

**MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN**

**AZERBAIJAN STATE ECONOMIC UNIVERSITY**

**INTERNATIONAL CENTER FOR MASTERS AND DOCTORS**

**MASTER'S DISSERTATION**

**on the topic**

**PROBLEMS AND DEVELOPMENT PROSPECTS OF WORLD TOURISM  
MARKET AFTER CORONAVIRUS PANDEMIC COVID-19**

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**THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN  
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**MASTER DISSERTATION**

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MARKET AFTER CORONAVIRUS PANDEMIC COVID-19**

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## **Elm andı**

Mən, Bədəlov Cavidan Natiq oğlu and içirəm ki, “Problems and development prospects of World tourism market after coronavirus pandemic COVID-19” mövzusunda magistr dissertasiyasını elmi əxlaq normalarına və istinad qaydalarına tam riayət etməklə və istifadə etdiyim bütün mənbələri ədəbiyyat siyahısında əks etdirməklə yazmışam.

# COVID-19 PANDEMİYASINDAN SONRA DÜNYA TURİZM BAZARININ PROBLEMLƏRİ VƏ İNKİŞAF PERPEKTİVLƏRİ

## Xülasə

**Tədqiqatın aktualığı:** COVID-19 virusunun dünya turizm bazarına təsirinin əhəmiyyəti və kifayət qədər öyrənilməməsi, problemlər və postpandemiyadan sonrakı dövr üçün inkişaf perspektivləri.

**Tədqiqatın məqsədi:** tədqiqatın məqsədi Covid-19 böhranının ölkələr və regionlar üzrə turizm sektoruna təsirini aydınlaşdırmaqdır. Əlavə olaraq COVID-19-dan sonra inkişaf perspektivləri ilə bağlı təkliflər irəli sürməkdir.

**İstifadə olunmuş tədqiqat metodları:** İqtisadi təhlilin əsas üsullarından istifadə edilmişdir: abstrakt, sistemli, funksional, müqayisəli, statistik və s.

**Tədqiqatın informasiya bazası:** Tədqiqatın informasiya bazası bir çox fərqli mənbələrdən alınan, o cümlədən Dünya İnkişaf Göstəriciləri məlumat bazası, Beynəlxalq Valyuta Fondunun və Dünya Bankının nəşrləri, seçilmiş ölkələrin sənədlərindəki nəticələr və qiymətləndirmələr, müəllifin özünün ümumiləşdirdiyi rəsmi statistik məlumatlara əsaslanır.

**Tədqiqatın məhdudiyyətləri:** Qlobal pandemiya nəticəsində ötən ildən statistikanı və onun dəqiq təsirlərini tapmaq çətin idi.

**Tədqiqatın elmi yeniliyi və praktiki nəticələri:** Bu iş COVID-19 böhranının turizm sektoruna təsirini hərtərəfli təhlil etmək üçün ilk cəhdlərdən biridir və pandemiyadan sonrakı dövr üçün inkişaf perspektivlərini təklif edir.

**Nəticələrin istifadə oluna biləcəyi sahələr:** Əldə edilən nəticələr yaxın 2-3 ildə turizm sənayesini həll etmək potensialına malikdir. Turizmin müəyyən sahələrində dəyişikliklər etməklə dəymiş ziyanın aradan qaldırılmasına əsaslanır.

*Açar sözlər: COVID-19, turizm, turizm bazarı, təsir, pandemiya, inkişaf perspektivləri*

# **PROBLEMS AND DEVELOPMENT PROSPECTS OF WORLD TOURISM MARKET AFTER CORONAVIRUS PANDEMIC COVID-19**

## **SUMMARY**

**The actuality of subject:** The importance and insufficient study of the impact of the COVID-19 virus on the world tourism market, problems and development prospects for post-pandemic period.

**Purpose and tasks of the research:** The purpose is to clarify the impact of the Covid-19 crisis on the tourism sector over countries and regions. Additionally suggestions of development prospects after COVID-19

**Used research methods:** The main methods of economic analysis were used: abstract, systemic, functional, comparative, statistical, etc.

**The information base of the research:** The information base of the study is based on data from many sources including publications of the International Monetary Fund and the World Bank, the results and assessments in the documents of selected countries, official statistics summarizing the author's own calculations.

**Restrictions of research:** As a result of the global pandemic, it was difficult to find statistics and its exact effects from the last year.

**The novelty and practical results of investigation:** This work is one of the first attempts to comprehensively analyze the impact of the COVID-19 crisis on the tourism sector, and suggests development prospects for the post-pandemic period.

**Scientific-practical significance of results:** The results obtained have the potential to solve the next 2-3 years of tourism industry. It is based on resolving the damage by making changes in certain areas of tourism.

*Keywords: COVID-19, tourism, tourism market, impact, pandemic, development perspectives*

## **ABBREVIATIONS**

<b>WTO</b>	World Trade Organizations
<b>UNWTO</b>	United Nation World Tourism Organization
<b>GDP</b>	Gross Domestic Product
<b>CPI</b>	Consumer Price Index
<b>STEP</b>	Sustainable Tourism Poverty Eradication
<b>APR</b>	Asia-Pacific Region
<b>IATA</b>	International Air Transport Association
<b>IUC</b>	International Union of Railways
<b>CBAR</b>	Central Bank of Azerbaijan

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## INTRODUCTION

**Relevance of the research topic:** During the pandemic, international tourism has a special place in the system of world economic relations and universal values in terms of its universal impact on the development of the world community. International tourism, the most popular form of human communication, contributes to the strengthening of positive trends in people's economic, political, social, and cultural life.

International tourism, known as the "phenomenon of the twentieth century", is preferred in all countries of the world. Institutions and organizations, the largest of which is the World Tourism Organization (WTO), collect statistics, assess the current state of international tourism, and forecast the world market for long-term tourism services, as well as to conduct methodological work and contribute to the establishment and observance of common "rules of the game".

Countries are using all available opportunities to accelerate this process by trying to participate more fully in the world economy, as evidenced by the planned accession to the World Trade Organization, participation in the global flow of capital, and other manifestations of growing operations in the sphere of foreign economic exchange.

One of the means of our country's full participation in the system of world economic relations is the creation of the modern tourism industry and the intensive development of both foreign and domestic tourism. Despite the adoption of a state program for the development of international tourism, the emergence of infrastructure elements, and the formation of a market for tourism services, no more than 10% of the tourism potential is used.

Therefore, in terms of regulating tourism activities and managing the tourism business, it is expedient to study the experience of the Western European region, which is currently the most represented in world tourism. Such an analysis of the Western European experience shows that the development strategy of tourism is very relevant for tour operators because the evolution of supply and demand in the tourism market will inevitably repeat certain patterns that abound in the West.

**Statement of the problem and learning level:** COVID-19 pandemic was included our life in 2020 and still continues so far. That is why the problem is still under research by many different authors around the world.

**Purposes and objectives of the research:** Is the international tourism market during the COVID-19 pandemic, the factors affecting it, the mechanisms for regulating tourism activities.

**Object and subject of the research:** The purpose of the study is to study the development aspects of the global tourism market.

**Research methods:** The information base of the research consists of scientific articles, monographs, and textbooks published in the country and abroad, annual statistical publications of government agencies - international organizations - the World Tourism Organization, the World Trade Organization. The practical significance of the research. During the Covid-19 pandemic, the provisions of the research can be used in the development and implementation of government programs to increase competitiveness in the international tourism market and increase export potential.

**Research database:** The information base of the study is based on data from many sources including publications of the International Monetary Fund and the World Bank, the results and assessments in the documents of selected countries, official statistics summarizing the author's own calculations.

**Research limitations:** There is a lack of information about the pandemic period.

**Scientific novelty of the research:** This work is one of the first attempts to comprehensively analyze the impact of the COVID-19 crisis on the tourism sector, and suggests development prospects for the post-pandemic period.

**Scientific and practical significance of the results:** is a comprehensive and systematic analysis of the structure of the international tourism market during the pandemic and the identification of ways to improve the competitiveness of countries in the international tourism market.

# **CHAPTER I. WORLD TOURISM MARKET BEFORE CORONAVIRUS PANDEMIC COVID-19**

## **1.1. Development of tourism market since the middle of XX century**

Tourism, which originated in ancient times, for a long time wore exclusively individual and even elitist character. It became a mass form of leisure and a social need for mankind only in the second half of the twentieth century. The growth of international tourist exchanges was facilitated by the development of air transport, the restoration of the economy destroyed after the Second World War, fundamental research, and the implementation of scientific and technological progress in all areas of activity.

In connection with the increase in the socio-economic importance of international tourism, since 1950, official registration of indicators of its development began - the arrivals and departures of international tourists, the balance of income, and expenses for tourism activities.

Nowadays, the tourism industry is one of the most chronically growing forms of international trade in services. Over the past 20 years, the average annual growth rate of the number of foreign tourist arrivals in the world amounted to 5.1%, foreign exchange earnings - 14%. So, if in 1950 the number of tourists around the world was 25 million, and the turnover of the tourism industry was 2.1 billion US dollars, then based on the data of the UNWTO in 2010 in the world 976 million tourist arrivals were registered, receipts from international tourism reached 372 billion dollars. In general, the volume of foreign exchange profits from this sector for the period from 1950 to 2010 increased 344 times. At the start of the new millennium, tourism is firmly established in many countries as the main economic sector and the fastest growing economic sector, providing foreign exchange inflows and job creation.

Although the emergence and development of postmodernism in the world of art and thought, on which its foundations are based, coincided with the end of the 19th century, it has been since the 1960s that it became a paradigm that led to social transformation. Tourism activities were seen as a luxury need until WW1, and later

from the WW2, they emerged as cultural activities in the 1960s. Tourism, which was an activity in which the rich, aristocrats, and high-level bureaucrats participated in the period from the Middle Ages to the Second World War, has become an activity that almost every part of the society can participate in today. In other words, in this period, there has been a tendency from individual tourism to mass tourism, and especially conveniences such as package tours and charter flights have developed mass tourism. With the implementation of policies to develop mass tourism in destinations that accept tourists, the number of participants in international tourism has increased and high profits have been obtained in the short term. However, the fact that there are many destinations offering similar products for mass tourism in the international tourism market in recent years and there is intense competition among them, including price competition, causes the average expenditure amount to decrease. With the recovery of the country's economies, the income level of individuals increased, as a result of which the budget allocated to tourism also increased. In the modern era, which defends the superiority of reason against feudalism and dogmatism, the search for universally valid truths is dominant. While the modern period showed that the social structure could be developed with rational systems such as democracy, production relations, and technology, it also brought with it negativities such as crises, wars, and rapid destruction of the environment. After the industrial revolution, especially with the effect of the Fordist production approach, fossil fuel consumption and the greenhouse gas emissions it brings increased, environmental pollution reached its peak and the global warming process started. These changes have led to an increase in global temperatures, rising sea levels, drought, and desertification. Considering that the natural environment and climatic conditions are the determining factors in the realization of tourism, it is inevitable that these changes will affect tourism.

As a result of this effect, the massification phenomenon of the modern period has begun to be criticized and the post-modern tourism paradigm as a new tourism paradigm has been shaped within the framework of alternative searches in tourism and the concept of sustainability. Sustainability is an approach that proposes

providing continuous access to natural resources, preventing activities that will cause permanent damage to the environment, and using resources that will meet the needs of future generations without jeopardizing the general quality of life (Kozak and Garden 2009: p.92-93).

Sustainability, which was previously discussed only in the manufacturing industry, has turned into a universal principle with the emphasis that all sectors carry out sustainable activities in their own business lines at the 1992 Rio Conference. The principle of sustainability has been adapted to tourism as well as too many fields and disciplines. It has necessitated the planning of natural, social, cultural, and human resources used by tourism in a way that supports sustainable development.

In recent years, mass tourism production and consumption, carried out with the Fordist production approach, and has begun to be criticized for its negative effects such as damaging natural, cultural and historical resources and preventing the economic return of tourism from spreading throughout the year. However, despite all these criticisms, it is seen that some countries ignore sustainable tourism and approach tourism with the logic of "economic growth at any cost".

Within the scope of sustainability and alternative searches in tourism, one of the biggest innovations brought by the post-modern tourism paradigm to tourism is product diversity. In this way, tour operators were prevented from manipulating the market as they wished, small and local enterprises were allowed to take a share from the tourism market instead of international large and chain enterprises, seasonality of tourism decreased and tourism revenues were distributed evenly. When analyzed on the demand side, it is seen that the standard and mass demand created by the social values system of the modern period has been reshaped within the scope of individualistic thinking and behavior styles in the post-modern period, and tourists are attracted to alternative attractions such as cultural tourism, adventure tourism and rural tourism instead of cheap package tours and holidays with the same characteristics seems to be trending towards.

In this context, it can be stated that the developing alternative tourism saves the tourists from passive participation and allows the active participation of the masses

with different interests than the sea, sand, and sun. In this respect, alternative tourism has caused the tourism paradigm to be reshaped as consumer-oriented, contrary to the production and sales-oriented approach of mass tourism.

The diversification of tourism products within the scope of sustainable tourism and the transition to alternative tourism can also be explained by the transition from Fordism to Post-Fordism. The pre-modern era's understanding of producing elite products only for the wealthy and aristocratic class, and the modern era's understanding of producing standardized mass products for the rest of society have lost their validity in the post-modern era. In the post-modern era, all products and brands have gained the quality of signs and symbols, as well as their functional benefits. This situation has led tourists to demand tourism products that will show their status, express themselves, and reflect their identities. For this reason, it is seen that the mass production approach that dominated the tourism market until the 1970s has been replaced by a more customized and consumer-oriented post-Fordist production approach, with the influence of post-modernism. Within the scope of the post-modern tourism paradigm, with the influence of the Post-Fordist production approach, it has been seen that tourism enterprises produce touristic products that reflect the individual views and expectations of the tourists and respond to their wishes and sensitivities. Today's tourists are also people who are sensitive to the environment, value original and unspoiled natural, cultural and historical resources, and are aware of their effects on tourism resources; Sustainable tourism practices aiming to reduce the negative effects of tourism have become even more important for tourism businesses. Accordingly, applications such as energy and water-saving and waste management in tourism enterprises have gained popularity, and environmental management systems have become one of the international standards.

In addition, agencies, non-governmental organizations, public institutions, and international organizations have encouraged tourism enterprises to be more sensitive about using natural, historical, cultural, and financial resources in their regions with eco-labeling, certification, and awarding practices (green globe 21, ecohotel, blue flag, etc.).

In the study, it was seen that tourism types and tourist typologies became meaningless within the post-modern tourism paradigm.

To give an example, Cohen classified tourists as organized mass tourists, individual mass tourists, explorers, and wandering tourists.

However, simplified and stereotypical tourist typologies and tourist types are meaningless in the post-modern tourism paradigm. Because for post-modern tourists, tourism is a game that exists in life. Tourists are free to commute between different types of vacation and want to have different experiences. For example, a tourist experiencing eco-tourism in the rainforest this year may want to spend his next vacation sunbathing on the beach. In addition, post-modern tourists want to derive not only functional but also symbolic meanings from their tourism experiences, and they demand more from the current reality. In this context, another feature that characterizes the post-modern tourism paradigm is HyperReality.

In its simplest definition, meta-reality is expressed as the blurring of the distinction between real and unreal. Today, people prefer to live in virtual reality instead of current reality. Many social areas such as Las Vegas, Disneyland, Universal Studios, zoos, theme parks, hotels, and shopping centers are the most striking examples of the concept of meta-reality in tourism, with virtual reality and tours. For example, instead of going to Africa to see a lion, tourists are able to satisfy their needs by going to the zoo, which is a meta-reality created for them where they live, and today's tourists use their preferences in this direction. It is predicted that virtual realities that appeal to our sense of seeing only in three dimensions today will take on a very realistic structure in the future and tourism activities can be done in the comfort of your home, without traveling, with the created high reality. In other words, the post-modern tourist; It is thought that they can have experience by living different themes, past, and future without being attached to anyone. Post-Modern tourists want to have surreal or fantastic experiences as well as meta-reality. Space tourism, which is rapidly developing as a product of the post-modern tourism paradigm, can be given as an example of this situation. Space tourism, which started

with the trip of a businessman named Dennis Tito to the International Space Station with Soyuz 1657 in 2001, is still in the development stage today.

To date, 10 people have made touristic trips in space. Experts argue that over time, this type of tourism will revive as quickly as air transport.

