

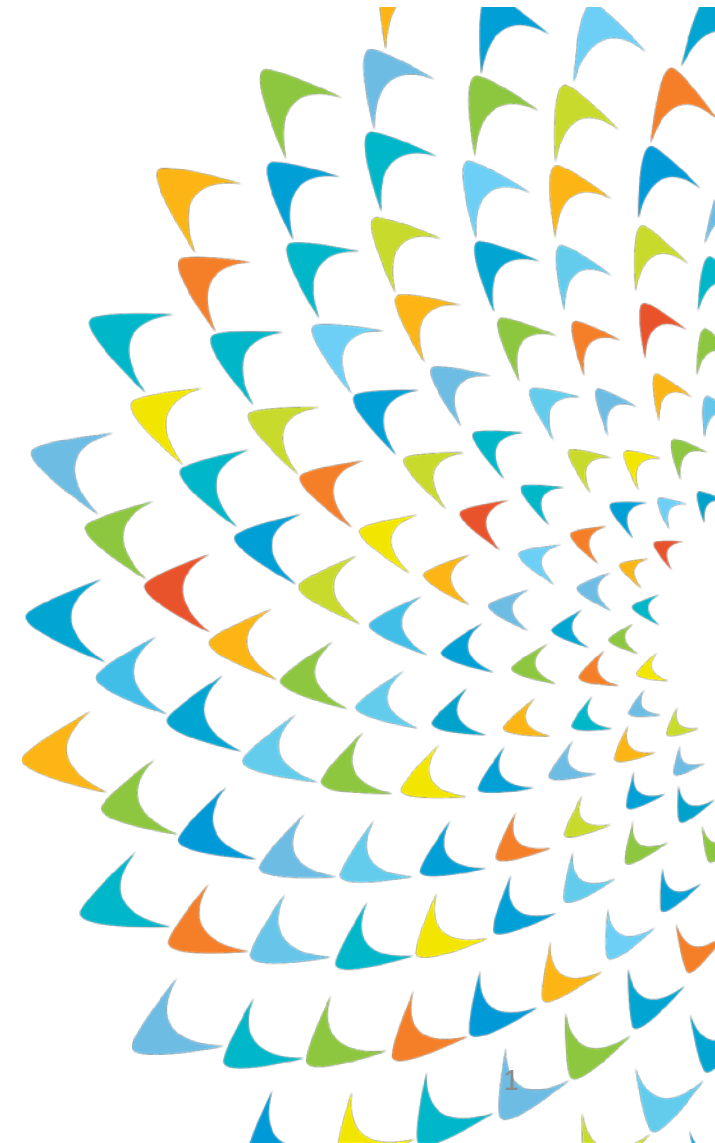
Asia Development Bank

Workshop on the Sustainable, Inclusive, and Resilient Tourism Recovery & Development in Asia and the Pacific

Presented by:

