MARKET REPORT

HVS Monday Musings: International Travel: A Long Road to Recovery

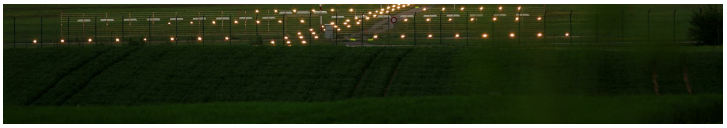
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International travel continues to remain subdued and restricted to essential travel in most cases due to various reasons. Read on to know more.

After a year and a half, the global tourism sector is recovering steadily, owing primarily to an increase in domestic tourism across countries. People are rediscovering the tourism treasures in their own countries because of foreign travel restrictions. In fact, hotel occupancy in some parts of the world, such as the US and Europe, is approaching pre-pandemic levels. Meanwhile, even though an increasing number of nations throughout the world are easing travel restrictions, international tourism remains largely on hold. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals were 85% lower in January-May 2021 than in the same period in 2019. While international travel has increased since May 2021, there is still a long way to go before it reaches complete recovery as global vaccination inequity and varying travel rules are major roadblocks.

While scientists developed COVID vaccines in record time, the vaccination distribution across the globe has been slow and unequal, with developed countries winning the race to vaccinate their citizens. According to the Global Dashboard for Vaccine Equity, a joint initiative by the United Nations Development Program (UNDP), WHO, and the University of Oxford, over 60% of the population in high-income nations had received at least one dose of the vaccine by September 15, 2021, compared to only 3% in low-income countries. While several low-income nations still lack the resources to provide even first doses to their frontline health workers or senior citizens, a few affluent countries are already planning to provide booster shots to their citizens, widening the vaccine gap between developed and developing nations.





According to early assessments, regions with strong vaccination rates and low case counts are regaining traveler confidence faster. As a result, due to the unequal distribution of vaccines around the world, international travel is unlikely to return to pre-pandemic levels anytime soon. Global institutions, including World Health Organization (WHO), International Monetary Fund (IMF), and United Nations (UN), are already working with various countries to ensure equitable availability and distribution of vaccines across the world. Most world leaders have pledged their support for the cause, but now is the time for them to put their words into action. It is critical to increase vaccine supply to lesser-developed nations, provide support to strengthen their healthcare systems and increase funding for the cause to meet WHO's goal of vaccinating 70% of the world's population by mid-2022.

The other aspects impeding the recovery of international travel are the varying travel rules and quarantine requirements across countries, even for fully vaccinated people. Moreover, several nations do not recognize all vaccines – even those approved by WHO – as equal, further restricting international travel. As a result, many people may prefer less complicated domestic trips over international vacations in the near to mid-term. Greater global cooperation to ensure consistency in travel policies, as well as a uniform global travel guideline by international organizations such as the UNWTO and WTTC, can go a long way toward addressing these issues and jumpstarting international travel, demand for which will otherwise continue to remain subdued and restricted to essential travel in most cases.