



Tourism Sector in the Crisis: An Evidence of Slovak Travel Agency Satur and Tourism Industry Practitioners from New York

Yuanxin Li¹ 
Darina Saxunová² 

Received: November 22, 2021

Revised: April 23, 2022

Accepted: May 12, 2022

Keywords:

Tourism business;
COVID-19;
Slovakia;
Revenue decline;
Tourism recovery;
Flexible measurements
against crisis;
Satur;
New York



Creative Commons Non-Commercial CC BY-NC: This chapter is distributed under the terms of the Creative Commons Attribution-Non-Commercial 4.0 License (<https://creativecommons.org/licenses/by-nc/4.0/>) which permits non-commercial use, reproduction and distribution of the work without further permission.

Abstract: The tourism industry together with related industries have been attracting researchers' focus since the outbreak of the COVID-19 crisis due to the immense pandemic impact on this sector. The objective of this chapter is to analyze the overall influence of the pandemic and post-pandemic period on the global tourism sector and the related industries in Slovakia. The authors have selected the example of a Slovak travel agency and investigated its financial performance during the time of the Covid-19 crisis, which experiences an extreme decline in total revenues. Besides, the authors consider an empirical example from a tourism practitioner in New York, who behaves actively and experiences a successful exchange against the shock of the crisis. The favorable news of recovery slowly appearing was the inspiration for the scientific paper which in the end makes suggestions and formulates potential expectations of the future sustainable development of the tourism industry.

1. INTRODUCTION

Tourism as a cross-sectional type of industry belongs to the tertiary sector or service sector as the third of the three economic sectors of the three-sector theory. Due to its significance, it is also an industry of public interest. Tourism is a powerful engine of global economic development since its achievements were observed in the two first decades of the twenty-first century. Its growing performance experienced an incredible shock after an astonishing period of the last half of the twentieth century. (Saxunova, LeRoux, 2019). The outbreak of the Covid-19 epidemic has had a serious impact on the global economy, and the tourism sector can be regarded as bearing the brunt.

Visa restrictions, flight suspensions, border closures, social distancing, and other measures have brought the global tourism industry into a state of almost complete shutdown. Tourism-related service industries such as airlines, travel agencies, hotels, and attractions have entered an unprecedented period of the Great Depression. As a result, the livelihoods of millions of tourism workers have been severely affected (UNWTO, 2020). The hoteliers could attract only entrepreneurs and business individuals leading to a significant decline in the selling rate (Chalupa, Chadt & Jenckova, 2021). In addition, the economy in 2020 experienced a significant slowdown worldwide and so did Slovakia compared to previous years. The main reason for

¹ Faculty of Management, Comenius University in Bratislava, Odbojárov 10, Bratislava, Slovakia

² Faculty of Management, Comenius University in Bratislava, Odbojárov 10, Bratislava, Slovakia

travel restrictions or numerous lockdowns was that the spreading pandemic of COVID-19 has prevented tourism activities at home and abroad.

The social distancing, quarantine (both mandatory and voluntary), as well as lockdowns, proved to be one of the world's most psychological and economic experiments where the most developed, as well as the developing economies have been put to the ultimate test (Muruga, 2022). The knock-on effects of this pandemic on different countries and territories have been devastating, especially in terms of human suffering, deaths, and lost jobs. Furthermore, the pandemic has resulted in pushing many countries into recessions. The entire problematics of tourism comprises a broad scale of activities and the vast majority of them were drastically affected. Regarding the Covid-19 pandemic's influence on tourism - usually destination managers, including hotel, shop owners and managers, who always, when planning a new season, hope to match their expectations and values to those of the tourists' ones visiting their targeted places. The managers' effort was aimed at making their clients satisfied (Suhud, Utami & Candra, 2021), but in the COVID-19 era, they were facing no expectations because of spreading lockdowns and various restrictions. To contain the spread of the virus and reduce the burden on healthcare systems, governments around the world implemented travel and public gathering restrictions, bans, lockdowns, and quarantines that have affected lately more than 90% of the global population (Gössling et al., 2020).

COVID-19 could ultimately be responsible for a decline of between 20% and 30% in international tourist arrivals, totaling US\$300-450bn in losses. This is even worse than the impact of SARS in 2003 (UNWTO, 2020).

Individual lifestyles will have to modify as a result of the COVID-19 pandemic, with changing cultures, values, and traditions. New forms of tourism including slow tourism and smart tourism may also drive future tourism activities. Such changes are likely to force businesses to reconsider their service designs and distribution channels. (Wen et al., 2021).

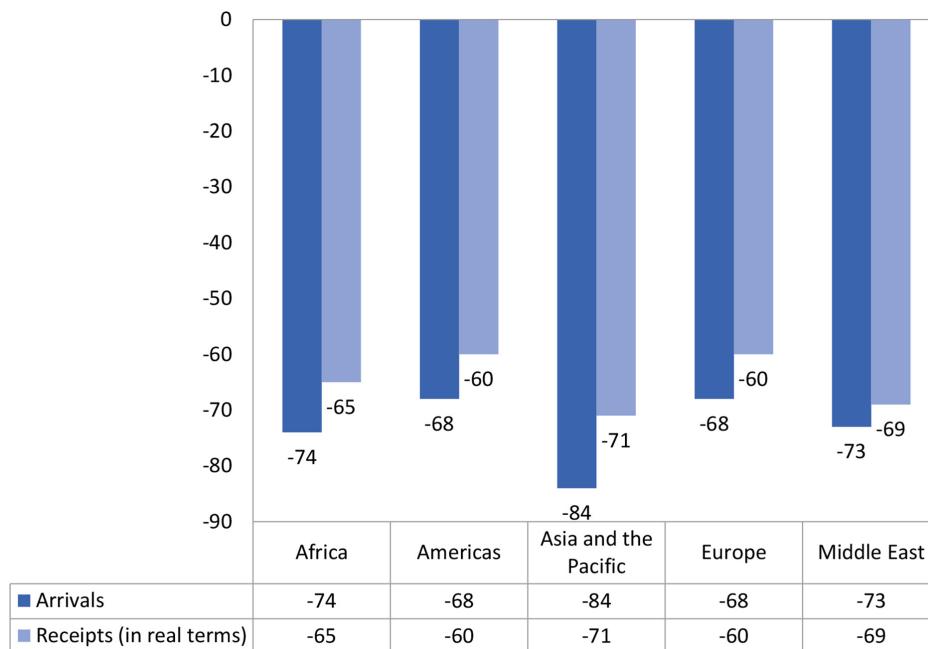


Figure 1. Change by region of international tourist arrivals & tourism receipts in 2020

Source: Elaborated by authors based on the source (World Tourism Organization, 2022)

The overall international tourist arrivals in 2020 were 402 million, representing a -73% change compared with the previous year, and the international tourism receipts were 533 billion dollars, representing a -64% decrease in real terms than the one in 2019. The change by region is illustrated in Figure 1, which shows that each region experienced a great loss in both of the indicators, especially the Asia and the Pacific.

