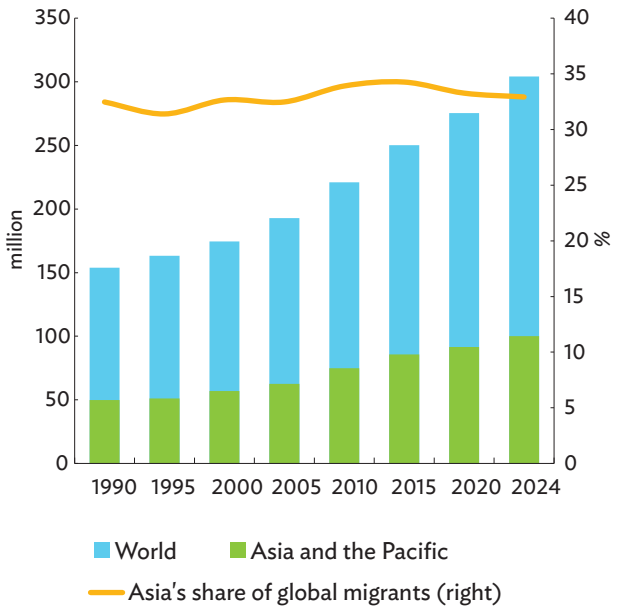
5 Movement of People

Migration

Cross-Border Migration from Asia and the Pacific Continues to Increase

The number of international migrants reached 304.0 million globally in 2024, a 28.7 million increase from 275.3 million in 2020. About 56% of the new migrants during that period came from Asia (8.5 million) and Europe (7.5 million).[1] The period saw the number of outbound migrants from Asia reach 100 million, and the region accounting for one in every three global migrants (Figure 5.1). Although Asian migrants had doubled in number between 1990 (50 million) and 2024 (100 million), non-Asian migrants living in the region during the same period reached only 17.2 million in 2024 from 11.7 million in 1990. This implies that Asia remains a net exporter of migrant labor, suggesting that more opportunities remain outside the region, including for highly skilled and educated workers (Hazan et al. 2024; Struyven, Shan, and Milo 2022; Spaan, Hillmann, and van Naerssen 2005).

Figure 5.1: Number of International Migrants



Source: ADB calculations using data from United Nations Department of Economic and Social Affairs, Population Division. International Migrant Stock 2024. https://www.un.org/development/desa/pd/content/international-migrant-stock (accessed May 2025).

More Asian migrants move outside of the region than within it, signifying a regional challenge to enhance labor mobility, migrant skills, and competitiveness.

The number of extraregional outbound Asian migrants (61.3 million) eclipses that of intraregional migrants (38.8 million), as Europe, the Middle East, and North America continue to be Asia's top regional destinations (Figure 5.2). The United States (US), Saudi Arabia, the United Arab Emirates, Canada, and the Russian Federation have been among Asia's top destination economies for the past 2 decades. Relative to 2020, the economies in Figure 5.3 have hosted more Asian migrants in 2024, except for the Russian Federation.[2]

[1] Asia (or Asia and the Pacific) refers to the 50 regional members of the Asian Development Bank (ADB), comprising 47 developing economies as well as three advanced economies—Australia, Japan, and New Zealand. The composition of economies for Central and West Asia, East Asia (including Japan), the Pacific (developing economies plus the advanced economies of Australia and New Zealand), South Asia, and Southeast Asia are outlined in ADB. Asia Regional Integration Center. Economy Groupings. https://aric.adb.org/integrationindicators/groupings. Beginning with this year's edition of the *Asian Economic Integration Report*, Türkiye is included among the developing member economies. For further details, refer to the note in Chapter 6: Statistical Appendix.

[2] Data in 2024 indicate that the Russian Federation had hosted 1.7 million less Asian migrants over the past 2 decades. Between 2020 and 2024, migrants from Central and West Asia were down by 16.7%, with the number of migrants dropping to 3.7 million from 4.5 million.

Figure 5.2: Outbound Asian Migrants by Regional Destination in 2024

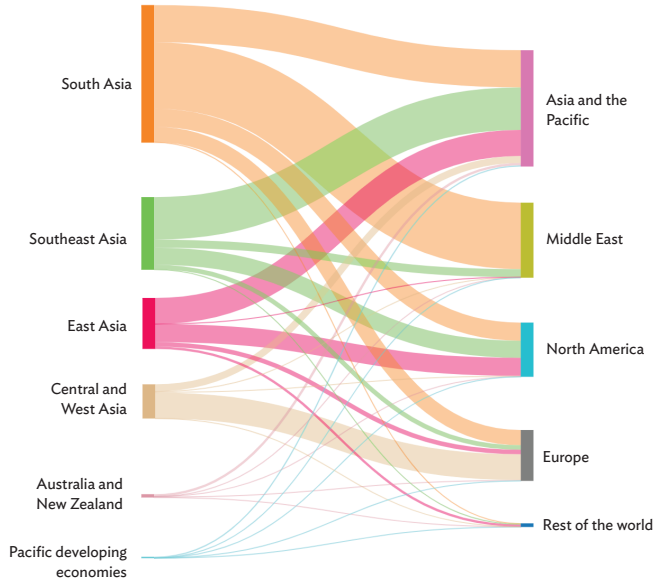
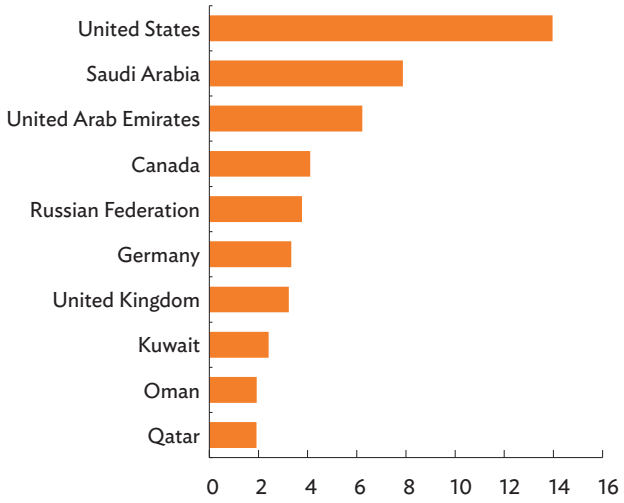


Figure 5.3: Top Extraregional Destination of Asian Migrants in 2024 (million)



Source: ADB calculations using data from United Nations Department of Economic and Social Affairs, Population Division. International Migrant Stock 2024. https://www.un.org/development/desa/pd/content/international-migrant-stock (accessed May 2025).

The US remains the top destination of global migrants; it hosted an average of 18% of total migrants since 1990, and about 14 million Asian migrants in 2024.

Over the past decade, migration policies in these top destinations have opened up more sectors and occupation groups to foreign labor, supporting the growth of Asian migration to these high-income economies (ADBI, OECD, and ILO 2024). Canada uses its migration policy as a strategic tool to its human resource requirements to support medium- and long-term development plans (Government of Canada 2024).[3] Canada's strategy of attracting global talent through its Temporary Foreign Worker Program (TFWP) and International Mobility Program (IMP) Global Skills Strategy granted work permits to about 900,000 migrant workers in 2024 (Figure 5.4). In the United Kingdom, the past decade saw the liberalization of legal migration routes for citizens from outside the European Union (EU) and several policy and legislative tweaks that launched, for instance, the New Global Talent category for "exceptionally talented and exceptionally promising applicants" in specific sectors, the Skilled Worker route, and the Global Business Mobility route for various types of intercompany worker transfers (Government of the United Kingdom, Home Office 2025).

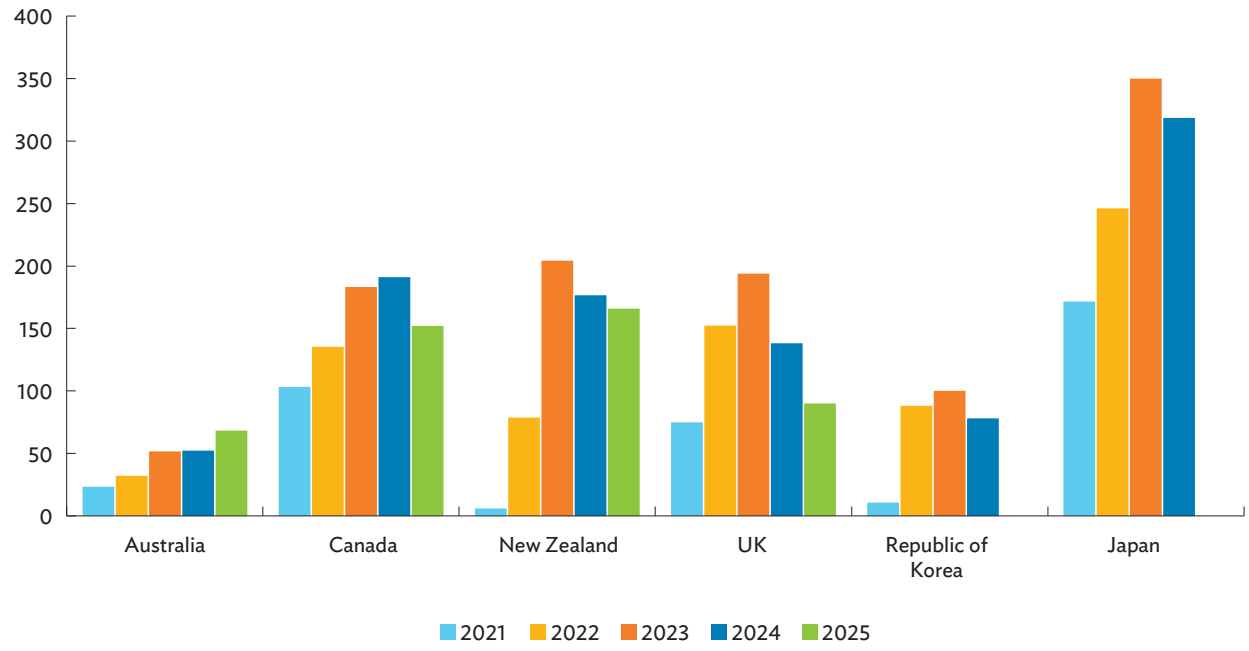
Asia is also the largest source of top-tier high-skilled migrants to the US and the EU.

The H-1B visa issued by the US has been instrumental in the employment of highly skilled and educated Asian migrants in industries that the US government deems essential for technological superiority and global competitiveness. H-1B visas issued to working migrants from Asia accounted for 70% of the global total in 2000, but this jumped to an average of 90% since 2017 (Figure 5.5; Box 5.1).

In the EU, special work and residence permits are issued to highly qualified non-EU nationals. Known as the *Blue Card*, it is part of the EU's strategy to attract

[3] For the period 2025 to 2027, Canada's immigration levels plan will include controlled targets for both temporary and permanent residents, while addressing sustainable growth, tempering gaps in housing supply while managing its capacity to support its population. A cap has been imposed on the number of international students, as well as on employers hiring workers under the Temporary Foreign Worker program, and on limiting work permits for the spouses of temporary residents (Government of Canada 2024).

Figure 5.4: Number of Work Visas Issued by Host Economy ('000)



Q = quarter, UK = United Kingdom.

Notes:

(i) Australia data refer to primary visas granted under the 457/482 programs—2025 data are up to June 30.
(ii) Data for Canada refer to Temporary Foreign Worker Program permit holders only—2025 data are up to Q3.
(iii) New Zealand data refer to the arrival of work visa holders. 2025 data are up to November.
(iv) UK data in 2025 are up to Q3.
(v) For the Republic of Korea, the Employment Permit System is mainly for manufacturing, agriculture, and construction; numbers include those under E9 visas; up to 4 years and 10 months.
(vi) For Japan, the Technical Intern Training Program is mainly for manufacturing, construction, and agriculture; up to 5 years.

Sources: ADB calculations using data from the Government of Australia, Department of Home Affairs. https://www.homeaffairs.gov.au/ (accessed January 2026); Government of Canada, Open Government Canada. https://open.canada.ca/data/en (accessed January 2026); Government of the United Kingdom, Home Office. https://www.gov.uk/government/organisations/home-office (accessed January 2026); Government of Japan. Organization for Technical Intern Training. https://www.otit.go.jp/system/research/statictics/ (accessed January 2026); Immigration New Zealand, https://www.immigration.govt.nz/about-us/research-and-statistics/statistics/ (accessed January 2026); Korean Statistical Information Service. Statistical Database. https://kosis.kr/eng/ (accessed January 2026).

highly skilled workers from non-EU countries, with the aim of addressing labor and skill shortages, enhancing productivity, and gaining economic strength (European Commission, Migration and Home Affairs 2025). While the Blue Card provides an EU-wide framework, individual member states also maintain their own national schemes and discretionary policies for admitting skilled workers. Among Asian subregions, South Asian migrants receive the highest number of EU Blue Cards (Figure 5.6). As a result of the extraregional direction of out-migrants from Asia, backed by employment opportunities outside the region and mobility facilitation tools, there were 2.2 million more Asian migrants in Europe and North America between 2020 and 2024.

Meanwhile, despite heightened global uncertainty, the deployment of lower- and middle-skilled workers has been robust in recent years (Figure 5.7).

The Middle East hosted 3.1 million more Asian migrants in 2024 (a 13.9% increase relative to 22.0 million in 2020), with South Asians accounting for around 93% of the change. Between 2020 and 2024, bilateral agreements, technical internships, and training also saw at least significant increases in South Asian and Southeast Asian migrants to Australia, while Japan hosted more migrants from Indonesia, Nepal, Sri Lanka, and Viet Nam (Faber 2024; Government of Sri Lanka, Ministry of Foreign Affairs 2023; Katano 2025; Lavenia 2025).

