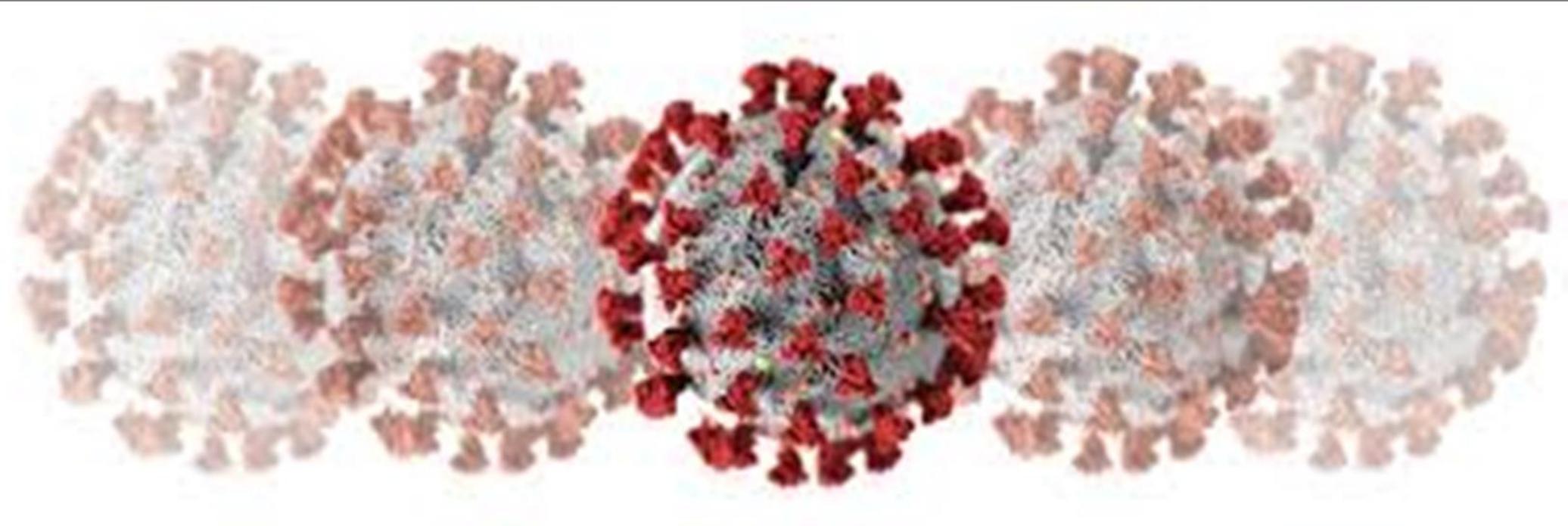




TONY BLAIR
INSTITUTE
FOR GLOBAL
CHANGE

COVID-19: Guide on Travel & Tourism for African Governments

June 2020





Contents

- 01 Global impact of Covid-19 on the travel and tourism industry
- 02 Impact in Africa
- 03 Policy options to support the industry
- 04 Country examples to reopen and support industry
- 05 Tools and support

