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The Impact of Covid-19 Pandemic on Tourism in the GCC

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Abstract:

The GCC region has become an important tourist destination, with about 44 million tourists each year. The tourism sector is considered one of the economic activities most affected by the Coronavirus pandemic. Both the supply and demand for travel and tourism affected to a large extent due to restrictions imposed on travel destinations. In addition, a large number of countries cancelled flights to limit the spread of the virus, which led to a decline Great in tourism and travel activities. This paper assesses the impact of covid-19 on tourism in GCC from a statistical perspective.

Keywords:

Tourism; GCC; Pandemic; Tourists; covid-19.

1. Introduction:

Tourism refers to specific types of trips that take a traveler outside his/her usual environment for less than a year and for the main purpose other than to be employed by a resident entity in the place visited (UNWTO, 2008). The tourism sector is one of the economically important sectors, which is a source of national income for many countries around the world. Therefore, countries give it great importance and strive to develop it.

The covid-19 pandemic affected all economic sectors, and the tourism sector acquired the largest share as a result of travel conditions, mobility requirements, as well as precautionary measures such as closing airports, and other measures that have been taken globally.

This study is concerned with research on the effect of the pandemic on the number of tourists, Number of flights, and hotel sector in GCC countries.

Tourism in GCC

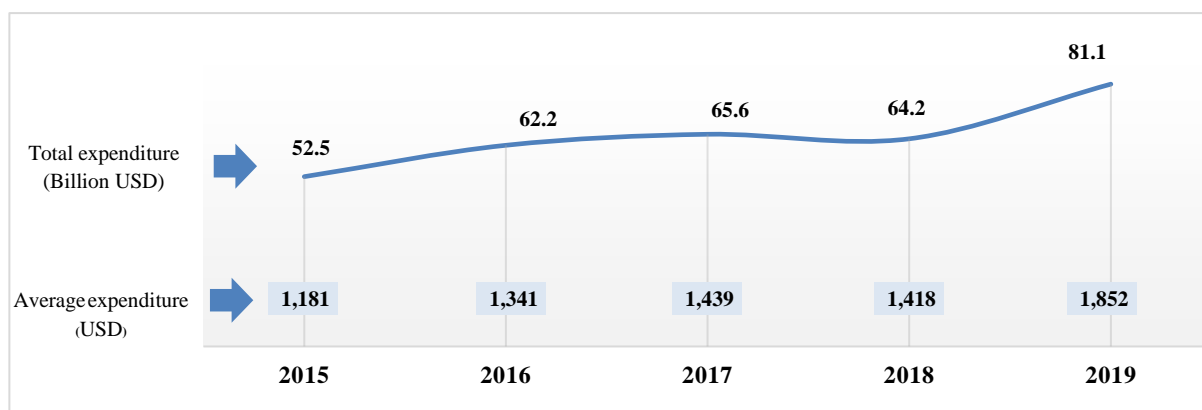
The Gulf Cooperation Council (GCC) is a political and economic alliance of six countries in the Arabian Peninsula: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. At the level of tourism indicators for the GCC countries, the total number of inbound tourists to the GCC countries in 2019 reached about 44 million tourists which 71.3% of them are foreign visitors (from outside GCC countries).

The economic importance of tourism in GCC

The tourism industry plays a very large role in the global economy; it contributed 10.3% to global GDP in 2019. (WTTC, 2019).

In GCC, the direct contribution of Travel and Tourism to GDP in 2019 was USD158bn (9.7% of GDP). Figure 1 shows that the inbound tourism expenditure recorded successive annual growth over the past years, as the total expenditure of visitors arriving in the GCC countries in 2019 reached about 81.1 billion USD, compared to 52.5 billion USD in 2015, with an annual increase rate of 12.1%.

Figure 1: Expenditure of GCC countries inbound visitors, 2015-2019



Source: GCC-Stat centre

2. Methodology

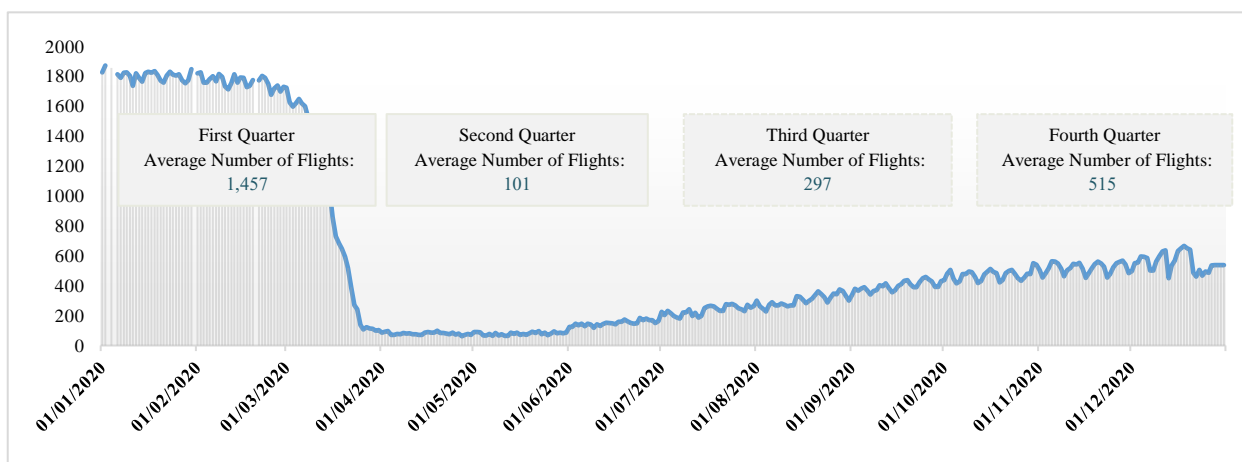
The main objective of this paper is to study the effect of the Coronavirus pandemic on the tourism sector in the GCC countries during the period crisis compared to 2019 in which no crises appeared. Data were collected for the indicators used such as number of tourists, number of flights...etc. through the official websites of National Statistical Centers in GCC, international organizations, and the companies specialized in publishing data related to tourism activities.

