

*Assessing impact of COVID-19 on the Russian tourism sector
and its development scenarios in the context of value chains
transformation*

*Avaliação do impacto da COVID-19 no setor de turismo
Russo e seus cenários de desenvolvimento no contexto da
transformação das cadeias de valor*

*Evaluación del impacto de COVID-19 en el sector turístico
ruso y sus escenarios de desarrollo en el contexto de la
transformación de las cadenas de valor*

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Abstract

This study is devoted to assessing the pandemic's impact on the Russian tourism sector functioning. The authors determine that the spread of coronavirus in the world significantly affected the state of tourism in Russia, greatly reducing the volume of outbound and inbound tourism and depriving tourist companies of the source of income. All representatives of the tourism industry, such as travel agencies and operators, accommodation facilities, as well as transport companies specializing in tourist transportation, face negative effects of COVID-19. The article calculates the effects for the Russian economy caused by decreased tourist demand in 2020 in the context of indicators, such as gross output, employee number and wage fund for all types of economic activity. In conclusion, the work proposes scenarios for boosting the Russian tourism sector in the near future with regard to current conditions, and for each scenario identifies measures for their implementation.

Key words: COVID-19, Russia, domestic tourism, Input-Output model.

Resumo

Este estudo é dedicado a avaliar o impacto da pandemia no funcionamento do setor de turismo russo. Os autores determinam que a disseminação do coronavírus no mundo afetou significativamente o estado do turismo na Rússia, reduzindo muito o volume do turismo receptivo e emissor e privando as empresas turísticas de sua fonte de renda. Todos os representantes da indústria do turismo, como agências e operadoras de viagens, meios de hospedagem, bem como empresas de transporte especializadas em transporte turístico, enfrentam os efeitos negativos do COVID-19. O artigo calcula os efeitos para a economia russa causados pela redução da demanda turística em 2020 no contexto de indicadores como produção bruta, número de empregados e fundo de salários para todos os tipos de atividade econômica. Em conclusão, o trabalho propõe cenários para impulsionar o setor de turismo russo em um futuro próximo no que diz respeito às condições atuais, e para cada cenário identifica medidas para sua implementação.

Palavras-chave: COVID-19, Rússia, turismo doméstico, modelo Input-Output.

Resumen

Este estudio está dedicado a evaluar el impacto de la pandemia en el funcionamiento del sector turístico ruso. Los autores determinan que la propagación del coronavirus en el mundo afectó significativamente el estado del turismo en Rusia, reduciendo en gran medida el volumen del turismo emisor y receptor y privando a las empresas turísticas de la fuente de ingresos. Todos los representantes de la industria turística, como agencias y operadores de viajes, facilidades de alojamiento, así como empresas de transporte especializadas en transporte turístico, enfrentan los efectos negativos del COVID-19. El artículo calcula los efectos para la economía rusa causados por la disminución de la demanda turística en 2020 en el contexto de indicadores, como la producción bruta, el número de empleados y el fondo de salarios para todo tipo de actividad económica. En conclusión, el trabajo propone escenarios para dinamizar el sector turístico ruso en un futuro próximo con respecto a las condiciones actuales, y para cada escenario se identifican medidas para su implementación.

Palabras clave: COVID-19, Rusia, turismo interno, modelo Input-Output.

Introduction

Tourism is a dynamically developing branch of the Russian economy, accounting for 3.9% of gross domestic product. According to the United Nations World Tourism Organization, the number of arrivals of foreign tourists to the country was significant: in 2019; the country welcomed 24.6 million travelers, thus ranking 14th among all world countries and 9th among European ones (UNWTO, 2021). In addition, Russia is one of the main outbound tourist destinations in the world, ranking 8th in the world by number of tourists' international trips.

The diversity of tourist resources allows Russia to develop such types of inbound and domestic tourism as cultural and educational, health-related, sport, mountain skiing, business, cruise, environmental, rural, fishing and hunting (BUCHER, 2016).

Most indicators of tourist infrastructure are going up nowadays: new hotels and public catering enterprises are opening. So, in 2010-2019, the number of collective

accommodation facilities increased by 3.6 times, and the number of persons accommodated – by 65%. The number of public catering facilities increased by 40% over the past 10 years. These positive changes in the functioning of tourist organizations and the need to strengthen this sector in the Russian economy drew authorities' attention to its development. Thus, in 2019, the Strategy for the Development of Tourism in the Russian Federation up to 2035 was adopted, stipulating a rise in the contribution of tourism to the country's GDP by 5.1 times compared to the 2017 level. In 2020, the state body responsible for promoting tourism in Russia (Federal Agency for Tourism (Rostourism)) became directly subordinate to the government, which significantly expanded its powers in terms of developing state policy in this area, as well as improved coordination of its priorities implementation.