In the last 40-50 years we have lived, tourism movements have left behind economic sector giants such as automotive, petrochemical, computer, and communication. The development of highways has reduced the demand for sea and railroads, and travels have begun to be made by land. When we look at recent history, we can observe that the highway has left its place to the airline.

After the Second World War, many structural changes began to occur in the field of transportation. As a result of these changes, while railway and maritime transport lost its importance (Göksan, 1978), air transport, which was under state control, especially since the 1960s, with high prices and difficult accessibility, became liberalized and very cheap, which allowed international mass tourism. (Forsyth P. 2006).

Among the most important reasons for this are the non-scheduled flights based on the low-cost principle, and the fact that thanks to the rapid development of technology, aircraft that can travel with longer ranges are being used more widely in air transport, and thus borders are eliminated.

So much so that non-scheduled voyages enabled the growth of holiday tourism in Europe and there was a significant increase in travels to the sea-sand-sun destinations of Southern Europe, especially from England and Germany, in Europe in the 1960s. With the liberalization of airlines, there have been great changes in the tourism style in the countries. Tourist movements have shifted from land transportation to air transportation and longer journeys have begun to be made. This situation has led to an increase in destination competitiveness between countries (Forsyth, 2006). In the 1980s, there was a contraction in international tourism demand due to the economic crises in the world and the rise in oil prices. As a matter of fact, this situation is clearly observed when the tourism mobility is examined on a yearly basis according to the data of the World Tourism Organization. Holloway

et al. (2009) states that package tours that bring together many touristic services, from transportation to accommodation and guiding services, have entered the tourism market due to the understanding of economic thinking as a result of this situation. In other words, it can be said that the 1980s were the years when package tours started to become widespread in tourism. With the 1990s, especially while collapsing of the USSR and the termination of the cold war times, the acceleration of international capital and investments caused tourism to gain new momentum. Essentially, the number of international tourists, which was 278 million in 1980, reached 674 million as of 2000 (UNWTO, 2017).

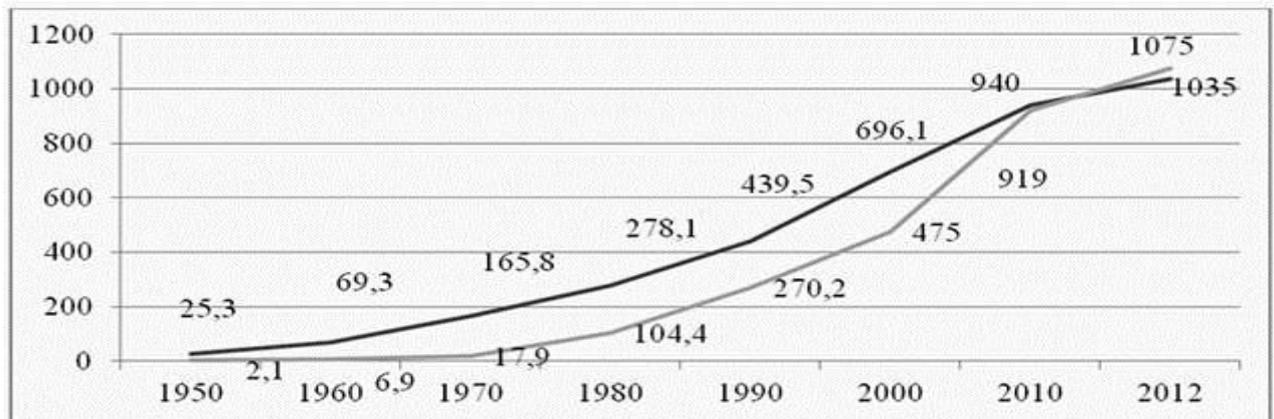
The 1990s can also be considered as the years when tourism supply gained momentum. So much so that many investments such as hotels, restaurants, museums, shopping malls, golf courses, and congress centers gained momentum in this period.

**Table 1: Quantitative development of international tourism movements**

Years	Number of tourists	tourism income
1950	25.300	2.100 mln. dollar
1960	69300	6.900
1970	160.000	17.900
1980	284.800	102.300
1990	450.800	255.000
1995	565.000	399.000
2000	650.000	530.000

**Source:** <https://docplayer.biz.tr/6108720-Dunya-turizminde-gelecege-yonelik-egilimler.html>

**Picture 1: Indicators of the development of the world market of tourist services in 1950-2012**



**Source:** <https://docplayer.biz.tr/6108720-Dunya-turizminde-gelecege-yonelik-egilimler.html>

At the same time, the average annual growth rate of the export of tourism services is comparable to the analogous indicators of the export of goods in ten-year periods. When considering the average annual growth rates in general for the period 1950-2012, exports of tourism services grew 1 percentage point faster than exports of goods (10.6 versus 9.6). The noted trend confirms the demand for trade in tourist services, indicating the continuously growing consumer demand and the prospects for entering foreign tourist markets.

Despite the positive dynamics of changes in tourist arrivals in general, the average annual growth rates in recent decades have shown a slowdown and gradual decline compared to the post-war period.

The weakening of the intensity of tourist arrivals can be associated with various reasons, both financial, economic, and socio-demographic. The key aspect of the slowdown in the growth of the tourism industry is the clear saturation of the market with existing offers, as well as the achievement of natural boundaries in terms of geography since all regions have already been developed.

However, the trend with the distribution and increase of tourist flows differs in the tourist macro-regions of the world. Thus, the European macroregion is a recognized leader in terms of its share in the world tourism market (51 in 2012) - for the period 1950-2012, increased the number of tourist arrivals 32 times, the American macroregion - 22 times. At the same time, the African and Middle Eastern macroregions increased the number of tourist arrivals 260 times, and the Asia-Pacific region - 468 times, ranking second in market share after the European macroregion, displacing the American macroregion from this position.

The market share of emerging economies has varied significantly since the 1990s, exceeding the growth rate of advanced economies, virtually halving the total number of international tourist arrivals.

The dynamic development and expansion of international tourism in the last 25 years of the twentieth century is the result of a complex interaction of numerous socio-economic, demographic, environmental, technological, and institutional factors that have affected all components of the travel industry. These factors have

changed the fundamentals of competitiveness and affected the structure of expenditures on international travel. Demand factors played a key role here. The need for international travel is formed under the influence of factors that reflect the multifaceted characteristics of people traveling abroad for various purposes. In both developed and developing countries, the largest group consists of people who go abroad to spend their leisure time. Therefore, the factors related to that contingent play a key role. According to the World Tourism Organization, in 2002, 68.1% of the total number of tourists in the world were vacationers. Although the number of people traveling for business and other purposes, including to meet relatives and friends, was lower, the important category was 16.5% and 15.1%, respectively. However, people who go abroad often travel for various reasons, such as business, entertainment, or medical treatment. Because they want to fit their goals together, it is sometimes difficult to draw a clear line between these categories. The rapid increase in demand for tourist travel due to the globalization of entrepreneurial activity, rising incomes, declining real value of travel, and increasing leisure time has become an incentive to strengthen international tourism flows. The easing of restrictions on foreign travel and the provision of assistance by the state and 25 private organizations are also stimulants for the development of tourism. The proliferation of cheap complex tours and other factors have boosted the flow of foreign tourists; immigration and labor migration, political scandals, economic difficulties, also had their effect.

Among these factors that determine demand, the most important are the level of income and the cost of travel. As international tourism is considered an object of prosperity in the consumer basket, its volume varies depending on the level of income. This pattern is expressed in the evidence that the growth rate of tourism is higher than the growth rate of GDP. When there is a general increase in income, the part of it spent on travel, as a rule, increases until it reaches the level of full security. The fact that the demand for tourism has increased and decreased almost in parallel with the periodic changes in income levels proves the existence of this positive correlation. However, because tourism responds more to growth than to decline (this

is mainly due to structural factors such as social benefits and globalization processes), the dependence of its indicators on the periodicity of income changes is significantly asymmetric.

The high share of high-income countries in tourism spending around the world also reflects income dependence. One of the important factors determining the demand is the tariffs for passenger transportation. Thus, the sharp decline in the cost of air transportation has made long-distance travel affordable and has played a crucial role in increasing international tourist flows over the past 10 years. Fluctuations in exchange rates and inflation also affect the cost of tourists (the cost of travel). As a result of the reduction of the working week, the increase in leisure time and the establishment of new official holidays have also created conditions for a steady increase in demand for foreign tourism. Paid vacations in developed countries last from 2 weeks in the United States to 7 weeks in the Netherlands, and this difference has a significant impact on the duration of tourist trips. However, the attitude to this concession has recently changed, and in most developed countries, paid leave is not extended (Азар В.И., Тумахов С.Ю. 1998).

In many of these countries, setting a maximum holiday period is a factor limiting the growth in demand for foreign tourist travel. In most countries, the reduction of various restrictions for citizens wishing to travel abroad and tourists visiting the country is one of the reasons for the rapid growth of international tourist travel. In South Korea, for example, the easing of exit restrictions resulted in 30% growth in the number of holidaymakers abroad in the second half of the 1980s. In recent years, the integration of transition economies into the world market system has also increased the number of citizens traveling abroad, including to Southeast Asia and South Africa. In regions where the pace of regional integration is accelerating, the volume of intra-regional trips is constantly growing. Integration has facilitated the movement of short-term vacationers, labor migrants, and those leaving the country for business purposes within the region. The signing of the Schengen Agreement abolished border controls in the European Union. Despite this progress, barriers to the movement of individuals remain in most countries. The most

basic of these are direct administrative controls at entry and exit, such as requiring visas, passports, and entry permits; Indirect controls, such as restrictions on the import or export of foreign currency, are different laws and regulations that apply to travelers, although they are primarily related to immigration and labor migration. Removing these barriers could result in a sharp increase in hitherto unrealized demand for tourism in most developing countries and countries with economies in transition. Demographic changes, changes in consumer preferences, as a consequence of growing attention to socio-cultural and environmental conditions, are increasingly affecting the nature of tourist demand in developed countries. For example, the generation born after the Second World War and the possibility of prolonging the life of these people at non war condition have led to an increase in the number of potential tourists. As a result, the center of gravity (especially in developed countries) traditionally refers to the sun, sea, sandy beaches, standard mass tourism, a wide range of recreation interests, including the study of culture, historical heritage, natural landscape, entertainment, as well as sports, education, health and shifts to more flexible and colorful forms, covering other private needs (Касумов Р. 2001).

However, the proliferation of cheap, mass tourism, based on cost savings through scale and standardization, is promoting international tourism because it allows relatively low-income people to travel abroad. Although in recent years the growth rates of new types of tourism in developed countries have begun to outweigh the use of strictly regulated complex tours, ordinary mass tourism will remain the main form of recreation in developing and transition economies for some time to come. Thus, each age group of tourists will take its place in the world tourism industry. Restrictions on trade and foreign investment indirectly affect business travel (Александрова А.Ю. 2001).

1. Recently, under the influence of the globalization of entrepreneurship, the number of visits to business fairs, exhibitions, and seminars has been growing rapidly. As a rule, these trips are more complex and expensive, highly serviced types of international travel. Countries with large foreign trade relations and large foreign

investments usually receive and send a large number of people traveling for business purposes. In Europe, business trips are usually to France, Italy, and the United Kingdom. The rapid growth of foreign trade and investment in the last decade of the twentieth century has also significantly increased the number of trips to developing countries. Most of the foreign trips are aimed at meeting friends and relatives in countries where the history of the colony has lasted until recently, has not lost business and cultural ties with the former metropolises or is facing large influxes of migrant workers, immigrants, and refugees. Examples include France and its former colonies in Africa and Asia, Germany, Turkey, and Portugal, as well as the flow of tourists between the United States and Vietnam. Recently, large immigration and large inflows of foreign labor from some Asian countries to oil-exporting countries such as Australia, Canada, New Zealand, and West Asia have led to an increase in the number of visits by their relatives on these routes. Problems related to water pollution with solid and liquid wastes, damage to ecosystems, the introduction of foreign elements into traditional cultures, overpopulation, rising crime, and the spread of disease in high-traffic areas have helped people realize the social and environmental limits of increased travel and tourism (Dünya Turizm Təşkilatının Turizm Məlumatları, 2016, [www.unwto.org](http://www.unwto.org)).

This is reflected in the spread of ecotourism and agro-tourism in more and more countries. For example, Brazil and Costa Rica, rich in biodiversity and mysterious natural landscapes, are successfully developing eco-tourism to prevent further deterioration of the ecological situation and at the same time diversify their sources of foreign exchange earnings. Similar trends are developing in more and more countries, creating new types of services in the field of tourism entrepreneurship. Non-reproductive natural and cultural resources of tourism, such as mountains, beaches, humid tropical forests, hot springs, favorable climatic conditions, and cultural monuments; tourist accommodation facilities and infrastructure; human resources, and technical capabilities are of particular importance. These factors, in addition to determining the potential to meet demand, form the basis of the competitiveness and specialization of individual countries. Traditional natural and

cultural resources are the most important factors in attracting tourists. These resources are largely unchanged and favor countries rich in them. They are the basis of the traditional attractiveness for mass tourism in European countries, which have accumulated great cultural potential throughout human history (Каз Ж. 2005: с.67).

At the same time, developing countries in the Caribbean, North Africa, and the Asia-Pacific region, which have no export alternatives or face the threat of declining exports of key commodities, are expanding their competitive tourism industries by taking advantage of their natural resources and cheap labor. Over the last two decades, Malaysia, Thailand, and Indonesia have supported the development of international tourism as the most viable alternative in terms of export diversification; As noted above, in the first years of the 21st century, tourism revenues exceeded those countries' traditional exports: palm oil and crude oil; This trend was further strengthened in 2003-2005. The supply of tourism services depends primarily on the capacity and quality of tourist accommodation, infrastructure, and other means of providing them with services. Transport opportunities are of particular importance for international travel. For the development of all these factors, a large amount of capital investment is required. Developed countries, as a rule, have a high level of infrastructure. Many of its elements, such as hotels and transport, are used for other purposes besides tourism. Simultaneously, the great demand for tourism in the domestic market exclusively stimulates the creation of means and facilities for this purpose. However, in most developed countries, especially in countries that receive large numbers of tourists, airports and road traffic are overloaded during the busiest times of the season, so additional efforts are needed to address such problems. In many developing countries and the CIS, the inadequacy of tourist facilities and infrastructure shortcomings are hampering the development of the tourism industry. These countries do not have enough funds to invest in these areas. For example, in Africa, South and West Asia, in most cases, there is no direct air connection with the main centers of demand for tourist travel, and the unfavorable state of the road network reflects the low level of socio-economic development in general. The rapid growth of tourist flows in the countries of Southeast Asia, where the economy is

developing dynamically and the infrastructure is at a higher level, exceeds their capabilities, as in developed countries. In many developing countries and countries with economies in transition, the level of hotel services is low due to the unsatisfactory level of hotel services and limited opportunities to obtain more favorable terms when negotiating with major foreign tour operators that organize complex tours. The low level of per capita income hurts the ability of these countries to provide the funding needed for high-quality services. However, in some developing countries, transnational hotel chains play a major role in the expansion of tourism and its marketing. A higher level of organization, stable quality of services, and a well-regulated global sales network allow them to keep the flow of tourists at the required level. By providing countries with financial and technical assistance, management experience, and know-how, they can help these countries build their capacity to build a modern tourism industry.

But this is just speculation, as the competition here is fierce enough and firms are reluctant to pass on their knowledge to potential competitors when they can't make a profit.

The government plays an important role in the development of the tourism industry. Thus, most developing countries are making targeted efforts to increase tourism, which is a strategically important sector of foreign exchange acquisition and expansion of the export base. To this end, they are improving air communication with the countries of origin of tourists, developing new types of services, further simplifying the regime of foreign exchange, devaluing their currency, setting preferential tariffs for the accommodation of tourists, and privatization of the tourism sector. They stimulate the attraction of foreign investors to overcome the shortage of investment capital and set incentives for the establishment of joint ventures. In the context of intensifying efforts for regional integration, governments are trying to remove restrictions on travel within the region, regulate transport, harmonize their laws and regulations, and develop a common strategy. They are expanding cooperation to combine the resources of regional tourism, to offer a more

attractive joint tourism services complex, to develop regional infrastructure, to protect the region's ecology, and to promote their tourism services.

