056.8



Sources: Bloomberg, Statista, CNBC

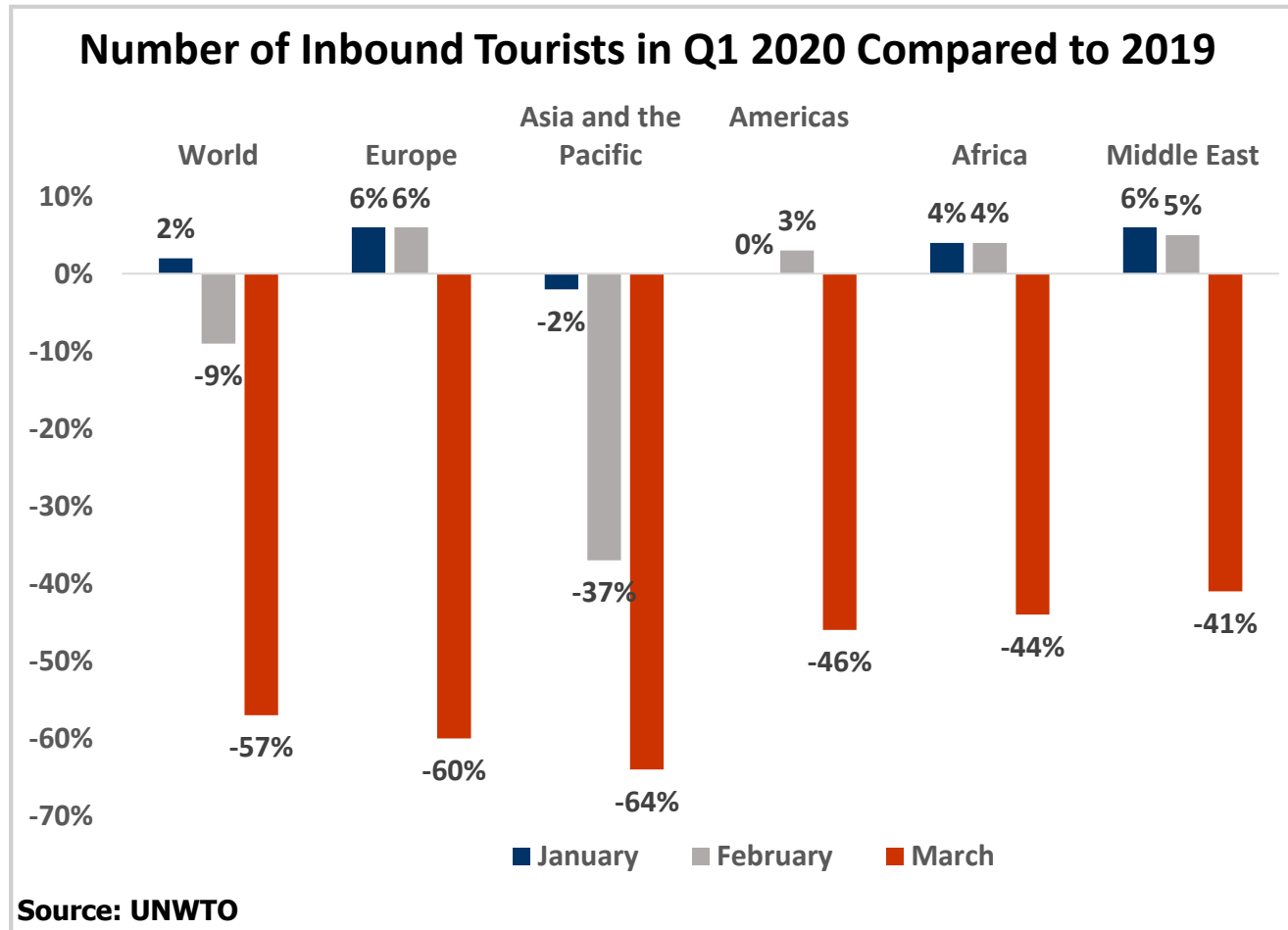
Gold prices have continued to rise since the beginning of 2020, as the price of gold in early January reached about \$1528.1 per ounce, compared to \$2056.8 per ounce on August 5, an increase of 35%.

Gold prices crossed \$2000/ounce for the first time in history, as the interest for metals was boosted by low interest rates and the US stimulus that was launched to revitalize the economy affected by the coronavirus.