Despite authorities' recent interest in tourism industry development in Russia, the forced quarantine restrictions in 2020 had a negative impact on the tourism and hospitality industry and the related ones, such as the transport sector. The losses incurred by the Russian tourism industry due to the negative impact of coronavirus are estimated by the Federal Tourism Agency at 1.5 trillion rubles, with an annual turnover of 3.7 trillion rubles in the pre-crisis period. In the current economic conditions, there is a need to assess the impact of the coronavirus pandemic on the Russian tourism sector in order to determine scenarios for its development in the near future, which is the purpose of this study. To achieve this objective, the pre-crisis state of the Russian tourism sector is analyzed, trends and limitations of its functioning are identified, the impact of COVID-19 on it is assessed, and scenarios for boosting the industry are proposed. The significance of the study is determined by the clarification of the role and place of Russia on the world tourism market in the context of increasing globalization processes.

Literature review

Scientific literature observes researchers' keen interest in assessing consequences of COVID-19 for the tourism industry of the world, since the impact of the current crisis on it is significant. According to the United Nations World Tourism Organization (UNWTO, 2021), the decline in tourism revenues was 11 times greater than the losses from the 2009 global economic crisis, making the year of 2020 the worst year for tourism on record. The coronavirus pandemic has been the largest for the last hundred years, causing significant damage to the world economy, national economies of individual countries in general, and the tourism sector in particular. Scientists note that the negative effects of COVID-19 on the economy are caused by the sharp restrictions on mobility imposed by governments of most world countries, which paralyzed most production activities and services, especially the transport sector, leading to a sharp decline in the number of tourist trips (RODRÍGUEZ-ANTÓN et al., 2020).

Assessment of the impact, COVID-19 has had on the tourism industry, is studied from different perspectives. Thus, researchers pay attention to tourists' changing behavior in the context of the pandemic. For example, according to Miao et al. (2021), its impact will be felt even after the recovery of tourism markets and will lead to some sustainable

transformations in travel patterns in the long term. Another study (SÁNCHEZ-PÉREZ et al., 2021) analyzes the impact of perceived risk on tourists' intention to travel in the COVID-19 pandemic situation. The authors develop a model that includes calculation of the impact of this intention on tourists' willingness to pay a greater sum of money to benefit from additional security measures at the destination. The scientists (LUO et al., 2020) emphasize that authorities and tourism organizations should provide sufficient information to the public about travel safety and measures taken in this regard. It can be organized through the use of resources, such as advertising on public transport, social networks and medical information centers, which will reduce the level of tourists' anxiety.

A separate group includes works on forecasting the recovery of tourist flows and the tourism industry as a whole after the pandemic. So, Fotiadis et al. (2020) based on neural additive models calculate that the decline in tourist arrivals will continue until July 2021.

Skarea et al. (2021) note high resilience of the tourism industry to various crisis events. Having studied the situation in 185 countries in 2001-2018, they determine that the time interval required for tourism sector recovery decreased from 26 to 10 months. It is noted that the recovery of the tourism industry worldwide after COVID-19 will take longer than the average expected recovery period calculated by them.

Other authors emphasize that the accurate forecast of the impact of COVID-19 on the tourism industry and its recovery is important for strategic planning of tourism destinations and tourism-related businesses (QIU et al., 2021).

It can be stated that many researchers evaluate consequences of the pandemic for the tourism industry in individual regions or countries of the world, such as Spain (MORENO-LUNA et al., 2021; RODRIGUEZ-ANTON et al., 2020), Portugal (ALMEIDA et al., 2020), Thailand (MAROME et al., 2021), Malaysia (FOO et al., 2020), etc.

Persson-Fischer et al. (2021) review scientific literature devoted to the impact of COVID-19 on tourism in 2020, noting that only a third of all the studies consider this issue on the example of a specific territory. Summarizing these works, the authors determine that China is the most studied region, as this country was the first to experience the impact of COVID-19 on the tourism sector. It is followed by Central Africa and South-Western Europe.

However, the influence of the coronavirus pandemic on tourism in terms of countries or regions of the world are not fully reflected in scientific literature. Moreover, the economies of states differ greatly from each other in the degree of dependence on the tourism industry. For example, in Portugal the tourism sector, providing more than 1 million jobs, generates up to 15% of gross domestic product (ALMEIDA et al., 2020), while in the Russian Federation its importance is not so great. At the same time, the tourism industry in Russia is turning into a significant and profitable sector of the economy, which is confirmed by the state-provided measures. This study reveals the industry functioning specifics in the context of the pandemic.

Methodology

The study takes into account the scientists' works focused on the tourism industry development in the context of the COVID-19 pandemic. To analyze the state of the Russian tourism sector, identify trends and obstacles to its functioning, as well as determine scenarios for its further development, the methods of synthesis and generalization, expert assessments, monographic, statistical, retrospective, qualitative and quantitative data processing are used.