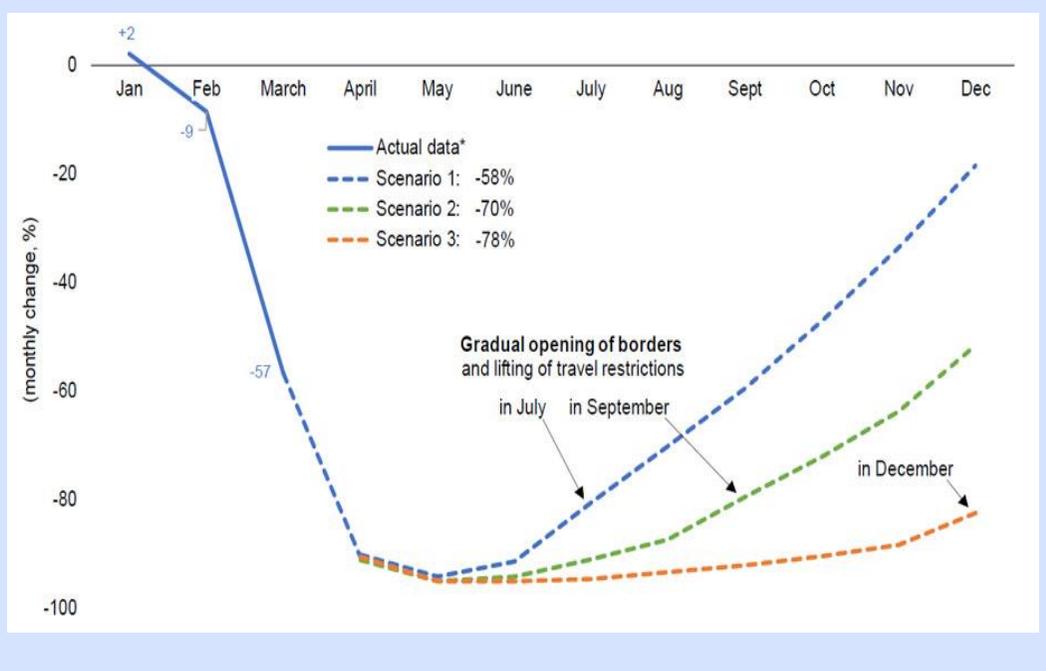


Covid-19 has had a huge impact on global travel and tourism

Close to 90% of the world's population now live in countries with travel restrictions. Airplanes are on the ground, hotels closed and travel restrictions are in place virtually all around the world.

Job losses	<h2 style="margin: 0;">120 million</h2> <p style="margin: 0;">jobs at risk</p>
Service losses	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <h2 style="margin: 0;">60%-80%</h2> <p style="margin: 0;">forecasted decline in international travel for 2020 compared to 2019</p> </div> <div style="text-align: center;"> <h2 style="margin: 0;">1.1 bn</h2> <p style="margin: 0;">fewer global travelers due to Covid-19 in 2020</p> </div> </div>
Travel sector size	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <h2 style="margin: 0;">8.8%</h2> <p style="margin: 0;">of global jobs, equalling 258 million jobs</p> </div> <div style="text-align: center;"> <h2 style="margin: 0;">9.1%</h2> <p style="margin: 0;">of world's GDP, equalling US\$6 trillion</p> </div> </div>

International tourist arrivals in 2020: projected change compared to same month in 2019 based on 3 scenarios (this is not a forecast)



“
 Due to Covid-19, between 5 and 7 years' worth of industry growth will potentially be lost.
 ”
The World Bank

Source: United Nations World Travel Organisation (UNWTO), World Travel and Tourism Council (WTTC), Reuters, World Economic Forum, World Bank, AfricaOutlook. Sector role data is for 2011.



Impact spans 7 areas



Retail & Restaurants

Sales of luxury goods will fall between \$85-\$120 billion in 2020. Consumers will save more (a). Restaurants dependent on tourism will also continue to be affected.



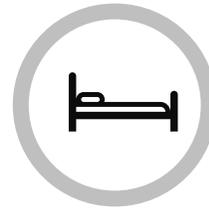
Aviation

Expected annual loss is \$113-\$252 billion for the airline industry. Projected annual revenue went from a 4% increase to 13-30% YoY decrease (vs \$838 billion in 2019). (b)



Travellers

Companies have cancelled (95%) or postponed (92%) meetings, conferences and events due to the coronavirus and quarantining measures, and 31% report moving meetings or events to virtual platforms. (c)



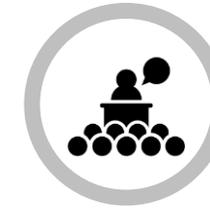
Hotels

Globally, occupancy rates are down from 70% with big brands recording rates as low as 5%. Numerous hotels in Africa issued indefinite closure notices. Declining revenue per available room is driving hotels towards severe cost-cutting measures. (d)