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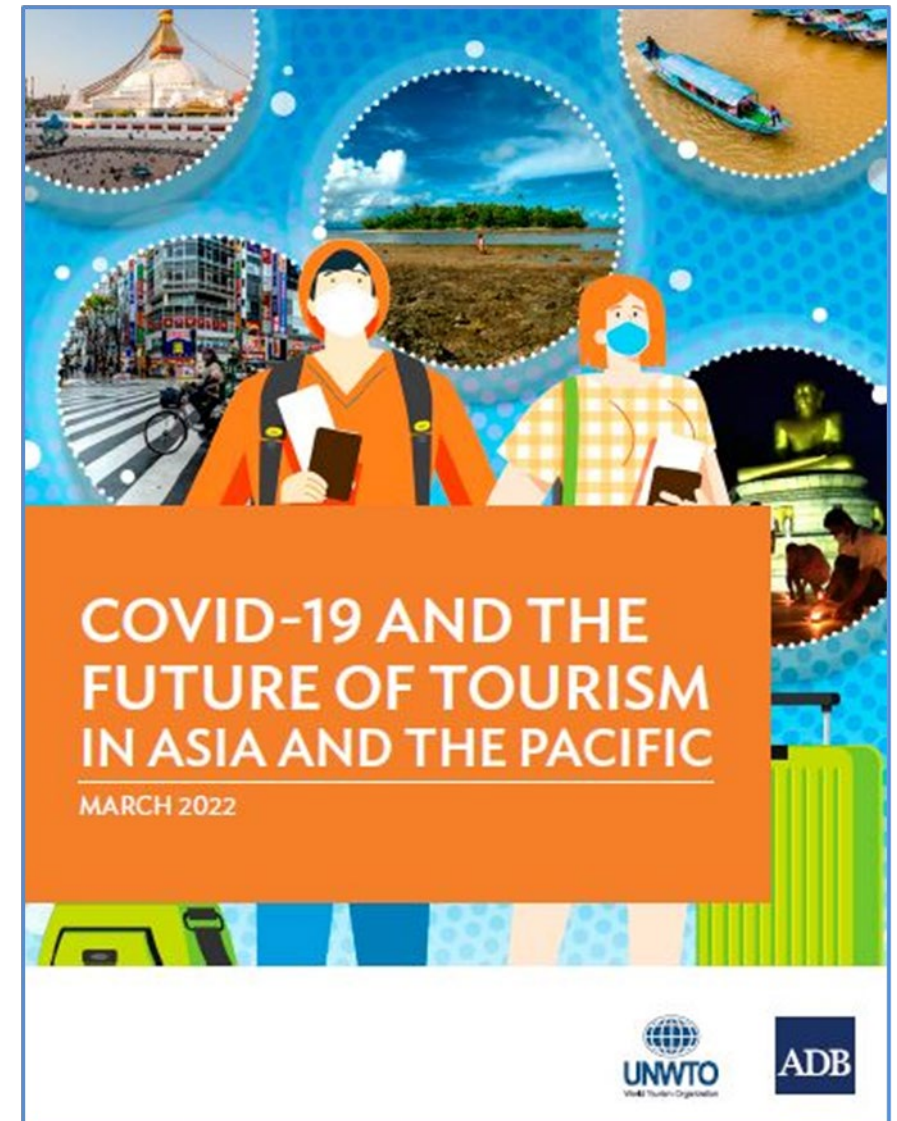
Thurs July 6th, 2023





Agenda

- Future of Tourism Study Background
- Key APAC Travel Themes Analyzed
- Key Questions Addressed
- Content Outline
- Key Assumptions for the Future
- 15 Questions
 - ◆ Geopolitical and Economic
 - ◆ Impact on APAC Destinations
 - ◆ Government Intervention
 - ◆ The Long View
- Next Steps



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ADB



Project Background

- A collaboration between ADB and UNWTO, with kind assistance from PATA
- Part of a series of major studies that look at the future of tourism trends, big data and sustainable tourism development
- Research phase: February 2021 - March 2022
- Report published: March 2022



Key Questions for the Study

- How is Covid-19 shaping consumer values and attitudes at the moment? (Consumers in general, and travellers specifically)
- How is the pandemic influencing consumers, employees and entrepreneurs in travel?
- What are businesses doing to react and prepare for the future?
- What types of official assistance will developing destinations need?
- What will the long-term consequences of Covid-19 be for the tourism sector in APAC?



Content Outline





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Content outline



Pre-Covid

Major drivers & megatrends

Key trends in APAC travel and tourism



Covid-period

Covid's impact on:

Economic climate

Consumer confidence

Emerging travel segments in APAC (deep dive)

Young people's' lives, and travel ambitions



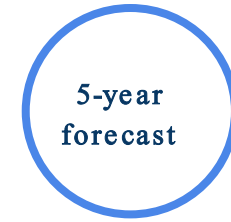
Travel restart

Factors shaping decision making (consumers, business and gov't)

Assumptions & uncertainties

Major challenges facing destinations

Expected evolution of travel behaviour



Extended recovery: 'the long view'