To assess the economic effect of the decline in tourist demand, we consider a static input-output model of the economy, based on the main input-output balance equation:

$$(1) \quad x = Ax + y,$$

where x is – vector of total output; A – matrix of direct cost coefficients; y – vector of final product.

The following equation is used in the simulation:

$$(2) \quad (E - A)^{-1} \times y = x,$$

where E – unit matrix; $(E - A)^{-1}$ – total cost coefficients matrix.

The model contains a type of activity “Tourism”, which is not separately presented in the Russian statistics. To calculate tourist output and tourist value added by types of tourism-related activities, we use methodological tools based on the aggregation of data on the shipment of goods, performance of works and provision of services by Russian enterprises (LEONIDOVA et al., 2019).

Using the Federal Tourism Agency's data on the decreased tourism industry revenue in 2020, we construct the input-output model and calculate the volume of tourism products sold in terms of reduced consumer demand. We also assess the contribution of tourism to the decline in the employee number and the wage fund.

The official data of the Federal State Statistics Service of the Russian Federation (Rosstat), the United Nations World Tourism Organization, the Organization for Economic Cooperation and Development, and the World Bank are used as the information base of the study.

Results

Trends in tourism development in Russia

Despite the fact that Russia has a significant tourist capacity, this sector of the economy has been neglected by the authorities for a long time, thus the industry has lacked necessary financial and organizational support for its successful functioning. Hence, the tourism sector in the country is mainly focused on the development of

outbound tourism, since Russian tourist products often lose out in terms of price and quality to foreign offers. The key obstacles to tourism development in Russia include:

- lack and underdevelopment of tourist infrastructure in the country regions;
- uncompetitive prices for domestic tours compared to trips to foreign countries;
- low level of tourist service;
- same type of tourist product;
- low awareness of the population about available tourist resources

(LEONIDOVA, 2017).

In order to determine critical obstacles to tourism development in Russia, it is necessary to analyze key trends in its development on the basis of the indicators that characterize the state of tourist infrastructure and the industry's contribution to the economy.

According to statistics, in 2010-2019, the share of outbound tourist packages decreased from 77 to 55% in the total volume of tours sold, but remained quite high (Chart 01). Since 2015, the demand for domestic destinations has been growing. Only in 2015-2019 the number of domestic tour packages increased by 60%.

Chart 01: Number of tour packages sold by Russian travel agencies in 2010-2019, thousand units

Indicator	2010	2011	2012	2015	2016	2017	2018	2019	2019 to 2010, in %
Number of tour packages sold to the population	4.358	4.427	4.763	4.024	3.352	4.390	4.585	5.337	122
of them: domestic	872	929	905	1.331	1.529	1.552	1.635	2.111	by 2.4 times
international	3.367	3.326	3.738	2.482	1.625	2.605	2.575	2.911	86

Source: calculated by the authors on the basis of Rosstat data.

Gradual reorientation of Russians to domestic tourism correspond to international trends in the tourism sector development. So, for most member states of the Organization for Economic Cooperation and Development (OECD), it is the basis of the tourism industry (OECD, 2020). For example, in 2019, US residents made 2.3 million domestic trips and only 157.8 thousand outbound tours.

Scientific research shows that the development of domestic tourism is very important for the economy of any country, since the growth of domestic tourist consumption stimulates domestic demand and heightens efficiency of using existing tourist potential (LUKIN E. V. et al., 2018).

At the same time, Russia lags significantly behind developed European countries in terms of the number of tourists per 100 inhabitants (Image 01).

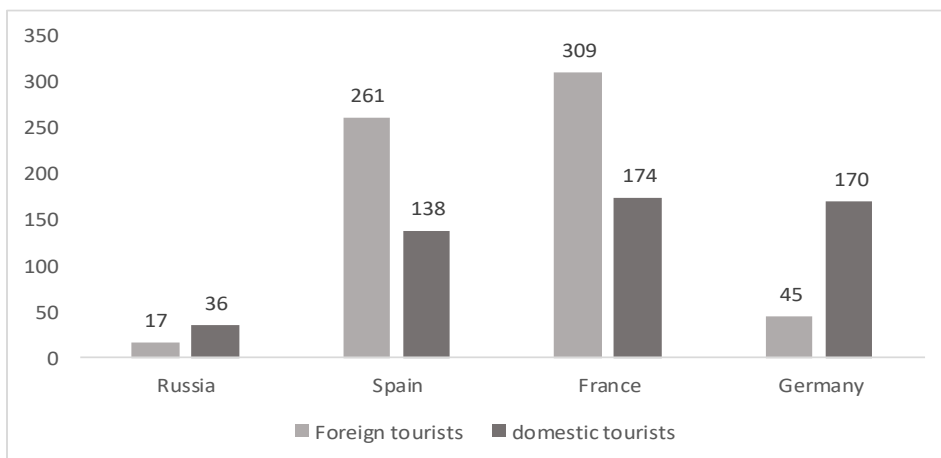


Image 01: Number of tourists per 100 inhabitants in different countries in 2018, people
Source: calculated by the authors on the basis Eurostat data.

