

UNIVERSITY OF CYPRUS



**Aviation & Tourism Industry during Covid-19: The Impact
on Cyprus Island**

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Abstract

This essay was written for the University of Cyprus' Master of Business and Economics program. The following essay will focus on the Covid-19 pandemic and how it affected a sizable portion of Cyprus's economy, particularly the aviation sector. Along with that, the aviation industry has an impact on other significant industries, such as tourism, which is a fundamental subject in Cyprus. Due to its fiscal advantages, Cyprus is regarded as a nation that draws millions of tourists annually. The Covid-19 pandemic has had an extensive impact on the world's aviation industry, resulting in a record-breaking decline in demand for air travel and substantial financial losses for airlines all over the world. This thesis aims into how the global epidemic altered the aviation sector and how that affected tourism, which is one of the major sources of income for the island. What matters most in this situation is how the airlines approached the issue that resulted. The research identifies the causes of a sharp decline in passenger traffic, revenue, and profitability. The Covid-19 pandemic's effects on the aviation and tourism sectors are thoroughly examined in this thesis, which also offers insights into possibilities as well as challenges.

[Keywords: Covid-19 pandemic, aviation industry, airlines, tourism, passenger traffic, revenue, profitability, recovery, tourism, challenges, sustainability]

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Summary

The thesis examines the impact of the COVID-19 pandemic on the aviation industry and how this has affected the tourism industry in Cyprus. The study analyzes the effects of the pandemic on the aviation sector, including the decline in air traffic, the suspension of flights, and the implementation of health and safety measures. The research also investigates the consequences of these impacts on the tourism industry in Cyprus, which heavily relies on air travel for visitors. The study concludes that the aviation industry's disruption due to the pandemic has significantly affected the tourism industry in Cyprus, leading to a significant decrease in tourist arrivals and revenue. The paper also presents different examples of how other European countries reacted to this crisis and how their tourism industry was impacted negatively. Lastly, the research highlights the need for effective measures to ensure the recovery and sustainability of Cyprus's aviation and tourism industries in the post-Covid-19 era.

1. Introduction

The COVID-19 pandemic has had a profound impact on industries across the globe, and the aviation industry has been no exception. The pandemic has led to a significant decline in air travel demand, which has resulted in significant financial losses for airlines and airports. This has had a knock-on effect on other industries, particularly the tourism industry, which heavily relies on the aviation industry. Cyprus is a prime example of a country that has been affected by the COVID-19 pandemic, with the aviation and tourism industries being among the hardest hit. This thesis aims to investigate the impact of COVID-19 on the aviation industry and its subsequent effect on Cyprus tourism.

The aviation sector contributes a lot to the worldwide economy for many reasons. One of the most important reasons is its contribution towards tourism motility which makes every country's economy stronger by enriching it within different periods every year according to their preferences of travelling abroad.

The following study is unique because of its content, which refers specifically to how Covid-19 has affected tourism in Cyprus. Many studies have been published in the literature analysing the negative impact of COVID-19 on the aviation industry. To the best of our knowledge, none of the previous studies considers the impact of COVID-19 on Cyprus context concerning tourism and how it affected the economic level of Cyprus.

Referring to the tourism industry, as from World Data Info, Cyprus had a total of four million tourists in 2019, which placed it 42nd in the world in terms of absolute numbers. However, it is common for smaller countries to have lower numbers of tourists. A more

accurate comparison can be made by considering the number of tourists relative to the population of Cyprus. In this case, Cyprus ranked 19th in the world, with 3.3 tourists per resident. It ranked first in Western Asia in this category.

In 2020, the tourism sector alone generated approximately 663 million US dollars in Cyprus. This accounted for 2.3% of its gross domestic product and 1% of all international tourism receipts in Western Asia.

What is significant in this research is how numbers changed during the pandemic and after all the restrictions were imposed, and everything changed for a while. People started making they're travelling very rare and only for important reasons. That means that holidays and entertainment were the last reason for someone to travel during Covid-19 in the year 2020 and still in 2021.

1.1. Timeline of Pandemic Outbreak in Cyprus

If it is possible to divide Covid-19 into timeline stages in chronological order, then one could argue that four different stages. In the year 2020, the progress of the virus is as follows. The very first stage was the "import" to Cyprus in March 2020, the second one is when the virus started to spread coming along with a general lockdown, and the third one was when the virus almost disappeared which means in the summer people started seeing hope during this nightmare, and lastly, the fourth and worst its when the disease reappears in autumn making everything unpredictable and trying to review again the situation and how now will proceed.

The following paper will also further discuss all the possible effects that the pandemic caused by emphasizing three different elements. The first one is how the covid-19 crisis caused a serious reduction in the percentage of tourists arriving in the period of 2020 and after and the second on how this consequently affected Cyprus's income as well as

the total revenue. All these factors will be evaluated with data taken from the Statistical Service of Cyprus (CYSTAT) which aims “to provide reliable and up-to-date statistical information. The Statistical Service is the competent authority responsible for the compilation and publication of most of the official statistical data in Cyprus.” (Statistical Service of Cyprus, 2023). Most of the data were taken from this website which mainly uploads monthly announcements for specific sectors in Cyprus such as ministries, organizations, and government departments. Hence access to information regarding the tourism industry for specific periods was very easy and accessible through the online website. What is more, after the analysis of different data coming from graphs and charts examples of different airlines related and connected to the Cyprus Aviation industry will be discussed further of what were their actions towards the crisis as well as the restrictions taken by each company and how long they maintain the services on that system. Such companies are Blue Air, Wizz Air, etc. Results then will come along with what were the main consequences of Covid-19 on tourism and the economy and how they have tried to survive during the epidemic. A lot of research and strategies were conducted for Covid-19 to come up with an answer to how different countries reacted to this global crisis and generally the change in the economy.

The following paper will focus on the answer to the research question which is:

- a) How the aviation industry in Cyprus was impacted by the Covid-19 crisis and as a result how does this affect the tourism industry?
- b) Was the pandemic considered a global effect crisis in the tourism industry and how other European countries responded to that crisis?
- c) How travellers have changed the economy of the post-pandemic period 2021-2022 compared to the year before the crisis of 2019. Does the recovery period

already cover the pre-pandemic large numbers, or is there still a long way to that?

- d) How does Cyprus try to improve tourist arrivals and attract different groups of tourists through sustainability?

Taking into consideration the research questions that the paper should answer, this will keep the centre of attention on the fact of how generally the airlines responded to the crisis and the restrictions that were imposed. Consequently, the tourism industry was highly affected by all these actions which led to the dramatic reduction of tourist movement on the island.

2. Literature Review

.1 Covid-19 pandemic and its impact on the aviation and tourism industry around the world

The literature suggests that the aviation industry has been one of the most affected industries by the COVID-19 pandemic (IATA, 2020)¹. As of May 2021, the global airline industry has lost an estimated \$370 billion due to the pandemic (IATA, 2021). Furthermore, it is projected that the aviation industry will take several years to recover to pre-pandemic levels (IATA, 2021). The COVID-19 pandemic has also had a profound impact on the tourism industry, which relies heavily on the aviation industry (World Tourism Organization, 2020). According to the World Tourism Organization (2020), the global tourism industry has lost an estimated \$1.3 trillion due to the pandemic. Starting with, the Covid-19 pandemic has created a huge history over the past 3 years with various aspects that anyone can discuss, and now is the time to identify how this situation emerged and what were the main consequences during its performance as well as after. However, since the topic of this paper is concentrated on the aviation sector the discussion will be focused on how the Covid-19 pandemic affected the aviation industry and why this is an interesting topic to investigate. Once Covid-19 appeared the development of the economy all over the world started being shaped according to that situation. First, with the very first appearance of Covid-19, many sectors were negatively affected due to the restrictions each country forced. The World Health Organization (WHO) announced some measures that should be followed to maintain the common good. These restrictions were made up with only concern for

international health and to help reduce any further negative effects from the virus and its spread. Despite the good purpose that all these restrictions had there were not beneficial for the global economy. One of the main sectors that were affected negatively was the aviation industry and airlines all over the world. As a result, the disruption of the tourism industry was accompanied by all the above consequences.