Another example of indicating the shock of the pandemic to the tourism sector is the tourism expenditure. The international tourism expenditure was growing steadily year by year and reached 1,391 billion dollars in 2019. However, a similar depression appeared after the outbreak of Covid-19 in 2020 leading to the expenditure change by region over the previous year (2019) as shown in Figure 2.

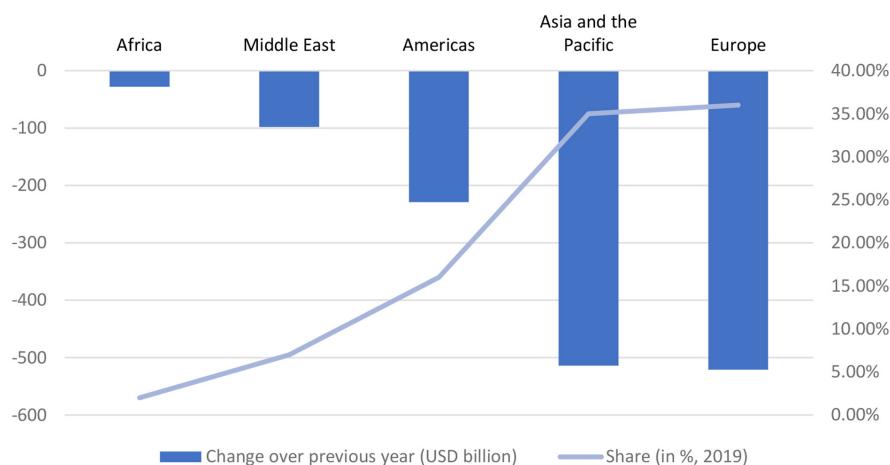


Figure 2. Change by region of international tourist arrivals & tourism receipts in 2020

Source: Elaborated by authors based on the source (World Tourism Organization, 2022)

This chapter aims to provide an overview of the performance of the global tourism sector, and in Slovakia, under the shock of the COVID-19 crisis. Our research is based on desk research, which is mainly conducted utilizing secondary data from various sources. Our research sample includes data from the reports from the United Nations, World Travel & Tourism Council, the World Tourism Organization and the „Survey on domestic and outbound tourism“ made by the Statistical Office of the Republic of Slovakia (further abbreviated SUSR) in 2021. The scientific study comprises the content divided into seven sections: an introduction, the overall assessment of the tourism sector position in the time of crisis, the performance of the tourism sector in Slovakia, flexible measurements applied from a Slovak travel agency- Satur in order to fight against the COVID-19 epidemic, an empirical transformation example from one of travel industry practitioners from New York, expectations of the future recovery and development of sustainable and resilient tourism sector (future research directions), finalizing at the end of the scientific study with proposals of several strategic thinking ideas how to recover tourism sector.

2. THE OVERALL SITUATION OF THE TOURISM SECTOR IN A TIME OF CRISIS

The COVID-19 pandemic crisis originated in December 2019 in Wuhan, China, when on January 20th, 2020, the WHO reported the first outbreak. Due to strong measures taken by the Chinese government, most of the rest of the world seemed to be convinced that the problem would stay concentrated in China. As noted in the Global Risk Report (WEF, 2020), pandemics were considered to be quite unlikely (Ramelli & Wagner, 2020).

Health policies were implemented to prevent hospitals from being overwhelmed. In the tourism sector, especially in hospitality and transportation, the impact of such policies was dramatic and immediate. According to the August–September issue of the World Tourism Barometer (UNWTO, 2020a), international tourist arrivals saw a decline of 65% during the first half of 2020 compared to the same period of the previous year, with arrivals in June down by 93%. Northeast Asia and southern Mediterranean Europe suffered the largest declines, reporting drops of 83% and 72%, respectively. According to this issue, the plunge in international demand was expected to be close to 70% for the entire year of 2020, especially as some destinations reintroduced restrictions on travel due to the second wave of infections and expected that a return to 2019-level tourist arrivals would take up to 4 years. Similarly, the WTTC predicted a 73% reduction in international arrivals for 2020 in its worst-case scenario considering a second wave of the contagion (WTTC, 2020b).

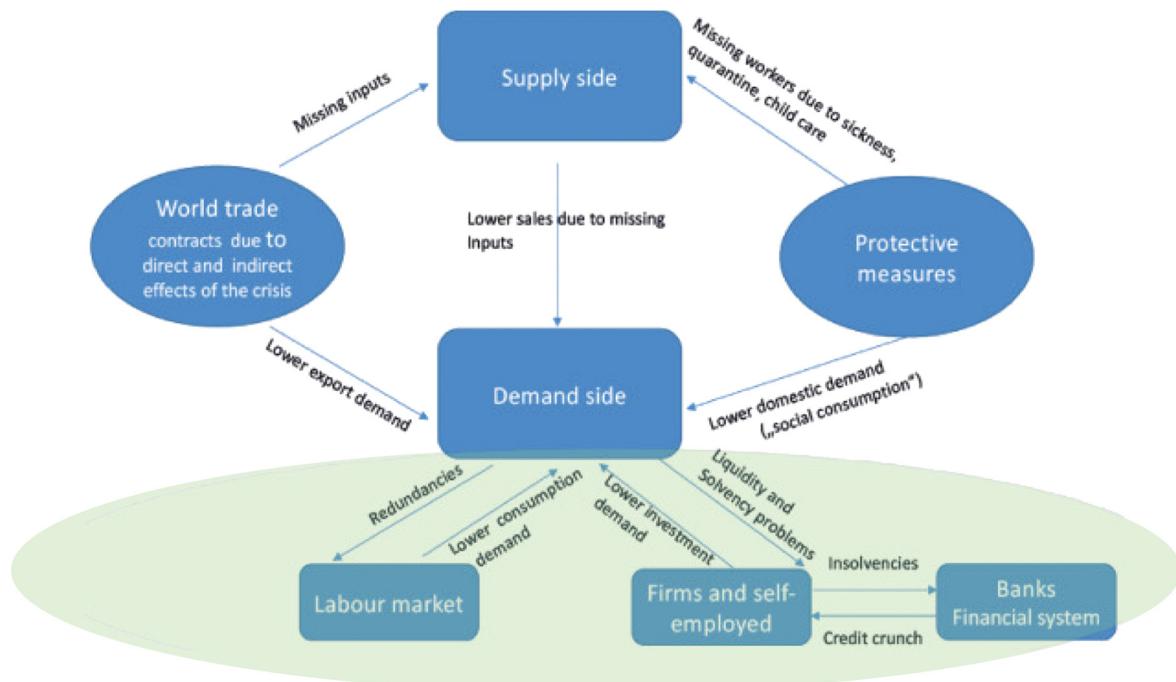


Figure 3. Effects of COVID-19 on aggregate supply and demand

Source: (Bofinger et. al., 2020); (Arbulú et. al., 2021)

Referring to Figure 3, the authors analyze the effects of COVID-19 on aggregate supply and aggregate demand. Shortly after the dramatic health consequences emerged, the economic implications began to be analyzed (Baldwin & Weder di Mauro, 2020; Bofinger et al., 2020). Initially, most analyses focused on the supply consequences of the lack of intermediate inputs produced by China for world manufacturers. This condition has produced a contraction in world trade (Gopinath, 2020) since the COVID-19 outbreak. Shortly after the Covid-19 outbreak, as a consequence of many workers falling ill and of the policies to mitigate the spread of the virus (e.g., school closings, quarantines, border closures), the number of workers drastically decreased, thus causing another supply shock. We also have to consider the demand shock caused by the decrease in consumption as a result of the decline in income and lower export demand. This plunge in demand will lead to job losses that will lead to another drop in consumption. Furthermore, companies and self-employed people have reduced their investment demand and faced liquidity and solvency problems. Finally, this situation will have negative effects on the financial system (Bofinger et al., 2020).

