

## **LVIV TOURISM MARKET IN CRISIS REALITIES OF GLOBAL CONTROL OF THE SPREAD OF COVID-19 PANDEMIC**

The World Health Organization (WHO) on March 11, 2020, has announced that the world was confronted with a new global pandemic – COVID-19 virus (Corona Virus Disease 2019; coronavirus). This is another challenge for the global and national economy, and first of all for the tourism industry. Mass city tourism is the most vulnerable area, which in 2020 will suffer increasing losses as a result of anti-pandemic measures by the international community and governments of several countries.

The official UNWTO release emphasizes: “Tourism is currently one of the most affected sectors ... With travel restrictions, UNWTO emphasizes the importance of international dialogue and cooperation and stresses that the COVID-19 challenge is also an opportunity to show how solidarity can go beyond borders” [3].

According to estimates by the Global Business Travel Association (GBTA), losses of entrepreneurs in the world because of canceled or suspended trips due to COVID-19 could reach \$ 820 billion at the end of the year. According to estimates by the International Air Transport Association (IATA), losses in the field of passenger air transportation through COVID-19 could range from \$ 63 billion (optimistic scenario) to \$ 119 billion (pessimistic scenario) by the end of 2020 [1]. This is not the first crisis in international tourism [5]. And the world economy has developed a system of effective tools to counteract the force majeure of the macro scale (see, for example, relevant UNWTO analytical reviews [2]).

Chronicle of national counteraction measures COVID-19:

- On March 11, the World Health Organization (WHO) announced a coronavirus pandemic. On March 11, the Cabinet of Ministers has decided to introduce quarantine in Ukraine from March 12 to April 3. In particular, the educational institutions were closed for three weeks; all mass events in the country were canceled;
- On March 15, Poland and Ukraine have closed borders for foreigners;
- On March 16, the Cabinet of Ministers has decided to suspend the operation of air, rail and bus services between cities and regions of Ukraine;
- On March 17, the Verkhovna Rada of Ukraine has adopted a law on preventing the spread of the coronavirus disease COVID-19;
- since March 18, Ukrzaliznytsya has canceled all passenger traffic in Ukraine.

In Ukraine, the coronavirus causes the greatest economic losses to both large companies (airlines, tour operators) and centers of mass city tourism. Since the beginning of March 2020, the hospitality industry (including financially vulnerable private small tourist business) of Kyiv, Lviv, Odessa, Chernivtsi and other popular centers of city tourism has died down.

The realities and scales of “dying” of mass city tourism in Ukraine through COVID-19 will be illustrated by the example of the city of Lviv.

Since March 16, 2020, Lviv city authorities had to close all mass leisure, tourism, and trade establishments (except grocery stores, pharmacies, and gas stations). A few days before the border closes, the cancellation of flights and the railway connection, practically all tourists left Lviv hotels.

Since March 17, for two weeks, the network of gastronomic tourism establishments of Lviv was closed for quarantine – one of the most profitable sub-branches of the city, its tourist business card, which promotes new fashion trends of city gastronomic tourism in Ukraine. Famous Lviv restaurateur Vardkes Arzumanyan, the owner of the elite top restaurants popular with foreign tourists, was the first who announced the closure of his restaurants: Champaneria X&X, Para Janov & Port wine, Taron, Mons Pius, Centaur and Libraria. Next, a similar decision was made by the owners of the concept restaurant chain Holding of Emotions «!FEST», an integral part of the tours to Lviv, the top leader of the sympathies of hundreds of thousands of tourists in global ratings (TripAdvisor, etc.). Finally, in accordance with the decision of the City Council, the doors of small business establishments, which traditionally associated with leisure tourists in Lviv, were forced to close – stylish coffee shops (element of the architectural and cultural environment of the historical center of Lviv, included in the UNESCO Heritage).

Danylo Halytskyi International Airport “died”. Officially, dozens of mass tourist events have been canceled in the city: from touring performances of stars to sports competitions and popular city festivals. Until mid-March, the travel agency network tried to keep at least some demand, manipulating discounts of up to 30% of the cost of outbound tours. However, the mass media information campaign and the increased natural panic diverted the attention of Ukrainians from the offices of tourist companies for a long time.

