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## An unfolding crisis

### Case study: How the cruise industry became a symbol of COVID-19



**Figure 1.1:** The Diamond Princess (courtesy of Princess Cruises image library)

It was February 3, 2020, and passengers aboard Carnival's Diamond Princess were enjoying the last night of their two-week cruise. Yes, they had heard about a mysterious virus that was scything through mainland China, but it looked like it wouldn't be affecting their vacation and they would be arriving in Japan the next day. They tucked into what they thought would be their last meal on the ship, unaware that an 80-year-old passenger – a man who had coughed through the first third of the cruise – had been admitted to a hospital in Hong Kong. Suddenly over dinner the ocean liner's intercom came to life, and the ship's captain told everyone about the passenger in Hong Kong who had tested positive

## Introduction

The travel industry worldwide has been dealt a vicious blow. It is forecast that the number of international tourist arrivals will fall by 60-80%% in 2020 due to the novel coronavirus, putting millions of jobs at risk (Alpert & Beilfuss, 2020; UNTWO, 2020). The drop in arrivals will lead to an estimated loss of \$300-450 billion in international tourism receipts (The Economic Times, 2020). The industry will recover, but travel will never be the same again, and the year 2020 will be a defining moment in the history of the tourism sector. But how did this crisis unfold and start to impact travel? This chapter will track the period between the first signs of the virus at the end of 2019 to the beginning of April 2020, showing how as the virus spread, so too did its impact on the travel and tourism around the world.

As the opening case study demonstrated, the 2020 pandemic and travel were inextricably linked. As COVID-19 has painfully demonstrated, travel can play a critical role in the spread of new infectious diseases. The ability to get to nearly any country in the world in 20 hours or less, and pack a virus along with our carry-on luggage, allows new diseases to emerge and to spread when they might have died out in the past (Walsh, 2020b). Likewise, the increased globalization of tourism means that the industry is uniquely vulnerable to the disruption these disasters can cause (Hudson & Hudson, 2017). Travel and tourism may be the one industry to see the greatest impact from the coronavirus (see Figure 1.2), and it may take many years for the sector to recover.

Despite occasional shocks, tourism has experienced continued expansion and diversification since the 1950s to become one of the world's largest and fastest-growing economic sectors. Until recently, international tourism represented 7%

## Industry impact analysis

**Covid-19 Industry Impact**  
boardofinnovation.com

Note: Detailed impact analysis per industry in dedicated reports.

	Industry characteristics					Impact analysis
	Large gatherings are essential	Close human interaction is essential	Hygiene, or perception thereof, is critical	Dependant on travel (business and leisure)	Service or product is postponable or expendable	
<b>Tourism and hospitality</b>	Very high	Very high	High	Very high	High	Very high
<b>Sports</b>	Very high	Very high	Medium	Low	Medium	High
<b>Music</b>	High	High	Low	Medium	Medium	High
<b>Automotive</b>	Low	Low	Medium	Low	Very high	High
<b>Beverages (Alcohol)</b>	High	High	Medium	Medium	Low	Medium
<b>Retail (non-food)</b>	High	Medium	Medium	Medium	Medium	Medium
<b>Pharmaceuticals</b>	Low	Low	High	Low	Low	Low

Figure 1.2: Industry impact analysis from COVID-19 (courtesy of Board of Innovation, 2020: 26)