

International Trade and the Tourism Industry in the Post-Pandemic Scenario: An Exploratory Approach to the Portuguese and Brazilian Cases

J. Cadima Ribeiro¹ and Flávio J.N.C. Malta²

¹NIPE/University of Minho, Portugal, and ²UNITAU/University of Taubaté, Brazil

Email of corresponding author: jcadimaribeiro0@gmail.com

Abstract: The COVID-19 pandemic severely affected the economy of many countries and territories around the world, and the ones more dependent on the tourism industry have been the most hit. However, the impact of the health crisis was not only felt on the tourism industry, but in many other social and economic activities, leading to decreases in GDP (Gross Domestic Product) and employment, and it also negatively affected consumer spending and the individuals' well-being. International trade chains were also much affected due to the disruption of international distribution channels and border closures. The impacts of the pandemic, shortly after it was declared quelled, will be the focus of this paper. Namely, we inquire into the tourism strategies undertaken by Portugal and Brazil in the short-run post-pandemic scenario. In the case of Portugal, we have also looked at the trends found in the way firms have adapted their operations in the international markets in COVID-19 times, as a preliminary approach to the hypothesis raised if the outbreak of the health crisis would lead to a de-globalization process. Regarding the empirical approach, secondary data were used, both, from statistics entities, researchers and technical government offices. In what regards the tourism industry, both in the cases of Portugal and Brazil, it looks like their recovery is following the trend of returning to "business as usual", even though, in the case of Brazil, it is still an ongoing process. Regarding the international trade chains, data show that the pandemic has induced Portuguese exporting companies to adopt new operating models and distribution channels.

Keywords: COVID-19's Economic Impacts; Tourism Dependence; International Trade Chains; Economic Recovery; Portugal; Brazil.

1. INTRODUCTION

The impact of the COVID-19 pandemic on the economy of countries and territories most dependent on the tourism industry was dramatic (Gössling, Scott and Hall, 2020; Hall, Scott and Gössling, 2020; Gica, Balint and Butoi, 2022; Srisawat et al., 2023). In a matter of weeks, some destinations evolved from a situation of tourist overload to the absence of tourists (Gössling, Scott and Hall, 2020). However, the impact of the health crisis was not felt only in tourism but in many other social and economic activities, having general consequences on the GDP (Gross Domestic Product) and employment, which, as expected, negatively affected consumer spending and people's wellbeing (Sigala, 2020; Habibullah et al., 2022; Gica, Balint and Butoi, 2022).

In a scenario of great uncertainty regarding the evolution of the health crisis and its long-run effects, there were also impacts on international trade chains in the case of various goods and services. According to data from UNCTAD (2022), cited by Gica, Balint and Butoi (2022), compared

to the 2018's figures, global trade declined by around 9%, in 2020, due to the decline in global demand, the increased border restrictions, port closures and general logistic disruptions. At the start of the pandemic, it was hypothesized that these impacts would vary according to the severity of the health situations experienced in each case, the economic structures, the financing capacity, and the countries' degrees of openness (Cadima Ribeiro, 2020; Habibullah et al., 2022).

In the case of Portugal, in particular, its strong dependence on tourist employment and revenue, left room for grave concerns about the short-run evolution of the country's economy, which the data came to confirm (Portugal faced a contraction of 8.4% in its GDP in the year 2020, compared to 2019, to which the sharp drop in tourism revenue contributed the most) (INE, 2020; Capella-Ramos and Guri, 2022). The recover vis-à-vis the 2019 numbers was only achieved in 2022, when the GDP expanded by 6.7% (GEE, 2023). These concerns extended to Europe and the world, in general, in the short- and medium-runs.

On the other hand, since times of crisis are simultaneously challenging and moments of opportunity, the question was also raised as to what extent the crisis would result in the emergence of new solutions, new models of economic and social organization and the repositioning in markets, the tourist market included (Cadima Ribeiro, 2020; Tasso, Perinotto and Rezende Filho, 2023).