Literally every day, the image of travel companies, which are faced with mass cancellation of spring tours and even more widespread refusals of consumers from purchased tours in the post-quarantine period, drops significantly. Consumers are massively demanding a full refund of the cost of the purchased tours, which undermines the financial sustainability of a number of tour operators. For example, the Lviv tour operator AKKORD-TOUR is now experiencing the biggest financial and image losses and conflict crisis in relations with the network of travel agencies and tourists. On the other hand, the most famous Lviv domestic tourism tour operator “Vidviday” also put all planned tours “on pause”, switched to quarantine mode of office work and focused on addressing work with the audience of consumers in order to reschedule the dates of purchased tours and other compensatory tools for maintaining good relations with the travel agents market and consumers.

In 2020, experts predicted Lviv's inbound city tourism indicator at 2.5 million people. However, today it is worth talking about the loss of tourist flow in the amount from 1 to 1.5 million people. On average, a tourist stays in the city for 2.5 days and spends \$ 80-90 per day in Lviv. Thus, the projected volume of financial losses of the tourist market of Lviv due to the non-arrival of 40-60% of the tourist flow will reach \$ 80-135 million this year.

The losses will not be avoided by any of the subtypes of city tourism presented in Lviv: from the most popular weekend excursion and entertainment tourism to sports, festival, business and conference tourism. All the subjects of the Lviv tourist market, from private tour guides to business-class hotels, are preparing for considerable losses. For example, O. Gagarina, the deputy general director of Dnister Hotel informed in an interview on March 10, 2020: “Only today until 10 am, we have already canceled more than 8 events that were scheduled. Yesterday, 9 events were canceled. The number of cancellations is very high every day. Not only the upcoming events for the near term are canceled, but also the events planned for the summer period are canceled” [4].

The subjects of the Lviv tourist market (as well as Ukraine in general) will not be able to overcome this crisis on their own. The state is obliged to lend a helping hand to the national tourism business, that is, to immediately implement such instruments of state tourism policy that would minimize the threat of potential bankruptcies for hundreds of companies and FOPs operating in the Ukrainian tourism market. These are, first of all, the exemption of tourist market entities from taxes on income and property (including VAT); the delaying other mandatory payments; the involvement of state-owned banks in anti-crisis preferential lending programs for tourism enterprises, cafes, hotels, etc.; state support-protection of national business; study of national strategies of Poland, Turkey, Georgia, EU in support of national tourism sector due to pandemic and caused by it crisis social and macroeconomic consequences.

The first example was given by the Lviv City Council. On the initiative of mayor A. Sadovy, on March 16, 2020, with the purpose of softening the blow to small and medium-sized businesses in connection with the temporary closure of tourism, leisure, food and trade establishments, the City Council decided that business entities, located in the premises of communal property and do not work through quarantine, will receive a temporary cancellation of the rent for the premises. City Council approved to return the hotel fee to the city's hotels. The mayor of Lviv also urged the owners of commercial premises to reduce the rent to tenants who do not work temporarily. Among them are dozens of offices of travel agencies, coffee shops, pizzerias and fast food outlets of tourists, tourist souvenir shops and other financially vulnerable establishments of small tourist business of the city.

#### References:

1. COVID-19 Cuts Demand and Revenues (2020), available at: <https://www.iata.org/en/pressroom/pr/2020-02-20-01/> (accessed 15.03.2020).
2. Steiner C., Richter T., Dörry S., Neisen V., Stephenson M., Lemma A., Mitchel J. (2013). Economic Crisis, International Tourism Decline and its Impact on the Poor. World Tourism Organization Publishing.
3. Tourism and Coronavirus Disease (covid-19) – UNWTO (2020), available at: [www.unwto.org](http://www.unwto.org) (accessed 15.03.2020).
4. Коронавірус загрожує збитками туристичному Львову. [Електронний ресурс]. - Режим доступу: <https://zaxid.net/news/> (публікація за 11 березня 2020).
5. Рутинський М. Й. Україна на ринку міжнародного туризму: глобальні тренди та національні виклики / М. Й. Рутинський // Сучасні проблеми розвитку туризму в Україні : зб. матер. міжнар. наук.-практ. конф. (Львів, 16 травня 2019 р.). – Львів : ГАЛИЧ-ПРЕС, 2019. – С. 10–25.