The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Lost $7Bln in Tourist Revenue Due to Coronavirus

But analysts say the country is still a net winner as Russians were also unable to head abroad for their summer vacations.

September 30, 2020

Russia's borders remain shut to most foreign citizens. **Sergey Kiselev / Moskva News Agency**

The coronavirus pandemic has cost Russia $7 billion in lost tourism receipts, industry representatives claim.

Russia's border closures — introduced at the end of March — blocked foreign travellers from visiting Russia and effectively wiped out a full year of income for the industry, Andrey Ignatyev, president of the Russian Tourism Union told the Interfax news agency.

Russia has started to open its borders and restart international flights with a handful of countries, although a full reopening is not yet on the cards.

Ignatyev expects losses to hit $8-9 billion by the end of the year — around 90% of the

industry’s total income from foreign travellers.

Despite losses in the tourism industry, Russia’s economy as a whole has been a net beneficiary of the border closures, economists say, since in usual years Russians spend more on their overseas vacations than the country makes from international visitors.

In fact, economists say Russia has been one of the biggest winners from the border closures in Europe. Russians' inability to travel abroad this summer kept more than $30 billion inside the country that would otherwise have flowed to the likes of Turkey, Cyprus and Greece — equivalent to around 2% of Russia’s GDP.

The lack of opportunity to spend abroad in foreign currency could also have provided some support for the Russian ruble at the start of the summer, at a time when Russians would usually have been selling rubles en masse to head outside the country.

Original url:
https://www.themoscowtimes.com/2020/09/30/russia-lost-7bln-in-tourist-revenue-due-to-coronavirus-a71604