Cruises & Tours

About 28% of operators are at risk of closing their businesses within the next 3 months or 46% within 6 months. (e)



MICE

MICE (meetings, incentives, conferencing and exhibitions) tourism is in an induced coma. The Global Association of the Exhibition Industry estimates that 134 billion euros of MICE business has suffered cancellations and postponement of events. (f)

Factors on travellers minds as travel bans lift:

1. Safety and hygiene: Both perception and reality will matter.
2. Protocols: The quality and reliability of social distancing, mandatory checks and testing are important.
3. Confidence of timely return: Knowing one can return home will be key.
4. Brands: Are they upholding quality health standards?
5. Value for money: Lower incomes will mean higher demand for better options.



The impact on Africa has been equally hard

African airlines' traffic sank

98.7% in April, nearly twice as high as the 49.8% demand drop in March. Capacity contracted 87.7%, and load factor dropped 65.3 percentage points to just **7.7%** of seats filled, the lowest among regions.

Travel and tourism accounts for **11%** of African GDP.

Impact stories in Africa:

Travel and tourism contributes up to 30% of Rwanda's export earnings. Conferences and events alone that were expected to generate some \$8 million in March and April were cancelled. Gorilla viewing and trekking, the most significant contributor to the previous surge in tourism, has been halted.

Uganda organises tourist trips, but in response to coronavirus threats, it closed its national parks. In Uganda, travel and tourism brings in more dollars than coffee sales – a top export.

For Small Island Developing States (SIDs) in Africa, travel and tourism accounts for almost 30% of their economies and 20% or more of the workforce. For these states, the effects of Covid-19 are difficult to absorb without the alternative sources of foreign exchange revenues necessary to service external debt and pay for imports. The same is true in countries like The Gambia.

African industry bodies call for action:

1. Africa Travel and Tourism Association (ATTA) has urged EU and Western countries to rethink travel quarantine measures.
2. AU's African Strategic Tourism Framework urges ministers of member states to work together to project Brand Africa.
3. The East African Business Council (EABC) has urged countries in the region to make fiscal support available for the industry.



