

THE IMPACT OF COVID-19 ON INTERNATIONAL TRADE IN TOURISM SERVICES IN EUROPE

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Abstract: European tourism suffered the greatest crisis on record in 2020-2021 following an unprecedented health, social and economic emergency with the outbreak of the COVID-19 pandemic and quarantine restrictions. Thus, the aim of the article is to investigate the impact of COVID-19 on international trade in tourism services in Europe, as well as determining the development trends of international trade in tourism services in the regions of Europe and EU countries in the pre- and post-coronavirus period. To achieve the goal of the scientific research a quantitative research method, literature review method, retrospective analysis, statistical analysis has been used. In the study, secondary data of the international tourist arrivals in Europe, export/import of tourism services by European regions and EU in the pre-coronavirus and post-coronavirus period has been analyzed. The following trends have been identified: 1) an undulating trend in tourism exports in Europe in general, and European regions in particular, characterized by regional differentiation; 2) an alternation of peaks and troughs in the volume of imports of tourism services in Europe and a reversal of the main upward downward trend in all regions of Europe in 2020; 3) a differentiation of the response of European regions to the challenges of 2020 - regions with a passive trade balance showed a reduction in the deficit, while regions with an active trade balance, on the contrary, reduced its surplus; 4) a differentiation of the share of import/export of tourism services of total trade in services by regions of Europe with a gradual upward trend and a rapid downward trend break in 2020.

Key words: international trade, tourism services, Europe, European Union, international tourist arrivals, tourism market, COVID-19

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INTRODUCTION

Analysis of the world tourism market allows to conclude that international tourism is developing in close relationship with other spheres of international life and responds to the general economic state of the market and the political situation with an increase or decrease in growth rates (Trunina et al., 2020). The European tourism region is no exception, demonstrating this, among other things, by a sharp decline in tourism economic activity and the uncertainty of the regional economic security (Ivanova, 2018). At the same time, with a rich cultural heritage and diversity, and including some of the most popular tourist destinations and major markets in the world, Europe continues to be the most visited region, hosting half of the world's international tourist arrivals even under COVID-19 and quarantine restrictions. In pre-Covid 2019 the contribution of tourism to GDP in Europe was 9.5% of total economy (2,191.2 bn. USD), the tourism industry created jobs for 38.47 million people (10.1% of total employment) - due to its direct, indirect and induced impact on the economy (WTTC, 2021). Tourism has been one of the fastest growing sectors of the European economy, demonstrating its resilience and flexibility. In 2020 the contribution of tourism to GDP in Europe was 4.9%, the tourism industry created jobs for 34.87 million people (WTTC, 2021) (figure 1). Within Europe, the 27 countries of the European Union account for the bulk of international arrivals in the region, about 75% of the total in Europe and 44% of the global figure in 2020 (UNWTO, 2022).

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The global crisis caused by the coronavirus pandemic has radically changed the tourism industry around the world, and Europe is no exception. Tourism is one of the sectors of the world economy that has suffered the most due to restrictions on movement. The negative impact of COVID-19 is both economic and social, affecting the livelihoods of tourism, transport and supplier workers, as well as their families and entire communities. The closure of the borders of countries and individual cities, the restriction and ban on movement in Europe and the world led in 2020 to a significant reduction in both domestic and inbound tourism, as well as a change in the long-term upward trend in international tourist arrivals. The key indicator of tourism development is foreign trade in tourism services, its circulation and balance. Since “expenditure by international visitors counts as exports for the destination country and as imports for the country of residence of the visitor” (ITC/UNWTO, 2015, 2) then a positive trade balance in tourism services indicates that the tourism industry is a source of foreign exchange earnings, revenues to the GDP of countries, replenishment of budgets at all levels and accelerates intensification of the reproductive process (Gorina, 2015b). Given this, it can be stated that the reduction in inbound tourist flows to Europe caused by COVID19 and quarantine restrictions is reflected in a decrease in the export of tourism services and a reduction in positive economic and social effects. In a world of dense and tightly connected supply chains, this impact has not only been felt by the sector itself, but also by other related industries, such as agriculture, construction, finance and information technology providers.

Considering the above the main aim of the scientific research is to investigate the impact of COVID-19 on international trade in tourism services in Europe, as well as determining development trends of international trade in tourism services in the regions of Europe and EU countries in the pre- and post-coronavirus period.