Factors affecting gold:

- ▶ Dollar value.
- ▶ Oil prices.
- ▶ Quantitative easing and asset inflation.
- ▶ Decline in bond yields and interest rates.
- ▶ Coronavirus uncertainty.

60-80% Decrease in Tourism Throughout 2020



Sources: ILO, UNWTO, WTTC, OECD, UNCTAD

- ▶ The impact of the coronavirus pandemic on the tourism and hospitality sector is significant, and UNWTO predicts a 60-80% decline in international tourism throughout 2020.
- ▶ The sector is expected to incur losses amounting to 1.2 trillion dollars throughout the first 4 months of 2020. The losses could increase to 2.2 trillion dollars if international tourism is stalled for 8 months, and could increase to 3.3 trillion dollars if tourism is stalled for 12 months.
- ▶ In 2019, the **tourism sector accounted for 330 million jobs worldwide**, equivalent to 10.3% of total global employment and 1 in 10 jobs globally.

Regional and International Airline Losses

International Airline Losses Until Now



	Total Losses	Number of cancelled flights	Percentage reduced demand for airlines	Losses in Revenue	
Expected Losses	\$84.3 billion USD	7.5 million	54%	50% loss	\$419 bn USD

Regional Airline Losses Until Now

	Bahrain	KSA	UAE	Kuwait	Oman
Expected Losses	\$204 mn	\$3.1 bn	\$2.8 bn	\$547 mn	\$328 mn
Number of Jobs in Danger	5,100	140,300	163,000	19,800	36,700

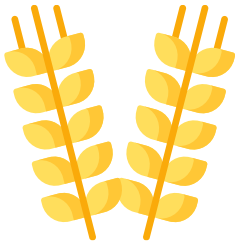
Source: IATA

The Impact of Coronavirus on Basic Commodity Prices (1/2)



Food and Agriculture Organization of the United Nations (FAO) Index

- ▶ The FAO Food Price Index (FFPI) is a measure of the monthly change in international prices of a basket of food commodities.
- ▶ It consists of the average of five commodity group price indices: cereals, vegetable oils, dairy, meat and sugar.



Cereal prices averaged 96.9 points, a slight decrease compared to May



- Wheat prices decreased due to improved production prospects in a number of major exporting countries, especially in the Black Sea region.
- Barley and maize export prices also decreased, reflecting improved production prospects in general amid weak global import demand.



Vegetable oil prices increased to 86.6 points, an increase of 11.3% over the past four months



- The prices of some types of oils, such as palm oil, increased as a result of the recovery in global import demand following the easing of the lockdowns necessitated by the coronavirus in many countries, and increasing concerns about the possibility of difficulties in production due to the shortage in immigrant labor for an extended period.

The Impact of Coronavirus on Basic Commodity Prices (2/2)

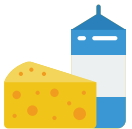


Average sugar prices rose to 75 points, an increase of 11% from their level in May



The sudden rise in the price of crude oil has greatly supported the sugar market, as this caused Brazil's sugar factories to use sugarcane supplies to produce ethanol instead of sugar, which in turn affected the quantities of sugar available for export.

Moreover, recent reports about bottlenecks in Brazilian ports resulting from measures imposed to contain the spread of the coronavirus have contributed to the increase in the value of the sugar price index.



Average dairy prices rose to 98.2 points, an increase of 4% from their level in May



The prices of all dairy products have risen, but have not yet reached the levels recorded before the pandemic. The recent price increases are due to the renewed demand for imports of domestic supplies, especially from the Middle East and East Asia, along with the decline in seasonal supplies in Europe and limited supplies in Oceania.

