

Viatkina T.³⁹

Doctor in Economics, Professor, Kyiv International University (Kyiv, Ukraine)

<https://orcid.org/0000-0002-2060-0818>

Filipovski A.⁴⁰

Student, Kyiv International University (Kyiv, Ukraine)

<http://orcid.org/0000-0002-9500-1721>

Kovalevskiy B.⁴¹

Student, Kyiv International University (Kyiv, Ukraine)

TERRORIST ACTS AND THEIR IMPACT ON MASS TOURISM ECONOMICS

The article discusses the economic losses of tourist destinations due to terrorist acts. The most global examples show a sharp decline in tourist arrivals and also a loss of capital for at least one year after the accident. Some states are forced to prove their safety and to the present day.

Keywords: terrorist act, terrorism, tourism, international tourism, tourist.

Вяткіна Т.Г.

д.е.н., професор, Київський міжнародний університет (Київ, Україна)

Філіповський А.О.

студент, Київський міжнародний університет (Київ, Україна)

Ковалевський Б.С.

студент, Київський міжнародний університет (Київ, Україна)

ТЕРОРИСТИЧНІ АКТИ І ЇХ ВПЛИВ НА ЕКОНОМІКУ МАСОВОГО ТУРИЗМУ

У статті розглянуто економічні втрати туристичних напрямків внаслідок терористичних актів. Найглобальніші приклади демонструють різке зниження туристичних прибуттів, а також втрати капіталу як мінімум на протязі від року після пригоди. Деякі держави змушені доводити свою безпеку і сьогодні.

Ключові слова: терористичний акт, тероризм, туризм, міжнародний туризм, турист.

Вяткіна Т.Г.

д.э.н., профессор, Киевский международный университет (Киев, Украина)

Филипповский А.О.

студент, Киевский международный университет (Киев, Украина)

Ковалевский Б.С.

студент, Киевский международный университет (Киев, Украина)

³⁹ Вяткіна Тетяна Георгіївна, д.е.н., професор, завідувач кафедри міжнародного туризму, Київський міжнародний університет (Київ, Україна)

⁴⁰ Філіповський Андрій Олегович, студент магістратури Навчально-наукового інституту міжнародних відносин, Київський міжнародний університет (Київ, Україна)

⁴¹ Ковалевський Богдан Станиславович, студент магістратури Навчально-наукового інституту міжнародних відносин, Київський міжнародний університет (Київ, Україна)

ТЕРРОРИСТИЧЕСКИЕ АКТЫ И ИХ ВЛИЯНИЕ НА ЭКОНОМИКУ МАССОВОГО ТУРИЗМА

В статье рассмотрены экономические потери туристических направлений вследствие террористических актов. Глобальные примеры демонстрируют резкое снижение туристических прибытий, а также потери капитала, как минимум в течение одного года после происшествия. Некоторые государства вынуждены доказывать свою безопасность и до сегодняшнего дня.

Ключевые слова: террористический акт, терроризм, туризм, международный туризм, турист.

Relevance of the problem. Loss of life, heightened security, personal feelings of unease, horror, sadness, and anxiety can affect many sectors of a targeted community. While travel and tourism is not readily thought of in the immediate aftermath of these attacks, this industry is also affected. The travel and tourism industry is one of the world's largest industries and includes businesses such as airlines, hotels, entertainment venues, and restaurants. Let's take a closer look at how acts of terrorism can impact the travel and tourism industry.

Analysis of recent research and publications. Researching in the field of the consequences of terrorism and its impact on economic indicators are presented in the works of scientists: Smith G., Bental B., Koroma A., Fernanda L., Marg V., Llorca-Vivero R., Teitler S..

Problem definition. The task is defining the economic threat in the tourism industry after the terrorist acts of a national scale.

Researching results. When a terrorist used a truck to crash into a crowd celebrating Bastille Day in Nice, France, in July 2016, over 80 people lost their lives. In the wake of that tragedy, it was not only the loss of life that affected the French population and community.

After a terrorist opened fire in an Orlando, Florida, nightclub a month prior, killing 50 club goers, the sunny vacation spot experienced a post-tragedy reaction similar to that experienced in Nice, France [2].

Terrorism is a systematic and persistent strategy practiced by a state or political group against another state, political or social group through a campaign of acts of violence, such as assassinations, hijacking, use of explosives, sabotage, murder and the like, with the intent of creating a state of terror and public intimidation to achieve political, social or religious ends.

