

ECONOMIC CONSEQUENCES OF COVID-19 ON THE CITY OF MAKKAH

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INTRODUCTION

Coronavirus has a large family and can result in illness that can range from a common cold to very severe diseases like the Middle East respiratory syndrome and severe acute respiratory syndrome. It was declared to be a pandemic on the 20th March 2020 by WHO as it was spread globally and was causing serious consequences (AÇIKGÖZ & GÜNAY, 2020). A high number of pilgrims are attracted by religious festivals every year. These religious gatherings can result in an increment in the rate of transmission of the infectious disease and also compromise the system of health of the host country (Memish et al., 2014). This study will analyze the economic effects caused by COVID-19 in the city of Makkah.

LITERATURE REVIEW

As per the analysis of the World Health Organization, the disease of coronavirus is continuously spreading and it can result in very severe issues to the health of

the public. The economy of the world is about to seize up because of present pandemic situation. This is resulting in causing shocking effects as they are disturbing various business activities and global supply chains (Casella et al., 2019). The present and corresponding days have noted that while nations shifted to the lock down to avoid more spreading, the global economy seized up. When global supply chains are disrupted and market operations are pressured to fold up, the resulting consequences are alarming (Usman et al., 2020). More than ten million pilgrims arrive at Makkah every year from 184 countries either for Umrah or Hajj (Memish et al., 2014) (Karban, 2018). Around 2.4 million pilgrims were anticipated in Saudi Arabia for Hajj in July 2020, but had been kept informed that the rising COVID-19 pandemic could alter their arrangements (Zumla et al., 2020). There are a few limitations to this study, as it is only dependent upon the media reports and the published articles. It can be very handy to do the exploration of these relationships in an empirical way. In the current scenario, when the pandemic is still spreading, we should be careful and take into consideration the consequences before contacting with others without precautionary measures.

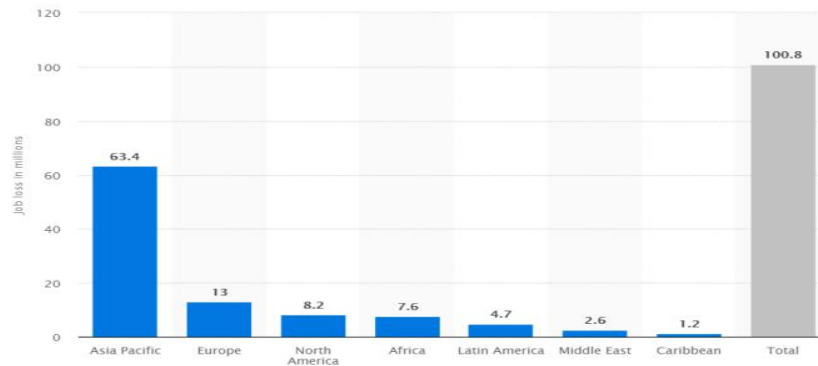
COMPARISON OF PRE AND POST COVID SITUATION

Worldwide religious tourism and COVID-19

Religious tourism was a major business prior to the pandemic, intended for growth only. What about religious tourism after only a few pilgrims were permitted to engage in a socially distanced Hajj? Covid-19 has highlighted the degree to which the economy relies on the tourism industry, as tourist councils face their most challenging year, which seeks subsidies and unemployment in the travel sector. The effects on travel companies appeared to be serious when the epidemic first came to light. Five months down the line and new quarantine regulations for Spain are being developed by the UK government, the Australian frontiers remain steadily closed and the news is that Hays Travel has cut nearly 900 jobs. The dent of Covid 19, which is already in serious straits, seems rather irreparable in the tourism industry. Before the pandemic, a challenging travelling sector sought redemption in the faith, with an estimated 600 m of religious and spiritual journeys in every turn around the Sun – 40% of which took place in Europe and over half in Asia. An interest grew before Covid-19, because the record of 347,578 voyageurs last year travelled the pilgrimage to James de Compostela in Spain, spreading to an ability on ancient route, and over 25 million pilgrims came to the Arba'een annual pilgrimage in Karbala, Iraq. Tharik Hussain, Lonely Planet writer, notes that "religious tourism is undervalued," and says how it grew unforeseen. "The religious tourism is growing as more and more people go to these places to find meaning of life." And pilgrimages such as the Hajj boom, because Muslims become moe wealthy and travelable.

But for the countries dependent on that growth course, Covid-19 has thrown a spanner in the work. With 27.9 percent year-on-year, Iran has emerged as the second most rapidly growing tourism destination in the world in 2019. However,

the coronavirus has greatly decreased tourists in Saudi Arabia. Although, last year the visitors to Santiago de Compostela in Spain came to full strength.



Projected worldwide 2020 employment losses in the tourism industry because of COVID-19 (millions).

