

STRENGTHENING RESILIENCE & RECOVERY: THE OUTLOOK FOR TRAVEL & TOURISM IN THE ASIA-PACIFIC

By:

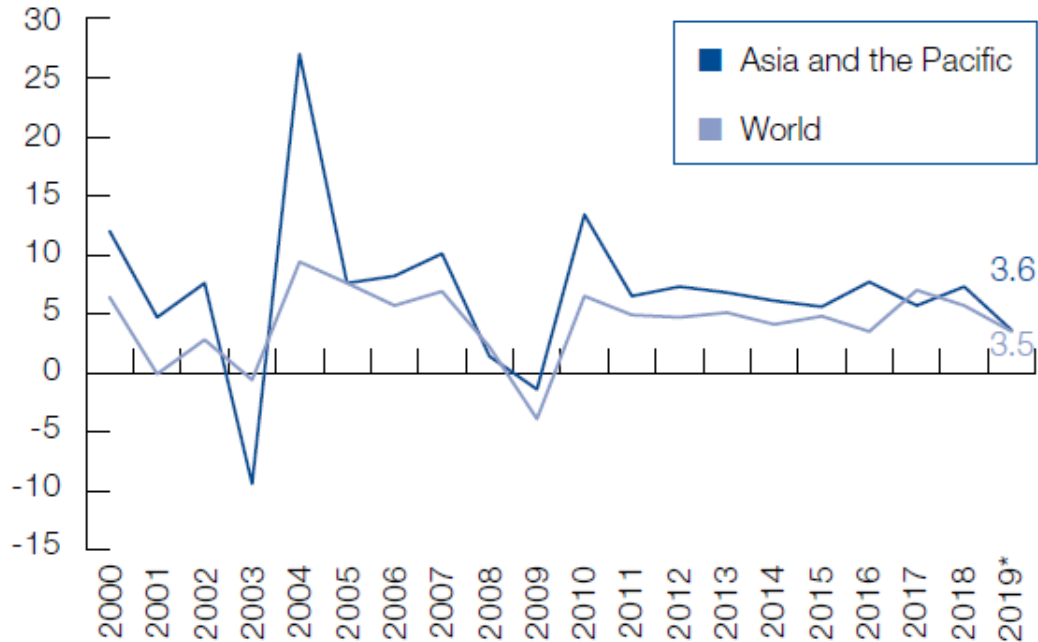
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2019: ASIA-PACIFIC TOURISM PERFORMANCE

Growth in International Tourist Arrivals in Asia-Pacific and the World (%)



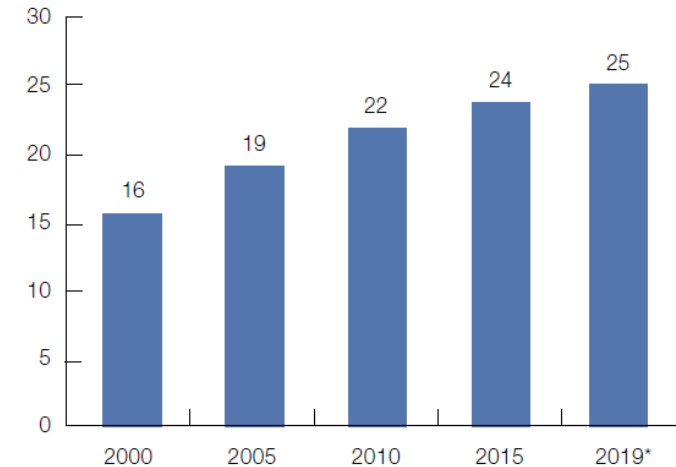
* Provisional data.

Source: World Tourism Organization (UNWTO).