During the last two years, various studies have been published related to the COVID-19 pandemic and the Aviation Industry. The importance of selecting such a topic to analyse is the fact that there is a variety of sources and data related to it that makes the research process easier to approach as well as controversial to compare all the available views and ideas. Moreover, the Cyprus context makes the research process much more interesting with the peculiarity of trying to compare information, how different countries reacted, and the result of acting immediately. With this, this section consists of all the possible information assigned in each source to conclude in one general view to present. The main idea of the paper is to identify how the aviation industry was affected generally around the world and how this affected tourism in each country.

The fact that Covid-19 was one of the most catastrophic causes for the economy internationally comes as the result of identifying how important was for aviation to survive during that period and maintain at least their power and eventually be reborn from the ashes that the crisis left behind. The International Air Transport Association (IATA) released the IATA World Air Transport Statistics (WATS) publication with performance statistics for 2020, showing the devastating effects of the COVID-19 crisis on global air transport during that year. We'd all like to forget the year 2020. However, examining the year's performance statistics shows an incredible tale of perseverance. At the height of the crisis in April 2020, governments closed borders or enforced strict quarantines, grounding 66% of the world's commercial air transport fleet. In addition,

the industry's losses for the year reached \$126 billion. Many governments realized the importance of aviation and provided financial and other forms of assistance. "However, it was the quick actions of airlines and the commitment of our people that saw the airline industry through the most difficult year in its history," said Willie Walsh, Director General of IATA. (IATA, 2021)

According to a study made by Budd, et al. (2020), there was a dramatic reduction in passenger flights in all of Europe and that was the result of Covid 19 pandemic. The pandemic first appeared in Europe in 2020 and more specifically in March 2020 when measures started to be posed therefore the whole situation should be faced and countries should respond to the crisis that emerged. The main purpose internationally during this situation was to maintain the quality of services and businesses but at the same time to protect people from the virus and its rapid spread.

More than 15 airlines paused their services which meant that revenues were deducted but at the same time, they were trying to avoid any extra operating costs and protect their cash flow as much as possible. Thus, this was one of the various ways that the airlines responded to the situation. Some others have tried to keep their operations in a normal state and some others started closing either suddenly or gradually. Generally, this paper indicates one important element, how 40 European airlines as well as other states like Turkey and Ukraine responded to that. The fact that the European aviation market is mature and independent provides some good points for discussion and how generally its network responded to the different lockdowns that countries made as well as the different approaches that they had towards the crisis. As of May 2020, 13 of 40 airlines started shaping their changes one of which was fleet management. What is related to this paper's topic is fleet reduction. The first 6 airlines revealed their plan of reducing aircraft fleets. This might have the effect of reducing costs such as

maintenance or training costs, but at the same time cause the downsizing of the number of available routes, flight frequency as well as their destinations and pre-Covid-19 capacities. As it will be important for further discussion this also affected their network since many borders were closed and the connection between cities, and airports inside and outside countries was interrupted. Therefore, not only there was no planning of new pairing and connectivity, but also their interactions were completely stopped for a while.

According to Deveci et al. (2022), this article refers to how Turkish civil aviation was affected during Covid-19 and all the negative impacts that had during that period. Mainly by choosing this article various similarities with this paper were found. It focused on one region by making important references but at the same time concentrated on Civil aviation and its causes. Firstly, almost all countries stopped their flights during the period of March and April 2020. The pandemic negatively affected international air traffic, airport airlines, the global economy, trade as well as tourism. Various restrictions were applied across the countries that restricted many of the operations due to the rapid spread of the various health controls. All the passenger figures of European airports lost around 2 billion of their revenues in the first four months of the 2020 pandemic. Everything caused by Covid-19 was difficult to repair since the crisis hit aviation a lot. Results came out from IATA in February 2020 and started showing the first effects in the sector since it identified a loss in revenues of \$113 billion in February, \$252 billion in March, and \$314 billion in April. Therefore, the negative impact was increasing daily, and the passenger traffic should be reduced to 50% and consequently the airport revenues to \$97 billion. What is important is the loss of \$300-450 billion of international revenues from tourism which was a devastating result for a county's economy. Turkish Civil Aviation according to Deveci et al. (2022)

is considered one of the greatest airlines and one that was operating more than 357 destinations in 125 countries. The decrease started with Istanbul airport being now lower by 89% in comparison to the 2019 pre-Covid-19 period when statistics were very high. Similar to Agrawal's (2021) paper regarding India's Civil aviation which is one of the biggest in their domestic aviation market, their operations declined to 33% as founded by the Directorate General of Civil Aviation (DGCA).

Another very important reference is Greece which is a country that is like Cyprus and serves as an island. Greece is a highly touristic country with people all over the world visiting it throughout the whole year. The several islands attract more than 10 cruises each day with tourists. For instance, the "Suites of the Gods" resort in Santorini, one of the most beautiful holiday islands, was about to welcome international guests in the year 2020. According to an article by George Georgiopoulos & Vassilis Triandafyllou (2020) unfortunately, tourism was paralyzed due to the coronavirus crisis a situation that is much worse than the one in 2015 with Greece being forced to close all its banks and imposed capital controls to avoid any bankruptcy. Charlie Chahine the owner of the resort says "This time last year, we had 12 cruises and more than 15 ships stopping over in Santorini. Now, we see a ship every three days, looking out across the empty Aegean Sea." Similarly, this is the image that was created through every island in Greece that is welcoming every year lots of tourists. The example of Santorini is just one of many. The pandemic poses a risk to Santorini's revenue and employment prospects and endangers Greece's economy as a whole, which heavily relies on tourism and accounts for 20% of its economy. This situation could lead to a regression towards the challenging economic conditions that Greece experienced eurozone crisis approximately ten years ago. Through the years around the world, many crises were the reason for changing the tourist movement. Hence there were times when even most

tourist destinations were losing a huge amount of revenue from this, and things were changing the scenery of the economy. An example of one of the biggest crises that affected tourism arrivals in Greece was the financial crisis that started in 2008. This crisis significantly impacted the Greek economy, leading to high unemployment rates, decreased consumer spending, and political instability.

As a result of the monetary crisis, tourism arrivals to Greece saw a decline as people became more cautious with their spending and were hesitant to travel to a country experiencing economic uncertainty. In addition, the media coverage of the crisis, which focused on protests and social unrest, may have also discouraged some travellers from visiting Greece.

The impact of the financial crisis on tourism in Greece was significant, with the number of visitors dropping by almost 20% between 2008 and 2009. However, the Greek government and tourism industry responded by implementing measures to promote Greece as a safe and affordable destination, which helped to mitigate the decline in tourism arrivals over time.

According to another paper by Elessawy et al. (2022) The United Arab Emirates (UAE) also faced a huge negative impact on their socioeconomic factors from the beginning of 2020 when sectors such as aviation, real estate, tourism industries, and education were affected. One of the main restrictions taken by most governments around the world to limit the spread of the virus was to ban carrying any travellers and many companies have stopped their services for a while. One of the causes of the above restriction was wage reductions as well as layoffs. Generally, the image of aviation and airlines was changing dramatically to a market with an uncertain business future since the aviation losses were massive. UAE consists of 5 main commercial airline

companies and the largest is Emirates not only there but also all over the world. The fact that even the two largest companies were laid off during the pandemic according to IATA there was a loss of more than \$5.5 billion an incident that happened after more than three decades of a successful career. Also, revenues were reduced by 66% to \$8.4 billion as well as the passenger traffic to 88.3%.

