

THE ROLE OF THE TOURISM INDUSTRY IN OVERCOMING CRISES CAUSED BY COVID-19: EXPERIENCE OF THE RUSSIAN FEDERATION

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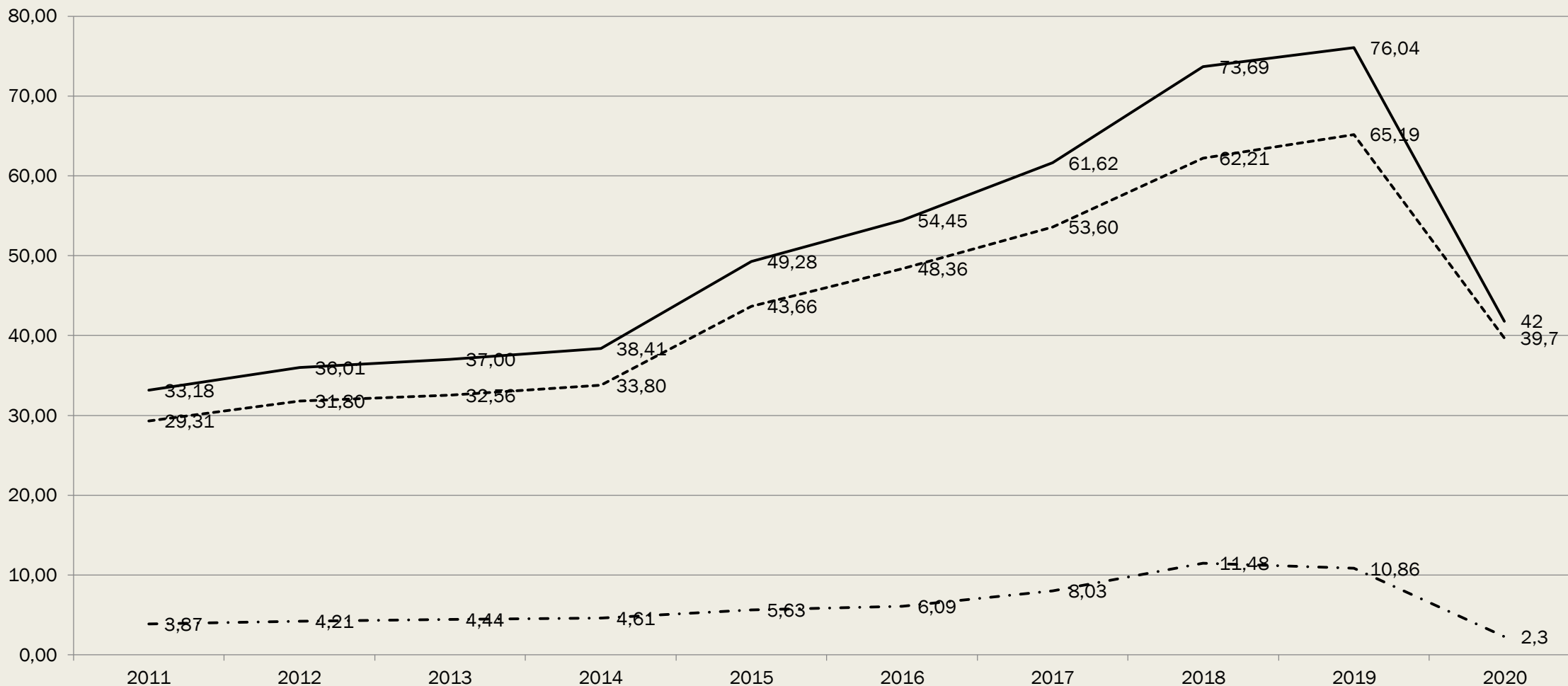


What has happened?

- Everything has changed: the economy, the social sphere, the psychology of individuals, government priorities, and even the environment.
- The coronavirus pandemic has hit many sectors of the economy.
- One of the most affected industries was the tourism and hospitality industry.



Dynamics of the ratio of Russian and foreign citizens in collective accommodation facilities



— quantity of all tourists in Russia, mln.p.

----- quantity of tourists of citizens of Russia, mln.p.

- · - quantity of tourists of foreign citizens, mln.p.

Medical tourism as new a new trend

- Until recently, the demand for medical tourism services was relatively low.
- But according to expert evaluations and surveys in 2021 there will be a sharp increase in demand for sanatorium-resort services.
- The number of guests in spring 2021 compared to spring 2018 and 2019 increased, on average, by 15-20%.
- For the summer period, according to pre-booking data, the growth is also planned in the range of 10-15%.





- Sanatorium stay usually includes a large set of services (accommodation, food, treatment), this makes it more expensive than hotel services.
- Population is interested in restoring health through the services of sanatorium organizations, and sanatorium organizations are ready to accept people and conduct special rehabilitation programs.
- The population in conditions of economic crisis does not have enough money to pay for such services.

What the government says?

- "...today international tourism is practically stopped and it will take a long time to recover. And this is the task of the next stage of recovery after the pandemic."
- "We need to develop a number of special measures to support domestic tourism, domestic transport and collective accommodation facilities in the regions of Russia."



**GOVERNMENT
OF THE RUSSIAN
FEDERATION**

Steps to overcome the crisis

- The federal and regional tourism administrations are working out a plan for a gradual recovery of tourism from the crisis.
- It is proposed to refer the tourism sector not only to the most affected, but also to the system-forming and to extend to them the entire range of state support, including subsidies, soft loans, employment support, etc.
- Despite the forecast of a 5% drop in GDP and a budget deficit, the government has developed programs to support citizens, businesses, employment, and a gradual recovery from the crisis in all sectors of the economy from the reserves accumulated earlier.