Implications of Covid for long-term economic development

Recommendations on official support measures



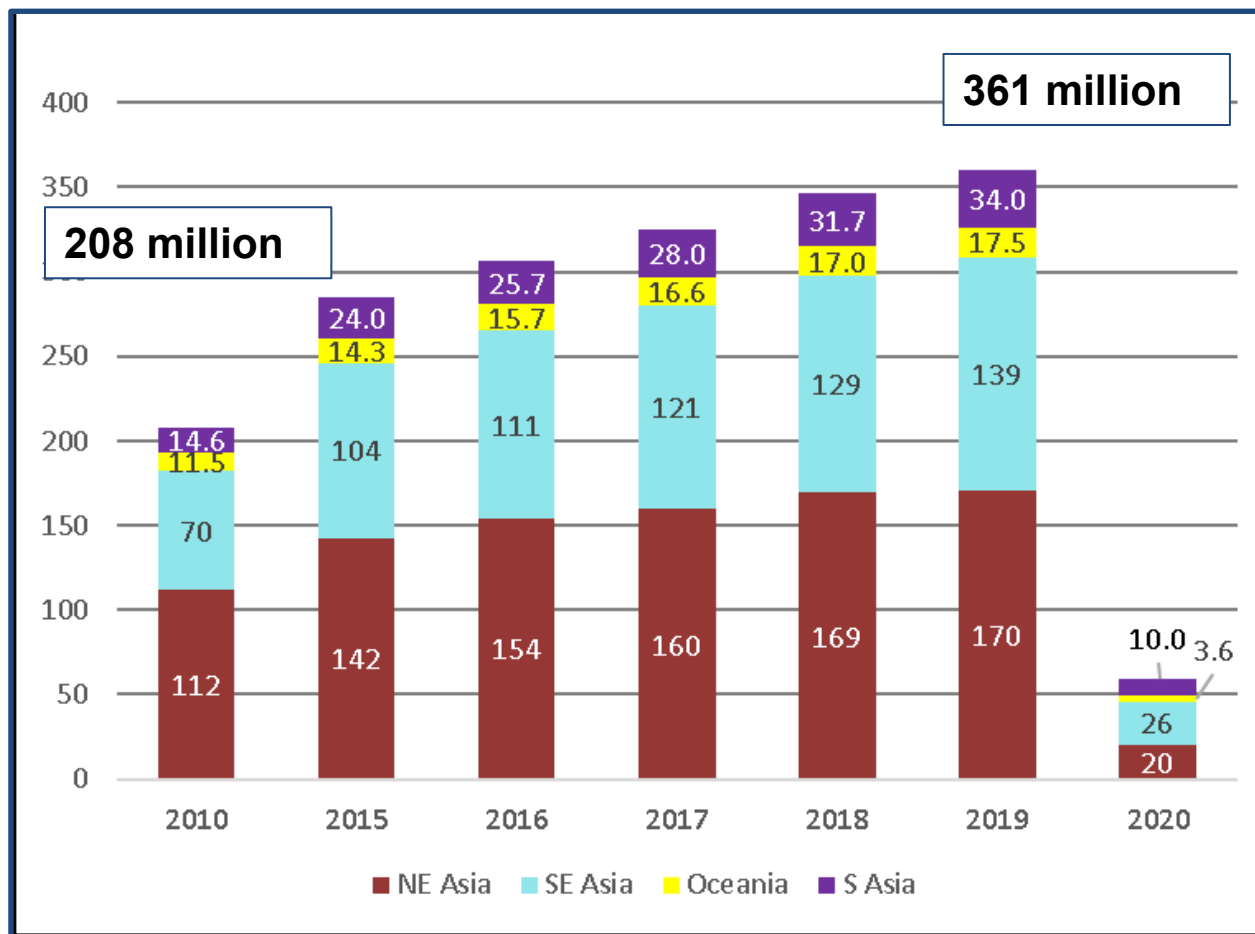


Pre-Pandemic Tourism (2010–2020) in Asia & the Pacific

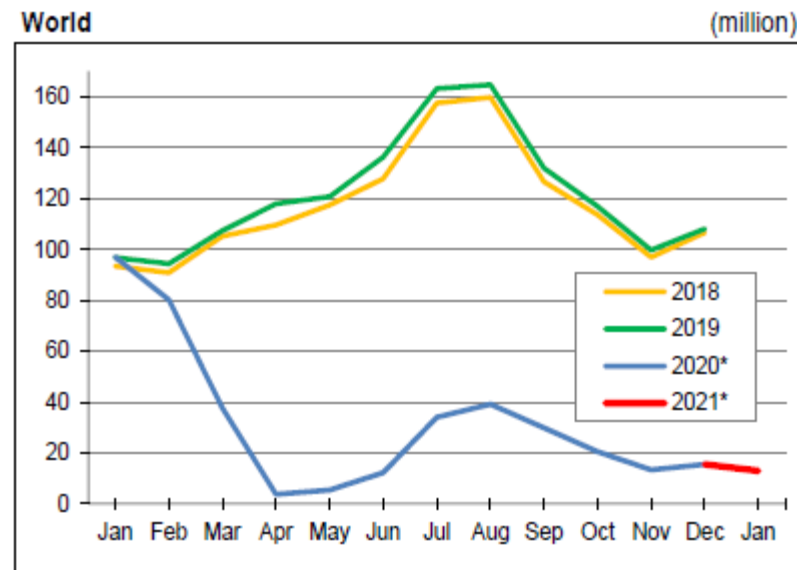


Pre-Pandemic Tourism (2010–2020)

International Tourist Arrivals in Asia & the Pacific (2010-2020)

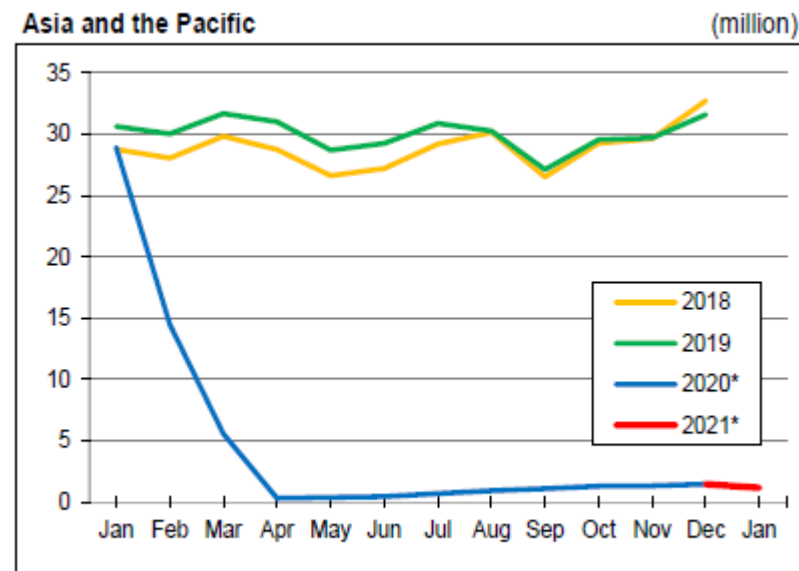


International Tourist Arrivals by month



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals by month



Source: World Tourism Organization (UNWTO) ©





Pre-Pandemic Tourism: Megatrends in Asia & the Pacific

Economic climate: **Sustained growth from 2010 to 2019** led to a rising middle class.

Technology: **Internet access soared** to 2.33 billion users in 2019 from 2.08 billion in 2018 with advances in digital technology.

Conscious consumption: **Growing interest in socially responsible brands** and products.

Demographics: The youth segment became more important, characterized by familiarity with digital technology and conscious consumption preferences.



The Pandemic Period





Pandemic Impacts on Tourism in Asia & the Pacific

- 2020/2019: 83.5% decline in international arrivals to 59 million.
- 2021/2019: 94.3% decline in international arrivals to 20.6 million.
Biggest decline globally.
- International tourism receipts:
 - USD 441 billion in 2019 to USD94 billion in 2021



Pandemic Impacts on Tourism in Asia & the Pacific

- By May 2020, UNWTO reported that 100% of destinations worldwide had pandemic-related travel restrictions for international tourists in place.
- Global travel and tourism sector was at a standstill.
- 95.3% decline in Asia and the Pacific, January–July 2021, the biggest decline in international arrivals globally, compared to the same period in 2019.