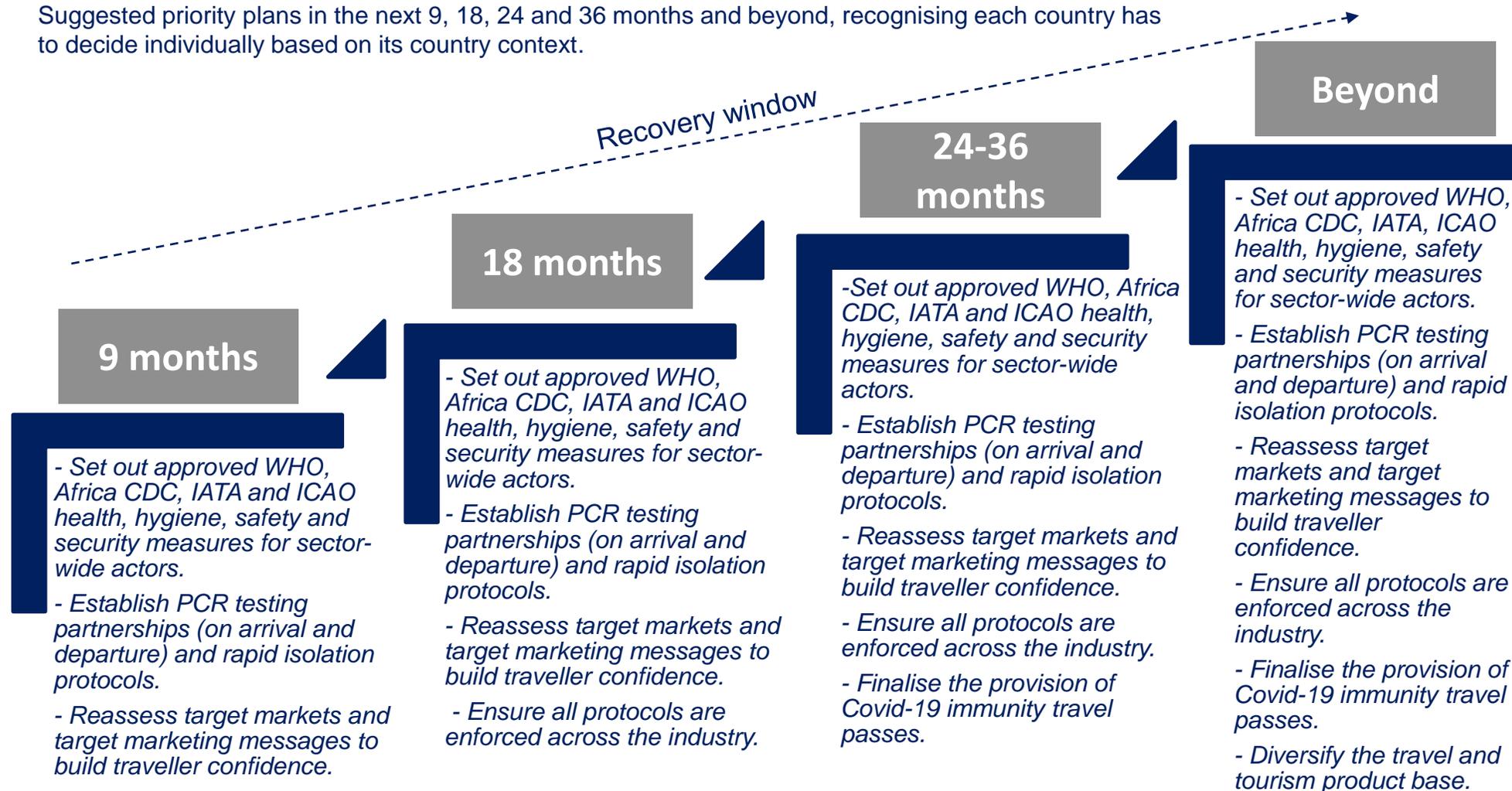
7 steps to reopen the travel and tourism sector as soon as possible while also protecting the country from Covid-19

- 01 Provide evidence that Covid-19 is under control (accurate reporting and effective testing/isolating) to build trust. Establish PCR testing and rapid isolation facilities at the airport and tourist sites, if possible.
- 02 Hold dialogues (e.g, via a travel and tourism taskforce) with industry players to draw out short-term tailored practical measures.
- 03 Prioritise safety in transport to, from and within the country plus from its regional partner countries on joint initiatives.
- 04 Set out high health related standards and build quality of tourism assets for travellers.
- 05 Ensure adequacy of a variety of infrastructure components for travel to and from tourist locations.
- 06 Continuously send out strong messages on the safety and security African destinations offer foreign travellers.
- 07 Train the workforce on social-distancing protocols (health context), including officials and staff with whom travellers will come into contact.



Priority actions should factor in uncertainty about the recovery timeline

Suggested priority plans in the next 9, 18, 24 and 36 months and beyond, recognising each country has to decide individually based on its country context.





Recommendations from the World Tourism Organisation (UNWTO) to protect the industry come with risks policymakers should consider

UNWTO Policy Recommendations

Levers and Risks

Managing the Crisis and Mitigating the Impact

- **Retain jobs**, support self-employed workers, **ensure liquidity**
- **Target** support to **vulnerable groups** such as **women, SMEs and youth**

- ✓ - Promoting skills development during the furloughed period
- Reviewing taxes, charges and regulations relating to travel and tourism

⚠ Millions of jobs at risk due to global economic recession. The sector's workforce may see a wave of workers retooling and repurposing their skills into other sectors with more security during a crisis of this kind.

