



## GLOBAL TOURISM EXPORT: IMPORTANCE AND CURRENT TREND IN POST-PANDEMIC ERA

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**Abstract.** *Being the fastest growing economic industry, tourism became one of the key revenue producers for most countries. Tourism not only provides a significant source of income for business entities, but also impacts on employment and economic welfare both directly and indirectly. This paper explores the vital role tourism exports play in world trade, focusing on their contribution to GDP, foreign exchange earnings, and employment. It also examines pre and post pandemic situation in the industry globally, and considers the challenges and opportunities faced by the sector. The findings highlight tourism's importance in driving economic growth and underscore the need for sustainable practices in the industry through PEST analysis.*

**Keywords:** *tourism exports, economic growth, world trade, GDP, global trade, the number of arrivals.*

## GLOBAL TURIZM EKSPORTI: PANDEMIYADAN KEYINGI DAVRDA AHAMIYATI VA HOZIRGI TENDENSIYASI

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*Jahon iqtisodiyoti va diplomatiya universiteti*

**Annotatsiya.** *Eng tez rivojlanayotgan iqtisodiy sanoat bo'lgan turizm ko'pchilik mamlakatlar uchun asosiy daromad ishlab chiqaruvchilardan biriga aylandi. Turizm nafaqat tadbirkorlik subyektlariga katta daromad manbai, balki aholi bandligi va iqtisodiy farovonligiga ham bevosita va bilvosita ta'sir ko'rsatadi. Ushbu maqolada turizm eksportining jahon savdosida o'ynaydigan muhim roli o'rganilib, ularning YaIM, valyuta tushumlari va bandlikka qo'shgan hissasiga e'tibor qaratiladi. Shuningdek, u global miqyosda sanoatdagi pandemiyadan oldingi va keyingi vaziyatni o'rganadi va sektor duch keladigan muammolar va imkoniyatlarni ko'rib chiqadi. Topilmalar turizmning iqtisodiy o'sishni ta'minlashdagi ahamiyatini va PEST tahlili orqali sanoatda barqaror amaliyotlar zarurligini ta'kidlaydi.*

**Kalit so'zlar:** *turizm eksporti, iqtisodiy o'sish, jahon savdosi, YaIM, global savdo, kelganlar soni.*

## ГЛОБАЛЬНЫЙ ЭКСПОРТ ТУРИЗМА: ЗНАЧЕНИЕ И ТЕКУЩАЯ ТЕНДЕНЦИЯ В ЭПОХУ ПОСЛЕ ПАНДЕМИИ

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**Аннотация.** Будучи самой быстрорастущей экономической отраслью, туризм стал одним из основных источников дохода для большинства стран. Туризм не только обеспечивает значительный источник дохода для субъектов предпринимательства, но и влияет на занятость и экономическое благосостояние как напрямую, так и косвенно. В этой статье исследуется важная роль экспорта туризма в мировой торговле, с упором на его вклад в ВВП, валютные поступления и занятость. В ней также изучается ситуация в отрасли до и после пандемии во всем мире и рассматриваются проблемы и возможности, с которыми сталкивается сектор. Результаты подчеркивают важность туризма в обеспечении экономического роста и необходимость устойчивых практик в отрасли с помощью анализа PEST.

**Ключевые слова:** экспорт туризма, экономический рост, мировая торговля, ВВП, глобальная торговля, количество прибытий.

### Introduction.

The global tourism industry is one of the most significant and rapidly changing sectors in world trade, contributing vitally to the economic prosperity of countries. It has significant effect on majority of macroeconomic indicators, such as gross domestic product, overall export and import trends, foreign exchange earnings and investment. Thus, tourism is often regarded as a leading export category for many countries, particularly in developing economies. The purpose of this research is to analyze how tourism is changing globally, what challenges are faced, and is there opportunities to improve the current situation.