Rapidly evolving globalization and regional integration processes are directly and indirectly leading to an influx of tourists. The removal of restrictions on the movement of people in terms of meeting demand and the revision of the rules governing the economy increase freedom of movement and thus expand the travel market. In terms of supply, they increase the profitability and competitiveness of the tourism industry by allowing foreign competitors to enter the market, as well as facilitate access to foreign resources such as foreign capital, information technology, modern airline networks, management experience, and skilled labor. However, these factors will vary from country to country. The barriers in this area are high, and the differences between countries are significant, so the liberalization of international travel promises potential benefits. The more free movement of business from country to country and the intensification of competition as a result of globalization often lead to the concentration of control in the hands of a small number of large transnational hotel concerns. Such large, highly competitive hotel chains are at risk of dominating small local hotels, which are generally poorly organized, poor in terms of capital, management experience, and marketing (Харрис Г., Кеннет К. 2000).

In countries such as France, Italy, and the United Kingdom, where the tourism industry is mainly represented by a large number of small businesses, globalization can have a significant impact. The situation is similar in hotels owned by local entrepreneurs in developing countries. To avoid bankruptcy, small firms seek to enter into strategic alliances with the largest hotel corporations, mainly through franchising and management agreements, or specialize in serving market “gaps” by meeting the specific needs of tourists. As a result, the market is fragmented, creating a wide range of prices for services, as well as various tourist routes. The growth of international travel is increasingly influenced by the formation of a wealthy middle class in developing and transition economies, changes in tastes and lifestyles in developed countries, the provision of new services in the field of tourism, and its marketing. As expected, all this should ensure the future rapid development of

international travel by stimulating competition, increasing profitability and quality, expanding the range of services offered. Developed countries have the opportunity to further expand this area due to the existence of regulated domestic tourism industry and infrastructure, more efficient use of advanced technologies, human and financial resources. The ever-expanding network of highly competitive hotel corridors, airlines, and travel agencies, along with the globalization of information systems, will continue to attract foreign tourists to these countries. New areas of tourism open up additional opportunities for growth in developed countries due to the greater potential for improving the services offered, market segmentation, and service quality. Taking into account the new, high-quality and special interests of tourism, more differentiated products allow them to sell at a relatively high price and provide an absolute advantage to those countries. In these areas, they can compete with the low-wage labor force of developing countries by differentiating and improving the quality of services. By specializing in servicing certain "gaps" in the market, small firms in these countries can survive, even in conditions of fierce competition. In most developing and transition economies with large resources and cheap labor for tourism, this sector is likely to be an alternative strategic source of foreign exchange earnings. Thus, with the introduction of modern means of air communication with developing countries, which are geographically far from the main sources of tourism, they can soon become new competitive regions in the world travel market. The relatively free movement of tourism enterprises and related financial capital will help to overcome the difficulties in financing the development of the travel industry in developing and transition economies. For example, the network of transnational hotels will be expanded, and their capital and experience will be combined with cheap local labor and natural resources of tourism, which will increase the competitiveness of the tourism industry in the regions. These transnational networks will also provide marketing benefits. However, the contribution that a transnational hotel chain can make to the local tourism industry depends on the actual content of the contracts between them and local hotels. Liberalization of international tourism travel of companies, including the tourism

industry, along with regional and international institutional agreements, will further expand the global tourism market and increase the transparency of national borders. The cost of international travel has already become affordable for potential tourists, and the travel time from country to country has been shortened. As tour operators combine several destinations in a single round to optimize the cost and time of travel, complex tours covering many countries have blurred the boundaries between countries' specializations. Lifestyle differences, rising prosperity, demographic change, and the proliferation of long-distance services should undoubtedly have an effect on the progress of travel in the 21st century. Almost all CIS member states have the potential to receive foreign tourists.

However, the backwardness of their infrastructure does not allow them to realize this potential yet. The internal potential of the union remains unused. The reasons are obvious: despite the development of the Interstate Target Program "On the development of tourism relations between the CIS member states" in 1996 by the CIS International Tourism Association, unreasonable price increases, weak security measures, inadequate recreation conditions, etc. Within the CIS, especially in Russia, the number of domestic trips has decreased and tourists have turned to foreign countries. This results in financial losses in the form of lost income.

## 1.2. Impact of international tourism on world socio-economic macro indicator

"Tourist boom" and forced to talk about the coming "tourist revolution". However, the real dynamics of tourism development indicators subsequently did not confirm such forecasts, which were based on the continued extremely high growth rates of international arrivals.

Basic information about international tourist exchange is presented by the authors in Table 2, where the indicators of tourism development are grouped within individual decades, which makes it possible to analyze the annual rates of their growth.

**Table 2: Characteristics of the world tourist flow, 1950-2005**

Years	Arrivals of international tourists		Income from international tourism	
	total, million people	annual growth,%	Total, billion \$	annual growth, %
1950 - 1960	25 - 70	10,7	2,1 - 6,9	12,5
1960 - 1970	70 - 166	9,0	6,9 - 17,9	10,1
1970 - 1980	166 - 288	5,6	17,9 - 106,5	19,1
1980 - 1990	288 - 457	4,7	106,5 - 273,2	10,0
1990 - 2000	457 - 706	4,3	273,2 - 479,2	6,0
2000 - 2005	706 - 808	3,1	479,2 - 682,0	7,5

**Source:** <http://dSPACE.oneu.edu.ua/jspui/bitstream/%.pdf>

The rapid development of international tourism in the 1950s - 1960s gave rise to the term.

After analyzing the data in Table 1, we can conclude that several main trends are clearly visible in the development of world tourism.

First, there is a downward trend in the relative indicators of international tourism, while its absolute volumes are growing. For example, in 2005 the number of international arrivals reached 808 million, which is 32 times more than in 1950, and receipts per day from international arrivals in 2005 are almost equal to those for the entire 1950. Simultaneously, the annual growth rate of international arrivals over the indicated period of time decreased from 10.7% to 3.1%, while the annual growth rate of international tourism receipts decreased from 12.5% to 7.5%.

It should be noted that this trend is a natural result of achieving high absolute indicators in a short time. It is also due to the existing unevenness of the socio-

economic development of individual regions - for example, the territorial structure of international tourism is such that industrialized countries, where about 15% of the world's population live, account for about 60% of all arrivals of foreign tourists and 70 - 75% of those in the world.

Nevertheless, in the world more and more people are involved in international tourism and its absolute figures are growing. This is facilitated by the following factors:

- the number of consecutive days of vacation decreases, and, at the same time, its frequency increases - this leads to the division of vacation into parts, therefore the same person can make several short-term trips a year (this is especially true for young tourists who want to spend thus weekends);

- the age group of "third age" tourists is increasing, who have the time and money for tourist trips, as well as the necessary experience to participate in them (since when mass tourism was born, they were young people and since then have acquired the habit of traveling);

- in addition, it should be took into account that one and the same tourist can visit several countries in one trip, and each new border crossing by him will be considered an international arrival, i.e. in fact, the number of tourists is less than the number of arrivals.

Second, as follows from the data in Table 1, over the entire period under consideration, tourism receipts increased at a faster rate than the number of international arrivals. Consequently, the next trend in international tourism development is that the growth rate of tourism income is higher than the growth rate of international arrivals. This process is influenced by the following factors (WTO. Current Travel and Tourism Indicators. - Madrid, 1990):

- An increase in the cost of a tourist product - due to an increase in the qualification of serving and due to the fact that the tourist product itself is becoming more sophisticated;

- The rise in the cost of labor in the world, especially in economically developed countries, which account for most of the international tourist exchange;

- Currency fluctuations - The World Tourism Organization (UNWTO) reflects receipts from international tourism in US dollars and euros. The use of these currencies as the base currency allows for macro comparisons. At the same time, the purchasing power of both the dollar and the euro, like any other currency, is subject to fluctuations, which affects the dynamics of the value indicators of tourism. Strengthening or weakening of the dollar and euro against the currencies of the leading tourist countries can accelerate or, conversely, slow down the growth rate of receipts from international tourism;

- Inflation, which entails an increase in prices for travel services.

So, in conclusion, based on the analysis of the data in Table 1, we can conclude that there are two trends inherent in the global tourism market:

1. The downward trend in the relative indicators of international tourism with a simultaneous increase in its absolute volumes;

2. The trend towards an increase in the growth rate of income from international tourism compared to the growth rate of international tourist arrivals.

However, if these trends relate to the indicators of the global tourism market and take into account the average rates of its development, then a detailed study of the indicators of the tourism sector of specific destinations, countries, subregions, and macroregions shows that individual tourism markets of different levels may have their own trends that differ from global ones.

Nowadays, tourism specialists identify six main macro-regions of the world tourism market, four of which also have sub-regional divisions. The distribution of tourist markets on a territorial basis is necessary in order to get an idea of the scale and significance of specific market relations in accordance with the specifics of the geographical area within which they arise and exist.

The use of the sign of territorial isolation allows:

- to analyze the quantitative and qualitative indicators of tourism development within the boundaries of a certain territory;

- to investigate the development of certain types of tourism;

- to determine the presence of enterprises in the tourism industry;

- to identify the role of this territorial unit in relation to other geographically separate tourist markets, etc.

Consequently, the specificity of the tourist market, considered in the territorial aspect, is determined primarily by the totality of natural-geographical, economic, material-technical, political, ecological, and socio-psychological characteristics of a particular "area". Therefore, each geographically separate tourist market cannot be arbitrarily fixed in space. It must belong to a certain territorial unit.

In terminological terms, according to territorial isolation, tourist markets can be of the following types: micro-district (local), district, national, regional (macro-regional), world.

Some researchers in the field of tourism believe that only the national and world tourist markets can be indisputable regarding the spatial boundaries: the former covers the territory of each individual country, and the latter - the territories of all states (Agrawal A. 2021).

However, in practice, according to UNWTO data, it is not always the states that are considered when taking into account individual tourist markets. So, for example, in UNWTO statistics, such territorial units (possessions) that are not separate states are represented as separate tourist markets, such as (Highlights T. 2015):

- Reunion (French possession) in Africa;
- Palestinian Territories in Asia (Middle East);
- Bermuda, Cayman (British possession), Martinique, Saint Martin, French Guiana (French possession), Puerto Rico (US possession), and many others in the Caribbean;
- American Samoa, Guam (US possession), New Caledonia (French possession), etc. - in Oceania. On the contrary, China, Hong Kong, Taiwan, and Macau are presented in the UNWTO statistics as 4 different tourist markets. Therefore, we believe that when a study of the "national tourism market" is carried out, it may be taken into account that it should not be a separate market.

On the other hand, some countries (independent states that are recognized throughout the world) are not represented in the UNWTO statistics (Highlights T. 2015).

These include:

- Afghanistan in Asia;
- Liberia, Somalia - in Africa, etc.

This means that international tourism in them is so poorly developed that even official statistics are not kept.

The concept of micro-district and regional markets is used to concretize them within the national boundaries of each individual country and reflect its typical territorial and administrative units. So, for example, in Ukraine, the territory of the city of Odesa can be considered as a micro-district tourist market, and the territory of the Odesa region can be considered as a district one.

Data on the distribution of international tourist traffic by macroregions of the world are presented in Table 3.

**Table 3: Distribution of international tourist traffic by macroregions of the world, 1950-2005**

Number of arrivals, million people			Macroregions	Share in the world market, %		
1950	1980	2005		1950	1980	2005
16,6	198,1	444,0	Europe	66,4	68,7	54,9
7,4	54,4	133,2	America	29,6	18,9	16,5
0,2	20,2	148,3	Asia-Pacific	0,8	7,0	18,3
0,5	7,2	36,7	Africa	2,0	2,5	4,5
0,2	5,8	38,4	Near East	0,8	2,0	4,8
0,1	2,3	7,9	South Asia	0,4	0,9	1,0
25	288	808,5	The world as a whole	100,0	100,0	100,0

**Source:** <https://dergipark.org.tr/tr/download/article-file/386033>

According to Table 3, all macroregions of the world are characterized by positive development dynamics. However, the growth rate of international arrivals has not been the same.

Back in 1980, there were only two tourist macro-regions in the world - Europe and America, which received almost 90% of all international tourists. In the

1990s, a third was added, the Asia-Pacific Region (APR), where the growth rate of international tourist arrivals was the highest. In 2002, the Asia-Pacific region took second place in the world in terms of the number of arrivals, ahead of America (however, in terms of income, the Asia-Pacific region is still inferior to America). In 2005, these three regions still accounted for the same 90% of all world tourist arrivals and 95% of all revenues from international tourism. This circumstance indicates the narrowness of the world tourist market and the possibility of involving other regions in international tourist exchange.

Throughout the period under review, Europe has been and remains the undisputed leader among macroregions, but its share is gradually decreasing, and in 2005 it amounted to 54.9% compared to 66.5% in 1950.

The relative loss of Europe's dominant position in the global tourism market is due to the following factors:

- certain countries, in particular in the south of Europe, such as Italy and Greece, to a lesser extent Portugal, suffer a drop in competitiveness due to
  - Aging of their tourism products;
  - some Eastern European countries are experiencing difficulties in adapting the tourism sector to a market economy; in addition, many of them have an unstable internal political situation and the threat of ethnic conflicts, which has a great impact on tourist exchange in Europe;
  - a number of Northern European countries, for example, Great Britain, Denmark, Norway, and Sweden, are very expensive for tourists, which inevitably affects their competitiveness;
  - the popularity of the countries of Northeast Asia is growing, which have recently been successfully developing their tourism industry. It should be noted that if the dynamics of tourist flows in Europe and America over the past 55 years has been close to the world average, then the "young" tourist regions - Asia-Pacific, the Middle East, and Africa - are developing faster. In some years, the growth rate of tourist arrivals in them is expressed in double digits. At the same time, they are less resistant to the impact, often negative, of political and economic factors. Periods of

steady growth in tourism in them give way to stagnation and recessions.

Over the past decades, the most dynamic among the "new" macroregions was the Asia-Pacific region, where the average multiyear growth rate of the number of arrivals was 9 times higher than the world average. They decreased only in 1997-1998 due to the Asian financial crisis. This macro-region is characterized by unique recreational resources and exoticism, as well as a fairly high level of service at a much lower cost than in Europe and America.

As already noted, the Region of the Americas is currently in third place in the world in terms of arrivals, yielding to the Asia-Pacific region, and in terms of income from international tourism, it still occupies the second position in the world ranking of receipts from this type of activity. The growth rate of arrivals to the American macroregion is gradually decreasing, but this is happening against the backdrop of an increase in their absolute values. A slight decrease in America's share of international arrivals and tourism revenues is due not to the loss of its attractiveness, but to other factors:

- faster rates of tourism business development in some other regions;
- the events of September 11, 2001, in the United States, which resulted in a significant reduction in tourist traffic to this region in comparison with previous years;
- specific methods of combating terrorism in the United States, which also caused a decrease in tourist flow to this country, which plays a leading role in America's international tourism;
- an unfavorable economic situation in South American countries, as a result of which the number of international tourists there has decreased.

The Middle East ranked fourth in terms of international arrivals in 2004 for the first time, surpassing Africa, which has held this position for a long time. This was mainly due to an increase in tourist traffic to Egypt (which geographically belongs to Africa). However, the ranking of the Middle East region is currently very unreliable, as:

- it is not much ahead of Africa, which is currently showing high growth rates

and may soon recover its positions;

- An unstable political situation remains in the Middle East, a constant threat of terrorism, which does not contribute to the arrival of a large number of international tourists to this macroregion.

As for the African region, over the past few years, it has moved from third to fifth in the world ranking of macroregions, but the growth rate of tourist arrivals is constantly increasing, although their absolute values are still very small (Вавилова Е.В. 2005).

The sixth (last) place among the tourist macroregions of the world was and is still occupied by South Asia. It accounts for only 1% of international tourist arrivals. It should be noted that this macro-region, due to economic backwardness, interstate and international exacerbations of the political situation, cannot currently affect the world indicators of the tourist flow.

Having analyzed the structure of the world tourism market in the macro-regional context, we can conclude that the following trends have emerged:

- The tendency of the formation of different tourist macroregions due to the uneven distribution of international tourist flows in different countries and regions of the world;
- the tendency of a gradual change in the percentage of individual macroregions on a global dimension (a decrease in the share of Europe and America and an increase in the share of new macroregions, in particular, the APR);
- the tendency of increasing the influence of external economic and political factors on the indicators of international tourism, and at the same time, the ability of international tourism to quickly restore its volumes in a favorable environment.

The existing patterns of development of tourist macroregions allow us to assert that international tourism can be profitable and profitable only in countries with a sufficiently highly developed economy because the basis of the progress of society is material production and not the service sector. As J. Kaz, the theorist of tourism, said: "It is not tourism that allows stimulating development, but the general

economic level of the country makes tourism profitable - in this area wealth goes to wealth, and inequality can only worsen”.