LITERATURE REVIEW

International trade in tourism services

Theoretical and applied issues of international trade in tourism services are reflected in the reports and working papers of international organizations which generate market knowledge, promotes competitive and sustainable tourism policies and instruments, carries out an analysis of T&T competitiveness etc. (Gorina, 2015a). An example of such report is the joint report of the International Trade Centre and the World Tourism Organization (ITC/UNWTO, 2015) which brings together complementary expertise of two organizations on the role of tourism in contributing to sustainable development and illustrates where and how trade, investment or visa policies matter for the tourism sector through two different angles – the point of view of the journey of an international tourist and the point of view of a firm supplying services or goods within a tourism value chain. In the working paper of the World Trade Organization (WTO) by Barkas et al. (2020) investigates tourism-related policy approaches that WTO member countries adopted in the early weeks of the COVID-19 crisis. The paper provides a systematic approach to map and analyses tourism-related policies for 59 WTO Members across all continents.

In the tourism literature, there are many examples of attempts to investigate and solve various issues which connected with international trade in tourism services at the local and regional levels. Mukesh et al. (2019) examine the nexus of trade, economic growth, and international tourism in the United States, using wavelet analysis to capture the lead-lag dynamics of this relationship based on frequency and time. Tamat and Norlida (2011) investigate whether there are any dynamic interrelationships between the tourism, trade and economic growth for Malaysia and its major tourism partner in ASEAN based on the export led growth (ELG) hypothesis. Xiaoli (2021) analyzes the importance of Hainan in the Belt and Road Initiative from the perspectives of history, location and culture. Countermeasures and suggestions for the development of trade in tourism service in Hainan are put forward combined with the strategic background of “One Belt, One Road”. Xiang and Chen (2021) study the development situation of the tourism service trade in Zhejiang Province from four aspects. Based on the current situation and influencing factors of Zhejiang’s tourism service trade puts forward the corresponding countermeasures and suggestions which could help Zhejiang Province find a way to promote tourism service trade in regional coordinated development. Zhang and Chiu (2020) applies the autoregressive distributed lag (ARDL) model to examine the impacts of globalization and country risks on China’s tourism service trade. The results reveal that in the long run, globalization has a significant negative impact on tourism service exports and tourism service trade balances, while a significant positive impact on tourism service imports. Leitão (2011) examines the link between intra-industry trade and international tourism flows in the Portuguese. Bocharova (2021) analyzes the impact of competition and technology transfer on the development of national economies and their industries, the country’s ability to be effectively engaged in international trade relations, develop tourism. Albaladejo et al. (2014) propose a theoretical model and an empirical study that highlight the role of quality of tourism services and endogenous tourism in long-run economic growth.

Some aspects of international trade in tourism services are fragmented in publications on the economics of tourism. Petit (2017) investigates the impact of the international openness in tourism services trade on wage inequality between

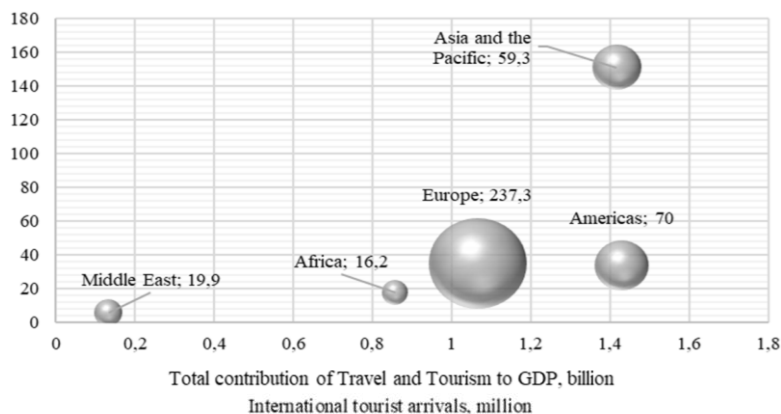


Figure 1. Economic impact of travel and tourism to the economy of the geographic regions in the world in 2020
(Source: the authors’ own study based on the data of the WTTC, UNWTO)

highly skilled, semi-skilled, and unskilled workers in the tourism industry. The findings point out that tourism increases wage inequality at the expense of the least skilled workers in the long run and the short run. Joshi and Malhotra (2014) make an in-depth analysis of patterns of international tourism especially with reference to World Trade Organization agreements. The authors critically evaluate GATS and its impact on patterns of international tourism. Besides they made an attempt to suggest a strategic framework to promote international tourism with special focus on developing countries. Chang (2011) investigates the features and determinants of the international travel and tourism service trade between the European, Asian and North American markets from 2000 to 2005. The empirical results reveal that the supply–pull effect from parent countries (the economic size of tourist origins) plays an important role in improving the tourism service exports of the various destinations.