The impacts of the COVID-19 pandemic, shortly after it was declared quelled, will be the focus of this paper. Of course, the analysis has to bear in mind that the time elapsed from the beginning of the recovery of the economies and the establishment of some normality in the trade chains and in the international tourists' flows is not long enough for us to speak of consolidated results. Therefore, this approach is exploratory in nature and, in terms of cases, we have decided to retain only the ones from Portugal, referring to the dynamics of its international trade of goods and services and tourist demand, and Brazil, referring exclusively to the rearrangement of its tourist market.

In what regards data sources, we used secondary data, both those that were made available by statistics entities, and the ones made available, in the meantime, by researchers and technical government offices from the two aforementioned countries (Portugal and Brazil), where the impacts that we are interested in are analyzed. Naturally, this approach is done in the context of a literature review focused on the COVID-19 and post-pandemic social and economic impacts.

Bearing in mind the goals stated above and the aforementioned data support, in the remaining sections, the paper is structured as follows: first, a brief review of the literature on the impacts of health crises on economies will be presented; then, a reference to the methods and sources of data is made; the fourth section offers a summary discussion on the extent to which the socio-economic dynamic of Portugal and Brazil has changed as a consequence of the COVID-19 pandemic or if, instead, there was a return to the pre-pandemic scenario; the paper ends with a short discussion of the results achieved and a few final comments where, among other things, the exploratory nature of the analysis carried out is emphasized.

2. THE ECONOMIC IMPACTS OF PANDEMIC CRISES

2.1. A LOOK AT THE IMPACTS OF THE PANDEMIC AT ITS START

In an initial look at what could be its impacts on world health, society and economy, the COVID-19 pandemic was compared to tragedies such as the 2nd world war (Cadima Ribeiro, 2020; Gica, Balint and Butoi, 2022; Arman, 2022). On several dimensions, this estimate was not far from reality. In terms of consequences to collective health, the possible parallel to be drawn would be the pandemic outbreak that occurred between 1918 and 1920, probably originated in the United States of America, which became known as the Spanish Flu (Folinas and Metaxas, 2020; Gössling, Scott and Hall, 2020; Hall, Scott and Gössling, 2020; Wanjala, 2020).

A health crisis with the severity and geographic scope of COVID-19 could not have anything but a major economic impact (Ioannides and Gyimóthy, 2020; Hall, Scott and Gössling, 2020; Ruiz Estrada, Park and Lee, 2020; Srisawat et al., 2023). Arman (2022) refers to it as having triggered the largest economic crisis experienced by the world in many decades. The final assessment of its effects can only be made a long time after the pandemic is termed to be quelled, as impacts in the long-run should be expected.

From a literature review made on the economic impacts of health crises, particularly in tourism, travel and trade, Wanjala (2020) found that SARS (Severe Acute Respiratory Syndrome), in 2003, which lasted for about 7 months, had significant effects, despite having resulted in a relatively small number of cases and deaths. As expected, the most affected industries were tourism and travel. The costs were more heavily felt in the territories most directly affected, but they were not limited here. Hong Kong, in particular, recorded a 68% decline in tourist arrivals a month and a half after the beginning of the epidemic (Wanjala, 2020).

Another situation, also researched by Wanjala (2020), was the epidemic known internationally as MERS (Middle East Respiratory Syndrome), which originated in Jeddah, Saudi Arabia, and had its outbreak in 2015. Although it was brief,

its impact on the economy was huge. In South Korea, the disease resulted in the quarantine of 16,000 people, 186 infections and 38 deaths. In terms of economic repercussions, the epidemic led to a 40% decline in the number of international tourists in the first month and 61% in the second month after the public health crisis was declared. In turn, the Saudi Arabian tourism authority estimated that there was a loss of revenue of US\$5 billion (USA) (Wanjala, 2020). However, neither in the latter case nor in the aforementioned one did the health crisis lead to a long-term drop in global tourist flows (Gössling, Scott and Hall, 2020), even if, as highlighted by Sacramento (2023), with regards to COVID-19, the epidemiological spread of virus infections has been quite often associated to tourist mobility. This suggests that the tourism industry, as a system, has shown to be quite resilient to external shocks.