Pandemic Impacts on Tourism Suppliers

- Airlines were among the hardest-hit businesses, as demand for flights plummeted 96% in 2020.
- Accommodations also hit hard, but many adapted business models by providing personalized services, quarantine facilities, or new activities such as food deliveries or community gardens.
- Tour operators experienced big cancellations forcing many to close, but some also adapted products such as offering outdoor activities to domestic tourists, and digital tours or online experiences.



Pandemic Impacts on Consumers

- Increased flexibility in booking travel to change plans on short notice.
- More demand for rural and coastal destinations that offer fresh air and privacy, over cities.
- More demand for activities that improve physical and mental health.
- Travel that limits interactions to small groups of family or friends, such as car rentals.
- Accommodation that provides privacy and personalized services, such as short-term property rentals or luxury hotels.



Pandemic Impacts: Technology Adoption Soared

- Internet usage soared by 40 million new users in Southeast Asia during 2020.
- Key developments in digital tourism technology such as more contactless payment and virtual experiences.
- More use of digital tools to support rapid testing, contact tracing, and digital vaccine passports.



Pandemic Impacts: Travel Segments Adapted

- Self-improvement, education, and wellness travel.
 - Health emphasis at first negative impact
 - Positive growth in demand as need for healthy activities soared.
- Nature-based activities away from people grew quickly
- Theme parks were hit hard but also adapted with strict social distancing and enhanced health measures.
- Beach tourism pivoted to more domestic markets.
- Cruise tourism stopped, but gradually reopened with restrictions.
- Luxury travel dropped, but proved to be resilient due to small group and exclusiveness.
- Business travel – video conferencing proved to work, at least interim.
- Major events were cancelled or postponed with restrictions.



The Post Pandemic Period





Post-Pandemic: Today & the Future

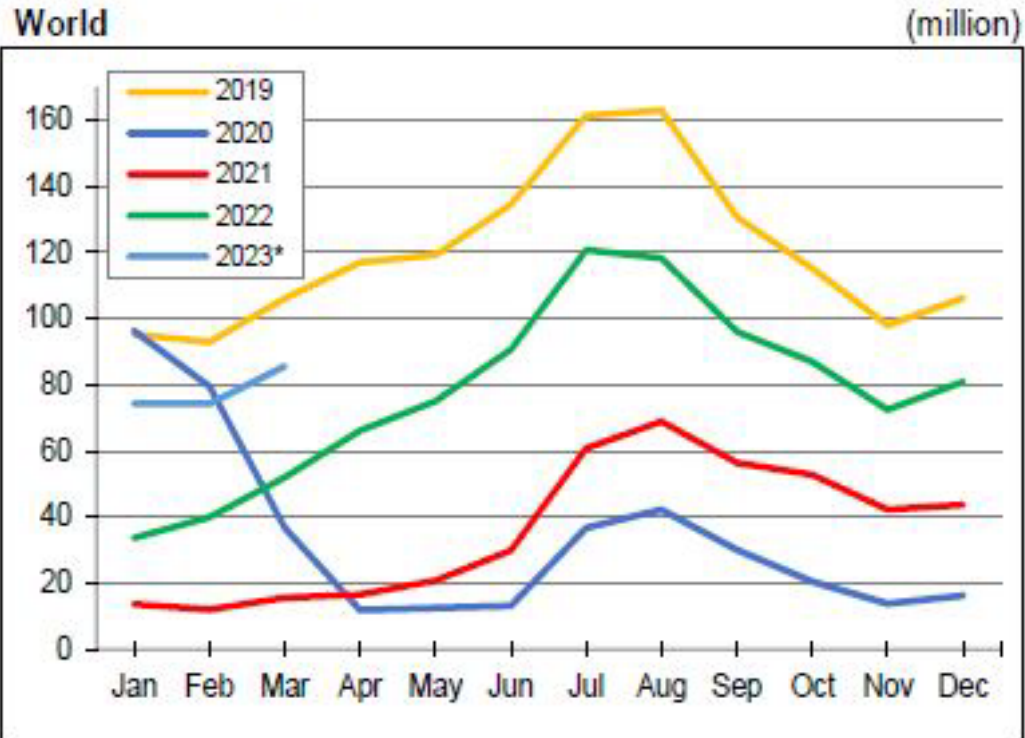
- Tourism is back.
- Over-tourism is also returning?
- Maybe...
- Were lessons learned for safer, healthier destinations?