The impact of COVID-19 on European tourism

The crisis caused by the COVID-19 pandemic has damaged the economies of European countries, particularly those that are more dependent on tourism. The pandemic has affected not only the European countries economy, but also the politics of countries and, to a large extent, the life of society. These and other problematic issues are reflected in the work of scientists in various fields of knowledge. Plzáková and Smeral (2021) concentrate on analyzing and forecasting demand for international travel of the euro area in terms of tourism imports. Scholars analyze effects of the key macroeconomic factors on tourism demand and develops a forecast model. Roman et al. (2022) try to give an overview of tourism at the time of the global crisis caused by the COVID-19 pandemic on European countries. They cluster European countries according to the influence that the COVID-19 pandemic has had on the tourism sector in a given country. Naramski et al. (2022) assess the impact of the COVID-19 crisis on the activities of cultural heritage tourism sites in Europe. The study indicates a strong impact of the pandemic on the examined sites, expressed in the limitation of the operating time of the sites, a decrease in the number of tourists attended to, and a decrease in revenues. Ardeljan et al. (2020) present a brief analysis of the developments in international tourism, especially regarding European tourism in the pre-pandemic context. Korinth and Wendt (2021) propose the use of the Perkal index to assess the impact of the pandemic on tourism in European countries. The proposed index allows to evaluate changes in a time series system and enables comparative analysis between territorial units.

Regional and country aspects of the COVID-19 impact on the tourism industry in Europe are of reasonable interest and are reflected in the work of a number of researchers. Sanabria-Díaz et al. (2021) explore the public strategies to rescue the tourism and hospitality sector in the context of the European Union. Grančay (2020) uses licensed tourist guides from Slovakia as a case study of how significant the financial impact of the crisis was and what effect it might have on the future competitiveness of the industry, as perceived by the tourist guides themselves. Nientie and Shutina (2021) discuss the current tourism conditions in Western Balkans and stresses the need for innovation and action-research to foster greener, more resilient and regional tourism in Western Balkans. Perić et al. (2021) examine the impact of Serbian tourists' risk perception on their intentions to travel during the COVID-19 pandemic with the control of socio-demographic characteristics. Mariolis et al. (2021) estimate the COVID-19 multiplier effects of tourism on gross domestic product (GDP), total employment, and trade balance of the Greek economy. Neise et al. (2021) analyse the impact of the COVID-19 crisis on owner's assessment of resilience in the German restaurant and bar industry and make recommendation for future research on the recovery and adaptability of the business sector. Boto-García (2022) explores a heterogeneous price response amid COVID-19 between professional and non-professional hosts in Barcelona. Pappasa and Glyptou examines the COVID-19 effect upon peoples' accommodation decisions in Greece. The study contributes towards the initiation of the theoretical discourse on the foundations of the exploration of tourists' accommodation choice triggers and dilemmas in times of pandemics. Tomčíková et al. (2021) focus on human resources management in relationship to organizational performance in global Covid-19 pandemic times, particularly in the tourism companies operating in the Slovak Republic. Kinczel and Müller (2022) focused on travel habits and leisure activities in the light of COVID-19 triggered changes of Hungarians living in two neighboring regions of Hungary and Romania. Volkmann et al. (2021) focus on assessing the main challenges of the tourism industry in Romania in autumn 2020 and identifying urgent measures to support the Romanian tourism sector. Researchers focus on the fact that The COVID-19 epidemic puts the EU tourism industry under unprecedented pressure. This resulted in the suspension of most domestic and international travel, significant reduction in revenue and liquidity problems for all tour operators.

MATERIALS AND METHODS

The study area

The world tourist space has a hierarchical structure in which macro-, mesoregions and separate countries are allocated. Four European geographic regions and European Union were chosen as the study area. It is important to notice that different international organizations which are an objective and reliable source of international tourism statistics needed for analysis offer their own spatial and territorial differentiation of European countries by tourist regions. The World Tourism Organization (UNWTO) divides Europe into 4 regions such as Northern Europe, Western Europe, Central/Eastern Europe, Southern Europe. In its turn The United Nations Conference on Trade and Development (UNCTAD) proposes the following division of Europe into geographical regions: Eastern Europe, Northern Europe, Southern Europe, Western Europe. Such inconsistency leads to a slight difference in the information provided, depending on the analyzed indicators.