Despite the uncertainty which existed in the COVID-19 pandemic's starting period, following Gössling, Scott and Hall (2020), Nunes (2020), Ranasinghe, Karunaratna and Pradeepamali (2020), and Wanjala (2020), they seemed to be sure that the world would experience large losses in installed capacity and job destruction (with social and economic implications reaching far beyond the limits of the tourist industry). This seemed to be a certainty as tourism is, by nature, a composite product to which multiple activities and agents from various sectors contribute to (Tasso, Perinotto and Rezende Filho, 2023), from transport and communications to hotels and restaurants, from travel services to culture and entertainment industries, etc. From the beginning, the impact on the labour market was devastating, especially since many of the jobs relating to tourism and hospitality were precarious and low wages were paid (Gössling, Scott and Hall, 2020; Ioannides and Gyimóthy, 2020; Habibullah et al., 2022; Tasso, Perinotto and Rezende Filho, 2023).

Apart from the abrupt drop or disruption of tourist flows that followed the generalization of the health crisis, an example of a short-run impact that became very visible was the drop in crude oil prices, which, obviously, left the producing countries in a difficult situation (which was already difficult before, due to the war prices that had been declared between Saudi Arabia and Russia, in particular). As mentioned by Wanjala (2020), citing (Begley, 2013), SARS, in 2003, also led to a

drop in oil demand, which was reduced, on average, by 3,000 barrels a day in the first two months of the epidemic, and this led to a drop in oil prices by 15%.

Besides the impacts felt by the tourism industry and related activities, consequences of this pandemic could be expected and have indeed materialized in other dimensions of the world's economy, such as drastic reductions in production and consumption processes and, more notably, in the international trade of goods and services and in people's flow (Hall, Scott and Gössling (2020); Olivie and Gracia, 2020; Gica, Balint and Butoi, 2022), with some territories and social sectors being hit the hardest (Ranasinghe, Karunaratna, Pradeepamali, 2020; Habibullah et al., 2022). Those impacts were expected to go far beyond the end of the pandemic period.

If the liberalization policies implemented in the last three decades of the twentieth century resulted in a rapid growth of international exchanges (goods, services, flows of people and ideas), as a consequence of the severity of the pandemic and the way it impacted on the world trade chains, it was hypothesized by multiple scholars (for example: Olivie and Gracia, 2020) that a process of de-globalization could take place. Namely, reindustrialization processes in sectors considered strategic could be undertaken, and, hence, a reconfiguration of the value chain in some industries could occur. In this scenario, the pandemic could be the starting point of a change in the trend of the last decades, in what regards the world's economic and social projects, and, perhaps, its environmental ones.

Regarding what was experienced initially, in terms of the supply of health materials and equipment, the current crisis has highlighted the risk of depending on the Chinese market. This could result in strategies aiming at diversifying the location of suppliers or triggering relocation operations (Olivie and Gracia, 2020) and, therefore, contradicting the trend towards the deepening of globalization that had been taking place during the last decades. Nevertheless, the scale at which the changes could occur were also dependent on the duration of the health crisis.

To assess the impacts of COVID-19 on European SMEs (Small and Medium Sized Enterprises), Juergensen, Guimón and Narula

(2020) have conducted a study from which they concluded that these companies were suffering, both, from demand and supply shock, including logistical problems, on the supply side.

If there seemed to be a consensus that the crisis we faced would have a major impact on all dimensions of international trade and that its duration was uncertain (Olivie and Gracia, 2020; Juergensen, Guimón and Narula, 2020), it seemed equally certain that its effects would be felt asymmetrically in different countries and territories (Habibullah et al., 2022). From the outset, the economic effects tended to be especially felt in locations or even countries that were heavily dependent on tourist arrivals (Ioannides and Gyimóthy, 2020).

In this context, since it was not expected that tourists would lose interest in heritage and cultural offers, including gastronomy and wines, which have been the main levers for the growth of tourist activity in recent decades, especially in Europe, one could believe that they would become more demanding in terms of general health safety during travel, paying special attention to the quality of accommodation and the health system at destinations (Soares, Gabriel and Romo, 2020; Srisawat et al., 2023).