Figure 5.5: H-1B Visa Issued by the United States ('000)

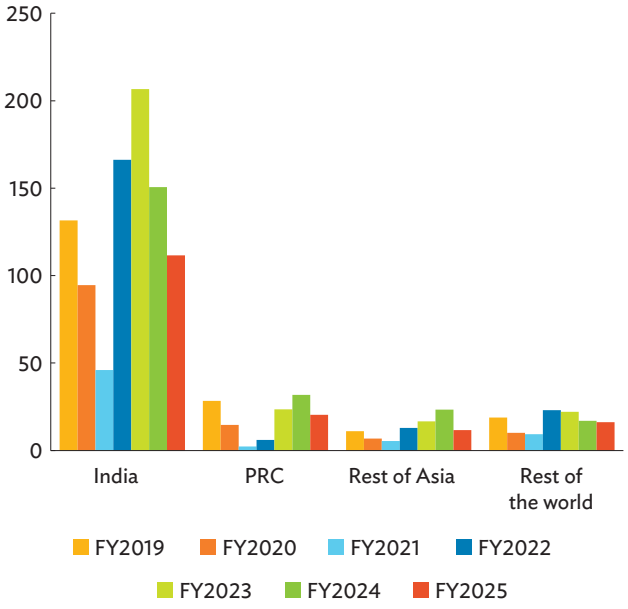
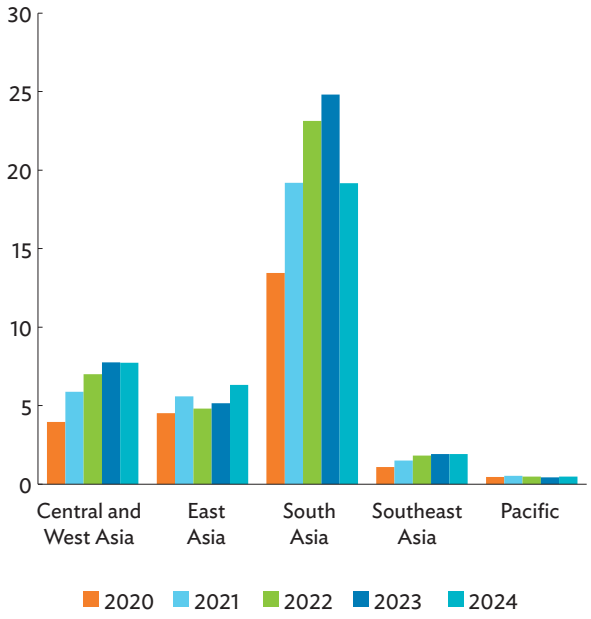


Figure 5.6: European Union Blue Card Issuances ('000)



PRC = People's Republic of China, FY = fiscal year, US = United States.

Note: US H-1B visas data for FY2025 cover October 2024 to May 2025 only. The Pacific includes the Pacific developing member economies of ADB plus advanced economies, Australia and New Zealand.

Sources: ADB calculations using data from the Government of the United States, Department of State, Bureau of Consular Affairs. https://travel.state.gov/ (accessed January 2026); and Eurostat. https://data.europa.eu/data (accessed January 2026).

Box 5.1: Temporary Work Visas and Asian Migrants in the United States

Many Asian migrants on temporary visas are employed in industries critical to United States (US) innovation and productivity— technology, education, sciences, engineering, and medical fields. The H-1B visa program, a cornerstone of the US immigration system for skilled workers, allows American employers to tap into a global talent pool for specialized occupations, granting temporary work authorization to these individuals without conferring permanent resident status (Gowder 2023). Asia's share of H-1B, L-1, and F-1 visas issued by the US rose to 73% of the global total by FY2024 from 57% in FY2020. During this period, across subregions, South Asia stands out for their significant share, accounting for 41%, followed by East Asia for 24% and Southeast Asia for 6%, as of 2024.

The most recent change affecting access to the H1-B visa is the introduction of a $100,000 fee for new H-1B applications, effective 21 September 2025. Whereas this fee hike does not apply to existing H-1B visa holders—renewals, extensions, transfers between employers, and reentries with valid visas remain exempt from the fee hike—employers and hiring strategies would be impacted by the increased cost of foreign talent which used to average only between $2,500 to $5,000 (USCIS 2025; VisaVerge 2025). Many of the H1-B visa holders are college graduates working in the information technology sector where the median wage is about $92,600. The new $100,000 fee could, therefore, deter firms from hiring lower-wage skilled immigrants and concentrate instead on hiring highly skilled, high-wage specialists whose expected value to the firm exceeds the added cost.[a] Affected firms could pivot to other countries, such as Canada or the People's Republic of China, where operations could be deployed at lower expense (The Economist 2025; Gao 2025; Morales 2025; Wong and Woods 2025).

With the H-1B fee hike in effect only since late September 2025, comprehensive data on the number of approved H-1B visas for fiscal year 2026 have yet to be available. Statistics indicate that there were 25% fewer H-1B applications for this fiscal year, the lowest in the past 4 years on account of stricter fraud detection and prevention measures, while the annual cap of 85,000 visas remains unchanged (Singh 2025; VisaVerge 2025).

continued on next page

Box 5.1: continued

Selected United States Nonimmigrant Work Visas Issued

Asian Subregion	H-1B Visa		L-Visa		F1 Visa		H-1B, L, and F1 Visas (as share of global total)	
	FY2000	FY 2024	FY2000	FY2024	FY2000	FY2024	FY2000	FY2024
Central and West Asia	1,318	1,129	198	704	9,005	9,161	2.2%	1.6%
East Asia	16,539	36,839	9,723	13,218	99,033	117,050	26.5%	24.0%
South Asia	65,234	153,661	9,545	19,190	25,861	111,075	21.3%	40.8%
Southeast Asia	6,997	7,100	1,826	2,746	18,800	32,296	5.8%	6.1%
Pacific	2,318	681	2093	1,081	1,928	2,934	1.3%	0.7%
Asia and the Pacific	92,406	199,410	23,385	36,939	154,627	272,516	57.3%	73.2%

FY = fiscal year, US = United States.

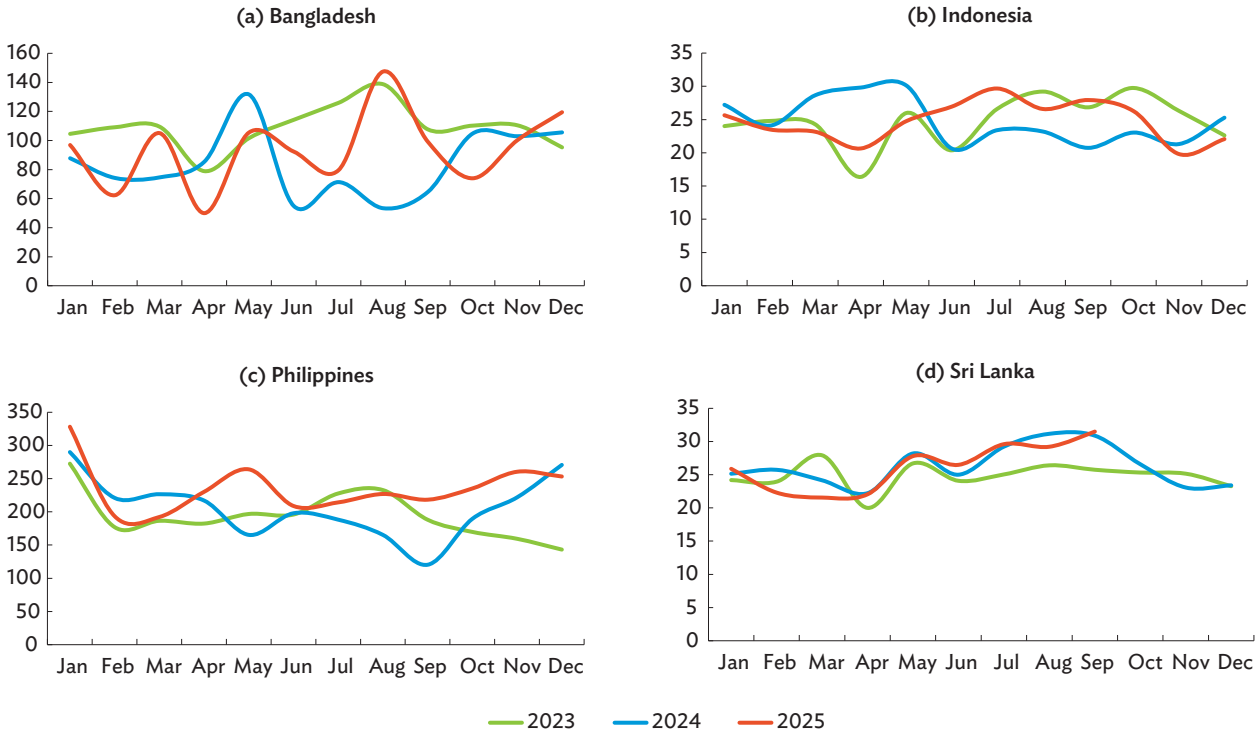
Note: The L1 visa is for intracompany transferees while the F1 visa is for students. The Pacific includes the Pacific developing member economies of ADB plus advanced economies, Australia and New Zealand.

Source: ADB calculations using data from the US Department of State—Bureau of Consular Affairs and US Citizenship and Immigration Services. https://www.uscis.gov/ (accessed December 2025).

[a] Morales (2025) cited that firms hiring H1-B visa workers "break-even" at $225,000, hence the regulation imposing $100,000 in fees would slash the number of H1-B visa hires, most of whom earn less than $100,000 a year.

Sources: ADB (2024a); Asare (2024); Campos (2025); Gao (2025); Gooding (2025); Gowder (2023); Latif and Sultana (2025); Lim and Morshed (2015); Morales (2025); Pacheco (2025); Singh (2025); The Economist (2025); The Philox (2024); US Department of State—Bureau of Consular Affairs and US Citizenship and Immigration Services. https://www.uscis.gov/; Wong and Woods (2025); and Visa Verge (2025).

Figure 5.7: Outflow of Migrant Workers from Asian Economies ('000)



Sources: Central Bank of Sri Lanka. https://www.cbsl.gov.lk/en/statistics/statistical-tables/external-sector; Government of Bangladesh, Overseas Employment Platform. https://www.oep.gov.bd/reports/country-clearance; Government of Indonesia, Ministry of Migrant Workers Protection. https://kp2mi.go.id/dashboard-publik; and Government of the Philippines, Department of Migrant Workers. https://dmw.gov.ph/statistics/overseas-employment-statistics (all accessed February 2026).

Intraregional mobility remains vital in Asia, especially for low- and semi-skilled migrants, bolstered by opportunities from labor facilitation agreements.

Amid rising migration out of the region, Asia's intraregional migration remains an important facet of the mobility structure of cross-border workers. Bilateral labor agreements across the region largely facilitate the movement of low- and medium-skilled workers, with economy experiences reflecting differing labor market needs and uptake levels (ADB 2025a). Over time, while some subregions such as East Asia and South Asia have pursued more extraregional migration corridors, migrants from Southeast Asia have pivoted more to other subregions, while Pacific developing economies has strengthened its ties to Australia and New Zealand (Figures 5.8 and 5.9). This underscores the importance of proximity, commonalities in culture, language and religion, and diplomatic ties as cross-border mobility considerations (Lee, H. A. 2025).

Asia's High-Skilled Migration is Concentrated in a Few High-Income Destinations Outside the Region, Amid a General Shift Toward More Skilled Workers

The World Bank (2023) reported that of the 85 million Asian migrant workers in 2020, a third (27 million) were high-skilled with tertiary education—about 70% of these workers were concentrated in just six destination economies, including the US, United Arab Emirates, Canada, and the Russian Federation (Figure 5.10). Within Asia, the Republic of Korea and Australia stand out in their high shares of high-skilled migrants, while Malaysia and Thailand have low proportions. Singapore also shows a low share of high-skilled Asian migrants. In 2024, several of these high-income destinations either maintained or even increased their shares of migrants with advanced education and high skills (Figure 5.11a, 5.11b). The demand for skilled workers remains robust.

Figure 5.8 Intraregional Migration (%)

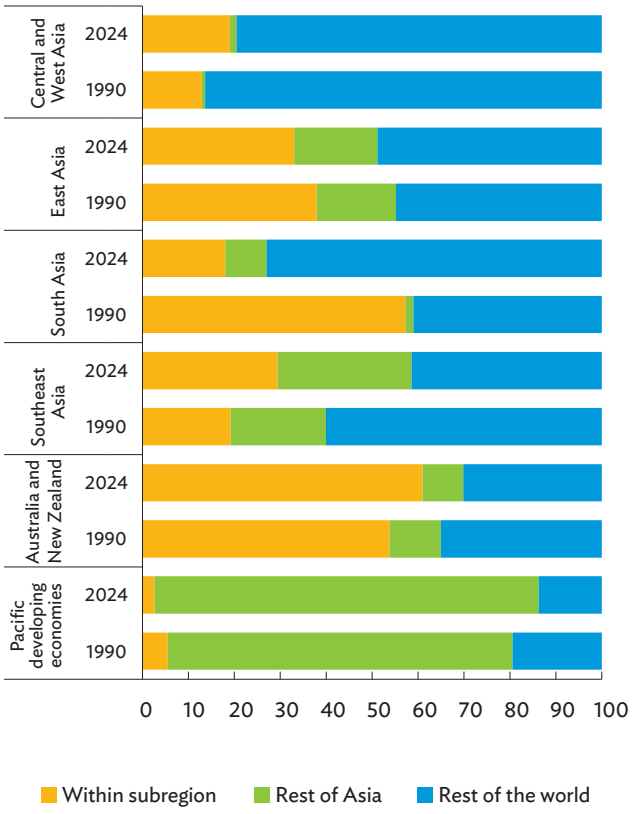
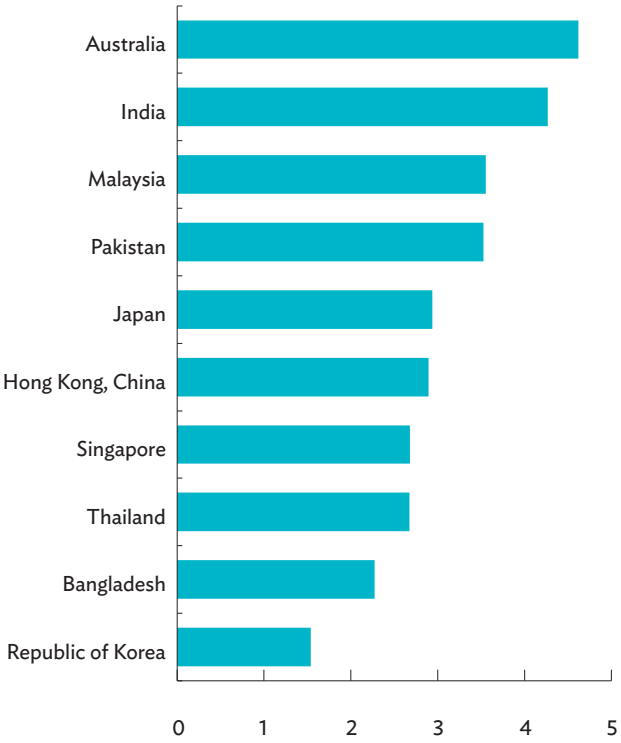
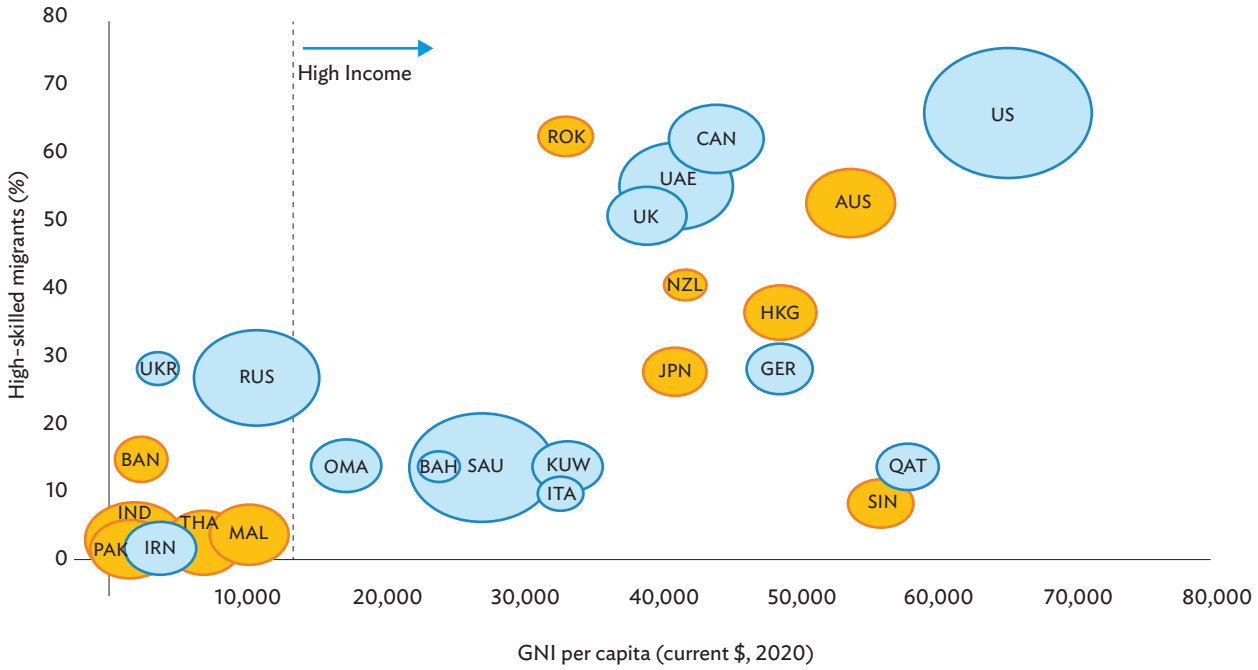


Figure 5.9: Top Intraregional Destinations in 2024 (million)



Source: ADB calculations using data from United Nations Department of Economic and Social Affairs, Population Division. International Migrant Stock 2024. https://www.un.org/development/desa/pd/content/international-migrant-stock (accessed May 2025).

