



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

CORONAVIRUS AND ITS IMPACT TO GLOBAL ECONOMICS TOURISM

Shinta Maharani¹ and Miftahul Ulum²

¹Faculty of Economics and Islamic Business, State Institute of Islamic Studies Ponorogo,

IAIN Ponorogo Campus 2 Jalan Puspita Jaya, Jenangan, Ponorogo, Indonesia, maharani@iainponorogo.ac.id

*² Faculty of Tarbiyah, State Institute of Islamic Studies Ponorogo, Campus 1 Jalan Pramuka, Ronowijayan, Ponorogo, Indonesia,
ulum@iainponorogo.ac.id*

ABSTRACT

Outbreaks of the coronavirus (Covid19) which increasingly takes souls predicted would cause the loss of large mainly economics tourism, the prohibition of the China government to get out and move from China has been pressing source of income of the primary in the sector of tourism. The huge raised alert status of the coronavirus from yellow to red. It's indicates the spread of coronavirus is very serious and has a wide impact on public health. Not only Chinese tourists, but also tourists from other countries have also postponed their vacation amid the outbreak of this virus. The Economist Intelligence Unit (EIU) predict, the industry of tourism is not going to recover until the quarter II-2021 and led to losses in global reach US \$ 80 billion, a loss that will occur due to the recovery impact of spread coronavirus to economics tourism at least require time a year. Losses occur because many people of China and vice versa, cancel their trip vacation for fear of contracting the Covid19.

There is no research trying to relate between global economics tourism and the impact of coronavirus. The purposes of this paper are: 1. to describe the causal relationship between economics tourism and its impact on coronavirus. 2. To enhance efficiencies in the tourism sector through domestic destinations. 3. To analyze how coronavirus is the fastest way to hit down economics tourism. Coronavirus brings together major actors related to economics tourism: medical, global policy, academics, innovative activities, facilities, government, e-services, and international flights. The method of this study used qualitative methods and the instrument data used by secondary data. The findings of the paper showed that coronavirus would affect significantly the future of economics tourism in global destinations, the others find is domestic destination is the solution from the coronavirus to prevent falling global economic tourism.

KEYWORDS: Coronavirus, Economics Tourism, Global Destination

JEL CLASSIFICATION CODES: Z30, Z32, Z33



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

1. INTRODUCTION

Outbreaks of the coronavirus disease (COVID-19) which increasingly takes souls predicted would cause the loss of large mainly economic tourism, the prohibition of the China government to get out and move from China has been a pressing source of income of the primary in the sector of tourism. The huge raised alert status of the coronavirus from yellow to red. It indicates the spread of coronavirus is very serious and has a wide impact on public health. Not only Chinese tourists, but also tourists from other countries have also postponed their vacation amid the outbreak of this virus. The Economist Intelligence Unit (EIU) predicts, the industry of tourism is not going to recover until the quarter II-2021 and led to losses in global reach of \$ 80 billion, a loss that will occur due to the recovery impact of spread coronavirus to economic tourism at least require time a year. Losses occur because many people of China and vice versa, cancel their trip vacation travel ban COVID-19. In recent times, COVID-19 has demonstrated its pandemic power (Bedford et al., 2020; Koonin, 2020). This adverse event includes unusual economic scenarios (McKibbin and Fernando, 2020). At a time when many countries in the world are forced into periods of quarantine (Anderson et al., 2020), the global spread of coronavirus infections continues to increase.

Table 1
The Number of Cases COVID-19 in the World

No.	Country	Cases	Died	Recovered
1.	United States	610,632	25,856	38,562
2.	Spain	172,541	18,056	67,504
3.	Italy	162,488	21,067	37,130
4.	France	143,303	15,729	28,805
5.	Germany	131,359	3,294	68,200



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

6.	England	93,873	12,107	344
7.	China	82,249	3,341	77,738
8.	Iran	74,877	4,683	48,129
9.	Turkey	65,111	1,403	4,799
10.	Belgium	31,119	4,157	6,868.
Total		1,567,552	109,693	378,079

