

New study shows the impact of COVID-19 on the hospitality sector and beyond

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The hospitality sector was undoubtedly hugely affected by the COVID-19 pandemic, but new research has now shown the knock-on effect that had on other sections of the economy.

The new study from the University of Aberdeen Rowett Institute and Scotland's Rural College (SRUC) found that the resilience of the food and drink sector is largely influenced not only by related sectors (food services and [accommodation](#)) but also by non-food sectors of the industry.

Published last month (April) in *Frontiers in Sustainable Food Systems*, the research highlighted the knock-on effect the COVID-19 [pandemic](#) had on other connected sectors of the economy.

The accommodation and food service sector—or hospitality sector—provides approximately 5 billion pounds in gross value added to the Scottish economy. In addition, it is the largest employing sector of the economy employing approximately 200,000 jobs before the COVID-19 pandemic. The COVID-19 pandemic had a significant impact on both employment/jobs and total output from the sector; a loss of 85% of output between February and May 2020, and a 23% loss in the number of jobs between March and December 2020.

Sectors which were particularly impacted because of the accommodation and food services sector suffering during the pandemic, included the processed fish, fruits, vegetables, dairy, [vegetable oils](#) and soft drinks industry.

Professor Cesar Revoredo-Giha from SRUC and Dr. Wisdom Dogbe from the Rowett Institute carried out the analysis as part of the Scottish Government Strategic Research Program.

Dr. Dogbe said, "In order to carry out our research, we applied a novel methodology 'Dynamic Inoperability Input-output model' to Scottish input-output tables from 1998 to 2019 to identify connected [economic sectors](#) that are most affected by the disruption to the accommodation and food services sector and how long it will take for the interconnected sectors to recover from shock future shocks. This was combined also with information related to sectoral quarterly gross value added (GVA) up to 2021, which measures the evolution of the production in each sector.

"Focusing on the food and beverage sectors, our analysis found that the

processed and preserved fish, fruits, and vegetable sector is the slowest to return to its initial production level following the disruption on the accommodation and food services sector, indicating that this sector needs to develop stronger capabilities to deal with future disruptions. We attribute the slow recovery of this sector to the demand shift towards fresh products and influx of media reportage on the importance of fresh fruit and vegetables to build immunity against the COVID-19 infection. The most resilient sector (fastest to recover) is the preserved meat and meat product. This could be due to demand shift from the closure of the hospitality sector towards household demand."

Professor Revoreda-Ghia added, "This study shows that different sections of the economy do not operate in isolation, and that their outputs can be hugely impacted by disruptions to related sectors.

"Stakeholders in the accommodation and food services sector should re-examine the sector and develop strong capabilities against future pandemics. In addition, since the disruption to one sector affects the other, we recommend that sectors work closely together by sharing the risk or cost of future pandemics."

Future research into this area will narrow the analysis down to specific [food](#) supply chains such as the pig to pork, cattle to beef, potato products among others.

More information: Cesar Revoreda-Giha et al, A resilience analysis of the contraction of the accommodation and food service sector on the Scottish food industry, *Frontiers in Sustainable Food Systems* (2023). [DOI: 10.3389/fsufs.2023.1095153](https://doi.org/10.3389/fsufs.2023.1095153)

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