In 2019, international arrivals in Asia and the Pacific increased in line with the world average of 4%

- Strongest growth in international arrivals since 2010
- 2nd most visited region in the world after Europe

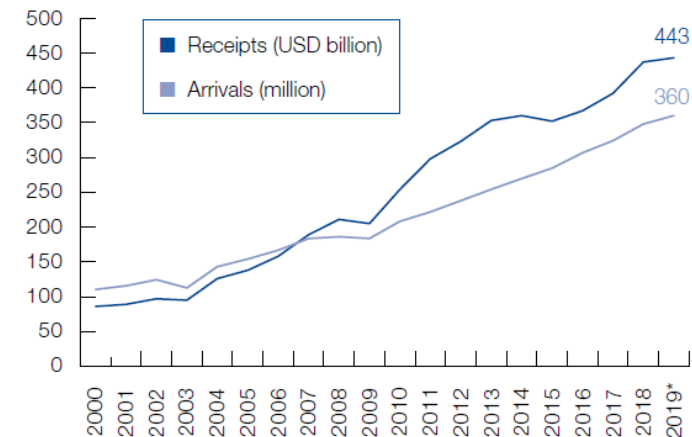
Asia and the Pacific's share of global international tourist arrivals (%)



* Provisional data.

Source: World Tourism Organization (UNWTO).

International tourist arrivals and tourism receipts in Asia-Pacific



* Provisional data.

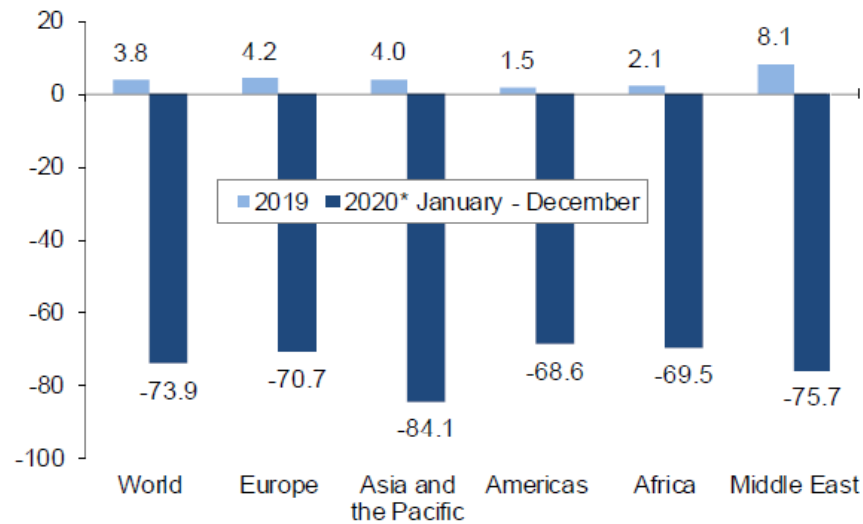
Source: World Tourism Organization (UNWTO).

SOURCE: UNWTO/GTERC Asia Tourism Trends 2020

2020: ASIA-PACIFIC TOURISM PERFORMANCE

2020: THE YEAR TOURISM CAME TO A STANDSTILL

International Tourist Arrivals (% change)



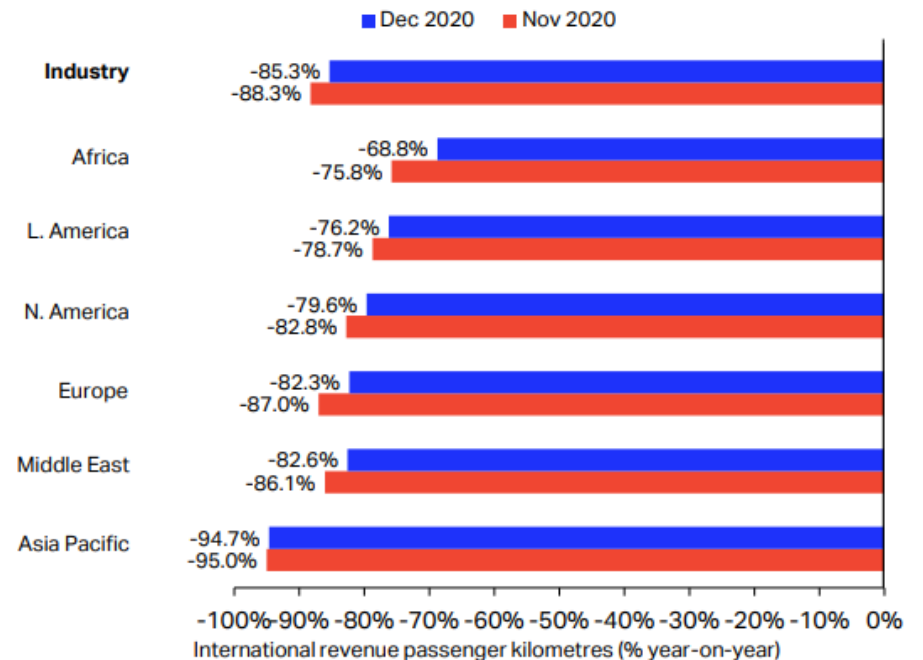
Source: World Tourism Organization (UNWTO) © * Provisional data

