

The Impact of Covid-19 Transmission and Control on the Tourism Industry and Touristic Countries: A Case Study of Saint Lucia and the Maldives

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Abstract: COVID-19, which was recognised by the WHO as a highly contagious respiratory pandemic with a worldwide impact, has hit almost every industry hard. Measures taken by countries and regions to restrict population movement in response to the pandemic have had a more serious negative influence on the tourism industry. Saint Lucia, an island in the Caribbean, was also badly affected by COVID-19 because its economy is highly dependent on the high-risk nature of the tourism industry. This study compares the changes in data related to the tourism industry in Saint Lucia before and after the outbreak to analyse the concrete manifestation of the impact of COVID-19 on it. In addition, based on the rapid recovery of the tourism industry in Maldives, another similar tourism-based island country, this study compares the measures implemented in Maldives to provide some recommendations for the future recovery of Saint Lucia's tourism economy and the sustainable development of the tourism industry.

Keywords: COVID-19, Saint Lucia, Maldives, tourism industry

1. Introduction

Saint Lucia attracts a great number of foreign tourists to spend their holidays and honeymoons here with its natural landscapes, such as the Caribbean Sea's blue water and magnificent rainforests, as well as its unique blend of multinationals, including the British, French, and Caribbean traditions [1]. It is a typical island country with the tourism industry as its economic pillar. In other words, Saint Lucia's gross domestic product (GDP) and economic development are critically dependent on the influx of foreign capital. In 2019, the total contribution of Travel & Tourism to GDP was about 59.8%. In addition, international visitors spent around \$1,144.9 million, which is roughly 1.23 times Saint Lucia's total exports in 2019 [2]. Also, because of its geographic location, it relies heavily on shipping and air transport for its external traffic.

The global outbreak of COVID-19 from 2020 to 2022 has caused all sectors of society to be severely impacted and even stagnated. In response to the spread of the new global pandemic and to contain its consequences, most countries decided to adopt restrictive measures, including the closure of national borders, the disruption of transport routes, and the reduction of foreign trade. As a result, the tourism industry, which is reliant on the movement of people and transport, was more directly

and severely affected than any other sector of the economy, resulting in the collapse of the global tourism industry.

The outbreak of COVID-19 has had a severe negative impact on tourism-dependent countries such as Saint Lucia, restricting the movement of people and goods and causing the tourism economy to stagnate. According to the United Nations Development Programme (UNDP) 2022 statistics, Saint Lucia's overall contribution to Gross Domestic Product (GDP) from Travel and Tourism in 2020 declined by 71.7% compared to 2019, and employment related to the tourism industry also showed a decline trend which is decreased by 34.4% [3]. In addition, the Economic Commission for Latin America and the Caribbean (CEPAL) found that more than 33,000 workers associated with tourism and services experienced consequences such as the problem of job and income losses [4]. Meanwhile, the negative impact of the pandemic showed a continuing trend. In other words, the economic situation caused by COVID-19 has suffered setbacks, and the overall downturn in the industry and society has a continuing impact. Therefore, the question of how Saint Lucia can quickly recover its tourism economy in this persistently depressed economic situation and increase the total contribution of Travel and tourism to GDP to the pre-epidemic level or even to a higher level is now a more urgent issue.

The Maldives, as a tourism-driven island country, is also a prime example of a country with a strong tourism industry. It was also severely hit during the pandemic because it is heavily dependent on the contribution of tourism to GDP. However, the Maldives has made enormous achievements in quickly recovering the tourism industry. Therefore, after comparing some of the economic data and measures of the Maldives, this study aims to hopefully draw on some success stories of the Maldives to suggest a sustainable tourism strategy that is appropriate to Saint Lucia's own national context.

2. The Impact of the Pandemic on The Tourism of Saint Lucia

Tourism is a significant driver of Saint Lucia's economy and a prime source of employment, income, and foreign exchange. Therefore, to analyse the impact of COVID-19 on the tourism industry in Saint Lucia, this study will focus on four economic targets: the Total Tourism Revenue, Total Inbound Arrivals, the Total Contribution of Travel and tourism to GDP, and the Total Contribution of Travel & Tourism to Employment from 2019 to 2022.