Considering what has been mentioned already the restrictions and causes of the crisis lead the airline to stop flight into and out of the UAE which had an explicit impact on tourism since the numbers of visitors were 83% less than before the Coronavirus. Another important factor mentioned in that paper was the strategic objectives of recovery and the expected things to come after the crisis controls itself. One of them was enhancing all their air transport links with other countries to preserve their continuity around the world. Therefore, according to the next view, Cyprus is considered one of the best options to enhance its links and regain its power in the industry after Covid-19. As it is well known UAE global network still expands connectivity every year reaching the highest level in the airline industry today. As stated by Emirates Country Manager in Cyprus Al Qassim, “Cyprus, the jewel of the Mediterranean, has always been a strategic market for us, and the return of our operations to pre-pandemic levels reaffirms our commitment to supporting the market’s growth and recovery” (Cyprus Mail, 2023). The connectivity between the Emirates and Cyprus existed long before the covid-19 crisis, however, after Covid-19 the promises of increasing this connectivity are compromised. This view indicates how important is Cyprus’s interaction with these airlines for touristic purposes as well as for improving aviation’s economy and potential. Hence, Cyprus has a strong bond with the Emirates which allows Cyprus to continue being supported by the Emirates and contribute to its ongoing growth.

Despite the challenges posed by the pandemic, Wizz Air continued to serve passengers in Cyprus, providing a lifeline for essential travel. The airline also introduced new routes to capitalize on the pent-up demand for travel, such as the launch of flights from Larnaca to Bucharest, Budapest, and Vienna. Wizz Air's response to the COVID-19 pandemic in Cyprus demonstrates the resilience of the airline industry and the ability of airlines to adapt to changing circumstances. The measures implemented by Wizz Air helped to ensure the safety of its passengers and crew while mitigating the financial impact of the pandemic.

.2 Difficult for recovery before 2024

The high vaccination rates in Europe are enabling a significant recovery in travel demand, but volumes are still far below those seen before the pandemic and won't be exceeded until 2024. The most recent issue of the European Travel Commission's (ETC) quarterly report, "European Tourism Trends & Prospects," looks at how travel activity is rebound amid the current wave of infections and continuing vaccination programs. While global revenue passenger kilometres (RPKs) in August stayed at half of pre-COVID-19 levels, European air passenger growth accelerated over June (-69%), July (-57%), and August (-49%) compared to 2019. Perhaps foreign tourist arrivals in Europe are expected to be 60% lower than in 2019 by the end of 2021, with several additional variables weighing on Europe's tourism recovery. These include constantly shifting COVID-19 restrictions and policies, new outbreaks, and confusion over the colour-coded EU travel system, which is applied differently across European locations. (European Travel Commission, 2021).

.3 Cyprus Potentials from Tourism and the Recovery after Covid-19

Cyprus is a popular tourism destination that relies heavily on the aviation industry to support its tourism industry (Cyprus Tourism Organization, 2021). The country has taken measures to limit the spread of the virus, including the suspension of flights from high-risk countries, and the introduction of testing and quarantine requirements for travellers (Government of Cyprus, 2021). These measures have had a significant impact on the aviation industry in Cyprus, with the country's main airport reporting a 74% decline in passenger traffic in 2020 compared to 2019 (Hermes Airports, 2021).

Cyprus as an island is one of the most famous touristic destinations in Europe, but also internationally. Therefore, according to the Deputy Minister of Tourism, Mr Savvas Perdios welcomes every year almost 2 million tourists, especially in the summer season which means that approximately 14 per cent of Cyprus' GDP is generated from tourists something that makes Cyprus dependent on them every year. Also, another important piece of information mentioned was that many British will encourage Cyprus tourism after the pandemic to recover from the crisis caused by Covid-19. As the country 2023 came out of a long pandemic the percentages of tourism arrival in the next years are very high compared to March 2020. As Deputy Minister of Tourism, Perdios has prioritized tourism promotion in Cyprus, developing new tourism goods and services, and improving the country's overall tourism infrastructure. He has also been a driving force behind the promotion of sustainable tourism practices in Cyprus, as well as efforts to position the country as a premier location for cultural and heritage tourism.

Think through everything mentioned before, what is significant regarding the topic of this paper is to identify how the aviation industry responded during the covid-19 crisis and how this affected the tourism industry in Cyprus directly. This should be analyzed

through data indicating all the flight measures links between airports from other countries and how people reacted to the whole pandemic during its appearance and after it started fading out. Talking about this is important to how people were thinking about moving before Covid-19 as well as after regarding their willingness to travel, their concerns towards the virus, and their economic affordance for a leisure trip.

3. Theoretical and Descriptive Analysis

.4 Timeline of Pandemic Outbreak in Cyprus

If it is possible to divide Covid-19 into timeline stages in chronological order, then one could argue that four different stages. In the year 2020, the progress of the virus is as follows. The first stage was the “import” to Cyprus in March 2020, the second one was when the virus started to spread with a general lockdown, and the third was when the virus almost disappeared. Lastly, the fourth and worst it’s when the disease reappears in autumn making everything unpredictable and trying to review again the situation and how now will proceed. The previous introductory part will guide how different data from the different chronological periods will be discussed and how this virus was developed through difficult periods of the crisis as well as the ups and downs of Covid-19.

After the epidemic broke out, every country was evaluated based on the progression of the situation and the severity of positive cases, resulting in a categorization that reflects the level of danger in each country. This classification system had a considerable influence on travel restrictions, airline and airport policies, and individuals' travel decisions based on the epidemiological status of the country they planned to visit. Therefore, considering the categorization as a crucial addition, it will be discussed how these categorizations affected tourism arrivals from different countries to Cyprus.

During the pandemic, colour categories were used to classify the severity of the situation in different countries based on the number of positive cases. In Europe, the system was introduced by the European Centre for Disease Prevention and Control (ECDC) and included four categories: green, orange, red, and grey. Countries with a

sparse number of cases were categorized as green, while those with a higher number were classified as orange or red, indicating a moderate or elevated risk of infection. The grey category was reserved for countries with insufficient data. The classification had significant implications for travel, with many countries requiring visitors from high-risk countries to quarantine upon arrival or presenting a negative COVID-19 test. The categorization helped governments and individuals make informed decisions regarding travel and public health measures. Due to that even after the total outbreak things remained difficult for people that wanted to travel since the restrictions did not let them do their trips independently from the virus.

Taking into consideration the important periods that the crisis appeared and evolved the following data will present three important sections affected by Covid-19:

- 1) Tourist Arrivals
- 2) Revenues from Tourism
- 3) Movement of Travelers & Recovery period

The three previous sections will be also analyzed and discussed during the three most significant periods of the crisis.

- 1) a year before the crisis in 2019,
- 2) during the outbreak of the virus in 2020-2021
- 3) 2022 until present 2023

This information will be taken from data from different websites that kept a record of all the statistical information on numbers regarding tourists' arrival from different airlines, at both airports in Larnaca and Paphos

However, the restrictions and their impact of it are not as apparent as before. In the summer months, tourism is at its highest even if Cyprus is a destination chosen during

the whole year. Due to that, the highest number of tourists are arriving on the island between June, July, and August. Hence the following Figures and Tables will be emphasized mostly until August's latest updates for the periods 2019-2022.

Starting with, the following analysis will start by introducing general findings of the three periods regarding the restrictions taken from different airlines. Generally, all the airlines have paused their services or made new rules that had as a priority passengers' safety by following all health regulations that were announced by each country's government.