**All world regions severely impacted;
Asia and the Pacific first region to suffer and worst hit**

- Largest decrease in international arrivals (-84%)
- Highest level of travel restrictions currently in place

SOURCE: UNWTO Barometer, January 2021

International RPK growth, yearly



Sources: IATA Economics, IATA Monthly Statistics

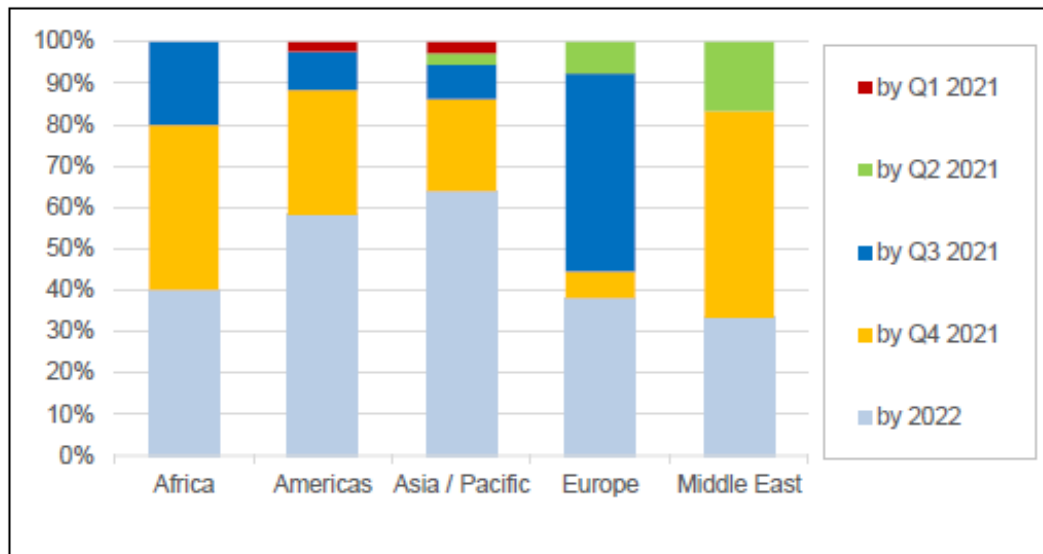
- Largest decline of ~95% in international air traffic measured in revenue passenger kilometers (RPKs)