In some destinations, this economic/health framework would dictate that they would reconsider the nature of their tourism industry and tended to focus more on local and more sustainable forms of tourism (Gössling, Scott and Hall, 2020; Ioannides and Gyimóthy, 2020; Hall, Scott and Gössling, 2020; Tasso, Perinotto and Rezende Filho, 2023). In this regard, as mentioned by Tasso, Perinotto and Rezende Filho (2023), it is noticeable that New Zealand did not wait for the end of the pandemic period to announce the need to change its tourism strategy. In some cases, as claimed by those authors, as well as by Srisawat et al. (2023), the strategy to be undertaken would rely more on domestic tourism, which, in fact, has shown to be the main support of the tourism industry throughout all the most critical moments of the health crisis. But, of course, there was also room for the continuation of the commitment to international tourism.

Although this potential for change exists, it is also true that, in the past, after several successive health and economic crises, the tourism industry

was able to recover, demonstrating a considerable level of resilience (Ioannides and Gyimóthy, 2020), although, often, it essentially re-assumed past trends, that is to say, the interrupted lines of development were adopted. In other words, in the terms used by Sacramento (2023), following several other authors, the return to “business as usual” and to the old normality as soon as the health crisis was overcome was a very plausible scenario, as well. For example, and as emphasized by Zeng, Carter and De Lacy (2005), although the SARS epidemic in 2003 led to a significant drop in visits to China, the destination quickly recovered.

Referring to the Portuguese case, Nunes (2020) claimed that, to him, it had always seemed very arguable, economically and politically, to make the tourism industry a structuring sector of the Portuguese economy. The question can indeed be raised, but it is a certainty that this industry has played a leading role played in the Portuguese economy in the last decade.

2.2. DATA ON THE PANDEMIC CRISIS AND POST-COVID-19 IMPACTS

Following data presented by Arman (2022), based on the Worldometer (2022), by March 2022, the COVID-19 virus had infected more than 445 million people worldwide and had caused the death of more than 6 million. In the case of Bangladesh, the corresponding figures were 1,942,680 confirmed infections and 29,033 deaths. In such a context, the economic impacts of the disease were inevitable either in the world, as a whole, or in this case, Bangladesh. In the particular case of this country, and referring just to the year 2020, the jobs lost reached 5.4% (Arman, 2022). Around the same time (March 8th, 2022), according to data from Brazil’s Health Ministry, reported by Tasso, Perinotto and Rezende Filho (2023), Brazil had more than 30 million individuals infected with the COVID-19 virus and 652,000 confirmed deaths.

Those infections and deaths are closely related to the role the tourism phenomenon took in the initial spread of the virus. In fact, the tourism industry, being one of the main socio-economic “victims” of COVID-19, prior to suffering the impacts of the pandemic, contributed decisively to the dissemination of the disease (Sacramento, 2023). Policymakers, tourism planners and general tourism stakeholders, being aware of this situation,

decided to build tourism models more committed to biosecurity and health, and the well-being of, both, residents and tourists should be a priority, instead of returning to “business as unusual” as soon as the health crisis is considered as being overcome (Sacramento, 2023; Srisawat et al., 2023). Past experiences show that a return to past trends has tended to prevail. The justification for that has been the profound negative economic impacts those health phenomena usually have, especially in tourism, and, so, they claim an urgent need to recover GDP growth and reduce unemployment rates.

In a paper about the economic impact of COVID-19 in Madagascar, Harisoa and David (2023) also made a preliminary assessment of the impacts of the disease on the aforementioned country. There, references are made to the detrimental effects the virus was causing on numerous industries and on affected households' purchasing power, whose decrease was rated as being unprecedented. Not surprisingly, the first and the most affected industry was tourism, which has a significant role in Madagascar's economy. As a result of the public measures taken to fight the virus (lockdowns, external market closure, and closure of borders), Madagascar experienced a 3.8% decline in the economic growth rate in 2020 and its poverty rate increased from 75% in 2019 to 80% in 2020 (Harisoa and David, 2023).

Based on empirical research on the perception of the Romanian entrepreneurs regarding the pandemic and whether the crisis was considered a source of business opportunities, Gica, Balint and Butoi (2022) found that more than 50% of them considered that the pandemic presented, both, opportunities and threats for their businesses. Those findings have also indicated that hospitality businesses experienced a considerable decrease in the number of employees. The issue of the decline in tourism-dependent jobs and livelihoods due to the pandemic was also addressed by Srisawat et al. (2023) in their literature review, highlighting the financial difficulties faced by many tourism businesses and the major job losses generally registered.