Post-Pandemic: Today & the Future

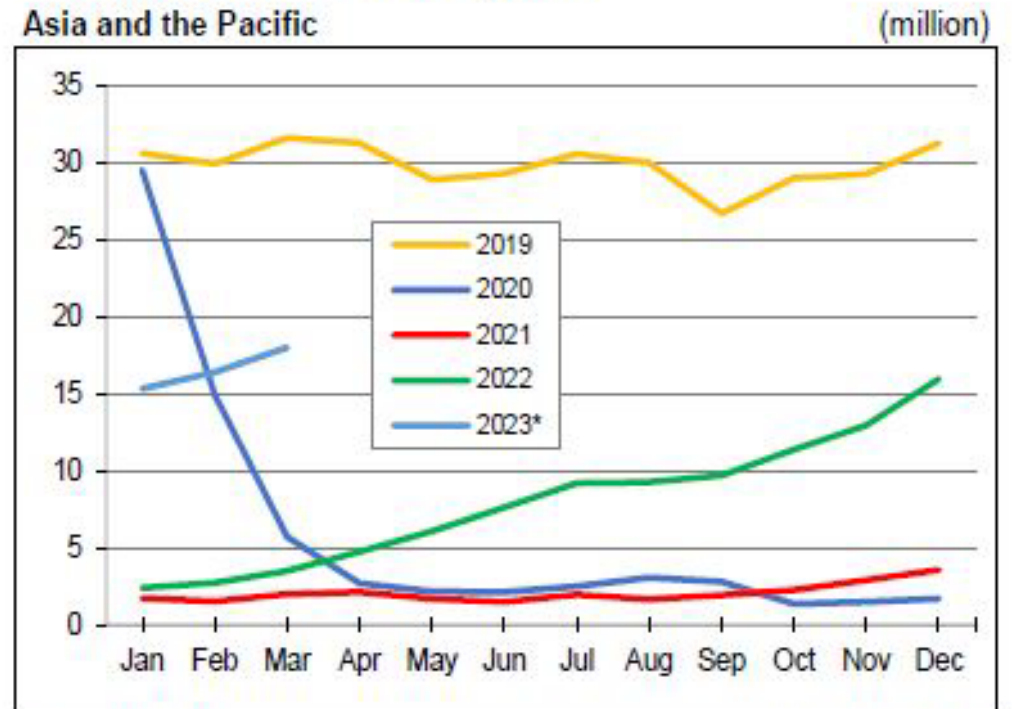
International Tourist Arrivals by month



Source: UNWTO

* Provisional data

International Tourist Arrivals by month



Source: UNWTO

* Provisional data

Rapid return to international tourism, but still not at 2019 levels.