SOURCE: IATA Air Passenger Market Analysis

2021: GLOBAL & REGIONAL OUTLOOK

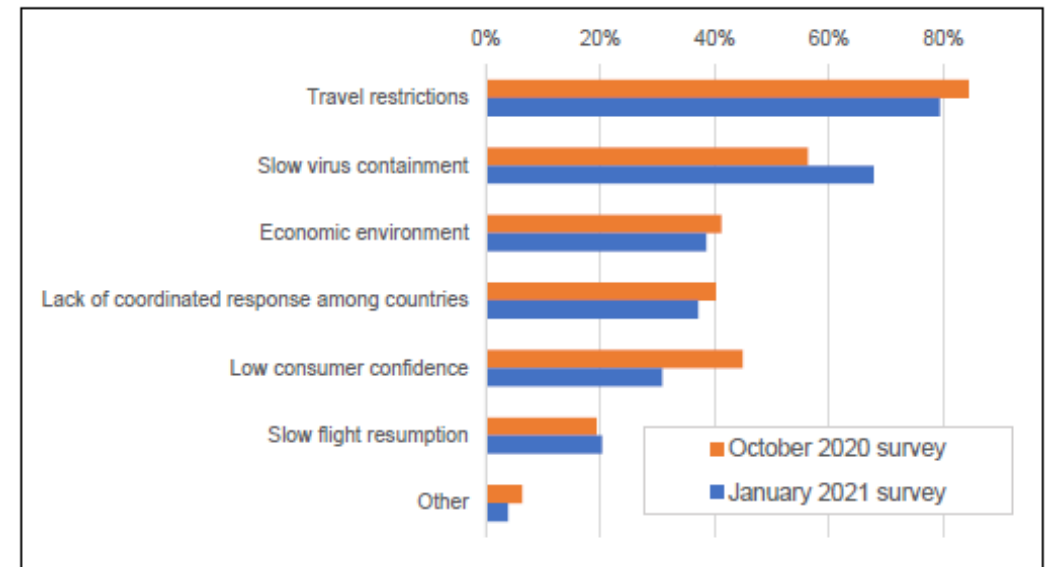
2021 RECOVERY OUTLOOK REMAINS CAUTIOUS

UNWTO Expert Survey: When do you expect a rebound in international tourism in your country?



