
Impact of the Russian offensive in Ukraine on international tourism

UNWTO Tourism Market Intelligence and Competitiveness Department
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Overall assessment of the impact on tourism



Added risk to a weak and uneven tourism recovery



Lower consumer confidence particularly in more risk-averse markets and segments



Weaker economic growth and higher inflation:
Higher oil prices + inflation + interest rates = higher travel costs for consumers & pressure on businesses, specially MSMEs



Disruption of Russian & Ukrainian outbound travel which accounts for some 3% of global spending = US\$ 14 billion in 2020



Impact on traditional destinations but also emerging ones especially island and coastal destinations



Threatens tourism-related jobs and businesses impacting livelihoods

A risk to the ongoing recovery of tourism

- First and foremost, the biggest concern is for the **human tragedy** unfolding in Ukraine. Our thoughts go to the people suffering from this conflict.
- Russia's military offensive in Ukraine represents **a downside risk** for international tourism. It has exacerbated already high oil prices and transportation costs, increased uncertainty and caused a disruption of travel in Eastern Europe.
- The destinations most impacted so far (aside from Russia and Ukraine) are the **Republic of Moldova** with a 69% drop in flights since 24 Feb. (compared to 2019 levels), **Slovenia** (-42%), **Latvia** (-38%) and **Finland** (-36%) according to data from Eurocontrol. **Russian** bookings of outbound flights also plunged in late February and early March but have since rebounded according to data from Forwardkeys.
- Despite the conflict, European air traffic has **grown steadily** from mid-March to early May. Air bookings also show **rising demand** for intra-European travel and for flights from the US to Europe.
- The **easing of travel restrictions** are contributing to the normalization of travel (36 countries had lifted all COVID-19 related travel restrictions as of 13 May 2022) but the conflict continues to pose a serious threat to the recovery.

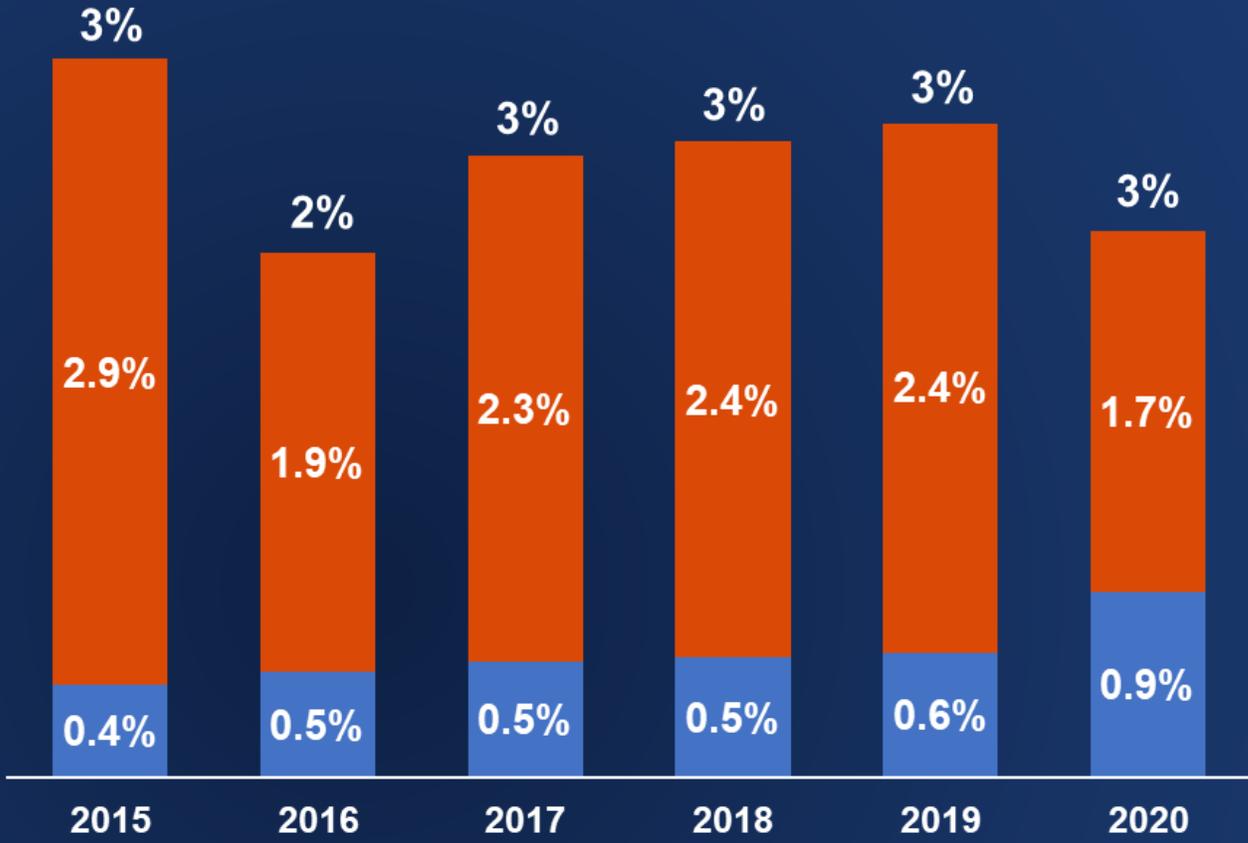
A possible loss of US\$ 14 billion for the tourism economy

- As source markets, **Russia and Ukraine represent a combined 3% of global spending on international tourism** as of 2020. A prolonged conflict could translate into a loss of US\$ 14 billion in tourism receipts globally in 2022.
- In 2019, **Russian spending on travel abroad reached US\$ 36 billion** and Ukrainian spending US\$ 8.5 billion. In 2020, these values were **down to US\$ 9.1 billion** and US\$ 4.7 billion, respectively.
- As tourism destinations, Russia and Ukraine account **for 4% of international tourist arrivals in Europe but only 1% of Europe's international tourism receipts.**
- The importance of both markets is significant for neighboring countries, but also for European sun and sea destinations. The Russian market gained significant weight during the crisis in long-haul destinations such as Maldives, Seychelles and Sri Lanka.

Russia and Ukraine's international tourism spending (% of world total)

- Russia
- Ukraine

Source: UNWTO



Destinations with highest share of Russian visitors (%) (various indicators) 2019-2021



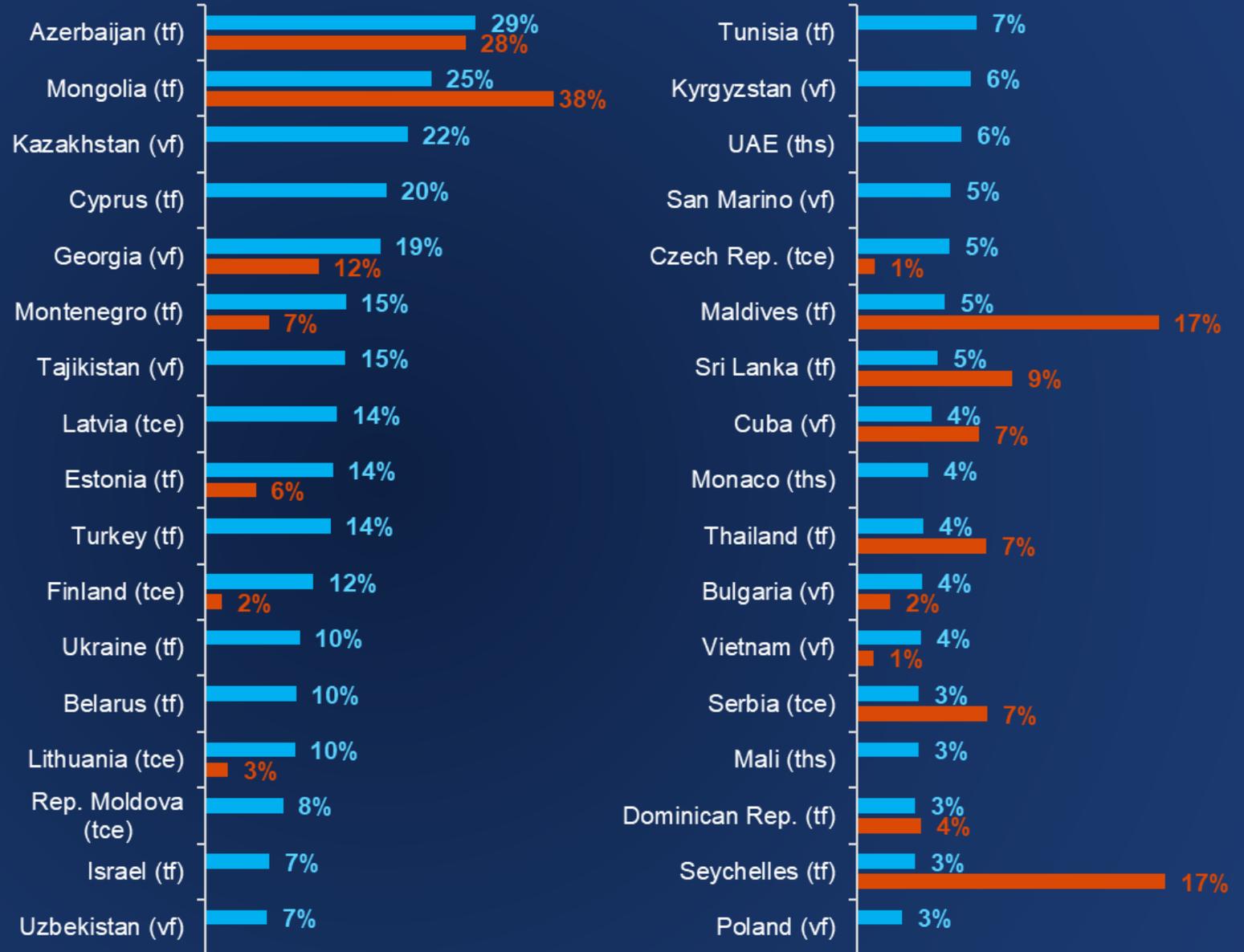
tf: international tourists at frontiers (overnight visitors)

vf: international visitors at frontiers (overnight and same-day visitors)