Another important dimension worthy mentioned is the purpose of visiting Cyprus. The first one is for holidays and entertainment, the second is for visiting friends and relatives and the third one is for business. Even if the circumstances have changed during the pandemic, the purpose of visiting Cyprus and the percentages remained at the same hierarchical level. And 2019, as well as the 2020 holidays, remain the main reason for visiting Cyprus and even if the percentages have dramatically dropped, leisure trips remained the top reason for making a trip. (Table 3)

The tourism industry in Cyprus has expanded steadily and quickly since 2015, following the general tendency. In addition to significant expenditures in tourism infrastructure, the sector's upward trajectory and re-establishment as a crucial pillar of the local economy have been aided by record annual visitor arrivals over the past five years.

Economic data from the Cyprus Statistical Service showed that the 4 million tourists who visited in 2019, the majority of whom were from the United Kingdom and Russia, brought in €2.7 billion in direct revenue, or 12.2 per cent of nominal GDP. Nearly 30,000 people were employed in the industry during the busiest time of the same year.

Since 2015, there has been a significant increase in new hotel construction permits, which is indicative of the sector's popularity and growth. Other new tourist infrastructure includes golf courses, mixed-use marina developments, and Europe's biggest casino resort, which is scheduled to open in 2022.

Figure 1:

This figure demonstrates the number of revenues from 200-2021. According to the findings of the Passenger Survey conducted by the Statistical Service, the earnings generated by tourism in June 2020 amounted to €6.7 million. This represents a significant decline of 98.1% compared to the same month in the previous year, where revenue reached €350.4 million. From January to June 2020, the revenue from tourism is estimated to be €122.0 million, indicating a decline of 87.8% from the same period in 2019, where revenue amounted to €1,003.2 million.

Figure 2:

In August 2020, there were 104,261 tourist arrivals, which is an 81.2% decrease compared to August 2019 when there were 553,845 tourist arrivals. From January to August 2020, the total number of tourist arrivals was 424,850, which is a decline of 84.5% compared to the same period in 2019, where there were 2,735,839 tourist arrivals (as shown in Table 1). It is important to note that starting in March 2020, a ban on entry to Cyprus was imposed for several categories of people, including tourists, until June 8th, 2020, as a measure to prevent the spread of COVID-19. From June 9th, 2020, there was a gradual easing of travel restrictions to Cyprus, which allowed arrivals from specific countries based on their epidemiological risk assessment by the Ministry of Health.

Figure 3:

In August 2022, the number of tourist arrivals amounted to 451,133, which is a 40.2% increase from August 2021 when the number of tourist arrivals was 321,858. From January to August 2022, the total number of tourist arrivals was 2,127,172 compared to 960,150 in the same period of 2021, 424,850 in the January-August 2020 period, and 2,735,839 arrivals in the January-August 2019 period.

The largest contributor to tourism in August 2022 was arrivals from the United Kingdom, accounting for 41.2% (186,002) of the total number of arrivals. This was followed by Israel with 9.6% (43,326), Poland at 5.2% (23,557), Germany at 4.7% (21,306), Sweden at 2% (18,759), Greece at 3.1% (13,991), and France with 3.0% (13,365)

Table 1:

In August 2020, there was a significant drop in tourist arrivals from the United Kingdom, with a decline of 78.3% compared to the same month in 2019. There were also decreases in tourist arrivals from other countries, including Germany with a 23.1% decline, Poland with a 3.0% decline, Greece with a 43.8% decline, Switzerland with a 47.8% decline, and Austria with a 29.5% decline. Table 1 presents the percentage changes for these major countries from one year to the next.

As could be seen in Table 1 there is a comparison of 2019 and 2020. In the previous year, 2019, tourist arrivals were extremely high with the number reaching 550,971 which was the best month with August which identifies what summer months are like in Cyprus and how many tourists are welcoming. Also comparing the year 2018 which was before the pandemic again the numbers were very high with just small increases or decreases, but not for specific reasons.

Of course, where tourists come from might change over the years and months. For instance, the top 4 main sources of tourism in the years 2018-2019 were the United Kingdom, Russia, Israel, and Sweden. This dramatically changed not only because of Covid-19 but also for other crises that hit the world during Covid-19 or after. This might be the Russia- Ukraine war which is a crisis that will affect these countries for at least 2-3 years from now. Direct flights from Russia are no longer available for Cyprus airport and therefore Russian, which was a large percentage of tourism, now will disappear. Generally, Cyprus is a destination that attracts people from many different countries around the world, especially European ones. Hence, tourists only change if there is a significant reason for their country of residence. To explain that in detail, over the years countries suffer from different crises that affect their normal way of living even if that is a pandemic or an economic crisis, an environmental crisis, etc.

Adding to that, in a significant escalation of the Russo-Ukrainian War that started in 2014, parts of Ukraine were invaded and occupied by Russia on February 24, 2022. Cyprus, which relies heavily on its tourism industry and has Russians as its top source market, is the EU nation that has been most negatively impacted by the decline in Russian travel. Based on an earlier SchengenVisaInfo.com article, the Cypriot government only anticipates 20% of the country's annual tourism market. According to our projections, one million visitors from Ukraine and Russia will not visit Cyprus this year, accounting for 20–25% of the country's total tourism market. The length of this catastrophe is crucial. If this is resolved in a month, we will be unharmed. No country will be able to recover if it continues, according to Finance Minister Constantinos Petrides. (Schengen Visa Info, 2022). Given that the world is just now recovering from the pandemic that seriously damaged tourism, such rates are even more devastating.

.5 Post-pandemic

Moving on to the period after Covid-19, one could say that the pandemic started to fade during the next years, but on the other side as the pandemic still exists many people continued to be affected by its impact. In July, the number of tourists visiting Cyprus during the summer season has gone beyond the figures recorded in 2021, with 454,657 arrivals, compared to 297,308 during the same period last year. (Schengen Visa Info, 2022)

The following information was based on a website named SchengenVisaInfo.com which reports that the Interior Ministry has stated that there has been a 162.5% increase in the number of tourist arrivals to Cyprus during the first half of the year (January to July 2022), with 1.6 million arrivals recorded, compared to 638,292 arrivals in 2021.

Additionally, in 2022, the number of tourists has reached approximately 76% of the levels seen before the pandemic, with 1.6 million tourists recorded out of the 2.1 million that were seen in 2019. Moreover, there has been an increase of 422.7%, with 1.3 million more tourists compared to 2020 when the government-imposed travel restrictions due to COVID-19, and only 320,589 tourists visited Cyprus. (Schengen Visa Info, 2022)

In July, Cyprus recorded 454,667 tourists, and the main countries from which they originated remained unchanged from the previous season. Many tourists came from the United Kingdom, representing 38.2% of all arrivals, with 173,874 tourists recorded in July alone.

Israel, with 38,269 arrivals, Poland, with 21,285, and Germany, with 21,280, were among the other countries of origin. They represented 8.4% and 4.7% of the total

arrivals, respectively. Additionally, there were 19,732 tourists from Sweden, accounting for 4.3% of the total, and 15,450 from Greece, representing 3.4% of the total. (Schengen Visa Info, 2022)

Table 3:

The main reason for the visit to Cyprus for most tourists in July 2022 was holidays, accounting for 85% of them. A visit to friends and relatives was the main purpose for 12.2% of tourists, while 2.8% came for business. (Table 2)

The press release issued by the Interior Ministry explains the following: “For a percentage of 84.9 per cent of tourists, the purpose of their trip in July 2022 was holidays, for 12.2 per cent visit to friends and relatives and 2.8 per cent business. Respectively, in July 2021, 85percentt of tourists visited Cyprus for holidays, 11.3percentt visited friends or relatives, and 3.7 per cent visited Cyprus for business reasons,”

According to the Deputy Minister for Tourism, Savvas Perdios, Cyprus is expected to exceed its target of two million tourists in 2022. As of May 2022, more than 1.6 million tourists had already visited Cyprus, and the summer season, which is a peak tourism period, will continue until mid-October, providing another two months for holidaymakers to visit.