- **Mixed outlook:** Globally, on average, 50% of experts surveyed expect a rebound to occur in 2021
- For Asia and the Pacific, majority of experts expect a **rebound in 2022**

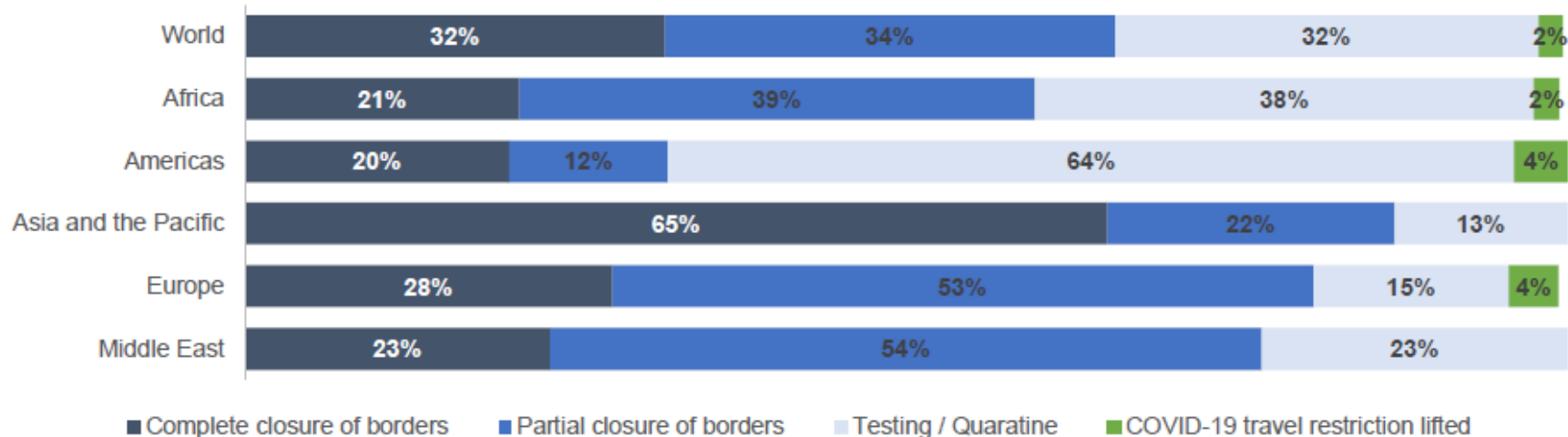
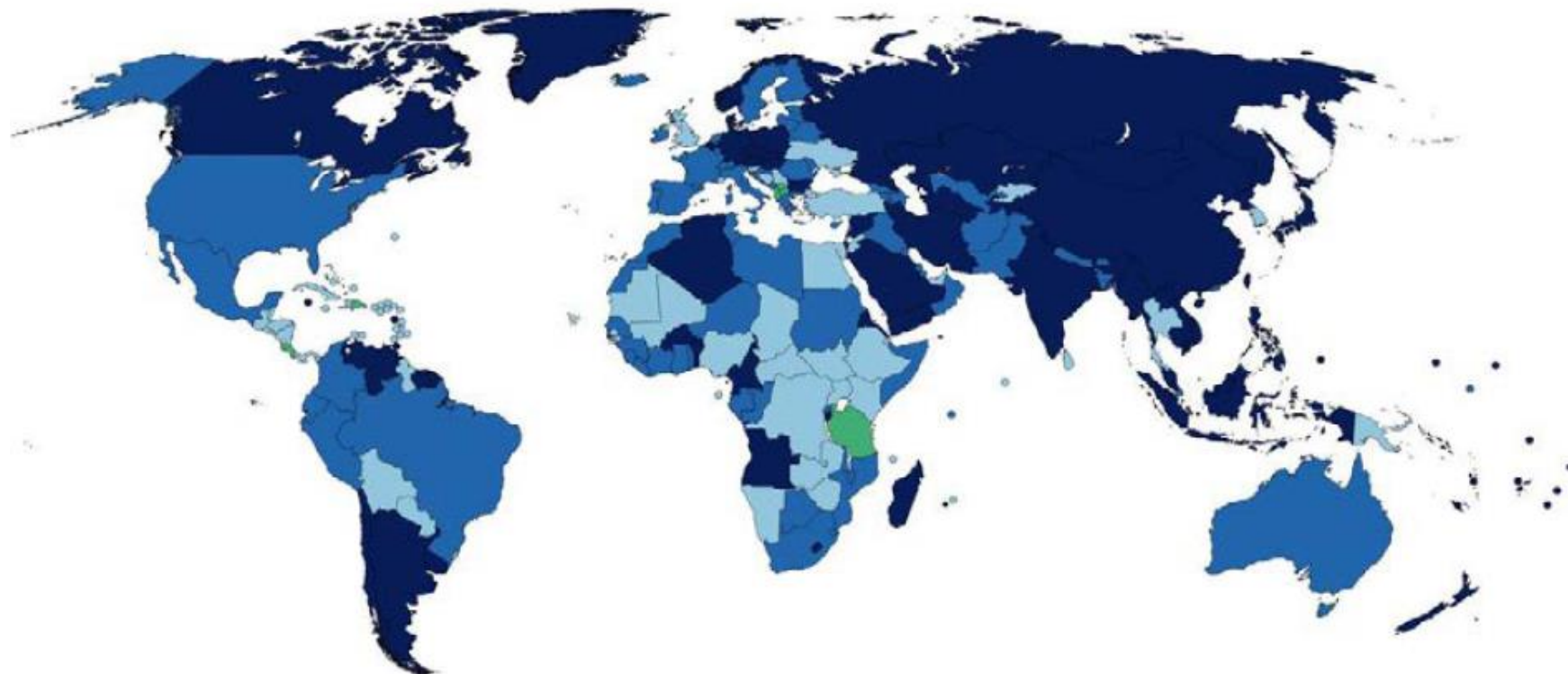
What are the main factors weighing on the recovery of international tourism?