Data

The study is focused on the analysis of defined data in the pre-coronavirus and post-coronavirus period. In the study, secondary data has been analyzed to identify the impact of COVID-19 on international trade in tourism services in Europe.

International tourist arrivals were analyzed based on the data presented by the World Tourism Organization.

The World Travel & Tourism Council acted as a source of “total contribution of travel and tourism to employment” and “total contribution of travel and tourism to GDP”. According Travel & Tourism Economic Impact Research Methodology (WTTC/Oxford Economics, 2021, p. 29) the total contribution of Travel & Tourism to GDP is made up as follows:

$$TT\&T\ GDP = DT\&T\ GDP + It\&T\ GDP + Id\&T\ GDP$$

Where TT&T GDP is total Travel & Tourism Gross Domestic Product (GDP), DT&T GDP is direct Travel & Tourism GDP, It&T GDP is indirect Travel & Tourism GDP, Id&T GDP is induced Travel & Tourism GDP. In its turn direct and indirect contribution of Travel & Tourism to GDP is made up as follows (WTTC/Oxford Economics, 2021, p. 29):

$$DT\&T\ GDP = IIT\&T\ GDP - PT\&T$$

Where IIT&T GDP is Internal Travel & Tourism Consumption (i.e. visitor spending, domestic resident Travel & Tourism expenditure and government individual Travel & Tourism spending), PT&T is purchases (including imports) by Travel & Tourism providers.

$$It\&T\ GDP = DSC + CI + GCS - IG$$

Where DSC is domestic supply chain, CI is capital investment, GCS is government collective spending, IG is imported goods meeting indirect spending. UNCTAD was the source of the following indicators: export of tourism services (US dollars at current prices), import of tourism services (US dollars at current prices), export of tourism services in percentage of total trade in services, import of tourism services in percentage of total trade in services. The statistics presented by UNCTAD are correspond to the concepts and definitions of the IMF Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6). According to the BPM6 “travel is an item of the goods and services account of the balance of payments: travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to other economies” (IMF, 2009).

Data analysis methods

To achieve the goal of the scientific research a quantitative research method is used. The literature review method allowed us to develop the theoretical basis and methodology of the study and identify issues that require further study. To identify what has been written on the topic being studied and synthesizes the extant literature the literature review was conducted by following subjects: 1) international trade in tourism services; 2) the impact of COVID-19 on European tourism. Retrospective analysis allowed to identify trends of international trade in tourism services in Europe, assess the total volume of export and import of tourism services by European regions and EU and the dynamics of its change. A time interval of 10 years (2011-2020) was chosen for the retrospective analysis. Statistical Analysis of secondary data allowed to assess the relationship between COVID-19 and quarantine restrictions and its economic impacts on international trade in tourism services in Europe.

Research questions

The research questions in this paper were formulated as follows:

1. How COVID-19 and quarantine restrictions affected the volume and dynamics of:
 - international tourist arrivals in Europe;
 - export of tourism services by European regions and EU;
 - import of tourism services in European regions and EU.
2. How has the share of export of tourism services by European regions and EU of total trade in services changed under the influence of COVID-19 and quarantine restrictions?
3. How has the share of import of tourism services by European regions and EU of total trade in services changed under the influence of COVID-19 and quarantine restrictions?

RESULTS AND DISCUSSION

International tourist arrivals in Europe

Europe has traditionally been the center of tourism development, on the basis of which the bulk of tourism demand is formed, tourism infrastructure is concentrated, world tourist flows are born and directed, major innovations in the field of tourism are generated, advanced standards for creating a tourism product and serving tourists are being created, which, as a result of the process of spatial diffusion extend to peripheral destinations and tourism markets. According to the UNWTO, Europe is the most visited region in the world with a strong tourism industry that creates a positive multiplier effect on related sectors of the economy. Over the period 2011-2019, international tourist arrivals in Europe increased by 230.6 million visitors (168.9%) and reached 475 million in 2019. The rapid decline in international tourist arrivals in 2020, caused by the pandemic and quarantine restrictions, has broken a long-term positive trend. In 2020, compared to 2019, the volume of international tourist arrivals in Europe decreased by 509.7 million visitors (68.25%) and amounted to 237.3 million visitors (UNWTO). A more detailed analysis of the European tourism market allows us to state that the most visited geographic region has been and remains Southern Europe. For the period 2011-2019 the increase in international tourist arrivals in Southern Europe was 62.57% (117 million people) and amounted to 304 million in 2019. Western Europe had 204.2 million international visitors in 2019, showing an increase of 26.4% compared to 2011. The most dynamic growth of 49.7% and 51.4 million occurred in Central/Eastern Europe, which showed an increase from 103.9 million visitors in 2011 to 155.3 million in 2019. Northern

Europe has traditionally been the region with the fewest international visitors, due in part to the smaller number of countries that make up the region and the high cost of travel and related services. The upward trend has not bypassed the EU, where international tourist arrivals increased, except for 2018, during 2011-2019 and in 2019 reached 524.2 million people (Figure 2).