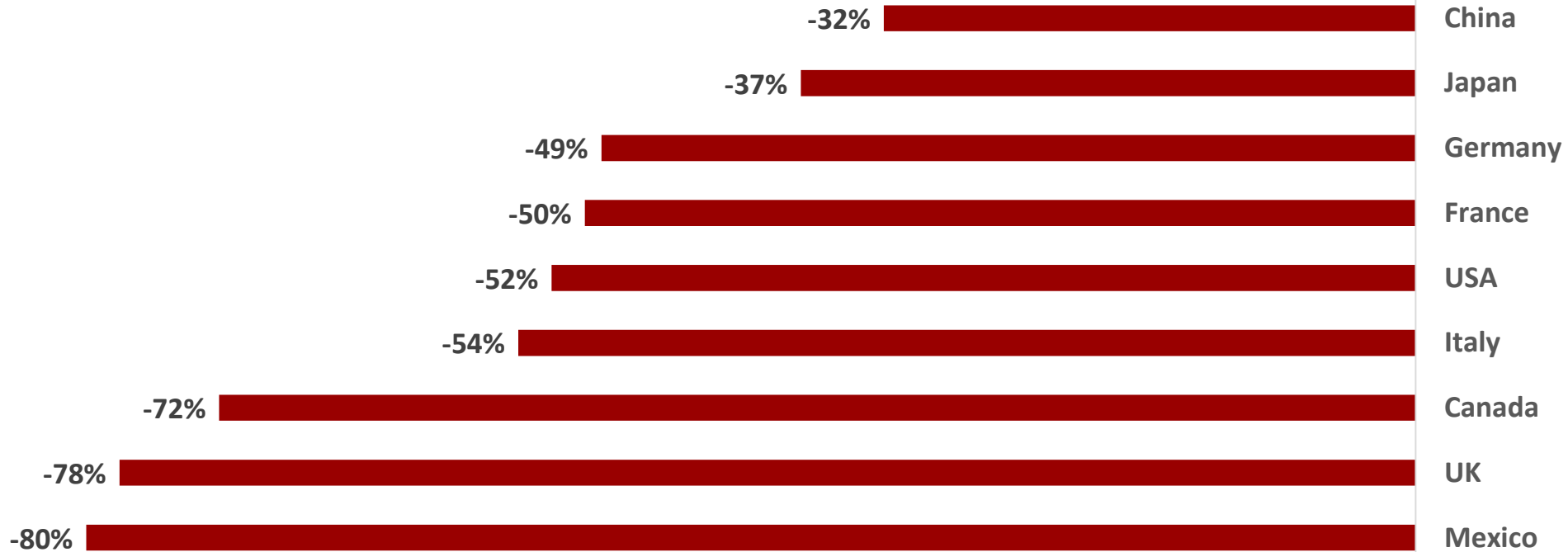


The average price of meat decreased to 95.2, a slight decrease of 0.6% from its level in May



International prices for poultry and beef have decreased, and the reason is attributed to the high quantities available for export in most of the major producing regions, despite the increase in import orders from China and the Middle East.

Decline in Commercial Store Visits Worldwide



There has been a decline in visits to commercial stores around the world due to the outbreak of the coronavirus, and Mexico witnessed the largest decline by an estimated 80%, followed by the United Kingdom with 78%, while China recorded a decrease of only 32%.

Source: Shopper Trak

Large Losses in International Shops

- ▶ Coronavirus and its consequences led to a decline in global trade values by 3% in the first quarter of 2020.
- ▶ Stores forced to close due to the restrictions imposed, and consumers staying at home, led to a global recession in sales of some sectors and affected the purchasing power of the consumer.



Ralph Lauren warned that global sales could drop by as much as USD 70 million.



In the European Union, the textile and clothing sector is expected to face a potential 50% drop in sales in 2020.

INDITEX

Inditex closed 3,785 stores in 39 markets -more than 50% of its stores- with store and online sales decreasing by 24.1% in the first half of March 2020.

Hertz

Hertz has declared bankruptcy due to the economic downturn caused by coronavirus. Hertz had USD 18.8 billion in debt as of March 31, with increase up to USD 1.7 billion over the end of last year.



GAP chain sales fell 43% after the outbreak of coronavirus.



H&M announced that it incurred net losses of €292 million during the first half of the year.

ZARA

The owner of Zara chain stores will close around 1,200 stores worldwide, as Zara tries to boost online sales.



Adidas sales in China declined by 80% between January and February 2020, with sales expected to drop \$1.13 billion in the first quarter of 2020.

Sources: UNCTAD Report, International Labor Organization, Al-Ayam Newspaper, CNBC, CNN Business.

The Impact of the Coronavirus Pandemic on Labor Markets

Demand is expected to increase for the following employees after the end of the pandemic

Retail store employees



Airline employees



Employees of organizing events and exhibitions companies



Source: BBC



According to Deloitte's projections, the unemployment rate in the United States is expected to increase from 3.7% in 2019 to 16.1% by 2021.