3. Results:

The repercussions of the Coronavirus crisis on the aviation sector in the GCC

The aviation sector in GCC has been greatly affected by the Covid-19 virus crisis in light of the rapid spread of the epidemic, and the declaration of a state of emergency to confront it, which forced countries to suspend or significantly reduce the number of flights. Especially with regard to passenger traffic. As shown in Figure 2, the average number of daily departures in the second quarter of 2020 fell by 93.1% compared to the average number of flights in the first quarter of the same year due to travel restrictions and airport closures, which started in GCC countries from March 2020. The decline continued in the third and fourth quarter by 79.6% and 64.7% respectively compared to the first quarter of this year.

Figure 2: GCC Air Passengers, Number of Daily Departures, 2020

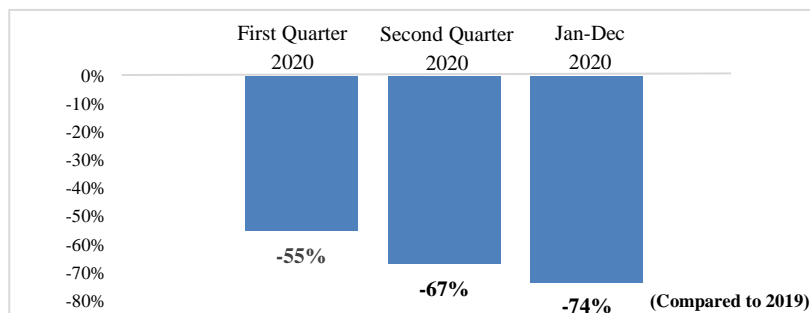


Source: ICAO

Tourism flows in the GCC during coronavirus crisis

The tourism sector in GCC countries has been significantly affected due to the closure of borders, airports and travel restrictions. The number of tourists arriving in the GCC countries declined from in 2020 by **74%** compared to the same period in the previous year, as Figure 3 shows.

Figure 3: Rates of change (%) in tourist arrivals in GCC in 2020 compared to the same period in 2019

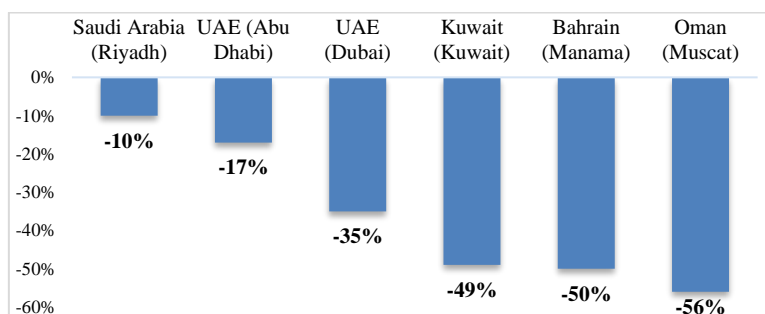


Source: UNWTO

Covid-19’s Impact on the Hotel Sector

The impact of the pandemic was on not only air traffic and the number of tourists, but also effected on tourism-related activities, including the hotel sector. Figure 4 shows that the occupancy rates in 2020 in all GCC Countries decreased compared to the previous year, and the Sultanate of Oman recorded the highest decline in occupancy rates among the GCC Countries by 56%, while Saudi Arabia was the lowest, by about 10%.

Figure 4: Rates of change (%) in hotel occupancy rates in the GCC countries in 2020 Compared to 2019



Source: Colliers

4. Discussion and Conclusion:

The tourism sector, which is considered one of the most important economic sectors in the GCC countries, has been significantly affected by the Coronavirus crisis. This paper has shown that the number of flights in the region decreased in 2020 compared to 2019 due to the closure of borders and airports, which in turn led to a reduction in the number of tourists coming to the GCC countries in 2020 by 74% compared to the previous year.

On the other hand, tourism-related activities were affected by the precautionary measures which taken to reduce the spread of the virus, including the imposition of restrictions on internal and international movements. As shown in this paper that the hotel sector in GCC countries was affected also by the pandemic.

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