AGENDA

1. Types of events
2. Liability
3. Resiliency – State of the T&T Industry
4. Traveler Perceptions
DEFINITIONS

• Frequency
  • The rate at which something occurs or is repeated over a particular period of time or in a given sample

• Magnitude
  • The size or extent of an event measured in lives lost, injuries and physical damage
TYPES OF EVENTS

• Low frequency, high magnitude (major events)
  • Natural disasters
  • Civil unrest, war
  • Disease outbreaks

• High frequency, low magnitude (minor events)
  • Motor vehicle accidents
  • Violent crime
  • Traveler medical issues
TYPES OF EVENTS - MAJOR
NATURAL DISASTERS 1900 - 2018

GLOBAL rescue
TYPES OF EVENTS - MAJOR
TERRORIST ATTACKS 2000 - 2018
TYPES OF EVENTS - MAJOR

DISEASE OUTBREAKS 2017-2018

Source: Harvard Medical School Health Map
CASE STUDY #1 - MAJOR

- 2009 outbreak of H1N1 in Mexico results in nationwide school closures
- Tourists are advised to avoid Mexico
- Tourist demand from the United States and Europe drops costing Mexico over $2.8 billion (3)

(3) https://www.researchgate.net/publication/237071037_The_economic_impact_of_H1N1_on_Mexico's_tourist_and_porksectors
CASE STUDY #2 - MAJOR

- 2016 bombing of a Russian airliner Metrojet 9268 kills 224 on board
- ISIL claims responsibility
- Tourist demand drops, costing Egypt over $3.6 billion (4)
CASE STUDY #3 - MAJOR

• Novel Corona virus outbreak originates in Wuhan, China on December 31, 2019
• As of February 3, 2020, at least 17,486 have been sickened and 362 have died
• Rate of infection reflects early stages of a global pandemic
• Total cost in lives and economic impact unknown; CNN currently estimates economic losses at $60 billion
CASE STUDY #4 - MINOR

• Natalee Hollowell, an American teenager, disappears in Aruba in 2005

• She is never found and the story becomes international news; a Dutch man is eventually charged with her murder

• Tourist demand from the United States dropped 25% the following year (1)

CASE STUDY #5 - MINOR

- Cara Munn, an American teenager, contracts tick-borne encephalitis while traveling in China in 2014
- It takes 10 days before she is evacuated to the US; parents have to fly to China and do it themselves
- School found to have breached their duty of care
- Family awarded $41.5 million
LIABILITY

• Lives lost; physical damage
• Reduced revenue (tourism/customers)
• Legal liability
  • Duty of care failure
• Hope is not a strategy
THE GOOD NEWS

• Global Rescue and the World Travel and Tourism Council released a report in October 2019

• Travel and Tourism is the world’s largest industry representing 10.4% of global GDP ($2.8 trillion)

• Travel and Tourism employed 319 million people and grew 3.9%

• 14 billion travelers crossed an international border in 2018

• Resilience is improving; recovery times have decreased on average almost 50% since 2001

  • Terrorism – 11.5 months

  • Civil unrest / political instability – 22.2 months

  • Infectious disease outbreaks – 19.4 months

  • Natural disasters – 16.2 months

(1) Crisis Readiness: Are you prepared and resilient to safeguard your people and destinations?; World Travel and Tourism Council and Global Rescue LLC; October 2019
MINOR EVENTS ARE MANAGEABLE

- Reasonable measures can be used to prevent and/or reduce the impact of these events
TRAVELER PERCEPTIONS

• Travelers continue to travel

• 86% of travelers are concerned about traveling in 2020; 31% are more concerned than 2019

• Top destinations by level of concern:
  • Middle East – 89%
  • Africa – 85%
  • Asia – 83%
  • S. America – 80%
  • Europe 62%
TRAVELER PERCEPTIONS – TOP CONCERNS

• Health/Medical – 73%
• Crime – 64%
• Terrorism – 45%
• Motor vehicle accidents – 40%
• Civil unrest – 26%
How much will your concerns impact your travel plans in 2020?

- Not At All: 38.00%
- A Little: 53.15%
- Significantly: 6.72%
- Don't Know: 2.13%
CONCLUSIONS

• The world is becoming more dangerous

• However, the travel and tourism industry is becoming more resilient

• Travel and tourism continues to grow and is one of the world’s largest and fastest growing industries

• Travelers are increasingly concerned, but continue to travel anyway

• We all must work together to make sure we are prepared for the challenges to come

“Fortune favors the prepared” Louis Pasteur (1822-1895)
For questions and additional information

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