Thus, to increase the importance of tourism in the Russian economy, it is necessary to pay special attention to domestic tourism and increase competitiveness of Russian tourist products for both Russian and foreign tourists.

The indicators of inbound tourism development in Russia show a positive trend in the period under analysis (Image 02).

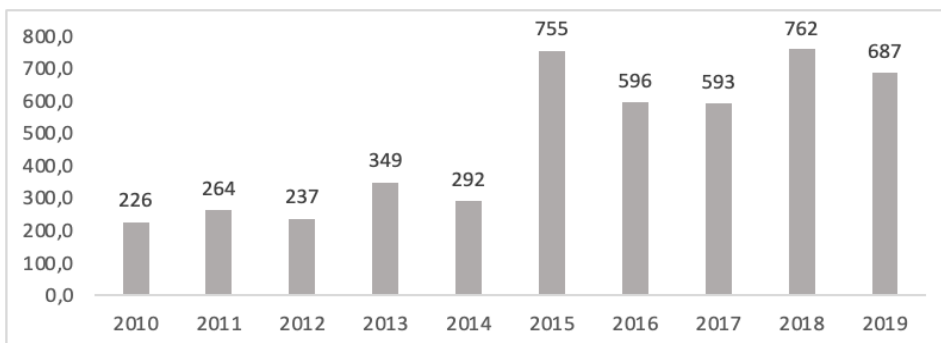


Image 02: Dynamics of the number of foreign tourists served by Russian travel agencies, thousand people
Source: compiled by the authors on the basis of Rosstat data.

So, in 2010-2019, the number of foreign tourists served by Russian travel agencies increased threefold. At the same time, a sharp surge in foreigners' interest in the country's tourist resources has been noted since 2015. This fact is caused by a rise in the share of Chinese tourists in the tourist flow structure due to successful implementation of the China Friendly program, supported by the Russian government since 2014. It is aimed at creating a comfortable residence time for Chinese tourists and promoting Russian tourist products on the international market. In 2019, China ranged first by number of inbound tourist trips to Russia (Image 03). Thus, Russia has recently drawn foreign citizens' attention to its tourist destinations.

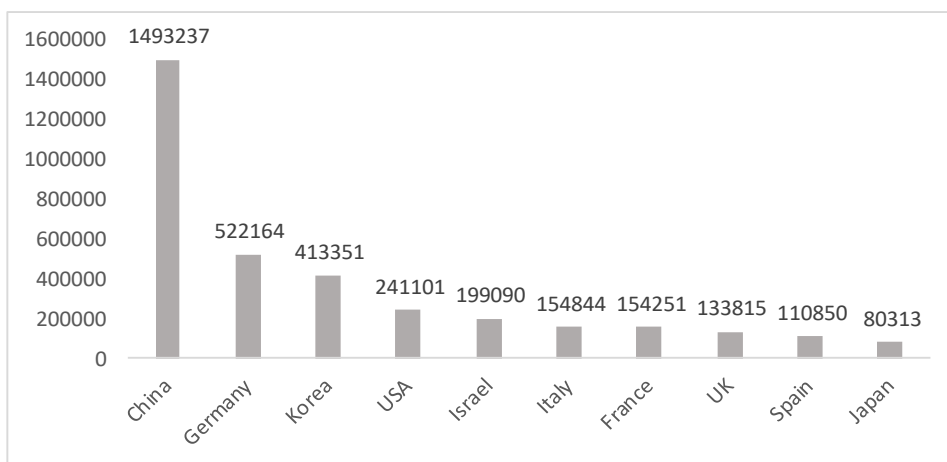


Image 03: TOP 10 key inbound tourism markets of Russia by volume of visits for the purpose of tourism in 2019, number of trips

Source: compiled by the authors on the basis of Rosstat data.

The main factors of Russia's attractiveness as a tourist destination are as such: high price competitiveness, rich variety of historical and natural attractions, and developed air transport infrastructure (SHERESHEVA et al., 2016). Event tourism is also a driver of incoming tourist flow. Russia hosted the 2014 Olympic Games and the 2018 FIFA World Cup, thus changing the structure of inbound tourism countries and raising its popularity among foreigners.

The share of gross value added generated by tourism has not significantly changed since 2011 and is 3.9% as of 2019 (Image 04). This is due to the current structure of the Russian tourism market, characterized by predominance of outbound tourism and weak use of the existing tourist capacity by country residents and foreign tourists.

