

ITALIAN TOURISM SECTOR AFTER COVID



After a biennium of decline (2008 and 2009) following the economic crisis, starting from 2010 the Italian tourism sector registered a trend of constant growth.

Italy is the European country with the greatest share of residential customers (50.6%). **In 2019, tourism in Italy recorded 130.2 million arrivals and 434.7 million overnight stays in hospitality facilities with an increase of 42 million compared to 2015.**

Despite the growth being driven by the non-hotel sector, hotel accommodation facilities maintain a prevalent role with over 64% of the attendance.

In 2019, before the pandemic, tourism contributed 3.5 trillion dollars to the global GDP. The measures adopted to deal with the coronavirus' spread (like the limitations on people's movements and the measures to close some activities in the facilities, recreational and cultural sectors) and the fear of contagion led to a drastic decline in tourist flows.

In May 2020, the World Tourism Organization had already estimated a fall of between 60 and 80% in international arrivals globally compared to 2019. The provisional data available today indicate that in the world at the end of 2020, international arrivals have decreased by 73%. In Italy, things went slightly better and the decrease in international arrivals (which in 2019 represented half of the presence) stopped at 61%.

Tourist flows basically stopped between April and May 2020; in the summer period, along with the restrictions' easing, there was a partial recovery, more intense for the national component for which attendances were almost the same of 2019 in August.

On the other hand, the presence of foreign tourists showed modest resilience, remaining more than half the levels compared to the same month of the previous year. Tourist flows have suffered a further setback, especially marked for the international component since October, with the health emergency's worsening and subsequent restrictions on travel.

According to the tourism satellite accounts (the tool used by the national statistical offices to measure the economic contribution of this specific sector) and focusing on the direct impact caused by the pandemic, the Italian tourism sector contributes to 37% of the total loss of Italian GDP (which in 2020 fell by 7.8% compared to 2019).

The pandemic crisis was reflected in a deterioration of the sector's employment conditions and in a decrease in the tourism companies' turnover which was more marked than in the other sectors; the result was a strong demand for financial resources and a more pronounced increase in financing than other companies. Finally, the precipitous decline due to the pandemic is estimated to have cost up to 120 million jobs worldwide. While it is easy to summarize this type of devastation in numbers, it is very difficult to realize the total tribute it has taken on individuals and communities.

Regarding the workers in the sector who had to deal with this difficult recovery, they have found themselves facing an employment transition.

Data from the Minister of Labour and the Bank of Italy show that in 2020, compared to 2019, 175.000 workers in the Italian tourism sector (facilities and restaurants) were “lost” between terminations and activations. Net of this absolute reduction, 63% of the reallocations occurred in the same touristic sector. However, overall, it was a setback in qualifications (new hires at a lower level). In 2021 there were some changes in terms of quantity, but not of quality and stability: indeed, between January and October, temporary workers increased by 67,152, and apprentices dropped by 21,000. In total, there were 169,469 net activations in tourism, of which 149,000 were temporary contracts. If it carries on in this way, we will have to deal with a sector that does not give perspective to its own fundamental resources, especially the young ones.

A crisis in the Italian tourism sector began to occur with the end of the extraordinary redundancy fund as of December 31st 2021. Many companies, which had been able to count on important refreshments in order to compensate for the unrealized turnover in 2020-2021 until yesterday, have launched a campaign of indiscriminate mass layoffs. The result? Most seasonal workers are forced to change their jobs, by leaving the sector.

After the serious collapse recorded in 2020 and the partial recovery of 2021, **2022 shows promising signs of clear upswing, also thanks to the phenomenon of “revenge tourism”**, or the increase in propensity to travel as an act of “revenge” after a period of restrictions and sacrifices. As in all economic sectors, even in tourism, the pandemic produced contingent adaptations, changes in personal habits that can become permanent transitions. The main trends, confirmed by quantitative research, are those of flexible approach, short stay, brief term and increasingly self-organized, combined with local, slow and sustainable tourism, new territories’ rediscovery and less-known destinations, alternatives to mainstream and iconic places often subject of over-tourism in the past.

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