2.1. Total Inbound Arrivals of Saint Lucia

Firstly, according to the statistics on Saint Lucia's inbound tourist arrivals from 2019 to May 2023 from The World Tourism Organization (UNWTO), from Figure 1, in 2020, the first year in which the outbreak began to spread and expand its impact, Saint Lucia experienced a vertiginous drop in arrivals from February to April and even had zero inbound visitors from April to June. This situation was because Saint Lucia began to curb the spread of the pandemic after it experienced COVID-19 cases in March. The government decided to suspend non-essential business activities and imposed a curfew policy, as well as shut down the airport and prohibit the entry of passengers flights [5]. Hereafter, the slow rise in arrivals is due to the government's gradual liberalization of the embargo policy. From Figure 1, the fluctuating trend of monthly arrivals in 2021 compared to 2020 is progressively returning to the trend seen prior to 2019. However, Saint Lucia's total arrivals are still well below pre-outbreak levels, down 53 per cent from 2019. This is due to the partial recovery of tourism globally in 2021, with countries gradually lifting their restrictive travel policies, particularly amongst inbound travelers, with the Britain and America returning to pre-pandemic levels [6]. However, travel restrictions remain in place, and the data for 2022 and 2023 show that the country is returning to its pre-outbreak tourism status.

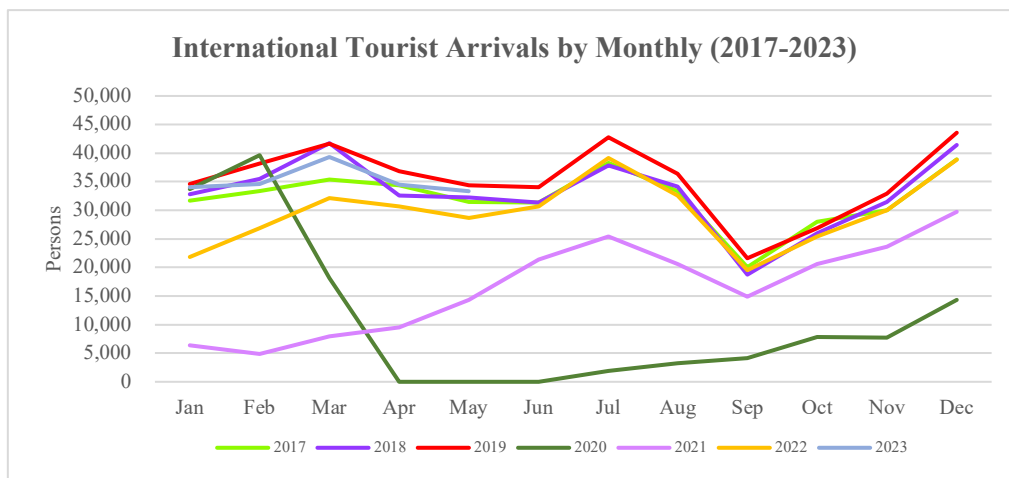


Figure 1: Monthly Inbound Arrivals to Saint Lucia (2017-2023) [7].

Overall, from Figure 2, the pandemic has severely impacted the number of inbound tourists to Saint Lucia, and despite an upward trend from 2021 to 2022, total inbound arrivals in 2022 continue to be approximately 18.95 per cent lower than in 2019. This fact suggests that as of 2022, Saint Lucia's tourism industry has not yet recovered to pre-pandemic levels.