Figure 5.10: Share of High-Skilled Migrants Versus Gross National Income per Capita, by Major Destination of Asian Migrants



GNI = gross national income; AUS = Australia; BAH = Bahrain; BAN = Bangladesh; CAN = Canada; GER = Germany; HKG = Hong Kong; China; IND = India; IRN = Iran; ITA = Italy; JPN = Japan; ROK = Republic of Korea; KUW = Kuwait; MAL = Malaysia; NZL = New Zealand; OMA = Oman; PAK = Pakistan; QAT = Qatar; RUS = Russian Federation; SAU = Saudi Arabia; SIN = Singapore; THA = Thailand; UAE = United Arab Emirates; UK = United Kingdom; UKR = Ukraine; and US = United States.

Notes: The share of high-skilled migrants is calculated based on the proportion of migrants with tertiary education. Circle size reflects the total number of Asian migrants received by each economy. Yellow circles represent economies in Asia and the Pacific. In 2020, the World Bank classified economies by income using GNI per capita (Atlas method), with the threshold for high income at $12,536 or above.

Source: ADB calculations using data from World Bank (2023).

For instance, it is estimated that the US needs about 1 million more science, technology, engineering, and mathematics (STEM) professionals from 2023 to 2033, underscoring persistent labor shortages and opportunities for Asian migrants with fields of STEM expertise (Thornton 2025). In Europe, migrants account for at least 20% of growing occupations in health care and STEM (Reiche 2024). These developments reflect growing policy efforts to rein in global talent that will help boost long-term economic growth and the competitiveness of industry.

Amid evolving migration policies, shifting demand for global talent, and challenges to labor and skills mobility persist.

Limited cross-border skills mobility. Skills mobility ensures that workers can fully apply their qualifications and experience when they move, leading to better job matching, fairer wages, and higher productivity. It also enhances labor mobility across all skills levels. When skills are portable, migrants can be more effective in filling skills gaps where their expertise is essential, improving the usability of their talents, and reducing their vulnerability to irregular migration and exploitation. Evidence shows that skills mismatch is more common and persistent among migrants than for native workers, with migrants having a 10% higher likelihood of being overeducated (Visintin, Tijdens, and van Klaveren 2015). Without trusted and transparent recognition systems, workers at all skill levels risk being underemployed or downgraded when migrating.

Governments in the Association of Southeast Asian Nations (ASEAN) prioritized the creation of Mutual Recognition Arrangements (MRAs) to facilitate the mobility of high-skilled workers and professionals and later supplemented it with the ASEAN Qualifications Reference Framework. However, ASEAN MRAs cover

Figure 5.11: Employment Distribution of Migrants in Destination Economies (%)

AUS = Australia, CAN = Canada, DEN = Denmark, FRA = France, GER = Germany, ITA = Italy, SAU = Saudi Arabia, SPA = Spain, SWE = Sweden, THA = Thailand, UK = United Kingdom, US = United States.

Sources: ADB calculations using data from International Labour Organization Statistical Database (ILOStat). https://ilostat.ilo.org/data/ and https://ilostat.ilo.org/resources/concepts-and-definitions/classification-occupation/ (accessed May 2025); Government of Canada, Statistics Canada. https://open.canada.ca/data/en/dataset (accessed January 2026); and Government of Saudi Arabia, General Authority for Statistics. https://www.stats.gov.sa/en/ (accessed January 2026).

only eight occupations, accounting for a mere 5% of jobs in the region. Inconsistencies in implementation and complex barriers to recognizing and certifying qualifications across ASEAN member economies continue to constrain the effective operation of MRAs. MRAs must also create sufficient incentives for ASEAN professionals to actually want to work overseas (Paweenawat and Vechbanyongratana 2019). Of the 206 bilateral labor agreements (1990–2020) with Asian signatories, only 10% included skills recognition provisions.

Restrictions in the movement of highly skilled workers in the context of regional trade agreements also constrain services trade liberalization and hinder positive spillover effects for goods and other services trade. For instance, the Regional Comprehensive Economic Partnership has limited commitments to Mode 4—which covers the movement of natural persons—due to concerns over local labor market impacts, regulatory complexities, and migration sensitivities (Crivelli, Marand, and Pascua 2022).

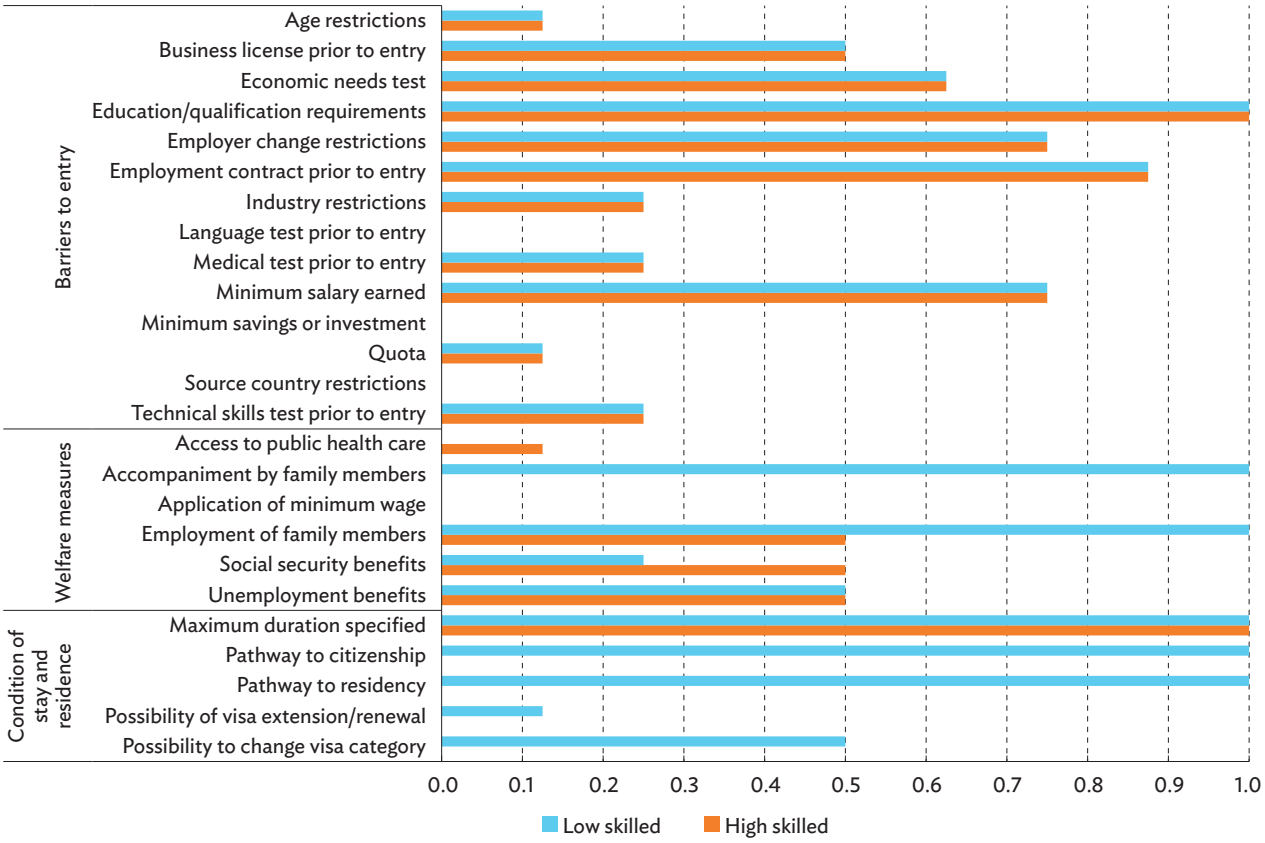
Skills mobility partnerships (SMPs) hold potential for further expansion.[4] In Asia, SMPs can be important channels for strengthening the region's workforce by enhancing skills training, empowering workers and businesses, facilitating regional cooperation and integration, and strengthening regional governance mechanisms for the development and movement of human capital. Examples of SMPs are the Pacific Australia Skills, the ASEAN-Republic of Korea Technical and Vocational Education and Training Mobility Program, and, at the bilateral level, the Indonesia–Australia Skills Development Exchange, and the Philippines–Republic of Korea Employment Permit System.[5] Despite the benefits of SMPs, their full implementation comes with significant hurdles related to costs, skills recognition, and coordination (ADB 2025a). Governments of the origin and destination economies could face resource constraints to their SMP support, while the development of skills for the long term might be less of a priority for firms whose focus is on learning skills to help address immediate labor gaps.

Migration systems and policy variation. In Asia, migration systems continue to evolve, with ongoing efforts to streamline processing, adjust visa requirements, and expand pathways for secure and longer-term migration. Policies also reflect the different roles migrants play in labor markets. For example, in major Asian migrant destinations such as Japan, the Republic of Korea, Malaysia, and Singapore, low-skilled migrants generally face more policy requirements than high-skilled migrants (Figure 5.12). Entry conditions for low-skilled migrants often include minimum savings, business licenses, quotas, and restrictions placed by source countries, whereas high-skilled migrants typically face merit-based requirements such as educational qualifications and technical skills assessments. During their stay, high-skilled migrants are more likely to benefit from flexible visa terms and clearer pathways to residency or citizenship. In terms of welfare, low-skilled migrants often have limited access to family accompaniment and employment for family members, while high-skilled migrants tend to receive broader social security and health-care benefits.

[4] Skills mobility partnerships, also known as labor mobility partnerships, are agreements between economies and institutions designed to facilitate the development, recognition, and movement of skills across borders. They can vary in form, modality, specific objectives and sectors, targeted skill level, included type of mobility (temporary, long term), as well as the level of stakeholder involvement (International Organization for Migration 2023).

[5] The Pacific Australia Skills was built on the success of the Asia Pacific Training Coalition that was concluded in March 2025. The ASEAN–Republic of Korea Technical and Vocational Education and Training Mobility Program was intended to help ASEAN member states address the growing mismatch of skills in the region by leveraging technical and vocational education and training. The Indonesia–Australia Skills Development Exchange pilot project enables "appropriately skilled individuals to travel between Indonesia and Australia" to undertake short-term work for skills training with businesses or other organizations in specified sectors.

Figure 5.12: Migration Policy Measures by Level of Migrant Skills



Notes: Data represent unweighted average restrictiveness (or requirements) scores for temporary labor migration visas in Japan, the Republic of Korea, Malaysia, and Singapore, where the objective is to address labor shortages. Values closer to 1.0 denote higher levels of restrictiveness or requirements.

Source: ADB calculations using data from World Bank (2025).

Policy Ways Forward and Implications for Regional Cooperation and Integration

The global competitiveness of Asia's skilled workers presents opportunities for the region.

Developing economies in Asia, many of which have stayed in the middle-income range, require high-skilled workers to support economic upgrading and diversify into knowledge-intensive sectors, while advanced economies increasingly depend on such workers to offset labor shortages caused by population aging.

The growing pool of highly skilled Asians, both within the region and abroad, can facilitate knowledge exchange, investment, and innovation. High-skilled staffing could fuel innovation and high skill-intensive industries, ensuring employability and economic growth (Lim et al. 2023). High-skilled migrants are carriers of knowledge that help transfer knowledge across borders and create spillovers elsewhere (Ozden et al. 2017).

The potential of Asia's skilled workforce can be harnessed when supported by appropriate policies and incentive structures, through return migration and mobility programs that align with the incentives of individuals and labor markets.[6] For instance, in

[6] OECD (2024) estimates that on average 20% to 50% of immigrants leave within 5 years after their arrival, either to return home or to move on to a third economy.

Thailand, tax incentives for 2023 to 2025 were extended in connection with the migration of foreign investors. These are intended to help these firms hire highly skilled and highly qualified personnel and so enhance company competitiveness (Government of Thailand, Board of Investment 2023). The Republic of Korea in March 2025 launched a top-tier visa to attract highly skilled professions especially in the technology and research sectors (Lee, S. J. 2025). Supportive policies are required to fully realize the developmental potential of high-skilled return migration. Wahba (2023) highlights the need for reducing red tape for business registration, offering information on investment opportunities, improving labor market reintegration mechanisms, creating a stable and investor-friendly macroeconomic environment, and lowering the cost of remittance transfers.

Skills recognition can promote efficient deployment of labor when supported by domestic policies and implementation capacity. Skills recognition is the foundation of skills mobility. Without trusted and transparent recognition systems, workers at all skill levels risk being underemployed or downgraded when migrating. Achieving this requires compatible qualification frameworks, quality-assured certification systems, and agreements between governments to mutually accept skills and credentials.

Cross-border recognition can provide a common foundation and transparency, while mobility still depends on domestic needs, policies, and effective implementation—integration into migration and labor agreements. Strengthening skills mobility requires both policy alignment and practical implementation capacity. In ASEAN, for instance, the commitment to build a unified and integrated community is embodied in the ASEAN Economic Community, a "single market and production base" with an unimpeded flow of skilled labor, among other things (ASEAN Secretariat 2007). It also called for cooperation, including on the recognition of professional qualifications. ASEAN's experience suggests that strong regional frameworks, if supported by investment in skills development and aligned with migration governance tools, have potential to bridge gaps between labor market needs and migration policies. Enhancing cross-border mobility for workers and ensuring education and training systems remain responsive to technological and structural changes are important for making skills mobility a driver of effective labor migration.