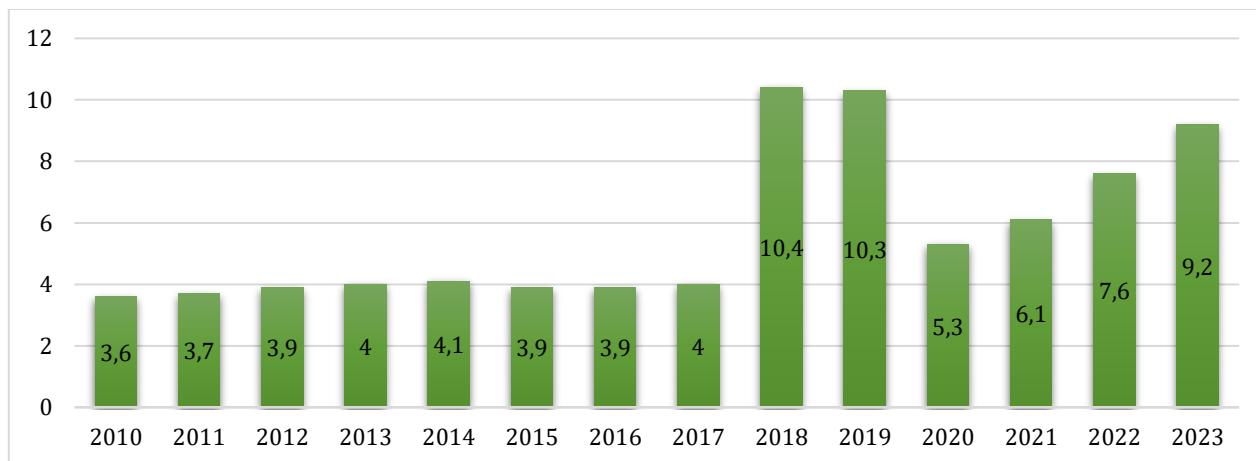
### Literature review.

Tourism industry and its effect on economic growth was researched by many scholars. For instance, Rasool and Maqbool learned connection of tourism export and economic growth in BRICS countries during 1995-2015 using international tourism receipts, financial development and GDP per capital as variables (Rasool et al., 2021). Another research which studied the group of countries for the nexus of tourism impact was made for *Western Balkan countries* (Albania, Bosnia and Herzegovina, Croatia, FYROM, Montenegro and Serbia) for the period of 1998-2014 (Nasir et al., 2017). In the examination of countries with substantial tourism export shares, Isabel.C and colleagues investigated the impact of tourism export on the economic growth trajectories of *Spain* and *Italy*. Their study spanned from 1964 to 2000 for Spain and from 1954 to 2000 for Italy (Cortes et al., 2009). The research incorporated a range of variables to assess this relationship, including: economic growth measured by Real GDP per cap, physical capital measured by investments, tourism export, overall export, human capital measured by the quota of active population with secondary level of education for the Spanish case and by the quota of population with secondary level of education for the Italian case.

The impact of tourism industry on unemployment rates, how people earn and effects on their well beings was learned by Alegre et al. (2018), Sofronov (2018). Post-pandemic situation of tourism in the world was learned by Stankov et al. (2020), Bhuiyan et al. (2021), Benjamin et al. (2020). They discussed how the situation was before pandemic, and how tourism changed during post-pandemic era. In addition to these research works, this article will also try to adhere the economic situation of tourism globally.

### Analysis and discussion of results.

Tourism export became one of the most up beating export form for countries despite of their economic situation. In the world market tourism export plays significant role on economy and in other fields as well, due to the fact that it has major impact on main macroeconomic indicators. Economic impacts associated with tourism arise as a result of the demand and supply connection in the industry. Economic impact of tourism export is seen on the macroeconomic indicators, such as Gross domestic product, total export share, investment spending, government spending, consumption, trade share, employment, inflation, tax revenue and others.



**Graph 1. International tourism GDP (Report, 2022)**

*Source:* compiled by author based on *Tourism and Travel Economic Impact*.