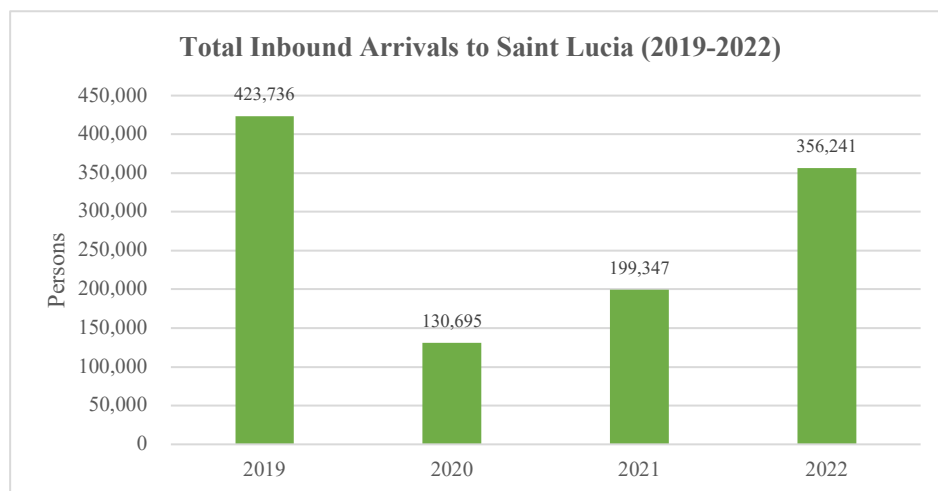


Figure 2: Total Inbound Arrivals to Saint Lucia (2019-2022) [7].

Furthermore, according to Figure 1, the preferences for international tourist arrivals in Saint Lucia from 2017 to 2023, it is observed that the peak tourist seasons in Saint Lucia are March, July, and December of each year. The slowest season of the year is September. This consumer preference can be considered in subsequent tourism development planning for Saint Lucia.

2.2. Total Tourism Revenue of Saint Lucia

The decrease in inbound tourists directly affects tourism revenue. The most intuitive manifestation is that the occupancy rate of the global hotel industry has dropped significantly, and daily depreciation and amortization are significant hotel expenditure issues, resulting in a decrease in hotel industry revenue. Take Hilton as an example, as shown in Figure 3, its net loss reached 720 million dollars in 2020. On the other hand, according to the currency-neutral benchmark, Hilton's revenue per room in 2020 was 56.7% lower than in 2019 [8]. This cliff-like revenue reduction also proves that the hotel

industry in Saint Lucia is also in the same depressed trend during COVID-19, which is under tremendous pressure.

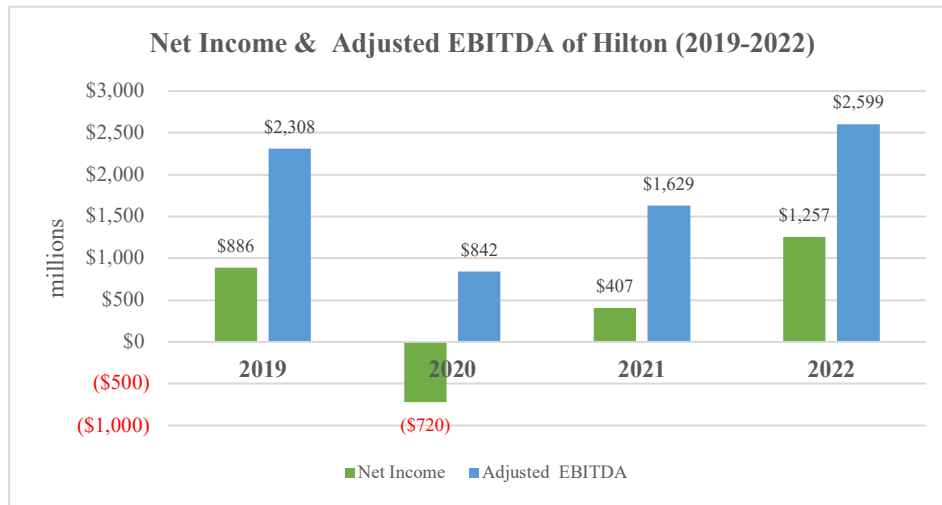


Figure 3: Net Income & Adjusted EBITDA of Hilton (2019-2022) [8].