Copenhagen Airport announced that it will cut 650 jobs, equivalent to a quarter of its 2,600 employees, in order to secure its long-term competitiveness.

Source: glassdoor.com



The unemployment rate in the European Union is expected to increase from around 6% to more than 11% with the potential of increasing for years.



Australia's official airline, Qantas, has announced the cancellation of 6,000 jobs, which is 20% of the airline's 29,000 staff.

Expectations of Lower Productivity Around the World

- The current global economic recession due to the coronavirus pandemic is the largest type of recession sweeping the world since World War II, and is expected to affect the level of productivity globally through the following factors:



1. Decrease in investment and trade due to the fears of losses in the absence of specific and known dates for the end of the epidemic.



2. Challenges related to human capital, shifts in labor markets, and dropping levels of education.



3. Movement restrictions and virus spread concerns greatly limit employees' ability to move and change jobs even if the opportunity exists, which affects opportunities for low-income employees and limits the ability of companies with higher productivity to continue achieving the same level of productivity.



4. The accumulation of debts and financial burdens on governments and companies after the spread of coronavirus led to financial crises and productivity losses.

Source: World Bank

Coronavirus Caused the Largest Disaster to the Global Economy of this Century

The spread of the coronavirus is the most shocking event to the cost of doing business increased. the global economy during the current century, as the demand and supply for goods and services has decreased largely. On the other hand, the number of working people decreased, while the cost of doing business increased.



Short term effects

Global economies have been affected negatively at all levels by the pandemic, and the damage is significantly more than the damage that arose after the last global economic recession in 2009.



Long term effects

The negative impact of the pandemic which affected the developing world will leave permanent damages, lowering productivity and gross domestic product for long periods.



High Debt and Government Deficits

The coronavirus outbreak resulted in a rise in government debts, and an increase in government deficit from what governments experienced during the 2008 global financial crisis, and this is due to the large reduction in production and the subsequent decrease in revenues, in addition to the support provided by many governments to the affected individuals and enterprises.

Source: The World Bank's Global Economic Prospects Report, June 2020

The Coronavirus Pandemic's Impact on the Development of the Labor Market

Demand is expected to increase for the following jobs



Heavy vehicle
drivers



Information
technology staff



Warehouse and
delivery employees



Supermarket and grocery
employees

Source: BBC

Examples of increased job positions in a number of
international companies



Amazon announced its need to employ 75,000 workers in the storage and delivery departments in particular, due to the high demand during the commercial stores closing period.

Source: CNBC



Walmart announced its desire to temporarily appoint 150,000 new employees to meet the huge demand from shoppers during the pandemic period.

Source: theverge.com



Pizza Hut announced that it is seeking to hire 30,000 new employees, and Papa John's Company has also announced its desire to attract 20,000 new employees.