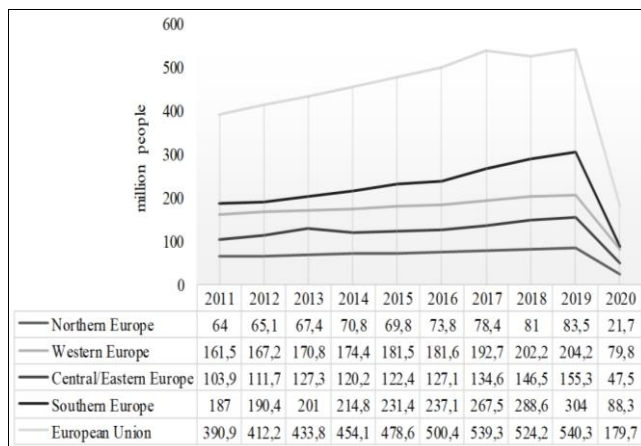


Figure 2. International tourist arrivals dynamics in Europe (Source: the authors' own study based on the data of the UNWTO)

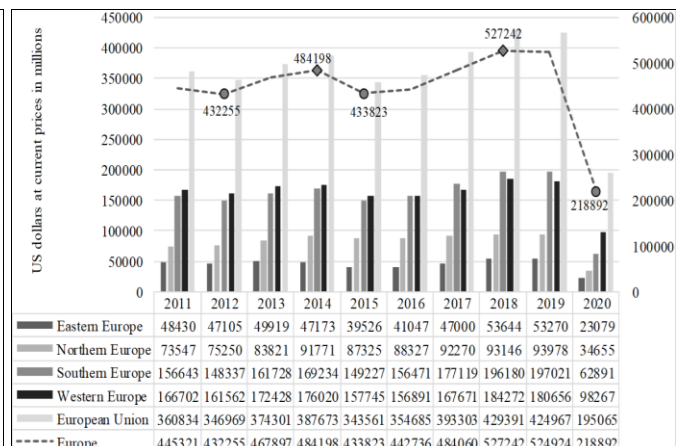


Figure 3. Export of tourism services by European regions and EU (trade partner – all world) (Source: the authors' own study based on the data of the UNCTAD)

2020 was reflected by a rapid decline in international tourist arrivals across all regions of Europe by an average of 68%. In physical terms, the number of international visitors by region decreased as follows: Northern Europe by 61.8 million people, Western Europe by 124.4 million people, Central/Eastern Europe by 107.8 million people, Southern Europe by 215.7 million people. International tourist arrivals in the EU decreased by 360.6 million visitors.

International trade in tourism services in Europe

International tourist arrivals have a direct impact on the performance of foreign trade in tourism services. This is especially true for the export indicator. Thus, the calculated correlation coefficient (r) revealed a tight direct relationship between international tourist arrivals and the export of tourist services in Europe for the period 2011-2020 and is equal to 0.9504. During the analyzed period (2011-2020) export of tourism services by Europe (trade partner – all world) had a ripple trend. Moreover, the peaks of exports fell in 2014 (484198 million US dollars at current prices) and 2018 (527242 million US dollars at current prices). However, the peak years were not identical for all European regions. Eastern Europe recorded the maximum export volumes for 2011-2020 in 2013 (49919 million US dollars at current prices) and in 2018 (53644 million US dollars at current prices). In Northern Europe, Southern Europe, Western Europe and the European Union, the first peak of exports occurred in 2014 and amounted to 91771 million US dollars, 169234 million US dollars, 387673 million US dollars, respectively. The second maximum value of exports of tourism services for Northern Europe and Southern Europe took place in 2019 and was equal to 93978 million US dollars and 197021 million US dollars. Western Europe and European Union showed the second peak of exports in 2018 with indicators of 184272 million US dollars and 429391 million US dollars (Figure 3).

