Global tourism Part 2

Terminology:

Quick Links:

https://tradingeconomics.com/

Task 1: A time before COVID

- Last week we created a 'bucket list' of places we most want to travel to. Answer the following questions about the 5 places you chose. (Keep in mind that these bucket list location may vary from person to person).

1. How has the pandemic affected each of your chosen places? Using data, compare the income and tourism rates of each place pre-and-post pandemic.

Place 1: United States

The income of the United States has been drastically effected with COVID. The nominal GDP of the United States changed -5.06% in 2020, signalling poor economic growth and a big setback for the economic powerhouse, the US. Not only that, but there was a lot of stagflation in the economy, with unemployment peaking at 13.4% during COVID-19. Post COVID, the United States seems to be bouncing back. Unemployment, a key economic metric, is at around pre-Covid levels, just under 4%. GDP also grew 8.71% the year after (2021). Pre-covid, tourist income was apexing at around 20,000 (millions), steadily growing. However, after COVID, it slumped to just under 5,000 (millions).

Place 2: Switzerland

Switzerland's economy was also drastically affected by COVID. The nominal GDP of Switzerland changed -2.5% in 2020, signalling poor economic growth. Unemployment peaked at 3.5% during COVID-19, which is still relatively low compared to other countries. However, many businesses were forced to close or reduce their operations, and many people lost their jobs.

Post COVID, the Swiss economy is slowly bouncing back. Unemployment is at around 2.5%, which is close to pre-COVID levels. GDP grew 3.0% in 2021, and is expected to grow 2.5% in 2022. However, there are still some challenges facing the Swiss economy, such as rising inflation and supply chain disruptions.
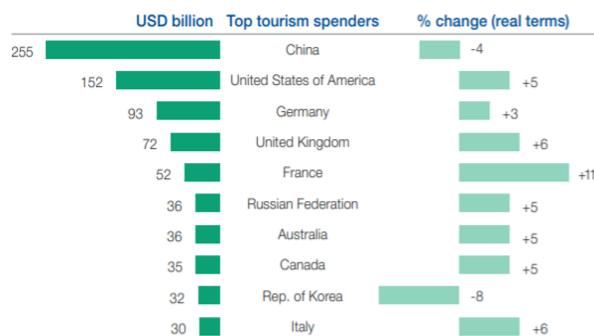
Tourism is a major sector of the Swiss economy, and it was one of the hardest hit by COVID-19. Tourist income slumped to just under CHF 10 billion in 2020, which is less than half of the pre-COVID level. However, tourism has started to recover in 2021, and is expected to continue to recover in 2022.

Overall, the Swiss economy has been resilient in the face of COVID-19.

2. Choose one of the places from your list and create a Bar Graph highlighting how tourism rates have increased/decreased between the years 2017-2023.

Task 2: Analysing the Chloropleth Map

China remains the world's largest spender, with one fifth of international tourism spending, followed by the United States of America

USD billion	Top tourism spenders	% change (real terms)
255	China	-4
152	United States of America	+5
93	Germany	+3
72	United Kingdom	+6
52	France	+11
36	Russian Federation	+5
36	Australia	+5
35	Canada	+5
32	Rep. of Korea	-8
30	Italy	+6

Top 10 countries by international tourism spending, 2019*
Source: World Tourism Organization (UNWTO).

Data as of November 2020.
* Provisional data.
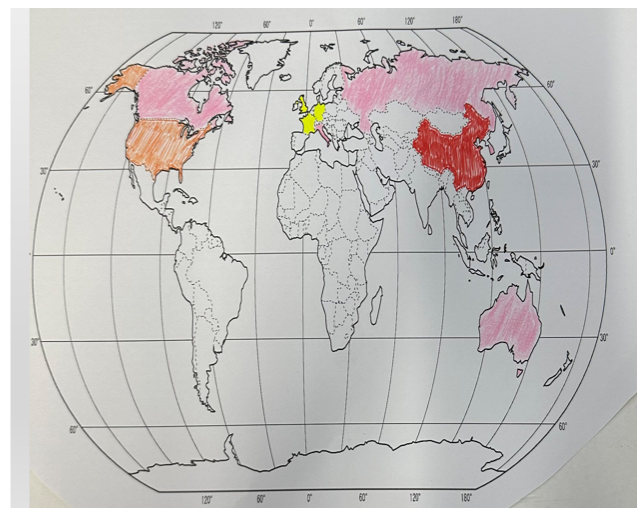
ANALYSIS:

> 💡 Please, Please keep in mind! These answers may vary from person to person and these answers may not be the same way you structure your response. It's best practice to overlook the notes you download and make according changes.

Q1. **Describe** the *distribution pattern* made by the 10 countries that are mapped.

Refer to hemispheres, continents and pattern terms such as random, regular, linear, clustered, dispersed etc in your response.

The changes in % across the map are generally clustered in certain location. The countries that have percentage increase in tourism spending in 2019 are generally clustered near the Northern hemisphere and is generally North America and Europe. This is due to the wealth that some of these nations have. However, one outlier to this pattern, and that is Australia. This is because it is in the Southern hemisphere yet it still had an increase in percentage (5%).

Q2. **Explain** why you think these countries are the top 10 tourist spenders.

These countries are the top 10 tourist spenders because they spend their money to make staying in their country more worth while, not to mention all of these countries are first world countries which means living in these countries is better than going to places such as Africa because of their low income and lack of tourist destinations, their economies also gain from the tourism so they spend money in the attempt of making more money.

Q4a. **Predict** the probable *social* and *economic* implications (or impacts) for France, Spain, USA and China if people from the top spending countries could not visit?

(eg during COVID-19 pandemic. Refer to one (1) country only in your response. Use data to support your answer. Consider – hotels, jobs, income, employment, rent, food production etc)

There are many socioeconomic implications that these countries if people from top spending could not visit. First of all, there will be a large strain on economies that depend on tourist income because their economies depend on the money tourists spend, if those top spenders were to close down their economies would suffer and the people who have jobs that depend on tourism such as pilots would lost a lot of money because people can't travel which means planes won't be used, seasonal unemployment would get even worse because you can't export items as much so people who work on those items such as rice or something wouldn't have to harvest as much rice so some people would be fired because you don't need as many people working on that rice, or when school holidays start there would be a mass influx of people getting hired but with tourism closed those people won't be hired so that those companies can save some money.

Q4b. **State** what data you would like to see to make more accurate predictions or judgements about your answer to Q4a?

I would like to see the specific income of peoples jobs before the pandemic and during the pandemic because I believe that would give a very accurate description of what would happen economically if those countries were to close down, and for the social factors it's good to see what jobs specialize for tourists and what jobs can manage without tourists.

Q5. Describe the **interconnection** between destinations and tourism spending.

The interconnection between destinations and tourism spending is quite linked. First of all, with tourism spending, there will be a larger portion of money from exports. As it is generally a sign of a thriving economy where exports profit are greater than imports. With greater tourism spending, this could help stimulate the economy as there will be less need for economic agents to invest their own personal capital on tourist

destinations. Not only this, but destinations can also gain from tourism spending as there will be more competitiveness to get sales, helping a more fair economy.

With a larger spending on tourism by the government on the other hand, like countries with China who invested 255 billion, there would be a larger sense of accessibility. With investment into tourist destinations such as hotels, destinations, restaurants, etc, this will allow greater accessibility for tourists and ease of use. This interconnects with some of the other factors in which people decide to travel in the first place. In the most inner and core shell of tourism, people care about the economy, safety and technology. With greater investments into infrastructure, technology and safety in places such as airports and tourist destinations, etc, this will hence have a positive reaction onto destinations.

Q6. **Evaluate** the validity of the data used to construct your choropleth map and to respond to the analysis Questions 3 & 4 above. Provide **reasons** for your evaluation.

I think the choropleth map is valid on certain parts such as the economic parts because it shows accurate economic data but the map doesn't give much information on other parts such as social, but the map does give good information.