The Future is here



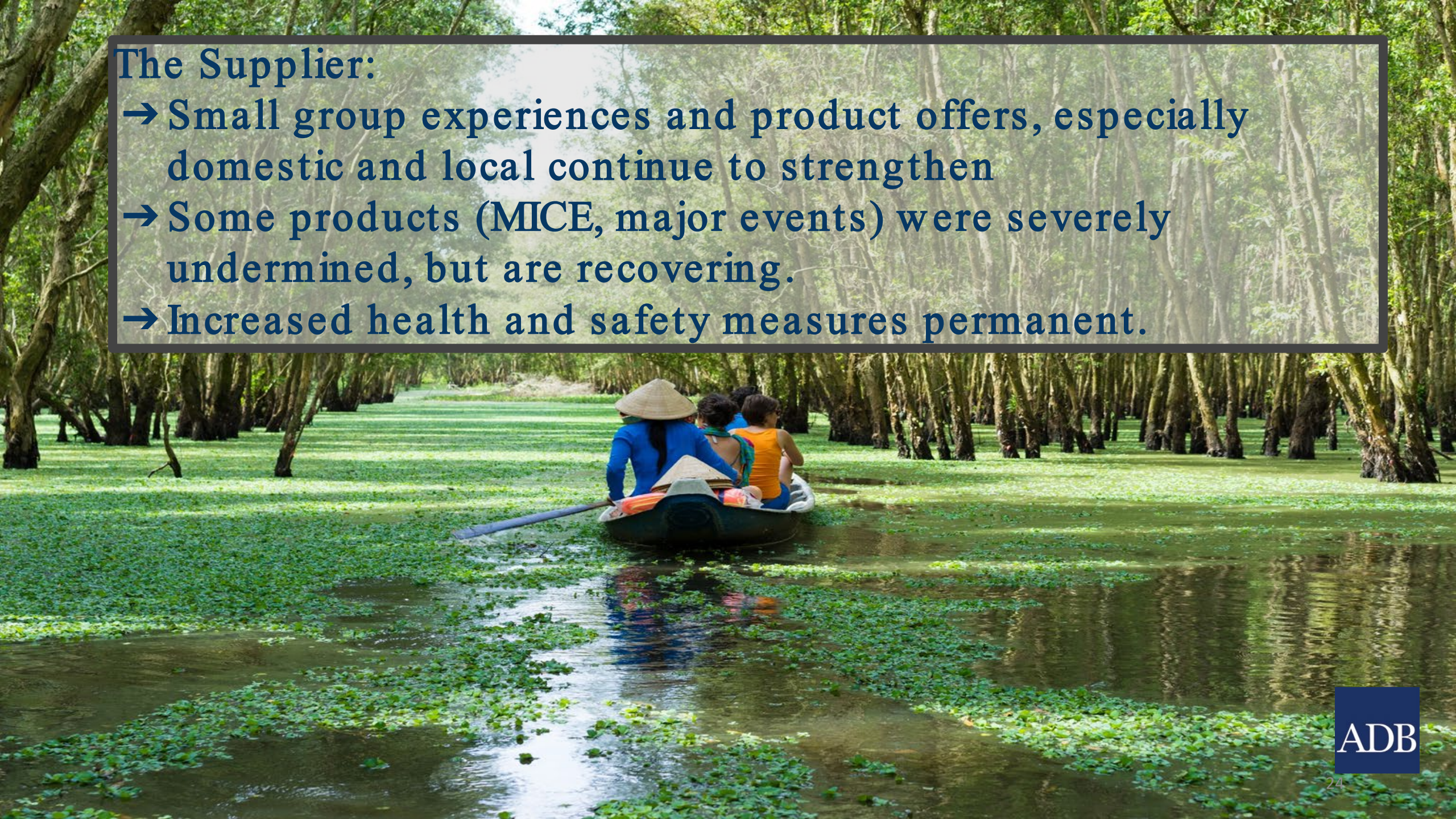


The Consumer/Traveler:

- APAC desire to travel is strong, but highly cautious.
- Low risk tolerance
- Minimal international APAC travel until 2022 or beyond, but returning in 2023.
- More digitally confident than pre-COVID

The Supplier:

- Small group experiences and product offers, especially domestic and local continue to strengthen
- Some products (MICE, major events) were severely undermined, but are recovering.
- Increased health and safety measures permanent.





The Destination:

- Increased attention to local destination planning and management to better prepare for the next crisis.
- Social distancing or variation becomes permanent
- events) severely undermined.
- Increased destination competitiveness to recoup markets.
- Travel bubbles from city-to-city on up, but this trend has waned from 2022 onward.
- China outbound recovery important for many APAC destinations.



APAC Governments:

- APAC Gov't support to remain, but varies widely.
- Many health protocols here to stay.
- Sporadic lock-downs, restrictions, and closures were predicted for foreseeable future, but this is diminishing.
- Vaccine push has been essential for cross-border travel, but requirements have mostly disappeared.
- More regional cooperation needed to better manage risks and coordinate policy responses. Open question.

Thank you
very much
for joining us!