Source: businessinsider / forbes.com

Productivity Enhancing Opportunities from the Pandemic



1. Eliminate the least efficient firms and encourage the adoption of more efficient production technologies.



2. Supply chains may be restructured in ways that increase their diversity and improve resilience.



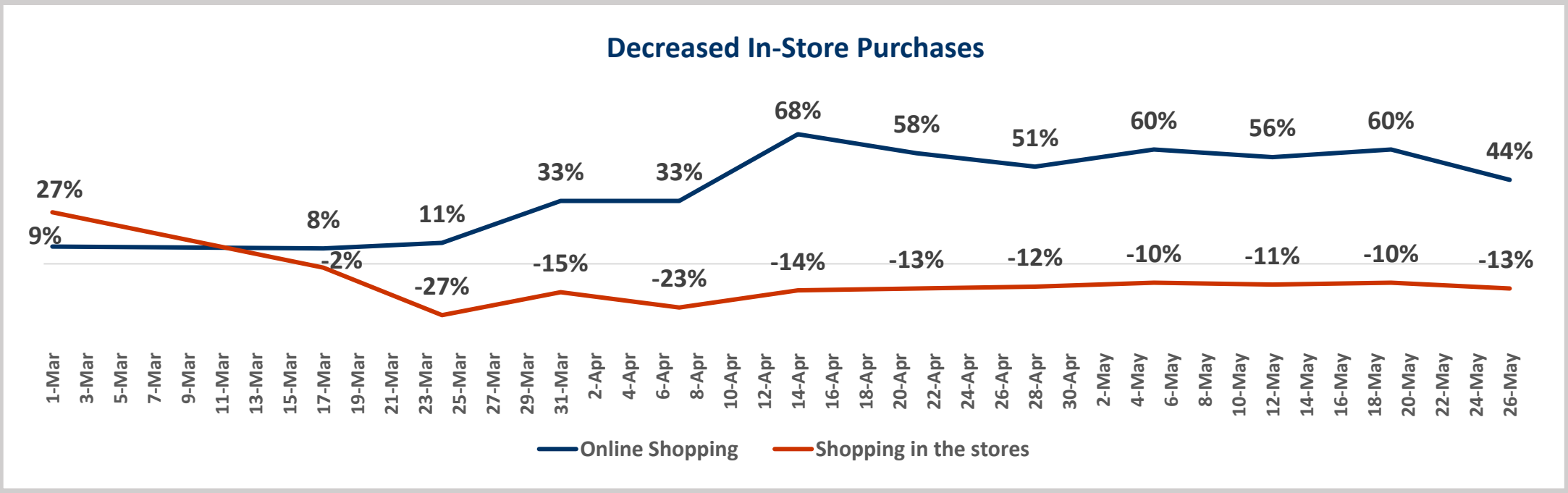
3. Where reliable and widespread internet access exists but education systems are weak, the pandemic could improve utilization of higher quality online schooling and training.



4. Digital technologies tested in the pandemic may expand access to finance in the poorest countries, enable more effective government service delivery and accelerate the trend toward the automation of some routine occupations.

Source: World Bank

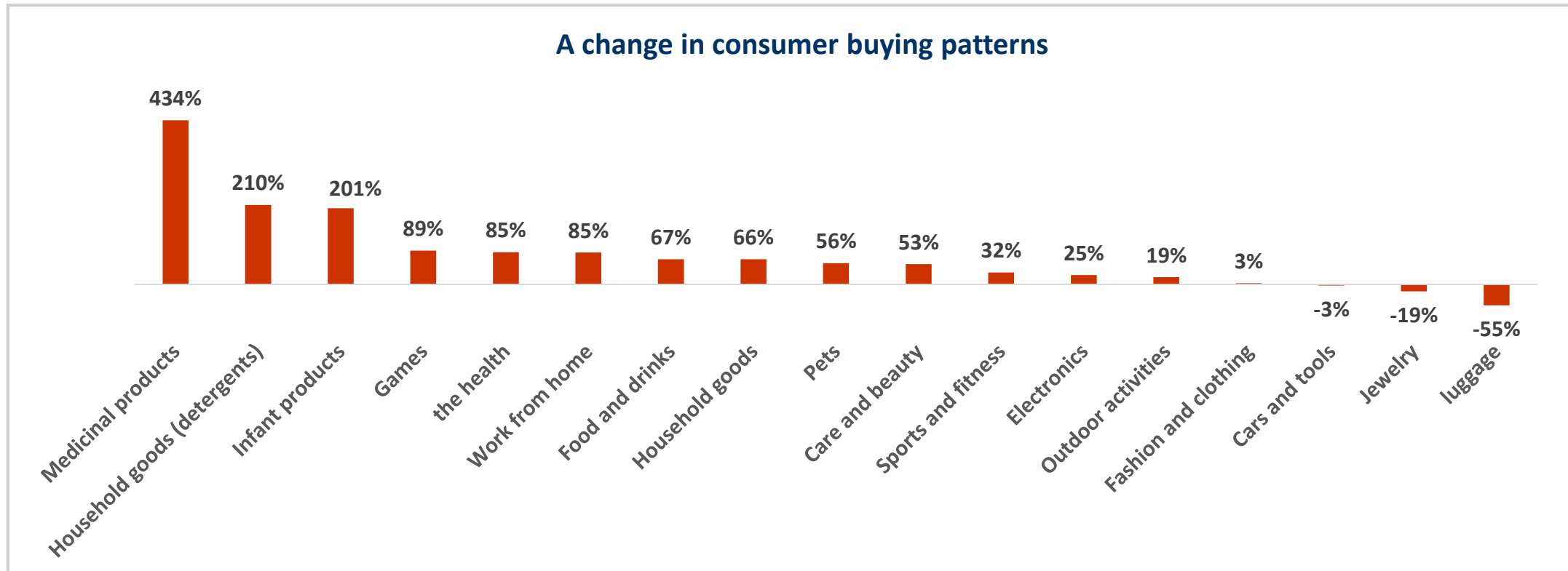
Online shopping increased 68% in April



- ▶ In-store purchases in the United States of America decreased, whereas online shopping significantly increased during 2020 due to the outbreak of the coronavirus in the country.
- ▶ Statistics indicate that online shopping reached its peak in April, when it increased by 68% while in-store purchases declined by -14%.