Skills development, assessment, and certification systems can complement skills mobility. This includes strengthening technical and vocational education and training and skills development programs, with specific attention to evolving labor market demands driven by technological advancements, just transition, and other structural changes. The Vientiane Declaration is supported by a voluntary checklist to help ASEAN member states assess progress, identify gaps, and guide action in skills mobility, recognition, and development (ASEAN Secretariat 2024). The checklist also encourages technical assistance from international organizations such as the International Labour Organization and the International Organization for Migration to help governments in ASEAN conduct self-assessments, take responsive actions, and implement the regional action plan.

Regional cooperation could generate synergies to strengthen human capital, facilitate labor mobility, promote skills portability mechanisms while addressing gaps in migration policy enforcement and coordination. From a multilateral resource standpoint, ADB can boost regional cooperation initiatives by enabling more economies to commit and engage ardently in skills mobility programs and by leveraging its institutional strength to help member economies ease and dismantle mobility barriers that members may find challenging to address on their own, through its country partnership strategies. At the same time, ADB's knowledge products and knowledge-sharing initiatives can be instruments to encourage member economies to fine-tune their migration strategies and monitoring mechanisms to abide by the pillars of the Global Compact for Migration, with the view to maximizing the development benefits of migration and elevating its social impacts.

ADB is also well-positioned to engage in more technical assistance and funding programs, in collaboration with other international development organizations and multilateral stakeholders, to help regional economies refine their labor market policies to facilitate more

skills-centric bilateral and/or regional labor agreements. With an unwavering intention to transform pledges into action made during roundtable discussions and high-level conferences, regional cooperation backed by ADB's institutional strength could promote resilience among migrant-sending economies and migrant-destination industries while boosting regional competitiveness.

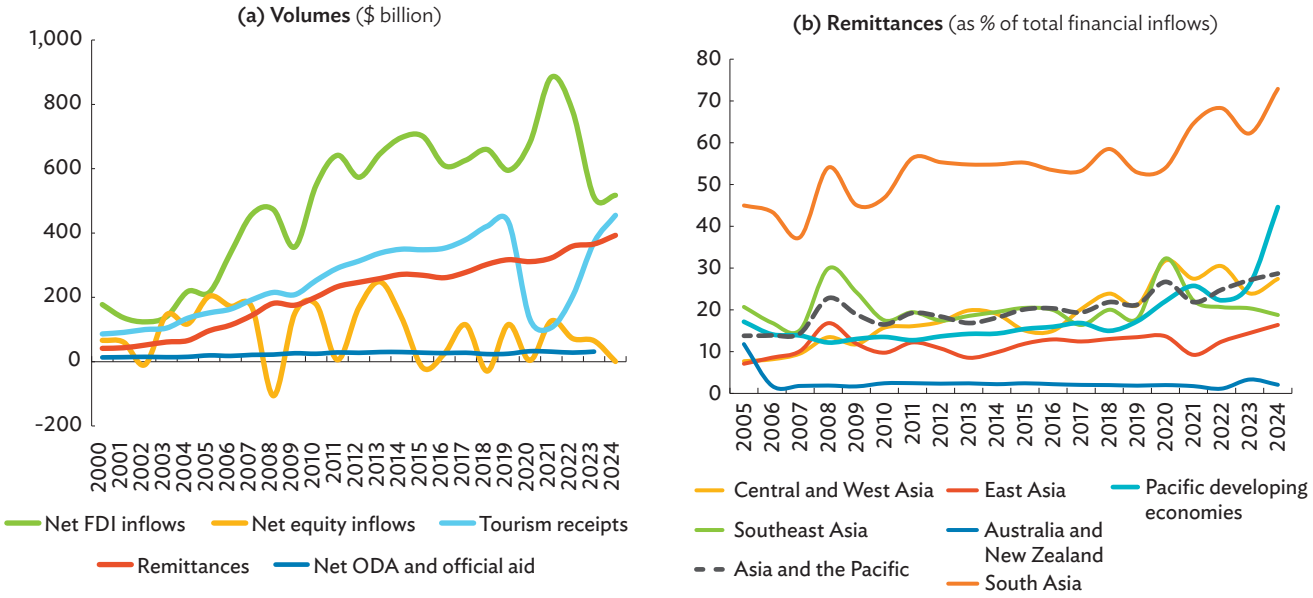
Remittances

Despite Global Uncertainties, Remittances Continue to Demonstrate Resilience

Remittances to Asia are estimated to have reached $392.8 billion in 2024, around 43.4% of the global total of $904.5 billion. Inflows to the region have gained importance in the past 2 decades since relative to other resource inflows, remittances have taken a sustained steady upward path, exceeding portfolio equity inflows and net official development assistance and official aid since 2014, as well as tourism receipts from 2020 to 2022 (Figure 5.13a). A key source of foreign exchange and a lifeline to many households in Asia, the remittances received—and how their volumes hold up relative to other inflows—vary across subregions, with economies in the South Asia and Southeast Asia accounting for 75% (Figures 5.13b and 5.14). These remittances have been greatly enabled with the rapid uptake of internet and technology-driven payment infrastructure in the past 2 decades, which has made their flow easier, faster, more reliable, and safer than before (Gates Foundation 2013).

In 2025, monthly remittance flows data suggested remittance flows to selected Asian economies continue to be robust (Figure 5.15). Overseas workers from the Philippines buoyed inflows in 2024 and 2025—remittances from Filipino workers abroad brought in monthly average inflows of $3.2 billion during the period. In Central and West Asia, year-on-year inflows to Armenia rose by 2.4% and by 16.8% in the Kyrgyz Republic. Meanwhile, Tonga's inflows from January to November 2025 registered a 7.3% growth year-on-year.

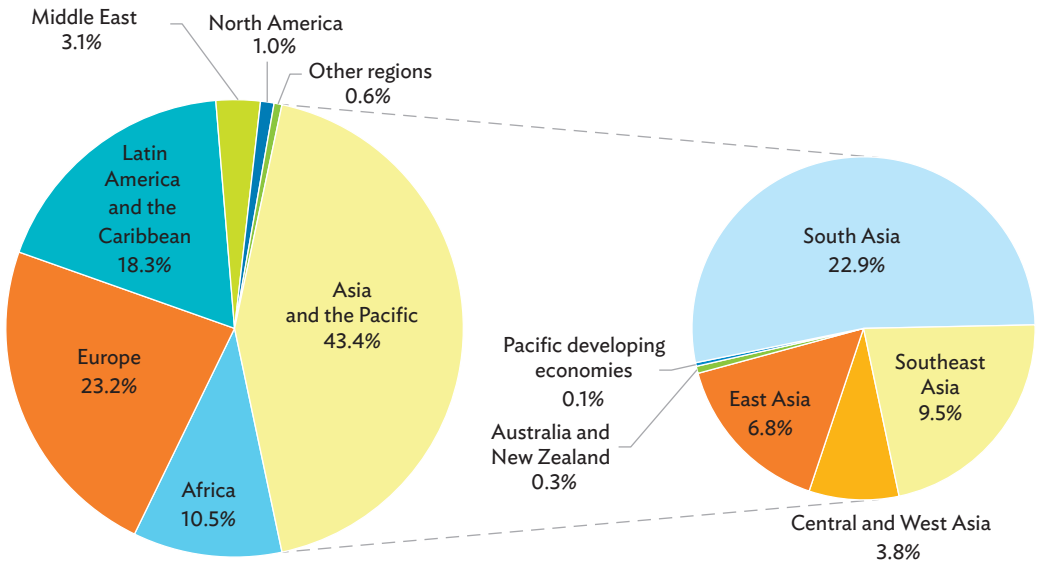
Figure 5.13: Financial Inflows to Asia and the Pacific



FDI = foreign direct investment, ODA = official development assistance.

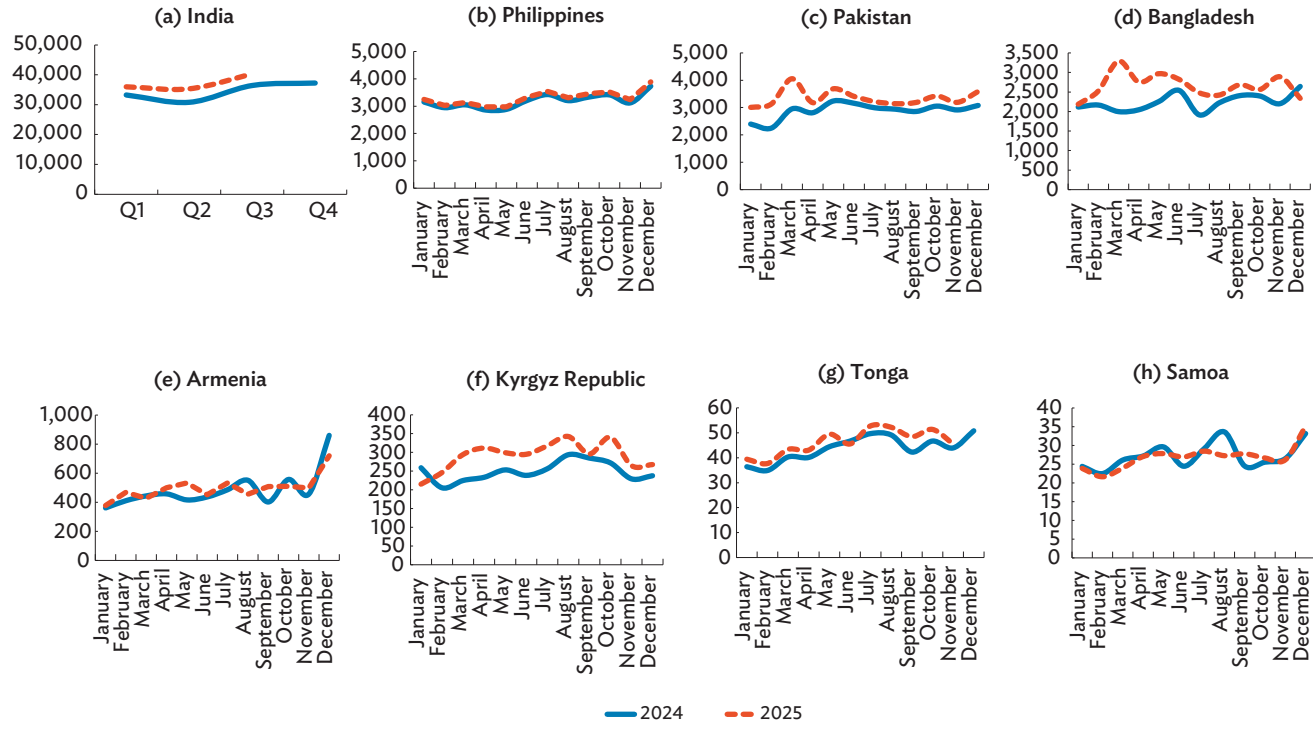
Sources: ADB calculations using data from Ratha, Plaza, and Kim (2024); UN Tourism Dashboard. https://www.untourism.int/tourism-data/un-tourism-tourism-dashboard (accessed October 2025); and World Bank. World Development Indicators Database. https://databank.worldbank.org/ (accessed December 2025).

Figure 5.14: Remittance Inflows by Region and Asian Subregions, 2024



Source: ADB calculations using data from Ratha, Plaza, and Kim (2024).

Figure 5.15: Remittance Inflows to Selected Economies in Asia and the Pacific ($ million)



Q = quarter.

Source: ADB calculations using data from CEIC Data Company and respective central banks (accessed February 2026).

Rising uncertainty may weigh on remittance inflows in the long term, but digital remittances continue to grow at speed.

Table 5.1 shows the volume and shares of inflows from the US to some Asian economies. Despite the significant levels of remittances as a proportion of gross domestic product (GDP) for some Asian economies, initial estimates suggest the remittance tax will have modest impact on GDP, even in remittance-dependent Pacific economies (ADB 2025b). Whereas the long-term effects of policy changes on the cost of hiring foreign labor and remitting funds have yet to unfold, soft measures that raise the cost of labor dampen demand while policies that add to the cost of remittances will affect remitting behavior.

Cost and Convenience Spur the Growth and Benefits of Mobile Money

Simple design and user-friendly interfaces make mobile money a popular choice for transactions. Globally, the share of digitally enabled remittance to total remittances doubled from 15.8% in 2020 to 32.0% in 2024, with inflows through mobile money nearly tripling in value (Figure 5.16).[7] Mobile money's low basic payment infrastructure requirements have enabled it to provide access to digital transaction services for unbanked populations, especially in rural and underdeveloped areas of the world. In Asia, where 88.0% of the population aged 15 and above own a mobile phone, around 63.2% have used it for digital transactions (Klapper et al. 2025). Given their widespread use and high value and frequency of transactions, digital remittance channels (and mobile money in particular) could reduce the average total cost of remittances and increase the chances of making the United Nations' Sustainable Development Goal for remittances to cost less than 3% per transaction achievable by 2030 (Ravindran 2025).[8]

The prevalence of mobile money is improving in Asia, aided by enabling regulations that support its growth.[9] Financial development strategies across the region

Table 5.1: Remittance Inflows from the United States and the World

	Remittance Inflows, January to September ($ million)					
	US Inflows		Total inflows		Inflows from the US as % of total	
Remittance Recipient Economy	2021	2025	2021	2025	2021	2025
India	11,378.4	30,905.2	64,285.0	111,571.0	17.7%	27.7%
Philippines	9,439.1	10,510.9	25,698.5	28,973.7	36.7%	36.3%
Pakistan	2,180.8	2,732.8	23,464.3	29,989.3	9.3%	9.1%
Bangladesh	2,574.3	2,864.0	17,240.9	24,138.3	14.9%	11.9%
Armenia	418.6	451.9	1,536.8	4,252.4	27.2%	10.6%
Georgia	210.0	501.4	1,706.1	2,691.4	12.3%	18.6%
Kyrgyz Republic	33.1	72.9	2,032.3	2,618.3	1.6%	2.8%
Tonga	136.2	144.6	361.0	411.9	37.7%	35.1%
Samoa	27.8	42.5	175.2	235.1	15.9%	18.1%

US = United States.