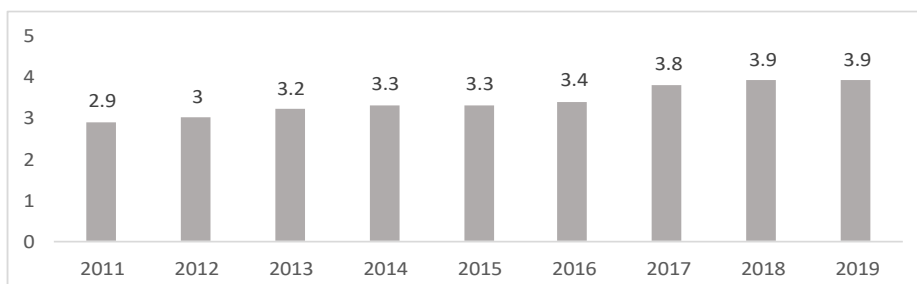


Image 04: Share of gross value added of the tourism industry in gross domestic product of the Russian Federation, in %
Source: Rosstat data.

Dynamics of collective accommodation facilities also reveals the state of the tourism market. The analysis of statistical data shows that the number of hotels and other places of accommodation has increased by 3.6 times during the entire study period (Image 05).

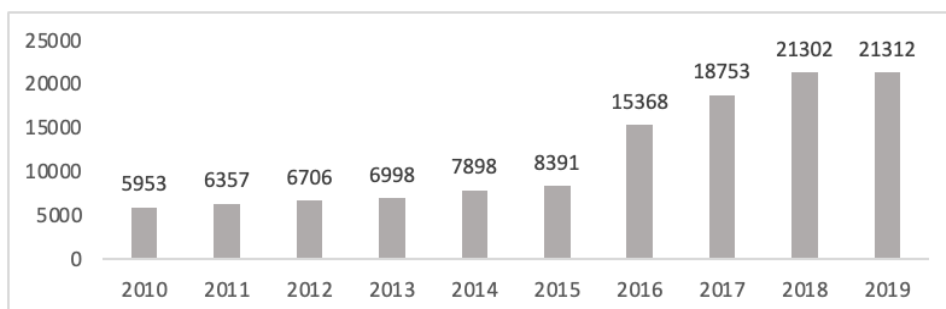


Image 05: Dynamics of the number of collective accommodation facilities in Russia, units.
Source: Rosstat data.

However, it should be noted that in terms of the number of overnight stays of domestic tourists per number of country residents Russia is noticeably inferior to other countries (Image 06), for example, the United States, which indicates an insufficiently developed tourist infrastructure and a lack of attractive tourist products in the country regions.

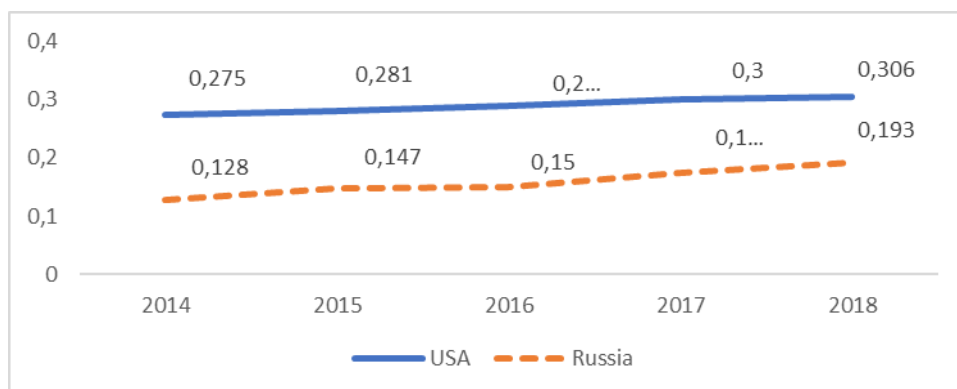


Image 06: Dynamics of the ratio of the number of overnight stays of domestic tourists to the number of country residents for 2014-2018
Source: calculated by the authors based on OECD data.

Influence of COVID-19 on the Russian tourism sector

The introduction of quarantine restrictions due to the coronavirus infection spread has had a significant negative impact on the Russian tourism industry. According to the Bank of Russia, tourism has been one of the most affected economy sectors during the pandemic.

We will consider trends in tourism development during the pandemic in the context of international and domestic destinations.

Outbound tourism

In 2019, Russia ranged 6th in the world in terms of outbound tourist spending (Image 07).