Government, industry, and the travelling public clearly understand that terrorist acts occurring at tourism destinations have a negative impact on tourism demand – and collectively view certain terrorist acts as more brutal or heinous than others. What have not been clear to date, however, are the specific temporal effects on tourism demand of terrorism acts that have occurred at tourism destinations and whether certain types of acts of terrorism had a more severe effect on tourism demand than others [12].

For demonstrating the damage to the tourism economy, let's look at examples of countries in which there were sensational acts of terrorism in the last three years:

Terrorism and tourism in *Egypt*. These attacks often end in fatalities and injuries and has an immediate and sometimes lasting effect on the industry. Examples are the blowing up airplanes full of tourists, drive-by shootings of tourists, knife attacks on tourists and suicide explosions in a location where tourists are congregated. These types of attacks are carried out by different extremists, over the years, by the hurt of Egypt's economy by damaging one of its most important economic sectors, tourism.

The Red Sea Riviera, Egypt's eastern coastline along the Red Sea, is a popular destination spot. When tourism was fledgling after the Egyptian crisis from 2011-2014, the downing of an airplane which left Sharm El Sheikh airport with Russian tourists on 31 October 2015, sent shock waves through the industry again. The cause was suspected to be a bomb and speculation largely fell on an airport worker. Russia stopped all flights to Sharm-El-Sheik, until Russian officials

inspected the airport and felt it met better security standards. After the downing of the jet, "scared tourists" left the area, affecting the Bedouin population who worked in the tourism industry. Russian and Britain stopped all flights to Sharm El Sheikh. On 19 May 2016, EgyptAir Flight 804, left Paris for Cairo, with 66 people on board but never made it [7].

As a result Egypt lost its major tourist supplier (Russian Federation) till now. And even the influx of Ukrainian tourists is not able to prevent damage.

Tunisia is still counting the cost of the worst terror attacks in its modern history. In 2015, ISIS attacks in Sousse and Tunis killed 60 people. The majority of the victims were European tourists.

The attacks took a heavy toll on the country's tourism sector, which accounts for around one-sixth of GDP and provides employment for more than 200,000 people. Visitor numbers fell by 25% to 5.4 million in 2015, and revenue from tourists dropped by 35% to \$1.1 billion. Mass unemployment and business closures ravaged the resorts. But after two barren years there are signs the industry is finally coming back to life.

Optimism is borne out by statistics. The latest figures from the National Office of Tunisian Tourism (ONTT) show 3.6 million visitors to July 31 this year, a 27% increase year-on-year. Visitors from Europe increased by 15% over the same period [1].

Orlando is the top tourist attraction in the *US*, luring more than 66 million visitors annually. Tourism is the crux of the local economy. It supports hundreds of thousands of families and jobs—around 20% of the population works in the tourism industry. The tourist industry employs 1.2 million in Florida.

Orlando relies on tourism as a major contributor to its economy. In fact, the city that is home to Disney World, the Wizarding World of Harry Potter and SeaWorld received more than 60 million visitors in 2015, ranking it among the top destinations in the U.S. Tourism is responsible for an economic impact to surrounding Orange County of more than \$60 billion annually.

While research confirms that crime and terror have a negative impact on the cities where they take place, the tourism industry has actually become more resilient in recent years.

All Orlando attractions are on high alert. Naturally, this is scaring people off. Allianz Travel Insurance says that customers may be eligible for coverage under their trip cancellation benefits.

But, it makes no sense to allow terrorism fallout to create a long-term economic impact on Orlando's \$87 billion industry [8].

It is very important to remember the tragedy in the heart of Europe and the international community: Paris, Brussels, Nice... In May 2016, a popular British publication "Express" published a map of the European countries with the greatest terrorist threat to tourists.

As seen on the map, all of western Europe has become at the same level of danger as northern Africa.

Tourism in *France* has been hit hard by terrorism fears.

The capital city and the Île-de-France region which surrounds it welcomed 1.5 million fewer holidaymakers in 2016 compared to 2015, according to the Regional Tourism Committee.

This 0.8 per cent drop in visitors has cost the area 1.3 billion Euros, which is a 6.1 per cent fall in takings from 2015, Le Figaro reports.

The number of tourists arriving on regular flights has fallen by 5.8 percent since January, including by 11 percent in Paris.