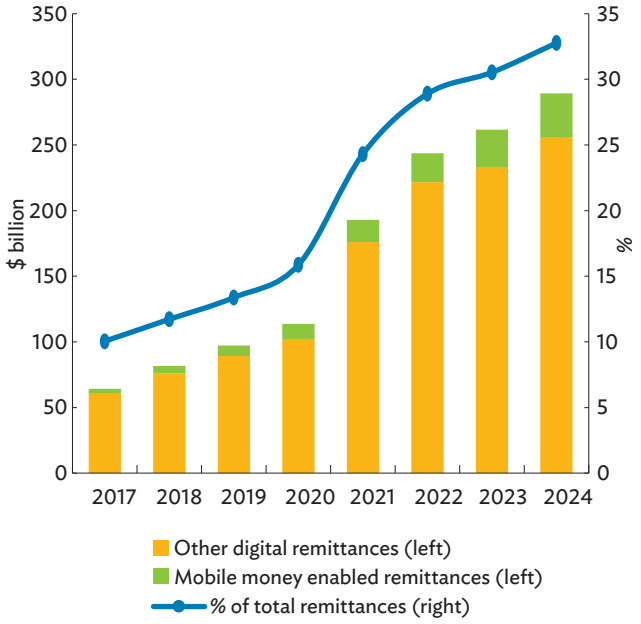
Sources: ADB calculations using data from CEIC Data Company; Ratha, Plaza and Kim (2024); and respective central banks (accessed January 2026).

[7] ADB (2024a) refers to digital remittances as "the electronic transfer of money from one person or entity to another, typically across international borders. The transfers are made through online platforms, mobile apps, and other digital channels that allow individuals to send and receive money quickly and securely."

[8] The infrastructure of mobile money resembles a basic bank account, enabling deposits, withdrawals, and transfers, but lacks features such as interest payments, credit, or automated services. Since deposits and withdrawals occur through agents, their network is crucial in establishing trust and expanding the reach of mobile money. Technically, mobile money is backed by e-money, which maintains a one-to-one parity with physical currency (Suri et al. 2023).

[9] The GSMA defines prevalence in the context of the Mobile Money Prevalence Index—a composite index that considers mobile money adoption, activity, and accessibility at country level in order to facilitate comparisons between markets. The purpose of the index is to enable third parties to gauge whether engagement would lead to expected impact. The index is meant to support decision-making for public, private, and nongovernment organization stakeholders alike.

Figure 5.16: Share of Digital Remittances in Total Remittances



Notes: Other digital remittances refer to the electronic transfer of money from one person or entity to another, typically across international borders. The transfers are made through online platforms, mobile applications, and other digital channels that allow individuals to send and receive money quickly and securely.

Sources: ADB calculations using data from Ratha, Plaza, and Kim (2024); Raithatha and Storchi (2025); and Statista. https://www.statista.com/outlook/dmo/fintech/digital-payments/digital-remittances/worldwide (accessed September 2025).

underscore measures to promote digital channels to leverage the remittances as a macroeconomic anchor and pillar of financial sovereignty. Australia, New Zealand, and economies in East Asia have been at the forefront of mobile money development but setting digital payment systems in place are gaining traction in some emerging Asian markets. For instance, the National Bank of Cambodia introduced the Cambodia Shared Switch, online banking, the Bakong system, and its Financial Technology Development Policy 2023–2028 as guide in driving innovation in the finance sector (Cambodia Investment Review 2024b, Fintech News Singapore 2023). The Bakong Payment System, Cambodia's digital payment platform, supported digital transaction volumes of $492 billion in 2023 and $54.8 billion in the first half of 2024 (B2B Asia News 2024, Cambodia Investment Review 2024a). In March 2025, collaboration between the National Bank of Cambodia and UnionPay International evolved Bakong into a cross-border payments platform, initially between Cambodia and the PRC (National Bank of Cambodia 2025). In Viet Nam, the government similarly promoted mobile money as an alternative to cash through its National Digital Transformation Programme (Open Development Vietnam 2023). Viet Nam's mobile money program has been piloted the past 4 years to promote cashless payments and expand access to digital financial services to unbanked and disadvantaged groups and will soon have an official legal framework (VietNamNews 2025).

Domestic digital remittances offer valuable insights for improving cross-border remittance systems.

While remittances are often viewed through the lens of international transfers, digital transfers or remittances among domestic users—particularly through mobile money—have transformed financial access for unbanked and underbanked populations. Easy-to-use and intuitive apps, lower (and transparent) transaction costs, and quick real-time transfers are but some of the essential features of domestic remittances which users also expect to find in cross-border remittances. Mobile technology's transaction-tracking ability improves remittance data capture and aids in monitoring formal inflows and improving data integrity, while enhancing transparency and efficiency (Global Partnership for Financial Inclusion 2024). These factors demonstrate how technology, regulation, and trust can combine to deliver low-cost, fast, and inclusive payment services.

Mobile money has reached unbanked and rural populations effectively and rapidly.

Simple designs and evolving user-friendly interfaces have made mobile money a popular choice for transactions in the Philippines, Paraguay, and sub-Saharan Africa. The affordability, speed, and security of mobile money have also made it an essential tool for domestic remittance transfers (Gates Foundation 2013), contributing significantly to poverty reduction and strengthening economic resilience in developing economies. In Kenya, for instance, the adoption of M-PESA reduced poverty by about 2 percentage points, stabilized household expenditures on food, health, and education, and empowered women to transition from agriculture to entrepreneurial activities (Batista and Vicente 2021; Jack and Suri 2016).

The success of mobile money in domestic remittance systems rests on several factors. A robust telecommunications infrastructure, a dense and trustworthy agent network, and the removal of traditional entry barriers have supported rapid and widespread adoption (Heyer and Mas 2009; Mas and Ng'Weno 2010; Vaughan, Fengler, and Joseph 2013). Interoperability and the absence of minimum balance requirements have further encouraged usage. Central to mobile money's expansion is the network effect: as more users join, the system becomes increasingly valuable, enhancing liquidity, competition among agents, and consumer trust (Mas and Radcliffe 2011). Together, these elements create a reinforcing cycle that strengthens both user participation and provider sustainability.

Despite these achievements, mobile money systems continue to face challenges that limit their universal adoption and effectiveness.

Common barriers include low financial literacy, limited access to mobile devices, overcharging by agents, and relatively high transaction costs (Lee et al. 2021; Suri et al. 2023). Adoption also remains deeply gendered—women tend to remit less frequently and in smaller amounts than men, largely due to lower income levels, limited phone ownership, and social norms restricting financial autonomy. Furthermore, the scarcity of female agents, in certain cultural context, diminishes women's comfort and trust in using these services (Ravindran 2025). Although training programs and transaction-fee discounts have raised awareness, many potential users still perceive mobile money as expensive or complex (Cruces et al. 2020). At the same time, strict and costly "know your customer" (KYC) regulations, combined with migrants' lack of documentation, and the difficulty of expanding rural agent networks continue to hinder remittance service providers from extending digital financial access to underserved populations (Sohst 2024).

Increasing digitalization has also heightened exposure to fraud, scams, and cybercrime—risks that are accelerating with advances in artificial intelligence. In 2023 alone, financial fraud led to estimated losses of up to $37 billion in East Asia and Southeast Asia (UNODC 2024), with Singapore and Japan reporting particularly high losses. Developing Asian economies also face added vulnerabilities from predatory lending, which can increase indebtedness.

The broader economic impacts of domestic remittances facilitated through digital platforms have been substantial.

Evidence demonstrates that rural households using mobile money experience, on average, 7.5% higher consumption expenditures, a 42% reduction in extreme poverty, and nearly threefold increases in savings (Lee et al. 2021). Greater financial stability reduces reliance on borrowing and encourages investment in self-employment and small businesses. Moreover, increased remittances have enabled the migration of additional household members, and so amplifying income opportunities and resilience to economic shocks.

Post-adoption studies reveal that mobile money fundamentally reshapes remittance and spending behaviors. In one South Asian economy, for instance, training interventions resulted in a 26% increase in the total value of remittances sent and a higher share of income remitted, without altering the frequency of transfers (Lee et al. 2021). Men's use of digital remittances grew more sharply in value, while women's adoption rose proportionally but remained tied to household obligations. Users also displayed more intentional financial behaviors, often directing remitted funds toward specific nonconsumption purposes such as education or savings (Lee at al. 2025), suggesting that mobile remittance channels foster more disciplined and goal-oriented financial decision-making.

Overall, the domestic digital remittance ecosystem underscores the importance of building trust through reliable agent networks, ensuring gender-sensitive access, and fostering effective collaboration among stakeholders. Strong regulatory frameworks supporting interoperability across financial service providers remain essential. Equally important is promoting financial literacy—particularly through peer-led community

initiatives—which has proven effective in reducing fraud by up to 72% and tripling adoption rates (Ravindran 2025). Collectively, these domestic experiences offer valuable lessons for global efforts to streamline cross-border remittance systems, reduce transaction costs, and advance the United Nations Sustainable Development Goal 10, to reduce inequality within and among countries. The target is to lower fees to below 3% of the remitted amount by 2030.

The Stubborn Cost of Remittances

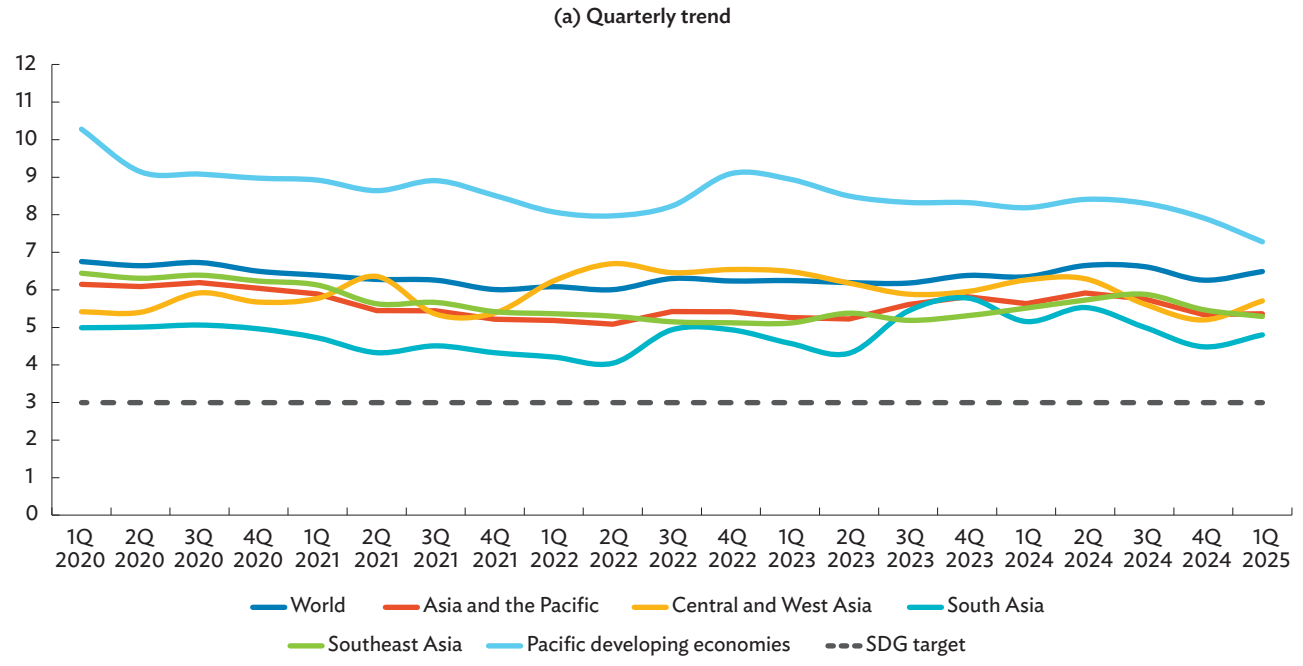
The average cost of sending remittances across all instruments is still twice the 3% Sustainable Development Goal target.

The cost of remitting to Asia declined to 5.4% in the first quarter of 2025 from the 5.7% quarterly average in 2024, but the global average stands at 6.5% (Figure 5.17a). For legacy providers like banks in cash-dominated receiving areas, the cost remains stubbornly high at 14.5% for the global average and 10.2% in Asia (Figure 5.17b).

Remittance costs in Pacific developing economies are historically higher than the global and Asian averages—the combination of small market scale, which prevents remittance providers from scaling operations, and derisking, which reduced correspondent banking relationships by 60% between 2011 and 2022, have raised banking transaction costs, including remittance fees (ADB 2024a). Mobile money channels cost the least—3.8% in Asia—but usage of mobile money channels remains limited compared to banks and money transfer operators. Scaling digital technology applications enough to bring down the average costs of remitting through traditional channels might take the industry beyond 2030.

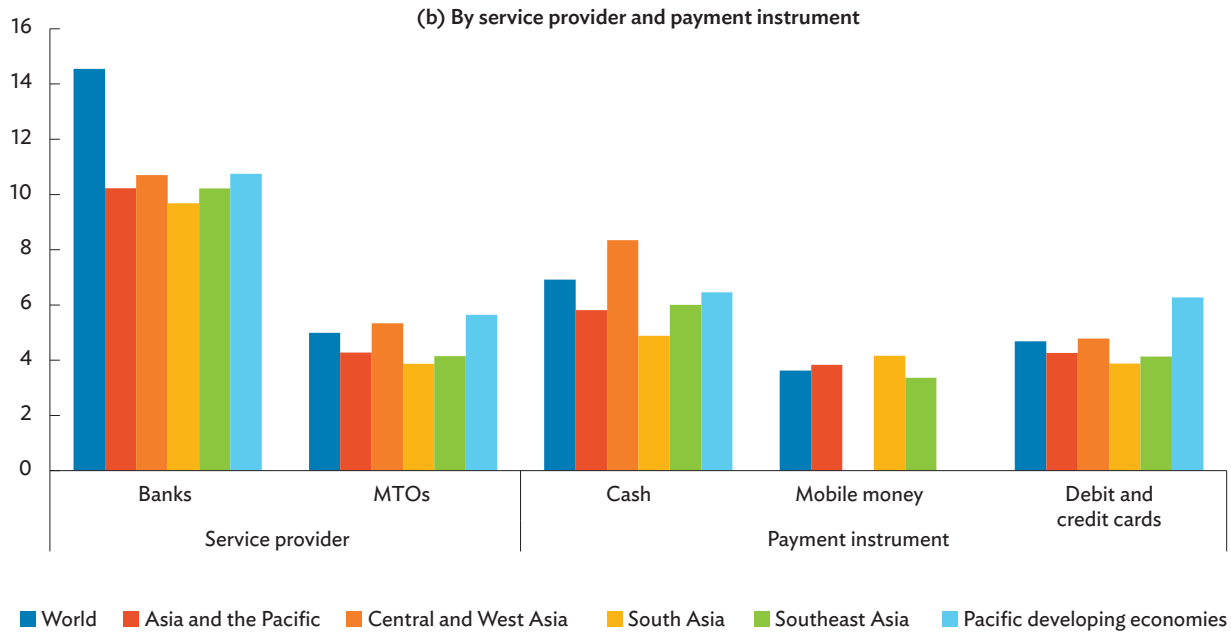
Even in markets where mobile-enabled remittances are starting to gain a solid foothold, cost is still an issue. A survey of 44,000 remittance senders and receivers in 20 Asian economies found digital applications to be the most popular channel for sending and receiving remittances in the region (DigiconAsia 2025). However, despite finding digital channels fast, secure, and reliable, users find digital fees to be high even in major remittance corridors and high-volume markets.