This statement can be confirmed by the long-term - until 2020 - UNWTO forecast regarding the further redistribution of the international tourist flow and income from it among the macroregions of the world.

According to table 3, in the period until 2020, international arrivals, according to UNWTO forecasts, should increase almost 3 times - from 565 million arrivals in 1995 to 1,561 million in 2020, which will correspond to an average growth rate of 4.1% in the year.

**Table 4: Predicted distribution of international tourist arrivals by region**

Macroregions	Arrival at base year, mln app.	Projected arrivals, million arrivals		Average annual growth rate, %	Global market share %
	1995	2010	2020	1995-2020	2020
Europe	336	527	717	3,1	45,9
Asia-Pacific	81	195	397	6,5	25,4
America	110	190	282	3,8	18,1
Africa	20	47	77	5,5	5,0
Near East	14	36	69	6,7	4,4
South Asia	4	11	19	6,2	1,2
The world as a whole	565	1006	1561	4,1	100,0

**Source:** <https://dergipark.org.tr/tr/download/article-file/386033>

UNWTO predicts that the highest annual growth rates will be observed in those countries whose economies are at a stage of rapid development. This primarily concerns the newly industrialized countries of the Asia-Pacific region and the Middle East. Growth rates of international tourist arrivals in such macroregions as Africa and South Asia are expected to be above average - at the level of 5.5 - 6.2%. In contrast, growth in Europe and America will be below average (3.1% and 3.8%, respectively), indicating sustained high levels of international tourist arrivals in absolute terms. However, if we compare the number of international arrivals to Europe and the APR, then despite the low relative indicators of tourism development in the European macro-region, in absolute terms they will still be higher than in the APR: 717 million arrivals to Europe against

397 million arrivals to the Asia-Pacific region. Thus, Europe will remain the most attractive place to visit, despite the fact that its share of the global market will fall to 46%.

The Asia-Pacific countries, according to UNWTO forecasts, will continue to squeeze America and will firmly occupy a second place among the world's macroregions. The following tourism markets may become leaders in terms of the growth rate of world tourism in the next 10 years: Montenegro, India, China, Vietnam, Angola, Laos, Guadeloupe, Fiji, and Uganda. The list of the most popular tourist destinations by 2020 is likely to be headed by China, which will overtake France, which has firmly held the leading position over the past decade.

Based on UNWTO forecasts, the following main trends in the development of the world tourism market can be distinguished:

1. An increase in the share of interregional tourist trips over long distances (in 1995 it was 17.9%, and by 2020 it may increase to 24.2%), which will be facilitated by the reduction in prices for air transportation due to the active use of new high-speed aircraft;
2. Increasing the impact on tourism of computer reservation systems and electronic information, especially the Internet;
3. An increase in spending on tourist trips at a faster pace in comparison with other items of the family budget due to the cost of better quality rest;
4. Reduction of the problem of seasonal fluctuations due to the introduction of marketing measures to overcome it;
5. Strengthening the influence on the volume of the world tourist flow of two groups of the population - the elderly and the youth;
6. Clearer segmentation of the tourism market due to the need for constant updating of tourism products in accordance with the requests of specific groups of tourists;
7. The growing role of qualitative indicators of the state of the environment in attracting tourists, especially in rural and coastal areas;

8. An increase in the demand for tourist trips related to visiting cultural attractions, as well as active recreation.

Despite the fact that at present, according to the UNWTO, only 7% of the world's population take part in international tourist exchanges, the importance of international tourism as a leading sector of the world economy is constantly growing. Based on this, it can be argued that in the field of international tourism there is a huge potential for expanding its borders in order to attract as many countries as possible to the tourism business, as indicated by the development trends of the international tourism market formulated in this dissertation.

International tourism has an impact on the development of both individual countries and the world economy as a whole. At a particular cycle in the development of the economy, when the demand for travel increased sharply, manufacturers of travel services also appeared. This led to the formation of a special type of tourism product. Thus, tourism emerged as a product that can be bought and sold in the consumer market and which is sold in the form of tangible and intangible services. An inherent advantage of tourism services as a commodity is that a significant part of these services is produced at minimal cost locally and, as a rule, without the use of foreign currency. Tourism is not a commodity of the first vital necessity, therefore, it becomes an essential human need only at a certain level of his income and a certain level of society's wealth.

International tourism provides the world's highest export earnings and is an important balance of payments driver for most countries. The tourism industry has emerged as one of crucial jobs creation drivers in the world. The development of tourism stimulates the inflow of huge investments into infrastructure, most of which goes to improve the quality of life of both the local population and tourists. Some of the new jobs and businesses in tourism are created in developing countries, which balances the opportunities for economic growth, as well as contributes to the consolidation of residents in rural areas, preventing their outflow to overpopulated cities. Intercultural ties and personal friendships arising in the process of tourist exchange are an important factor in improving international understanding and

contribute to the strengthening of peace between the peoples of the world (Dünya Turizm Təşkilatının Turizm Məlumatları, 2016, [www.unwto.org](http://www.unwto.org)).

The World Tourism Organization endorses the commitment of national governments to develop partnerships with private sector enterprises, local government officials, and non-governmental organizations, thus actively participating in tourism development. Confident that tourism can be used effectively in the fight against poverty, UNWTO has committed itself to participate in the implementation of the United Nations Millennium Development Goals through introducing a new initiative to promote sustainable tourism as a means of poverty eradication. The program known as ST-EP (Sustainable Tourism - Poverty Eradication) includes work to promote sustainable tourism to eradicate poverty. This program was introduced in 2003.

The importance of tourism in the world is constantly growing, which is associated with the impact of tourism on the economy of a particular country.

International tourism performs a number of important functions:

- International tourism is a source of foreign exchange earnings for the country and a means of providing employment;
- International tourism contributes to the diversification of the economy by creating industries serving the tourism sector.

International tourism in the world is not the same, which is primarily due to the different levels of socio-economic development of countries and regions. The greatest development of international tourism has been in Western European countries. This region accounts for over 70% of the world tourism market and about 60% of foreign exchange earnings. About 20% is in America, less than 10% in Asia, Africa, and Australia combined. This development of international tourism relations has led to the creation of numerous international organizations to help improve the work of this area of international trade. Many highly developed countries of the West, such as Switzerland, Austria, France, Spain, have built a significant share of their wealth on income from tourism. During the post-war years, a powerful research base and a system of professional training in the field of tourism have been created.

So, international tourism, a characteristic feature of which is that a significant part of the services is produced with minimal costs locally, is playing an increasingly prominent role in the global economy.

For the improvement of international tourism, there is also the desire of individual countries to increase foreign exchange earnings from tourism and the creation for this purpose of an entire branch of the economy - the tourism industry. The tourist industry is understood as a set of manufacturing, transport and trade enterprises that produce and sell tourist services and goods for tourist demand. This includes hotels and other accommodation facilities, means of transport, catering establishments, enterprises producing souvenirs, and other goods for tourism demand.

Organizational and economic opportunities for the development of tourism on an international scale have created favorable conditions for the development of organizational and economic processes in individual countries.

For many of them, international tourism is:

- a factor stimulating the growth of the balance of payments;
- a powerful incentive for the development and diversification of many industries (both enterprises and individual industries serving the tourism sector are emerging).

Potential reserves are available in almost every region of the country and lie in promoting the development of small and medium-sized businesses, strengthening the economic potential of the country. This is evidenced by the experience of countries with developed market economies, where the share of small and medium-sized enterprises, as a rule, accounts for at least 90-95% of all enterprises in the national economy. Promoting the development of small and medium-sized businesses is not so much an economic problem as a social problem. In any constituent entity of the Russian Federation, there will be appropriate opportunities for the development of farms and food processing industries, handicraft artless, mobile construction teams, hunting and fishing farms (Поптер М. 1993).

The motivation of tourist trips is largely determined by economic factors, the main one of which is whether the monetary income is sufficient to purchase a tourist voucher. This factor is directly related to a number of social factors that tend to certain changes.

The situation is different with inbound tourism. It needs to be encouraged for a simple reason: it is very beneficial. The tourism business developing in the Russian Federation both on the basis of domestic tourism and on the basis of inbound foreign tourism stimulates the development of not only the tourism industry but also a number of other sectors of the non-production sphere. It stimulates an increase in the number of jobs in industries, as well as in enterprises of the infrastructure of the tourism business.

For the development of inbound tourism, it is necessary not only to advertise well our opportunities in tourism, but also to build new hotels, improve the quality of tourist services, and improve service (Dünya İqtisadi Forumunun Səyahət və Turizm Rəqabət qabiliyyətliliyi Hesabatı 2017).

The contribution of tourism to employment and the creation of new jobs determine the socio-economic importance of this sector. The development of tourism has a stimulating effect on such key sectors of the economy as: transport, communications, trade, construction, agriculture, production of consumer goods and, taking into account the multiplier effect, is one of the most promising areas of structural restructuring and construction of the economy.

Today, international tourism is developing under the influence of factors inherent in the hospitality and tourism industry itself, as well as environmental factors, such as politics and law, economics and finance, culture, socio-demographic changes, development of trade, transport, infrastructure, and scientific and technological progress.

### **1.3. Territorial differentiation of the countries of the world according to the importance of international tourism**

Macroeconomic indicators characterize the state of the country's economy as a whole. The central and most important macroeconomic indicator is the gross domestic product (GDP). It is considered as the most general indicator of the level of economic development and welfare of the country, and also serves as a basis for calculating other indicators (Поптер М. 1993).

GDP is the value of the final goods and services produced in a country over a specified period, usually a year. To determine the volume of GDP, two main methods are used: by the amount of income and by the number of expenses (Александрова А.Ю. 2010).

Tourist components can be distinguished in the constituent parts of GDP. If GDP is calculated as the sum of revenues, then GDP is formed, among other things, from income received from international tourism, indirect taxes on tourism business (property taxes, royalties, customs duties) and on visitors themselves, salaries of workers in the tourism industry, rental payments (at present, the question of introducing the so-called tourist rent is being raised) and, finally, interest and income (from the property, profits of firms).

GDP is used in solving a number of economic and statistical problems. The crucial of them is the measurement of the rate of economic growth. Economic growth characterizes changes in the volume of goods and services produced in the country and is measured by the dynamics of real GDP, usually per year, or by changes in GDP per capita.

Economic growth is measured by the rate of change in GDP.

Positive, zero, and negative economic growth is possible. Within the framework of the problem under consideration, of particular interest is the positive growth in the volume of GDP, which is accompanied by an economic recovery, and its outstripping growth in comparison with the growth of GDP of other countries indicates the advantage of investing in the economy of this particular country. The positive growth of GDP makes it possible to raise the standard of living of the

population and to solve other problems. In turn, an increase in real earnings leads to an increase in effective demand, an expansion of the range of available opportunities and benefits, which is especially important for meeting recreational needs.

There is a tight bond among the growth of international tourism and the overall development of the economy. In a real economic situation, cause-and-effect relationships are constantly changing places. If tourism is a powerful locomotive of economic development, then the fate of tourism is ultimately determined by the total economic potential of the country (Попреп М. 1993).

International tourism development is usually very sensitive to economic changes. It is estimated that with a relatively constant price level, a 1% increase in real personal consumption leads to a halt in the growth of travel costs; with an increase in consumption of 2.5%, tourism expenses increase by 4%, and with an increase in consumption of 5%, by 10%. In any case, if the increase in consumption is below 1%, then tourism usually experiences a decline (Азар В.И., Туманов С.Ю. 1998).

But in each individual country, the reaction to changes in the economy manifests itself in its own way and can differ significantly from the average indicators.

Growth in international tourist arrivals has outpaced GDP growth. Between the years 1975-1999, international tourist arrivals increased by an average of 4.7% per year; over the same period, the average annual GDP growth rate was 3.4%. Consequently, the number of arrivals is growing 35% faster than GDP (Александрова А.Ю. 2010).

The issue of the contribution of international tourism to the formation of GDP was the grouping of countries by the share of tourism receipts in GDP. Based on the analysis of data for 2000, 126 countries of the world were divided into three groups. The first group includes countries in which the share of tourism receipts in GDP does not exceed 5%; the second group includes countries with values from 5 to 25%; in the third group - countries with an indicator of more than 25%. The most numerous are the first group of countries (85 surveyed countries of the world). This

group is heterogeneous. One of the subgroups is formed by countries where international tourism is underdeveloped (Angola, Bangladesh, Myanmar, CAR), the other - by countries with the most developed tourism industry (USA, France, Italy, Austria, Switzerland). The share of receipts from international tourism in the GDP of these countries is not high as a result of diversification and a high level of economic development.

The second group is formed by countries that specialize in international tourism, have significant tourism potential, and developed infrastructure (Spain, Greece, Cyprus, Thailand, etc.). The apparent dependence of these countries on international tourism is a consequence of their active tourism policies.

## **CHAPTER II. THE SOCIAL-ECONOMIC IMPACT OF COVID-19 PANDEMIC ON WORLD TOURISM MARKET**

### **2.1. The negative impact of the pandemic on international tourism macroeconomic indicators**

COVID-19 is a pandemic in affected countries around the world that used to infect single adults, but now infects all age groups and in some cases kills people. The disease, which has been going on for more than two years, has affected many sectors of the world, especially the tourism sector. The point is that during a pandemic, people should avoid close contact and crowded places so that the disease does not spread further. In the tourism sector, however, this is impossible.

Even for this reason, international competitions and conferences have been postponed. Various social, cultural, political and sporting events have been canceled due to mass gatherings.

Here are some examples of such meetings: Some international events such as, pilgrimage, Umrah, Olympic Games, summits, conferences and exhibitions.

Due to COVID-19, such measures have been suspended indefinitely. However, this is a bad thing for the countries that organize many mass events during most of the year. The social, religious and economic transformations of these countries are facing difficult conditions. For example, Saudi Arabia receives 10 million pilgrims a year for Hajj and Umrah. Now we can say with confidence that the maximum number of pilgrims will be lost due to a pandemic infection.

#### **Social Impacts and Tourism**

The COVID-19 pandemic has brought social alienation and social and cultural change to the world. We can also see it in the great social impact of the pandemic situation, which offers to avoid mass gathering functions such as conferences, sporting events, business meetings, fashion shows and weddings. Under such harsh conditions, quarantine conditions, not only within the country but also around the world, lead to a decline in labor productivity and tourism products. The demand for tourism is also declining due to the current situation. Because at this time, the health

risk for human mobility is already circulating. However, due to the locking conditions of COVID-19 in parks, museums and other attractions for tourists, even in a program I watched, they did virtual tours and trips to foreign countries. Such trips have a positive effect on people's mood. At the same time, we can say that it creates positive intentions and enthusiasm in tourists to travel anywhere physically.

However, some other studies have suggested conducting interactive tours through such technology receptions when the risk of death increases. However, even if the proposal is accepted, it is necessary to take various measures to avoid endangering people's health.

As I said above, the pandemic situation has had many social effects in the tourism sector. Sustainability of several social aspects is important for the development of tourism. Examples of these social aspects include guest-host interaction, social motivation, social experiences, direct information from travel guides, and socio-cultural influences. Of course, at the same time, for the development of tourism, it is necessary to constantly study the experimental approaches, cause and effect, attitude to travel. (H.Bhuiyan, S.Hassan, A.Darda, W.Habib 2020) Because over time, our thinking and behavior may change.

If a country is facing a pandemic, or even a financial struggle, political problems, it will undoubtedly have an impact on the tourism industry, and the population can help make this impact better and smoother. Social interaction is very common in tourism.

In general, reciprocal relations and cultural transformations have been seen as a source of economic growth. The positive interaction of tourists with local people and hosts also creates a positive impression of the country. Interaction between the guest and the host is inevitable, as a result of which a positive experience and, conversely, a negative impression is created, which in turn affects the destination. The industry employs millions of people around the world, and some countries have even built their main strategies on tourism. In this case, the most demanded currency and economic growth is observed in the countries.

In short, the pandemic has resulted in restrictions on the development of tourism. This became known sharply in mid-January 2020. According to the United Nations, the World Tourism Organization estimates that by 2020, international tourism will reach about 3-4% of the world's tourists. This is a very low figure. Because in 2019, on the contrary, a successful indicator was observed in the tourism industry. And the estimates should not be exceeded, as the industry has successfully reported strong growth in 2019, with destinations reaching 1.5 billion worldwide and + 5% growth in Asia. An example is tourism relations in India.