- Many countries reintroduced **stricter travel restrictions** due to resurgences and emergence of new variants
- Mandatory testing, quarantines and in some cases, a complete closure of borders

SOURCE: UNWTO Barometer, January 2021

Destinations with travel restrictions for international tourism as of 1 February 2021

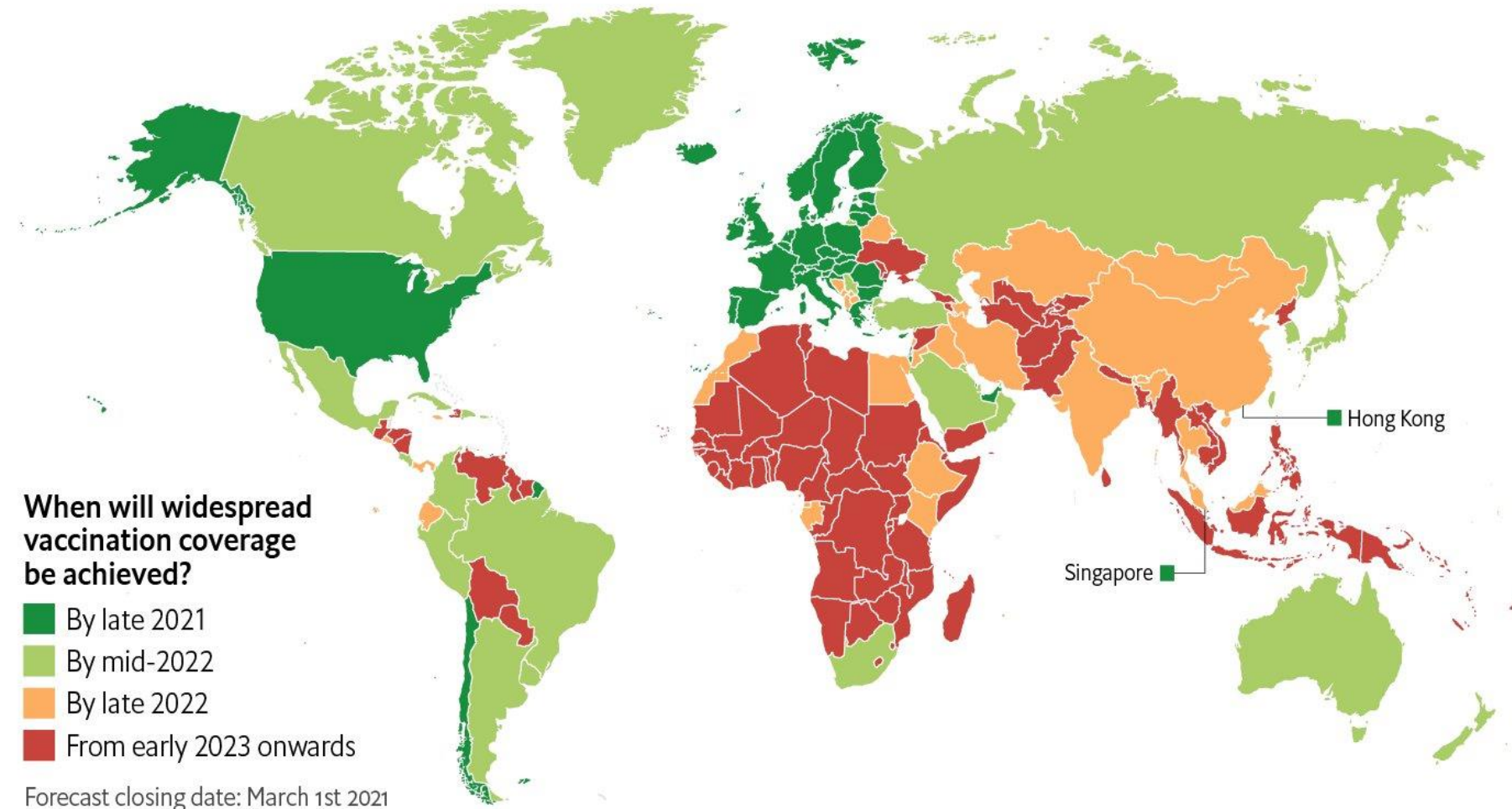


Recovery remains contingent upon:

- **Developments in the wider economy**
- **Easing of travel restrictions**
- **Pace of vaccination rollout**

Coronavirus vaccines: expect delays

Rich countries will get access to coronavirus vaccines earlier than others



SOURCE: The Economist Intelligence Unit

There is no “**post-pandemic**” scenario for travel and tourism...

Instead, tourism must resume **amid the pandemic**, adapting to the **new normal**

What can we expect in 2021 and beyond?

2021: MAJOR TRAVEL TRENDS

1. DEMAND EVOLUTION

- **Domestic Tourism & 'Staycations'** – close to home
- **Off-The-Grid Experiences** – open-air activities, nature-based products and rural tourism/small towns
- **The Return of Business Travel** – resilient segment of tourism essential to the global economy
- **MICE** – virtual & hybrid vs. face-to-face events
- **Last minute bookings** – uncertain & volatile situation

2. HEALTH & HYGIENE

- **Health and Safety First** – good practices in health & hygiene, high-quality medical facilities
- **The Trust Factor** – timely and accurate information ahead of and during travels
- **Destination Readiness in Remote Areas** – strengthen infrastructure & protect local communities

3. INNOVATION & DIGITALISATION

- **Digital Boom** – e-commerce, social media & mobile applications
- **Contactless Convenience** – touchless technologies, contactless payment, biometric verifications & seamless travel experience
- **The Rise of Virtual Tourism** – virtual experiences, simulations & live social media sessions

4. SUSTAINABILITY

- **Environmental Protection** – preserving natural habitats and protected areas
- **Crowd Moderation** – develop more remote offerings & alternative destinations
- **Business Resilience** – multi-skilled and technologically adept workforce