According to the Total Tourism Revenues (2019-2022) of Saint Lucia, global travel restrictions reduced total revenue by approximately 67% in 2020. Although Saint Lucia has opened its borders and lifted restrictions on commercial activities in 2021, the global safety protocols and travel restrictions continue to weigh on the tourism industry. These resulted in the tourism revenue of Saint Lucia remaining well below pre-pandemic levels. Although the number of inbound tourists in 2022 was lower than pre-epidemic levels, total tourism revenue that year has realized a fast acceleration, even about 9% higher than in 2019. This study summarizes three reasons. First, global travel restrictions have been removed, liberating the pent-up travel demand; Second, the United Nations Development Program (UNDP) has launched the “FUT-Tourism Project” to help Saint Lucia’s small, medium, and micro enterprises quickly adapt and respond to contemporary tourism Demand [3]. This plan can help these enterprises better adapt to current tourism development trends. For example, the program helps companies build digital platforms for daily work and data transmission. Third, families accumulated savings during the COVID-19. The removal of travel restrictions has released the long-suppressed consumption status, and the tourism market has developed.

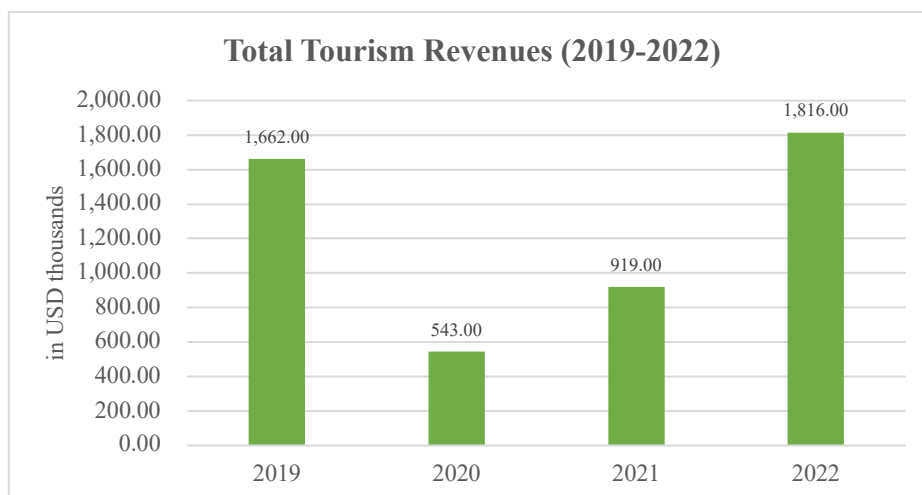


Figure 4: Total Tourism Revenues (2019-2022) [2][9].

2.3. Total Contribution of Travel & Tourism to GDP

Next, this study analyses the impact of COVID-19 on Saint Lucia's total contribution of Travel & Tourism to GDP. From Figure 5, the tourism industry accounted for 59.8% of Saint Lucia's GDP before the epidemic, indicating that the country regards the tourism industry as its economic pillar. However, the financial consequences brought by the outbreak and the global containment measures have caused the collapse of the tourism industry. Saint Lucia's share of tourism in GDP has not returned to the 2019 level until 2022. However, it can be seen from Figures 4 and 5 that whether it is total contribution or total revenue in GDP, the income of Saint Lucia's tourism industry was still gradually returning to the level before the epidemic. This study predicts that in 2023, the tourism industry of Saint Lucia will eliminate the negative impact of the epidemic. On the other hand, because tourism revenue accounts for more than 50% of GDP, in the follow-up planning for the future tourism development of Saint Lucia, it can be considered that while developing sustainable tourism, most of the energy and resources can be invested in related industries.