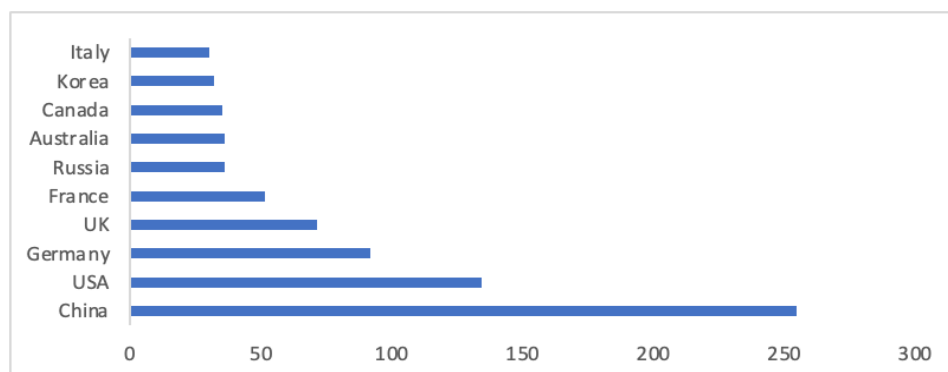


Image 07: Top 10 world countries in terms of outbound tourist spending, million US dollars
Source: World Tourism Organization data.

In 2020, there was a record decrease in outbound tourist flow due to the spread of the coronavirus infection (Image 08).

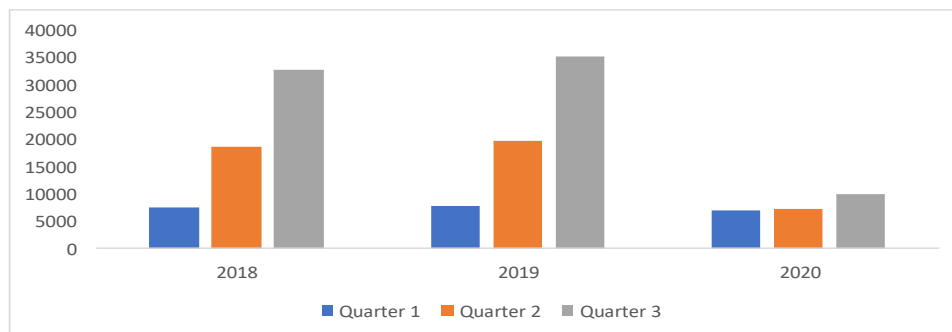


Image 08: Dynamics of Russians' outbound tourist trips, thousand people

Source: World Tourism Organization data.

According to Rosstat, in January–October 2020, the total outbound flow of Russians declined by 72% compared to 2019 and amounted to 9.9 million people. Abkhazia and Turkey were the most popular destinations in 2020; they accounted for half of all outbound trips (1.9 and 1.4 million trips, respectively). As the epidemiological situation is deteriorating, foreign tourism collapse will continue until at least mid-2021. In the future, its recovery will largely depend on the vaccination campaign success and the overall epidemiological situation.

Inbound tourism

According to Rosstat, from January to September 2020, foreigners made 5147.4 thousand visits to Russia for tourist purposes. Compared to the same period in 2019, their number decreased by 73%. The analysis of inbound tourism dynamics in Russia in January–September 2020 shows that the largest drop accrues to Mexico: the number of foreign tourists from this country declined in annual terms and amounted to 0.9 thousand people; this is followed by Australia (-95.5%) and China (-95.0%); Germany ranges tenth in the ranking.

Domestic tourism

Since international trips are restricted, Russians focus on domestic destinations. Beach tourism is particularly popular, causing an increase in tourist traffic to Russian South resorts at the Black Sea coast of Krasnodar Krai and the Republic of Crimea. At the same time, excursion tourism is significantly affected due to the closure of many cultural and historical sites.

Domestic tourism in the context of the pandemic has become an impetus for the industry's development. To support it, the Russian government implemented a program to partly reimburse citizens' expenses for domestic tours purchase and tickets booking (tourist cashback). According to the Federal Tourism Agency, in 2020, out of 15 billion rubles, Russians spent 6.5 billion rubles on domestic tours during the first and second sales windows, of which about 1.2 billion rubles were refunded. In general, about 300 thousand people joined the program. This campaign was admitted successful by the Federal Tourism Agency, so in 2021 it will be continued to further stimulate domestic tourism.

It is more difficult to statistically analyze domestic than foreign tourism, since many Russians do not use services, provided by tour operators, and prefer personal cars as a transport means. The development of domestic tourism in Russia can be assessed by the state of the hospitality sector, although it is used not only for tourist purposes. According to Rosstat, the number of overnight stays in collective accommodation facilities in January–September 2020 amounted to 122.5 million; so, we observe a 43.6% decrease, compared to the same period of the previous year (Chart 02). The number of persons accommodated there also declined by 43.7% compared to January–September 2019, and amounted to 30.5 million people. At the same time, the number of Russian citizens accommodated in collective accommodation facilities fell by 39.3% in annual terms, and foreigners — by 70.4%.