Figure 5.17: The Average Cost of Sending $200 (% of transaction value, as of Q1 2025)



continued on next page

Figure 5.17: continued



MTO = money transfer operator, Q = quarter, SDG = Sustainable Development Goal.

Source: World Bank. Remittance Prices Worldwide. https://remittanceprices.worldbank.org/ (accessed January 2026).

Beyond mobile remittance channels, stablecoins have emerged as a potential means for facilitating cross-border transfers. While their use remains limited, they may offer efficiencies in cost and speed, provided that appropriate regulatory and risk management frameworks are in place (Box 5.2).

Bridging the Gap Between Financial Literacy and Digital Financial Literacy

Digital financial literacy determines the likelihood of migrants adopting and effectively using digital financial services for remittances.[10] Survey data from the Organisation for Economic Co-operation and Development (OECD) International Network on Financial Education show that in many economies, regardless of their level of development, a significant share of adults manages financial products and services online; yet only a much smaller proportion meets the minimum digital financial literacy threshold (OECD 2023) (Figure 5.18). The use of high digital service is not matched by adequate digital financial literacy. For instance, in the Republic of Korea, 58% of adults use financial services online, but only 8% are considered digitally financially literate. The data also show that digital financial literacy scores are significantly lower among older adults, those with less education, and those with lower income.

Digital financial literacy is more than what online financial service use can explain. This highlights the need for integrated policies that promote digital financial literacy by combining both digital and financial competencies. These findings suggest that in developing economies in Asia, where remittance flows play a critical role in household income and digital finance is rapidly expanding through mobile digital platforms, having little digital financial literacy can increase users' vulnerability to fraud, misunderstandings about fees or exchange rates, and difficulty in identifying secure providers. At the same time, these economies have an opportunity to embed digital financial literacy into broader financial inclusion strategies and consumer protection frameworks.

[10] Digital financial literacy is defined as the skills, knowledge, confidence, and competencies to "safely use digitally delivered financial products and services, to make informed financial decisions and act in one's best financial interest per individual's economic and social circumstance" (Alliance for Financial Inclusion and ASEAN Working Committee on Financial Inclusion 2021).

Box 5.2: Stablecoins and Cross-Border Remittances

A stablecoin is a type of digital currency designed to maintain a stable value by being pegged to a traditional fiat currency such as the United States (US) dollar or to a specified asset, or a pool or basket of assets (McKinsey & Company 2025; Financial Stability Board 2020). Unlike traditional cryptocurrencies, such as Bitcoin or Ether, which can experience drastic price fluctuations within minutes, stablecoins maintain relatively constant values, making them more suitable for savings, and cross-border and real-time payments and remittances (G7 Working Group on Stablecoins 2019). Examples of stablecoins are USDT (Tether), USDC (USD Coin), Circle (USDC), EUR CoinVertible (EURCV), and Maker's DAI.

Stablecoins can be an alternative to traditional and digital remittance systems because of their faster processing times and lower fees (Ante 2025). Sending money through traditional remittance channels (such as banks and money transfer operators) typically involves multiple intermediaries, including correspondent banks, clearing houses, and local agents, with each intermediary charging a fee and collectively driving up the total cost for the sender. In the first quarter of 2025, this would cost anywhere from 5% to 15% of the remitted amount and would take a few days to be fully processed.[a] Digital remittances cost less, around 3.6%, and are processed in real time. In contrast, stablecoin transactions are nearly instantaneous, and often cost below $0.01 per transfer, but can climb to $3–$6 during congesting (Boston Consulting Group 2025). Cross-border flows into stablecoins are found to be larger in the corridors where the cost of traditional remittances is higher (Auer, Lewrick, and Paulick 2025).

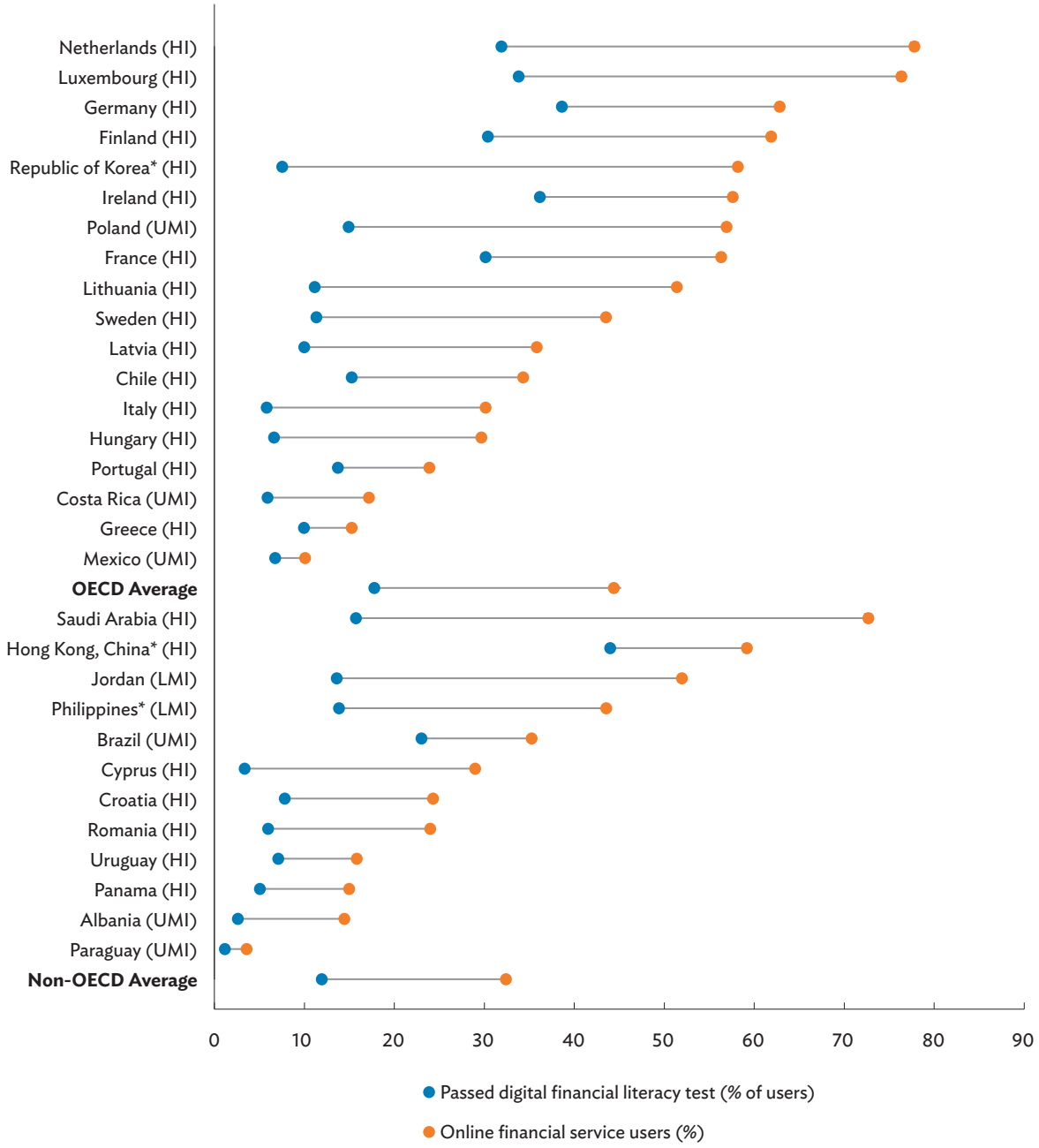
Stablecoins are gaining traction in Asia and the Pacific, particularly in economies with significant remittance flows. In the United Arab Emirates (UAE), Circle—the issuer of USD Coin (USDC)—has started to explore the integration of stablecoins into payment systems, with potential application in major corridors such as the UAE–Philippines, and UAE–Pakistan (Merani 2025). In Southeast Asia, both the Philippines and Singapore have brought stablecoins under regulatory oversight. In the Philippines, Coins.ph has launched a peso-pegged stablecoin (PHPC), with claims that its use in remittance transactions could reduce fees to as low as 0.1%–0.3% (Coins.ph 2025). In Singapore, the Monetary Authority of Singapore (MAS) finalized a regulatory framework for single-currency stablecoins in 2023, under which the StraitsX Singapore Dollar (XSGD) is issued and used in payments and digital financial services (Monetary Authority of Singapore 2023). In Viet Nam, one estimate suggests that about 7.8% of remittance inflows in the first half of 2025 were settled in stablecoins despite the absence of a legal framework (Aiden and Jo 2025), while in Thailand, Siam Commercial Bank launched a cross-border remittance service using stablecoin settlement in 2024 following a regulatory sandbox pilot (Siam Commercial Bank 2024).

Despite these promising developments, the stablecoin remittance landscape remains challenged by several structural and regulatory hurdles, the most pressing of which is regulatory fragmentation. While some jurisdictions like the US have made strides in passing stablecoin legislation and reserve requirements, many countries still lack clear frameworks for their use (Waliczek and Yeung 2025). This uncertainty makes it difficult for remittance providers to operate confidently across borders (Zetzsche, Arner, and Buckley 2020). Also, on/off-ramp infrastructure—the systems that allow users to convert stablecoins into local fiat currency—is still underdeveloped in many regions. Without reliable and affordable conversion mechanisms, stablecoin recipients may find themselves unable to use their digital funds for everyday expenses. In addition, while traditional remittance channels are widely accessible through cash and branch networks, stablecoin usage still requires smartphones, internet connectivity, and digital literacy—resources that remain unevenly distributed, especially in rural or developing countries (ITU 2023).

[a] World Bank (accessed 2025).

Sources: Aiden and Jo (2025); Ante (2025); Auer, Lewrick, and Paulick (2025); Boston Consulting Group (2025); Coins.ph (2025); Financial Stability Board (2020); ITU (2023); McKinsey & Company (2025); Merani (2025); Monetary Authority of Singapore (2023); Siam Commercial Bank (2024); Waliczek and Yeung (2025); Zetzsche, Arner, and Buckley (2020).

Figure 5.18: Online Financial Service Use and Digital Financial Literacy, 2022 (% of respondents)



HI = high income, LMI = lower middle income, OECD = Organisation for Economic Co-operation and Development, UMI = upper middle income.

Notes:

(i) "*" represents economies in Asia; online financial service users refers to "adults who manage financial products and services online."
(ii) Financially literate refers to "adults who manage financial products and services online and score the minimum target digital financial literacy score."
(iii) The OECD International Network on Financial Education 2023 Survey covered 39 economies, using the 2022 questionnaire to collect data from 68,826 adults aged 18–79.
(iv) The digital financial literacy score in the survey is designed to capture an individual's level of digital financial literacy, as a combination of knowledge, skills, attitudes, and behaviors necessary to safely use digital financial services and technologies.

Source: OECD (2023).

National strategies, including financial inclusion strategies, do not always incorporate digital financial literacy initiatives tailored to migrant communities.

While digital financial literacy (DFL) is addressed as part of broader financial education initiatives, the strategy does not specify DFL programs tailored to the needs of migrant workers or their families. Despite strong incentive for migrants and their families to use cross-border digital financial services (DFS), which typically cost much less compared to traditional channels, a lack of knowledge in digital financial education limits migrants' openness to using digital remittance avenues. In this context, there may be value in considering how DFL efforts can be aligned with the unique financial behaviors and challenges of migrant households. Table 5.2 maps the national strategy for financial inclusion of some key remittance-receiving economies in Asia, the inclusion of migrant workers as a target for such strategies, and the presence of DFL initiatives (or its lack thereof).

Table 5.2: National Strategies for Financial Inclusion and Digital Financial Literacy in Selected Asian Economies

Category	Philippines	Cambodia	Samoa	Nepal	Tajikistan
Official Document	National Strategy for Financial Inclusion 2022–2028	National Financial Inclusion Strategy 2019–2025	National Financial Inclusion Strategy 2022/2023–2025/2026	Fourth Strategic Plan 2022–2026 Financial-Literacy-Framework-2022.pdf	National Financial Inclusion Strategy 2022–2026
Lead Agency	Bangko Sentral ng Pilipinas	National Bank of Cambodia	Central Bank of Samoa	Nepal Rastra Bank	National Bank of Tajikistan
DFL Mentioned?	Yes, under Strategic Objective 2	Not in particular but digital payment systems are mentioned	Yes, under alignment with Money Pacific Goals 2025, which aims for a healthy financial life for the Pacific	Yes. It is defined in the framework and digital financial literacy is identified as part of the delivery of financial literacy (item 4.2)	Briefly, digital financial literacy was mentioned as a component of a project in conjunction with the IFC in 2019–2021
Purpose of DFL	Build informed use of DFS and consumer protection	General financial literacy aims to "increase consumer empowerment and protection, and finance sector transparency"	Enhance financial capability and consumer protection	Promote consumer safety in using digital financial services and make digital financial literacy part of the financial literacy activities and programs	No specific mention of DFL but general financial literacy is one of the four key areas of the National Financial Inclusion Strategy
Migrants and/or Their Families	Migrant workers and their families listed as underserved	"Dependents" (that is, remittance recipients) are among the target segments in Item 45 of the NFIS document	Migrants mentioned as key remittance senders; families are implied beneficiaries of remittance-linked financial inclusion efforts	Migrant workers and remittance receivers are mentioned among the target segments of Nepal's financial literacy framework	Item 70 suggested that convenient savings and loan products be developed for remittance senders and their families by better understanding remittance amounts and frequency of remittance flows
Remittances	Priority use case for DFS	The development of remittance channels is included in the plan to expand "digital payment system capabilities"	Focus sector promoting DFS	Yes, remittance recipients are among the target segments	The document recognized Tajikistan's dependence on remittance and encouraged the linking of money transfers to bank accounts "customers can take advantage of digital payment opportunities"

continued on next page

Table 5.2: continued

Category	Philippines	Cambodia	Samoa	Nepal	Tajikistan
DFL Initiatives	DFL is integrated in a broader financial literacy framework that includes content on DFS safety, digital assets, and MSME financing	No specific DFL initiative but there is a plan to transition to digital transactions	DFL is integrated into broader financial literacy initiatives under Strategic Pillar 5; no stand-alone DFL program specified	DFL is included in the financial literacy programs submitted by banks and financial institutions	No specific DFL initiative
Monitoring and Evaluation Indicators for DFL	No dedicated DFL indicators; tracked through general financial literacy (% of adults with passing scores) and DFS usage	No dedicated DFL indicators	No dedicated DFL indicators; relevant aspects tracked under general financial literacy	No dedicated DFL indicators, but the framework mandates that all banks report on all the financial literacy programs conducted while NRB will evaluate financial literacy activities and programs at the macro level	No dedicated DFL indicators; relevant aspects tracked under general financial literacy
Internet penetration (%)	80.8%	73.6%	88.8%	62.8%	44.3%
Mobile subscription (per 100 people)	117.3	120.8	62.4	133.3	126.2
Remittances (% GDP)	8.5%	6.4%	25.9%	25.7%	45.4%

DFL = digital financial literacy, DFS = digital financial services, GDP = gross domestic product, IFC = International Finance Corporation, MSME = micro, small, and medium-sized enterprise, NFIS = national financial inclusion strategy, NRB = Nepal Rastra Bank.