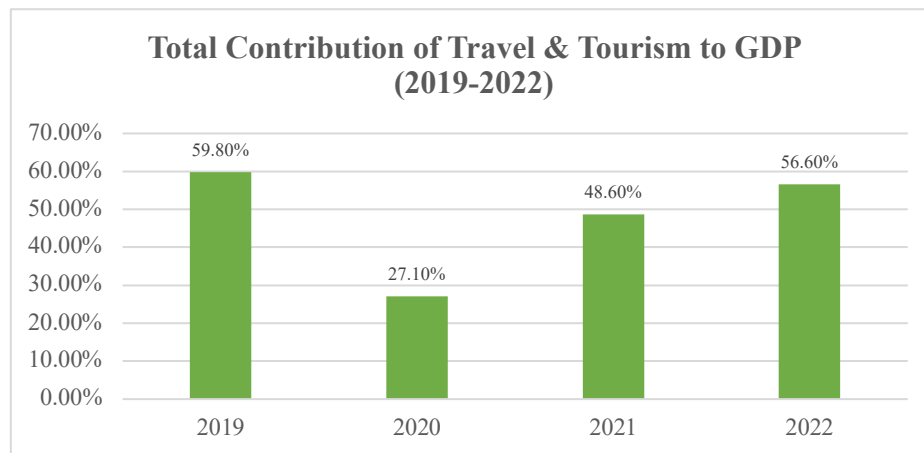


Figure 5: Monthly Tourism Revenue of Saint Lucia (2019-2022) [2][9].

2.4. Total Contribution of Travel & Tourism to Employment

Like the contribution of tourism to Saint Lucia's GDP, the COVID-19 pandemic has also had a clear consequence on tourism-related employment. This consequence was particularly significant in 2020, the first year of the epidemic. According to Figure 6, the country's tourism industry's contribution to employment dropped by about 22 percentage points compared with 2019. Although the tourism industry's employment contribution has rebounded after 2021, it is still overall lower than the pre-epidemic level. This study believes that there are two main reasons for the low employment contribution of tourism in Saint Lucia in 2022.

First, the reduction in the volume of inbound tourists had a direct negative impact on tourism employment. Although global travel restrictions have been removed in 2022, the volume of inbound tourists to Saint Lucia has not yet returned to pre-COVID-19 levels and does not receive large-scale tourists as before. Therefore, the tourism industry no longer needs as many service personnel as in 2019. For example, hotels and tourist attractions may reduce the employment of reception staff and maintenance personnel to reduce operating costs and the maintenance costs of scenic spots.

Second, there are strong links between tourism and many other sectors within Saint Lucia. A downturn in tourism has knock-on effects on employment and income across branches of the economy. For example, restaurants typically require many agricultural products when tourism is booming, which boosts production in the agriculture industry.

Second, there are strong links between tourism and many other sectors within Saint Lucia. A downturn in tourism has knock-on effects on employment and income across branches of the economy. For example, restaurants typically require many agricultural products when tourism is booming, which boosts production in the agriculture industry. From the perspective of the supply chain, every link in the manufacture, supply, transportation, packaging, and use of agricultural products requires high labour. The more demand there is, the more efficient the supply chain will be. Conversely, a falling demand can lead to the reduction of supply and associated labour in various parts of the supply chain. This linkage has allowed the downturn in tourism to have a broad and profound impact on the job market across the country.

According to Figure 7, although Saint Lucia's unemployment rate in 2022 has decreased by 2.16% compared to 2021, it is still 2.04 percentage points higher than in 2019. This further highlights the impact of tourism on Saint Lucia's job market and the importance of reviving tourism to reduce unemployment. Therefore, it is crucial to develop a recovery strategy for the tourism industry, not only to increase the contribution to GDP but also to stimulate the growth of the job market and help Saint Lucia achieve a comprehensive economic recovery.

