



# WHY OECD WORK ON TOURISM MATTERS FOR BUSINESS

## BUSINESS AT OECD TOURISM BRIEF

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### Mitigating the Impact of Covid-19 on Tourism and Supporting Recovery

Tourism economy remains in survival mode, and potentially faces a period of stop/start cycles as the sanitary situation evolves, delaying recovery, all-the-while economic outlook is extraordinarily uncertain. The sector has benefited massively from government supports – more targeted, agile policies are needed to support recovery in an uncertain and shifting environment. While the recovery will be slow, the sector needs to take this opportunity to reshape itself towards responsibility and inclusion. Governments need to support tourism in a more integrative manner, reinforcing collaboration with the private sector while ensuring long-term commitment to sustainable development remaining in day-to-day operations.

#### Tourism impact on a scale

- **Tourism continues to be one of the sectors hardest hit by the coronavirus pandemic**, and the outlook for recovery is extraordinarily uncertain. OECD now estimates that international tourism will fall by around 80% in 2020.
- **The halt in tourism is having a knock-on impact on the wider economy, given the interlinked nature of the sector.** The OECD estimates that more than a third of the tourism value added generated in the domestic economy comes from indirect impacts, reflecting the breadth and depth to linkages between tourism and other sectors (e.g. Food production, agriculture, transport, business services).
- Even if there is a meaningful return to tourism activity in 2021, as is currently expected, recovery will be slow and **a return to pre-pandemic tourism levels may not happen before the middle of the decade.**

Source: [OECD \(2020\), Policy Brief “Rebuilding tourism for the future: COVID-19 policy responses and recovery”](#)

### To foster recovery, coordinated approach with the private sector is critical

Ensuring the return to normal of the tourism ecosystem will require a co-ordinated, integrated and whole-of-government approach. The cross-cutting nature of tourism means that different levels of government and actions of different policy areas have implications for its recovery.

- Peak industry bodies have been playing an important role in identifying risks and promoting opportunities for tourism operators to manage and pivot their business, while taking the lead in sharing information and liaising with governments.
- Tourism businesses have been taking proactive steps to raise the needs of the sector, provide solutions to the government and engage in the COVID-19 response activities of international organizations.
- Engaging closely with the private sector may be one of the positive legacies to emerge from the crisis, enabling industry to bring major issues impacting the sector to the government’s attention.
- However, more needs to be done in a more co-ordinated and integrated manner to support business recovery both, at national and international level. Actions taken by governments have direct implications for travellers and businesses in other countries, and for the global tourism system, calling for strengthening multilateral co-operation.

## What the OECD does on Tourism

Under Tourism Committee's **Programme of Work and Budget**, 37 OECD Member countries, many partner countries and stakeholders develop and co-ordinate activities maximizing economic, social and environmental benefits of tourism through medium and long-term strategic development.

- One of the core aspects of this work involves *monitoring and evaluating tourism policies for stronger performance, and database on tourism economics*. In this regard, OECD's key publication **OECD Tourism Trends and Policies** provides comparative knowledge through thematic chapters and country-specific policy and statistical profiles.
- Key policy priorities moving forward will include **drawing lessons from COVID-19 to foster sustainable and resilient tourism development**. Supported by continuous OECD policy briefs on tourism in the context of the pandemic, this activity will consider how to support the just transition to a green tourism economy that improves environmental outcomes while delivering benefits to local economies and communities.



- Bearing the fact how digital technologies and data are fundamentally reshaping the tourism sector, the OECD is working **on reviewing tourism governance frameworks for the digital economy**. This work will consider the changing role of government in a digital tourism economy, and identify effective governance practices to support the digital transformation of tourism. It will also explore how to strengthen multi-level governance, ways to more effectively engage with the private sector in policymaking and offer guidance on supporting more sustainable and resilient tourism.
- The OECD provides **tailored tourism policy advice and implementation support**, aimed to enhance tourism performance, competitiveness and innovation, to increase knowledge about tourism policy design and evaluation, to diffuse evidence-based lessons and good practices, and to strengthen policy coherence and linkages.

## What business needs – initial lessons and charting a way forward for tourism policy



## What are governments doing

In the context of the COVID-19 pandemic, OECD Member and Partner countries have been particularly:

- **Mitigating the impact** and supporting people and businesses, particularly SMEs:
  - Protecting tourists (safe repatriation, consumer protection, information);
  - Supporting jobs and workers (income support, job retention schemes);
  - Supporting businesses (grants, subsidies, access to finance, tax relief).
- Evolving **supports to manage reopening** of tourism:
  - Promoting co-ordinated action (taskforces, industry dialogue, data tools);
  - Lifting travel restrictions, safely (travel bubbles, green lists, testing, quarantine);
  - Supporting business reactivation, adaption (protocols, advice, grants, training);
  - Restoring traveller confidence, demand (labels, promotion, incentive schemes).
- Preparing the recovery **and shaping** tourism of tomorrow:
  - Rethinking tourism (sustainability, resilience, digital transformation);
  - Rebuilding destinations and the tourism ecosystem (recovery plans, strategies);
  - Innovating and investing in tourism (development fund, investment supports).

The overall work of the OECD work on tourism is carried out by the **OECD Tourism Committee**, which conducts its work through bi-annual and *ad hoc* meetings. It is supported by the work of the **OECD Working Party on Tourism Statistics**, related to statistics, evidence-based analysis and policy performance. The OECD is conducting its work on tourism via:

- **Carrying out** high-profile, influential **policy analysis**, evaluations and peer-reviews at national, local and thematic level to promote the effective implementation of best practices and integrated approaches ensuring linkages and coherence with related policies;
- **Identifying innovative approaches**, trade-offs and synergies, and linkages between various key policy perspectives for improved travel and tourism policies;
- **Maintaining and developing** robust, comparable and timely **statistical indicators** to strengthen evidence-based analysis and policy performance, providing relevant tourism data online for free;
- **Providing a forum for dialogue**, innovation and benchmarking on tourism issues and policies, introducing a global and cross-sectoral perspective;
- **Enhancing its visibility and impact**, and developing targeted policy communications utilising a variety of tools, including publications, policy briefs, OECD Tourism Papers, OECD website, social media channels, and policy events.

## How business can contribute

- Through **Business at OECD** (BIAC), national business and employers federations and their members provide expertise to the OECD and governments to promote competitive economies, better business, and better lives.
- The **Business at OECD** Tourism contact group is continuously informed of up-to-date policy developments of the OECD Trade Committee, its released policy briefs and other relevant information.

## Contact

If you wish to learn more on OECD work on Tourism, please contact

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