In 2019, it was reported that about 10.89 million foreign tourists came here (Ministry of Tourism, Government of India, 2020) and India has become a place with strong travel receipts among other Asian countries. Not only in India, but all over the world, the tourism industry has fallen sharply. For example, UNWTO estimates that international tourism revenues will be between \$ 300 billion and \$ 450 billion.

If residents or landlords represent the supply side of tourism, it means that tourists turn to the demand side.

Of course, the host influences the travel decisions of tourists. Realizing the travel requirements, opportunities, conditions and prospects of tourists is important for tourism suppliers. This is good for both locals and tourists. That is, they are interested in the tourism business. Therefore, researchers should study the needs of both the host and the tourists. In particular, in the context of this pandemic, the desires and demands of tourists are becoming more important and critical (P. Kour, A.Jasrotia, S.Gupta 2020). Undoubtedly, Covid-19 will have a long-term impact on guest-host relations.

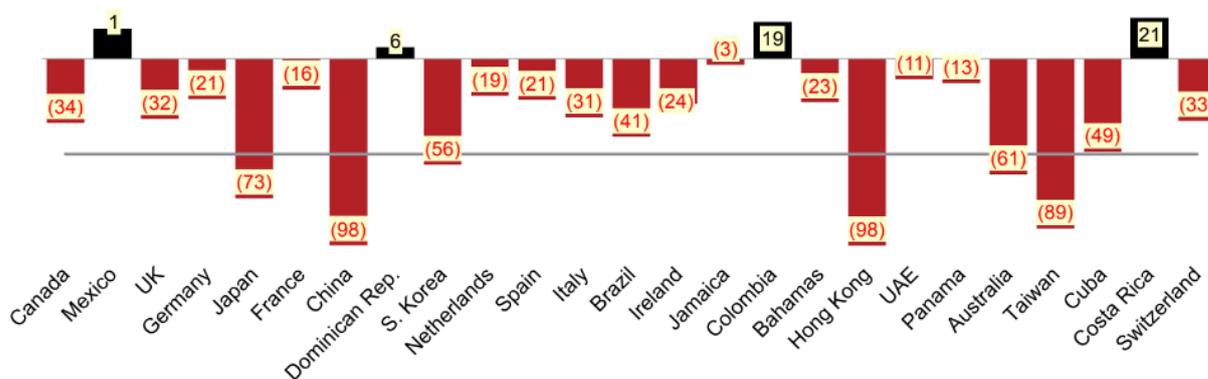
### **Economic Impacts and Tourism**

The COVID-19 pandemic has had a major impact on tourism as well as industry as a whole. Due to the pandemic, the aviation sector has been hit hard on a global scale. International airlines have either canceled or postponed such flights. For all countries, global force majeure has restricted air travel due to the emergency situation. But that is not all. At the same time, the operation of vehicles such as roads,

railways and waterways has been restricted due to the COVID-19 emergency. These bans have cost the country's aviation and tourism industries millions of dollars.

**Picture 2: Top US Country Pairs: Change in passengers**

**Top-25 U.S. Country Pairs: Change (%) in Passengers\* in May-2022 vs. May-2019**  
Sorted left to right by highest volume in 2019



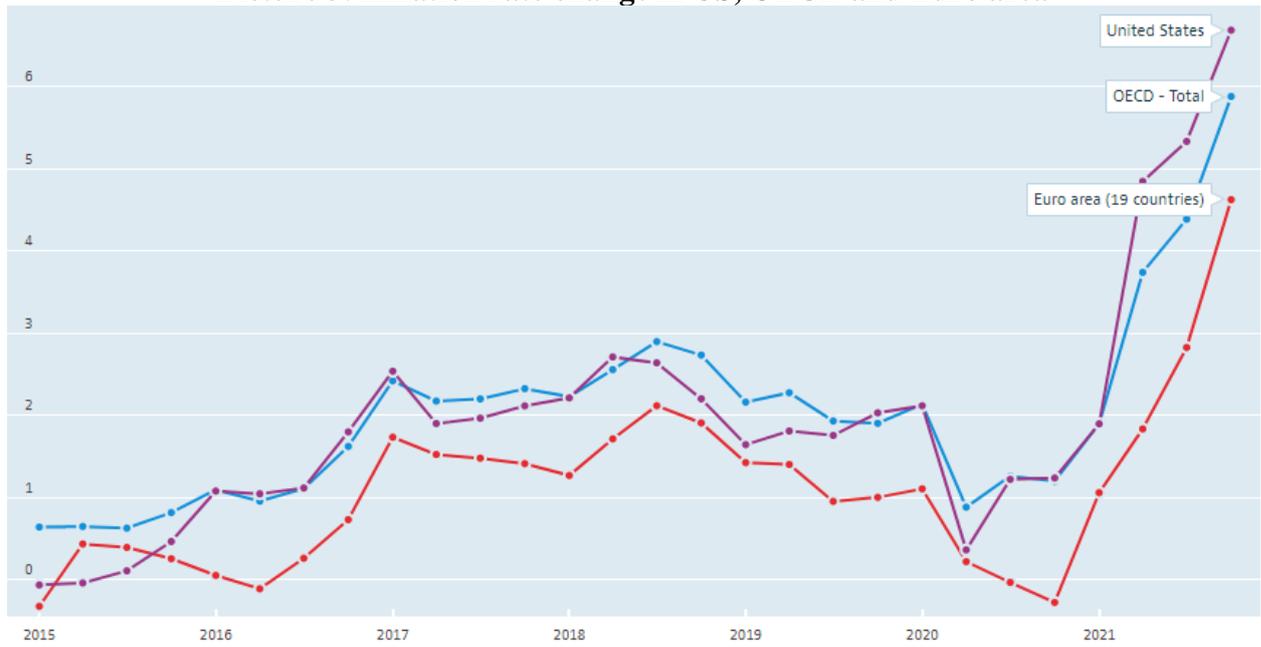
Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office \* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation

**Source:** <https://www.airlines.org/dataset/impact-of-covid19-data-updates/>

The picture above shows the change in numbers of passengers who flies from US to those countries. The only four countries have positive results and those countries are located in Latin America. Other countries that locate across the oceans has not yet corrected themselves.

At the same time, the pandemic brought shortages of medicines, agricultural products, and other goods to countries affected by the virus. As a result, the country and its people faced many difficulties related to tourism, aviation and transport. According to the OECD, people in countries affected by COVID-19 face high inflation and unemployment due to the cost of treatment and rehabilitation. Many businesses have closed due to COVID-19, and even in some countries, city dwellers have faced serious problems finding work. The closure of enterprises has had a negative impact on the economic situation of many workers, entrepreneurs and the general population.

**Picture 3: Inflation rate change in US, OECD and Euro area**



**Source:** <https://data.oecd.org/price/inflation-cpi.htm>

In graph above, the inflation rate has shown for US, OECD countries, and Euro area countries. At the beginning of the 2020 the inflation rate has still high rates. While pandemic COVID-19 starts from about March inflation rate sharply decreases, and it is because of lockdowns. In Euro area countries decreases continued till last quarter of the year, however in US and OECD countries, inflation rate was stable at the 3<sup>rd</sup> quarter. From November, 2020 the inflation rate begin to increase again mainly because of opening of workplaces and economic recovery.

Costs in the health sector are increasing to control the disease, while employee productivity is declining. That is, it reduces economic activity as a whole. Many Gulf and tourism countries, such as Saudi Arabia, have invested heavily in developing the country as a tourism hub for 2030 projects. (H.Bhuiyan, S.Hassan, A.Darda, W.Habib 2020 / 3)

Because the tourist countries also knew that regardless of the amount of investment, the country will be able to withdraw that money from the tourism sector in the coming years. However, their investment and the implementation of the project will be hampered by the pandemic.

In addition, other tourism-related facilities, such as recreation centers, restaurants, museums, fitness clubs, shopping malls, swimming pools and cultural

centers, are also affected. During a pandemic, people are at greater risk of health problems as they interact more with other people at these facilities, leading to a decline in the tourism sector and labor productivity. (H.Bhuiyan, W.Habib 2020/3)

### **Environmental Impacts and Tourism**

The COVID-19 condition has also shown its effects on the environment. However, despite the negative social and economic effects of the pandemic, on the contrary, it had a positive impact on the environment. Environmental problems such as global warming and environmental pollution are showing positive signs during this period due to less human pressure. It is well known that before the pandemic, the environmental situation in many countries was not encouraging. The environment was severely damaged as a result of the frequent dumping of large amounts of garbage in nature's tourist facilities. For example, during a picnic or barbecue in the woods, it is enough to damage the environment by throwing waste into dug holes instead of rubbish bins. In particular, the remains of polyethylene and plastic are more dangerous. Because their constituent elements do not rot or dissolve over the years. In addition, they are in danger of depleting nature's ozone layer by emitting toxic gases. In short, the tourist facilities located in nature, forests, beaches, etc. During the pandemic, it remains clean due to the lack of human flow and is considered a positive situation.

Another example is the beaches. Beaches are valued as a natural resource for many countries to support tourism activities. Some tourists are even looking for seaside tourist attractions. However, this does not make a good impression on the beach environment. Unfortunately, we are faced with the problem of pollution due to the irresponsible use of natural resources by tourists and locals. Due to the pandemic, the obligation to maintain social distance in all countries of the world, bans have reduced the number of tourists visiting such tourist facilities and recreation centers. If the number of people is reduced, it means that waste reduction and beach cleaning activities can be intensified. It means less waste, cleaner nature. We must not forget that the environment returns to us as a boomerang. If we want our own health, we must work to keep nature healthy.

Another factor contributing to environmental pollution is noise, which disrupts the natural harmony of the ecosystem. During this period, limited use of vehicles had a positive effect on noise reduction. Aware of this, it is important to strictly control the protection of such an environment, even in pandemic-free conditions for the future. For this, serious solutions must be considered and measures must be taken. Because if it becomes a persistent problem, it can be characterized as a global and dangerous issue.

The pandemic has had a devastating effect on the world economy, and the collapse of the international community, based on serious UNCTAD tourism articles, has caused serious problems in the world economy. The 2020-2021 coronavirus pandemic cost the global tourism sector more than \$ 4 trillion in global GDP. The main reason for this loss is the impact of fluctuations in other sectors related to tourism. In 2020, the damage caused by the pandemic to tourism and other related sectors is estimated at \$ 2 trillion. The loss is reflected in a joint report released by the World Trade Organization and the United Nations. Although we will witness the second, third, and fourth wave of the pandemic in 2021, the voluntary payment for COVID-19 vaccines and the elimination of more serious stocks based on the results obtained by health authorities, the partial or complete lifting of domestic and foreign travel bans caused. This has slowly begun to revive the tourism sector.

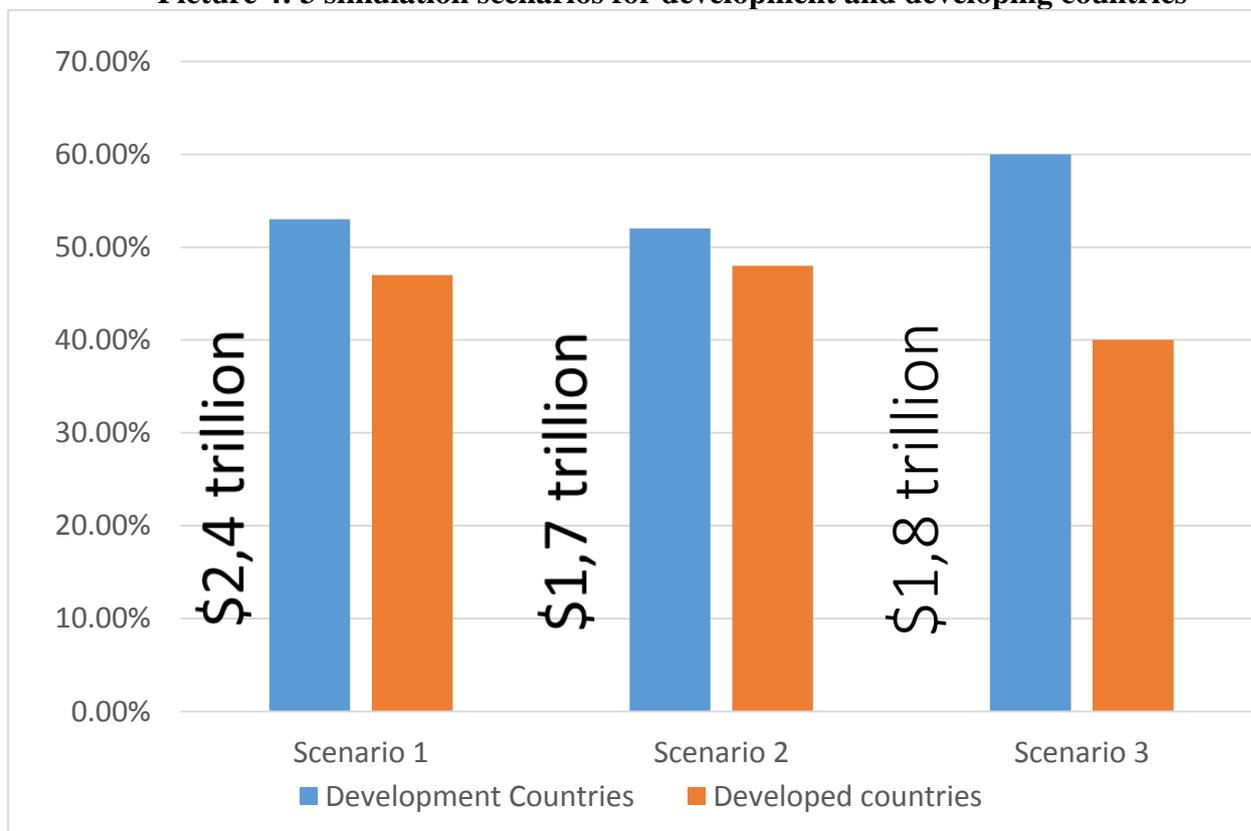
According to UNCTAD Secretary-General Isabelle Durant, efforts to reduce the strong social impact of global vaccination efforts, along with defense and social change in the tourism sector, are important steps in making strategic decisions.

The rapid use of the COVID-19 vaccine, which is more advanced than the developing one, is leading to economic recovery and a reduction in tourism losses eliminates the tourism economy that has developed unfair or asymmetric payment of vaccines around the world. Given that the developing world, which plays an important role in the world economy, accounts for 3/5 of the losses in global GDP.

According to the report, the rapid development of tourism, tourism-related and indirect sectors of the economy, such as the United States, Great Britain,

Germany, France and Switzerland, is expected. However, according to experts, in the macroeconomic recovery in 2021, tourism is unlikely to return to solvency.

**Picture 4: 3 simulation scenarios for development and developing countries**



Source: [https://unctad.org/system/files/official-document/ditcinf2021d3\\_en\\_0.pdf](https://unctad.org/system/files/official-document/ditcinf2021d3_en_0.pdf)

The existence of economic growth between sectors can create external spreading effects. These spread effects include employment, foreign exchange earnings, additional income, and the formation of a source of government revenue. (Durberry, 2002; Oh, 2005; Apergis and Payne, 2012). ; Pratt, 2015). As a result of the economic consequences of COVID-19, macroeconomic and socio-economic problems are observed at the global level against the background of GDP growth. Restrictions on international trade have severely slowed foreign exchange inflows on emerging markets and affected their economies. This has led to the allocation of financial assistance to meet the needs of this type of balance of payments related to the International Monetary Administration. The data obtained for use show that if the use of tourism revenues per capita is used in relation to GDP, the impact of the tourism sector on the economy in terms of long-term growth is 50 percent higher. The non-linear specification shows that this strong specialization also slows down

the impact on economic growth. Supporting the policies of countries and international organizations operating in the field of tourism to diversify tourism, increase the tourism industry in the service and industrial sectors and strengthen solution services. The increase in the number of tourists during the post-pandemic period, the activation of foreign investment have an impact on growth at all levels.