tce: international tourists at commercial establishments

ths: international tourists at hotels and similar establishments

Source: UNWTO

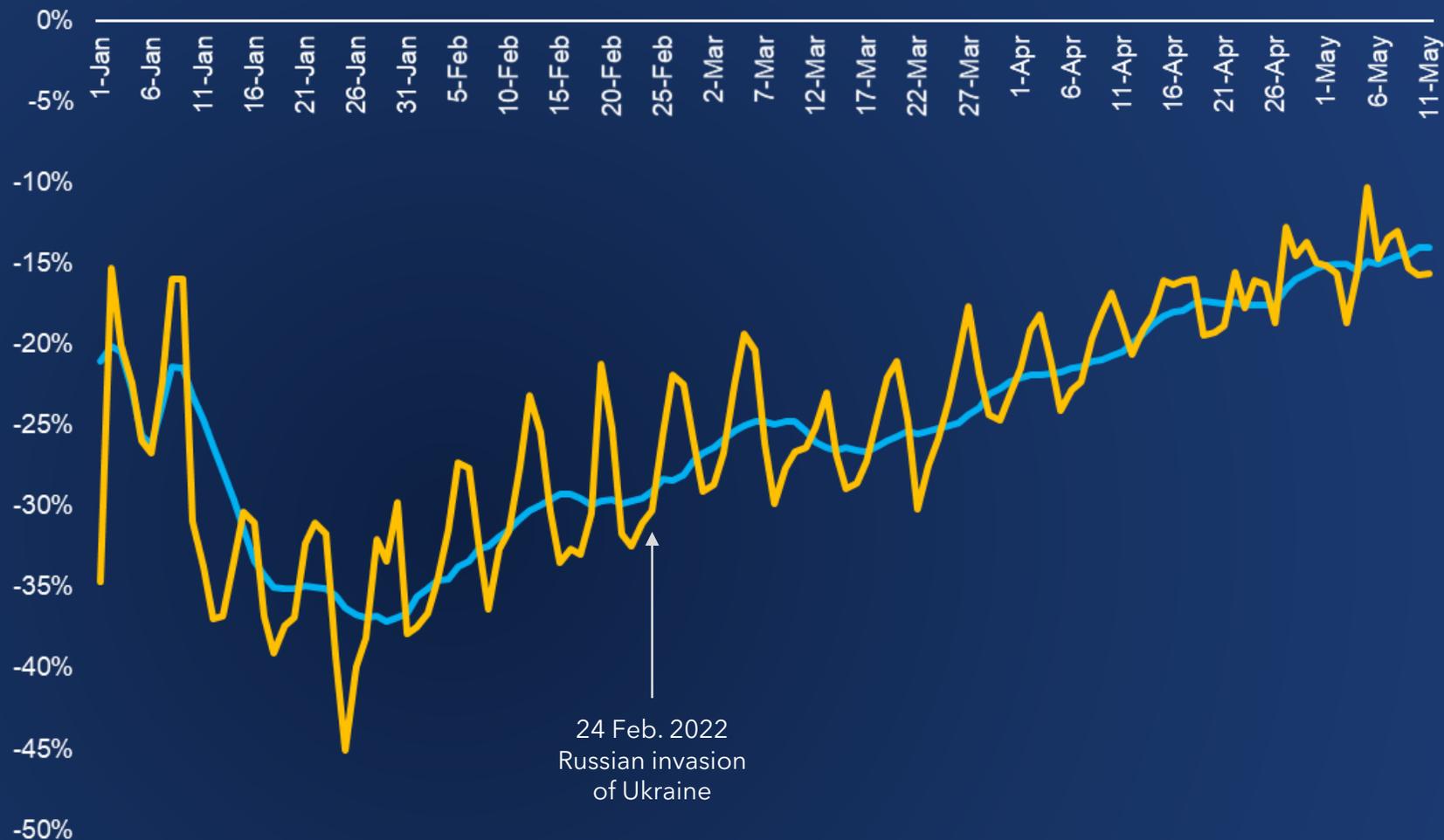


European flights, January- May 2022 (% change vs. 2019)

- Daily change (%)
- 7-day moving average

Source: compiled by UNWTO
from Eurocontrol

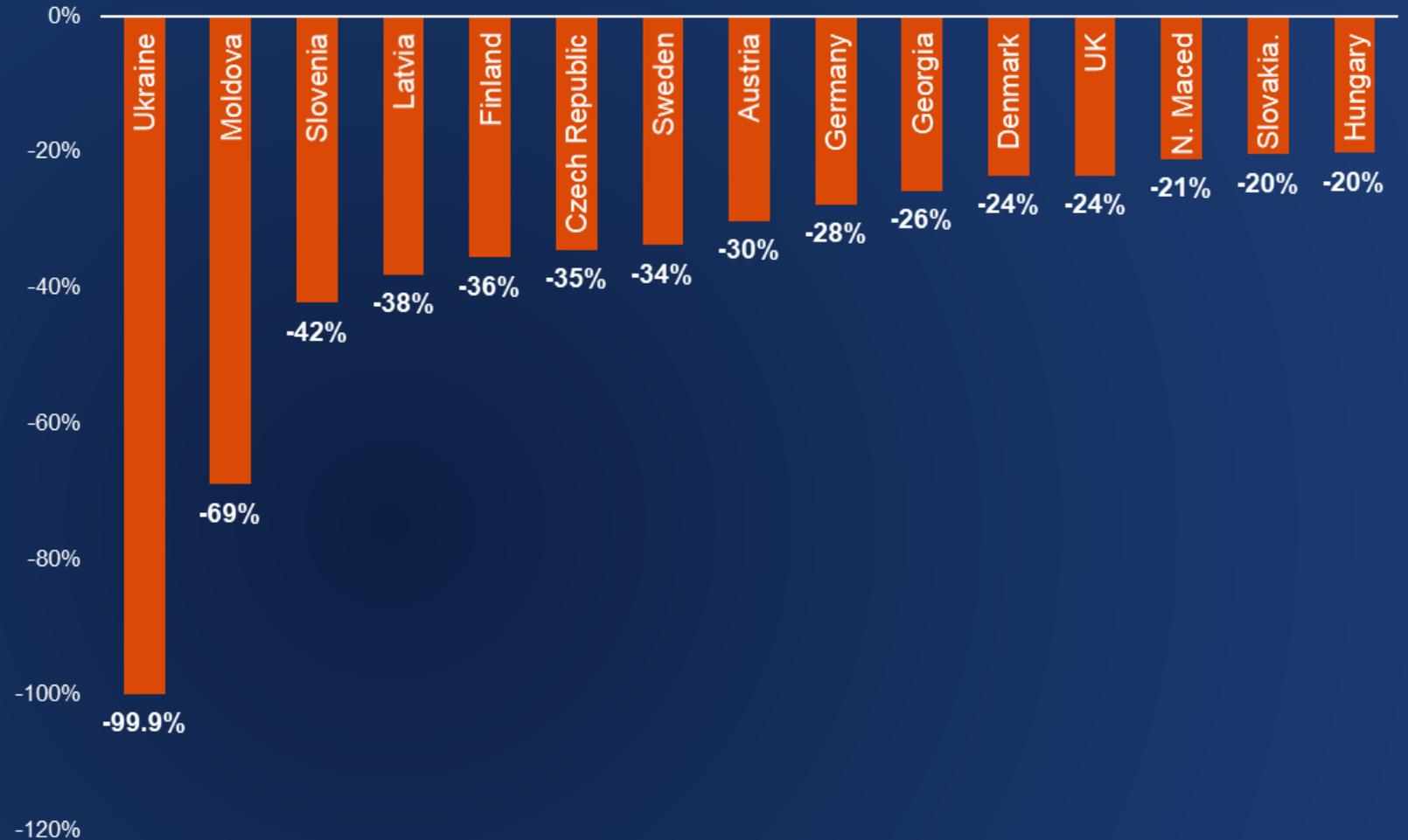
Based on 41 countries covered by
Eurocontrol



European countries with largest decline in number of flights, 24 Feb - 11 May 2022 (% change vs. 2019)

Source: compiled by UNWTO from Eurocontrol

Based on 41 countries covered by Eurocontrol

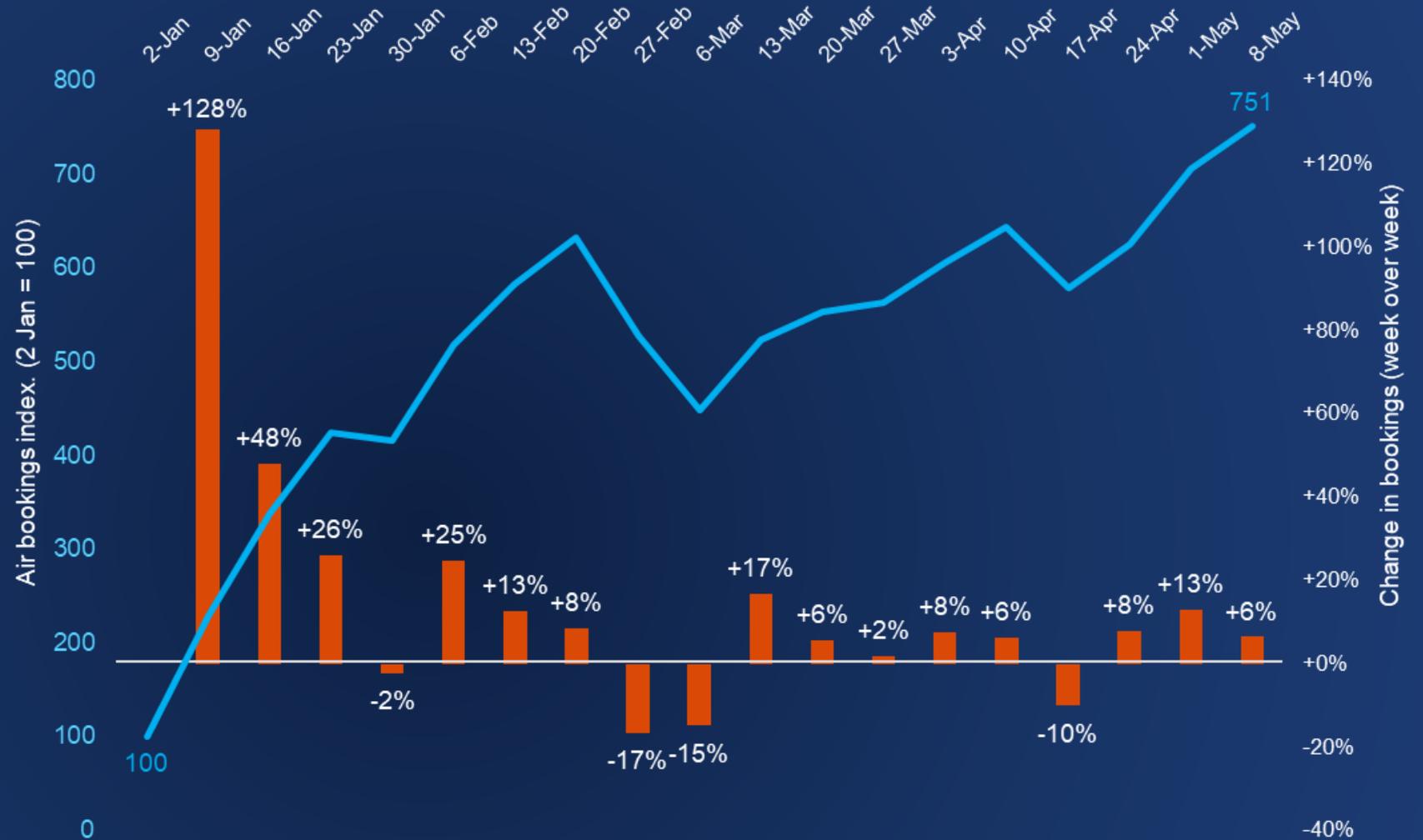


Air bookings for intra-European travel, January to May 2022 (index)*

- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.