Providing Stimulus and Accelerating Recovery

- **Provide financial stimulus**, include favourable tax policies, **lift travel restrictions** as soon as the health emergency allows for it

- ✓ - Placing tourism at the centre of national recovery policies and action plans
- Promoting visa facilitation and boosting marketing and consumer confidence in order to accelerate recovery

⚠ The sector may require more stimulus than previously projected. but with scarce governmental fiscal space prioritisation is vital.

Preparing for Tomorrow

- **Use travel and tourism's unique ability to lead** local and national growth, **build resilience learning from the lessons of the current crisis**

- ✓ - Greater emphasis to be placed on the sector's contribution to the Sustainable Development Agenda
- Governments and private sector actors to have disaster preparedness plans in place for travel and tourism

⚠ Even with the best of government efforts, it is a buyer's market and buyers may prioritise travelling only after a vaccine is found. Foreign activities are also likely to be among the last to restart, and on a phased basis.



Supporting the recovery and revitalisation of the sector





The UNWTO's longer-term recommendations for Africa can be factored in now to inform sector perseveration and recovery plans

01

Unlock growth through investment promotion and public-private partnerships

02

Promote innovation and technology

03

Promote travel facilitation (connectivity/visa)

04

Foster resilience (safety, security & crisis communication)

05

Advocate the "Brand Africa"

On a sub-regional scale, the suggested priority in the UNWTO Agenda for Africa on travel and tourism for inclusive growth are:

North Africa

Expand capacity-building including training facilities

East Africa

Promote travel facilitation, unlocking growth through investment promotion and public-private partnerships

Central Africa

Strengthen tourism statistics systems

West Africa

Unlock growth through investment promotion and public-private partnerships

South Africa

Advocate the "Brand Africa"



What African countries are doing to rebound the travel & tourism sector

Mauritius

- Mauritius resumes travel and tourism industry in June with WTTC recognising the country efforts.
- The government sets out support to the industry through a solidarity fund.



Kenya

- Provision of economic stimulus programme specifically for the sector.
- Tourism association leaders organised into a taskforce to oversee the plan for reopenings.
- The government, in collaboration with the private sector, is targeting domestic tourism for foreigners in the country as a short-term measure.



Ghana

- Tourist sites and attractions can apply to Ghana Tourism Authority (GTA) to reopen once they put all required precautionary measures in place to include distancing of 1 metre, mandatory wearing of face masks, washing of hands, provision of sanitisers. Inspections precede the issuing of GTA license to reopen.



Rwanda

- Reopening of parks, with strict distancing measures of metres apart, testing on site, number of guests/tourist per car. Marketing in place geared to attract local and foreign visitors assuring them of safety. The government also sets out support to the industry through a SME Resilience Fund. VAT extensions from receipts dates are being considered.



Tanzania

- On 18 May, the president instructed the ministries of transport and tourism to ensure no mandatory quarantine of travellers, subject to airport temperature checks and tests results being passed.
- The government is also focused on facilitating the restarting of international flights.



Egypt

- Rent payments are suspended for tourism and food service businesses at state-controlled landmarks.
- Extension of existing cash transfer programme to cover an additional 100,000 employees in sector.





What other countries are doing to rebound the travel & tourism sector

UAE

- Utility payments have been temporarily reduced and hotels and hotel apartments benefit from six-month payment deferrals of connection fees for water and electricity. Additionally, all tourism licenses and fees have been waived for six months.
- The Ras Al Khaimah Tourism Development Authority created a dedicated financial incentive package for non-government owned tourism.



Canada

- The work-sharing programme provides wage subsidies to workers who agree to reduce their normal working hours in response to the crisis. Wage subsidies are provided to eligible small employers for three months.
- The Business Credit Availability Programme allows the Business Development Bank of Canada and Export Development Canada to provide targeted support to MSMEs in tourism.