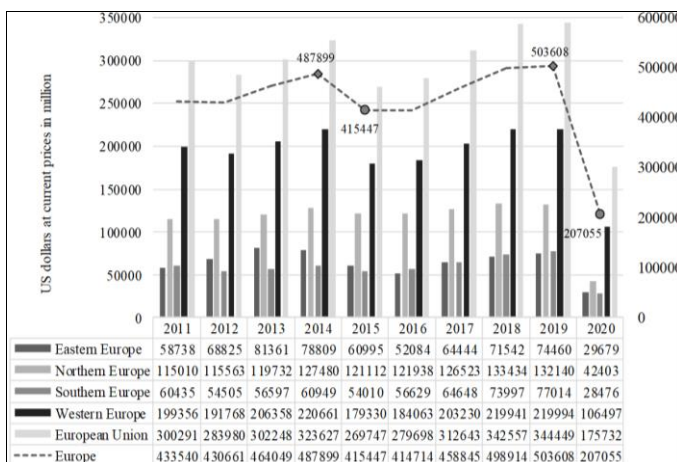


Figure 4. Import of tourism services in European regions and EU (trade partner – all world) (Source: the authors' own study based on the data of the UNCTAD)

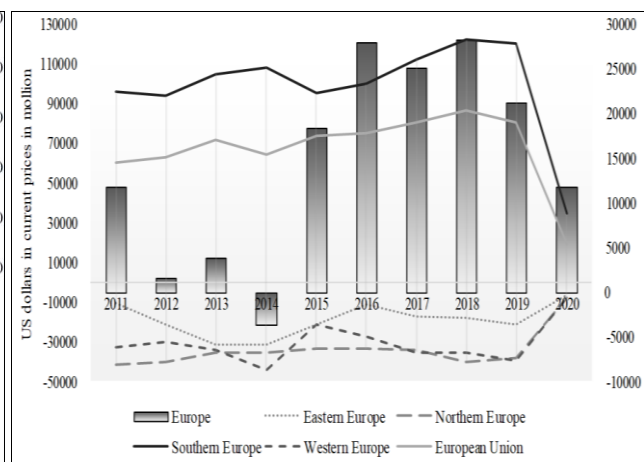


Figure 5. Trade balance of tourism services in European regions and EU (trade partner – all world) (Source: the authors' own study based on the data of the UNCTAD)

Pan-European declines in the export of tourist services for the analyzed period occurred in 2012, 2015 and 2020. The latter (the largest) is directly related to the COVID-19 pandemic and quarantine restrictions around the world, which led to a

significant reduction in international tourist arrivals to Europe and affected export volumes. Compared to 2019, in 2020 the export of tourist services in European regions decreased as follows: Eastern Europe at 56.6% (30191.0 million US dollars), Northern Europe at 63.1% (59322.9 million US dollars), Southern Europe at 68.0% (134129.9 million US dollars), Western Europe at 45.6% (82388.5 million US dollars) and European Union at 54.0% (229901.7 million US dollars). Similar to the export trend, the dynamics of imports of tourism services in the European region has a wavy trend. The peak of imports (consumption of foreign tourist services) in Europe was in 2014 and 2019 and was equal to 487899 and 503608 million US dollars, respectively. In the regional context, the situation regarding peaks in export volumes differs in Eastern Europe and Northern Europe, which are out of the general trend. Thus, Eastern Europe had its first peak, in contrast to the general European trend, in 2013, while Northern Europe had its second peak in 2018, a year ahead of European. Imports of tourism services from other regions reached their largest volumes in 2014 and 2019 (Southern Europe – 60949 and 77014 million US dollars; Western Europe – 220661 and 219994 million US dollars; European Union – 323627 and 344449 million US dollars (Figure 4).

The sharp drop in both exports and imports of tourism services in Europe in 2015 was influenced by global trends, including: unusually strong exchange rate fluctuations, the decline in the price of oil and other commodities, and increased global concern about safety and security (UNWTO, 2016). In 2015, compared to 2014, imports of tourist services decreased in Eastern Europe by 22.6%, in Northern Europe by 4.9%, in Southern Europe by 11.3%, in Western Europe by 18.7% and in European Union at 16.6%. But an unprecedented reduction in imports of tourist services in all regions of Europe occurred in 2020 following an unprecedented health, social and economic emergency, travel restrictions and a massive drop in demand amid the outbreak of the COVID-19 pandemic. In Europe as a whole, imports decreased by 49% and reached 175732.3 million US dollars, in Eastern Europe by 60.1%, in Northern Europe by 67.9%, in Southern Europe by 63%, in Western Europe by 51.6%. The key indicator of foreign trade in tourism services is the balance of foreign trade - the difference between financial receipts (as payment for tourism services provided by national producers) and expenditures (as payment for tourism services received by resident consumers from foreign manufacturers) for a certain period of time. An excess of cash receipts indicates a positive balance, an excess of costs indicates a negative balance. Analysis of export-import flows of tourism services in Europe in 2011-2020 indicates the presence of a positive trade balance, with the exception of 2014, when imports of tourism services exceeded exports by 3701.21 million US dollars and the trade balance was passive.