Figure 4:

The importance of the following figure will be initiated in the results and discussion section which will demonstrate the significance of being on that place as an island competing with many other countries and remaining at that place for many years now even if the crises hit the island were many. Figure 4 exhibits the list of 117 economies in the report of Travel & Tourism Development Index 2021- Rebuilding for a

Sustainable and Resilient Future. Cyprus is currently ranked 31st out of 117 countries in the Travel and Tourism Development Index of the World Economic Forum and 21st out of 43 in Europe and 6th out of 16 in the Mediterranean. The goal is for Cyprus to rank among the top 30 markets worldwide and the top 20 in Europe.

Theognosia Kakkoufa

4. Results and Discussion

Cyprus airports and tourism arrivals were heavily impacted by the COVID-19 pandemic. In 2020, the two main airports in Cyprus, Larnaca, and Paphos, saw a combined total of just 2.4 million passengers, a decrease of 94% compared to 2019. This decrease was mainly due to the global travel restrictions and lockdowns implemented by countries worldwide to contain the spread of the virus.

The decrease in air travel had a significant impact on the country's tourism industry, which heavily relies on foreign visitors. In 2020, tourist arrivals dropped by 84% compared to the previous year, with just over one million visitors recorded. This decline in tourism had a significant impact on the country's economy, as tourism is a major source of income and employment in Cyprus.

.6 How does Cyprus try to remain an attractive country for tourism even after Covid and the loss of Russians?

The crucial issue to mention is that even if after the pandemic some things started to change and return, others will be worse due to the side effects of the virus, the Russia-Ukraine war as well as the very high number of tourists as well as revenues of years 2018-2019 which is very difficult to reach them again but do more than that too. On the one hand, Covid-19 left behind lots of destructive causes which affected a lot of sectors and industries globally. The realization is that the pandemic's negative impacts started being managed while the virus started to fade out and people saw things clearly to act immediately to the problem and the restrictions were no longer an obligation for them. On the other hand, another crisis hit Cyprus island when the Russia – Ukraine war burst out. Due to that, the island had to deal with all tourists returning to Cyprus' beaches

after a difficult two years marred by the pandemic, and one of the country's largest groups of visitors is absent from hotels and restaurants.

According to Isabella Jewell (2022), Mr Panicos Michail, the owner of a hotel in Aia Napa, mentioned that his company is attempting to compensate for the loss of customers by focusing on other traveller demographics. Specifically, he noted that their hotel has traditionally attracted visitors from Central Europe (including Switzerland, Germany, and Austria) and England due to its compelling reputation.

According to Christos Angelidis, the President of the Pancyprian Association of Hotel Managers, many members of the organization are currently struggling to deal with the negative effects of the situation. Angelidis remarked that the sudden change was unexpected and challenging, but they are doing their best to manage the situation. While they have been able to minimize the damage to some extent, the substantial number of lost customers cannot be replaced.

Adding to that a significant point to mention is how the hotel industry deals with all these challenges and how they can promote the island's uniqueness and attracts more tourists except Russians or Ukrainians. According to a paper by Marneros et al. (2021), despite some beneficial trends in Cyprus's hospitality industry, numerous challenges must be addressed for this progress to be sustained. One of the most significant challenges is competition, as numerous other Mediterranean destinations such as Greece, Italy, Spain, Croatia, etc. give comparable sun and sea experiences to Cyprus. Cyprus must invest in human capital and develop the necessary skills to provide an appealing tourist experience that goes beyond basic tangible services to create a sustainable competitive advantage.

What is more, the Covid-19 pandemic and the war in Ukraine have caused a significant change in the profile of tourists visiting the country. As it was already mentioned, previously the tourism sector was heavily reliant on Russian travellers, but now there has been a radical shift, and Ukraine has had to completely reinvent its tourism industry. However, the country has done a remarkable job by reinstating air connectivity and expanding into new markets simultaneously. This was achieved by adding capacity for Low-Cost Carriers (LCCs) and charters. Although this kind of connectivity caters to the peak seasons, it does not sufficiently serve the winter tourism and business travel segments. This is where Cyprus Airways comes in as the only Cypriot airline operating in Cyprus. It is carefully establishing structural connectivity to major gateways in Europe to open new tourist markets, facilitate visits by friends and relatives, and cater to business traffic. (IATA, 2023)

.7 Sustainable actions are taken to improve tourism.

Savvas Perdios stated that “55% of the actions planned for 2020 in the sector of tourism have been completed”. Adding to that the Deputy Ministry has initiated various tenders and studies, mentioning the Paphos marina integrated growth, an online platform for tourist businesses, and the new logo for Cyprus tourism, which he hopes to begin implementing by the end of this year. The diversification of tourism product attracts new types of visitors and promote sustainable tourism practices. This includes the promotion of rural and cultural tourism, the development of eco-friendly accommodations, and the introduction of activities such as hiking and cycling.

Moving on, as stated by Kyriakos Nicolaou (2023), Cypriot tourism professionals plan to concentrate on sustainability in the coming years, to align with climate-friendly guidelines and ensure that any projects are compliant with green transition initiatives. All the new investments should be checked and determined whether they are considered sustainable by EU regulations. These investments must be implemented correctly to follow any regulations and, more importantly, to be consistent with two goals: climate change mitigation and climate change adaptation.

Concerning Cyprus in collaboration with the Cyprus Sustainable Tourism Initiative (CSTI), they have set a goal of creating six beaches free of plastic waste by 2025, as well as educating people about the problem of plastic waste reduction, as noted by Nicolaas Willem Visser, secretary of the board of trustees at the TUI Care Foundation. It was also stated that the initiative aims to reach 300 partners who will support the project's information campaign.

According to Statista, the projected revenue for the Hotels segment is €67.64m in 2023, with an expected annual growth rate of 8.31% from 2023 to 2027, resulting in a projected market volume of €93.10m by 2027. The number of users in the Hotels segment is also expected to reach 252.10k by 2027. These numbers are very crucial for maintaining them with all necessary actions needed to be done for improvement and stable growth in our tourism industry.

.8 Aviation & Sustainability

The transportation links to and from Cyprus have gotten better, including both air and sea connections. The country has become a hub for cruise companies, with many using it as a starting and ending point for their voyages. This has resulted in a significant rise in the number of people arriving on cruise ships, with 350,000 passengers in 2022 compared to 130,000 in 2019.

Furthermore, there have been new air routes established between Cyprus and various destinations in Europe and the Middle East. Additionally, there are plans for more routes to be introduced shortly, specifically to countries such as France, Belgium, and Switzerland. The list of countries where tourists are arriving in Cyprus has expanded to include new destinations such as France, Italy, Hungary, Serbia, and Saudi Arabia, in addition to the already existing markets of Germany, Poland, Israel, Scandinavian countries, the Netherlands, Greece, Austria, Switzerland, and Jordan. He noted that 40 per cent of tourists currently arriving in Cyprus come from the EU, compared to 25 per cent before the pandemic. It is also mentioned that there are plans for future collaboration with Jordan to attract tourists from even farther destinations, including the USA, Canada, Korea, Japan, and China, by creating joint tourist packages. (Cyprus Mail, 2022)

Additionally, Maria Kouroupi, Senior Director of Aviation Development, Marketing & Communication at Hermes Airports, discussed the impact of sustainable development on the aviation industry and how it affects Cyprus. She noted that the aviation sector is only responsible for 2 per cent of global emissions, partly due to the implementation of new aircraft technology over the past five decades, which has significantly reduced pollution. Kouroupi also addressed the use of biofuels (SAF), which she explained still faces several challenges before becoming a practical option. She cited issues such as insufficient production quantities and excessive costs, as well as ongoing testing to ensure the energy required for SAF production is less than the energy it generates. She added that the use of SAF is expected to remain limited until 2023. (Cyprus Mail, 2023)