Focusing on the travel behavior of foreign tourists in Thailand during the COVID-19 outbreak, the aim of the paper produced by Srisawat et al. (2023) was to inquire into how the main components of tourism travelling had

changed due to the increased health awareness of tourists and the various public-health measures taken to deal with issues relating to the pandemic. Among the results obtained, we believe it is worth highlighting that foreign tourists placed the most emphasis on accommodation factors, followed by attractions, with accessibility being the least influential factor in the decision making process (Srisawat et al., 2023).

These are a few of the empirical studies which have been published on the impacts the COVID-19 had on people's health and wellbeing as a consequence of the infections registered and of the public measures taken to fight the disease. Its disruptive effect on the economies and societies was undeniable. Even if the empirical literature on the issue is still scarce and it is only now being released, we believe that these examples referring to several parts of the world and diverse socioeconomic contexts, already provide a picture of the dramatic situations that have been faced and the challenges raised to restore normality and to build more resilient economies and societies. Of course, the option of returning to “business as unusual” is also in place, either in the tourism industry and globalization or in other social and health dimensions. After referencing data sources and methodology, we will address those issues, shortly, in a section devoted to the cases of Portugal and Brazil.

3. DATA AND METHODS

To address the aims defined for this paper, that is, the impacts of the COVID-19 pandemic in the international tourists' flows in Portugal and Brazil, and the dynamics of the international trade of goods after COVID-19 in the case of Portugal, we have undertaken an inventory of the literature available on those cases, both scientific papers and technical reports from qualified public entities, and statistical data. In the previous sections of this paper, a general literature review was presented, focusing on the post-COVID-19 social and economic impacts, in order to check the impacts of the pandemic captured by the empirical literature published throughout the pandemic period or the literature released shortly after it was officially considered to be quelled.

We were, of course, aware that the time elapsed since the beginning of the recovery of economies

and the establishment of some normality in the trade chains and in the international tourists' flows is too short to allow for the capturing of structural effects. Therefore, this approach should be seen as being exploratory in nature.

According to what was previously said, the empirical data is coming from secondary sources, either reports or papers published on the issues addressed by the ministries' technical offices or statistics produced by the statistical authorities from Portugal (Statistics Portugal and Bank of Portugal) and Brazil (Brazilian Institute for Geography and Statistics).

Regarding data on tourism, in the case of Portugal, the main sources were Statistics Portugal (INE, 2020 and 2023) and Office for Strategy and Studies, of the Portuguese Ministry of Economy (GEE, 2023), and, in the case of Brazil, Brazilian Ministry of Tourism (Ministério do Turismo, 2023), based on data from the Brazilian Institute for Geography and Statistics. The data collected tried to cover all the COVID-19 pandemic period, and recent tourist flows were compared to the ones of 2019 whenever it was feasible. In what refers to the Portuguese companies' external trade, data comes from a report commissioned to Capella-Ramos and Guri (2022) by the Office for Strategy and Studies of Economy and Maritime Affairs, of the Portuguese Ministry of Economy. In this case, primary data used came from Statistics Portugal and from Portuguese Central Bank and covers the period from April 2020 to May 2022 and a sample of approximately 7,000 companies.

The exploration of these sources could benefit from our daily follow up of the economies of those two countries, allowing us to conduct a kind of triangulation of data and analysis. We have decided to leave a research analysis based on primary data to a later moment, if the opportunity should arise.

4. CASE STUDIES

4.1. PORTUGAL

As evidenced in the previous sections of the paper, the COVID-19 pandemic had a strong effect on the economies across the world. The Portuguese economy was one of the more severely impacted. Looking at the GDP, Portugal faced a contraction of 8.4% in the year 2020 compared to 2019, followed by a growth of 4.9% in 2021, which, of

course, was not enough to recover the loss of 2020 (Capella-Ramos and Guri, 2022). The recovery of the 2019 data was only achieved in 2022, when GDP expanded by 6.7% (GEE, 2023).