The largest surplus was observed in 2018 and amounted to 28,327.72 million US dollars. In the current study, the interest is to compare the trade balance in Europe in 2019 and 2020 in order to determine the impact of COVID-19 and quarantine restrictions on the overall trend. Despite the decline in the value and volume of exports, the trade balance remained positive in 2020, reducing from 21316.2 million US dollars in 2019 to 11836.28 million US dollars in 2020. Southern Europe and European Union traditionally have a positive trade balance. For the period 2011-2020 the lower limit of the trade balance of Southern Europe was 93832.03 million US dollars in 2012, the upper limit was 122182.9 million US dollars in 2018. The pre-coronavirus trade balance of the European Union reached its minimum in 2011 (60,543.2 million US dollars) and the consolidation of the upward trend in 2018 - 86,834.6 million US dollars. The minimization of demand for tourism services in European countries from external consumers and the simultaneous reduction in the demand of European citizens for foreign tourism products in 2020 led to a sharp reduction in both exports and imports, which led to a decrease in foreign trade volumes and trade balance volumes. At the same time, the trade balance remained active (Figure 5).

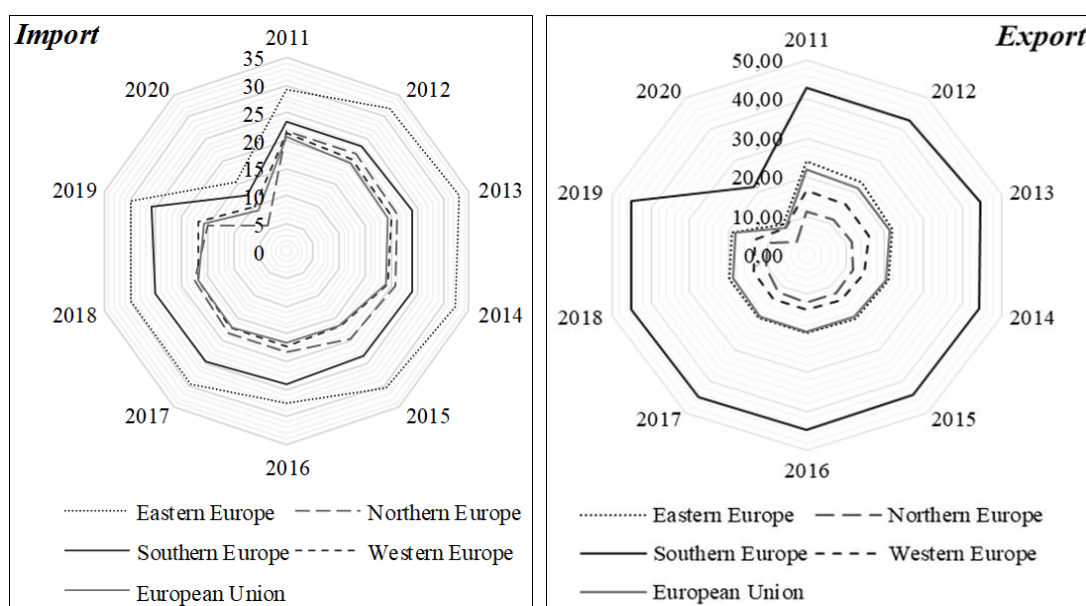


Figure 6. Import / export of tourism services by European regions and EU in percentage of total trade in services (trade partner – all world) (Source: the authors' own study based on the data of the UNCTAD)

Eastern Europe, Western Europe and Northern Europe traditionally have a passive trade balance. A significant role in the formation of the deficit was played by the prevailing outbound flows of tourists and travelers over the inbound ones. The maximum passive trade balance for the period 2011-2020 for the regions under consideration was observed in 2014 for