According to Turner II et al. (2003) definition, tourism vulnerability is used to measure the degree to which a destination is likely to experience harm due to its accidental exposure to risk. In this respect, COVID-19 has raised questions about a change in the perception of tourism growth. Former studies used to favor expansion (both in quantitative and qualitative terms), driven by the current globalization processes.

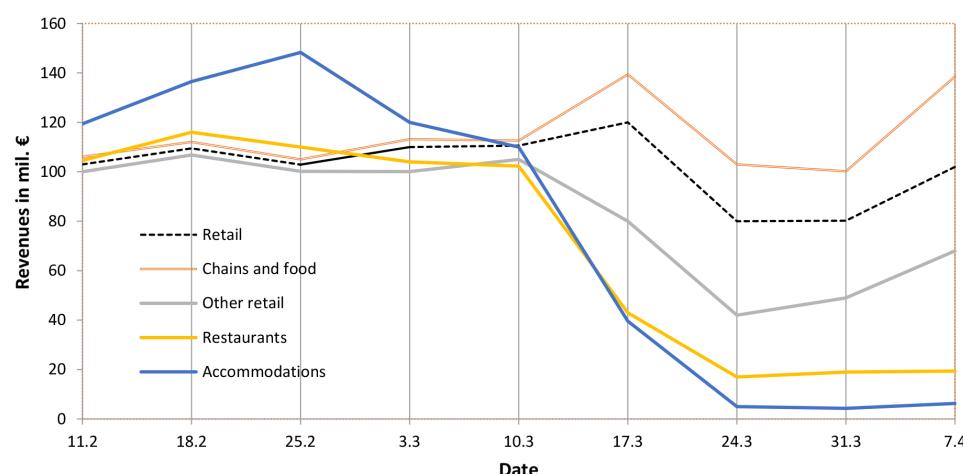
3. THE PERFORMANCE OF THE TOURISM SECTOR IN SLOVAKIA

On February 27, 2020, due to the outbreak of the COVID-19 pandemic in Europe, a Central Crisis Staff Committee was established by the Ministry of Health of the Slovak Republic under the leadership of the Minister of the Interior of the Slovak Republic and with the participation of the Chief Hygienist, representatives of the Ministry of Health, the Ministry of Defense, the Ministry of Transport, the Ministry of Foreign Affairs and European Affairs and the Ministry of Finance of the SR.

Thus, on March 6, 2020, following the confirmation of the first case of COVID-19 in Slovakia, the Central Crisis Staff Committee decided on the following measures:

- Prohibition of all arrivals and departures from Italy from Monday, March 9, 2020 and the continuation of passenger temperature measurements at the airports in Bratislava (the capital city), Košice and Poprad.
- Prohibition of visits to all hospitals, prisons, social services homes and children's homes.
- Recommendation of the public to consider participation in mass events - sports, cultural events, discos, etc.

On March 10, 2020, the Central Crisis Staff Committee continued banning the organization of sports, cultural and public events in Slovakia for 14 days. "Mass events of a sporting, cultural, social or other nature" included theatrical, film, audiovisual performances, exhibitions, concerts, discos, sporting events, holy masses, balls, weddings and other mass events. Persons returning from Italy China, Iran and South Korea were ordered to remain in quarantine with their family members living in the same household. The response to the measurements introduced, the economy of tourism and related industries in Slovakia have experienced a huge crash since that time as shown in Graph 1.



Graph 1. The revenues of hotels and restaurants that are affected the most after the outbreak of the pandemic (7-day average sales, 100- 5.2.2020)

Source: Elaborated by authors based on the source: (eKasa, FSSR, IFP)

The revenues of hotels and restaurants have declined sharply since March 14, 2020, when shopping malls were required to be closed, except for pharmacies, groceries and drugstores. Regarding the economic data on the development of the Slovak economy from March 2020 till now, collected by the Statistical Office of the Slovak Republic, it can be stated that the pandemic will significantly affect the development of the economy in the coming years.

Table 1. Number of trips and overnights (domestic and outbound) in Slovakia in 2019 - 2020

| | | 2019 | 2020 |
|-----------------------|-----------------------------------|----------------|---------------|
| Domestic trips | Number of trips | 2,406,178.000 | 1,168,896.000 |
| | Number of overnight stays | 17,344,977.000 | 9,444,983.000 |
| | Average number of overnight stays | 7.200 | 8.100 |
| | Number of trips | 5,249,407.000 | 2,993,088.000 |
| | Number of overnight stays | 11,230,593.000 | 6,361,716.000 |
| | Average number of overnight stays | 2.100 | 2.100 |
| Outbound trips | Number of trips | 2,909,859.000 | 477,469.000 |
| | Number of overnight stays | 24,117,293.000 | 3,690,102.000 |
| | Average number of overnight stays | 8.300 | 7.700 |
| | Number of trips | 1,487,940.000 | 355,323.000 |
| | Number of overnight stays | 3,391,020.000 | 841,562.000 |
| | Average number of overnight stays | 2.300 | 2.400 |

Source: Elaborated by authors based on the source: (SUSR, 2020)

The forecast assumed that the economy would recover at the end of 2020. The forecast of the Ministry of Finance of the Slovak Republic (MFSR) and the main economic indicators are shown in Table 2, and the assumption is set up under the scenario that it will be necessary to introduce more lenient measures to manage it compared to the end of 2020.

Table 2. Prognosis of MFSR - Key indicators of the economy (2020 - 2024)

| Indicator | Prognosis | | | | |
|---------------------------------|-----------|---------|---------|---------|---------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Gross domestic product | | | | | |
| GDP, s.c. in % | -4.8 | 3.7 | 4.2 | 5.0 | 0.7 |
| GDP, b.c. in bil. € | 91.6 | 96.9 | 104.9 | 113.2 | 116.5 |
| Private consumption, s. c. in % | -1.0 | 0.2 | 2.4 | 3.6 | 3.9 |
| Private consumption, b.c. in % | 1.1 | 2.5 | 6.9 | 6.8 | 5.6 |
| Government consumption in % | 0.3 | 4.9 | 4.1 | 1.8 | -0.4 |
| Fixed investments in % | -12.0 | -0.3 | 16.7 | 15.2 | -12.2 |
| Export of goods and services | -7.5 | 10.5 | 3.1 | 6.0 | 4.0 |
| Import of goods and services | -8.3 | 10.9 | 3.9 | 6.5 | 2.4 |
| Labor market | | | | | |
| Employment (state reporting) | -1.8 | -0.8 | 0.6 | 1.0 | 0.4 |
| Wages, nominal / real | 3.8/1.8 | 5.4/2.8 | 5.5/1.3 | 5.1/1.9 | 4.8/3.2 |
| Unemployment rate | 6.7 | 7.0 | 6.7 | 5.7 | 5.2 |
| Inflation | | | | | |
| CPI | 1.9 | 2.5 | 4.2 | 3.1 | 1.5 |

Source: Dujava et. al, 2021.