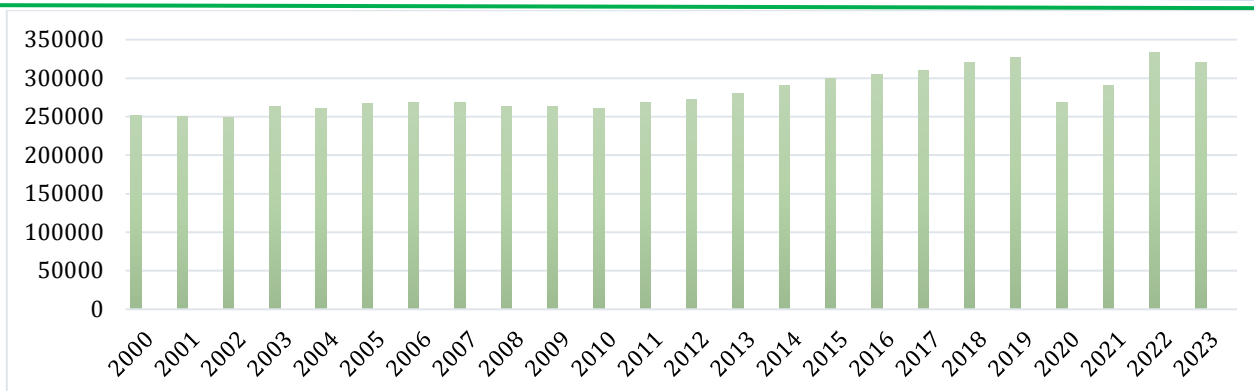
Over the past 50 years, tourism has been developing rapidly and steadily until 2008, during international monetary crisis, with 2 years of interval for recovery. However, the unexpected event of global pandemic in 2019 shattered global tourism more than the previous global phenomenon. Starting from tourism export share on global GDP, it can be detected that steady increase was bothered by global pandemic in 2019.

From 2017 to 2019, the tourism GDP share experienced prosperous growth, increasing by approximately 10.4% each year. However, the onset of the COVID-19 pandemic in 2020 had a significant impact on the global tourism industry, leading to a noticeable decrease in expected global tourism GDP from almost 11 to 6%. The pandemic resulted in travel restrictions, border closures, and a sharp decline in international travel, causing a severe shock to the tourism sector worldwide. Despite the pre-pandemic growth trends, the global tourism GDP had shown a more modest average growth rate of around 4% in the years leading up to the pandemic.

As the tourism shock happened during COVID 19, affecting all especially tourism dependent countries, they faced economic downturn for the period of 3 years. Slow but careful recovery made tourism come to its pre-pandemic strength again. Nonetheless, this trend is not similar for all countries, some regions are still struggling to recover, making it barrier for further foreign exchange earnings.

As tourism industry faced some challenges, not only tourism export share in GDP, but also its impact on unemployment rate also changed drastically.

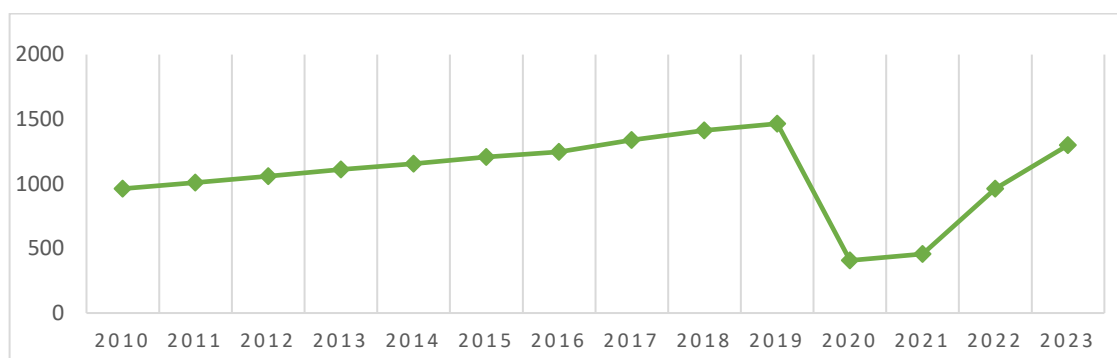
Tourism effects to employment rate **directly** and **indirectly**. Direct effect is considered when people work related industry, such as hotels, transportation for tourists, travel guides and etc. indirect contribution can be seen when people who are not related to the industry serve for tourists. For instance, a shop owner sells something for foreign visitors, or car washing services was utilized by non-locals. Economically speaking, direct contribution of tourism can be calculated, as it is easy and will show reliable results. The second graph shows the direct contribution of tourism on employment in the world.



**Graph 2. Tourism impact on global employment (Report, 2022)**

*Source:* complied by author based on *Tourism and Travel Economic Impact*.

Between the early 2000s and 2014, the global tourism sector employed approximately 250 to 290 million people. From 2015 to early 2019, leading up to the COVID-19 pandemic, this number steadily increased to around 340 million. However, the onset of the pandemic caused a sharp decline in employment within the sector, driven by the halt in international travel and reduced tourist activity. This culminated in a substantial reduction of nearly 60 million employment opportunities, notably impacting nations predominantly reliant on tourism, such as those in the Middle East, Latin America, and Europe. This is because the process of laying off existing staff and onboarding new personnel takes time.