APEC TWG: ONGOING INITIATIVES



VOLUNTARY



NON-BINDING



CONSENSUS-DRIVEN

Digital Transformation

- **Policy framework** – best practices in travel & tourism sharing economy
- **Inventory** – sharing economy regulations in APEC economies
- **Data-sharing** – facilitate Big Data Analytics by member economies

Human Capital Development

- **Training modules** – incorporated by tourism training institutes
- **Training workshops**
- **Sponsorship schemes** – training for MSMEs, women & youth
- **Staff exchange & internships**



Travel Facilitation & Competitiveness

- **Direct air connectivity** – from primary to secondary & tertiary cities
- **Travel advisories & information** – effective communication plan
- **Travel safety & security** – compilation of guidelines
- **Thematic tourism corridors**

Sustainable Tourism & Economic Growth

- **Sustainable Tourism Development** – public-private partnership models
- **Community-Based Tourism (CBT)** – best practice handbook
- **Visitor Management techniques**
- **Post-Crisis Management & Operation**

CROSS-FORA COLLABORATION

Transportation | Health | Emergency Preparedness | Digital Economy
Science, Technology & Innovation | Food Security | Agriculture | Women | SMEs

THEMATIC PROGRAMMES

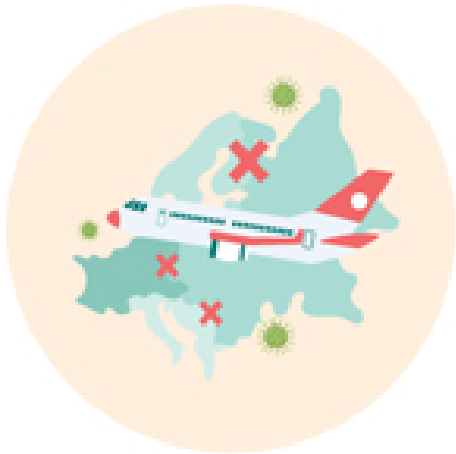
MICE | Medical Tourism | Agrotourism

POLICY RECOMMENDATIONS



Continued Support: Fiscal and Monetary Stimulus

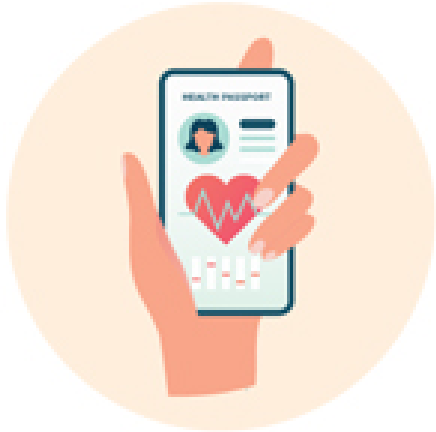
- Targeted and accessible sector-specific support – mitigate impact on workers, businesses & airlines
- Support small and micro enterprises (MSMEs) to adapt & survive
- Infrastructure investment – upgrade facilities & public transport
- Travel incentives – vouchers, rebates, discounts & packages



Coordinated Border Openings: Travel Corridor Arrangements & Harmonisation of Cross-Border Travel Protocols

- Bilateral arrangements to allow for essential & business travel
- Unilateral approach proposed for leisure travel when conditions permit
- Risk management & evidence-based approach to travel restrictions
- Standardisation of testing protocols & certification systems
- Mutual trust & recognition

POLICY RECOMMENDATIONS



Embrace Digitalisation: Integrated Digital Identities & Smart COVID-19 Vaccine Certificate

- Digital solutions – improved monitoring of health & safety information, contact tracing & border control
- Decentralised trust framework for certification (WHO) – interoperability with existing solutions
- Cybersecurity measures and guidelines



Invest in Greener Technologies: Touchless Service Delivery & Low Carbon Transition

- Biometric verification & facial recognition
- Virtual queue & traffic arrangement
- Low-density and eco-sustainable tourism services
- Multi-skilled workforce & opportunities for diversification

MOVING FORWARD



Seizing recovery potential & evolution of demand – varies across country destinations according to source market composition for domestic & short-haul markets



Improving evidence base for agile strategies – information gathering, research & data analysis



Striking a balance between support & competitiveness – preserving business dynamics & allowing exit



Addressing sustainability along the entire tourism value chain – improving long-term resilience to future shocks





THANK YOU

**"Tourism Preserves, Conserves & Protects
Culture, Heritage & Mother Nature"**