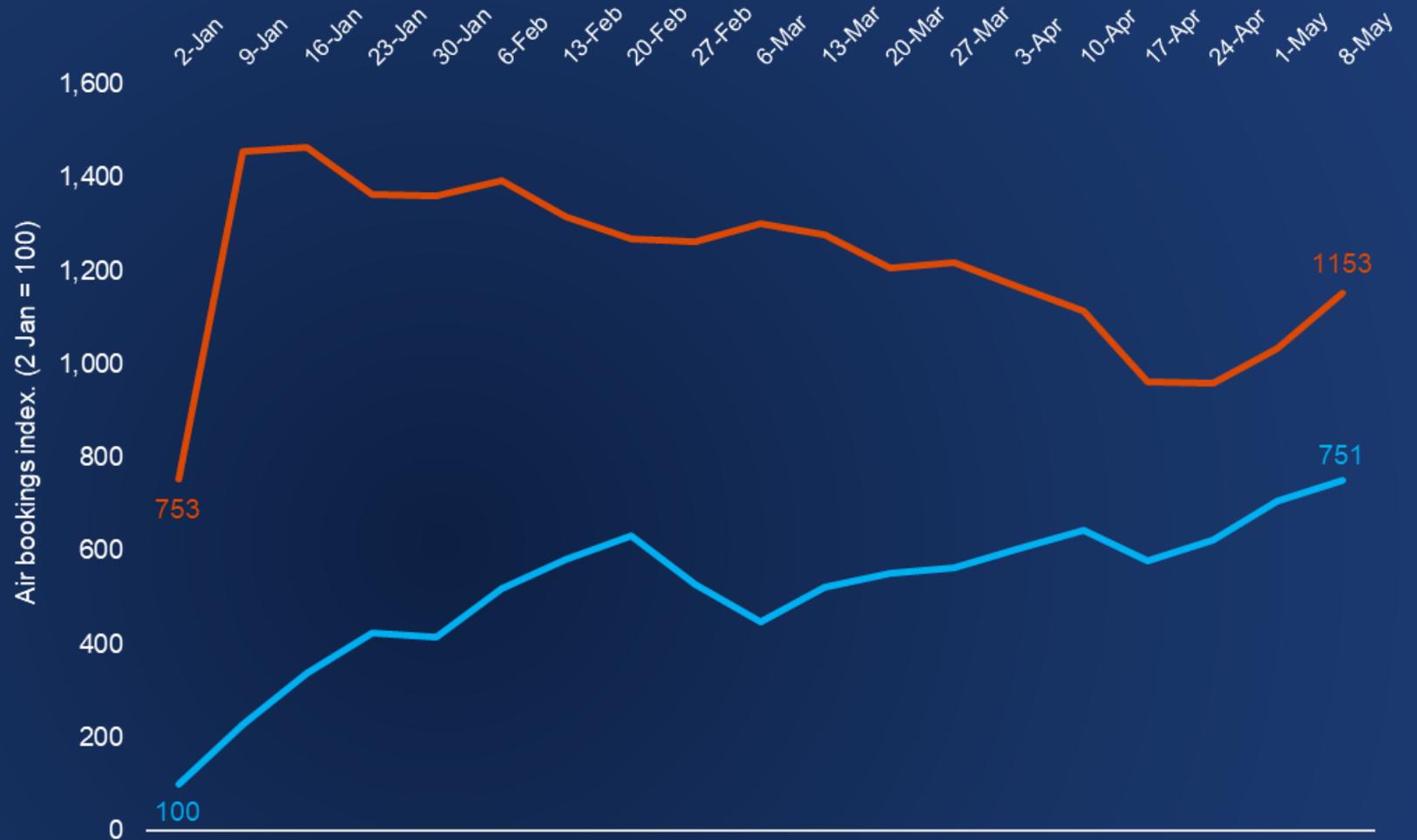


Air bookings for intra-European travel, January to May 2022 (index)*

- 2019 (pre-pandemic)
- 2022

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.



Air bookings for travel from US to Europe, January to May 2022 (index)*

- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.

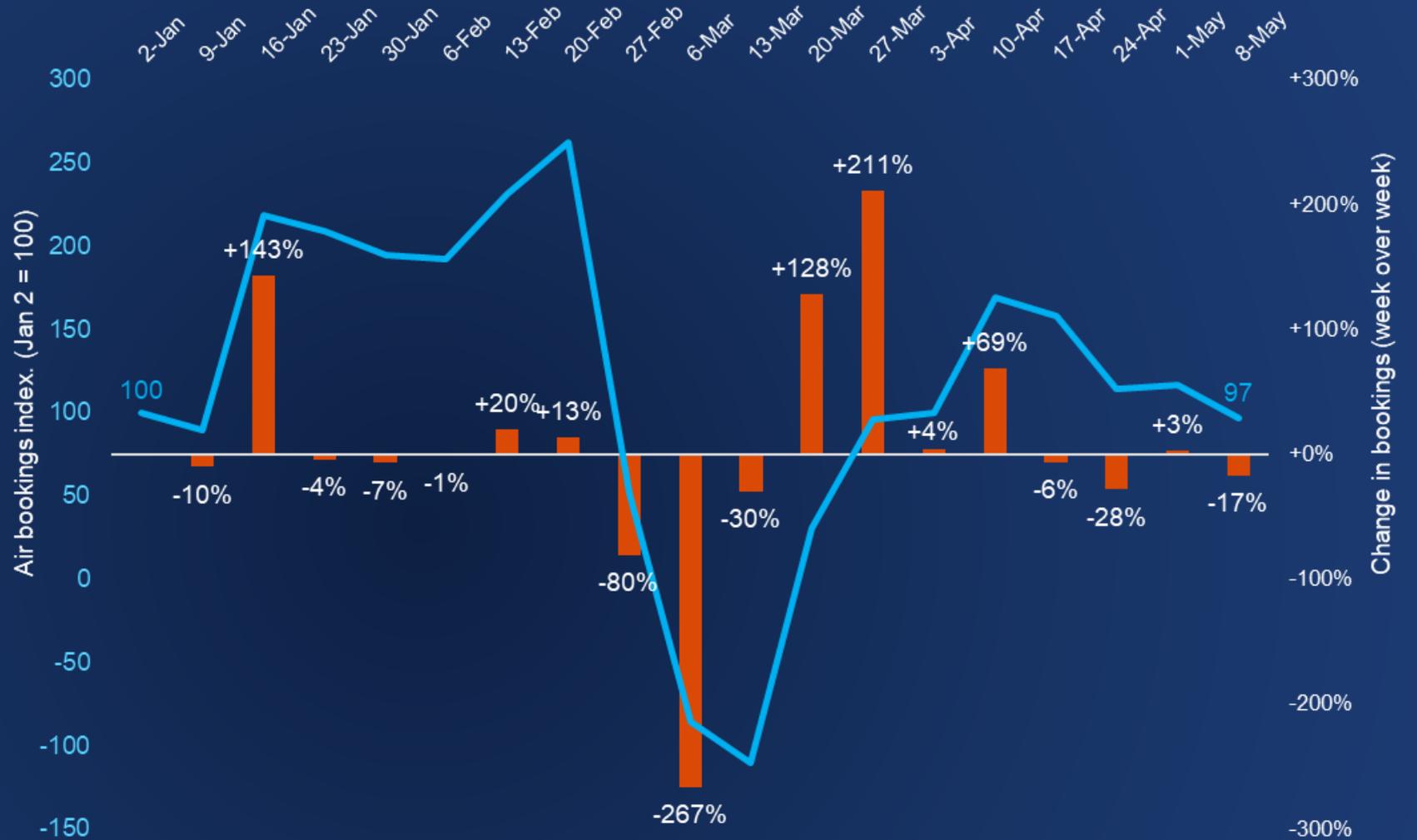


Air bookings for all outbound travel from Russia, January to May 2022 (index)*

- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.