Source: processed from worldometers data, April 15, 2020

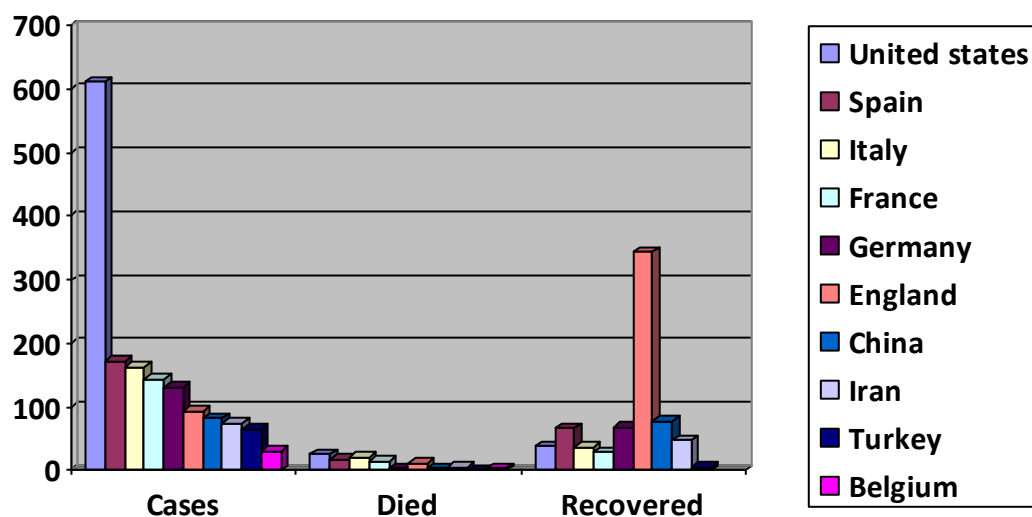


Figure 1

The Number of Cases Covid19 in the World

Based on the figure above from worldometers, the number of cases of coronavirus or covid19 has reached 1,567,552 cases by April 15, 2020 in the morning, of these, as many as 467,074 patients were declared cured, but the death toll from the virus, which



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

was first said to be spreading in Wuhan, has reached 125,951. The largest case in the world: the United States, 610 632 cases, 25 856 people died, the total recovered 38 562. Spain, 172,541 cases, 18,056 people died a total recovery of 67,504. Italy, 162,488 cases, 21,067 people died, 37,130 recovered. France, 143,303 cases, 15,729 people died a total recovery of 28,805. Germany, 131,359 cases, 3,294 people died a total recovery of 68,200. United Kingdom, 93,873 cases, 12,107 people died, 344 recovered in total. China, 82,249 cases, 3,341 people died totally recovered 77,738. Iran, 74,877 cases, 4,683 people died totally recovered 48,129. Turkey, 65,111 cases, 1,403 people died, 4,799 recovered in total. Belgium, 31,119 cases, 4,157 people died totally recovered 6,868 (Bramasta, 2020).

It was hard to say when the coronavirus pandemic would end because Covid19 indeed a new virus. Therefore it is difficult to predict. A pandemic had happened before. The pandemic passed when the public understood how to deal with it and when the vaccine had been developed and distributed (Younus, 2020). Researchers look at past pandemic history to make initial predictions about when the coronavirus pandemic will end. In the past, a pandemic usually lasted between 12 to 36 months. Therefore the policy problem of flight and tourism between countries is limited and tight; this is one of the reasons, the researcher trying to research about global economics tourism from coronavirus impact.

1.1. The purposes of this paper are:

- a) To describe the causal relationship between economics tourism and its impact from coronavirus.
- b) To enhance efficiencies in the tourism sector through domestic destinations.
- c) To analyze how coronavirus is the fastest way to hit down economics tourism



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

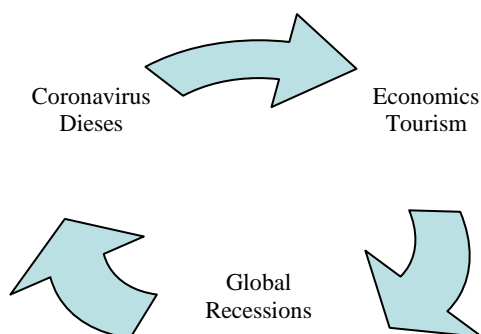


Figure 2

Framework

Sources: the researcher, 2020

As stated from the framework above, the coronavirus 2019 was assessed as a global disaster and also had an impact on economic tourism; it would affect to global recession because a lot of sectors hit by. Whatever the conditions, the coronavirus must immediately need a solution, because it is not only upholding health and safety but also the most important thing compared to global recessions itself.

1.2. Problem Identification

The researcher found that the problem in the view of economists is a matter of logical consequence policy between different countries; the issue of visas and flight regulations concerning travel ban from government, to regulate tourist, including the rights of health, safety and to guarantee "peace" in others countries. The problem is a matter of policy, applicative, practical, administrative and healthy concern, so the freedom of individuals to cross around the world is shifted. Thus, there are fundamental differences between domestic tourism and global tourism. This difference leads to determining the solution because tourism is not only looking for "happiness" but also sources of "finance ". Below the important things that need a solution:



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

- a) Innovation: What are the innovative instruments for making it useful to fight Covid19 related to economic tourism?
- b) Market aspects: What are the domestic tourism strategies to be adopted by the government? Because of sector like tourism facing is a great threat and will struggle for overcoming its losses.
- c) Business models: What new business models to be experienced for the recovery financial system related to tourism?
- d) Social Finance: Economies tourism offers various social tools, what could be the gearing actions on the social level bearing in mind the role of social donations.

