

COVID-19 Tourism Impact Update



Falkland Islands Tourism Sector Information and Guidance Concerning the Impact of COVID-19

No. 22

November 5th 2021

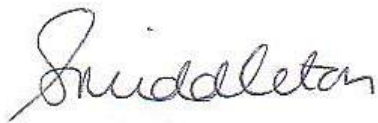
INTRODUCTION

In this edition of COVID-19 Tourism Impact Update we have decided to purely focus on the international situation. Having spent three days at World Travel Market in London amongst stands touting themselves as the destination to visit as tourism reopens, it seemed appropriate to look at the figures. So I apologise for all the percentages, but hopefully they make sense and the general story comes through.

Overall they don't make particularly pretty reading. Around the world destinations, and therefore businesses and individuals, are suffering from the lack of visitors. But there does seem to be some genuine optimism, and interestingly it is the Americas (as a region) that is at present bouncing back the fastest, largely driven by a resurgent Mexico and Caribbean.

Hopefully we'll soon be talking about how tourism is doing in the Falklands compared to 2019 (the last "normal" year), and all our businesses can start to welcome guests back, develop and expand, and keep pace with the rapidly developing international tourism sector.

As always, please don't hesitate to contact the Falkland Islands Tourist Board for more details or any further assistance.



Stephanie Middleton
Executive Director
5th November 2021

Next Update: Friday 4th February 2022

INTERNATIONAL TOURISM TRENDS

With 2019 being the last year when international tourism was “normal”, most data comparisons are with that year (as comparisons with 2020 are fairly meaningless). Around the world, most countries use 2019 as their benchmark and talk about “when tourism will return to 2019 levels”. Consequently most of the figures below are comparisons with 2019.

Global round up

- International tourist arrivals (overnight visitors) in the first seven months of 2021 were 40% below the levels of 2020, and still 80% down when compared to the same period of pre-pandemic year 2019.
- After a weak start of the year, international tourism saw a modest improvement during the months of June and July 2021.
- The small improvement in June and July was underpinned by the reopening of many destinations to international travel, mostly in Europe and the Americas. The relaxation of travel restrictions to vaccinated travellers, coupled with progress made in the roll-out of COVID-19 vaccines, contributed to ease travel restrictions, lift consumer confidence and gradually restore safe mobility in Europe and other parts of the world.
- Small islands in the Caribbean, Africa, and Asia and the Pacific, together with a few small European destinations recorded the best performance in June and July, with arrivals coming close to, or sometimes exceeding pre-pandemic levels.
- Among the destinations reporting data, Albania (-2%), Saint-Maarten (-4%), Aruba (-9%), Dominican Republic (-13%), Antigua and Barbuda (-14%), Andorra (-16%), Curaçao (-22%), Montenegro (-33%), Maldives (-36%) and Seychelles (-39%) were the best performing destinations in the period June-July 2021, over the same two months of 2019.
- July (-67% compared to 2019) saw comparatively better performance than June (-77%), making it the best month so far since April 2020.
- Asia and the Pacific continued to suffer the weakest results in January-July 2021 with a 95% drop in international arrivals compared to the same period in 2019. The Middle East (-82%) recorded the second largest decline, followed by Europe and Africa (both -77%). The Americas (-68%) saw a comparatively smaller decrease.
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- The Americas recorded the smallest decreases in international arrivals in June and July, mainly supported by intraregional demand and some popular destinations – principally Mexico (-19%) - recovering by up to 80% of 2019 levels in the month of July.
- Looking ahead, most experts in the World Tourism Organization (UNWTO) forecasting panel continue to expect a rebound in 2022, driven by unleashed pent-up demand, mostly during the second and third quarter of that year. Nearly one-third of respondents expect a potential rebound in 2023. Almost half of all experts continue to see a return of international arrivals to 2019 levels in 2024 or later.

Air Travel

- According to *IATA*, global (international and domestic) passenger traffic fell by 63% in January-August 2021 compared to the same period of pre-crisis year 2019. Total demand for air travel continued to recover in June-August 2021 (measured in revenue passenger kilometres or RPKs) supported by the vaccine roll-out and the appetite for travel during the Northern Hemisphere summer season.
 