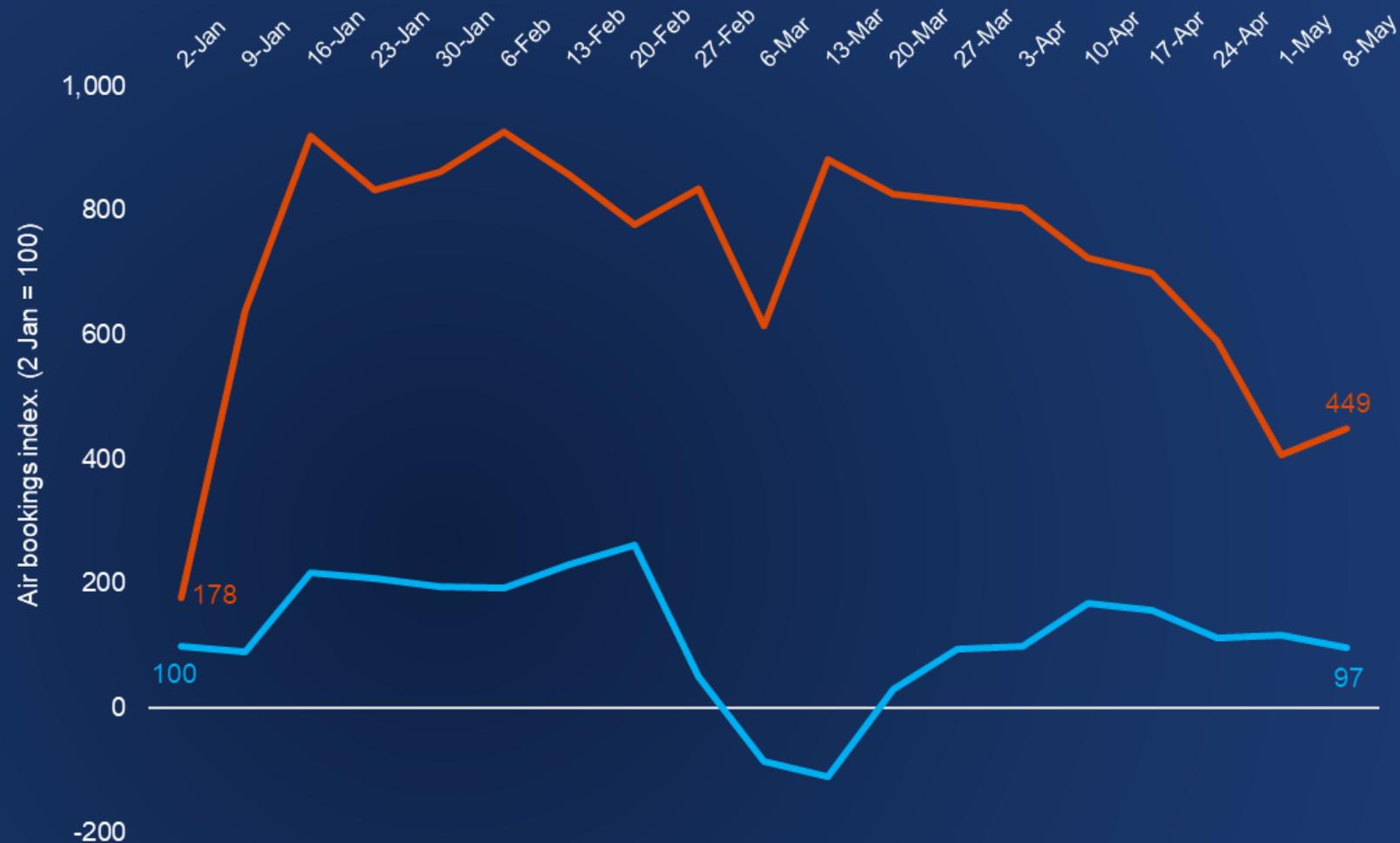


Air bookings for all outbound travel from Russia, January to May 2022 (index)*



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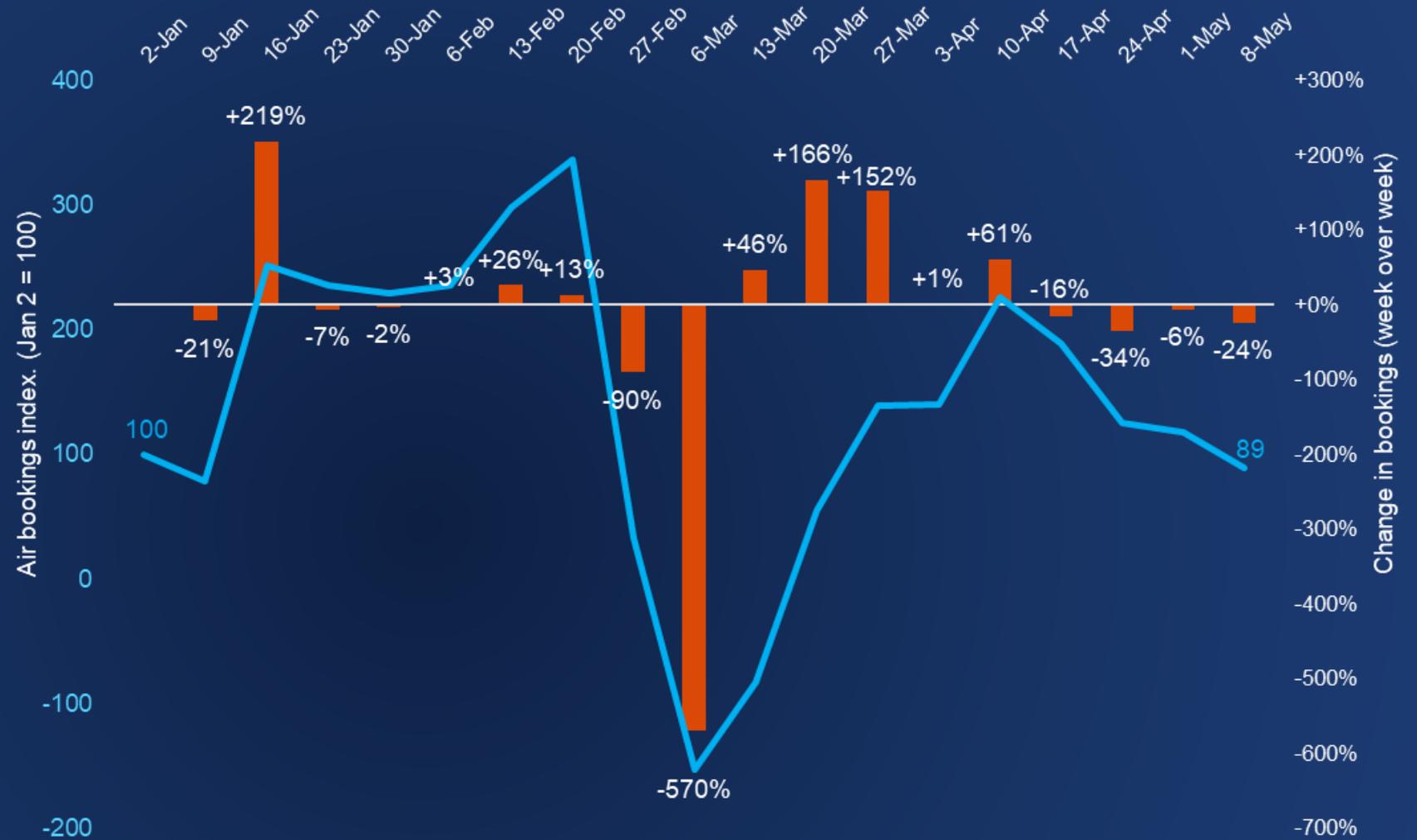


Air bookings for Russian outbound travel to European destinations, January to May 2022 (index)*

- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.

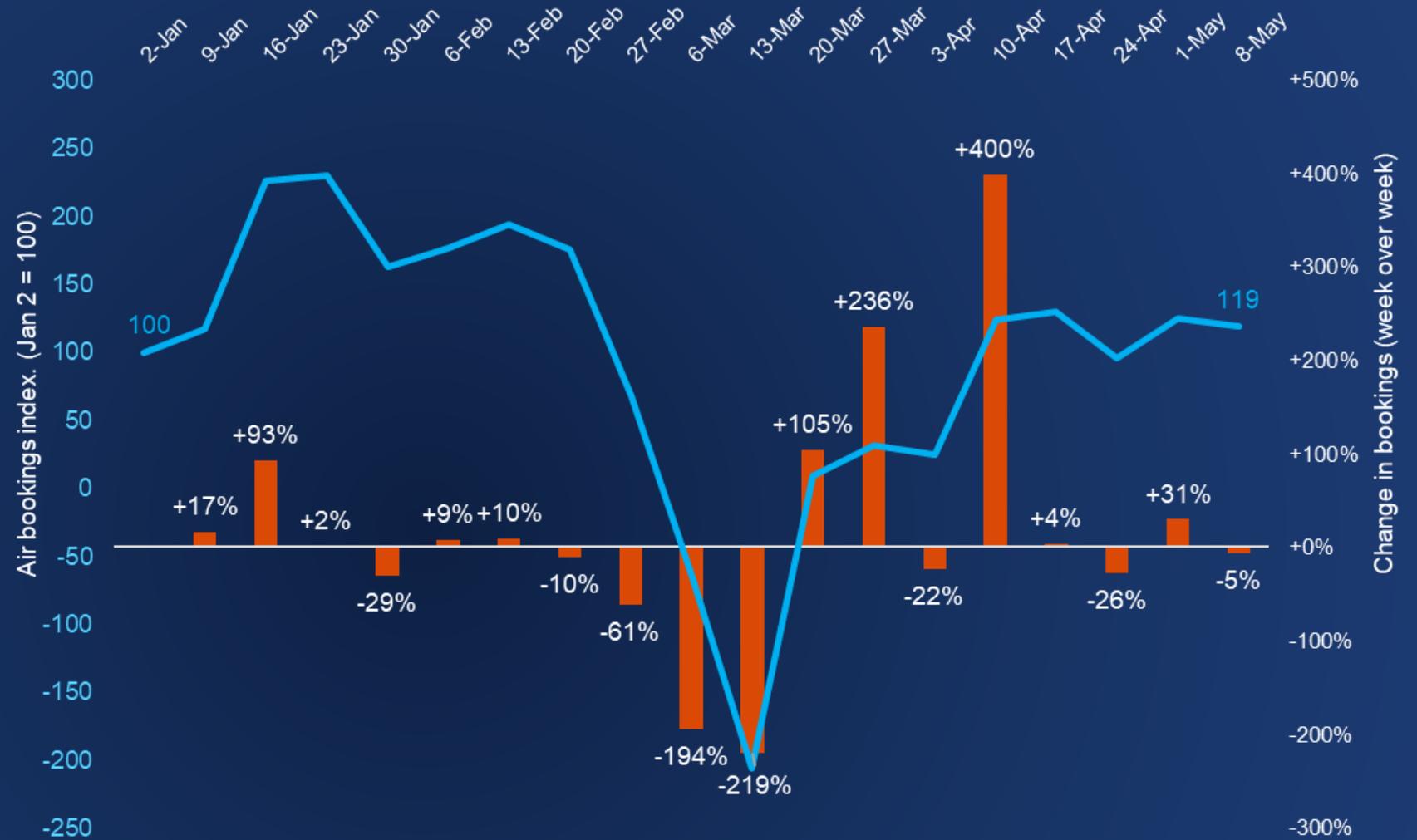


Air bookings for Russian travel to Asia Pacific destinations, January to May 2022 (index)*

- % change from prev. week (R axis)
- Air bookings (L axis)

Source: compiled by UNWTO from ForwardKeys data.

