

The Economic Impact and Dangers of the Tourism Industry

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Tourism, in most sources, is defined as a commercial trip from one's home place, to another place. Whether it be a millionaire traveling to Las Vegas to gamble his money away, to the family vacation trip to Hawaii for the summer. While it may seem tourism is just an innocent and harmless activity for everyone, tourism can have a lot more impact on a country or region than most people would think. On the surface, the tourism industry seems very harmless compared to other industries, but a lot more is at stake than a simple family trip being ruined.

Generally, most tourists want to go to places that are first beautiful, then safe, and also famous. With this information, tourism in certain countries can tell a lot about a certain country. Take for example, France. According to the French ministry for Europe and foreign affairs, France had the highest number of tourists in the entire world with an estimate of 90 million visitors in the year of 2019 alone. France checks the box for the 3 criterias, it has beautiful nature, is safe for tourists, and is also famous thanks to the Eiffel Tower.

A country can be very beautiful and very safe, but have little tourism because they simply aren't famous enough. We'll take the country of Tuvalu as an example. It has very beautiful beaches and scenery, and is relatively safe, but they only got around 3.600 visitors in the year of 2019 according to WorldData.info. This happens because if a country is not well known enough and not a lot of information is known, a lot of people aren't sure if that particular country will be worth their time. If someone isn't 100% sure about that country, they are more often than not going to go to another more well known country. Travelling is very expensive and it's not something where you can just visit any country you find interesting.

Fame can come in a lot of different ways for countries. One of them is from international events. Events such as the 2022 FIFA World Cup. The 2022 World Cup was held in Qatar (by ways that are dubious at best), because of this Qatar spent around 200 billion dollars in infrastructure for the World Cup according to The Economic Times. Qatar did this so the inevitable millions of tourists coming to their country will have proper infrastructure and a comfortable visit. Because of the giant deal FIFA and the world cup is, Qatar hosting the world cup caused a massive influx of visitors and tourists to the country that wanted to watch the World Cup.

Tourism can be a vital industry for certain countries. This is why some countries specialize their economy and industries for the tourism industry. According to PWC, countries like the Maldives where the tourism industry contributed 28% to their overall GDP, 60% of its foreign exchange receipts, and a staggering 90% of government tax revenue came from import duties and tourist-related services. For these countries, without the tourism

industry, their economy would just become bust since tourism makes up so much of their GDP. Seeing statistics like this, what a country relies on for income and how they spend it, seems very off-putting to see that a country's economy can be *that* fragile.

While tourism can be a very vital industry for these countries, their reliance on the tourism industry can be very dangerous. Tourism is very much a vulnerable industry, various factors and disasters outside of the country's control can affect the amount of tourists that come into their country. The Covid-19 pandemic is a very good example of this. During the pandemic, perhaps the industry that was hit the hardest was the tourism industry. Because of the spread of the virus and the world going into lockdown, very very few people wanted to travel. Because of this sudden decline in tourism, most of the countries that previously relied on tourism as the backbone of their economy, suffered immensely. We'll take the Maldives as an example again. In 2019 they had an estimate of 5.609 billion dollars in GDP, however just a year after that in 2020, during the height of the pandemic, it dropped to a whopping 3.746 billion in GDP. A loss of more than 32% of their entire GDP in just one year. This demonstrates that while the tourism industry can be a very lucrative industry to rely on, it is also very vulnerable and can have major consequences if a country relies on it too much.

Tourism can be a blessing for countries that are not very rich in resources but have beautiful scenery, and with a bit of luck and fame, can turn a country from a resourceless 3rd world country, to a developed thriving nation. It is very important for countries that do rely on Tourism as the backbone of their economy to diversify whenever possible and not rely your entire economy on one single industry. Even if a country cannot diversify its economy, it is important to have at least a contingency plan for if the tourism industry suffers because of some disaster that cannot be avoided or stopped by that country,

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