**Graph 3. International Tourist Arrivals (www.unwto.org, 2022)**

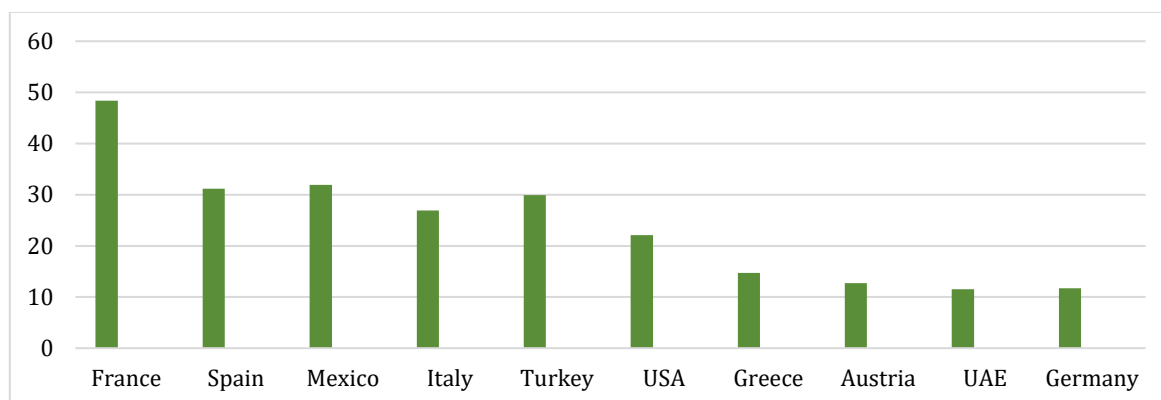
*Source:* complied by author based on the World Bank and UNWTO data.

Another main tourism related macroeconomic indicator is the tourism flow. Tourism flow is often regarded as the number of visitors to the country with tourism or tourism related purposes. Globally, the number of people who traveled with touristic purposes are quite high, as people prefer to travel in order to learn different cultures, or simply enjoy other destinations.

Playing a crucial role, main tourism receipts relates to the number arrivals globally. Tourism export share, share on employment and receipts are directly connected with the number of foreign arrivals. Globally in 2023, 1.3 bln people traveled, slightly reaching to the pre-pandemic numbers slowly (see graph 3). as the tourism arrivals has interesting tendency, we would like to divide it into 3 major group of years. First: developing years – this stage contains of 2010 – 2014 years. During these years average tourist arrival was 1 mln people. Second: Prosperity years -from 2015 till 2019 tourism had the most prosperous years in its history having approximately 1,4 bln visitors for each year. Third: Recovery – because of COVID 19 global pandemic in the second half of the 2019 tourism started to see biggest downfall among all other sectors in the world, losing its 50 % of GDP, export, employment and arrivals.

Main question stays as which countries people visit most. Did this trend changed after pandemic or people still choosing same destinations?

The data provided by UNWTO highlights the significant concentration of international tourist arrivals in certain regions of the world, with Europe emerging as a particularly popular destination for travelers. Among the ten most visited countries globally, six are located in Europe, namely France, Italy, Spain, Greece, Germany, and Austria (see graph 4).



**Graph 4. Top 10 visited countries in 2023 1. (Statista, 2023)**

*Source: compiled by author based on UNWTO and Statista.com data.*

France stands out as the top-ranked destination, attracting a staggering 48.4 million international visitors on average. This underscores the country's appeal as a premier tourist destination, known for its iconic landmarks, cultural attractions, and gastronomic delights.

Italy, Spain, Greece, Germany, and Austria also feature prominently in the list of most visited countries, with each welcoming an average of 15 million international visitors annually. These countries boast diverse tourism offerings, ranging from historical sites and architectural marvels to scenic landscapes and vibrant cultural scenes.