- International passenger traffic declined by 82% in January-August 2021 compared to the same period of 2019. This result was in line with the drop recorded in international tourist arrivals in the same period (-80%). July (-74% RPKs compared with July 2019) and August (-69%) showed particularly better performance.
- Among regions, Asia and the Pacific (-95%) recorded the largest decrease in international RPKs in the first eight months of the year, followed by the Middle East (-78%), Europe (-77%), Latin America (-75%), North America (-72%) and Africa (-71%).
- Data from *ForwardKeys* (which looks at forward bookings rather than historical travel) indicates an 80% drop in international air bookings made between 1 January and 31 August 2021 (versus 2019) for any future travel. By departure region, Asia and the Pacific (-97%) suffered the biggest drop, followed by Africa and the Middle East (-74%) and Europe (-76%). Bookings from the Americas (-66%) were comparatively better. The Caribbean and Central America showed encouraging signs of recovery, according to air booking data from those subregions, with global bookings 46% and 48% below the same period in 2019 respectively. Strong bookings were recorded from the United States, particularly to Mexico and Caribbean destinations.
 

Outlook for the remainder of 2021

- Vaccination advances and the reopening of borders in many destinations drove the restart of tourism during the Northern Hemisphere summer season.
- Softer restrictions for vaccinated travellers and the use of digital tools to facilitate safe travel such as EU Digital COVID Certificate contributed to improved results and increased confidence.
- While the moderate rebound in international travel across most destinations is an encouraging sign for the coming months, there is still a long road ahead for a sustained and complete recovery.
- Concerns remain over the Delta variant and potential new COVID-19 outbreaks, as well as the uneven pace of vaccination among regions. As of 30 September 2021, 46% of the world population had received at least one dose of a coronavirus vaccine (data from “Our World in Data”), though this share is less than 3% in low-income countries.
- While 57% of the population in Europe (68% in the European Union), 63% in South America, 58% in North America and 53% in Asia and have received at least one dose, this is only 7% in Africa. According to data available, only a few countries in the world have reached the 70% mark, in terms of fully vaccinated population. In some countries, the vaccination process has rather decelerated.
- Along with the ongoing vaccination roll-out, the safe and responsible restart of tourism will continue to depend on a coordinated response among countries regarding travel restrictions, harmonized safety protocols and effective communication to help restore consumer confidence.



Tourism in 2022

- According to the latest UNWTO Panel of Experts survey, most tourism professionals continue to expect a rebound in international travel in 2022, driven by unleashed pent-up demand, mostly during the second and third quarter. By 2022, a larger share of the world population is expected to be vaccinated and more destinations open again, which would strengthen the gradual recovery initiated during the months of May-July 2021. Nearly one-third of survey respondents expect a potential rebound in 2023.



- A major lifting of travel restrictions, a rapid and more widespread vaccination roll-out and more coordination among countries on travel protocols, are the main factors identified by experts as sustaining the recovery of international tourism
- In terms of pre-pandemic levels, almost half of experts continue to see a return of international arrivals to 2019 levels in 2024 or later, while the percentage indicating a return to pre-pandemic levels in 2023 has somewhat regained momentum (43%) when compared to previous surveys (37%). By regions, the largest share of experts pointing to a return to 2019 levels in 2024 or later are in Asia and the Pacific (60%). In Europe, half of respondents indicate this could happen in 2023. The Middle East is the most optimistic with a full recovery expected by 2022.

FURTHER INFORMATION

Flights Update

At present, commercial airlines with both Chile and Brazil will remain suspended until 1st February 2022.

Tourism Recovery Incentive Programme

TRIP is in operation for the 2021-2022 season (1st October 2021-30th April 2022). More details about how this scheme will be operated be found at:

<https://www.fig.gov.fk/covid-19/tourismscheme/trip-scheme>

FIG Guidance and Information

For guidance and information for individual businesses operating in a COVID-19 environment, including restaurants, public houses and retail, as well as frequently asked questions see:

<https://fig.gov.fk/covid-19/>

<https://fig.gov.fk/covid-19/information/general-information>

<https://fig.gov.fk/covid-19/faq>