Note: Internet penetration refers to the percentage of households with internet access at home.

Sources: Bangko Sentral ng Pilipinas; National Bank of Cambodia, Central Bank of Samoa, Nepal Rastra Bank, and National Bank of Tajikistan; Our World in Data. https://ourworldindata.org/grapher/mobile-cellular-subscriptions-per-100-people?tab=table (accessed January 2026); and International Telecommunication Union. https://datahub.itu.int/ (accessed January 2026).

Policy Implications and Conclusions

Scaling up hard and soft infrastructure across the region—including public digital and data infrastructure—through an integrated policy focus, will help widen the scope and reach of digitalization and reduce remittance costs.

The global digital economy was about $16 trillion (15% of global GDP) in 2024 (International Data Center Authority 2025). Within the region, Southeast Asia's digital economy alone is expected to grow to $300 billion by the end of 2025 from increased e-commerce in wholesale and retail goods and services, transport and tourism industries, financial services, online media, including social media, streaming, and gaming (Ng 2025). The drive to successfully serve the growing needs of consumers, enterprises, and governments requires increased investments in fiber technology and more resources to support cross-border efforts to harmonize regulatory frameworks, interoperability standards, digital governance conventions, and digital and cybersecurity capacity building (Asian Infrastructure Investment Bank 2020; International Monetary Fund 2023; Pankert et al. 2023; Tech for Good Institute 2025).

The quality of remittance statistics requires further improvement. With remittance transactions, including digital transactions, growing in importance over the past few decades, it is imperative that accurate and comprehensive data be collected on time. This will help in identifying trends, understanding the use of remittances, and developing targeted interventions to harness the positive impact of remittances on poverty reduction, economic growth, and financial inclusion. Improved data on remittances will directly support the Sustainable Development Goals indicators on reducing remittance costs and increasing the volume of remittances.

A well-defined policy program would help more Asian economies to promote digital remittance.

Coordinating policies around cross-border interoperability and regulatory challenges would expand the number of digital remittance corridors in the region. Countries around South and Southeast Asia (Malaysia, Indonesia, Singapore, the Philippines) are investing in state-led initiatives to develop interoperable infrastructure. Interoperability offers significant ease of transaction to users and positive spillover effects to providers. However, ensuring that banks, mobile network operators, and fintech companies adopt common technical standards and settlement protocols poses significant difficulties. These are exacerbated by infrastructure challenges. As usage increases, interoperable systems must overcome scaling issues: latency (transaction processing delay), higher failure rates, bottlenecks in processing between providers' back-end systems. Ensuring that all apps and banks maintain reliable uptime under high loads is also a challenge.

Wide gaps in financial literacy and digital financial literacy suggest a growing need for integrated policies that combine both competencies.

Asia's developing economies with higher dependence on remittance need to embed digital financial literacy into broader financial inclusion strategies and consumer protection frameworks. Cross-border digital financial services, such as international remittances, may require migrant workers and their families to have higher digital financial capability as they must navigate exchange rates, transfer fees, multiple service providers, regulatory differences across jurisdictions, and increasing cybersecurity risks.

Studies recommend joint design of financial literacy programs and digital product onboarding materials, with remittance service providers and local community-based organizations executing education campaigns to reach disadvantaged or digitally excluded groups (Alliance for Financial Inclusion and ASEAN Working Committee on Financial Inclusion 2021). Specifically, partnerships that enable the collection and analysis of user data (migrant demographics, pain points, digital usage rates) hold the potential to tailor financial literacy content more effectively. An example is the SentBe-United Nations Capital Development Fund toolkit developed for South Asian migrants through insights from both cross-border remittance data and local engagement (Kamau, Gonzalez-Caro, and Hossain 2023). Combining online modules (provided by remittance platforms and international agencies) with in-person neighborhood training delivered by local nongovernment organizations has proven to increase effectiveness, especially where digital access and literacy are low (Morgan, Huang, and Trinh 2020).

International Tourism

Tourism Remains a Bright Spot for Economic Growth

Tourism is vital for economic growth across Asia, driving revenues, foreign exchange earnings, employment, and livelihood opportunities. In 2024, travel and tourism contributed $3.2 trillion to the region's economies (up by 3.2% versus 2019) and supported more than 200 million jobs (1 in 10). Tourism's GDP share was 8.4% (down from 9.8% in 2019), reflecting faster growth in the broader economy and subregional variations in recovery even as output returned to levels before coronavirus disease (COVID-19) lockdowns decimated business. The sector is already on a jobs-intensive growth path. The World Travel and Tourism Council (WTTC) projects tourism to reach $6.2 trillion by 2035, about 11.2% of regional GDP, with employment rising to 260.4 million, or 12.7% of total regional employment in 2035 (Table 5.3). The next question is where momentum is strongest—and which strategic levers can propel transformation toward resilient, higher-value growth.

To understand how quickly—and where—momentum has returned since the end of the pandemic, it is useful to start with regional patterns in international arrivals and receipts. By the end of 2024, Asia reached 96.3% of 2019 arrival volumes while receipts exceeded the 2019 benchmark by 5%, signaling full recovery in value terms (Figure 5.19b) despite slightly lower visitor numbers. This makes Asia the second-most-visited region globally after Europe, with its share of worldwide arrivals recovering from a pandemic low of 13.3% (2021) to 27.4% by 2024 (Figure 5.19a).

Table 5.3: Economic Impact of Tourism in the Asia and Pacific Region

Year	GDP Contribution		Travel and Tourism Jobs	
	GDP Amount ($ trillion)	GDP Share (%)	Employment (million)	Employment Share (%)
2019	3.1	9.8	190.8	10.3
2024	3.2	8.4	200.1	10.3
2025[a]	3.6	9.1	207.0	10.6
2035[a]	6.2	11.2	260.4	12.7

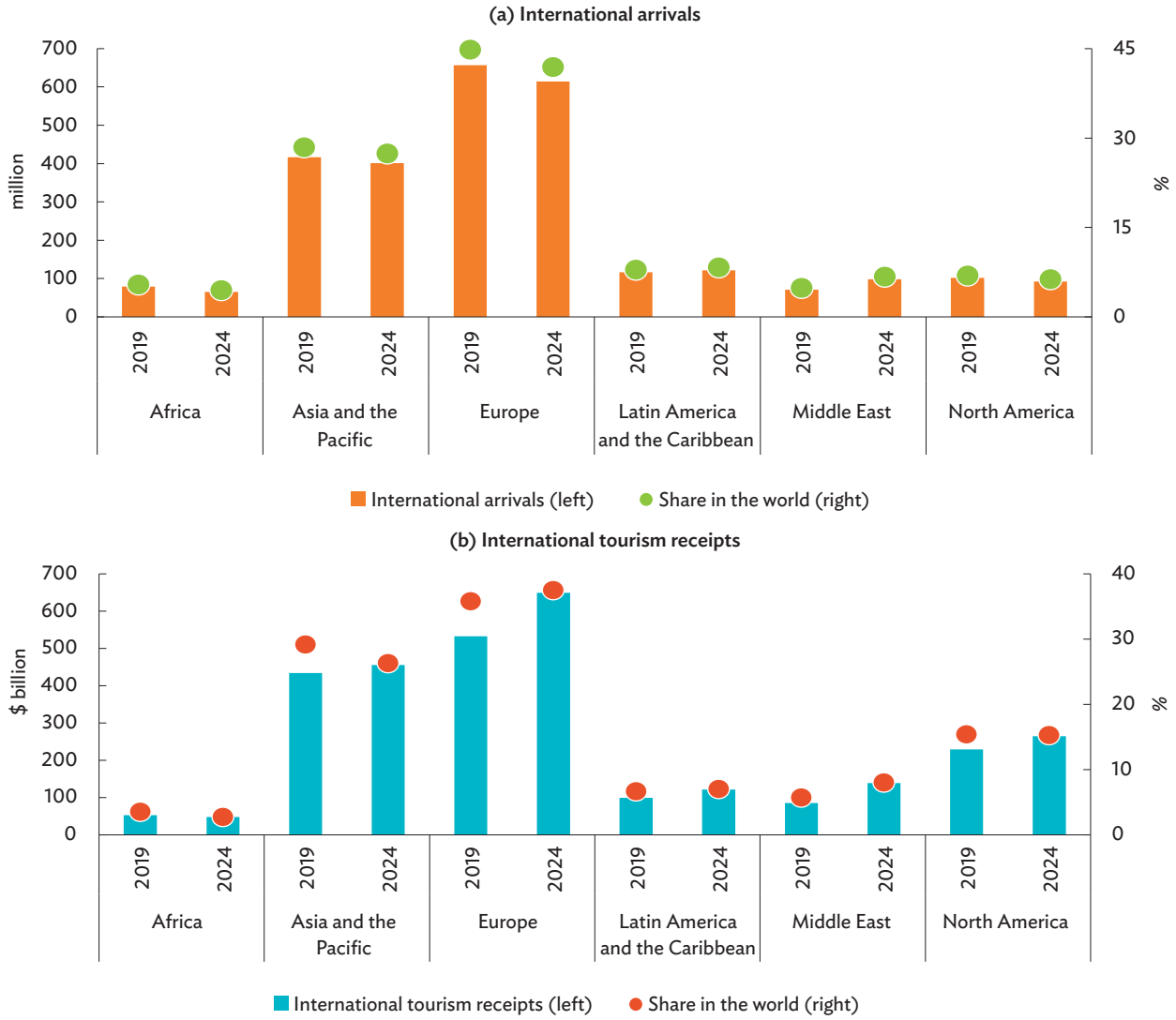
GDP = gross domestic product.

[a] = forecast

Note: The World Travel and Tourism Council only has data for Armenia; Australia; Azerbaijan; Bangladesh; Brunei Darussalam; Cambodia; the People's Republic of China; Fiji; Georgia; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Kiribati; the Republic of Korea; the Kyrgyz Republic; the Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; New Zealand; Pakistan; Papua New Guinea; the Philippines; Singapore; Solomon Islands; Sri Lanka; Taipei,China; Tajikistan; Thailand; Tonga; Türkiye; Uzbekistan; Vanuatu; and Viet Nam.

Source: ADB calculations using data from World Travel and Tourism Council Research Hub. Interactive Economic Impact Dashboard. https://researchhub.wttc.org/dv-dashboard (accessed September 2025).

Figure 5.19: Tourism Performance by Region of Destination



Sources: ADB calculations using data from CEIC Data Company (accessed September 2025); Euromonitor Passport (accessed September 2025); UN Tourism. Compendium of Tourism Statistics data set. https://www.unwto.org/tourism-statistics/tourism-statistics-database (accessed September 2024); and UN Tourism. World Tourism Barometer, September 2025. https://doi.org/10.18111/wtobarometereng (accessed October 2025).

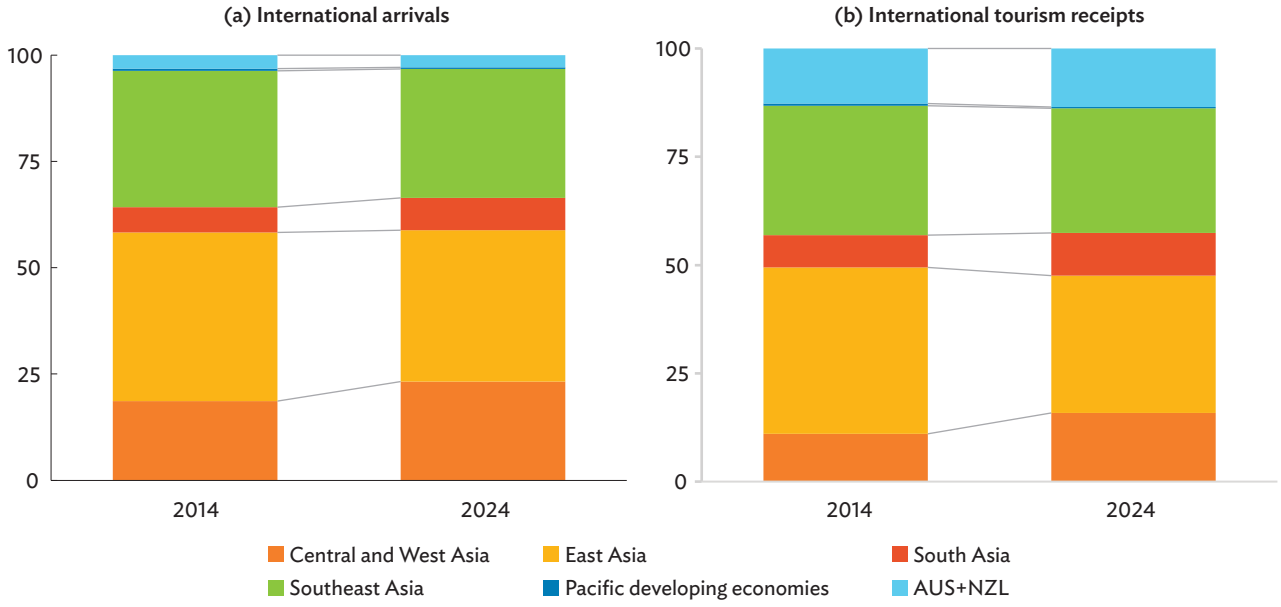
The aggregate rebound masks significant subregional variation. East Asia has historically accounted for the largest shares of both arrivals and receipts, with Southeast Asia consistently second (Figure 5.20a). Australia and New Zealand remain small in arrivals (approximately 3% of the Asia total) but command 12%–14% of tourism receipts, indicating substantially higher spending per visitor—a pattern driven primarily by high-value tourism in the two destinations (Figure 5.20b).

A notable shift has been Central and West Asia's rapid ascent. Its share of Asia's arrivals increased from 18.6% in 2014 to 23.2% in 2024, while East Asia's share declined from 39.6% to 35.6% and Southeast Asia's fell from 32.1% to 30.3% (Figure 5.20a). The pre-pandemic period (2016–2019) showed particularly strong momentum, with Central and West Asia's international tourism receipts growing at 18.0% a year and arrivals at 20.3%—double-digit gains that positioned the subregion as one of the region's fastest-growing destinations (Figure 5.21).

Strategies have diverged between different economies. Many destinations prioritized volume, expanding arrivals faster than receipts. Tajikistan and Uzbekistan recorded exceptional growth in both (each above 48% compound annual growth rate), while Australia, Japan, and New Zealand tilted toward higher yield, raising receipts per visitor even as arrival growth moderated (Figure 5.22).

Taken together—Central and West Asia's rapid rise from a modest base, Southeast Asia's durable second position, and Australia and New Zealand's small share but outsized receipts—the picture is one of differentiated performance. Having mapped where growth occurred, the next step is to understand why some destinations translate infrastructure and facilitation into arrivals and value more effectively than others, and why certain origin–destination pairs realize potential while others remain underdeveloped. This motivates the push–pull analysis in the next section.