2. ECONOMICS TOURISM AND COVID19

Tourists visit a tourism destination because "... seeks various psychic and physical experiences and satisfaction" (seeking psychological and physical experiences and satisfaction) is the motivation that is someone background to travel. (The United Nation World Tourism Organization, 1994). The motivations that drive a person to travel are as follows:

1. Spiritual and Religious
2. Pleasure (fun), with the aim of "running away" for a while from daily routine;
3. Relaxation, rest and recreation (resting to relieve stress), to maintain a healthy body and mind, by visiting a different environment were giving the impression of peace and health;
4. Health (medical tourism) namely visiting places that can help maintain health or cure disease;



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

5. Participation in sports (recreational sports);
6. Curiosity and culture which is currently increasing in quality because of the development of information technology and improving the quality of education. Motivation that becomes the background of a person to visit in this case is the desire to see tourism destinations that have very high historical and cultural values or that hold very important cultural activities
7. Ethnic and family (ethnic similarity and family visits). Specifically, about ethnic equality, people can be motivated to visit a place because it is considered as the place of residence/birth of their ancestors.
8. Status and prestige to show others that a person has a high social status and prestige because of being able to travel to a particular tourism destination; and,
9. Professional or business (carrying out activities related to the profession/occupation), for example, activities attending a trial or conference.

By understanding the nine motivations, the countries who want to develop themselves into a “domestic” world-class tourism destination could be easier when starting to identify the potential of tourist attractions in the region to be offered to prospective tourists. This also implies that the infrastructure and superstructure is provided is the background of a person to travel. In general, there are positive reasons why a domestic tourism destination needs to be developed (Antariksa, 2019).

- 1) First, the nine motivations of a person to travel as described in the previous section is an opportunity for an area that has the potential to become a tourism destination to become a "medium" for meeting these needs.
- 2) Second, the media as referred to in the first point, some various benefits and opportunities can be achieved, including the opening of employment opportunities; improving the welfare of the community around tourism destinations; enhance the value/image of a geographical area, including those that are poor in economic



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

resources, and encourage the revitalization of a geographical area that has lost its appeal, for example, an old city or a former mining area.

- 3) Third, for developing countries, the tourism industry as a medium of economic development that does not require too much investment in the long run before it can provide benefits. Tourist attraction is the core for the development of tourism. When compared with for example the development of the automotive industry, it takes a very large capital and a long time before profits can be obtained.
- 4) Fourth, in carrying out the development needed supporting funds. If it depends on technology from other countries, then foreign exchange for development will be sucked out of the country due to the necessity to import capital goods and consumables (foreign exchange leakage). The tourism sector can reduce import dependence because most capital goods and consumables can be provided by tourism destinations, such as handicrafts, food and beverages, and tourist attractions.
- 5) Fifth, just to strengthen the positive value of tourism, statistical data shows a very large role in the economics tourism. The United Nations World Tourism Organization (UNWTO) reports that in 2010 the number of international visits reached 940 million times and generated a profit of US \$ 919 billion.⁵ It is estimated that by 2020, the number of international visits will reach 1.56 billion times, with an increase in the number of traffic trips from 18% to 24%, but the estimated down quickly because of covid19.

2.1 Global Tourism versus Domestic Tourism



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

Rank in 2012	Country	1995	2000	2005	2010	2012	Trend, 1995-2012
1	France	60.0	77.2	75.0	77.6	83.0	
2	United States	43.5	51.2	49.2	59.8	67.0	
3	China	20.0	31.2	46.8	55.7	57.7	
4	Spain	34.9	46.4	55.9	52.7	57.7	
5	Italy	31.1	41.2	36.5	43.6	46.4	
6	Turkey	7.1	9.6	20.3	31.4	35.7	
7	Germany	14.8	19.0	21.5	26.9	30.4	
8	United Kingdom	21.7	23.2	28.0	28.3	29.3	
9	Russian Federation	10.3	21.2	22.2	22.3	28.2	
10	Malaysia	7.5	10.2	16.4	24.6	25.0	

Figure 3

The countries most crowded with tourist

Sources: World Bank, 1995-2012

The World Tourism Organization (a United Nations agency) goes to great lengths to provide global tourism data. This is also as limited data because international non-resident tourists at national borders are unavailable or incomplete, the data shows the arrivals of international visitors, which can include tourists, same-day visitors, cruise passengers, and crew members. Lastly, sources and collection methods for arrivals differ across countries. For some countries, the data are collected from border statistics (police, immigration and may be limited to include only arrivals by air or arrivals staying in hotels. (Huang, 2014). Based on the data above, from global tourism to the domestic tourism; is not easy to be the switch, because tourist rather to choose to global destination than domestic destination but related to covid19, it should be done by government policy in every country.

