



## **Weekly Briefing**

### **Slovakia social briefing:**

### **The Impact of the Pandemic on Tourism in Slovakia**

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## **The Impact of the Pandemic on Tourism in Slovakia**

July and August are traditionally the months of summer vacation in Slovakia. Children are particularly fond of this time, as they can enjoy their time off school. For parents, especially those working ones, summertime does not only mean relax, some days off work, and spending quality time with their kids. It also means that they have to organize two whole months for their kids.

For some people, summer is the only opportunity to take a trip, as during school months it is much more complicated. Many save for the whole year to be able to afford spending a week or two by the sea at a holiday resort. Thousands of Slovaks enjoy their summer vacation in the Mediterranean. For several years now, the favourite holiday destinations have been countries such as Croatia, Italy, Greece, or Spain including the isles, and also Turkey or Egypt. Apart from travelling abroad, there are people who still prefer vacation in Slovakia, or they try to combine it.

The COVID-19 pandemic has not only resulted in many casualties, job losses, and serious economic consequences, but it has influenced people's preferences and plans regarding the upcoming summer holiday, too. Some people tend to schedule their summer holiday several months in advance, because it is often cheaper to purchase a trip as a first moment offer, and also because they simply need to organize their work, combine possibilities to ensure their children will not be home alone and will have a plenty of things to do. Now, many trips have been cancelled or rescheduled due to the pandemic. However, with easing anti-pandemic measures, people are considering their options of how to spend this summer, whether it is safe to travel abroad, or whether it is more secure to stay in Slovakia and enjoy the wonders of the homeland. Even several days prior to the planned departure, many people still do not know what to do, as the list of countries safe to travel to is changing all the time. Except from worrying of getting sick, many people do not intent run the risk of spending a week or two in quarantine after their return. No one can with 100% certainty say if and when the second pandemic wave hits us with its best shot and how critical the situation would be. The news portal Hospodárske

noviny published an interview with an epidemiologist, who assumes the second wave may arrive already in summer, in case several hotspots emerge.<sup>1</sup>

Some people believe that under the current circumstances it would be appropriate to spend summer holiday in Slovakia, and thus not only because of the threat of the coronavirus, but also to support Slovak business owners and tourism in general. According to an interview with a travel agency owner and a tourist guide published in the portal Bratislavský kraj,<sup>2</sup> Slovak business owners now need it more than ever for us to support them by spending summer holidays in Slovakia. Most of them are small and medium enterprises, for which this situation is the most critical, as they have suffered considerable financial losses.

Already before the pandemic outbreak, many people would spend their summer or winter vacation in Slovakia, whereby they would frequently utilise a new form of employment benefits – recreation vouchers. The recreation (or travel) vouchers are anchored in the novelised law on the support of tourism, in force as of January 1<sup>st</sup>, 2019, which was adopted by the previous government. According to the law, it is the obligation of the employers to provide recreation vouchers upon their employee's request, in case the following criteria are met:

- the employee requesting such a financial contribution needs to be employed at the company for at least consecutive 24 months;
- the company has more than 49 employees;
- the employer's contribution represents maximum 55% of the eligible costs, however, not more than 275 euro for a calendar year.

On a voluntary basis, the voucher can be provided also by an entity employing less than 50 employees. The contribution can be used only in Slovakia, and the number of overnight stays must be at least two. The vouchers can as well be used for children's activities, e.g. camps or ski courses.