The tourism industry, particularly, international tourism, was the most impacted. To illustrate the severity of the impact felt, following data from Statistics Portugal (INE, 2020), in August 2020 tourist accommodation suffered a negative variation in the total amount of guests of 43.2% when compared to the same month in 2019.

In spite of that, data from the 1st quarter of 2023 on the number of passengers shows that the tourists' flow has fully recovered, as, when compared to the 1st quarter of 2019, there was an increase of 15.1% (INE, 2023). From the beginning of 2023, monthly figures for passengers at national airports have remained higher than the pre-pandemic levels (INE, 2023). Data on accommodation and tourist revenue confirm this recovery. One detail that should be highlighted is that recruiting labour force for a few jobs relating to the tourism industry, namely, hotels and restaurants, has become more expensive and, in general, the hotels' prices have raised, independently of the tourist season.

Russia's war of aggression against Ukraine has prevented a quicker recovery from the health crisis and it has introduced another factor of uncertainty into the markets (Capella-Ramos and Guri, 2022), which also affects the international supply chains and it leads to additional price increases.

Regarding the question if this return to "normality" in the tourism industry dynamic means that the industry has changed significantly in its market strategy and has become more sustainable, we regret to say that there is no visible evidence of that. It would be more plausible to assume that, instead, the paradigm adopted has been the one of returning to "business as usual".

Still on the subject of the Portuguese airports' activity, as a whole, it is relevant to mention that, the movement of cargo and mail has decreased by 2.9% compared to the previous (2021) year, even if it was increased by 8.9% when compared to the first quarter of 2019 (INE, 2023).

On the other hand, as enounced in the Introduction, another of the main aims of this paper was to inquire into the health crisis impacts on the

international trade chains of goods and services. Global trade decline was expected as a result of a decline in global demand, the enhancement of border restrictions, port closures and general logistical disruptions. To address the issue in the case of Portugal, we have looked at the statistics, academic papers published potentially addressing the issue and the technical reports produced by the ministries' offices.

Besides the statistics produced on this subject by Statistics Portugal (INE) and by Portuguese Central Bank (BP), we have found a paper, co-authored by Capella-Ramos and Guri (2022), named "Firm adaptation in COVID-19 times: The case of Portuguese exporting firms", published within the scope of the GEE Papers series, Office for Strategy and Studies of Economy and Maritime Affairs, of the Portuguese Ministry of Economy. The data used in the aforementioned paper came from a survey applied to Portuguese companies with the goal of assessing the COVID-19's main effects on the activity of firms, complemented by the companies' Balance Sheet Data, available at INE's Integrated Corporate Accounts System. The data sources were BP and INE and the period under analysis goes from April 2020 to May 2022. This allowed for the covering of a sample of approximately 7,000 companies.

In the analysis performed, several methods were used, including the estimation of several regressions. In particular, as stated by the authors of the paper (Capella-Ramos and Guri, 2022), a Probit regression model was estimated and average marginal effects to interpret the results obtained have been calculated. From their research to understand how exporting companies, both Small and Medium-sized Enterprises (SMEs) and large ones, have adapted their businesses to deal with the COVID-19 pandemic, Capella-Ramos and Guri (2022) have concluded the following:

i) a common strategy was the adoption of digital solutions, namely switching to teleworking and e-commerce, and in some cases they have searched for new supply chains and international market-places;

ii) exporting SMEs have shown to be more likely to adapt via digital strategies or making a greater use of teleworking than larger exporting companies, which seem to have followed a more "parsimonious approach";

iii) SMEs have also shown to be more likely to adapt by redirecting their target markets, increasing their stocks, and changing their product range or supply chains, whereas large exporting firms tended to adapt by decreasing their stocks;

iv) in both cases, evidence has shown that the supporting measures implemented by the Portuguese government to deal with the COVID-19 pandemic have been effective in supporting the adaptation processes undertaken by the companies (Capella-Ramos and Guri, 2022).

These results seem to confirm, at least in the Portuguese case, the hypothesis enounced above that the pandemic would impact heavily on the international trade chains and it would lead to the adoption of new operating models and distributions channels (cf. Olivié and Gracia, 2020, and Cadima Ribeiro, 2020). The question which can be raised is if the changes verified will tend to persist in the long-run. In this regard, the answer is likely to be yes, since new operation models and supply chains have been developed, thus it is highly doubtful that companies will set them aside just because the world health environment has become similar to the one existing before the outbreak of the COVID-19 pandemic.

