

# Supporting tourism recovery and looking ahead with global solutions

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*Business at OECD (BIAC) Contact Group on  
Tourism*

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## Supporting Tourism Recovery and Looking Ahead with Global Solutions

The devastating impacts of the COVID-19 pandemic on tourism left the sector in survival mode, its future uncertain, and interrupted positive trends toward seamless travel mobility and the uptake of improved digital and green practices. However, the tourism industry, as one of the largest sectors globally, accounting for 1 in 10 jobs, and responsible for the creation of 1 in 4 of all new jobs worldwide between 2015-2019 has the potential to accelerate economic recovery, and encourage local and international growth and development.<sup>1</sup>

While the recovery of the tourism economy is picking up pace, governments need to support the sector in an integrated manner, reinforcing collaboration with business to identify ways for tourism to create jobs and contribute to long-term sustainable development commitments. We need evidence from the OECD to better understand the industry's needs and provide immediate feedback that will in turn enable more targeted and timely government actions. Specifically, conducting risk assessment on new policies, and providing data and research can better prepare the sector to anticipate any potential future shocks and to unleash its potential in the current recovery context.

Business at OECD (BIAC) Members identify the following aspects to reach these goals:

**Build resilience for tourism:** To better equip for future potential crisis, minimize impacts and seize potential opportunities, the tourism sector can apply lessons learned from the pandemic to update respective industry risk frameworks as epidemiological situations shift. Pragmatic approaches including scenario planning, transition management, and strategic foresight exercises are crucial.

Business recommendations for OECD:

- *Provide guidance for the updating of national crisis preparedness plans that include financial support for the most severely affected sectors. Such measures can determine if an industry is able to handle external changes without losing its ability to recover and whether it has adaptation strategies available before crossing a threshold that makes recovery difficult or impossible.*
- *Showcase strategies for diversifying tourism services and markets through gathering examples of alternative revenue possibilities in the tourism sector, considering how technology can offer opportunities for reinvention, while strengthening workforce capacity by focusing on adaptive and agile skills.*
- *Conduct a comparative study on the pandemic's effects on the sector's workforce capacity and the role of public policy in strengthening its resilience.*

**Stimulate regular dialogue between tourism and health actors:** As Covid-19 becomes endemic, the sector will need to prepare for ebbs and flows of outbreaks. Tourism recovery will depend on the stability of travel restrictions and entry requirements. Various actors involved in tourism have an opportunity to build a relationship of trust with health authorities through the formulation of evidence-based action plans that can keep both tourism open and populations safe. Clear and consistent communication with stakeholders will serve as a critical tool in future resilience, crisis management and building confidence and recovery.

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<sup>1</sup> World Travel and Tourism Council (2021); Staff Shortages, retrieved from: <https://wttc.org/Portals/0/Documents/Reports/2021/WTTC-Staff-Shortages.pdf>

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Business recommendations for OECD:

- ***Provide reviews and updates from countries risk frameworks and travel preparedness plans based on how the epidemiological situation changes, ensuring any changes to risk frameworks to be designed in cooperation with tourism actors and with adequate time for implementation.***
- ***Compile best-practice case studies on countries' efforts to facilitate the continuity of safer tourism in the context of the pandemic and its effects on the sector's economy.***

**Collect continuous data on incentive schemes:** Government support and incentive schemes to stimulate domestic demand delivered in response to the pandemic have been largely effective in preserving firms and supporting employees. However, the length and severity of public health restrictions have led to companies accumulating high levels of debt and created many risks for insolvencies. To provide businesses with as much certainty as possible, plan a route back to viability and return to pre-pandemic operational levels, the sector needs policies fostering innovation and sustainable growth, based on lessons learned from the crisis.

Business recommendations for OECD:

- ***Provide data and analysis on the varying effectiveness of government incentive schemes specific to the tourism industry, to inform policies and programs aimed at fostering more resilient tourism recovery.***
- ***Provide fact-based analysis on the type and duration of government incentives and measures that were most effective in times of crisis, paying attention to the application of "sunset" clauses.***

**Leverage digital opportunities:** The Covid-19 pandemic accelerated digitalization and the use of big data as national and regional governments try to better understand the crisis' effect on traveller movement and habits. On the industry side, tourism economy actively deploys technology to foster dynamic and safe visitor experiences in line with changing landscapes and traveller behaviour. However, the sector could benefit from better data infrastructures, including advanced technology and specialized skills, complemented with strong legal and institutional frameworks, to prepare better and more targeted policies, encouraging the digital uptake by the tourism industry.

Business recommendations for OECD:

- ***Identify and monitor lessons learned from the effects of digital solutions by the tourism sector, keeping abreast of key digital uptake trends, while measuring outcomes of new and future challenges in providing digital solutions for safe travel.***
- ***Provide analysis on the growth of digitalization of the tourism industry in the context of the pandemic, and outline effective government measures that enable digital uptake, delivering benefit to micro and small businesses and local communities as well as to visitors.***

**Promote business sustainability:** The hiatus in travel has provided an opportunity for the tourism industry to tackle climate change-related challenges and the depletion of natural capital, fully grasping the opportunities for the sector to play a significant role in sustainability debates. As travel demand rebounds, industry and government dialogue will be essential to promote sustainable models of tourism.

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Business recommendations for OECD:

- *Encourage the development of capacity building programs and measures that incentivize investment in sustainability and circular economy across the tourism sector and encourage innovative solutions for sustainable tourism.*
- *Provide analysis on tourism sector's green transition, showcasing what policies and measures provide the most positive stimulus for such transition.*

**Build travel confidence:** Returning to pre-pandemic levels, and for the survivability of many businesses, building travel confidence will be a crucial component, with health, hygiene and flexibility becoming as important a criterion in the traveller's decision-making process as price and location. Public Private Partnerships will play a critical role towards this goal including, as cooperative measures, such as the sharing of data on tourism and private sector experiences can enable better preparedness and response to the crisis.

Business recommendations for OECD:

- *Compile risk assessment data analysis, illustrating areas within the tourism and experience economy industry aimed at boosting traveller confidence.*
- *Leverage the OECD Safe International Mobility Initiative, to reflect and foster interoperability of global health certificate systems, encouraging the development of a system to effectively manage fraudulent certification.*





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