* Bookings from week ending 2 January to 8 May 2022.

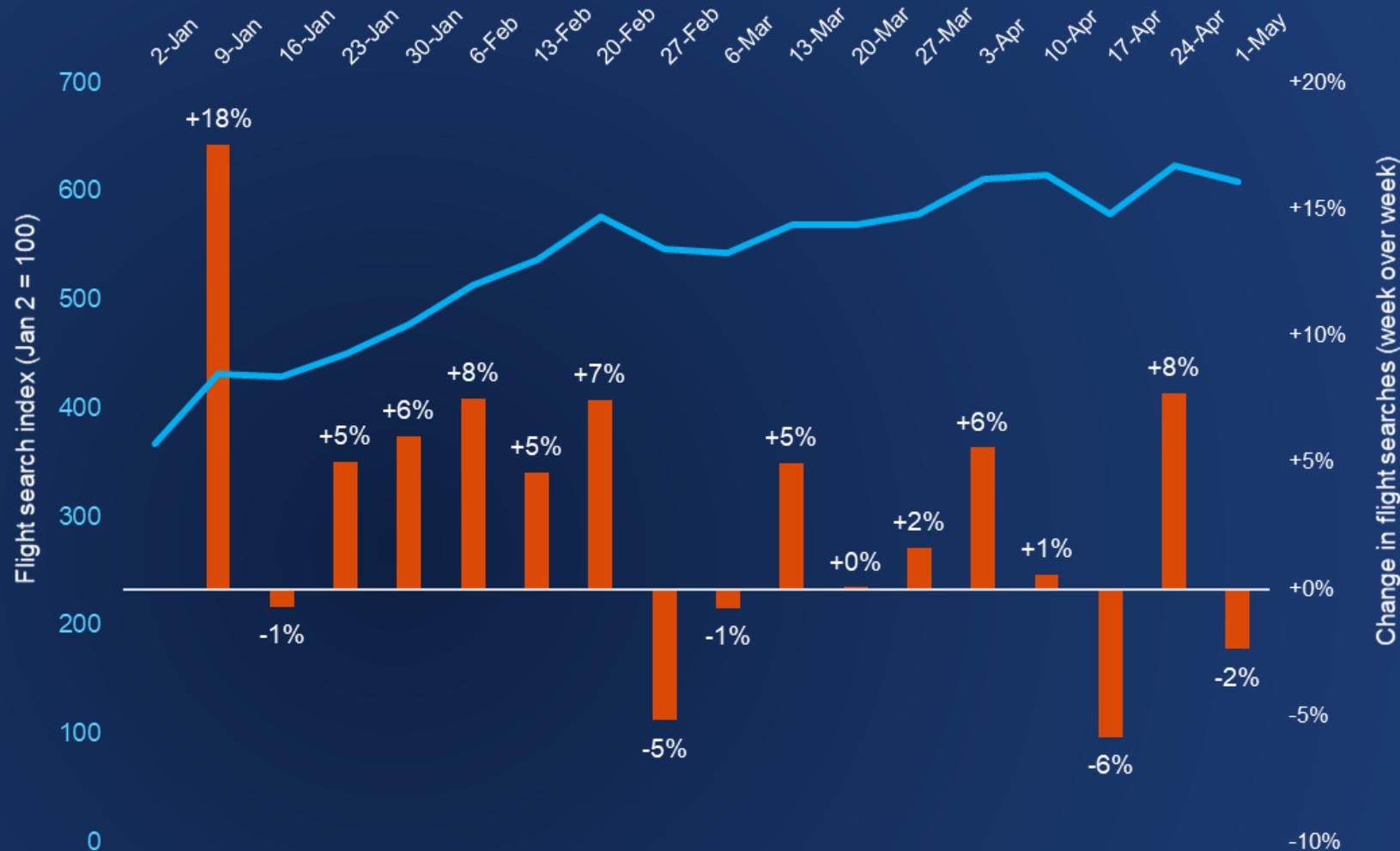


Flight searches for all international travel, January to April 2022 (index)*

- % change from prev. week (R axis)
- Flight searches (L axis)

Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 1 May 2022.

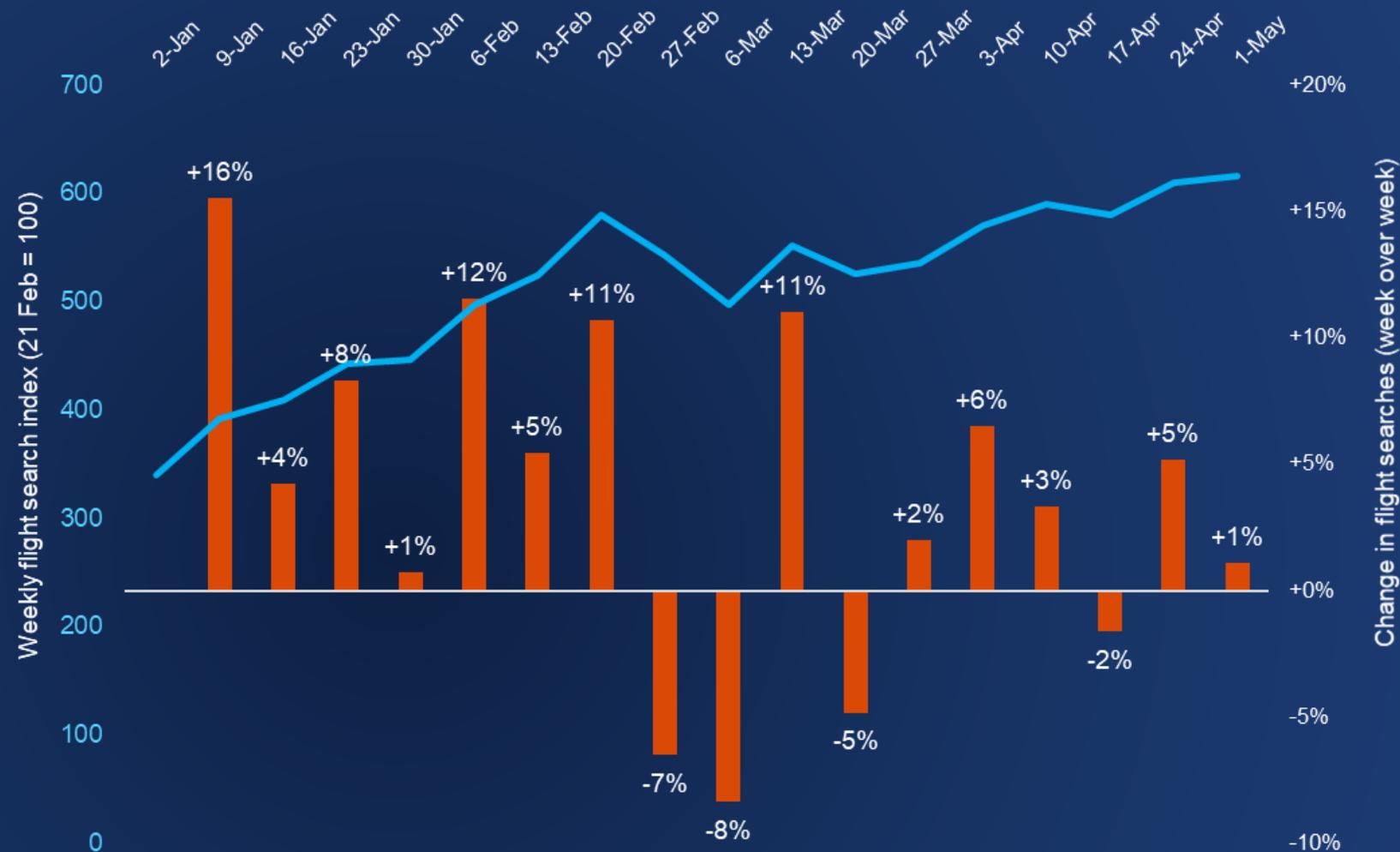


Flight searches for US travel to Italy, January to April 2022 (index)*

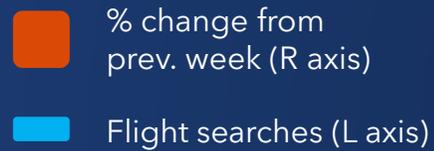
- % change from prev. week (R axis)
- Flight searches (L axis)

Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 1 May 2022.