Chart 02: Dynamics of the main indicators of collective accommodation facilities in Russia

Indicator	2018	2019	January-September 2019	January-September 2020	Jan.-Sep. 2019 to Jan.-Sep 2020, in %
Number of overnight stays, thousand	274584.7	283191.0	217024	122540	56.4
Number of accommodated Russian citizens, thousand people	60921	65186	46495	28236	60.7
Number of accommodated foreign citizens, thousand people	10616	10855	7706	2284	29.6

Source: compiled by the authors on the basis of Rosstat data.

It should be noted that besides the implemented tourist cashback campaign, a number of other programs initiated with the support of the Federal Tourism Agency have proved their effectiveness. First, they include support for charter programs of tour operators. Due to government subsidies, it became possible to launch flights to remote country regions, thus boosting the domestic organized tourist flow and expanding

geography of organized tourism. For example, in 2020, the city of Kaliningrad welcomed additional 30 thousand tourists who purchased package tours.

The coronavirus pandemic has had a significant impact on the activities of Russian travel agencies, of which 80% sell outbound tourist packages. According to the Association of Tour Operators of Russia (ATOR), about 30% of the total number of travel agencies were closed in the country in March-December 2020. About 3 thousand (about 18%) travel agencies either completely switched to remote work, or reduced office space by 3-4 times, sometimes even sharing rental costs with other competing agencies or non-tourist companies. In general, the number of specialists out of work in the tourism sector or who changed their occupation to another, according to ATOR, is currently more than 50 thousand people, and about 50% of this number accounts for travel agencies.

The calculations carried out on the basis of the developed input-output model of the Russian economy help determine that the 40% reduction in tourist demand estimated by the Federal Tourism Agency caused a significant decrease in the main economic indicators by all types of economic activity (Chart 03). The volume of gross output fell by almost 634 billion rubles in the economy as a whole. At the same time, the decline in the number of employees amounted to 214 thousand people and in the wage fund – to 134.7 billion rubles. In terms of economic activities, the real estate sector, the intermediate demand manufacturing sector and transport experienced drastic consequences due to reduced population's consumption of tourism goods and services. It can be attributed to the current cost structure of the industry.

Chart 03: Impact of decreased tourist demand on the Russian economy in 2020

Type of economic activity	Dynamics in gross output, %	Dynamics in gross output, million rubles	Dynamics in the number of employees, people	Dynamics in the wage fund, million rubles
Agriculture, hunting and forestry	-0.4	-11.017	-5.140	-1803.4
Fishing, fish farming	-0.3	-1.217	-0.202	-214.5
Mining	-0.1	-12.881	-0.745	-798.7
Final demand manufacturing industries	-0.2	-26.430	-5.917	-2621.6
Investment demand manufacturing industries (without mechanical engineering)	-0.1	-2.128	-0.578	-263.6
Intermediate demand manufacturing industries	-0.2	-44.167	-2.554	-1610.4
Machinery	-0.2	-18.243	-4.819	-3782.7
Production and distribution of electricity, gas and water	-0.3	-22.410	-6.525	-3598.3
Construction	-0.1	-6.456	-2.242	-1146.7
Wholesale and retail trade	-0.4	-21.689	-23.608	-11370.9
Tourism	-21.7	-347.748	-40.220	-32503.3
Hotels and restaurants (without tourism)	-0.6	-4.699	-2.987	-1010.4

Type of economic activity	Dynamics in gross output, %	Dynamics in gross output, million rubles	Dynamics in the number of employees, people	Dynamics in the wage fund, million rubles
Transport (without tourism)	-0.4	-44.590	-12.266	-7361.4
Communication (without ICT)	-0.1	-2.575	-0.503	-458.0
Information and communication technologies (ICT)	-0.7	-2.683	-3.052	-3531.0
Real estate transactions, lease and services provision (without ICT)	-0.6	-46.939	-25.834	-16467.8
Public administration and military security; social security	-2.0	-2.702	-70.527	-43154.2
Education	-0.1	-341	-2.728	-1213.5
Healthcare and social services	0.0	-294	-0.414	-214.4
Provision of other public, social and personal services (without tourism)	-0.3	-1.635	-3.334	-1771.3
Other	-69.2	-13.011	0.121	150.4
For the total economy	-0.6	-633.856	-214.074	-134745.6

Source: calculated by the authors on the basis of the input-output model of the Russian economy.

In general, according to our calculations, due to the fall in tourist demand, Russian GDP decreased by 0.53% in 2020, while, according to Rosstat estimates, the overall decline in GDP amounted to 3.06%.