This situation affected the “Survey on domestic and outbound tourism” carried out in households based on a representative sample of the respondents older than 15 years old from the point of a significant slowdown in tourism and also to the difficulties in implementation of the survey in households. Outcomes of the survey bring us information about the number of residents, who actively participated in tourism, as well as information about the destination and length of their trips or division by age groups of tourism participants.

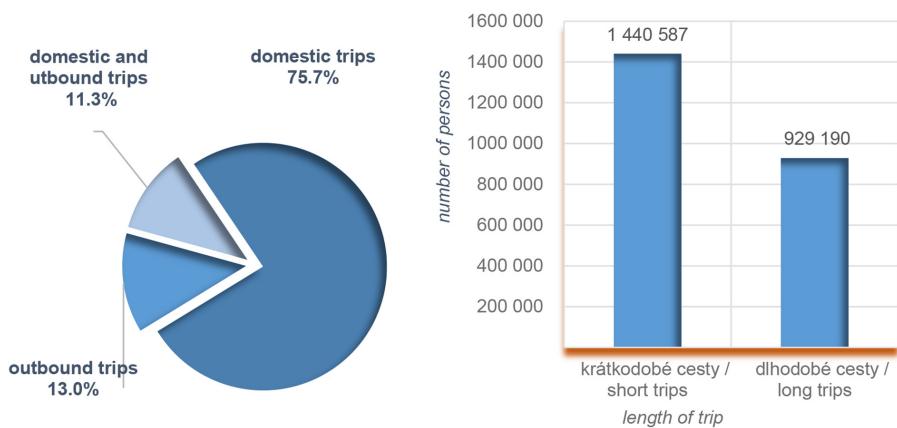


Figure 4. Participation in tourism by destination and length of the trip in Slovakia in 2020

Source: Elaborated by authors based on the source: (SUSR, 2020)

In Figure 4, the authors summarize that in 2020 respondents preferred: a) travelling in Slovakia -75,7% of domestic trips (on the left) and b) short trips to long trips (on the right).

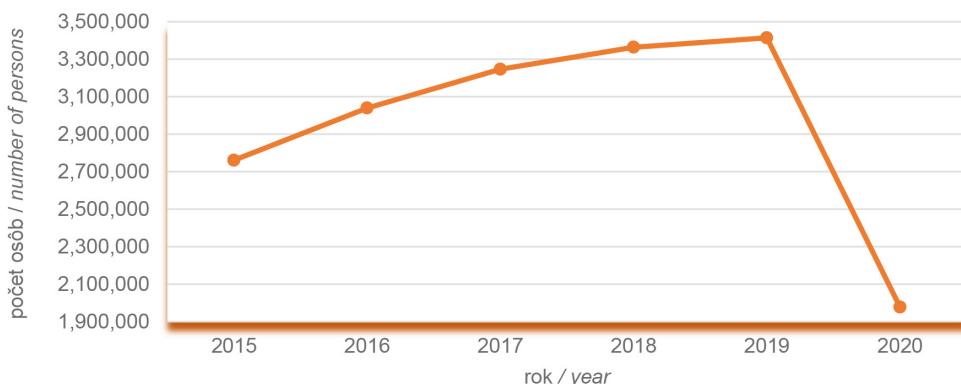


Figure 5. Participation in tourism by destination and length of the trip in Slovakia in 2020

Source: Elaborated by authors based on the source: (SUSR, 2020)

4. FLEXIBLE MEASUREMENTS APPLIED FROM A SLOVAK TRAVEL AGENCY – SATUR AIMED TO FIGHT AGAINST THE COVID-19 EPIDEMIC

Satur is the largest travel agency in Slovakia with a turnover of almost EUR 70 million, 150 employees and the widest network of 44 branches. It offers a wide portfolio of products in the form of 8 product lines (Summer, Family, Exploring the World, Winter, Wellness, Exotics, Cruises and Exclusive by Satur). With the arrival of 2020, Satur also changes its slogan to “Satur IS HOLIDAY” attempting to keep attracting the customers.

However, as a typical example of a Slovak company in the tourism sector, Satur has experienced a huge loss in 2020 - a decline of 454% compared to the previous year. The annual liabilities to assets (L/A) ratio reached 95.49% (10.5% higher than in 2019).

Key indicators of Satur from its financial reports are listed in Table 3 and evaluated. The bad news is from the two credit scoring, which the Altman Z-score (an international scoring model, considered as the output of a credit-strength test that gauges a publicly traded manufacturing company's likelihood of bankruptcy) suggested 0.48 in 2020, meaning that the company faces a very high risk of bankruptcy. Moreover, another score- Index 05, which is a Czech bankruptcy

and bonity index for company efficiency valuation was applied. In comparison with Altman Z-score, it is considered to be a young model developed in 2005. The same as Altman Z-score, this model classifies the companies into three different levels based on the probability of bankruptcy. The final value of the scoring model is calculated by financial ratios, each multiplied by a different coefficient based on the importance of individual financial ratios. This score results in 0.03 in 2020, compared to 57.21 in 2019 (a very financially stable), highlights and warns before the high bankruptcy risk for the company. The demonstrated data implies what an upsetting depression the company has experienced during the pandemic period and the post-pandemic period which may require a long time for the whole industry to recover. The travel agency Satur has taken active measures to fight against the pandemic crisis and attempted to keep its customers. Those effective policies include:

- 1) **Project „Satur Flexi Winter 2021/2022“.** This project aims to provide customers with more flexibility and guarantee. The specific advantages of this project are illustrated in Table 4.
- 2) **Satur considers the reasonable insurance policies as the additional services.** Satur offers the option of purchasing comprehensive travel insurance, including Covid insurance from the European Travel Insurance Company for purchased stays and tours. In the meantime, Satur offers advantageous PCR testing and testing management through its partners throughout Slovakia. The price of the service includes confirmation in English, which is more convenient for customers around the world.
- 3) **Coronavirus spread map.** Satur prepared a quick and concise overview of the entry conditions into individual countries. Detailed information about entry conditions and conditions of return to Slovakia can be found on the Covid map when a customer clicks on the country on the map or enter it in the search box on the right of their website. This map also marks the countries and regions in different colors - Green for the safe countries, where the negative test is not required, and Red for those risky countries, from which the obligation to prove a negative PCR test result upon arrival at the Slovak airport applies and the Blue color is for the country that customer can travel to. Satur offers residential and sightseeing tours.
- 4) **Regularly update the latest epidemic policy and reminders.** Help customers find the safest destinations and trips by providing information in fast and efficient access. Earning money through saving customers' time.
- 5) **Cheaper offers and easier registration for the refund.** From August 31, customers can request a refund for the missed trips. To keep them in the process as little as possible, Satur has prepared a simple online form, which helps customers request a refund in the comfort of their own homes. Customers even don't have to sign anything, go anywhere, or even make a phone call. Everything, including the payment of the funds, will be done electronically.