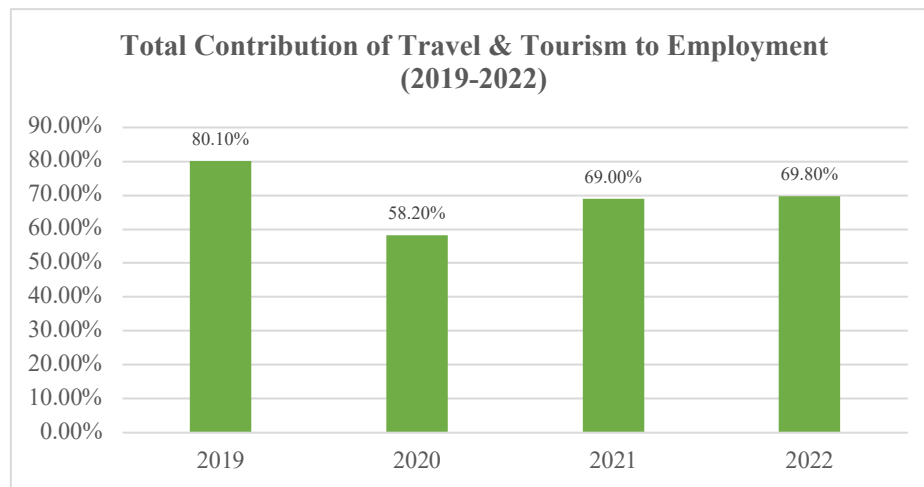


Figure 6: Monthly Tourism Revenue of Saint Lucia (2019-2022) [7].

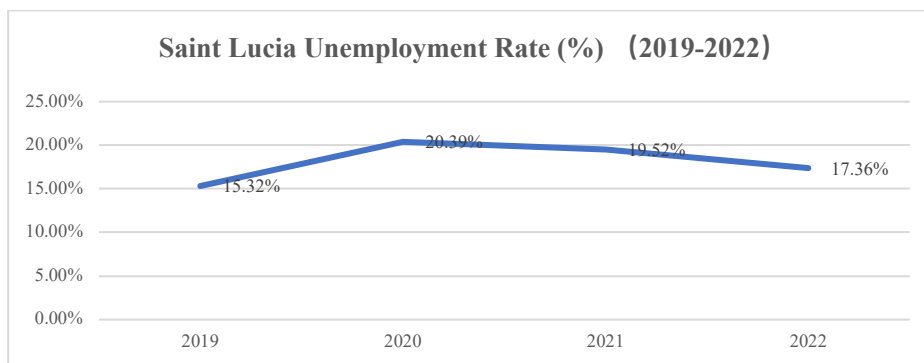


Figure 7: Unemployment Rate of Saint Lucia (2019-2022) [7].

3. Comparative Analysis of Saint Lucia and Maldives

3.1. Pandemic Tourism Performance in Maldives

Maldives had a similar tourism situation to Saint Lucia before the outbreak of COVID-19, and tourism is also one of the fastest-growing industries in its economy. According to Figures 8 and 9,

COVID-19 caused a significant shrinkage in the tourism industry of the Maldives in 2020, and the national GDP has decreased by about 33%. However, the Maldives had achieved rapid growth in tourism revenue in 2021, even about 10% higher than in 2019. The total tourism revenue in 2020 was even 1.42 times that of 2019. The main reason for the rapid recovery and development of tourism in the Maldives compared to other countries was the adoption of creative and aggressive marketing methods.