In striking the jewel of the French Riviera on a national holiday the truck attack on Nice delivered a new blow to France's tourism sector already reeling from repeated terror attacks.

A gunman drove a 19-tonne truck into a crowd of revellers following Bastille Day fireworks Thursday evening, killing at least 84 people -- in what President Francois Hollande declared a "terrorist" attack.

The place of the attack was a top tourist destination: the palm-lined Promenade des Anglais along the Mediterranean coast in the city which is the number two destination in France behind Paris.

The attack was the third major strike against France in less than 18 months. It comes eight months after Islamic State gunmen and suicide bombers attacked bars, restaurants, a concert hall and the national stadium in Paris, killing 130 people. In January last year 17 were killed in another attack at various sites including the offices of the Charlie Hebdo magazine and a Jewish supermarket in Paris.

Georges Panayotis, head of the MKG hotel and tourism consultancy, expressed concern about the effect the repeated attacks were having on the industry. The attack on Nice may nip in the bud an increase in tourists to destinations outside Paris, which was partially supported by France's successful hosting of the Euro 2016 football championships in June and July. Tourist arrivals by plane outside of Paris were up by 11 percent in the first 10 days of July, thanks in part to a jump in last minute travellers from a number of European nations [9].

Brussels' tourism industry has taken a worrying hit after the *Belgian* city was rocked by a terror attack.

Brussels faced a devastating attack on March 22 2016, which claimed the lives of 32 people and injured hundreds. ISIS claimed responsibility for the shocking European attack, which involved two explosions at the airport and an explosion at a metro station. In July there was a security alert in Brussels after a man was held at gunpoint by police after reportedly being spotted wearing a long coat with wires protruding from it.

The picturesque capital of Belgium relies on travellers visiting from around the world for its once-thriving tourism economy. But in the wake of the devastating terror attack in March last year, the sector is struggling. Hotel weekend revenue in the city has dropped 22 per cent according to *La Libre*. Occupancy rates are down 10 per cent. Prices have dropped to around €100 (£86) during the week and €78 (£67) on weekends [5].

The terrorist attacks at Brussels Airport and the Maalbeek metro station in March 2016 had a significant effect on tourism in Flanders, according to Visit Flanders' annual report. The report was presented by tourism minister Ben Weyts at the weekend.

The number of overnight stays by foreign tourists in the region was nearly 29,100,000, a drop of 5.6% compared to 2015, which had been a record year. The number of Belgian tourists overnighing in Flanders, on the other hand, fell by only 0.4%. The number of British visitors was down 20%, while Americans were down by 25%. Japanese tourists were down by a whopping 45%. At the same time, every other European country saw its tourist numbers increase by an average 2% – with the exception of those affected by terrorism. That includes France, which was down by 2%, and Turkey, with visitor numbers tumbling by 31% [6].

Studying the annual edition “Highlights” by UNWTO we see the sharp decline in annual statistics. Results in Western Europe (0%) were rather mixed in 2016, as some destinations were impacted by security concerns. The Netherlands and Austria both reported a 5% growth in arrivals, and Germany a 2% growth. The world's top tourism destination, France (-2%), faced the aftermath of security incidents, as did Belgium (-10%) (Table 1).

Table 1

International tourist arrivals and receipts of Western Europe													
International tourist arrivals and receipts of Western Europe													
International tourist arrivals								International tourist receipts					
Destinations	(1000)				Change (%)			Share (%)	(US\$ million)				Share (%)
	2010	2014	2015	2016	14/13	15/14	16/15	2016	2010	2014	2015	2016	2016
Western Europe	154.36	175.31	181.41	181.47	2.2	3.5	0.0	29.4	142.3	174.2	145.8	145.3	32.5
Belgium	7.19	7.89	8.36	7.48	2.6	5.9	-10.5	1.2	11.43	13.93	11.97	11.84	2.6
France	77.65	83.70	84.45	82.60	0.1	0.9	-2.2	13.4	47.02	58.15	44.86	42.48	9.5

Resources: [14]

Terrorist acts have become a serious negative factor in the development of tourism in a number of European countries. But France climbed one place to 5th position in earnings, with US \$ 42 billion, and remains the world's top destination in terms of international arrivals with 83 million [10].

There is a question: What have to be done to protect international tourism nowadays? Simple, however, a binding decision can be proposed creating of the concept TSP (Tourist Safety Program) as an instrument to combat modern terrorism which is adopted by the national assembly of countries, where tourism is a significant share of income.