Table 3. Key financial indicators of Satur in 2020 compared with 2019

| Indicator | 2019 | 2020 | Change |
|-----------------------------------------------------------|-------------|----------------|-------------------|
| Net turnover, Operating income, Sales, Profit/Loss | | | A year decline by |
| Sales excluding inventory and capitalization (in mil. €) | 67.328 | 10.008 | 85.14% |
| Operating income (in mil. €) | 68.496 | 11.100 | 83.79% |
| Net turnover (in mil. €) | 67.328 | 10.008 | 85.14% |
| EBITDA (in €) | 403,767.000 | -1,314,692.000 | 425.61% |
| Profit/Loss after taxes (in €) | 392,070.000 | -1,388,043.000 | 454.03% |
| Return | | | A decline by |
| ROE (return on equity) | 18.18% | -180.5% | 198.68 |
| ROA (return on assets) | 2.48% | -8.15% | 10.63 |
| ROIC (return on invested capital) | 18.18% | -180.5% | 198.68 |
| Resource efficiency ratio | | | Longer by |

| | | | |
|--------------------------------------|-------------------|-------------|-------------|
| Asset turnover days | 85.83 days | 621.23 days | 535.40 days |
| Inventory turnover days | 0.01 days | 0.03 days | 0.02 days |
| Days total receivables outstanding | 32.38 days | 353.29 days | 320.91 days |
| Days short-term payables outstanding | 76.17 days | 526.5 days | 450.33 days |
| Margins | A decline by | | |
| EBITDA margin | 0.6% | -13.14% | 13.74 |
| Gross margin | 3.67% | -6.62% | 10.29 |
| Net profit margin | 0.58% | -13.87 | 14.45 |
| Operating margin | 0.37% | -14.36% | 14.73 |
| Liquidity ratios | A decline by in % | | |
| Cash ratio | 0.390 | 0.360 | 7.692 |
| Quick ratio | 1.130 | 1.030 | 8.850 |
| Current ratio | 1.130 | 1.030 | 8.850 |
| Liabilities to assets | A decline by | | |
| Liabilities to assets | 86.38% | 95.49% | 9.11 |
| Non-current liabilities to assets | 0.05% | 0.04% | 0.01 |
| Current liabilities to assets | 85.5% | 90.36% | 4.86 |
| Credit scoring | A decline by in% | | |
| Altman Z-score | 4.560 | 0.480 | 89.474 |
| Index 05 | 57.210 | 0.030 | 99.948 |

Source: Elaborated by authors based on the source: (Annual report of Satur, 2020).

Table 4. Advantages of project “Satur Flexi Winter 2021/22”

| Provision | Price | Stay in Slovakia | Sightseeing tours | Exotic trips | Skiing |
|---------------------------------------|-----------------------------------------------------------|------------------|-------------------|--------------|--------|
| 100% guarantee of return money | Free of charge | √ | √ | √ | √ |
| Free cancellation | | √ | x | √/x | √ |
| Free change of destination | | x | √ | √ | √ |
| Free change of name | | √ | x | √/x | √ |
| Half deposit | | √ | √ | √ | √ |
| Additional services | | | | | |
| Comprehensive travel insurance | According to the price of European Travel insurance (ECP) | √ | √ | √ | √ |
| COVID insurance | According to the price of European Travel insurance (ECP) | √ | √ | √ | √ |
| Test management | €49/ person | √ | √ | √ | √ |

Source: Elaborated by authors based on the source: (Pricelists of Satur, 2020).

5. AN EMPIRICAL TRANSFORMATION – MINI-CASE STUDY OF TRAVEL INDUSTRY NEW YORKERS’ PRACTITIONERS

New York is a popular tourist capital of the world, but it has become the hardest-hit area by the global pandemic. In this section, the authors choose an interview conducted by The United Nations News with a Chinese tourism industry practitioner in New York over the phone. From this interview, readers can get a glimpse of the impact of the Covid pandemic on the tourism industry in New York and the impact on the livelihoods of other tourism practitioners.

The company is called Times International Travel Agency (TITA) and was established in 2013. At present, 10 full-time employees work there. Every year in the peak season, previously it used to be summer, in addition, during the National holidays and Chinese New Year, TITA employed

extra part-time employees, about 20 people. The main business is to organize mid-to-high-end private customized tours and business, touristic and governmental receptions.

The business has four 15-seat Mercedes-Benz, five 7-seat-station wagons for use in operations, plus some large cars, which are jointly leased from external bus companies, and which caused huge pressures for the company during Covid, due to the insufficient utilization. In order to maintain the vehicles functioning, TITA has a policy of replacing a batch of vehicles every three years, and then refinancing their purchase; it implies a very large pressure to manage vehicle loan payments on time. They utilize vehicles in operations and vehicle insurance costs a year at about \$7,000, also the monthly insurance expenses are very huge. During this period, the pressure is substantial. The managers are now in discussions with insurance companies and loan companies. The two sides can cooperate and try to reduce the monthly loan repayment limit a little bit, but the pressure remains still very high.

As far as the overall situation of operating before and after the pandemic, TITA had high competitiveness before the outbreak and performed well, but currently, it faces depression like others. TITA has been growing rapidly since its foundation in 2013 with the continuous increase in China's consumption level; more and more Chinese people have traveled to the United States. On January 28, 2020, as the epidemic progresses, China announced that all outbound delegations would be discontinued immediately. The return of the business industry in the USA was almost zero. Except for some simple businesses like booking return air tickets for international students, which probably only accounts for about 5%, it is basically a stagnant stage. Originally, during the Spring Festival in 2020, TITA booked 22 groups. In the end, there were only two groups, and all the rest of the orders were cancelled.

It's urgent to strike a way for TITA to mitigate the impact of this crisis, whose business halt has greatly affected their financial situation. As early as the end of January 2020, TITA was thinking over the ways to transform. The direction of the transformation changed from tourist reception to cooperation with Amazon in the United States for some transport services. The transport was approved for about a month, until the end of February and the beginning of March in 2020. TITA started to formally do delivery work. At that time, the epidemic was the most serious in China. Together with the Chinese community in New York, TITA jointly purchased a large number of anti-pandemic supplies, masks, and goggles, and mailed them back to China, and then waited until the application was approved at the end of February. Changes took place at that time, and the epidemic became increasingly serious in the United States, too.

After TITA joined Amazon, they began delivering some fresh products for Amazon. With the changes in the epidemic, the sales of fresh products skyrocketed. TITA started delivering fresh products, which was totally new to them. The transport industry is not the main business for most travel practitioners but it is inevitable to act under such circumstances. The income decreased to one-third of the original amount, hardly enough for their daily consumption of drinks and food.