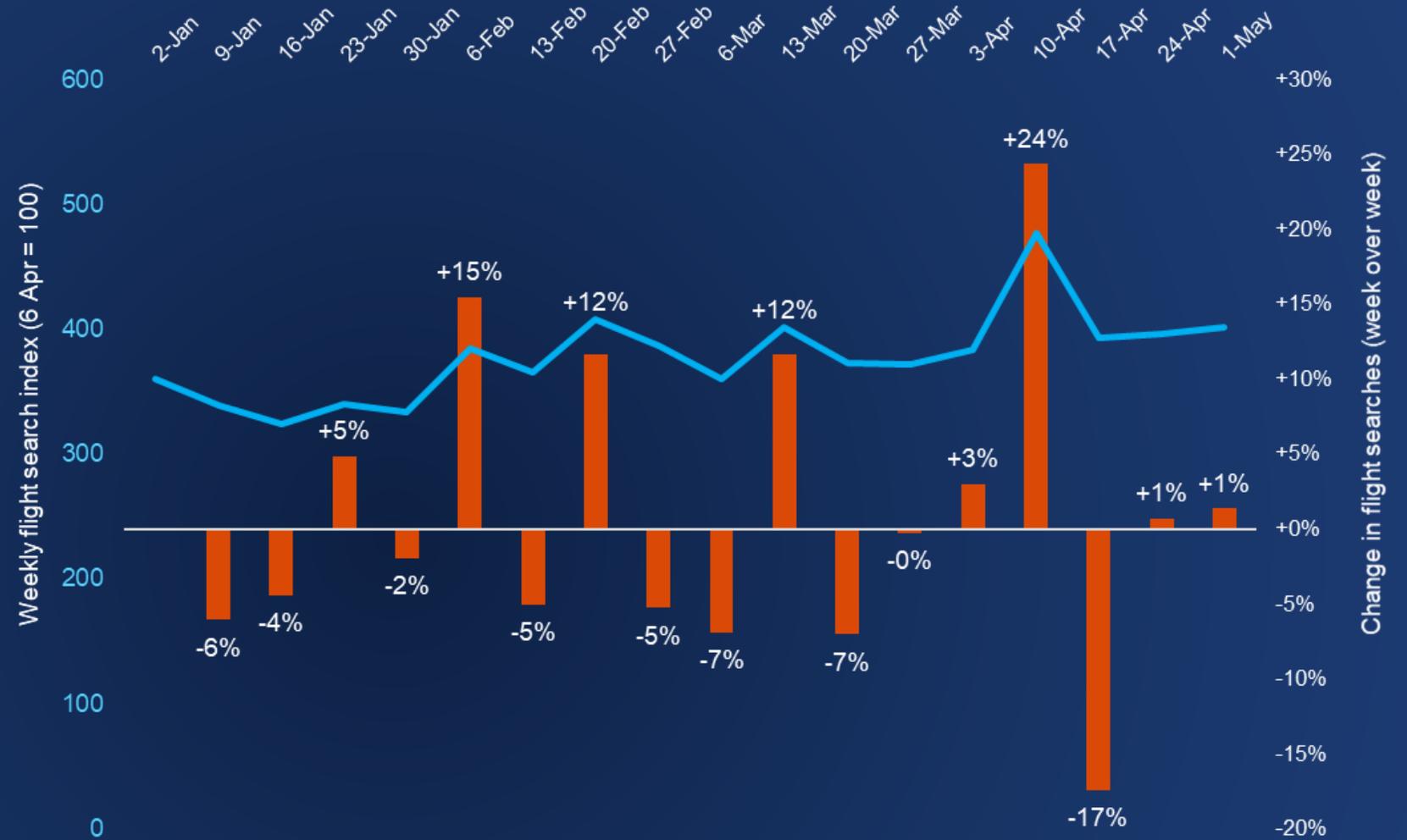


Flight searches for US travel to France, January to April 2022 (index)*



Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 1 May 2022.

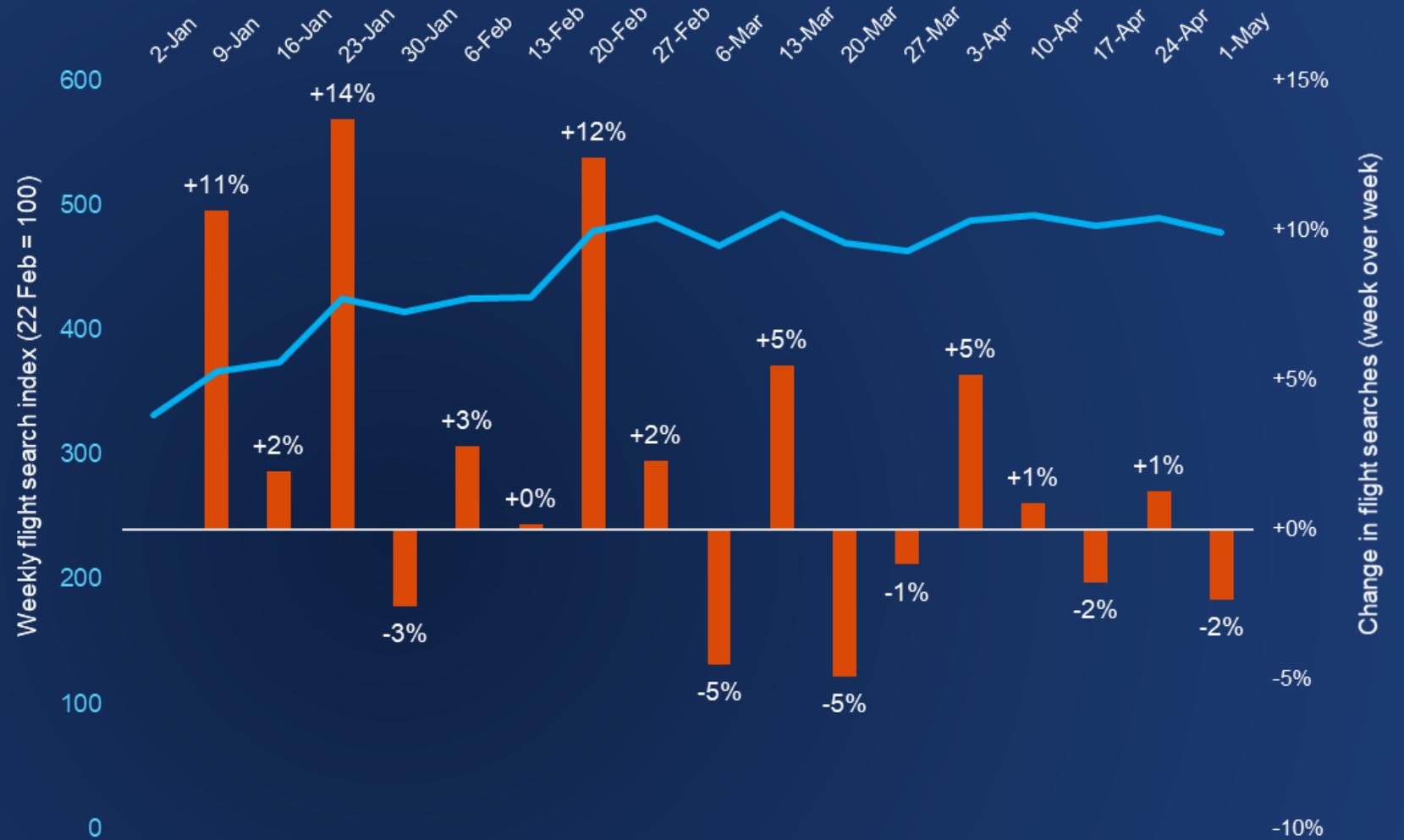


Flight searches for US travel to the UK, January to March 2022 (index)*

- % change from prev. week (R axis)
- Flight searches (L axis)

Source: compiled by UNWTO from Google Travel Insights data.

* Searches from week ending 2 January to 1 May 2022.



Brent Crude Oil Spot Price (Europe) Dec 2021-May 2022 (US\$ per barrel)

Source: compiled by UNWTO
from U.S. Energy Information
Administration



Monthly Inflation (CPI)
Annual growth rate
Jan 2017-April 2022
(%)

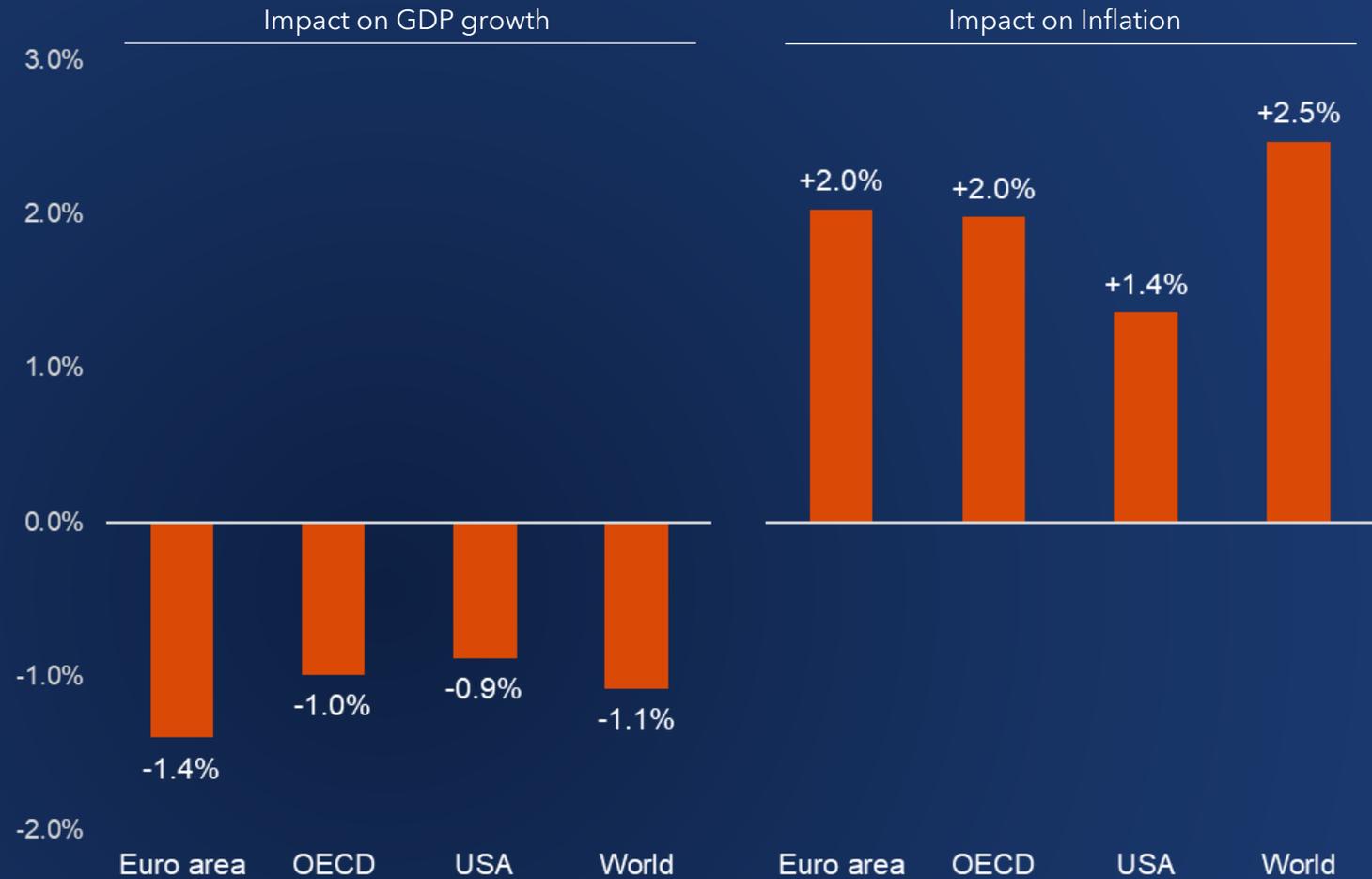
- OECD
- USA
- Euro area

Source: Organisation for Economic
Co-operation and Development
(OECD)