Source: Statista

Demand Increased by 433% for Medicinal Products



- ▶ The outbreak of the virus also affected consumer buying patterns, as the demand for medical products increased by about 433%, in addition to an increase in the demand for household cleaning tools by about 210%.
- ▶ On the other hand, the demand for luggage decreased by -55%.

Source: Common Thread Collective

Prospects for Gyms During Coronavirus

- ▶ Fitness companies are transforming their business model to focus on supporting workouts at home and online.
- ▶ Clubs and gymnasiums incurred great losses due to the closure decisions after the outbreak of coronavirus, but the decision to allow these stores to open allowed business owners in this sector to provide the same services, but in different ways to achieve coexistence with fears of the spread of the virus that are still high.



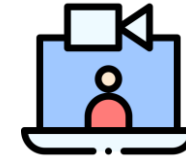
Free fitness content

Big gyms like Crunch offer members free access to online content platforms like Live Crunch. Peloton has offered new users a free version that includes 90 daily sports experiences via an online app



Live broadcast of sports exercises led by coaches

These initiatives focus on supporting exercise at home, via live broadcast with a certified trainer supervising the exercises.



Virtual sports gatherings

Launching a group of electronic sports forums that allow virtual sports gatherings, to provide a space for members and coaches to interact, share training sessions, and spread motivational messages.

Source: McKinsey

04

Tips and Plans to Accelerate Recovery

Tips and Plans to Accelerate Recovery - Government

Providing a legislative infrastructure for digital transformation in electronic commerce



Keeping pace with the requirements of the digital transformation phase of e-commerce

- ▶ Encouraging the financial sector to provide easy and accessible digital banking services.
- ▶ Improving communications infrastructure and digital networks.
- ▶ Providing more support for intellectual and trademark protection.
- ▶ Adopting remote communication programs, virtual meetings and direct learning, and officially recognizing them and ensuring their implementation.



Protect business owners from harms of electronic commerce

- ▶ After the recovery, reliance on new technology will increase the risks of cybercrime and consequently the private sector will need help from Governments to manage these risks and reduce the negative effects.

Sources: Deloitte - CSO Online

Tips and Plans to Accelerate Recovery - Government



Reconsidering the list of business activities permitted to work through the virtual CR system, and increasing the number of activities allowed to so in alignment with the current situation and the major shift towards business automation after the pandemic.



Supporting the private sector to increase investment in the food wealth sector to avoid crises and raise the level of food security.

Sources: The World Bank Report “Global Economic Prospects” June 2020, The Investment Climate Report in the Arab Countries 2020, The World Bank Group Report Entitled (A New Economy for the Middle East and North Africa 2018), Local Media

Tips and Plans to Accelerate Recovery - Business Owners

Administrative flexibility and changing the business model in companies

The ability to adapt to new situations and procedures to serve business interests, develop skills and encourage innovation.

The trend towards digital transformation and e-commerce

Companies are directed towards benefiting from applications and the necessity of learning e-marketing methods, adopting digitization responsibly and safely, and entering the world of e-commerce.

Company mergers to keep pace with changes

Seeking out merger options or strategic partnerships (joint ventures), is considered one of the options open to companies at the present time to reduce the losses incurred after the spread of the global pandemic, as this will ensure that the merged companies can remain in the market, reduce their expenses, and have enough liquidity to meet operating obligations.