Notably, among Asian and Middle Eastern countries, only the United Arab Emirates (UAE) and Turkey are represented in the rankings, with both countries welcoming an average of 11.5 million international visitors each year. The UAE, particularly Dubai, is renowned for its luxurious resorts, shopping malls, and entertainment attractions, while Turkey offers a rich tapestry of history, culture, and natural beauty. The concentration of international tourist arrivals in Europe reflects the region's allure as a tourist destination, characterized by its rich cultural heritage, diverse landscapes, and well-developed tourism infrastructure. However, the inclusion of countries like the UAE and Turkey in the rankings underscores the growing importance of other regions in the global tourism landscape. Overall, the analysis of international tourist arrivals highlights the diversity of tourist destinations worldwide and underscores the significance of tourism as a driver of economic growth, cultural exchange, and international cooperation.

Analyzing main tourism related macroeconomic indicators, it can be deduced that, global pandemic changed the scope of tourism. It created some challenges, which resulted in increase in domestic tourism than international. Several factors may have contributed to this slower growth. Following reasons shows why tourism export was increasing steadily but slowly before COVID 19:

1) **Difficulties in visa and documentation** – before 2018, due to lack of security and trust cross border activities required a lot of documentation. As a result people preferred inbound tourism than outbound.

2) **Global crises** - happening in 2008-2009 global crisis resulted in shortage of income in people. Thus, people directed their money to meet their basic needs, instead of secondary needs.

3) **Climate problems** – frequent environmental problems in Japan, Brazil, Australia made people less interested in cross – border activities, concerning about their own state of health.



- 4) **Air traffic disruptions** – in some point it is linked to climate problems. More weather inconvenience, the more airline disruptions.
- 5) **Difficult cross border set of laws** – as it mentioned before, documentation for crossing the border of one country to another country was difficult. Political issues, protection laws of countries became a reason of complex set of laws.
- 6) **High taxations** – before 2018, travel agencies paid high amount of tax in some countries, resulting less interest in working in the tourism sector. Year by year this indicator is decreasing, because of how important tourism export became.
- 7) **Price discriminations** – in many countries locals in service sector set different price for foreigners leading to artificial increase of price. It caused a lot of problems for tourists economically.

As it has been more than 3 years for global pandemic, most countries already recovered from shock, while others still struggling. Here are some strategies countries made in order to minimize tourism shock of pandemic:

- 1) **Advanced technology in tourism sector** – recent increase in tourism technologies and advanced innovations made people curious about travelling.
- 2) **Decrease in tourism prices** – preventing artificial price discrimination by locals made foreigners more comfortable to visit different countries.
- 3) **High travel promotions** – marketing in tourism developed and countries started to promote tourism more in global scope. Showing what they can offer for visitors increased global share of tourism export in GDP.
- 4) **Tough check-up and health security** -after COVID 19, before entering to the country visitors are checked thoroughly not only for security purposes, but also in order to maintain health rate. Countries are offering even health services for free for visitors as a means of attracting tourists. It made people believe and concern less about health, and travel freely.
- 5) **Better infrastructure** – change and improvement of tourism infrastructure made travel easy and convenient.
- 6) **Easy access to booking and package holidays** – in order to attract visitors on a large quantity, countries made booking better and easier.
- 7) **Psychologic effect of Covid 19** – linked to crisis in 2008 and COVID 19, people realized that work never ends, while life is not long enough to wait. Their interest towards tourism increased and not only alone, but also with family or friends trip increased to.

In order to see all aspects of tourism industry globally, PEST analysis was conducted.

#### **Pre and Post-Pandemic PEST Analysis of global tourism industry:**

##### **1. Political:**

**Pre-Pandemic:** Tourism prospered due to stable political conditions, international agreements. Governments often prioritized tourism as a major economic driver, especially in developing countries. Only some regions like Africa and Middle East struggled due to little political image globally.

**Post-Pandemic:** entry to another country has changed. Countries reformed new visa regulations, and strict health protocols. Additionally, political tension between countries also worsened, resulting negatively for people's travel choice. For example, political situations in Palestine, Russia changed visitors' preference from international to domestic travel.

##### **2. Economic:**

**Pre-Pandemic:** Global tourism had strong economic momentum, with rising disposable income and lower-cost travel options, such as budget airlines and online booking platforms. Emerging economies saw significant growth in outbound tourism, creating a more balanced flow of visitors globally. However, economic disparities in certain regions restricted access to tourism for some populations.

**Post-Pandemic:** The pandemic led to a dramatic decline in tourism revenue, causing massive losses for tourism-dependent economies. Economic recovery is slow, with many

businesses still facing financial strain. However, digitalization and remote working have led to the rise of "workcation" tourism, where people combine travel with remote work. There is also a shift towards domestic tourism, as international travel remains restricted in some regions.