Western Europe (-44641.8 million US dollars) and Eastern Europe (-31636.1 million US dollars) and in 2012 for Northern Europe (-40312/4 million US dollars). Negative trade balance of Eastern Europe in 2014 was mostly the result of a sharp drop in arrivals to Ukraine (-48%) due to the ongoing conflict. 2020 caused a decrease in outbound tourist flows and the maximum reduction of the trade deficit in the analyzed regions and amounted to -7748.4 million US dollars in Northern Europe, -6600.5 million US dollars in Eastern Europe and -8229.8 million US dollars in Western Europe. An additional indicator that allows assessing the importance and role of the tourism sector in shaping the total volume of foreign trade in services is import / export of tourism services by European regions and EU in percentage of total trade in services. In the regional context, the largest share of imports of tourism services of total trade in services falls on Eastern Europe, and excluding 2020, the average for 2011-2019 was 30.4%. In other regions of Europe the average share of imports of tourism services of total trade in services for the analyzed period was 19.3% in Northern Europe, 24.3% in Southern Europe, 18.4% in Western Europe and 17.9% in European Union. In 2020 import share of tourism services of total trade in services experienced a significant reduction across all regions of Europe and decreased to 15.5% in Eastern Europe, 5.8% in Northern Europe, 12.5% in Southern Europe, 9.8% in Western Europe and 8.9% in European Union. The largest reduction occurred in Northern Europe – 2.5 times (Figure 6). According to official UNCTAD statistics, the region of Europe with the largest share of export of tourism services of total trade in services is Southern Europe, which on average for 2011-2019 was 44.3%. Next, by a wide margin, are Eastern Europe – 20.1% avg, European Union – 20.1% avg, Western Europe – 14.6% avg and Northern Europe – 11.3% avg. 2020 was marked by a significant reduction in the share of exports of tourism services of total trade in services in all tourist destinations in Europe, which reached 9.87% in Eastern Europe, 4.12% in Northern Europe, 21.81% in Southern Europe, 8, 55% in Western Europe and 8.62% in the European Union.

CONCLUSION

The study made it possible to answer the research questions and identify the following trends specific to international trade in tourism services in Europe throughout 2011-2020 and their change under the influence of COVID-19 and quarantine restrictions:

1) a steady increase in international tourist arrivals and an uptrend across all regions of Europe and their rapid decline in 2020, caused by the COVID-19 pandemic and quarantine restrictions;

2) an undulating trend in tourism exports in Europe in general, and European regions in particular, characterized by regional differentiation in years of high and low extremes and an unprecedented decline in exports in 2020, caused by a significant reduction in international tourist arrivals to Europe as a result of the COVID-19 pandemic and quarantine restrictions;

3) alternation of peaks and troughs in the volume of imports of tourism services in Europe and a reversal of the main upward downward trend in all regions of Europe in 2020 following an unprecedented health, social and economic emergency, travel restrictions and a massive drop in demand amid the outbreak of the COVID-19 pandemic;

4) trade surplus in Europe excluding 2014, sustained trade surplus in Southern Europe and European Union along with the trade deficit in Eastern Europe, Western Europe and Northern Europe. Differentiation of the response of European regions to the challenges of 2020 - regions with a passive trade balance showed a reduction in the deficit, while regions with an active trade balance, on the contrary, reduced its surplus;

5) differentiation of the share of import/export of tourism services of total trade in services by regions of Europe with a gradual upward trend and a rapid downward trend break in 2020 as a result of the inertia of the tourism industry as a tool to stimulate the economy under the influence of COVID-19 and quarantine restrictions.

Limitations and Directions for future research

The limitations of the study are primarily due to the lack of a complete set of reliable statistics for 2021, which is important for monitoring the European tourism industry in the second year of quarantine restrictions. An estimate of the foreign trade in tourism services in Europe, taking into account the data of 2021, may change certain trends, as “the relaxation of travel restrictions to vaccinated travelers, coupled with progress made in the roll-out of COVID-19 vaccines, contributed to ease travel restrictions, lift consumer confidence and gradually restore safe mobility in Europe and other parts of the world” (UNWTO, 2021). In addition to the above limitation it is important to notice that different international organizations which are an objective and reliable source of international tourism statistics needed for analysis offer their own spatial and territorial differentiation of European countries by geographic regions. Given the existing limitations, the prospect for further research is to analyze the impact of the second year of COVID-19 on international trade in tourism services in Europe, as well as to study the trends and pace of recovery of the industry in the post-coronavirus period.

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