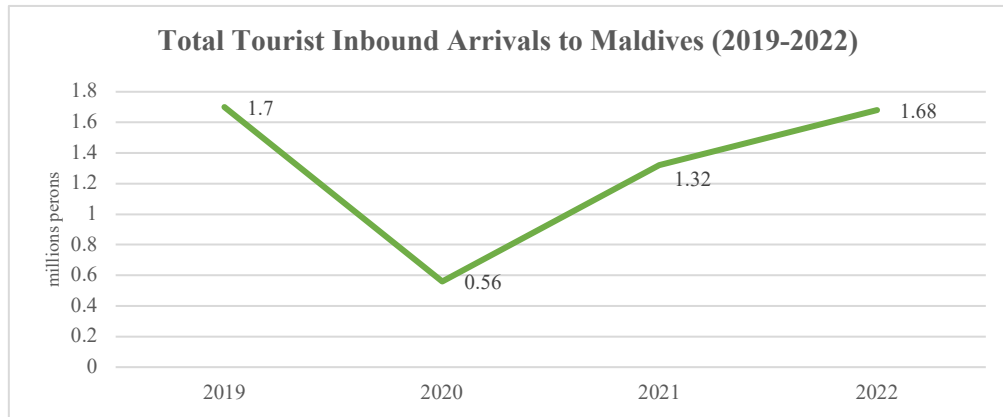


Figure 8: Total Tourist Inbound Arrivals to Maldives (2019-2022) [10].

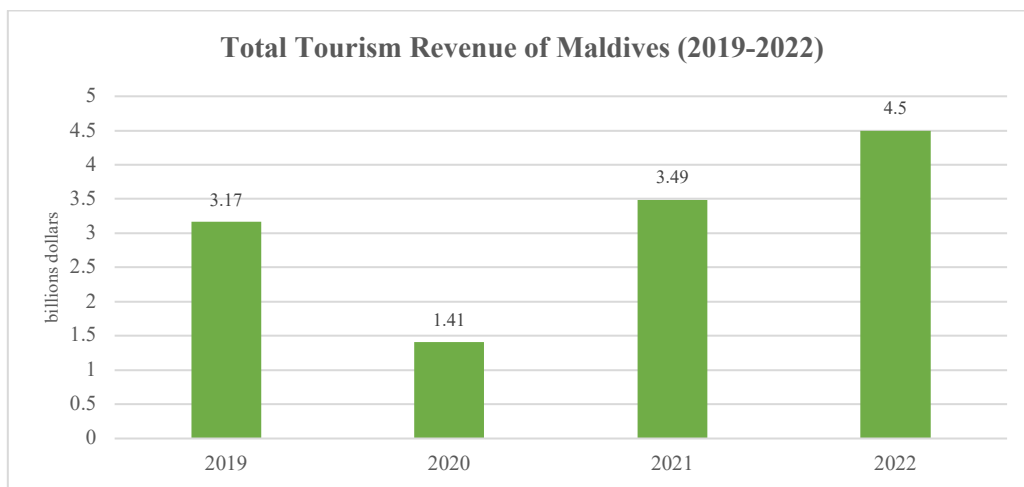


Figure 9: Total Tourism Revenues of Maldives (2019-2022) [10].

3.2. Maldives Experiences and Measures to be Referenced by Saint Lucia

The measures taken by the Maldives to achieve recovery of the tourism industry are worth learning for all similar countries that rely on tourism as the backbone. These measures can provide Saint Lucia with some clues for future development.

The first strategy that can be drawn from the Maldives is emphasizing the uniqueness of the country's unique natural resources. First, the Maldives government considered the state of mind being disrupted by COVID-19 of tourists. The travel preferences of tourists have changed. Due to the global travel restrictions and lockdown policies in some areas during the COVID period, tourist preferences have shifted towards leisure and natural landscapes to avoid as much as possible the overcrowded crowds contained in cultural landscapes. Especially young travelers prefer niche and away from crowd attractions in the post-COVID period [11]. To adapt to the travel preferences changed by the epidemic, the Maldives emphasized its rich natural resources, unique niche attractions and private

tourism models in external publicity and marketing. For example, the Maldives Tourism Bureau vigorously promotes the “one island, one hotel” vacation model, which allows tourists to enjoy being away from the hustle and bustle environment. Saint Lucia is also uniquely rich in natural resources but reflects a more complex fusion of Anglo-American and Caribbean cultures. Therefore, in terms of eco-tourism and special tourism, Saint Lucia can draw on the tourism recovery measures of Maldives to make full use of its own unique advantages. Saint Lucia has the option of aggressive advocacy. For example, with Britain and America being its most important sources of tourists, Saint Lucia could combine its unique culture and natural beauty to create a new tourism image that is more inclusive for tourists of all ages.

