

COVID-19 Pandemic Impact to Tourism Sector (Summary)

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The COVID-19 pandemic outbreak has caused an unprecedented crisis for the tourism sector. According to the National Statistics Office of Mongolia, in 2019 tourism companies shared 1.3% in the total number of companies in Mongolia; the tourism sector grew by 18.2% and produced 0.2% of GDP. Due to the COVID-19 outbreak, as many as 3500 employees, mostly male workers, have lost their jobs since the end of fiscal year 2019. The border closure completely stopped the flow of foreign tourists into Mongolia during the second quarter, resulting in an income loss of 642.3 billion MNT. Simultaneously, the Corona Shock deeply affected related industries such as civil aviation, crafts, entertainment, hotel, catering, food, alcohol, and beverages. Especially strong financial losses are observed in air transportation, with its revenue reduced by 98.0 billion MNT (83.9% year-on-year) to 18.8 billion MNT compared to the same period of the previous year; the hotel and accommodation sector saw revenue plummet by 45.5 billion MNT (39.2% year-on-year) to 70.5 billion MNT in the first half of 2020 when compared to figures for 2019. Under this situation, it is essential to develop a system that supports and reforms the legal environment and is aimed not only to tourism companies but also to industries related directly or otherwise.

Keywords: pandemic, tourism, labor force, tourism subsectors, economic downturn

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