Also in Slovakia, the lock-down and anti-pandemic measures have resulted in significant financial losses in the sector of tourism and hospitality. Restaurants, hotels, and other accommodation facilities are struggling to survive. Thousands of people employed in the tourism and hospitality industry have lost their jobs. Similarly, companies of any kind are facing

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<sup>1</sup> SOURCE : <https://slovensko.hnonline.sk/2170379-epidemiologicka-o-druhej-vlne-cakala-som-ju-neskor-ale-ak-to-bude-takto-pokracovat-moze-prist-uz-v-lete>

<sup>2</sup> SOURCE: <https://bratislavskykraj.sk/koronavirus-napadol-aj-cestovny-ruch-vymenime-more-za-slovensku-prirodu/>

unprecedented difficulties, hence covering additional costs such as recreation vouchers may not always be possible. In order to help kick-start tourism and help employers, the government has decided to amend the valid legislature concerning recreation vouchers. Instead of employers covering costs linked to recreation of their staff, the state will take over and cover the expenses. In our opinion, this seems to be a reasonable step, even though it might represent a huge amount of money paid from the state budget. On the other hand, consumption connected with tourism can help boost GDP.

According to the web portal of the European Parliament,<sup>3</sup> tourism and hospitality belong to the sectors of the economy suffering the most under the pandemic. As tourism represents one of the pillars of the European economy, the Union is obviously trying to provide the necessary aid. Moreover, the members of the European Parliament consider this to be an opportunity to modernise the sector of tourism in the European Union to make it more socially responsible and more environment friendly for the future. In the European Union, the revenues from tourism represent 9.5% of the GDP, while creating 11.2% of work places (22.6 million people are currently employed in tourism in the EU) by almost 3 million companies (mostly small and medium enterprises). To compare, in Slovakia it is usually around 3% of the GDP, based on the statistical data published by the respective authority.

Despite Slovakia's being a smaller country as for its area, the country offers a variety of going places attracting both domestic travellers as well as tourists from the abroad, and thus all year long. Due to the pandemic and travel restrictions, vacation in Slovakia in combination with the possibility to have a part of the costs covered by the employer seems to be plausible for many. Financial situation in countless households has worsened, hence the employer's contribution can be a decisive factor to take a trip anyways.

The premise that Slovakia truly is a jewel with numerous natural or historic sights is supported by the fact that several of these monuments have been included into the UNESCO's World Heritage List, representing the most searched-for places to see among Slovaks as well as foreign travellers. Slovak natural and historic treasures from the List include:

- the historic centre of the town of Banská Štiavnica – a medieval mining town - including respective technical artefacts;
- the Spiš castle and cultural relics in its surroundings;

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<sup>3</sup> SOURCE: <https://www.europarl.europa.eu/news/sk/headlines/priorities/eu-a-koronavirus/20200429STO78175/pomoc-pre-cestovny-ruch-pocas-covid-19>

- the village of Vlkolínec - an out-door museum;
- caves located in Slovenský kras;
- the historic centre of the town of Bardejov;
- forests in Poloniny and Vihorlat;
- eight wooden churches (some of them are still used for church service);
- the town of Levoča.<sup>4</sup>

In the current situation, every single visitor counts. The goal to attract tourists and raise awareness of less famous tourist spots can be achieved also by means of cultural or public diplomacy and appropriately chosen marketing or place branding means. In this way, both domestic as well as foreign visitors can be addressed (of course, provided foreigners are not restricted access to the country as a result of the pandemic). Also the European Commission is planning to support Europe-wide communication campaigns, with the aim to present Europe as an attractive destination. As already stated above, the objective is to make tourism in Europe sustainable and innovative and to set digital transformation of tourism-related services in motion.<sup>5</sup>

Furthermore, in Slovakia, there are still numerous places which have not been explored much yet. This can be the right time to go somewhere one has never been before, far away from places that can be (and usually are) overcrowded. Thus, people will not only get to know new places, enjoy the silence, but also help small local entrepreneurs to overcome these difficult times of crisis.

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<sup>4</sup> SOURCE: <http://www.unesco-slovakia.sk/sk/menu/ptamiatky-unesco-na-slovensku>

<sup>5</sup> SOURCE: [https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic\\_sk#podpora-oivenia-cestovneho-ruchu-v-e](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic_sk#podpora-oivenia-cestovneho-ruchu-v-e)