Brazil

- The government has facilitated the proportional reduction of wages and working hours as well as the deferral of social security payments.
- The government created the Antiunemployment Programme to avoid massive layoffs during the pandemic, with the objective of facilitating labour negotiations to reduce labour contract costs.



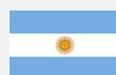
Thailand

- The Gov't Savings Bank is sponsoring soft loans to tourism-related operators. Travel vouchers are available for 5 million local travellers to promote domestic tourism. The gov't launched skills programmes for self-employed workers.



Argentina

- The government created a task force between the Ministry of Tourism & Sports, Ministry of Health and private sector chambers. The tourism association made its medical facilities and hotels available to government authorities for Covid-19 medical response.



Lebanon

- Visitors will not need to self-isolate on arrival.
- Where PCR tests are available in travellers' home country, they must have a test 96 hours before leaving for Lebanon, then repeat on arrival. Those that do not have PCR tests in home country must do a second test within 72 hours of arrival and stay at hotel/home during this period.



Source: WEF, ICAO, BBC, government sources

Check out: <https://www.oecd.org/coronavirus/policy-responses/tourism-policy-responses-to-the-coronavirus-covid-19-6466aa20/#figure-d1e253>



What other countries are doing to rebound the travel & tourism sector

Croatia

- Implemented a set of measures to support tourism businesses including: postponing payment of fees and tourism taxes, and increasing liquidity. Besides tourism-specific measures, general economy interventions support the sector by including tourism in the scope of the Export Guarantee Fund with the aim of enabling the issuance of guarantees for loans to banks for additional liquidity.



Greece

- Established an Open Communication Line for tourism operators to contact the Ministry of Tourism on emerging issues. Entry to Greece is dependent on the departure country. Countries with high cases may be banned.
- Developed guides for industry market segments. Hotel operators must conduct staff training on handling a possible outbreak among guests, with a doctor on standby. Strict distancing between guests required.



Cambodia

- The Ministry of Tourism sought insights from sector actors in order to prepare a rescue plan.
- A focus is on regional measures first. Strategy is to attract intra-ASEAN travellers.
- Tourism industry workers are being reskilled to pivot to call centres, e.g. for pharmaceutical outlets



Israel

- The Ministry as well as some local authorities has issued online virtual tours of sites and attractions around the country, in order to raise appetite and provide a temporary substitute for scheduled tours.



South Korea

- The industry is eligible for employment support providing up to 90% of annual leave allowance for six months to support job retention. Regulations have been relaxed to support the growth of the industry.





Tools being used around the world

World Economic Forum (WEF)

WEF suggests there will be a shift to touchless travel and a new health safety regime, supported by digital tools such as the Known Traveller Digital Identity initiative.

Kasada Capital

Kasada Capital has raised \$500m targeting tourism markets in Africa – with a focus on Ghana, South Africa, Senegal and Côte d'Ivoire. It aims to help the industry reopen and catalyse new growth prospects.

International Air Transport Association (IATA)

Paper passports are still required as the main form of identity for travellers. In a contactless world, the adoption of standardised digital travel credentials and initiatives like IATA's ONE ID concept, which promote the use of biometrics for a smoother journey, can be considered and adapted to this new context.

Sitata

Sitata is another company working in disruption management. It offers a mobile-based platform that provides travellers with pre-trip health and safety advice, real-time monitoring of travel disruptions and automated safety check-ins with real-time assistance. Airlines are using this tool to better manage trip disruptions.

Israel startup

RubiQ is a Tel-Aviv based startup that helps airlines reduce significant overload on call centres and streamline passengers' rebooking and refund processes. In the current situation, process automation is key.

Afrexim Bank

Afrexim Bank's COVID Pandemic Trade Impact Mitigation Facility (PATIFMA) can be used by travel and tourism businesses for trade financing, working capital financing, equipment, infrastructure and other financing needs. For example it has committed \$500m to The Gambia to revive tourism and other sector infrastructure.