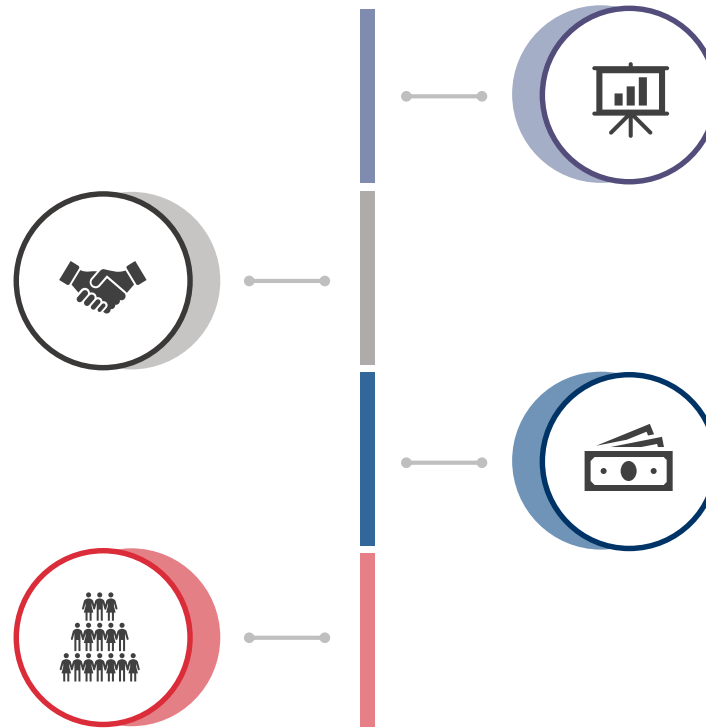
Tips and Plans to Accelerate Recovery - Business Owners

Seize investment opportunities

Provide liquidity to take advantage of opportunities available in the market, especially when it comes to high demand commodities, and investing in what is needed.

Preserving human capital

Avoid restrictions on the movement of human capital and ensure that appropriate occupational health and safety requirements are followed to reduce risks.



Finding attractive commercial packages by telecom companies for digital transformation

- ▶ Provide packages to encourage websites and electronic applications.
- ▶ Provide incentive packages to convert to the cloud (iCloud).
- ▶ Provide promotional packages for automating business processes (CRM, ERP, POS).

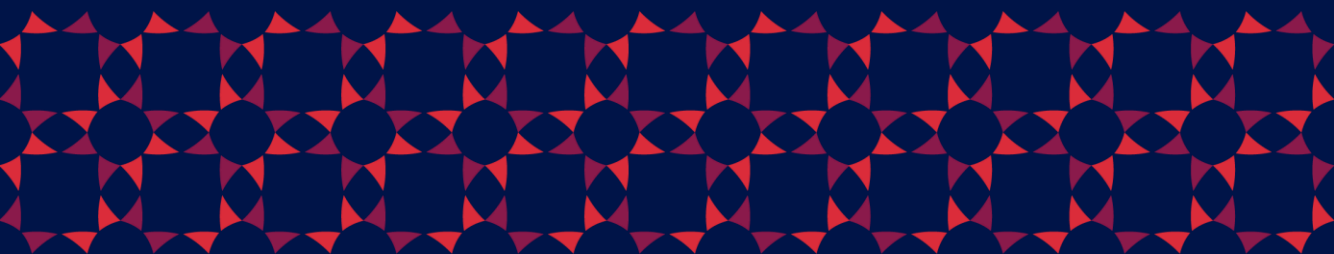
Risk management and cost optimization

Eliminate or reduce all excess fixed costs such as rent and variable operating costs.

Tips and Plans to Accelerate Recovery - Tourism and Hospitality

- ▶ **Domestic tourism offers the main chance for driving recovery**, particularly in countries, regions and cities where the sector supports many jobs and businesses. Countries where domestic tourism already represents a significant share of the tourism economy are thus likely to see recovery in the sector more quickly than countries that are heavily dependent on international tourism flows. Many countries are moving to promote domestic travel and cater to visitors from their own country.
- ▶ **Implement health and safety protocols** that minimize impact on international travel and trade, such as self check in and check out at hotels.
- ▶ **Increase flexibility** through providing the option of rescheduling over outright cancellations and promoting local tourism offers.
- ▶ **Preparing comprehensive tourism recovery plans**, to rebuild destinations, encourage innovation and investment, and rethink the tourism sector.
- ▶ The tourism sector won't emerge from the COVID-19 crisis without aftershocks, but the sector is known for its resilience to economic downturns and crises, as was the case following the SARS epidemic in 2003 and the 2008-2009 global financial crisis. As such, **the sector may play a key role in reinvigorating the global economy once the crisis is over.**

Sources: ILO, OECD



Thank You

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