As for working hours, due to the epidemic situation, TITA now adopted a rotation system, which means that employees should take turns when they went out to work in order to avoid cross-infection, they could not go out together. Therefore, the working time of about a week was reduced to about 2 to 3 days a week for an average person to maintain a basic income. In addition to the company, New York State also introduced an interest-free loan. If the epidemic continues to

develop, it is estimated that in 3 to 5 months, the employees may also apply for a loan to help them. At the same time, the federal side also announced that there would be assistance for the business. The latest policy is that if the annual income is less than 75,000 US dollars, you can receive a check for 1,200 US dollars. This should also be an immediate solution for employees.

The \$2 trillion relief plan that was issued by the US federal government to respond to the Covid pandemic includes aviation and hospitality. Tourism is an industry that has been hit hard and is one of the key targets of support. On the other hand, TITA is also carrying out some activities to serve and contribute with its activities back to the community. It is now united with the Chinese community in New York and then spends a few days a week carrying out the basic food delivery such as fresh vegetables, seafood, and meat and eggs for the Chinese citizens (door-to-door delivery activities).

6. EXPECTATIONS OF FUTURE RECOVERY, TOURISM RESILIENCE AND DEVELOPMENT OF THE TOURISM SECTOR

Climate change and environmental degradation are an existential threat to Europe and the world, therefore to face this task is indeed a serious challenge to be tackled. Let's go back to the past to recollect a broad action strategy, the so-called Agenda 21 anchoring sustainability concept for tourism accepted in 1992, which was proposed at the Earth Summit, held in Rio de Janeiro. The global economic crisis commencing in 2008, unfortunately, interrupted the tourism development process, which was discontinued; now for the second time, almost entirely, the hope of the Green Deal, signed in 2020, that should transform the EU into a modern, resource-efficient and competitive economy also stalled due to the pandemic COVID-19, but it was quickly understood that this initiative could also assist the world to get out of the COVID-19 pandemic and revive tourism again. COVID-19 outbreak in 2020 brought the tourism sector to almost a standstill and when the first rays of optimism for travelling reappeared, a serious conflict in 2022 put out the spark in an affected territory.

The Brundtland Report (2012) presented the definition of sustainability as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs”. There are basic sustainability principles identified by the team of Fletcher’s researchers (2013).: a) holistic approach to planning and strategy; b) protection of the environment (biodiversity) and man-made heritage; c) preservation of the essential ecological processes; d) facilitation and engagement of public participation; e) guarantee ability of productivity to be sustained into the long term future; f) requirement for a better level of fairness and opportunity between different countries. Choucri (1997) defined sustainability as the process of managing social demands without eroding life support properties or mechanisms of social cohesion or resilience. The concept of sustainable development can be conveyed as wise utilization, sound planning and budgeting, or responsible evolution/progress. Responsible business conduct is based on the premise that all businesses should always make a positive contribution to the economic, environmental and social progress of the countries where the businesses function (Wils, Kamuya, & Choucri, 1998). The big danger for sustainability issues is a dramatic increase in demand for natural resources, such as fossil fuel, land and minerals not only in emerging BRIC (Brazil, Russia, India and China) economies. Figure 6 illustrates essential determinants that should be well thought over and incorporated into the strategy for the revival and recovery, not only of the tourism industry.

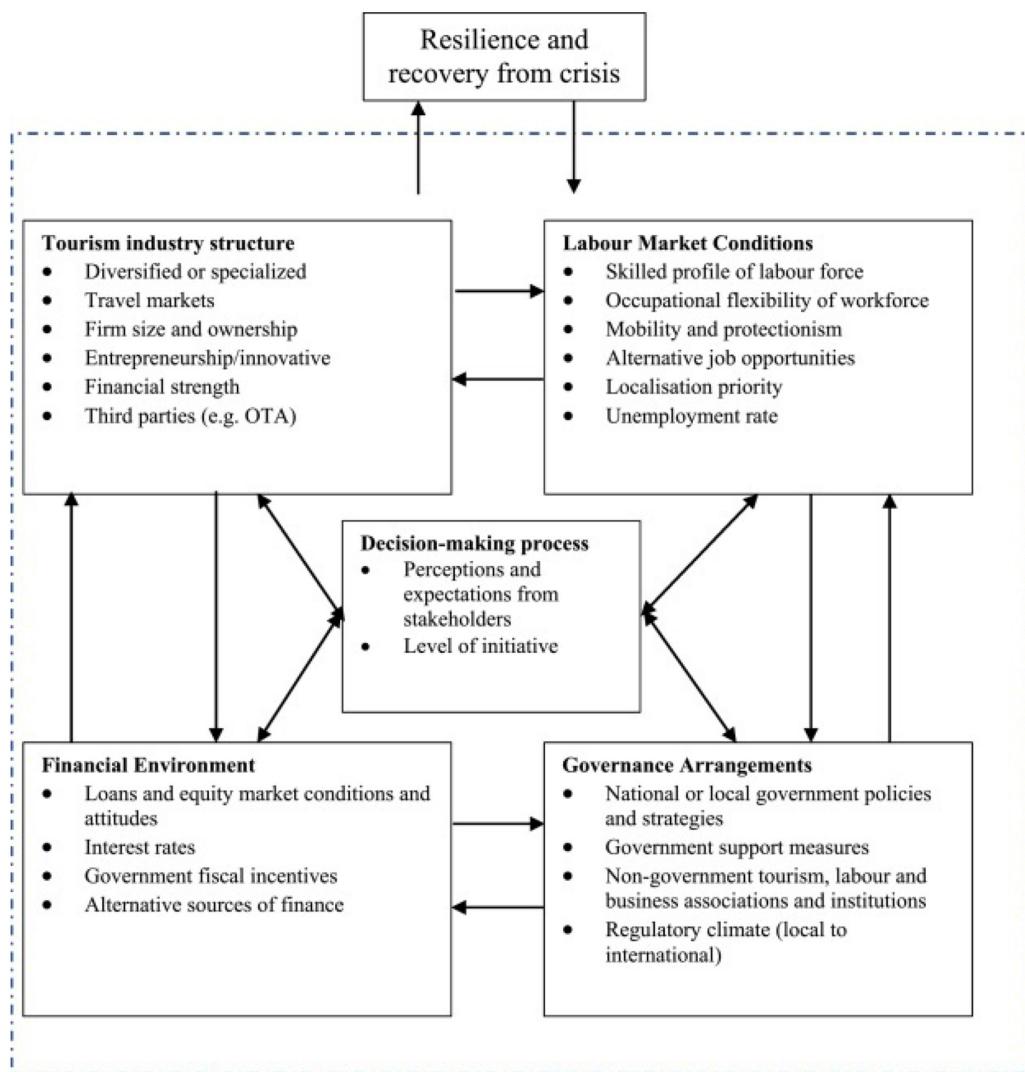


Figure 6. Determinants of economic resilience and tourism recovery

Source: (Martin & Sunley, 2015), (McCartney, Pinto & Liu, 2021)

Strategic thinking is also to concentrate on the system's speed of recovery or return to its pre-shock position. This definition of resilience was termed 'engineering resilience' by the ecologist Holling (1973); it is the time of system recovery, defined as a speed when a "system that has been displaced from equilibrium by a disturbance or shock returns to that equilibrium".