Additionally, Cyprus Airways is going to play a crucial role in achieving a net-zero emission operation. We are fortunate to be in a unique position where the Cyprus Government permits us to balance the use of Sustainable Aviation Fuel with 100% carbon credits. We plan to incorporate a blend of up to 20% SAF, which will enable Cyprus Airways to lead the way in this area compared to others. Additionally, we will soon reveal our purchase of the latest generation of aircraft that will cut emissions by 40% compared to our current fleet. The key focus for Cyprus Airways' growth is sustainability, making it a model for the entire industry. (IATA, 2023)

.9 Concluding remark –A Sustainable Tourism destination

Taking everything said into account the paper presents the fact that crises such as Covid-19 and political instabilities or economic crises, unfortunately, cannot be avoided easily. These are situations that always existed and will happen for many more years with people suffering from the negative causes that they leave behind them. What

is significant to mention is that Covid-19 was an opportunity to realize that good management of resolving and dealing with such obstacles is the key to continue surviving. As it was mentioned in the previous sections before the pandemic Russians were the largest group of tourists visiting Cyprus and determine the image of the industry for years. This has created a specific plan and strategic way of how Cypriots treated tourism and the reliance that they had on them. The crises of Covid-19 and the Russia-Ukraine war have changed this non-stoppable circle of an old-fashioned way of thinking and made them realise the true impact of tourism and its importance for the whole year and across different groups of visitors.

It is difficult to determine the exact positive impact of a decrease in Russian tourists to Cyprus since their contribution to the island was significant. However, in general, promoting sustainable tourism practices that prioritize the protection of the environment and cultural heritage, while also providing economic benefits to the local communities, can have long-term positive impacts on the destination's tourism industry. This can attract a diverse range of tourists, not just from one specific country, and create a more sustainable and resilient tourism industry.

Hence the answer to that change and a beginning of a new era in the tourism industry is to become more sustainable. Adapting this new way of living and developing industries such as tourism or aviation to be more sustainable is the solution to replace the gap that was created in the market and let the island drops its revenues much more in combination with the covid-19. attract new groups of tourists will be beneficial for our island but at the same time does not harm the environment and be environmentally sensitive.

The hospitality industry should begin promoting sustainability to tourists, as they are the ones who directly interact with the industry and spend the most time in its establishments. If the industry does not actively support sustainability, tourists may not adopt sustainable practices themselves. The idea is to encourage hotels in Cyprus to support new sustainable initiatives, which will eventually lead to a more sustainable Cyprus overall. Due to the pandemic, people have changed their thinking, behaviour, and travel preferences. One of the primary criteria for selecting a holiday destination is now the desire for environmental change. This behaviour will shape the future of our planet, and countries that demonstrate sustainability will attract more tourists. The pandemic has also brought new challenges and crises, such as increased competition and changing consumer preferences. This marks the beginning of a new era with new needs.

In conclusion, sustainability is a crucial factor for the aviation and tourism industry in Cyprus to ensure economic growth. By promoting sustainability practices, the industry can attract more environmentally conscious tourists and retain its position as a top travel destination. As the world continues to shift towards sustainable practices, the industry must adapt to remain competitive and support the long-term economic development of Cyprus. By working together to implement sustainable initiatives, the aviation and tourism industry can benefit not only the economy but also the environment and the local community, creating a brighter future for all.

5. Conclusion

The COVID-19 pandemic has had a significant impact on the aviation industry, which has had a knock-on effect on other industries, particularly the tourism industry. This research aims to investigate the impact of COVID-19 on the aviation industry and its subsequent effect on Cyprus tourism. The research will provide valuable insights into the challenges faced by the aviation and tourism industries in Cyprus and the strategies implemented to recover from the impact of the pandemic. The findings of this research will contribute to the broader understanding of the impact of COVID-19 on the aviation and tourism industries and guide future policies and strategies in the post-pandemic era.

Based on the available information up to September 2021, it can be concluded that the aviation industry and tourism sector in Cyprus were severely impacted by the COVID-19 pandemic. The pandemic led to the closure of borders, travel restrictions, and a significant decrease in demand for air travel and tourism.

The aviation industry in Cyprus faced significant challenges due to the pandemic. Airlines experienced a sharp decline in demand for air travel, resulting in a significant reduction in passenger traffic. Several airlines were forced to suspend operations or reduce their flight schedules, resulting in significant financial losses for the industry. Additionally, airports faced a significant decrease in revenue due to the decrease in passenger traffic, leading to job losses and reduced economic activity in the sector.

The tourism sector in Cyprus was also severely impacted by the pandemic. The closure of borders and travel restrictions led to a significant decline in the number of tourists visiting Cyprus. Hotels, restaurants, and other tourism-related businesses

experienced a sharp decline in revenue, resulting in significant financial losses and job losses in the sector. However, the Cypriot government and the tourism industry have taken several measures to mitigate the impact of the pandemic on the sector. These measures include financial support to affected businesses, implementing health and safety protocols, and promoting domestic tourism to compensate for the loss of international visitors.

In conclusion, the COVID-19 pandemic had a significant impact on the aviation industry and tourism sector in Cyprus, leading to reduced economic activity, job losses, and financial losses for businesses in the sector. However, the Cypriot government and the industry have taken steps to mitigate the impact of the pandemic and promote recovery. The Ministry of Tourism now, has been actively engaged in efforts to support the industry, offering financial assistance, and implementing health and safety protocols to ensure the safety of tourists and residents. The industry has also played an important role in promoting the safety and sustainability of tourism in Cyprus. By adopting sustainable practices, such as reducing plastic waste and promoting eco-friendly activities, the industry can attract more environmentally conscious tourists and contribute to the long-term economic development of the country. Overall, while the pandemic has had a significant impact on the aviation and tourism industry in Cyprus, the government and the industry are working together to support recovery and promote sustainable growth.

