**1. Introduction**

The COVID-19 pandemic is one of the key factors that has affected largely the tourist industry and has caused huge losses for businesses, especially ones providing air transportation services. The outbreak of the virus and the subsequent restrictions on international travel have caused a significant reduction in the number of tourists worldwide. The tourism industry's recovery from the pandemic remains uncertain, and forecasts indicate that it will take several years to return to pre-pandemic levels. I discuss the impact of COVID-19 on tourism and transportation demand and outline the forecasts for the sector and recovery possibilities. The idea is motivated by Waramontri, R. et al., (2022) who show how the tourism strategy has changed by the pandemic and how to minimize the impact of coronavirus with the help of crisis management plans, and by Song, H. and Li, G., 2021, who forecast the tourism sector recovery.

**2. Literature review**

The COVID-19 pandemic has significantly impacted the process of determining and establishing business objectives, policies, strategies, and methods to achieve business goals effectively and efficiently. The imposition of restrictions and health measures has affected tourist movements and air transportation performance, leading to budget scarcity for many businesses. Currently, many companies are still in the process of recovery and are navigating the new reality of the business cycle. These challenges have arisen due to the unstable economy, crisis, and uncertainty about the future. Businesses need to adapt and implement innovative solutions to thrive amidst these challenges.

*Developed and emerging economies, and COVID-19*

Wickramasinghe, K. and Naranpanawa, A. (2023) describe the role of domestic tourism in COVID-19 crisis management, it also provides important empirical evidence regarding an emerging economy context. The authors use the experience of two countries such as the Netherlands and Sri Lanka to outline the main findings. Firstly, the decline in international tourism has led to gains in Dutch manufacturing sectors and losses in non-tradable sectors. Secondly, Sri Lanka has a high dependence on international tourism, which has largely impacted its emerging economy. The authors undertake two simulation experiments of how the tourism shocks influence the economy through their system-wide impacts to prove that small economies with a heavy reliance on international tourism could develop the domestic tourism segment.

*Domestic and inbound tourists in Scotland and COVID-19*

Allan, G. et al. (2022) explore the impact of COVID-19 on the Scottish economy, focusing on the decline in tourism expenditure and its cascading effects. They focus on two factors - domestic and inbound day and overnight tourists to compute the change in tourism expenditure in Scotland throughout 2021. The authors use a computable general equilibrium model. First, they use the quantitative approach, collecting data from national databases. Second, they summarize the evidence from the UK. They find that in the case of Scotland, the fall in inbound spending tends to have a greater economic impact than the fall in domestic tourism spending due to the composition of non-domestic spending which consists of a higher proportion of Scottish goods. The analysis emphasizes that changes in domestic and inbound spending by tourists should be watched closely as this will be crucial for the medium- and long-term consequences of COVID on the global tourism industry.

*Air Transport in Thailand and COVID-19*

In my opinion, the influence of COVID-19 on air transport is clear. According to Waramontri, R. et al. (2022), the airline industry has faced unprecedented challenges due to the pandemic. However, the authors show evidence of how two airlines in Thailand have coped with challenges affected by the COVID-19 pandemic. The in-depth interview is used to obtain the strategy for surviving pandemics: a) detection of the disruption, b) implementation of the plan, and c) execution of the plan. Along with the strategy, it is recommended to adapt the employers to the available tools, monitor digital capabilities and invest in the technologies.

*Air tickets demand and COVID-19*

According to the research of Bulchand-Gidumal, J. and Melián-González, S. (2021) purchasing airline tickets will be characterized by a high risk. The altered behavior of customers, coupled with the prevalence of flight cancellations due to illness, has the potential to cause significant financial strain on airlines.

*Sustainability, resilience, and COVID-19*

In the new normal, the industry will face substantial shifts in travel behavior that will alter the landscape of supply and demand (Luo, L., Chen, J., 2023). The pandemic has significantly impacted consumption patterns and led to widespread flight cancellations and travel restrictions. As a result, the industry is now faced with the challenge of adapting to these changes. Additionally, the high level of uncertainty surrounding the pandemic makes it difficult to diagnose and forecast industry trends with any degree of accuracy. In this context, the authors argue that marketing can play a critical role in coordinating efforts toward a rapid and sustainable recovery.

*Tourism Forecasting and COVID-19*

In my view, forecasting is important for businesses to deal with COVID-19's consequences. Nowadays, companies still adopt to new rules such as health restrictions, and remote employment. However, on the other hand, Song, H. and Li, G. (2021) describe a COVID-19 Risk Exposure index to assist scenario forecasting, but the probabilities of the positive forecasting are divided into three groups with recovery rates of 58%, between 29% and 45% and the widest range of recovery rates from 36% to 77%. In my opinion, these wide ranges can be explained by past uncertainty and lack of relevant research.

**3. Conclusion**

In conclusion, my discussion shows that global crisis and economic instability are partially linked to the COVID-19 pandemic and that reason has a negative influence on economic performance. It is critical for companies to provide people with products and services as well as to have positive business results. However, the available research has some limitations, such as economic differences in the world, new rules, and laws, and changed customers’ behavior. The research's usefulness has been slightly decreased because of this. Future studies should identify the potential recovery strategies to return to before-COVID-19 period, and government actions to increase tourism, especially in tourism-dependent countries, combining research methodologies and methods. To conclude, COVID-19 has significantly affected the tourism, and air transportation sectors, constraining the world economy to recovery, but the present economic situation still must be improved to perform at least at the same level as before the pandemic.

**4. Resources:**

Allan, G. et al., 2022. “Economic impacts of COVID-19 on inbound and domestic tourism”. *Annals of Tourism Research Empirical Insights*, 3, 100075.

Bulchand-Gidumal, J. and Melián-González, S., 2021. “Post-COVID-19 behavior change in purchase of air tickets”. *Annals of Tourism Research*, 87, 103129.

Luo, L., Chen, J., 2023. “Covid 19 and the Tourism Industry: sustainability, resilience and new directions” Book Review. *Journal of Hospitality and Tourism Management,* 55, pp. 70-71.

Song, H. and Li, G., 2021. “Editorial: Tourism forecasting competition in the time of COVID-19”. *Annals of Tourism Research,* 88, 103198.

Waramontri, R. et al., 2022. “Tourism Strategy responses to Covid-19 Pandemic: Case Study in Air Transport”. *Transportation Research Procedia*, 63, pp. 2500-2505.

Wickramasinghe, K. and Naranpanawa, A., 2023. “Tourism and COVID-19: An economy-wide assessment”. *Journal of Hospitality and Tourism Management*, 55, pp. 131-138.