## **2.2. Impact of the COVID-19 pandemic on employment and labor market in tourist regions**

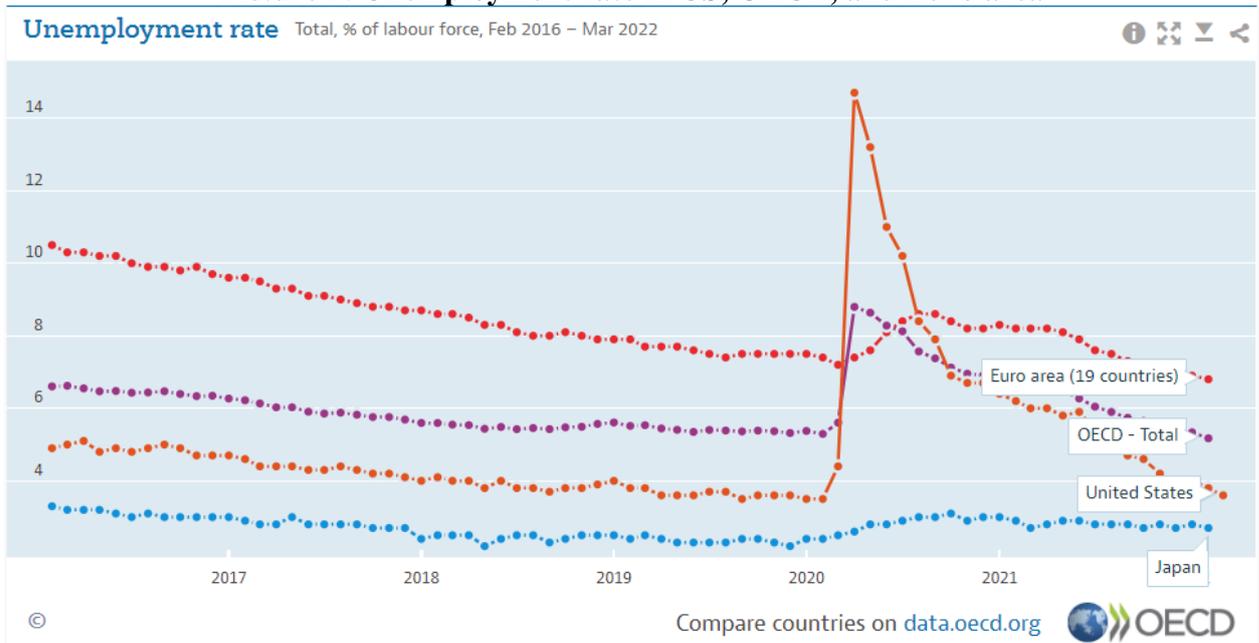
The COVID-19 crisis will have far-reaching effects on the labor market, according to the first estimate of the International Labor Organization: between 5.3 million and 24.7 million people are estimated to lose their jobs. Compared to the global financial crisis of 2008-2009, global unemployment increased by 22 million people.

Job cuts also result in a huge loss of earnings for workers. The study estimates that by the end of 2020, they will range from \$860,000 to \$3.4 billion. This will lead to a decrease in the consumption of goods and services, which, in turn, will affect the outlook for companies and the economy.

All of this will lead to a significant increase in worker poverty, as "the pressure on incomes caused by the decline in economic activity will be devastating for workers who are at or below the poverty line."

The International Labor Organization estimates that between 8.8 million and 35 million people worldwide will be affected by poverty, compared with the original estimate for 2020 (which predicted a reduction of 14 million globally).

**Picture 5: Unemployment rate in US, OECD, and Euro area**



**Source:** <https://www.oecd.org/newsroom/unemployment-rates-oecd-update-april-2022.htm>

According to OECD data the unemployment rate has increased from the beginning of 2020. The most unemployment rate is observed in US which is more than 14% in comparison with less than 4% at end of 2019. The same increase happened in OECD countries where unemployment rate has increased from 5.6% to 8.8% at the first months of 2020. However, a little bit delay has observed in Euro area countries, approximately at the March of 2020 the unemployment rate was peak, 8.6%, as the same as at the January, 2018. The less increase took place in Japan where the rate has started at the end of 2019 because of near distance from China, specially Wuhan where is the center of pandemic. The rate in Japan has gradually rose and reached peak point, 3% at October, 2020.

In the United States alone, the total number of first unemployment claims filed between March 21 and April 25, 2020, reached 30.3 million. Unemployment was projected to reach 4.4 percent in March and 16 percent in May. The effects of the pandemic were also reflected in changes in consumer spending. Consumers also spent between 25% and 30% less on retail, restaurant, entertainment, and travel expenses during the period.

In the first months of the pandemic (April and May), most of the work had to be done remotely. That is, the work was done in shifts or online. However, there

were issues that required people to come to work because they could not be managed remotely and required a lot of human interaction. For this reason, there have been redundancies in businesses. Many people have faced unemployment.

According to one study, mainly parents (women), blacks, Hispanics and younger workers were severely affected by pandemic employment losses). Another study found that racial / ethnic minorities, especially African Americans and Latino workers, experienced the largest jumps in unemployment in the first months of the pandemic.(Shubham Agrawal and others, 2021/2)

Of course, working remotely was not for everyone. Each employee or enterprise had its own requirements and suggestions accordingly. Sometimes the company recommends that the employee work from home, stating that it is possible to manage the work from home. He said it would be beneficial for both parties by offering him a lower salary than he had previously received, as he thought it would be closed and convenient for the worker. However, the other party (employee) was not satisfied with this proposal in some cases. For this reason, it was possible to resign sometimes.( Elizabeth A. Mack 2021/2)

In the most vulnerable position were employees employed in the tourism sector, namely the attendants of airlines, hotel. As the aviation industry continues to suffer from weak travel demand against the background of the spread of coronavirus around the world, the level of employment in this area continues to decline. Around the world, tourism employs a total of 65.1 million people, which annually provides 2.7 trillion dollars.

For example, Turkish Airlines (THY/TA) fired a total of 1,200 people, while Unifree Duty Free business administration sent 400 people on vacation, TGS Ground Handling - 200 people under the contract.

In Spain, 30% of those employed in the tourism sector, which is more than 2 million people, were at risk.

In Italy, this figure is 22% (1.2 million people). In addition, part-time employment is expected to rise exponentially as the economic fallout from the virus outbreak leads to reduced working hours and wages.

In France, Germany, Italy and the Netherlands, partial unemployment benefits (reduced working hours) are provided under a simplified scheme with increased and / or compensation for hours not worked. Workplace protection is also provided by other means. In China, the government issued a statement stating that contracts with migrant workers would not be terminated in the event of illness or isolation.

Unemployment benefits have been expanded in some countries. In the Philippines, the social security system is ready to pay unemployment benefits to those who lose their jobs due to possible layoffs or closures. Such workers are projected to be between 30,000 and 60,000.

Some countries use social transfers and other cash transfers to strengthen income security and increase aggregate demand. In Hong Kong, China, adults will receive a lump sum of \$ 1,280, which is expected to boost the economy by 1 percent.

We conclude that the current pandemic crisis is much larger than the financial crisis that took place years ago, in 2008-2009. At the same time, changes in working hours and salaries are increasing people's dissatisfaction. They have a growing lack of confidence in their work and the position they hold. (ILO, 2020). As this process continues, it will manifest itself in employees as they carry out their future work. That is, the reduction of salary, the increase in working hours because the work is managed from home, the reduction of salary does not meet the expectations of the employee. As a result of the dissatisfaction, they resigned. Such a chain, interdependent process is loaded with pessimism for enterprises and large-scale companies. However, this effect affects different groups of people differently. Each group reacts accordingly. For example, young workers, women and immigrants are less protected. Because this layer earns less and works more seasonally.

The pandemic affected each country differently. For example, we can talk about unemployment in Portugal. By the early 2020s, more than 100,000 people were unemployed, and in the first months of the pandemic, the figure was expected to be 9.6% by the end of the year. For Portugal, which previously experienced a financial crisis in 2010-2014, the effects of the pandemic have had a devastating

effect on the country and its people. In other words, Portugal has felt the effects of two major crises in the last 10 years.

In Portugal, the crisis has had a strong social impact, especially for workers. Because a significant part of the workers here earn low income. In 2019, the unemployment rate in Europe was 9.5%, while in Portugal it was 9.7%. This is above the standard norm for 1 country. However, it should be understood that most of the work is associated with processes that require intimacy between people (for example, participation in public places, production lines, trade). Such businesses make it difficult for people to protect themselves from infection in order not to lose their income. As I mentioned above, many companies have closed or switched to remote operation. The remote operation model led to a sharp migration. But such a system was not applied equally to everyone. The worst affected was the low-income group. Because they were less able to work remotely than high-paid workers. On the other hand, it was not easy to switch their work mode to online. Such a work environment was more relevant for those working in the service sector. And we must not end there, because in order for an employee to work at home, his house must have strong technological equipment and good conditions. Because only then can they do their job properly. Even when they had to work remotely, they were not given the opportunity. (teleschool, domestic, etc)

The crisis opens up new opportunities for Portugal. Portugal is a small country, but nevertheless the distribution of population and wealth is unequal. Therefore, there is more internal dissatisfaction here than in other countries. (Fernando Almeida, 2020)

Unemployment and tourism in India. The tourism industry is one of the largest and most developed in India. There are many hotels and restaurants here. This means that thousands, even millions, of people are employed. However, the hotel business in India has suffered huge losses due to quarantine and the threat of COVID-19. The process of canceling important, large-scale reservations has been carried out. In this regard, the hotel or restaurant suffers great damage and directly affects the employees. In addition, the price of hotel rooms fell. Prices are still expected to fall.

Such cases can also be called a crisis, in which case they lose their income and work in part to the detriment. However, notes should be made. Because it is impossible to know how long the crisis will last. (Vineet Kumar, 2020 / 181)

Unfortunately, unemployment brings with it stress and anxiety. Even research shows that measures such as dismissal can often have serious physical and mental health consequences for affected workers. (Chun-Chu Chen 2020 / 1)

We were able to see the unemployment on the basis of the news we received from our relatives and acquaintances, as well as the events we encountered. This is our opinion based on our analysis. But based on what I read, the International Labor Organization (ILO) estimates that the economic and social crisis caused by the COVID-19 pandemic could lead to the loss of 25 million jobs worldwide (ILO, 2020).

### **2.3. Impact of the COVID-19 pandemic on the hotel and transportation industry**

The global hotel services market is now in a difficult situation and is suffering huge losses due to the pandemic. Not only small, but also large hotels and hotels that received the main flow of foreign guests suffered. One of the biggest costs in this business sector is employee salaries. Therefore, there is a great threat of dismissal of a large number of people.

In Italy, Spain and Turkey, almost 95% of hotels are closed. According to media reports in Italy, losses amount to almost 400 billion rubles in a day. The health emergency has led to a paralysis of the entire supply chain, which generates about 12% of Italy's GDP. According to expert estimates, in the first half of 2020, tourism revenues will decrease by 73%. The expected turnover is only 16 billion euros compared to 57 billion in the same period last year. The summer season is also at risk, in which 25 million people annually arrive in the country. Measures aimed at curbing the spread of the COVID-19 virus will lead to a decrease in turnover in the restaurant and hotel sector in Italy in 2020 (72,748 companies with a turnover of 37.8 billion euros in 2019) by 16.7 billion euros, which equals a decrease, compared

to 2019, by -44.1%. Hotels were hit the hardest with a loss of 7.9 billion, accounting for -53.8%, while catering businesses decreased by 8.8 billion and amounted to -37.9%.

These are estimates quantified by Council Srls Budget Observatory for 2019 and the National Accountants Foundation. This impact is due both to the drop in demand that affected the sector even before the start of the Italian emergency, and to the set of actions imposed by the decree in order to counter the health emergency.

Since the beginning of the global spread of the coronavirus, the hotel sector has been one of the most affected due to the measures to combat the pandemic. Airlines are keeping their planes on the ground, countries are closing their borders to incoming foreigners, restrictions are spreading, and hotels are seeing their business evaporate, to the point where some hotels in Spain have offered medical service to their rooms to bolster the healthcare system.

All this is beginning to be clearly reflected in the March hotel tourism data just released by the National Statistical Institute (INE), which shows a 61.1% decrease in hotel stays in March compared to the same month of the previous year.

Following the impact of the coronavirus, hotels and travel agencies are trying to manage the coronavirus with measures that benefit their customers.

In particular, in Spain, Melia, Avoris (Barceló) and Room Mate launched various campaigns to stop the fall in reserves for fear of infection.

Meliá has launched a 72-hour campaign in which all its customers, both private and from the agencies and distribution sector, can pre-order with free cancellation. In other words, customers can cancel their booking up to 24 hours before arrival and only pay for the first night, as long as they haven't canceled their booking and decided not to travel. Under the motto "nothing can stop your holiday", Meliá is offering discounts of up to 45% to mitigate the impact of the virus.

“In times of uncertainty and risk of paralysis in the industry, companies must respond with greater flexibility and opportunity, above all by providing peace of mind and allowing time to assess the development of a crisis that can change from day to day,”- said Gabrielle Escarrer, Executive Vice President and CEO of Meliá.

For its part, Room Mate has also taken similar action in Italy, making it easier to cancel or change bookings in that country, especially for customers who have not secured this right and plan to travel before May 20th. In this case, if the customer cancels the trip, the network keeps a deposit that can be used within the next six months

The effects of the COVID-19 pandemic have had a profound effect on the transport industry as well as on any industry. I received information about several studies in this regard. The impact of the pandemic on transport is examined in three areas: mobility trends, the use of different transport modes, and the fair effects of changes in transport. During this period of various global constraints (eg, border restrictions, travel bans, quarantines and curfews, stay-at-home bookings, closure of various facilities and services), mobility in many sectors of the transport industry declined due to declining demand in the transport sector. For example, public transport did not work every Saturday and Sunday in Azerbaijan. At the same time, the subways were closed not only on Saturdays and Sundays, but also on weekdays for several months. (Sicheng Wang and others, 2021/ 1)

Much has changed since the pandemic (people's lifestyles, behaviors, habits, etc.). The most interesting thing is that during this period, the use of walking or buying bicycles has increased. It is especially common when used by businesses or individuals engaged in delivery and telecommunications. The analysis of the period before and after the pandemic revealed that the number of trips to shops, shopping malls and many other places has decreased. I think this period has a lot to do with the delivery services. Because people's presence in public places would have a negative impact on their health, they used online shopping and ordering services with delivery agencies. Thus, traffic to enterprises is reduced, and traffic is increased. At the same time, there was no need for transportation because the work was done online. However, it was found that there were delays in the transportation systems in New York and Seattle, due to the reduction in the number of drivers in the city.

The other sector affected by the pandemic is airlines. Such a crisis at the airlines has not been observed yet. In connection with this, 1 in 3 planes, the use of airports decreased by 75 percent. These figures are very high. In general, many important, internationally known meetings, races, tickets reserved by important people or groups, flights have been postponed until each of them is unknown.

The International Air Transport Association (IATA) estimates that airlines could lose up to \$252 billion in revenue this year as a result of the impact of the virus, or 38% compared to 2019. The sector has experienced a sharp decline in passenger traffic due to restrictions. European Airlines will lose \$89,000 million (82,000 million euros) in revenue due to COVID-19.

Italy and Spain will be the most affected countries, a new report from the International Air Transport Association (IATA) is analyzed today. According to expert data, 6.7 million jobs, associated with air transport are at risk (1.1 million more than in the calculations made at the beginning of the year).

The new figures, which take into account a three-month scenario of air transport restrictions with subsequent gradual lifting of these measures, will have a \$452 billion (€419 billion) negative impact on gross domestic product (GDP). “At a time when airlines are facing an unprecedented liquidity crisis, we desperately need financial support from European governments and regulatory support,” said IATA Regional Vice President for Europe Rafael Schwartzman, presenting the data.

Spain will lose 114 million passengers and suffer a loss of \$15,500 million. The country has the most dangerous aviation jobs, with 901,300, according to IATA. Experts estimate the loss of Italy in the range of 11,500 to 17,900 million dollars, which creates a risk for 310,000 jobs in the Italian market. Direct financial support, loans and debt relief, and temporary easing of rules (for example, on compensation for flight cancellations) are some of the prescriptions that IATA offers Europe in the event of an air crisis. The Italian airline Alitalia will be completely nationalized due to the financial damage caused by the outbreak.

According to the Turkish Airline Private Association (TAPA), revenue losses in the aviation sector in Turkey could be \$100-120 million. According to the Turkish

Airlines Public Disclosure Platform, the company's total number of passengers, which was 5.9 million in March 2019, was 2.8 million in the same period in 2020, with a decrease of 53 percent. Although the number of passengers on domestic flights decreased by 45%, on international flights it decreased by 59.2%. Passenger occupancy in March 2020 was 63%, down 17.6 points. Turkish Airlines carried 2,495,300 people on domestic routes in March last year and 1,383,125 people in the same month of this year.