Impact of Covid-19 on Religious tourism industry of Makkah:

Saudi Arabia is another country with significant religious tourism plans. For more than 1400 years Muslim pilgrims have been saddling camels, boarding boats and setting out on foot for Makkah, and this number has gone up. In Saudi Arabia 1.8 million pilgrims came to Hajj for Hajj in the past year and tens of millions came to Umrah during the whole year. These pilgrimages cost the Saudi industry \$12 billion and are equivalent to 20% of non-oil GDP in the Kingdom and 7% of total GDP.

In September, Saudi Industry first opened its doors to foreign visitors, as part of a larger effort to withdraw from its economic reliance on oil. And it set out to boost the pilgrim experience with major plans for Hajj this year by investing in luxury hotels and transportation with the expectation that Hajj and Umrah's revenues will cross over 150 billion dollars by 2022 if plans are successful.

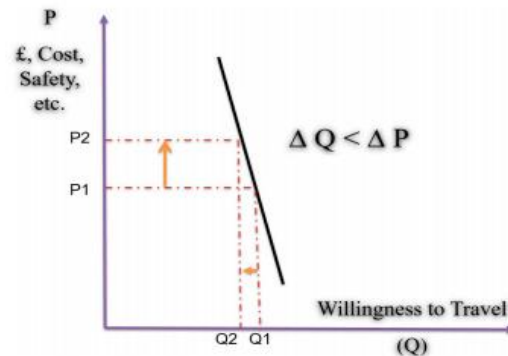
A craft was also started at the Ministry of Hajj and Umrah, which would scan wearable smart card traffic to and from Makkah. In reality, a virtual 3D version of the Masjid Al Haram Mosque has been developed to allow pilgrims to get to know the place and the layout before they arrive (Usman et al., 2020). Unfortunately, the best intentions always go awry, and Hajj 2020 tells a very different tale. It had to degrade the money-making plans for Saudi Arabia. And worse, oil prices fall for the first time in history in April to a negative value. While government official statistics have not been released, no other Hajji from outside Saudi Arabia have been allowed to travel due to the potential for infection, estimating that between 1,000 and 10,000 people from within the country have been explicitly selected and allowed to participate –socially detached, of course (Algaissi et al., 2020). The tourism industry was already expected to be the year in 2020, when existing travel companies have plans to keep them, including Thomas Cook. But, as the long-term consequences of

Covid-19 are not yet predictable, no end is currently on view. However, if any organisation in this sector will rise from the dead, those are founded around confidence. After all, it's an impossible resource to vanish.

N	Year	Number of Pilgrims
1	2010	2,789,399
2	2011	2,927,717
3	2012	3,161,573
4	2013	1,980,249
5	2014	2,085,238
6	2015	1,952,817
7	2016	1,862,909
8	2017	2,352,122
9	2018	2,371,675
10	2019	2,489,406
Total		23,973,105

Source: Saudi General Authority for Statistics [61].

Religious hospitality activities (Hajj and Umrah) demand curve.



DISCUSSION

The main purpose of this study was to understand the impacts that the coronavirus has caused the city of Makkah and how the economy has been affected due to the serious lockdown all over the world. For carrying out this study, the data used was from different online published articles, media reports, etc. as the spread has not been stopped yet and is still affecting the people and the world's economy. Different studies were considered before and after the pandemic situation about the economy and results were analyzed. The results were evaluated from the analysis of the different studies and the media reports that were already present. From the studies, it was concluded that the COVID-19 has caused a very negative effect on not just the economy of Makkah but the economy of the world as well. The reason behind this was that there was very severe immobility of labor, a reduced rate of productivity, the discontinuity of the supply chain, and the decrement in the exports. One of the main factors that cannot be ignored in the case of Makkah is the traveling of pilgrimage that was

playing one of the major roles in the betterment of the economy of the city. The discontinuation of this resulted in a major economic loss for Makkah.

CONCLUSION

Coronavirus has a large family and can result in illness that can range from a common cold to very severe diseases like the Middle East respiratory syndrome and severe acute respiratory syndrome. To stop a further spread of the disease, the lockdown was implemented in almost all parts of the world. This is resulting in causing shocking effects as they are disturbing the business activities and the global supply chains. This research was based on the economic effects that have been caused to the city of Makkah because of the corona-virus outbreak. Almost ten million people from 182 countries travel to Saudi Arabia every year. Saudi Arabia on February 27th, 2020, restricted inbound flights, and local and international pilgrims were prevented from traveling to Makkah and Madinah for the Umrah and Hajj. The study concluded that COVID-19 had really bad effects on the economy of Saudi Arabia and resulted in discontinuation of the supply chain, the decline in exports, and uncertainty.

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