Domestic tourism

- The development of domestic (including social) tourism, the preservation and restoration of transport infrastructure and collective accommodation facilities will be a priority for the tourism sector.
- But the infrastructure may not be able to cope with this demand.
- The certified accommodation provides only 1.2 million places.



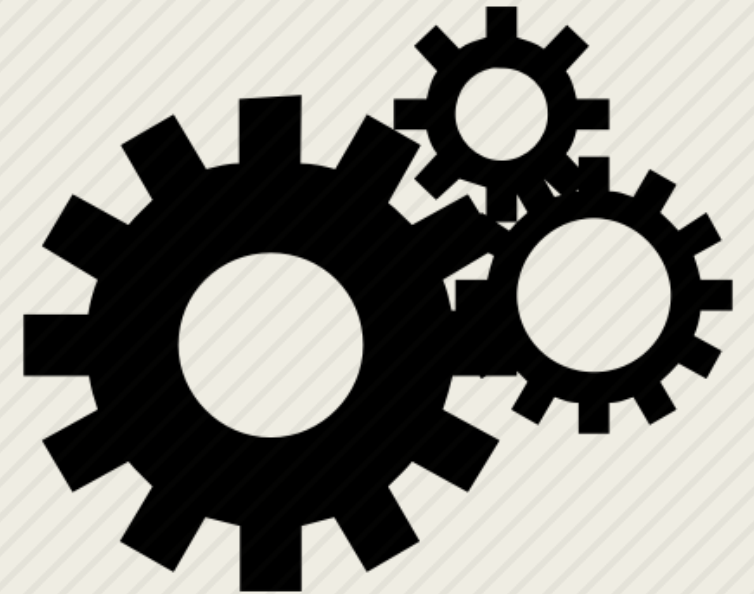
This is top priority

- For many potential customers, tourism has become the main cause of the spread of the coronavirus.
- Their attitudes towards many values of life have changed. Safety, health and ecology become the main ones.
- The World Tourism Organization adopted the slogan: «Trust is the new currency of our «new normality». This should show many people the willingness of tourism and hospitality to take the most important security measures.



What will change?

- The decline in the share of mass recreational and cognitive tourism;
- Decrease in the volume of business tourism, caused, in addition, by the introduction of remote communication technologies;
- Decline in the popularity of cruise tours;
- Increasing the share of social therapeutic and children's tourism;
- Increasing the popularity of short cognitive tours of up to 300 kilometers from the main place of residence;
- Growth of automobile tourism;
- Increase in the rent of individual accommodation facilities (apartments, villas, etc.);
- Increase in the popularity of rural and ecological tourism.

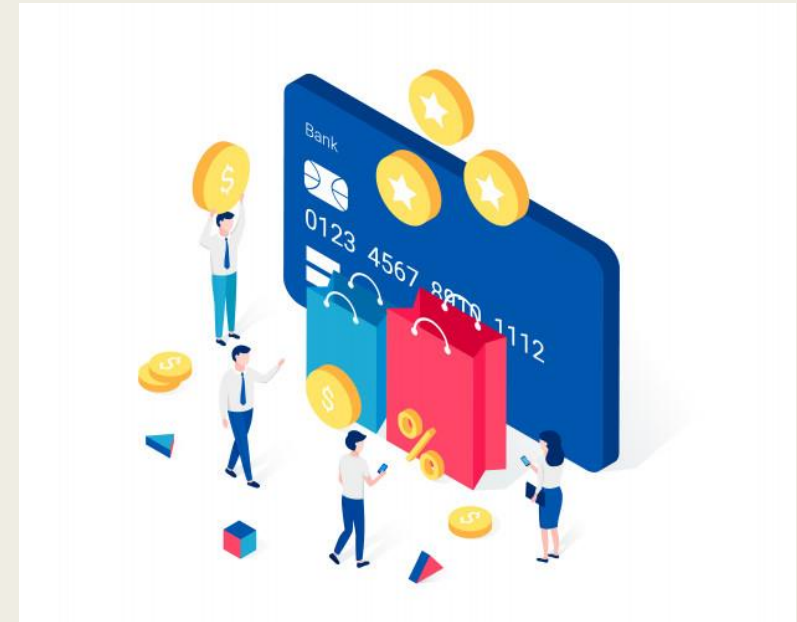




- Help for people who have suffered from COVID-19 and medical workers should be provided not so much with money, but first of all, they need to provide conditions for restoring health using natural factors and stimulate their use.

TOURIST CASHBACK

- The program was supposed to help to increase the load of the tourist infrastructure in the off-season, support the tourist business and regions, create jobs, and most importantly-give people the opportunity to have an affordable and diverse holiday in the country.
- The program was attended by about 300 thousand people.
- The state refunded to people for trips around the country about 1.2 billion rubles.
- During the period of the program, sales of the main large tour operators increased by an average of 40% compared to the same period last year.
- The aggregators who participated in the program had an increase in bookings of about 10-15%.



What the President says ?

- The "CASHBACK" program has been extended for a refund of 20% of the tour cost until the end of 2021;
- Introduced a system for refunding funds spent on payment for children's recreation;
- Developed measures to stimulate student tourism;
- The procedures for obtaining tourist visas by foreign tourists have been simplified;
- Launching a program of concessional loans for the construction and reconstruction of hotels and other tourist infrastructure. The rate on such loans will be calculated for 15 years and will be three to five percent.



Thank you
for your attention