One of our sectors is long-distance rail transport, especially in Asia and Europe. The largest railway company in Europe is Deutsche Bahn in Germany and the other is SNCF in France. Like any industry, the crisis in the first half of 2020 manifested itself for these companies. In order to cope with these losses, it is necessary to start thinking about emergency recovery. Therefore, in July 2020, the International Union of Railways (UIC, 2020) obtained data on revenue and economic forecast research. Based on that information, they conducted an assessment method. Revenues for the global passenger rail sector will reach \$ 22 billion in slow recovery and \$ 6.2 billion in rapid recovery.

In the United States, the number of miles traveled has decreased compared to the number of hours traveled by cars, but there has been an increase in pedestrian and bicycle travel for recreational purposes. Buehler and Pucher found that the number of cyclists in European countries increased by 8%. However, cyclists were more common on Saturdays and Sundays. In fact, in countries such as the United States and Canada, bicycles were commonly used. The study found that the number of passengers on the subway decreased by 90% and the use of bicycles by 71%. It can be assumed that this reduction in bicycle use means that low-income groups are unable to use it. Here we can see how much the crisis has damaged them.

Another type of transport is water transport. Which provides freight services to most large-scale countries. Water transport was also severely damaged in the pandemic. As confirmed, the closure of large-scale ordered goods and factories has had a negative impact on the carrying capacity of both import and export cargo. According to research, water-based transportation is expected to decrease by 9.5%.

Transport stakeholders predict that the pandemic will reduce water-based freight, as well as transport capacity.

When people use public transport, they feel anxious. Especially during a pandemic, we share the same mode of transport with people we don't know. We do not know on what surfaces the virus is present and when it is cleared from the closed environment. In South Korea, for example, subway use has dropped by 40% since the first month of the pandemic.

Social equality was one of the most noted data during the pandemic. Almost everywhere we came across them as advertisements. On subway screens, stops, buses, etc. But it was not as noted. As I said, unlike low-income groups, partially superior workers did not use public transport. This means that low-income groups are forced to work, while their education does not allow them to work remotely, which results in the group going to work more often. (Shubham Agrawal, 2020)

The hotel industry is the most important aspect of tourism. I want to set an example in the country. In particular, I want to give an example from the country where the pandemic began.

China became the first country to be affected by health problems, and thus the hotel industry faced serious problems. Again, we see a closely intertwined chain. This means that tourists are reluctant to travel at a time when the pandemic is spreading, the number of deaths and infections is increasing. Postpones travel plans, so no one is allowed to travel. In this case, hotels can not start operating, and as a result, there is no need for hotel staff. The end leads to unemployment.

Even some private hotel owners, feeling the crisis, found a way to temporarily close the hotel. This has led to a sharp decline in the market value of shares. In the fourth and fifth tier cities, it was about 80% and 90%, respectively. For the first months, the figures were so low. Already in mid-March, as the infection subsided, we began to see positive signs in the hotel market. China's long-term recovery looks promising, but not without problems, as the hotel industry is expected to recover in advance. Several organizations analyzed the hotel's performance, and the Hilton

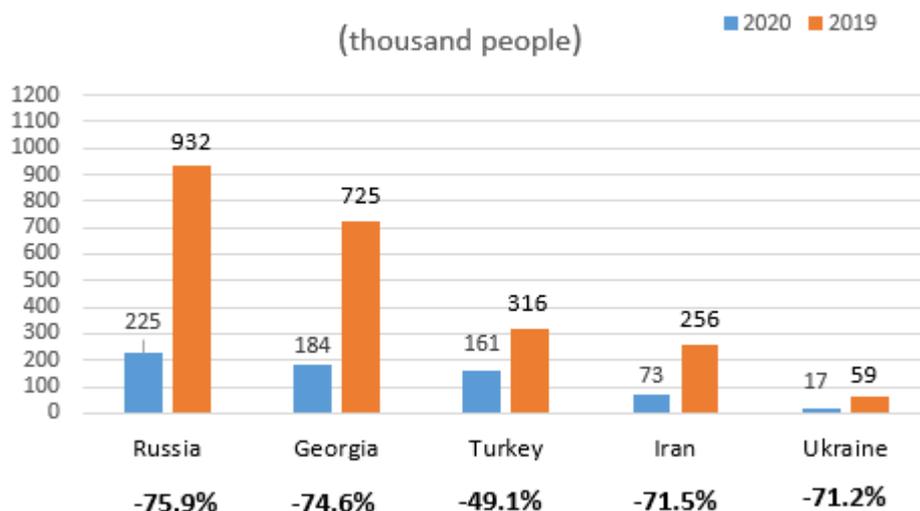
hotel was expected to have a 6-12 month recovery period and a loss of revenue of about \$ 50 million. (Qu Xiao, Kaye Chon)

#### 2.4. The effects of crisis on hospitality and tourism sectors of Azerbaijan

The pandemic was registered for the first time with the return of two citizens from Iran. Immediately after the news, the Azerbaijani-Iranian border was closed. However, this issue did not grow much, because at that time no one had a serious idea of how dangerous the coronavirus was. Later, the import of goods from Iran was stopped. Measures have already been taken since the beginning of March, and educational institutions have been given a one-week leave, which has since been extended to March 27. The death was first confirmed on March 12. Social isolation measures came into force in our country on March 14. Large-scale events were canceled. The slogan "Stay at home" was launched. The borders of land, air and sea routes were temporarily closed.

Tourism plays an important role in the economy of any country. The same is true for the Azerbaijani economy. According to statistics, in 2020, about 690,000 tourists from 155 countries visited Azerbaijan, which is 3.5 times less than in previous years. Due to the prevention of the pandemic, the borders were temporarily closed and normal entry and exit restrictions were imposed on the country. Visits were made only within certain rules. They were even banned from leaving the country unless they had to.

**Picture 6: The 5 countries most tourists comes from**  
(thousand people)



**Source:** [https://tourism.gov.az/uploads/documents/statistic/+annual\\_tourism\\_statistics\\_2020\\_final.pdf](https://tourism.gov.az/uploads/documents/statistic/+annual_tourism_statistics_2020_final.pdf)

As shown graph above, the most tourist comes from Russia, Georgia, Turkey, Iran and Ukraine which first four of them are neighbor countries. As a result of impact of pandemic COVID-19 to tourist flow from those countries has decreased 71.2% in 2020 in comparison with 2019. It is clear that those decreases are mainly from Russia and Georgia in accordance with 75.9% and 74.6% where many Azerbaijani people live. The statistic continues with Turkey, Iran, and Ukraine which resulted 49.1%, 71.5%, and 71.2% decreases.

Azerbaijan is a country with a very rich landscape, climate and natural beauty. It has rich cultural and religious traditions. At the same time, Azerbaijan is rich in delicious national dishes. Each of us meets tourists in the center of the city. In recent years, it is easy to see that the majority of tourists are usually from Saudi Arabia, Qatar, Oman, the United Arab Emirates and Bahrain. The number of tourists from Israel is also growing.

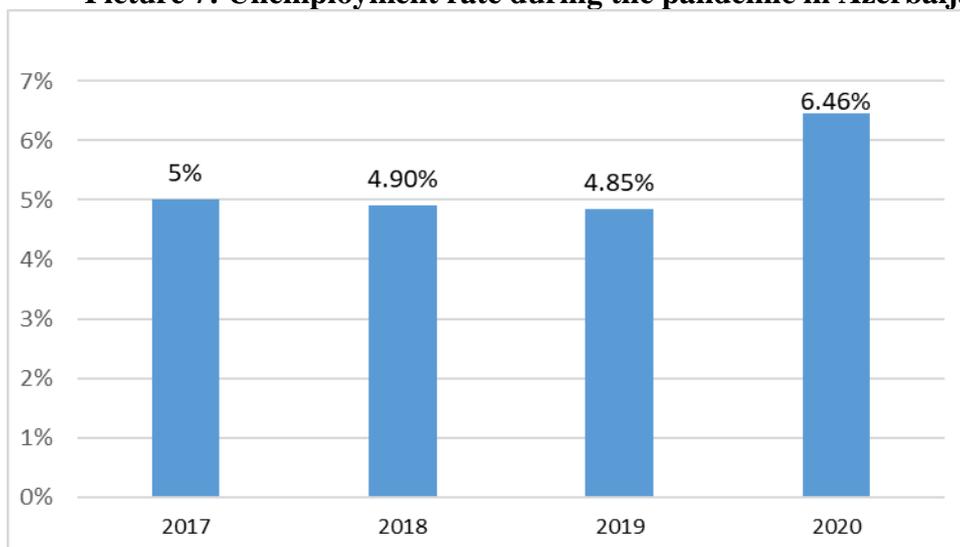
Tours to Azerbaijan often include Shahdag, Tufan Dag, Gabala, Guba, Lahij, Maraljol and many other cities. Our other big city called Ganja is of great interest to tourists due to its antiquity. Our capital Baku has also become a favorite destination for tourists with its ancient buildings.

Azerbaijan has many interesting tours and activities that will show the beautiful places. However, it is ready that the situation has affected Azerbaijan as well as any other country. In the sense that restrictions were imposed on tourism and those restrictions were not removed for about a year. Sometimes it was necessary to walk in the open air with such a mask. Even visiting seaside resorts is prohibited. Even domestic citizens of the country had to have a permit to travel to any region, or their registration had to belong to that region. It is very difficult to think of tourism in such harsh conditions. If the restrictions are lifted, tourists will be able to discover as many beautiful places as possible. Every time a tourist comes to Azerbaijan, the desire to discover new places is formed in every tourist.

Every condition has been created in Azerbaijan for the growing tourism. New hotels, restaurants, large recreational facilities. This will have a positive impact not

only on tourists but also on residents, because I think that the construction of these facilities for tourism can help to reduce unemployment.

**Picture 7: Unemployment rate during the pandemic in Azerbaijan**



**Source:** <https://www.cbar.az/page-41/macroeconomic-indicators>

Unemployment rate, 2017 - 2020: According to this chart, unemployment data for 2017-2020 are presented for Azerbaijan. Thus, the unemployment rate is 5.0 percent in 2017, 4.90 percent in 2018, 4.85 percent in 2019 and finally the final value of 2020 is 6.46 percent. For comparison, in 2020, the average unemployment rate in the world on the basis of 181 countries will be 8.49 percent.

Necessary measures are being taken in Azerbaijan to develop tourism. Even the "Strategic Road Map for the development of specialized tourism in the Republic of Azerbaijan" was adopted. The investment in the tourism sector over the specified period will fully prepare the country for the development of tourism. (Leila Hajieva/2021)

## **CHAPTER III. OPPORTUNITIES AND DEVELOPMENT PROSPECTS AT POST-PANDEMIC PERIOD**

### **3.1. Various measures that can mitigate the effects of the crisis and accelerate the recovery of the global tourism market**

We consider the COVID-19 pandemic to be one of the most tragic events of our time and a cause of late recovery for certain sectors. These sectors include transport, tourism and many other industry. One of the most damaged industry is tourism. We noted above that the damage to this industry has not had a positive impact on transport, unemployment and the mental psychology of people. But the third chapter will focus on solving more problems.

This section will focus on developments and opportunities to address the damage to the global economy in the post-pandemic period. The possibility of a pandemic or similar incidents was mentioned. We noted that the pandemic not only harmed, but also benefited the environment. From this point of view, it was necessary to evaluate the benefits and harms of the pandemic together and come to a conclusion in a way that is specific to each country.

The combined analysis of the good and bad effects of the pandemic has shown that a number of predictions can be made for the post-pandemic period. This forecast usually goes in 4 directions.

The first direction is based on the fact that after the end of the pandemic, the population, together with the government, is ready to grow rapidly in the economy. He works to solve problems together and quickly, and he achieves this quickly.

The second case is partially similar to the first. Due to the lack of trust in the government, the population is reluctant to invest and does not participate in the settlement process. For this reason, the reconstruction work is very slow.

Another case, in the third forecast, stems from public insecurity, where there is no belief in the resumption of business and no attempt to find a solution. It is also clear that the economy will not be able to recover in the short term.

The fourth and final prediction is the worst prediction. Contrary to the first and second predictions, the problem stems from the population's complete distrust of the government, and if people protest against the lack of confidence in economic recovery, then not only recovery, but at the same time development is not possible. On the contrary, it will cause even greater damage to the economy.

These predictions are based on the expectations and opinions of international regulators. There are expectations of the possibility of the first and second forecasts of the economy in the post-pandemic period.

In any case, if the countries of the world solve the damage caused by the pandemic in accordance with social goals, not capitalist ones, then it will be possible to find a solution that will not be challenged as a whole. In this process, the state must take the most important path and regulate the processes that will take place. At the same time, it should assist the population in social security in resolving the situation in the future.

At the same time, there are studies that analyze new opportunities for transformation for different countries. In the last 18 years, there have been numerous epidemics under different names, five or six years apart. Examples are avian influenza (2004-2005), swine flu (2009-2010), Ebola (2014-2015) and COVID-19, SARS-CoV-2 (launched in 2020) viruses. COVID-19 is not the first virus to cause a pandemic in the world. It is considered the first pandemic to cause a global financial and economic crisis.

Many studies already show that if a similar pandemic occurs against any probability, a strategy is developed by considering the current pandemic process in order to prevent it. However, the difficulties that arose brought innovations to open the way to new opportunities. For example, conditions have been created for the use and creation of economic markets such as ecological production and construction, ecological energy.

In any case, the pandemic, epidemic and many other problems that have occurred create certain reasons for the organization of innovations in the economy.

The key issue here is either to focus on a new, different solution, or to reorganize the management methods of the old economy in different ways.

In the first case, the changes that take place due to the reorganization of activities, such as competitors, business restructuring, reconsideration of the strategic plan are considered. This means a kind of economy from scratch. It is one of the biggest issues on the agenda today.

In order to achieve the goal of economic redevelopment, it is necessary to thoroughly study the impact of the pandemic on the economy (reported in the second chapter), the expectations of researchers regulating the situation, the analysis of population behavior, forecasting, reorganization and regulation.

Before moving to foreign countries, let's look at the possible developments in the field of tourism in Azerbaijan. Azerbaijan is a country known for its oil sector.

Along with oil, the country pays special attention to the development of the tourism sector. It is one of the countries with tourism potential due to its beautiful territory and favorable climatic conditions. At the same time, it has managed to attract the interest of foreign tourists. Another area of interest is the Caspian Sea. Although it is called the sea, this area, which is the largest lake in the world, is a place that everyone wants to visit. Just as it is interesting to see the deepest lake in the world, the biggest waterfall, the most beautiful polar luster, so the largest lake is just as interesting. Another place is Gobustan reserve. Which is seen here as evidence of the existence of ancient people and reflects their image. Today, the favorite place of all of us, the city known as the most beautiful and ancient area of our city, is Icharisheher. When we visit here, we see that there are a number of tourists of different races and nationalities. Those who say that Icheri Sheher has not lost its ancient appearance are gaining the attention and sympathy of both local and foreign citizens. At the same time, the national dishes of our country and a variety of delicious sweets are of interest to tourists. However, in recent years, the collapse of the tourism sector in our country was also observed.

If we evaluate the damage to the economy according to COVID-19, then we will see that the tourism and the virus are evaluated in the exact opposite way.

Studies show that by 2020, the tourism sector will also cut 75 million jobs. Until now, pandemic health-related events have had a disproportionate global impact on the tourism industry. It should be noted that, as the World Bank warns, most of the losses caused by epidemics (up to 90%) are the result of infection prevention. However, the damage to tourism does not end there. It is expected that this process will take about 20 months to fully recover (partially). One of the most important issues now is how it will affect the behavior of tourists on post-pandemic tourism. The virus, which has spread globally, has affected at least 77% of tourists in Italy, Germany, Spain, France and several other countries.

Tourism was one of the most contagious industries in both the international and domestic tourism sectors. It will also take 3-4 years to restore its effects in both sanitary and economic spheres. During this time, the tourism sector will either recover through the organization of quality events, or develop through exchange activities with the support of the state.

The following can be considered as promising activities in the organization of regional and local travel infrastructure of the tourism segment:

- Improving the functionality of existing tourism vehicles (for example, “water transport” services);
- revival of local cultural values, historical buildings and other objects related to tourism (restaurants and cafes, museums, recreation centers);
- providing transport with new, modern equipment;
- Development of agro-tourism, commissioning of national parks for cruises and tourist trips

At present, for the development of domestic and foreign tourism, measures aimed at industries affected by the pandemic (reduction of the tax burden, deferral of loans) should be organized continuously, at least until 2023. In this way, those engaged in small tourism business can carry out such restoration work.