TSP (Tourist Safety Program) - a number of measures to ensure a stable level of security for tourists which is adopted by the national assembly of countries, where tourism is a significant share of income as a condition for the development of international tourism.

We can offer the next TSP Key positions:

- constant patrolling of territories;
- the refusal of the states of incoming tourism from political and military interference;
- full insurance of the countries participating in mass tourism;
- continuous complex aviation security procedure;
- creating of a civilian committee to combat crime in resort areas.

All of the above should be done by each country of incoming tourism to protect international tourism nowadays and in future.

Conclusion. Recently, tourist and travel destinations have become the main targets of fanatics: planes, trains, buses, nightclubs, and arenas. They are easy targets: lightly protected, densely populated, and they offer the possibility of great immediate carnage. It could have been us. We all do these things. We were all there once. Terrorism invokes a primal instinct. Fight or flight. But as rational human beings, we must resist this animalistic behavior, which is likely to encourage even more terrorism. This is exactly why, after this week's horror, we should not let ourselves be prisoners of fear. Realistically, the chances of being killed in a terrorist attack are about 1 in 20 million. You are 300 times more likely to die in your own bathtub than be killed by a terrorist. You are 5,000 times more likely to die of a medical error than from a terrorist attack. It saddens us to see the amount of people on social media over-reacting, suddenly fearful of travel—whether to Orlando, or Paris, or to any metropolis. Of course, danger always exists. But, if you let fear take away our freedom to travel, they will win [8].

Based on the results of the above study it is obvious that terrorist acts occurring at tourist destinations have been numerous and frequent. The sad fact is that terrorism and tourism appear to have become inextricably linked. Accepting the permanence of this relationship can help us design research that will enable us to understand and mitigate terrorism's effects on tourism demand and the economic and socio-cultural quality of life in tourism destinations. The tourism industry seems to be relatively resilient, and, in most cases, destinations in the study demonstrated an ability to recover from the devastating effects of terrorism. Fortunately, despite the advent and growth of terrorism, tourism has continued to flourish. If terrorist acts are not repeated at close intervals, tourists will come back again and the destination will recover. People will continue to want to travel, and they appear to be willing to consider a place secure again following a terrorist act if proper marketing/image and crisis management occurs or, depending on the nature of the act, simply if sufficient time passes without further incident [13].

References

1. [Electronic resource]: <http://edition.cnn.com/2017/08/15/africa/tunisian-tourism-terror/index.html>
2. [Electronic resource]: <http://study.com/academy/lesson/impact-of-terrorism-on-the-travel-tourism-industry.html>
3. [Electronic resource]: <http://www.bbc.com/news/magazine-33310217>.
4. [Electronic resource]: <http://www.express.co.uk/news/world/666436/REVEALED-Shocking-scale-of-Turkey-terror-attacks-threatening-British-tourists>
5. [Electronic resource]: <http://www.express.co.uk/travel/articles/751111/brussels-terrorist-attack-tourism>
6. [Electronic resource]: <http://www.flanderstoday.eu/business/terrorist-attacks-had-serious-effect-tourism>
7. [Electronic resource]: https://en.wikipedia.org/wiki/Terrorism_and_tourism_in_Egypt.
8. [Electronic resource]: https://www.huffingtonpost.com/blake-fleetwood/terrorism-tourism-and-orl_b_10512296.html
9. [Electronic resource]: <https://www.thelocal.fr/20160715/nice-truck-attack-another-hit-to-french-tourism>
10. Ash N. (1993). Terrorism hits earnings for tourism, Euromoney, pp. 141–142.
11. Fernanda, L., José, T. (2006). Economics and Terrorism: What We Know, What We Should Know and the Data We Need. Proceedings of the 10th Annual International Conference on Economics and Security, p. 62.
12. Koroma, A. (2011). The Ongoing Effect of Terrorism on the Hospitality & Tourism Industry. Indiana: Ball State University.
13. Pizam, A., Smith, G., (2000). Tourism and Terrorism: A Historical Analysis of Major Terrorism Acts and Their Impact on Tourism Destinations, Tourism Economics, Vol. 6, No. 2, pp. 123–138.
14. UNWTO. UNWTO Tourism Highlights, 2016 edn. (2017). Regional results. Europe – Strong growth for mature region, pp. 7–8.