**The impact of COVID-19 on the economy and tourism in the UK and the Czech Republic**

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**The case of the UK – general and economic impact of coronavirus crisis**

The coronavirus started showing in January/ February 2020, but the lockdown came about much later, only third week of March. The government was hesitant to decide as lockdown is an unpopular measure and they were concerned about the economic impact.

During the lockdown in the UK (end of March – June 2020) the functioning of the country was reduced to essential only; mainly just food stores and pharmacies were open, a significant proportion of industries experienced shut down or reduction of production.

The lockdown was lifted in June and since then the country has been ‘returning to normal’; however, from September new coronavirus infections have been steadily on the rise again and now the situation is becoming serious. Currently the government is not considering another lockdown as it is trying to avoid the economic consequences. There are frequent opinions of experts suggesting that we cannot afford another lockdown in the UK. However, if the epidemiological situation develops so serious that there is a risk of collapse of the healthcare system, then perhaps drastic measures will need to be implemented.

Below are listed **some facts regarding the economic consequences of coronavirus by Oct 2020 in the UK** (comparison of the point just after lockdown in June and current status in September/ October 2020):

At the moment, 82 % businesses are still trading (as of Oct 2020) compared to only 66% in June (just after the lockdown was lifted) so there has been a slight increase indicating partial recovery.

* By Oct 2020), 47% of businesses experienced a decrease in turnover, compared with 65% in June 2020.
* Of businesses currently trading, 43% experienced a decrease in profits compared with what is normally expected for this time of year, while 7% experienced an increase.
* In October, 9% of the workforce were on **furlough leave**, compared with 30% in June. Furlough is defined as ‘unpaid’ leave of absence. The employees typically keep their job but are not working. Whilst the employer officially does not have to pay the employees and thus can save the funds, they often do receive partial pay (typically about 70%) as their salary is subsidised by the government. This is, however, only temporary measure.
* There has been rise of **homeworking as a new phenomenon**: of businesses not permanently stopped trading, 26% had more staff working from home as a result of the coronavirus (COVID-19) pandemic and **19% intended to use increased homeworking as a permanent business model going forward**.
* Of businesses not permanently stopped trading, 3% intended to permanently close business sites in the next three months.

The **information and communication industry** and the **arts, entertainment** and **recreation industry** had the highest percentages of businesses that were temporarily closed or paused trading, at 25% and 20% respectively.

The UK Government has issues financial support for businesses during coronavirus crisis. It is a full range of different business support measures and depends on the status of the business and their current situation (e.g. employees wages (job retention scheme), sick pay, tax relief, support for self-employed individuals and support for small and large businesses).

**The impact of coronavirus crisis on tourism – illustrated on the case of the Czech Republic**

Tourism is one of the areas worst affected by coronavirus, not only in the CR but world-wide. The second worst affected is gastronomy (restaurants, cafes, bars) and the third is culture and arts. Increase in business, on the other hand, has been experienced by e-shops, logistics and some types of transport (e.g. delivery companies).

The negative impact on tourism is evident in three areas mainly - **decrease in consumption (leading to decrease of economic development), loss of jobs and loss of people’s livelihood**. Within Europe, it is expected that the profits of hotels will fall 50%, of airlines 70% and ship transport 90% by next year.

The worst affected regions in the Czech Republic are Prague, north Bohemia and south Moravia. The coronavirus crisis has had most damaging impact on the following areas tourist industry: accommodation, food, transport, and income from entrance to cultural objects and heritage sites.

By the summer 2020, Prague lost about 5 million of visitors as compared to the previous year. Between April and June 2020, the drop in tourism in Prague was more than 90% in total compared to last year. The decrease of Czech tourists coming to Prague has been about 70 percent.

At the moment (end of October 2020), there is a state of emergency in the CR (not a complete lockdown yet) – people are advised to stay at home mainly but can go out to work, only food stores and essential shops are open, restaurants, cafes and bars are closed. These restrictions are expected to last until December.

The Czech government has issued a programme of support called Antivirus A (in spring 2020) and Antivirus B (in autumn 2020) to support businesses impacted by coronavirus. The main incentive of the programme is to delay possible economic crisis. Now the programme has been extended until December 2020.

One of the consequences of the current crisis is also shift in emphasis towards policies supporting innovation, digitalization, collaboration/ partnerships and sustainability. This could lead to **significant future cultural shifts**. The coronavirus crisis, despite its profoundly negative effects, can be seen also as a challenge and opportunity to modernize – especially **towards more environmentally friendly and more responsible behaviour**.