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Appendix A

Figure 1: Tourist arrivals and Revenues for the last 21 years

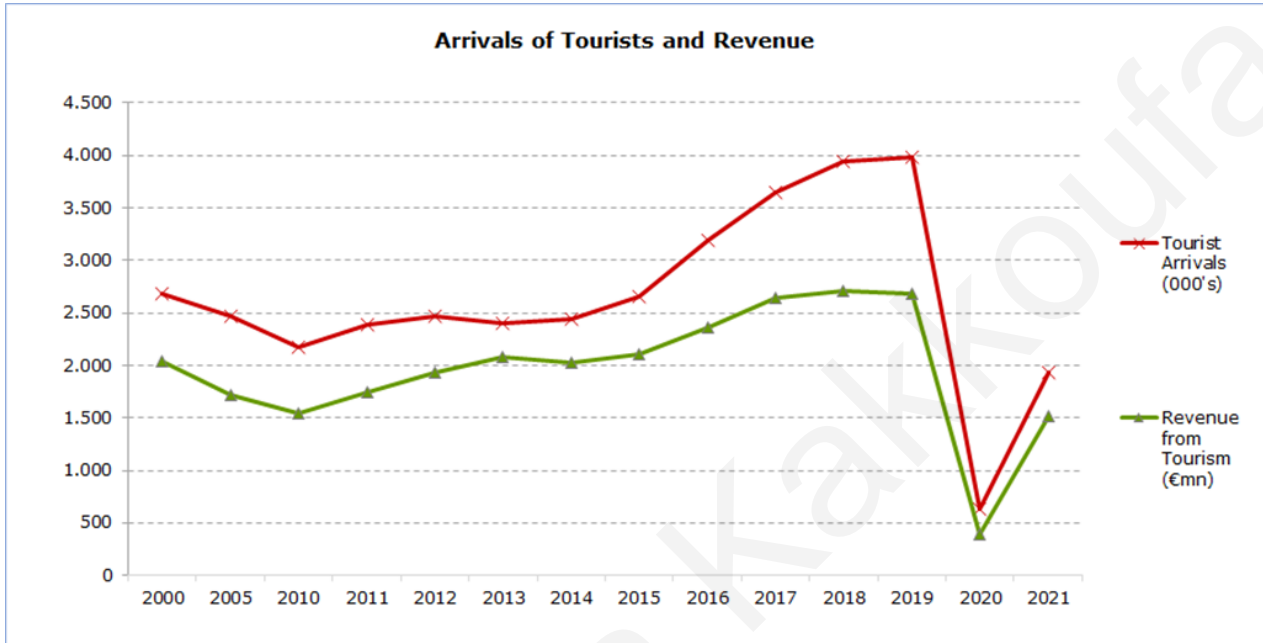


Figure 2: Tourist Arrivals 2019 & 2020

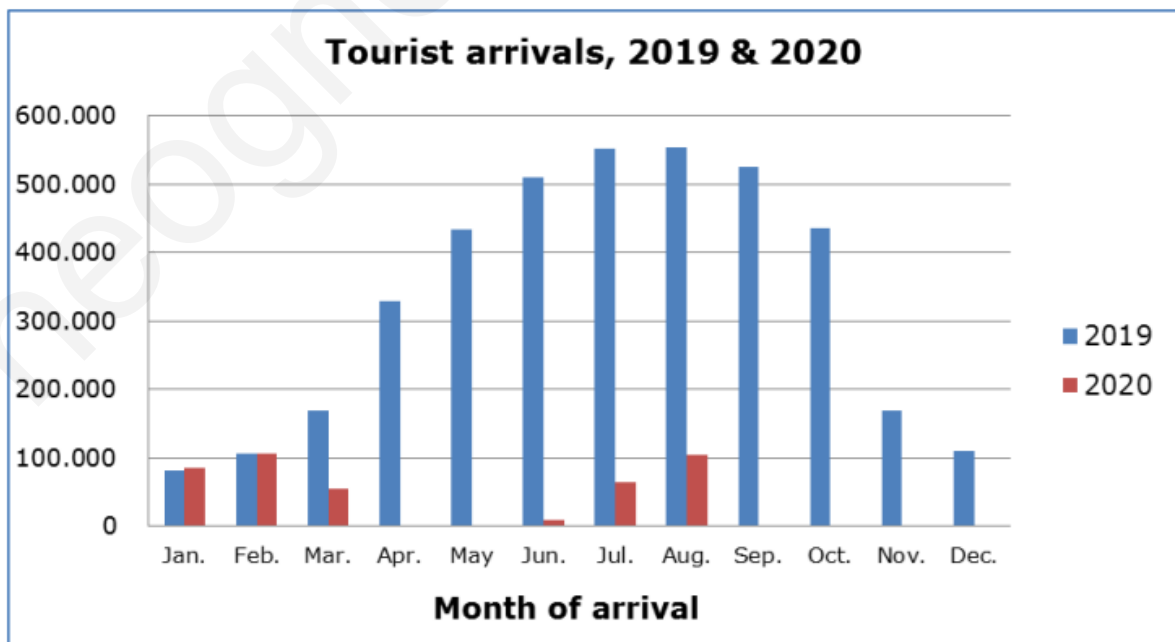
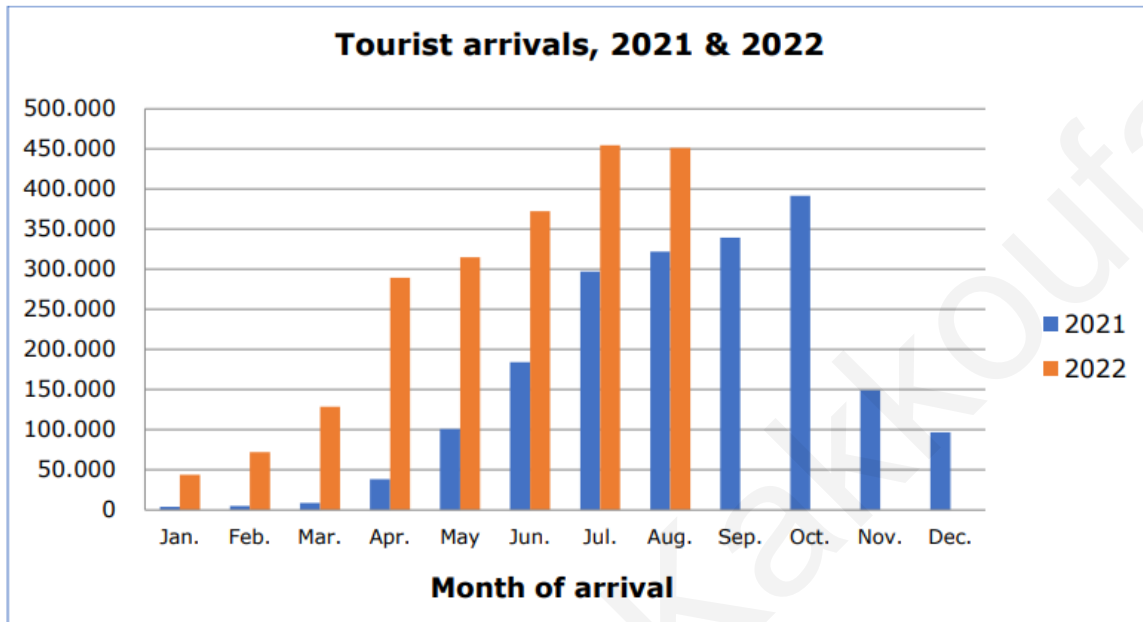


Figure 3: Tourist Arrivals 2021 & 2022



Appendix B

Table 1: Country of usual residence of tourists – concentrating on years' post-pandemic.

Country of usual residence	August				January - August			
	Tourist arrivals			% change 2020/19	Tourist arrivals			% change 2020/19
	2018	2019	2020		2018	2019	2020	
TOTAL	534.847	553.845	104.261	-81,2	2.719.622	2.735.839	424.850	-84,5
United Kingdom	184.228	186.071	40.421	-78,3	919.972	933.343	117.304	-87,4
Germany	18.398	15.794	12.151	-23,1	120.071	98.574	31.563	-68,0
Poland	11.332	9.634	9.349	-3,0	61.098	52.124	24.699	-52,6
Greece	13.551	13.056	7.336	-43,8	121.733	112.546	45.698	-59,4
Switzerland (incl. Lichten.)	8.031	8.554	4.462	-47,8	47.073	43.379	13.799	-68,2
Austria	5.161	5.848	4.125	-29,5	26.881	28.089	9.635	-65,7
Other	294.146	314.888	26.417	-91,6	1.422.794	1.467.784	182.152	-87,6

Table 2: Country of usual residence of tourists – concentrating on years before Covid-19.