Conclusion

Thus, the spread of the coronavirus infection in the world has a significantly influence on the state of the Russian tourism industry, significantly reducing the volume of outbound and inbound tourism and depriving the tourism industry companies of the source of income, COVID-19 negatively affect all representatives of the tourism industry – travel agencies and operators, accommodation facilities and transport companies specializing in tourist transportation. In the new economic conditions caused by the COVID-19 pandemic, Russian tourism has a chance to refocus on domestic tourism and engage in infrastructure development, search for new market niches and formats, formation of package offers, development of new tourist products (tourist routes, exhibitions, excursion programs, special rehabilitation programs after COVID-19 at health centers, etc.), and creation of individual offers for various target audiences.

Shocks associated with the spread of COVID-19 have triggered the transformation of value chains of the Russian tourism sector towards their regionalization due to the increased role of domestic tourism. Strengthening the tourism value chain by enhancing a range and quality of tourism services and increasing participation of local small and medium-sized enterprises and the private sector will improve distribution of tourism revenue at the national level.

According to the report of the World Tourism Organization (UNWTO, 2021), as of the beginning of 2021, the policy of closed borders predominates on the international tourism market: 84% of destinations are closed down fully or partially. The emergence of new

variants of the COVID-19 virus has prompted many governments to abandon efforts to ease travel restrictions. However, there is a trend towards setting travel restrictions using a more detailed, evidence-based and risk-based approach. According to it, an increasing number of countries require foreign tourists to present results of a PCR test for COVID-19 or a negative rapid antibody test upon arrival, as well as provide their contact details for tracking.

Based on this, we can propose key scenarios for the development of the Russian tourism market in the near future, which are presented in Chart 04.

Each proposed scenario has its own specifics and can be applied depending on the conditions created. Nevertheless, it is worth considering that in any scenario successful functioning of the Russian tourism industry requires significant state support for domestic and inbound tourism to effectively use existing tourist capacities by improving tourist infrastructure, creating competitive tourist products and establishing effective economic mechanisms.

Chart 04: Possible scenarios for Russian tourism development

No.	Scenario	Occurrence conditions	Situation development	Possible measures
1.	Pessimistic	<ul style="list-style-type: none"> - Low effectiveness of vaccination; - emergence of new virus strains; - maintenance of restrictions. 	<ul style="list-style-type: none"> - Growth in the share of independent tourism; - promotion of organized tourism due to the development of charter flights within the country; - polarization of the tourism market of large diverse and niche travel companies; - increase in the share of direct sales of tour operators. 	<ul style="list-style-type: none"> - Active development of domestic tourism; - encouragement of domestic demand for domestic travel; - support of tourist business by tax benefits and subsidies provision.
2.	Moderately optimistic	<ul style="list-style-type: none"> - Partial opening of countries and air traffic, depending on vaccination results and countries' recognition of its effectiveness. 	<ul style="list-style-type: none"> - Reduction in demand for domestic tourism and growth in the share of international tourism in the volumes below the pre-pandemic level; - development of mass tourism, including within the country, as a stable and profitable segment of the tourism market; - increase in inbound tourism due to the introduction of electronic visas for foreign tourists; - active promotion of caravanning; - increase in the share of online sales of all types of travel services. 	<ul style="list-style-type: none"> - Introduction of electronic visas for foreign tourists; - development of tourist infrastructure in the country; - formation of attractive tourist products; - support of demand for domestic destinations.

No.	Scenario	Occurrence conditions	Situation development	Possible measures
3.	Optimistic	<ul style="list-style-type: none"> - Gradual lifting of restrictions in the world; - restoration of air traffic between countries. 	<ul style="list-style-type: none"> - restoration of sales volumes in all types of tourism, 	<ul style="list-style-type: none"> - Digitalization of tourist services; - development of new types of tourism; - active advertising campaign of the country's tourism opportunities on domestic and foreign markets.

Source: compiled by the authors.

Thus, the conducted study reveals the specifics of Russian tourism industry functioning in the new economic conditions associated with the impact of COVID-19. It can be stated that, as in many developing countries, the tourism industry in Russia is one of the most promising sectors of the economy, characterized by an increased number of tourist companies and interest of the country's residents in domestic tourist destinations. It should be noted that under the current restrictions on movement, domestic tourism has prompted development of the industry, largely due to the programs promoting tourist trips within the country and the opening of charter flights.

The proposed options for boosting tourism in Russia contain a set of certain measures, taking into account the conducted analysis. It gives an opportunity to clearly identify targets and priorities for the implementation of each scenario.

Despite the fact that the research considers functioning of the Russian tourism industry during the coronavirus pandemic, it should be noted that the proposed measures for its development are relevant for countries with similar initial conditions. Further the work will be focused on analyzing effectiveness of support measures at the national and regional levels, which would ensure sustainability of the tourism industry.

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