Second, promote and discover new routes. Although the epidemic has curbed the global tourism industry, it may become an opportunity for some small countries that rely on tourism to redevelop. Some proactive measures may allow Saint Lucia to compete to penetrate new markets or capture more existing market shares, which pave the way for continued growth in the future. In the Maldives, for example, before COVID-19, the primary source of tourists was Chinese. Because of the Chinese travel restriction policy, the Maldives has targeted its tourism market to India and Russia. In 2021, tourists from India and Russia accounted for approximately 44% of all tourists in the Maldives [12]. According to annual research on Saint Lucia 2023 released by the World Travel & Tourism Council, more than 65% of the country’s inbound arrivals are from Britain and America, and only about 15% of tourists are from non-American regions [9]. Therefore, Saint Lucia can focus on some countries in Asia and Europe in its future development. For example, there is a large base of Chinese tourists, and Saint Lucia can target this group for publicity.

Third, cooperate with digital platforms and public relations companies. Such cooperation can attract a potential group of tourists. The Maldives had partnered with a PR firm named MMPRC to develop an immersive virtual and live-streamed event. The event allowed visitors to experience the Maldives at home. Meanwhile, the Maldives Tourist Administration also used digital marketing strategies on social media platforms to attract more potential tourist groups [13]. Saint Lucia’s reputation can also be improved by using the Maldives’ publicity methods. Because the country’s main tourists come from America, its future tourism market can target non-American regions. These areas have many potential tourists. Therefore, Saint Lucia can promote its tourism products outside of the North American market to increase its visibility and arouse the curiosity of tourists in these regions.

Fourth, Saint Lucia can transition to sustainable tourism and achieve the Sustainable Development Goals (SDGs). Firstly, in terms of tourist demand, the tourism industry of island countries like Saint Lucia needs to take the impact of natural disasters and climate change into account and improve its own resilience. Saint Lucia can reduce the consequence of extreme weather on tourism by expanding its diversified products and services beyond natural attractions. For example, Saint Lucia can think about how to develop indoor leisure activities to combat the problem of stranded tourists caused by typhoons. Secondly, Saint Lucia needs to take environmental protection into account because of the heavy reliance on the natural ecology of its tourism products. Maintaining the health of the natural ecological environment can make Saint Lucia’s tourism industry more sustainable and promising. Finally, in terms of service supply, Saint Lucia can provide training in external services, especially in the hotel industry. Cultivating service skills among young people can help travelers enjoy their journey in their home country more and achieve sustainable development in the industry.

4. Conclusion

Although Saint Lucia’s tourism industry suffered a huge blow that had the specific performance showing the number of international tourists and revenues have plummeted during COVID-19. However, the future tourism development momentum of Saint Lucia is good because the total tourism

revenue and the contribution of tourism to GDP in 2022 have already approached pre-COVID levels and showed a rising trend. Meanwhile, its tourism industry has great potential for future development. The curbed desire for tourism, the pent-up consumption, and changes in tourist preferences for niche and leisure attractions are opportunities for Saint Lucia's tourism industry. First, Saint Lucia can use digital media platforms to expand its global influence and attract a wide range of tourists outside the North American Market, thereby capturing more tourism market share. Finally, adhering to the sustainable development strategy and developing the country's unique and diversified tourism products can give Saint Lucia more potential.

In addition, this study has certain limitations. First, this study analyzes the tourism status of Saint Lucia and only considers its unique natural and cultural resources and geographical location, so the relevant future development suggestions involved may not apply to all tourist countries. In addition, the data used in this study are extensive national-level data, lacking first-hand feedback data from stakeholders such as tourists.

Finally, there are also some suggestions for the future development direction of this research. The future in-depth data analysis and research of this study can use the questionnaire survey method, which can investigate the tourists who are preparing to visit and who have already entered Saint Lucia. Carry out regression model or other related model analysis on the tourism satisfaction, service satisfaction, and attraction preferences of these tourists, and explore the tourism recovery path of tourism countries from the perspective of tourists.

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