Governments should take initiative in promoting responsible business conduct in coordination and cooperating with enterprises, the general public, trade unions, civil society and other official government departments motivating and encouraging best practices. The role of careful governments worldwide could be to encourage their businesses and managers to obtain an eco-certificate, indicating a mark of high quality, environmentally, economically and socially sound products (Haaland and Aas, 2010) for the sustainable success of its enterprise. (Dash, Singh, and Vashko, 2016) have proposed a framework for obtaining an eco-certification and using it as a strategic tool to position products for a range of tourists.

According to the Ministry of Finance of the Slovak Republic, the Slovak economy is recovering more moderately from the third wave of the pandemic but will continue to grow. For the entire year 2021, Slovak GDP was expected to grow by 3.7%, but the reality was only 3%. The

expectation for the future years is 5% in 2022, and 4.8% in 2023. Although household consumption was expected to fall at the end of the year and the recovery in the labor market would be postponed, the impact of the coronavirus, but moreover, sudden high inflation due to the conflict in Ukraine on the economy and employment is difficult to predict; expected more modest growth than at the end of last year (assumed by the macroeconomic forecast for the years 2021 - 2024 of the Institute of Financial Policy (IFP) of the Ministry of Finance of the Slovak Republic) may vary based on the conflict development.

Overall, the authors would be optimistic about the recovery and the future development of the tourism industry, if this would be the only factor influencing economic growth nowadays. The COVID-19 pandemic is not just for a selected industry, it is a big test for the whole world, there would be a belief in the fast economic recovery after the pandemic is overcomed in the future because the reason for the depression is not an economic issue, it is caused by an epidemic situation, but the favorable start of tourism may be affected now due to the situation in Ukraine, it is assumed to have an economic impact not only on the tourism, but the whole economy, especially in the EU member states, and especially in the countries that are very close geographically and are economically tied with the countries involved in the conflict.

7. FUTURE RESEARCH DIRECTIONS

The next interesting thematic related to the Covid is whether there would be a 5th wave, even though the rate of the vaccination has been increasing, and there are more modern medical alternatives for people. Some researchers start surging the demand and supply of many complementary and alternative medicines (CAM) and practices. Recent studies have shown increasing CAM information requests addressed to pharmacists and other healthcare staff from members of the public and patients aimed at prevention, symptoms relief, or treatment of COVID-19 (Paudyal. V. et al., 2021). However, the relationship between applying those traditional-herbal medicines/alternatives to the vaccines and the decrease in the cases of the positive COVID-19 raises questions for further research. The doubts about the expected economic recovery of all sectors have not been finished yet, so it is a problematic task to reliably determine the time for the pandemics to end.

As for the European countries, for which the unemployment rate is expected to reach 6.7% in 2022, and will be decreasing (the future development will show), the future recovery of the economy is expected especially under the support of investments from the EU Recovery Plan.

8. CONCLUSION

In the end, we summarize our recommendations on which components we consider relevant, and what should be included in building a strategy for recovery in the tourism sector. The potential strategic direction should be focused on the accomplishment of tourism recovery by incorporating the following essential aspects:

1. The high-quality management, primarily focused on the touristic destination, highlighting the opportunity, a) to obtain medical care benefits for travelers by local management in the tourist destination, b) of being informed on the latest development of the Covid-19, coronavirus spread map, c) to buy insurance packages pro-tourism recovery, d) to be provided tourist-friendly manuals, as what to do in case of a surprising local virus outbreak.
2. The effectiveness of coordination and alignment of interactions among numbers of relevant entities, including municipal government, enterprises and non-business entities

to find financial and non-financial support to businesses that innovate their activities to restart tourism; criteria for government subsidies, first at domestic touristic communities and abroad as well, “emphasize the priority of creating a favorable environment for small-scale business development and supporting the provision of resources and capabilities” (Dias et al., 2021).

3. Creation of attractive innovative products for the tourism sector (for example: China, as a destination for global medical tourists (Weng et al., 2022), university centers organizing conferences and scientific symposiums related to post Covid-19 research, recovery stay packages offered by spas, sport activities programs to increase physical conditions of people of all age categories).
4. Maintaining high-quality standards of provided services, especially relevant when devoted to the health care, psychical care and environmental care,
5. Profiled destination marketing related to COVID-19 recovery in the health care area, but also in the social area as people almost forget to socialize, and so on.
6. Enhance education across the world (developed and developing regions); education objectives should be focused on obtaining such knowledge and practical skills which would result in value creation in production and services. The effort shall be aimed at the tourism industry in order to achieve sustainable and resilient products leading to customer satisfaction, complying with the criteria of the corporate social responsibility quality product, in the tourism sector as well. (Saxunova, Hector, Kajanova, & Slivka, 2022).
“Education in emerging countries and developing economies should strengthen local production valorization and promote marketing strategies that foster the sustainable consumption of products manufactured in their own countries” (Camacho et al, 2022) to encourage the recovery of one element within the global chain of touristic product and services.
7. Digitalization of services in tourism – ordering the accommodation, travelling tickets etc. Moreover, the Covid-19 pandemic situation strengthened by having a digital alternative almost for each area, whether an industry sector, non-profitable enterprises or governmental departments; tourism, health care, education, and financial and many public services or any other type of institutions, financial or non-financial ones. (Saxunova, Le Roux, 2021)

As the world has been facing an unprecedented global health, social and economic emergency with the COVID-19 pandemic, travel and tourism is among the most affected sectors with airplanes grounded, hotels closed and travel restrictions in effect in virtually all countries around the world. As the World Tourism Organization strives to lead the restart of the tourism industry, the “Travel Restriction Report” also pointed out, how the governments of different countries issue travel recommendations to their citizens. An analysis of the top ten source markets for tourists that currently recommend no unnecessary travel abroad found, showed that these sources accounted for 44% of international inbound tourists in 2018. The World Tourism Organization pointed out that in the next few weeks or months, the recommendations made by governments will play a key role in the process of restarting and resuming the tourism industry. There is still room for future research on the impact of the COVID pandemic on the tourism industry and all the related economic activities.

We finalize our study by citing researchers Martin and Stunley (2015) who stressed that “Economies have always been prone to major perturbations and shocks: recessions, major policy changes, currency crises, technological breakthroughs, and the like, can all disrupt and destabilize the path and pattern of economic growth. It is within regional, urban and local economies and communities that such shocks and disturbances work out their effects and consequences.

Nationally—or globally—originating shocks are rarely spatially neutral or equitable in their impact or implications.” Covid -19 shock entirely confirms these lines proving the rareness of spatial neutrality or equitability; the impact of the COVID-19 on the countries, individuals, enterprises, or consequences of various government policies that are being hit by the pandemic shock in the 21st century gave a mankind a big lecture, which is worthwhile being remembered and learned by it.

ACKNOWLEDGMENT

This research was supported by the grant of Comenius University with the number #UK/133/2021.