Country of usual residence of tourists	Percentage (%)			
	Jun 18	Jan – Jun 18	Jun 19	Jan. – Jun 19
United Kingdom	32,4	34,1	32,5	34,5
Russia	24,1	19,3	23,0	18,6
Israel	4,7	5,7	6,5	6,4
Sweden	5,0	3,8	4,4	3,7
Germany	3,2	5,2	3,2	4,3
Greece	3,7	5,8	3,0	5,4
Ukraine	2,0	1,7	2,5	2,3
Other countries	25,0	24,5	25,0	24,9

Table 3: Purpose of Visit to Cyprus

Purpose of visit	Percentage (%)		
	July 20	July 21	July 22
Holidays	70,6	85,0	84,9
Visiting friends & relatives	20,1	11,3	12,2
Business	9,3	3,7	2,8

Figure 4: Travel & Tourism Development Index 2021 overall rankings

Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)	Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)	Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)
			Rank	Score					Rank	Score					Rank	Score	
1	Japan	5.2	1	0.7%	31.8%	40	Mexico	4.3	-6	-1.2%	7.4%	79	Cambodia	3.6	3	1.1%	-9.2%
2	United States	5.2	-1	-1.0%	30.7%	41	Bulgaria	4.3	-2	-0.4%	7.3%	80	Tunisia	3.6	-3	-0.5%	-9.2%
3	Spain	5.2	2	0.0%	29.5%	42	Lithuania	4.3	3	0.6%	7.2%	81	Tanzania	3.6	5	2.6%	-10.2%
4	France	5.1	2	-0.2%	28.8%	43	Qatar	4.3	-2	-0.2%	7.0%	82	Cape Verde	3.6	1	1.4%	-10.2%
5	Germany	5.1	-1	-1.8%	27.3%	44	Georgia	4.3	3	1.4%	6.8%	83	Pakistan	3.6	6	2.9%	-10.2%
6	Switzerland	5.0	1	-2.1%	26.0%	45	Turkey	4.2	4	1.3%	6.4%	84	Mongolia	3.6	-8	-2.1%	-10.6%
7	Australia	5.0	1	-1.3%	25.6%	46	Croatia	4.2	-4	-0.6%	6.4%	85	Trinidad and Tobago	3.6	0	1.5%	-10.7%
8	United Kingdom	5.0	-5	-4.5%	24.8%	47	Israel	4.2	-7	-1.0%	6.2%	86	Kuwait	3.5	-7	-1.8%	-11.0%
9	Singapore	5.0	0	-1.4%	24.6%	48	Latvia	4.2	0	0.6%	5.9%	87	North Macedonia	3.5	-3	-0.3%	-12.1%
10	Italy	4.9	2	0.8%	23.9%	49	Brazil	4.2	3	2.3%	5.2%	88	Namibia	3.5	0	0.0%	-12.6%
11	Austria	4.9	0	0.4%	23.6%	50	Costa Rica	4.2	1	1.2%	4.5%	89	Rwanda	3.5	1	0.7%	-12.7%
12	China	4.9	3	2.3%	23.5%	51	Egypt	4.2	6	4.3%	4.4%	90	Kyrgyz Republic	3.4	3	1.9%	-13.9%
13	Canada	4.9	-3	-2.1%	22.9%	52	Vietnam	4.1	8	4.7%	4.1%	91	Bolivia	3.4	5	1.6%	-14.5%
14	Netherlands	4.9	0	0.2%	22.3%	53	Romania	4.1	-3	-0.7%	3.6%	92	Tajikistan	3.4	-1	-0.3%	-14.6%
15	Korea, Rep.	4.8	4	1.9%	21.4%	54	India	4.1	-8	-2.6%	3.6%	93	Lao PDR	3.4	1	0.7%	-15.0%
16	Portugal	4.8	-3	-2.1%	19.8%	55	Uruguay	4.1	6	3.6%	3.0%	94	Lebanon	3.4	-7	-3.1%	-15.1%
17	Denmark	4.7	-1	-1.5%	18.9%	56	Slovak Republic	4.1	-3	0.2%	2.9%	95	Bosnia and Herzegovina	3.4	-3	-0.7%	-15.2%
18	Finland	4.7	-1	-2.2%	17.3%	57	Bahrain	4.1	-2	1.0%	2.1%	96	El Salvador	3.3	2	1.7%	-16.1%
19	Hong Kong SAR	4.6	-1	-3.0%	16.3%	58	Colombia	4.0	4	2.3%	1.6%	97	Guatemala	3.3	-2	-0.6%	-16.1%
20	Sweden	4.6	1	-1.9%	16.0%	59	Argentina	4.0	-5	-1.2%	0.6%	98	Zambia	3.3	1	1.7%	-16.3%
21	Luxembourg	4.6	2	-0.5%	15.4%	60	Panama	4.0	-2	0.5%	0.3%	99	Paraguay	3.3	2	2.1%	-17.1%
22	Belgium	4.6	3	-0.6%	14.4%	61	Armenia	4.0	4	1.9%	-0.2%	100	Bangladesh	3.3	3	2.0%	-17.6%
23	Iceland	4.5	-1	-1.8%	14.2%	62	Mauritius	4.0	-6	-0.9%	-0.5%	101	Ghana	3.3	-1	0.9%	-17.6%
24	Ireland	4.5	-4	-3.9%	13.9%	63	Azerbaijan	4.0	-4	-0.3%	-0.6%	102	Nepal	3.3	0	1.8%	-17.8%
25	United Arab Emirates	4.5	1	0.7%	13.9%	64	Jordan	3.9	-1	-0.6%	-1.8%	103	Benin	3.2	3	4.0%	-18.7%
26	Czech Republic	4.5	1	0.3%	13.3%	65	Peru	3.9	4	2.1%	-2.1%	104	Nicaragua	3.2	-7	-2.0%	-19.1%
27	New Zealand	4.5	-3	-2.5%	12.6%	66	Kazakhstan	3.9	0	0.3%	-2.3%	105	Senegal	3.2	0	0.4%	-20.2%
28	Greece	4.5	0	0.2%	12.1%	67	Montenegro	3.9	-3	-0.7%	-2.6%	106	Honduras	3.1	-2	-2.1%	-21.5%
29	Estonia	4.4	2	-0.6%	10.7%	68	South Africa	3.8	0	-0.3%	-3.8%	107	Côte d'Ivoire	3.1	3	2.6%	-22.6%
30	Poland	4.4	3	0.8%	10.6%	69	Dominican Republic	3.8	3	2.6%	-3.9%	108	Venezuela	3.1	-1	-0.5%	-23.1%
31	Cyprus	4.4	-1	-0.8%	10.5%	70	Serbia	3.8	0	1.3%	-3.9%	109	Malawi	3.0	-1	0.2%	-24.0%
32	Indonesia	4.4	12	3.4%	10.3%	71	Morocco	3.8	-4	-2.1%	-4.8%	110	Nigeria	3.0	1	0.6%	-24.1%
33	Saudi Arabia	4.3	10	2.3%	9.3%	72	Albania	3.8	-1	1.0%	-5.0%	111	Lesotho	3.0	-2	-1.5%	-25.6%
34	Chile	4.3	4	0.9%	9.1%	73	Ecuador	3.8	1	1.0%	-5.7%	112	Cameroon	2.9	0	1.6%	-26.2%
35	Malta	4.3	-3	-1.9%	9.0%	74	Sri Lanka	3.7	1	1.4%	-6.0%	113	Angola	2.9	0	2.8%	-26.5%
36	Thailand	4.3	-1	0.2%	8.8%	75	Philippines	3.7	-2	0.1%	-6.3%	114	Sierra Leone	2.8	1	1.5%	-30.6%
37	Hungary	4.3	0	0.3%	8.7%	76	Botswana	3.7	2	3.0%	-6.6%	115	Mali	2.7	-1	-0.5%	-31.0%
38	Malaysia	4.3	-9	-3.0%	8.4%	77	Moldova	3.6	4	1.2%	-8.6%	116	Yemen	2.6	0	2.7%	-34.2%
39	Slovenia	4.3	-3	-0.7%	7.8%	78	Kenya	3.6	2	0.5%	-9.1%	117	Chad	2.5	0	1.3%	-37.5%

- The Americas
- Asia-Pacific
- Europe and Eurasia
- Middle East and North Africa
- Sub-Saharan Africa

1. Index results represent the latest data available at the time of collection (end of 2021).
2. Overall scores range from 1 to 7 where 1 = worst and 7 = best.
3. Change since 2019 refers to 2019 results using new index framework and methodology.