Simulated impact of the offensive in Ukraine on GDP and inflation: first full year after start of conflict (%)

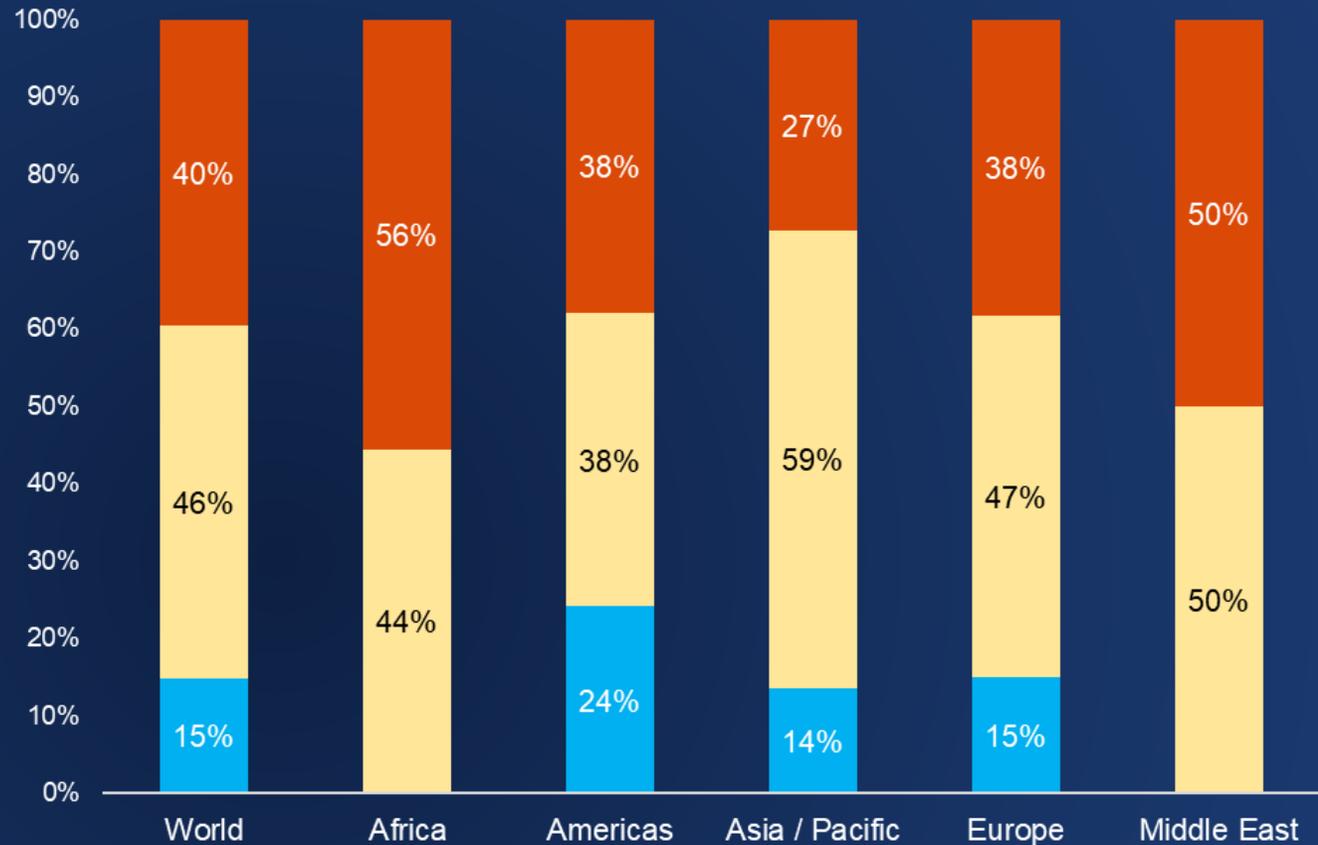
Source: OECD (2022)
OECD Economic Outlook, Interim Report, March 2022



Do you think the offensive on Ukraine will affect the Northern Hemisphere summer season?

- Yes
- Probably
- No

Source: UNWTO Panel of Experts survey on the impact of the Ukraine conflict on international tourism (April 2022)

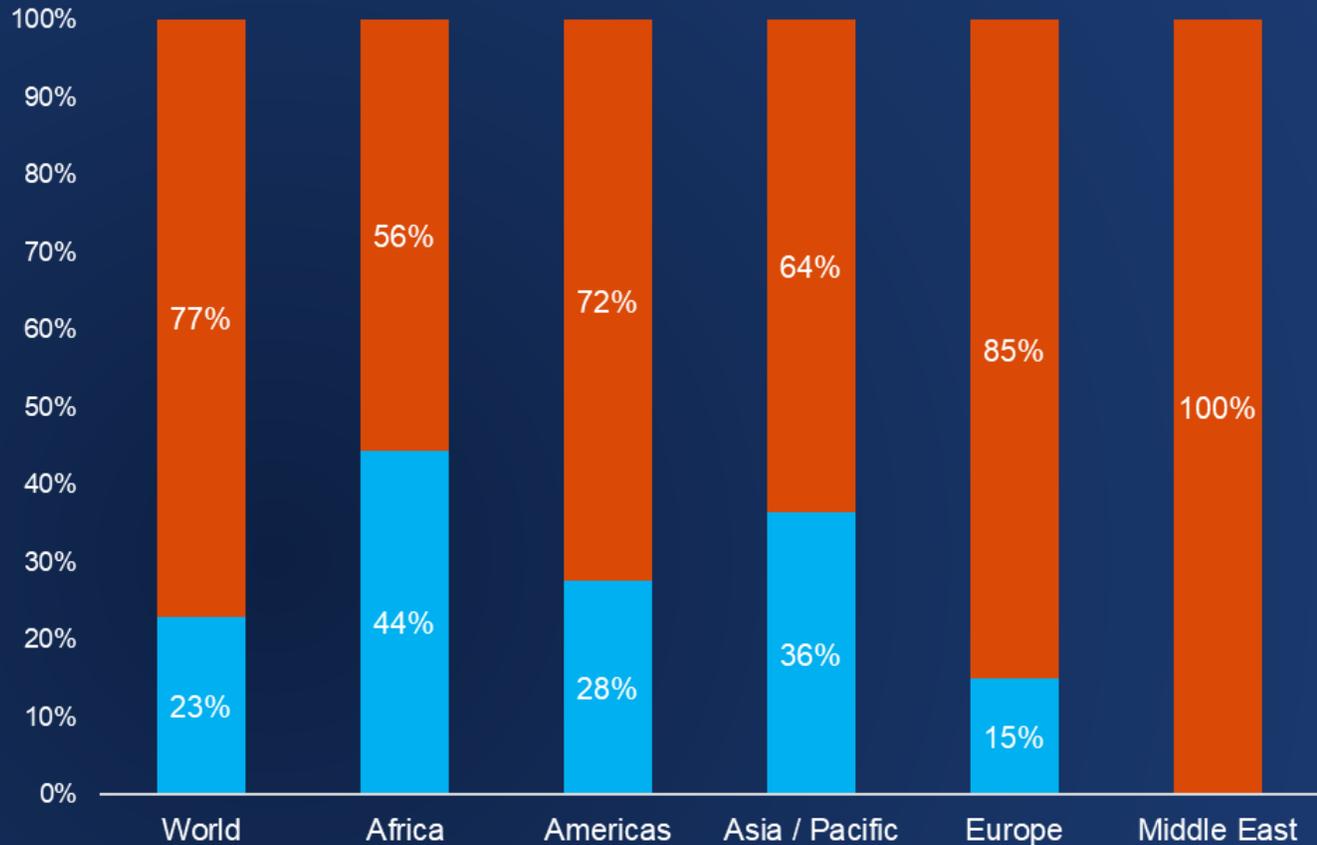


Do you think the offensive in Ukraine will weigh on the overall recovery of international tourism in 2022?

- Yes
- No

Source: UNWTO Panel of Experts survey on the impact of the Ukraine conflict on international tourism (April 2022)

Percentage of responses by world region



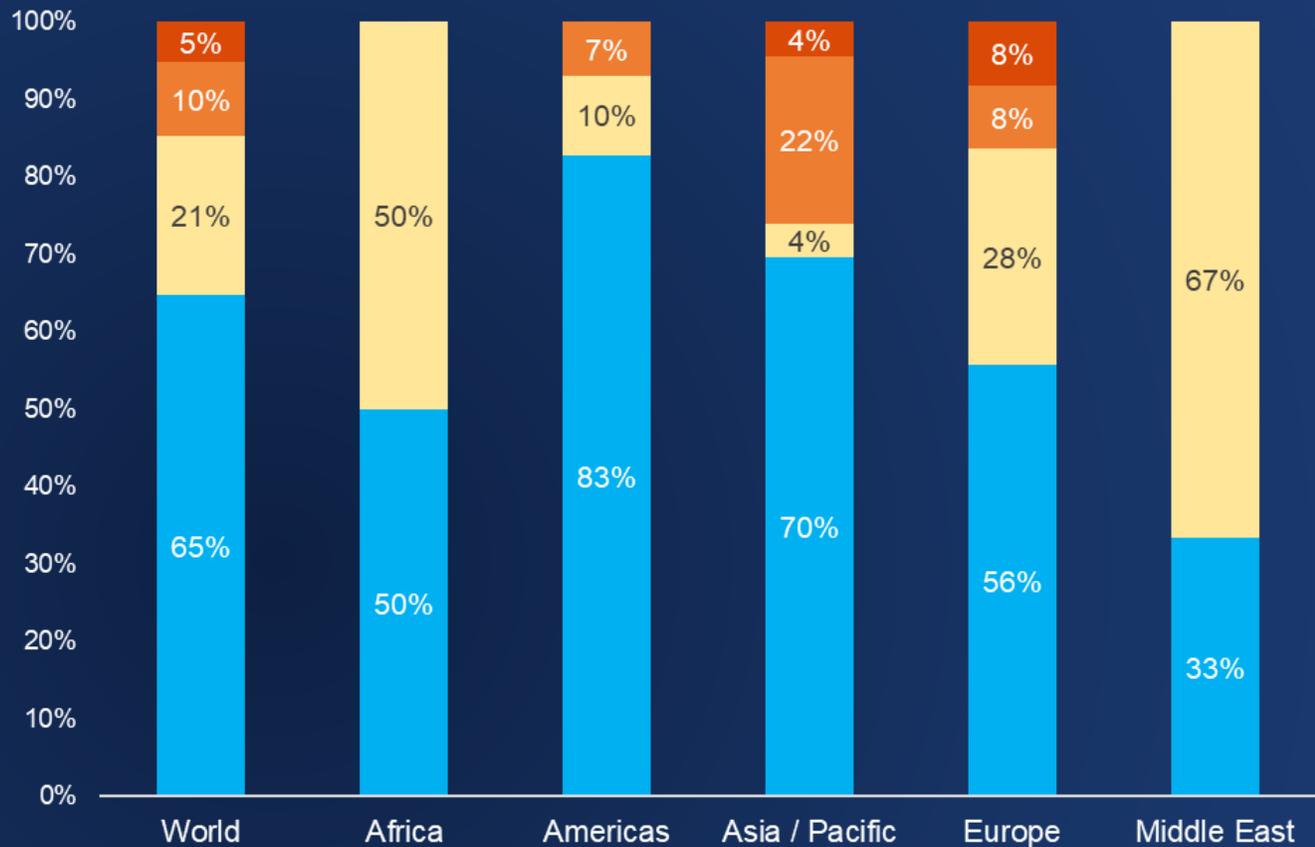
To what extent do you think the offensive on Ukraine will impact international tourism in your destination in 2022?