At the same time, a solution must be found to the problems caused by the pandemic, such as unemployment, inequality among workers, and the decline in the quality of people's livelihoods. In the post-pandemic phase, macroeconomic

measures are of particular importance. Despite the current recovery in the labor market, uncertainty continues. That is why, regardless of the subsequent course of the pandemic, it will affect employment policy for a very long time.

Labor market stabilization programs should be developed. These programs must meet modern challenges and risks. Given the new opportunities for employment development and job creation, the regulation of regional labor markets is one of the most pressing issues needed in the changing socio-economic environment.

In general, there are three main factors that can make a common virus a pandemic.

1. The human immune system is not strong;
2. Due to factor 1, the virus can be easily transmitted from one person to another;
3. Difficulty in finding a vaccine that can fight the virus

In general, the impact of the pandemic on the tourism sector is not the same for all regions or countries. For example, during and after the SARS epidemic in Thailand, tourist arrivals fell by 68% between January and June. About 600 tourism companies, which employ about 3,000 people, have been fired over the past few months due to bankruptcy problems. Similarly, due to the spread of the bird flu epidemic, the number of visitors to Asian countries decreased by 12 million. The World Travel and Tourism Council (WTTC) has conducted a study on the economic impact of travel in about 200 countries and estimates that more than 3 million people have lost their jobs in the tourism and related industries due to the epidemic.

Tourism activities are directly and indirectly linked to up to 185 sectors in a variety of sectors, particularly travel, food and beverage, and transport services. Difficult access to many sectors has led to difficulties in the tourism sector. Epidemics, terrorist acts, natural disasters, economic and political instability, etc. events change the demand for tourism. Because people tend to meet their security needs in the first place and change their decisions accordingly. Epidemics, pandemics damage to tourism can be short-term, temporary, permanent or variable.

**Picture 8: Tourism in the post-COVID-19 period: sustainable for industrial recovery**



**Source:** <https://www.mdpi.com/2071-1050/13/12/6781>

After the pandemic, personal economic well-being and usable income are affected by a number of factors in travel behavior, as well as changes in consumption opportunities as a result of cost changes, perceived health risks and pandemic restrictions. The transition from mass tourism to individual tourism and the transition to more remote, quieter environments with safe and hygienic features are expected changes. Businesses that are active in mass tourism need to innovate their systems to cope with this situation. To compete with such a situation, the new sale of hotels, kitchen rooms or villas within the hotel, which can be rented daily and weekly, is said to be part of their marketing strategy. In addition, tourists' perceptions of health risks are changing. Therefore, after the Covid-19 crisis, tourists are expected to turn to destinations with infrastructure and high-quality medical facilities.

Given the changes in demand and supply in this sector after the pandemic in terms of tourism in the countries, it seems that in addition to the risks, there are some opportunities to be offered.

1. During Covid-19, individuals will prefer shorter distances, so the proximity to the short-distance tourism market between countries is expected to prevail.
2. Due to the virus, the country is expected to carry out activities that have not been done for a long time, such as reducing the intensity of tourism in the summer and diversifying tourism activities.
3. Many countries have been successful in fighting the virus. For example, Azerbaijan and Turkey. As a result, the demand for health tourism will increase. The ability to combine tourism with health care, and the fact that prices are more

affordable than in similar countries, will lead to an advantage in the field of medical tourism in the country.

4. An increase in individual activities is expected with a focus on social distance. Although it may seem negative at first glance in countries with very high levels of mass tourism activity, it is expected to be an advantage in the long run.

5. Demand for alternative types of tourism (health, culture, sports, nature, rural, winter and mountain, congress tourism) is expected to increase from the traditional concept of tourism.

6. It is forecasted that the efforts of tourist consumers to stay away from the masses and the tendency to travel more individually will increase. This situation can increase tourism revenues by increasing the average cost of tourism.

7. Due to the risk of maintaining social distance, all-inclusive package tour systems will not be much preferred, as the low tourism income generated by the all-inclusive package tour system in the tourism sector can be predicted to disappear in the long run.

8. Revenues per tourist, which are thought to be below average due to oversupply in the sector, range from \$ 650 to \$ 800. This process is seen as an opportunity to reorganize the balance between volume and quality by moving to quality goals instead of quantity.

9. The desire to stay away from the masses is expected to increase the demand for rural areas with fewer people. Because it is environmentally friendly in rural tourism, holiday costs are higher than mass tourism costs. This is especially true for countries with large rural areas

10. After the easing of bans, an increase in domestic tourism is expected.

11. It is expected that during the epidemic there will be an increase in interest in the types of vacations that are not very preferred in normal processes, such as camp, caravan, seasonal apartment rental, yacht rental.

12. As tourists will pay more attention to hygiene and safety in their accommodation options in the future, it will be necessary to take new steps and raise standards in the accommodation sector.

13. The pandemic has increased the importance of online transactions, digitalization, robots and automation in the sector. This and so on. Situations 4.0 can accelerate adaptation to the industrial era.

Possible risks:

1. It is expected that the continuation of the home office work style during a pandemic will reduce business trips.
2. Distance education, video conferencing, etc. The intensive use of events in this process has made the physical environment unnecessary for events such as congresses, conferences and symposiums. This will have a negative impact on congressional tourism.
3. It is expected that employees of tourism enterprises that have been closed for a long time will be in a difficult economic situation and will have to move to other sectors to earn a living. For this reason, the sector is expected to lose trained staff.
4. Customer dissatisfaction is expected for the above reason
5. Technological trends and changes in the sector (automatic doors, contactless payment, advance menu reservation, end of open buffet) can be expected to increase technological and structural unemployment.
6. Evaluation of social communities according to their ethnic group or culture, especially language, lifestyle, customs and religion, and activation of nationalist sentiments can have a negative impact on tourism.
9. The impact of the pandemic on European countries could lead to a long-term increase in the number of foreign tourists.
10. The decline in tourism revenues is expected to continue for some time.
11. There may be a decline in tourism investment.

In the normal period, individual travel, far from the masses, intertwined with nature, with little participation, comes to the fore. This situation is considered a disadvantage in countries with mass tourism. Mass tourism generally involves the concept of a holiday that takes place during the summer months, in which the tourist never leaves the place where he stays, does not go to other tourist places in the region, does not shop locally and therefore does not spend anything else. In addition,

it has been criticized for years that tourists with this concept are middle and low-income, cheaper than local tourists. For these reasons, efforts are being made in tourism policy to identify alternative types of tourism and to expand tourism into four seasons. The spontaneous evolution of this situation after the Covid-19 virus can be considered an opportunity.

Predicting the processes that have taken place and may occur during the Covid-19 pandemic in the field of tourism is very important for the activities to be carried out in this industry. In such cases, the forecast is made in 2 directions.

In the first direction, the demand of the tourism sector is projected before COVID-19. According to the forecast for the end of 2018, in 2019, the demand for tourism in 15-20 destinations in all regions is projected. The goal is to determine the most accurate forecasting methods in "normal" times.

In the second direction, the demand of the tourism sector during and after COVID-19 is projected. According to the latest data, it predicts tourism demand in 15-20 destinations by the end of 2022. The goal is to identify the most accurate ways and procedures for forecasting in a crisis situation.

The measures taken against the Covid-19 pandemic are already softening. The important factor for today is to make a forecast in the second direction. Forecasts in the hotel industry of the tourism sector are made in three ways: structural change, quality and hygiene requirements, and changes in consumer preferences.

Structural change. Many hotels have lost revenue due to the COVID-19 epidemic. For this reason, experts predict that some hotels may close. Small or medium-sized hotels can be rehabilitated through some processes, such as reorganization and improvement. For example, during the SARS epidemic, hotels in South Korea provided training programs on how to use new hygiene equipment to minimize their operating costs and improve the quality of service for hotel staff. One of the hotel's practitioners claimed that "given the COVID-19 infectious disease, the pace of new hotel investment behavior will slow down."

Thus, the hospitality industry will face a long-term decline that will last about a year before it can be restored.

Quality and hygiene requirements. Consumers' quality and hygiene requirements are mainly reflected in hotel rooms. Experts note that after the pandemic, consumers will have higher quality requirements for hotels. According to their forecast, consumers may be reluctant to go out due to the psychological fear created by the prevention and control of the pandemic, which means that they will not travel.

The predictions of other experts have highlighted the importance of hygiene and cleanliness for hotel management after COVID-19. At the same time, they predicted that people's psychological pressure would gradually recover once the risk of a pandemic was eliminated.

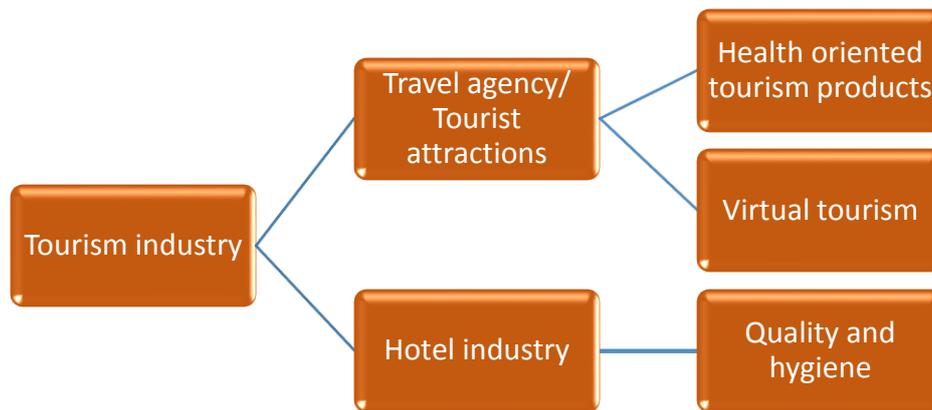
According to research, hotel types will affect the choice of people after the pandemic. They will think more about staying in or near nature. These types of hotels can lead to the recovery and growth of the hospitality industry. Based on the results obtained, it can be predicted that consumers will depend on the reputation of the hotel brand and will be more careful in choosing a hotel. In addition, there will be other opportunities for the expansion of hotels for family vacations.

Forecasts for travel agencies. In this regard, changes in consumer behavior and tourism products were forecast for the travel agency. It is a psychological change in consumer behavior. Given the security concerns, it is more likely to choose tours with a small number of people to avoid contact with travelers.

Changes in tourism products. According to the practical forecasts of travel agencies in terms of changes in tourism products, "tourism and sports" products may become future popular tourism products as the pandemic period forces people to lead a healthy lifestyle. Due to the concept of autoimmunity gained during the pandemic, outdoor activities will also prevail among consumers. At the same time, they noted that fitness-oriented tourism products of resort-type landscapes will gain popularity in the future. Car tours and family tours will become more popular in the future due to safety concerns among consumers.

Below are the forecasts that will be important in the tourism sector.

**Diagram 1: Diversification of tourism sector due to forecasting**



**Source:** author's own diversification

### **3.2. Emergence and development of new tourism-related fields, innovative tourism products and recent trends**

Based on the data collected during the study, analyzes were conducted and certain conclusions were reached. It is carried out using recently published research and analysis methods in the field of tourism, analyzing tourism trends during the COVID pandemic and forecasting major changes.

In this study, induction and deduction methods are aimed at identifying key trends and challenges in the tourism sector, as well as highlighting the importance of change in other sectors relevant to the success of tourism, and creating new jobs.

After the pandemic, industries have been constantly working on new trends. One of the industries is the trends in tourism.

Regardless of any aspect of your business's tourism sector, you need to be constantly changing. Formerly popular products and services are falling out of fashion and are being replaced by modern elements. New directions, new technologies and vehicles have caused great changes in the industry. That is why it is very important to adopt these trends as soon as possible.

A trend can be defined as changing depending on the situation and contributes to the emergence of tourism trends.

One of the developments was a fundamental change in artificial intelligence and machinery, which led to an increase in the use of robotics and artificial intelligence technology in hotels. It has also led to changes in customer behavior through the rise of voice control and search.

The COVID-19 pandemic has focused on hygiene, security and local services. Accelerated the use of contactless payments and remote work. Environmental concerns have led to the approach of many customers and the emergence of trends in organic food and eco-travel.

Safety and hygiene tourism trend. Airlines, cruises, hotels and restaurants have had important safety and hygiene standards since the virus spread. With this in mind, there are a number of tourism trends, such as cleanliness, social distance, and the use of liquid soap instead of solid soap.

This is also an important part of tourism marketing now, as companies need to clarify what their hygiene and safety policies are and what measures they are taking to ensure the safety of their customers. The danger of COVID is that people are more reluctant to travel and visit tourism hotspots, so they need to be reassured that they are safe.

Attention to travelers. COVID countries have been forced to accept travel restrictions, and many businesses have been forced to work from home. As a result, the work environment was badly affected. The pandemic has left people with difficult and unexpected processes, and many do not want to go on strike. At such times, those in the tourism business, usually family, couples or groups of friends, can create package deals to apply. It is also important to assess how competitors react to the crisis.

Switch to local tourists. The existence of travel restrictions means that the tourism industry should focus on local customers, not international ones. This is one of the marketing strategies to temporarily attract the attention of local tourists. Airlines and tourism management companies need to change destinations and give preference to local tourists. At the same time, local customers are less likely to

cancel, because they only focus on local restrictions. The probability of quarantine after the visit is also very low.

Remote payments. Makes contactless payments through the development of technology. However, with the help of Google Pay and Apple Pay, customers do not need to carry a debit card. A card or credit card is enough to pay for food, hotel accommodation, transportation and other services.

Remote, contactless payment options allow you to reduce the number of errors in tourism companies and improve the speed of registration and access. Coronavirus contactless payments are in greater demand than ever, as staff and customers are often reluctant to work with cash.

### General tourism trends

Voice search and control. Using smart devices for the home, as well as mobile assistants such as Siri, Google Assistant and Bixby, tourists turn to voice search. In addition, people can equipped rooms of hotels with smart devices, as well as internet of things that be manageable with voice control, which allows users to more easily turn the devices on or off or change the settings in their rooms.

Virtual tourism trends. It is one of the tourism trends that disrupts reality, but the use of high-tech technology can give an advantage over competitors who do not accept it. Through online VR tours, customers can get acquainted with the interior of the hotel, restaurant interior, outdoor attractions and much more from their homes.

It should be noted that tourists can do this at the decision-making stage of the trip. This can be the difference between customers who complete an order or those who withdraw. This trend is usually suitable for the second type of customers.

Most VR tours are web-based, meaning they can be viewed through any web browser. The quality and immersion rate of the VR tour can then look even more realistic through VR headphones.

Individual travel. Holiday trips used to be an activity with family, couples and friends. But over time, people have begun to prefer to travel alone. This is no longer uncommon and is becoming more common. The single travelers prefer various things. Some simply want to travel without distracting their friends. Others are

young people looking for social activities, meeting new people, and finding partners. These tourism trends are set to grow and be realized with more different opportunities.

**Local experience.** Instead of traveling to other countries, some tourists want to stay in their home countries and try new dishes and travel to different regions of the country. They want to engage in and participate in local culture. The local experience is becoming one of the best tourist trends for today's travelers. An example of a popular local experience is to travel to Japan during a major carnival, hire national Japanese clothes in order to dress, try national delicacies, and attempt to traditional games and cultural activities.

**Robots, automated equipment.** One of the most striking examples of tourism trends is Johnny, a robot concierge at the Hilton Hotels. Hotels have also installed interactive robots to perform certain reception tasks, and even allowed them to serve food and drink to guests. It is now possible to book travel and services with the help of internet chatbots, where many customers can manage requests and help customers in the absence of human operators.

**Artificial intelligence.** Artificial intelligence is one of the important factors for the tourism industry. Artificial intelligence helps to individuate the process of finding and booking tours and trips. We can name this also as simulation of human intelligence processes by mainly machines. It behaves in contexts such as smart hotel rooms, considering guests' needs, and arranging the environment and services to suit the needs and preferences of the guest. This simulation is used many spheres, from customer service to security. Future AI tourism trends may include self-driving vehicles and virtual guides for tourism.

**Healthy food.** Healthy food consumed by travelers and tourists was valued differently due to travelers. Travelling in a traditional way means a chance to break a diet and being amused by disallowed foods. Today, travelers know that delicious and wholesome food are not the same thing. It stimulates new tourism trends with the aim of better nutrition. Modern tourists need to get acknowledged that the food they eat is as healthy as it is delicious.

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