4.2. BRAZIL

Referring to the post-COVID-19 period, but even before the pandemic was termed as quelled, in a qualitative research produced on the evolution and trends of tourism flows in Brazil, Tasso, Perinotto and Rezende Filho (2023) have shown major concern for the future of the tourism industry in the country and, mainly, in several of its destinations, including Fernando de Noronha (PE), Porto de Galinhas and Olinda (PE), Salvador and Porto Seguro/Trancoso (BA), Tibau do Sul/Pipa (RN); Florianópolis and Bombinhas (SC), Rio de Janeiro, Paraty and Ilha Grande (RJ); Jijoca de Jericoacoara (CE); Gramado and Canela (RS); Tiradentes (MG); Ilhabela, Caraguatatuba, Ubatuba, Santos, Guarujá, São Vicente and Praia Grande (SP). They claim, looking at the unemployment rates reaching 14.7% in the first semester of 2021 and the increase in the number of unemployed individuals, 2.4 million in just one year, according to IBGE's data (Brazilian Institute for Geography and Statistics) (2021), the national authorities have not expressed another desire, other than "to return to normality", in spite of the level

of tourism congestion of a few destinations and the need to adopt more sustainable strategies (Tasso, Perinotto and Rezende Filho, 2023).

Such a strategy was in line with the historical driving lines available at the National Brazilian Tourism Plans where the goals have always been: i) increasing the tourists flows; ii) enhancing the revenue generated; and increasing as much as possible the employment associated with the industry (Ministério do Turismo, 2018, cited by Tasso, Perinotto and Rezende Filho, 2023).

In Brazil, in 2019, the arrival of international tourists in regular and non-regular flights reached 11,834,647 million individuals, according to the statistics released by the Ministry of Tourism (Ministério do Turismo, 2023). Numbers referring to the greater regions show that, in the Southeast of Brazil, which comprises the states of São Paulo, Rio de Janeiro, Minas Gerais and Espírito Santo, the arrivals reached 10,088,117 million. São Paulo represents the main international tourist gate, and was responsible for 29.5% of the total number of entries, followed by Rio Grande do Sul, in the South, with 23.3%, and Rio de Janeiro, in third place, with 17.6% of the total number of entries (Ministério do Turismo, 2023).

As a whole, the available 2020 statistics show the impact of COVID-19 in the reduction of the number of international flights (Ministério do Turismo, 2023). Data show a reduction of about 70% in arrivals and departures in Brazilian airports. The Northern region suffered the most, around 80.4% in departures and 76.6% in arrivals. On the other hand, the Southeast region, where the main Brazilian tourist gates are located, the numbers are 72.9% in departures and 70.2% in arrivals. If related to the pandemic conditions, the worst result in the international movement of tourists departing or arriving in Brazilian airports was reached in April 2020, with a reduction of 97%, when compared to the same month in 2019 (Ministério do Turismo, 2023).

Data from the same source (Ministério do Turismo, 2023) concerning the behaviour of the tourism industry in Brazil show that, in 2020, there was a loss of tourist revenue of 28.8%, mainly relating to the effects of the pandemic in lodging, travel agencies and aerial transport.

According to the WTTC (World Travel & Tourism Council, 2020), in 2019, the tourism

industry represented about 8.1% of the Brazilian GDP, relying mostly, on the domestic market (more than 90% of all tourist flows).

As we have seen, when looking at the pandemic period, a significant drop in the flow of domestic and international tourism was registered. According to Ariza da Cruz (2020), from 2020 onwards, there was a loss of 90% of tourists' flows, and a sharp drop in flight arrivals between March and April of the same year, following the deterioration of the pandemic's situation at home and abroad. And what is more, according to the same authors, as well as the Brazilian Ministry of Tourism (Ministério do Turismo, 2023), the levels of tourism activity compared to the years prior to 2020 have not yet been fully attained, even if one can conclude that there is a clear trend of recovery.