### 3. Social:

**Pre-Pandemic:** social media played vital role for cultural awareness and exchange. People traveled across the world for learning new cultures and lifestyle. It surged international travel significantly. Eco-tourism, adventure and youth tourism became leading tourism types.

**Post-Pandemic:** Social behaviors have shifted, with a stronger focus on health, hygiene, and safety. People are now more conscious about the risks associated with travel and prefer destinations with stringent safety measures.

### 4. Technological:

**Pre-Pandemic:** before global lockdown, tourism industry was being introduced with advanced technologies, such as online booking platforms, mobile applications, comfortable transportation (UBER, YANDEX), peak era of B and B. Advances like low-cost airlines, faster trains made travel more affordable and accessible.

**Post-Pandemic:** technologic advances accelerated rapidly. With advanced health check-ins, passport reforms, digital documentation tourism became safer. Application of AI system in tourism also made some services easier.

**Table 1**

**Solutions to the problems tourism industry is facing:**

Solutions	Definition
<b>Green Tourism Strategies</b>	In order to deal with environmental matters, encouraging eco-friendly tourism that minimizes environmental footprints would be effective method. Through eco-friendly accommodations, transportation, and tourism activities pollution of touristic areas may be minimized. Implementing policies that prioritize sustainability and green certification for businesses in the tourism sector will address tourism challenges.
<b>Controlling Over-tourism</b>	Evolving strategies like spreading tourist demand to lesser-known destinations, limiting tourist numbers at peak times, and promoting longer stays to reduce the pressure on over-exploited areas will reduce the over-demand in tourism destinations.
<b>Technological Innovation</b>	Using technology to address challenges like overcrowding or safety concerns. Virtual tourism, contactless services, and digital health passports could be useful tools for creating a safer and more efficient travel experience.
<b>Advanced Crisis Strategies</b>	Developing better preparedness plans for emergencies like pandemics, natural disasters, and political instability. This includes enhanced health protocols, flexible travel insurance, and rapid-response systems for tourists.
<b>Diversification</b>	Encouraging tourism beyond the typical destinations to balance out seasonal fluctuations. Countries can promote off-season travel and niche tourism markets like eco-tourism, wellness tourism.
<b>Cultural Preservation Programs</b>	Promoting cultural sensitivity training for tourists and tour operators, as well as investing in preserving heritage sites. Developing partnerships between governments, local communities, and international organizations can help protect cultural integrity.

*Source: compiled by author.*

Analyzing the global tourism position through PEST analysis dividing it into pre and post pandemic era showed how the situation is going currently. Whether people's preferences changed, or it is still the same. We think there are some **challenges** the global tourism is facing currently.

**1. Mistrust and security issues:** people started to be careful with the destination they want to visit. Main priority changed from adventure and relaxation to health and security.

People check overall health capacity of the country, whether it is safe medically or not. In fact, not only the country should be safe for health, but also politically stable and out of any disagreements. This may lead to disruptions in increase for tourism industry for upcoming years.

2. **Over-tourism:** some cities are overly crowded with tourism leading to environmental damage, cultural degradation, and strain on local resources. This results in a negative impact on both the environment and the local community.

3. **Environmental Impact:** main damage for environment from tourism is soil and water pollution. Throwing used plastic and litters to water areas or even local places will result in extra cost for countries.

4. **Seasonality:** Many tourist destinations experience extreme seasonal fluctuations in visitor numbers, leading to periods of overcrowding followed by quiet off-seasons. This can cause economic instability for businesses dependent on tourism.

Recovery period for tourism industry globally may have not been enough for all regions. As challenges above show how much problems tourism is facing and how severely important they are, it is important to give some solutions to tackle them. Considering current situation, tourism industry globally has great opportunity to improve. In fact if following solutions are considered, tourism may keep its impact on global economy positively.

### Conclusion and suggestions.

The tourism industry faces multiple challenges, from over-tourism and environmental damage to political instability and health crises. However, solutions such as sustainable practices, crisis management strategies, and technological innovation can help mitigate these issues. The PEST analysis shows how global tourism has evolved due to political, economic, social, and technological changes, particularly in response to the COVID-19 pandemic. Moving forward, the industry must adapt to new realities while prioritizing sustainability, safety, and digitalization to ensure long-term growth.

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