REFERENCES

- Arbulú, I., Razumova, M., Rey-Maqueira, J., & Sastre, F. (2021). Can domestic tourism relieve the COVID-19 tourist industry crisis? The case of Spain. *Journal of Destination Marketing & Management*, 20, 100568. <https://doi.org/10.1016/j.jdmm.2021.100568>
- Bofinger, P., Dullien, S., Felbermayr, G., Fuest, C., Hüther, M., Südekum, J., & di Mauro, B. W. (2020). 18 Economic implications of the COVID-19 crisis for Germany and economic policy measures. *Mitigating the COVID Economic Crisis: Act Fast and Do Whatever*, 167.
- Brundtland, G. H. The Brundtland Report, a 25-year-old milestone. (2012). Accessed November 4, 2019. <http://downtoearth.danone.com/2012/04/04/the-brundtland-report-a-25-year-old-milestone/>.
- Camacho, L.J., Ramírez-Correa, P., & Salazar-Concha, C. (2022). Xenocentrism and Formal Education: Evaluating Its Impact on the Behavior of Chilean Consumers. *Journal of Risk and Financial Management* 15: 166. <https://doi.org/10.3390/jrfm15040166>
- Chalupa, S., Chadt, K., & Jenckova, J. (2021). Impact of National Measures Connected to COVID-19 Pandemic on the Hotel Front-Office Communication Themes. *IBIMA Business Review*, Vol. 2021 (2021), Article ID 823718, DOI: 10.5171/2021.823718
- Choucri, Nazli. The Political Logic of Sustainability. MOST Program. Paris: UNESCO. (1997).
- Dash, Tapas. R., Satyendra Singh, and Irina Vashko. “Tourism, eco-tourism and sports tourism: the framework for certification.” *Marketing Intelligence & Planning*, 34(2), (2016). 1-22.
- Dias, A., Patuleia, M., Silva, R., Estêvão, J. & González-Rodríguez., M.R. (2021) Post-pandemic recovery strategies: revitalizing lifestyle entrepreneurship, *Journal of Policy Research in Tourism, Leisure and Events*, DOI: 10.1080/19407963.2021.1892124
- Dujava, D., Hojdan, D., & Žúdel, B. (2021). Tretia vlna spomalioživenie ekonomiky: Makroekonomická prognóza na roky 2021 – 2024. Inštitút finančnej politiky, Ministerstvo financií SR.
- Fletcher, John, Alan Fyall, David Gilbert, and Stephen Wanhill. *Tourism: Principles and Practice*. Harlow, United Kingdom: Pearson Education Limited, 2013.
- Gössling, S., Scott, D., & Hall, C. M. (2021). Pandemics, tourism and global change: A rapid assessment of COVID-19. *Journal of Sustainable Tourism*, 29(1), 1–20. <https://doi.org/10.1080/09669582.2020.1758708>
- Haaland, Hanne, and Øystein Aas. (2010). EcoTourism Certification – Does It Make a Difference? A Comparison of Systems from Australia, Costa Rica and Sweden. *Scandinavian Journal of Hospitality and Tourism* 10, no. 3 (2010): 375–85. <https://doi.org/10.1080/1502250.2010.486262>.
- Holling, C. S. (1973) Resilience and stability of ecological systems. *Annual Review of Ecology and Systematics*, 4: 1–23.

- Martin, R., Sunley, P. (2015). On the notion of regional economic resilience: Conceptualization and explanation. *Journal of Economic Geography*, 15 (1) (2015), pp. 1-42. doi:10.1093/jeg/lbu015
- McCartney, G., Pinto, J., & Liu, M. (2021). City resilience and recovery from Covid-19: The case of Macao. *Cities*, 112, 103130. <https://doi.org/10.1016/j.cities.2021.103130>
- Ministerstvo dopravy a výstavby SR, Ministerstvo hospodárstva SR. Schéma štátnej pomoci v zmysle článku 107, odsek 3, písm. b ZFEÚ v znení Dodatkov č. 1 a č. 2UNWTO. Issue 5, August/September 2020. World tourism barometer, volume 18 (2020). From <https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2020.18.1.5>.
- Muruga, K. (2022). Effect of COVID-19 Pandemic on Health Systems. *IBIMA Business Review*, Vol. 2022, Article ID 799143, DOI: 10.5171/2022.799143.
- Paudyal, V., Sun, S., Hussain, R., Abutaleb, M. H., & Hedima, E. W. (2021). Complementary and alternative medicines use in COVID-19: A global perspective on practice, policy and research. *Research in Social and Administrative Pharmacy*. <https://doi.org/10.1016/j.sapharm.2021.05.004>
- Saxunová, D., & LeRoux, C. L. (2019). Tourism industry in rural and urban areas: Slovakia and United Arab Emirates examples. In: Proceedings of International Scientific conference MIC 2019. Opatija, Croatia, <https://doi.org/10.26493/978-961-6832-68-7.15>
- Saxunova, D., & Roux, C. L. L. (2021). Digital Transformation of World Finance. In R. G. Ahangar, & A. Salman (Eds.), *Investment Strategies in Emerging New Trends in Finance*. IntechOpen. <https://doi.org/10.5772/intechopen.93987>
- Saxunova, D., Hector, H., Kajanova, J., & Slivka, P. (2021). Integrity of the Corporate Social Responsibility and Management of Financial Services in the Digital Era. In (Beatrice Orlando, Ed.), *Corporate Social Responsibility*. IntechOpen. <https://doi.org/10.5772/intechopen.101057>
- Suhud, U., Utami, H., & Candra, E.P. (2021). A Study of Tourists' Satisfaction in The Context of Textile-Based Tourism Destination. *IBIMA Business Review*, Vol. 2021 (2021), Article ID 568693, DOI: 10.5171/2021.568693
- Turner, B. L., Kasperson, R. E., Matsone, P. A., McCarthy, J. J., Corell, R. W., Christensen, L., Eckley, N., Kasperson, J. X., Luers, A., Martello, M. L., Polksky, C., Pulsipher, A., & Schiller, A. (2003). A framework for vulnerability analysis in sustainability science. *Proceedings of the National Academy of Sciences of the United States of America*, 100(14), 8074–8079. Scopus. <https://doi.org/10.1073/pnas.1231335100>
- Wen, J., Kozak, M., Yang, S., & Liu, F. (2020). COVID-19: Potential effects on Chinese citizens' lifestyle and travel. *Tourism Review*, 76(1), 74–87. <https://doi.org/10.1108/TR-03-2020-0110>
- Wen, J., Wang, C.C., Goh, E., Su, Z. and Ying, T. (2022), "Traditional Chinese medicine as a tourism recovery drawcard to boost China's inbound tourism after COVID-19", *Asia Pacific Journal of Marketing and Logistics*, Vol. 34 No. 2, pp. 385-400. <https://doi.org/10.1108/APJML-10-2020-0732>
- Wils, A., Maten, M. Kamiya, and Nazli Choucri. (2019). "Threats to Sustainability: Simulating Conflict within and ..." Accessed November 4, 2019. https://gssd.mit.edu/sites/default/files/imce/threats_to_sustainability.pdf
- WTTC. Research note: Travel & tourism recovery scenarios 2020 and economic impact from COVID-19(2020). June 2020. Retrieved from: <https://wttc.org/Research/Economic-Impact-Recovery-Scenarios-2020-Economic-Impact-from-COVID-19>
- European Commission. (2021). A European Green Deal. June 2021. Retrieved from https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en