In this regard, we believe that it's useful to highlight that data from the Brazilian Ministry of Tourism (Ministério do Turismo, 2023), based on data obtained by the IBGE (Brazilian Institute for Geography and Statistics), show that the tourism industry was the main engine of Brazil's GDP growth in 2022, which reached 2.9%..

5. DISCUSSION AND CONCLUDING REMARKS

COVID-19 pandemic severely hit countries more heavily dependent on the tourism industry, but general decreases on GDP, employment, consumer spending and individuals' well-being were felt all around the world. Some of those impacts will have consequences on economies and individuals in the medium and long run. Addressing those impacts shortly after the pandemic was declared as being quelled was the focus of this paper. Namely, the tourism strategies undertaken by Portugal and Brazil in the short-term post-pandemic scenario have been analyzed. We have also looked at the ways the Portuguese companies have adapted their operations on the international markets during COVID-19 times.

Based on secondary data, we have concluded that the returning to "business as usual" trend, was found in the tourism industry recovery process, both in the case of Portugal and in the case of Brazil, which, in this last case, is still ongoing. In what regards the international trade, data show that the pandemic has led Portuguese exporting

companies to adopt new operating models and distribution channels, nevertheless, it is too soon to conclude that those changes will lead to a long run real de-globalization process as hypothesized by a few scholars, among them Olivie and Gracia (2020) and Cadima Ribeiro (2020). The idea that a reindustrialization process dealing with sectors considered strategic could be undertaken, and, hence, a reconfiguration of the value chain in some industries could occur, is a scenario we could not confirm, but we are aware that those potential moves are always long-term challenges.

Since it is too soon to draw structural conclusions on the impacts of COVID-19, delving into this issue seems to be crucial as crises in the area of health, economics or of another nature, are, both, moments of disturbance, loss (human, economic, and other) but also an opportunity for the emergence of a new beginning, which can present varying degrees of change compared to the previous trajectory, and, in that light, it can create conditions to build resilience to potentially similar future phenomena. From this perspective, the current crisis seemed to be an opportunity to reinvent tomorrow's tourism, which has to move towards a more sustainable, resilient and innovative future.

In this regard, looking at previous health crisis and the way they were overcome can provide important lessons not only on the effects they had but also on the responses found and the time they took to be overcome. This is why we began our paper by undertaking a literature review in order to shed some light on the issue. From there we concluded that the tourism industry, as a system, has shown to be quite resilient to external shocks and, as such, there was no reason for not admitting that returning to "business as usual" could not be what one should expect from the tourism industry recovery worldwide and, of course, also in the cases of Portugal and Brazil.

Even if the recovery is returning to the trend prior to COVID-19, or because this is taking place, and keeping in mind the constraints which already existed, the tourism development strategies followed in Portugal and, probably, in Brazil as

well, should be reconsidered. We believe, the COVID-19 crisis made these constraints more evident. Keeping in mind the two countries' tourism potential, does not mean "abandoning" the commitment to tourism but, instead, reconfiguring it, giving it greater sustainability and focus on products that are endowed with more value and that are more unique.

On the other hand, from the research made on the Portuguese exporting companies' behavior during the health outbreak, it is interesting to notice their capability to quickly adapt to new market contexts, including new supply chains and international market-places. It is also important to learn from the evidence obtained on the effectiveness of the policy measures adopted by the Portuguese government to help the companies to deal with the COVID-19 pandemic.

Of course, that does not guarantee that the changes verified will be maintained in the long-run, but it is likely that, once new operating models and supply chains are developed, it is highly doubtful that the companies will set them aside just because the COVID-19 pandemic is termed as being quelled and the world economy seems to have returned to "normality".

This approach is exploratory in nature and refers only to the experiences of Portugal, in what regards its international trade of goods and services and tourist dynamics, and Brazil, addressing the rearrangement of the tourist market. Besides dealing with just these two countries and the chosen industries, the results found have to bear in mind the short time elapsed since the beginning of the recovery of those economies and the establishment of some normality in the trade chains and in the international tourists' flows. Therefore, more consolidated results should be expected from future research addressing the same issues, but adopting a larger time spectrum. Future empirical research should also rely more on primary data and not just on statistical sources and reports or papers published by ministries' technical offices, since there are quantitative and qualitative dimensions of the markets' behaviors to research.

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