3. CONCLUSION

The economics tourism development guarantees that optimal benefits will be obtained sustainably, could only be realized with a comprehensive and integrated approach (policy). The domestic tourism cannot be developed continuously without limits. Limiting



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

the number of tourists visiting a tourism destination or tourist attraction at a certain time (carrying capacity) is very important to realize in sustainable economic tourism development. If this is ignored, the sustainability of tourism destinations or tourist attractions will be threatened. Thus, a beautiful dream of 1.56 billion foreign tourist arrivals in 2020 may not be a beautiful thing in reality (because of covid19). Associated with the use of the tourism sector in supporting poverty alleviation efforts, it needs to be understood that this should not be interpreted as intentionally placing actors in the tourism industry - especially labor and small and medium entrepreneurs so domestic tourism becomes a business based on "mercy". Their professionalism must be improved ongoing basis; it would improve the quality of services and then drive increased revenue. Domestic tourism development should also be the principle of "happy here, happy there". To respond the coronavirus outbreak, there are two solutions

1. First by asking tourists to delay and stay at home for their health and safety
2. Then asking the tourist to allocate their tourism budget from the tourism, into social activities that will greatly help people in need

Based on point two above about social foundation, economics tourism would be proud if there were following up by the "tourist candidate" to identify as one of the solutions for economic recession. Each country gives a status "almost the same" as given, only this status is not stated in wording directly (straight forward), but by policy implication. This shows that the "covid19 phenomenon "is universal; because it occurs in almost all countries at the same time. Thus, it could be said that all humanity is united in efforts to prevent covid19.

Quarantine policy for each country is something natural. More than that, it is the vanguard of a State that aims to prevent the spread of covid19. Therefore any solution intended to solve the problem of the 19th plague in the framework of global tourism is to return to each country. Each country provides the most rational and humane solution, namely the concept of "back to domestic nature ", where each tourist enjoys a tourism policy by the local government "autonomy" following their respective countries. Thus, the



12th International Conference

Economies of the Balkan and Eastern European Countries (EBEEC 2020)

Opatija, Croatia Europa, May 29-31, 2020

economics of tourism has provided a solution "the maximum" to the problems that currently recorded in history.

ACKNOWLEDGMENT

1. thank you for the God Almighty, we still healthy and have an opportunity to live
2. Thank you for The State Institute of Islamic Studies Ponorogo for the chance
3. Thank you for the president of EBEEC 2020, wish all the best.

REFERENCES

- Anderson RM, et al. (2020). How will country-based mitigation measures influence the course of the COVID-19 epidemic? *The Lancet*. [https://doi.org/10.1016/S0140-6736\(20\)30567-5](https://doi.org/10.1016/S0140-6736(20)30567-5)
- Antariksa, Basuki, (2019). Pusat Penelitian dan Pengembangan Kepariwisata, Kementerian Kebudayaan dan Pariwisata Indonesia
- Bedford, et al. (2020). COVID-19: towards controlling of a pandemic. *The Lancet*. [https://doi.org/10.1016/S0140-6736\(20\)30673-5](https://doi.org/10.1016/S0140-6736(20)30673-5)
- Bramasta, Dandy Bayu (2020) "Corona Virus Update in the World April 15: 1, 9 Million Cases, 467,074 Cured, 125,951 Dead", <https://www.kompas.com/tren/read/2020/04/15/073000365/update-virus-corona-in-the-world-15-april-1-9-million-cases-467,074-cured>.
- Damanik, J., Kusworo, H.A., dan Raharjana, D.T. (Ed.). (2019). *Penanggulangan Kemiskinan dan Pengembangan Kepariwisata – Kementerian Kebudayaan dan Pariwisata, Indonesia*.
- Koonin, LM (2020). Novel coronavirus disease (COVID-19) outbreak: Now is the time to refresh the pandemic plans. *Journal of Business Continuity & Emergency Planning*, 13 (4), 1-15.
- Maharani, Shinta, (2019). *Halal Tourism Research*, the State Institute of Islamic Studies Ponorogo
- McKibbin, W., & Fernando, R. (2020). *The global macroeconomic impacts of COVID-19: Seven scenarios (No. 2020-19)*. Center for Applied Macroeconomic Analysis, Crawford School of Public Policy, the Australian National University.
- The United Nation World Tourism Organization. (1994). *National and Regional Tourism Planning*. London: International, United Kingdom
- Huang, Wendy (2014), *International Tourism Data*, World Bank, United States of America
- Younus, Faheem (2020), *Infectious Disease Section, Women's Health*, University of Maryland USA.