- Above 30% impact
- 20% - 30%
- 10% - 20%
- 0% - 10%

Source: UNWTO Panel of Experts survey on the impact of the Ukraine conflict on international tourism (April 2022)



Percentage of responses by world region



What changes in consumer behaviour could be triggered by the offensive in Ukraine?

Source: UNWTO Panel of Experts survey on the impact of the Ukraine conflict on international tourism (April 2022)

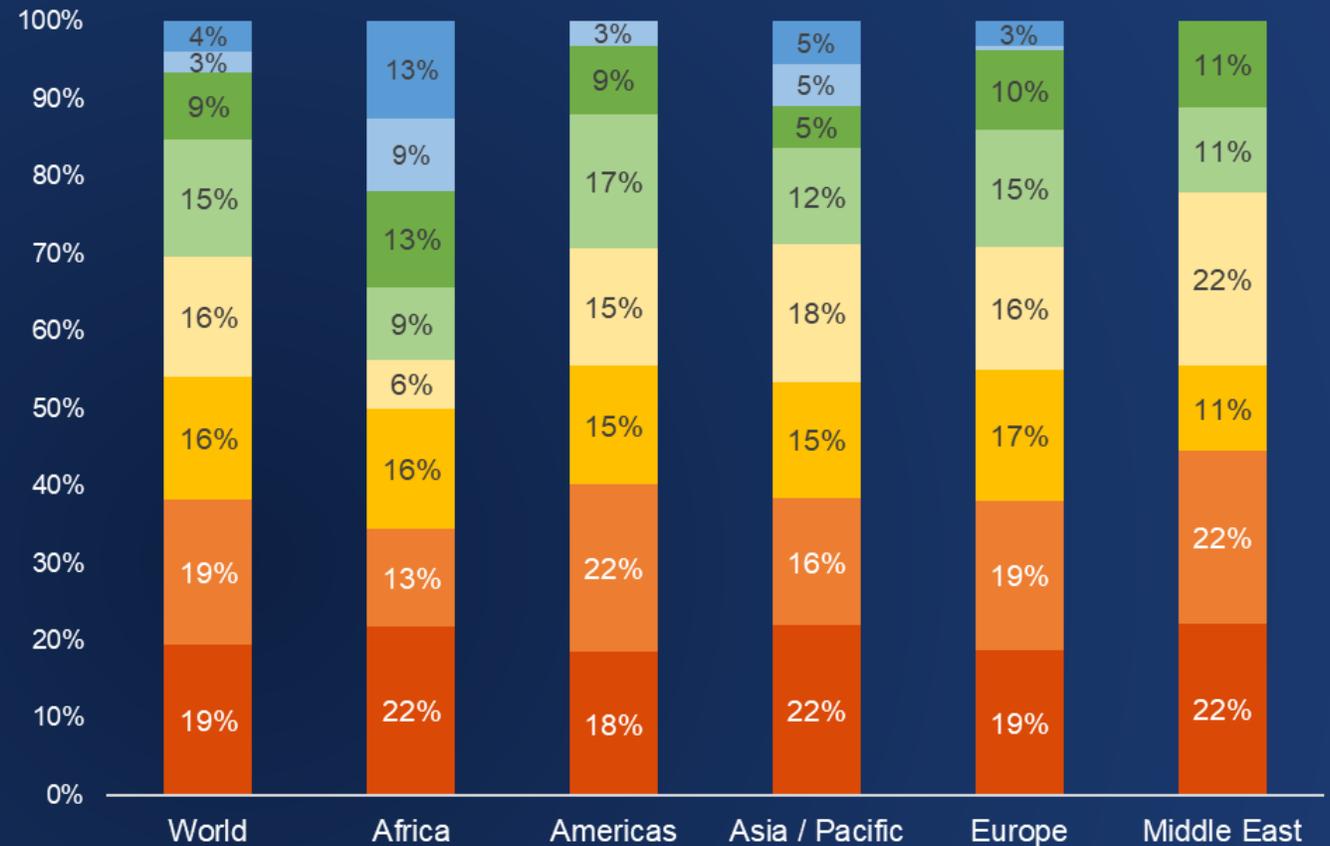
Percentage of responses: Global



What changes in consumer behaviour could be triggered by the offensive on Ukraine?

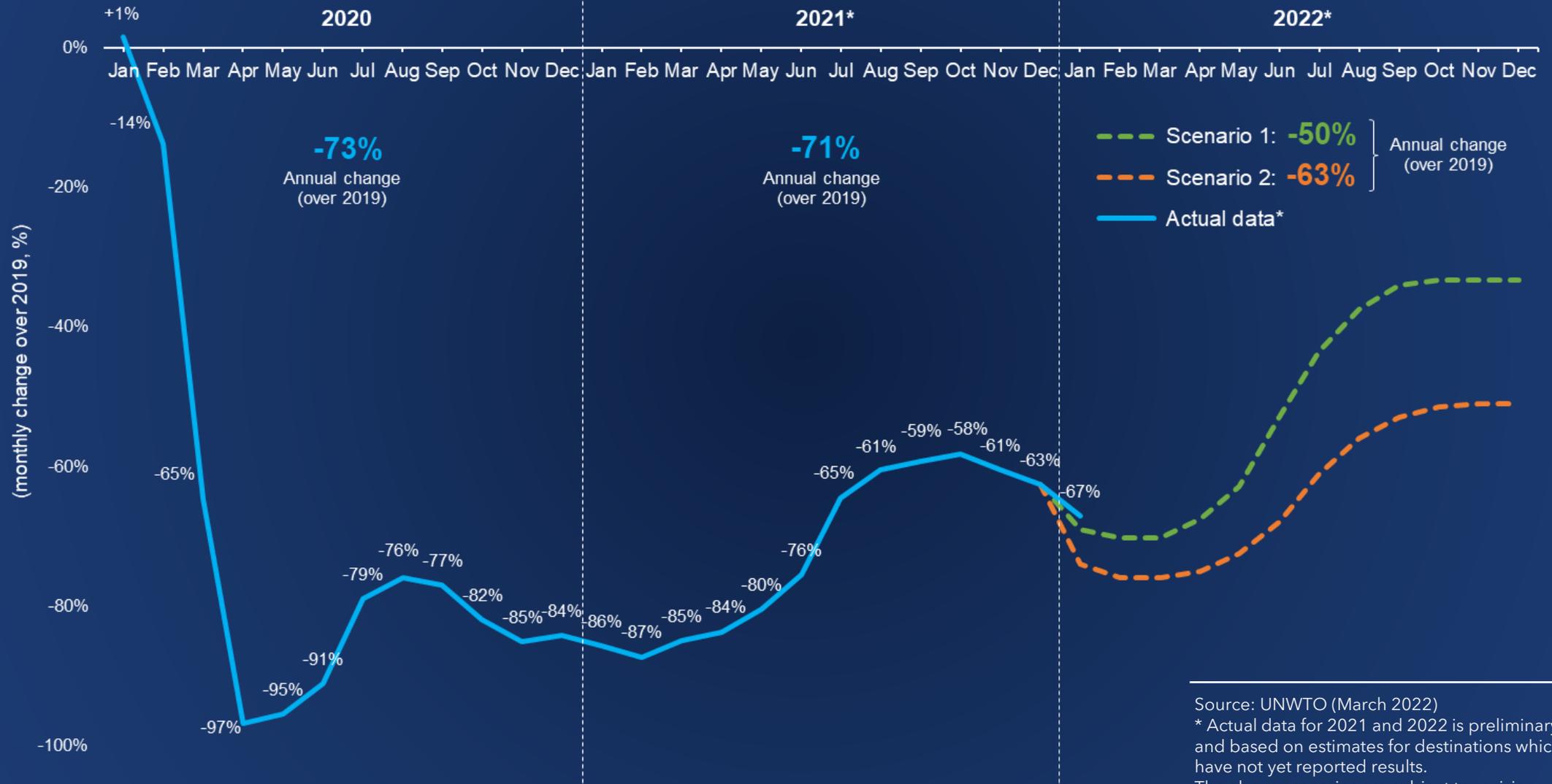
- Other
- No particular change
- Price-consciousness
- Lower confidence
- Preference for domestic tourism, travel closer to home
- Wait and see attitude
- Preference for destinations perceived as 'safe'
- Fear of travelling close to conflict area

Percentage of responses by world region



Source: UNWTO Panel of Experts survey on the impact of the Ukraine conflict on international tourism (April 2022)

International tourist arrivals: 2020, 2021 and Scenarios for 2022 (monthly % change over 2019)



Source: UNWTO (March 2022)
 * Actual data for 2021 and 2022 is preliminary and based on estimates for destinations which have not yet reported results.
 The above scenarios are subject to revision.