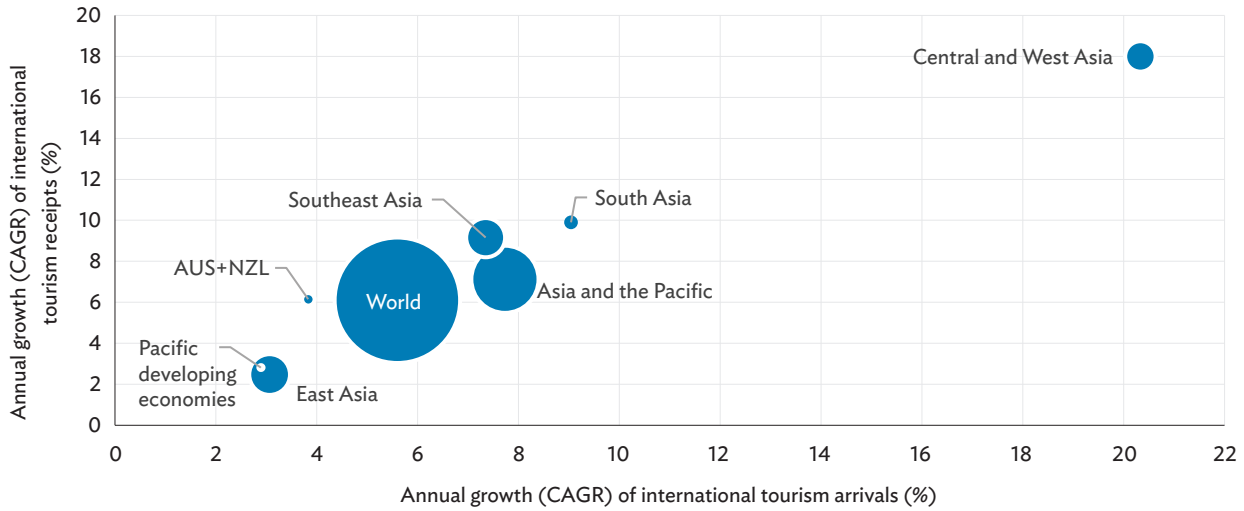
Figure 5.20: Percentage Share of Subregion to Asia and the Pacific *(%)*



AUS = Australia, NZL = New Zealand.

Sources: ADB calculations using data from CEIC Data Company (accessed September 2025); Euromonitor Passport (accessed September 2025); UN Tourism. Compendium of Tourism Statistics data set. https://www.unwto.org/tourism-statistics/tourism-statistics-database (accessed September 2024); and UN Tourism. World Tourism Barometer, September 2025. https://doi.org/10.18111/wtobarometereng (accessed October 2025).

Figure 5.21: Tourism Performance by Subregion, 2016-2019—Asia and the Pacific

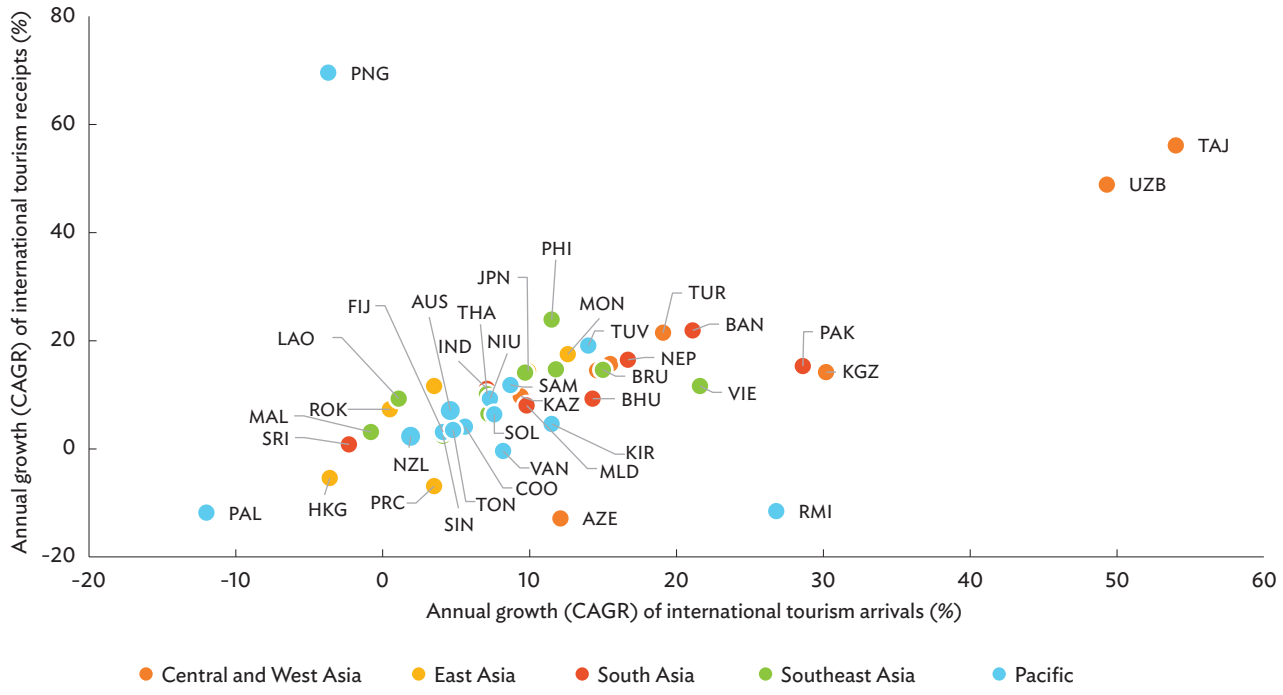


AUS = Australia, CAGR = compound annual growth rate, NZL = New Zealand.

Note: The size of the bubble represents the number of international tourism arrivals in 2019.

Sources: ADB calculations using data from CEIC Data Company (accessed September 2025); Euromonitor Passport (accessed September 2025); UN Tourism. Compendium of Tourism Statistics data set. https://www.unwto.org/tourism-statistics/tourism-statistics-database (accessed September 2024); and UN Tourism. World Tourism Barometer, September 2025. https://doi.org/10.18111/wtobarometereng (accessed October 2025).

Figure 5.22: Tourism Performance by Economy, 2016-2019—Asia and the Pacific



AUS = Australia; AZE = Azerbaijan; BAN = Bangladesh; BHU = Bhutan; BRU = Brunei Darussalam; PRC = People's Republic of China; CAGR= compound annual growth rate; COO = Cook Islands; FIJ = Fiji; HKG = Hong Kong, China; IND = India; INO = Indonesia; JPN = Japan; KAZ = Kazakhstan; KIR = Kiribati; ROK = Republic of Korea; KGZ = Kyrgyz Republic; LAO = Lao People's Democratic Republic; MAL = Malaysia; MLD = Maldives; RMI = Marshall Islands; MON = Mongolia; NEP = Nepal; NIU = Niue; NZL = New Zealand; PAL = Palau; PAK = Pakistan; PNG = Papua New Guinea; PHI = Philippines; SAM = Samoa; SIN = Singapore; SRI = Sri Lanka; SOL = Solomon Islands; TAJ = Tajikistan; THA = Thailand; TON = Tonga; TUV = Tuvalu; TUR = Türkiye; UZB = Uzbekistan; VAN = Vanuatu; VIE = Viet Nam.

Sources: ADB calculations using data from CEIC Data Company (accessed September 2025); Euromonitor Passport (accessed September 2025); UN Tourism. Compendium of Tourism Statistics data set. https://www.unwto.org/tourism-statistics/tourism-statistics-database (accessed September 2024); and UN Tourism. World Tourism Barometer, September 2025. https://doi.org/10.18111/wtobarometereng (accessed October 2025).

Determinants of International Tourism Flows: Push-Pull Factors

Tourism flows result from the interplay of origin-side and destination-side forces. Push factors reflect the capacity and propensity of source markets to generate outbound travel. Pull factors capture the attractiveness and readiness of destinations to convert interest into arrivals and spending. In competitiveness terms, push and pull function as the demand and supply engines of performance (Dupeyras and MacCallum 2013). Push sets the potential scale and rhythm of demand from each origin. Pull determines which origin–destination pairs realize that potential and at what value.

Push Factors—Origin Capacity and Propensity

Outbound travel depends on the conditions in the traveler's place of origin. The push factors influence the capacity and the willingness of consumers to travel. The main drivers of market potential include the following:

Income and demographics drive travel demand. Rising disposable incomes make international travel more accessible, with 1.1 billion individuals or 40% of the global population expected to afford travel by 2030 (World Travel Market London and Tourism Economics 2025). Age structure and household composition also determine trip frequency, purpose (i.e., leisure, business), travel timing, length of stay, and spending patterns. For instance, Generation Z (or individuals born between 1997 and 2012) prioritizes affordability of travel more than any other considerations compared to other age groups (World Travel and Tourism Council 2023).

Economic conditions shape travel behavior. During periods of economic slowdown, consumers adjust how they allocate their discretionary budgets. Inflation cuts into purchasing power, employment levels affect household confidence, and policy measures, such as taxes and incentives, can either stimulate or constrain outbound travel. Recent economic uncertainties have shifted travelers' priorities. While cost remains a key factor, travelers now optimize value by choosing destinations where their currency stretches further, rather than reducing their overall travel budget (World Travel and Tourism Council 2023).

Digital readiness lowers transaction costs. High internet penetration, widespread mobile adoption, and familiarity with digital platforms minimize search friction and simplify booking processes, making trip planning faster and easier. However, visa restrictions may pose challenges and narrow the gains despite rising incomes and digital readiness. Technology such as travel applications and artificial intelligence tools are increasingly vital for providing personalized experiences. This is especially critical for engaging younger travelers, who rely heavily on mobile devices for accessing travel-related services (World Travel Market London and Tourism Economics 2025).

From Structural Factors to Market-Specific Propensity

These drivers combine differently in each origin to produce distinct travel behavior. Performance shows up along two dimensions: trip propensity—how often people travel (e.g., overseas trips per 1,000 people)—and yield—spending per trip. Singapore exemplifies high-frequency propensity: residents averaged about 1,880 trips per 1,000 people in 2019—among the highest globally (Figure 5.23). Recent consumer research echoes this, with many Singaporeans trimming domestic food-and-retail outlays to preserve spending power for travel abroad (Visa 2024b).

Australia demonstrates a contrasting pattern of high-value, low-frequency propensity (458 trips per 1,000 people, $4,048 per trip): high capacity, but long distances and concentrated holiday calendars mean fewer, and longer trips with higher expenditure (7–14 days).

Outside Asia, similar patterns emerge. France, Spain, and the US pair moderate propensity with relatively high per-trip spending. Meanwhile, Germany, the Netherlands, the United Arab Emirates, and the United Kingdom exhibit high-propensity/mid-spend behavior typical of well-connected short-haul travel within Europe and the Middle East (Figure 5.23).

Why Propensity Matters for Strategy

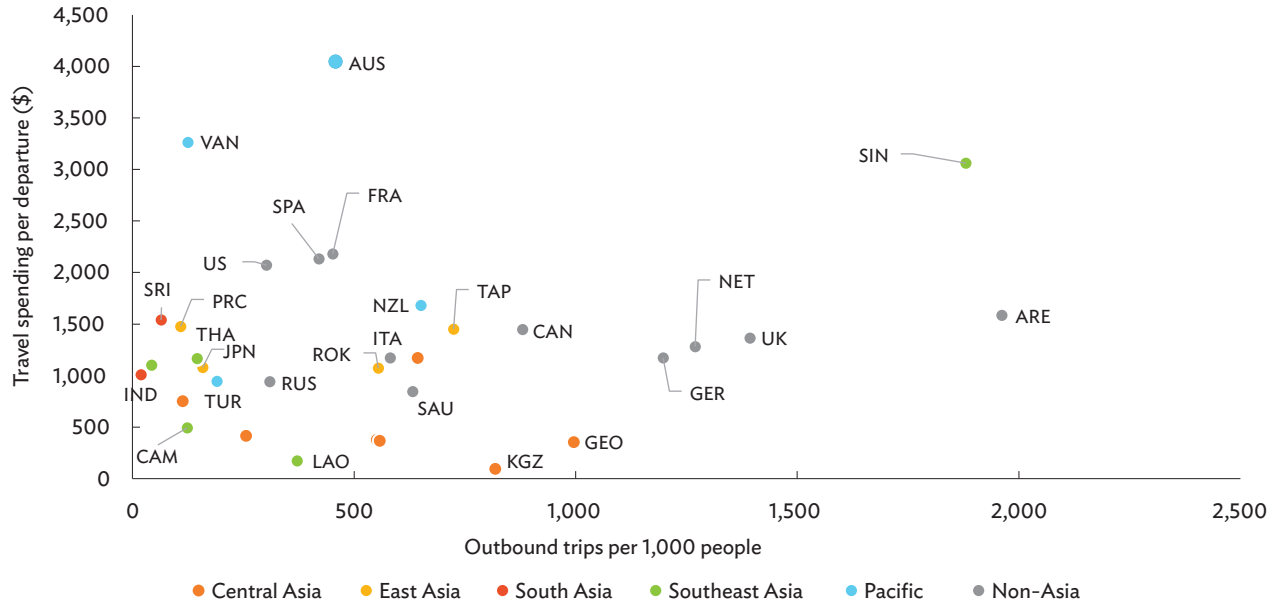
Understanding these patterns is essential because rising incomes alone do not guarantee proportional

travel growth. In 2019, Europe accounted for 40% of global outbound spending while Asia represented 29%. The World Travel and Tourism Council projects that Asia will overtake Europe by 2035, reaching 38% of the $2.7 trillion global outbound market.[11] However, this expanding origin capacity represents potential and not realized flows. Which destinations capture this demand depends on pull factors: the destination-side appeal and bilateral characteristics that convert intent into arrivals and spending.

Pull Factors—Destination-Side Features

Pull conditions determine which origin–destination pairs convert first and at highest value. The foundations—natural attractions (e.g., biodiversity, climate, landscapes), cultural assets (e.g., cuisine, festivals, heritage sites), and cultural and social experiences—create a destination's core appeal (World Economic Forum 2019). Whether appeal turns into bookings depends on enabling systems on the destination-side: overall openness and predictable border processes; air, sea, and surface connectivity that reduce total travel time; sufficient and quality tourist services (e.g., hotel rooms and supporting facilities) that shape length of stay and travel expenditure; safety and political stability that build confidence; and digital readiness and payments that lower search and booking frictions. Emerging evidence also shows that geopolitical tensions can lead to sharp declines in tourism flows, with studies documenting sizable drops in cross-border travel during periods of friction (Akram et al. 2023; and Wujie 2023).

Figure 5.23: Outbound Tourism by Select Source Markets, 2019



ARE = United Arab of Emirates; AUS = Australia; CAM = Cambodia; CAN = Canada; PRC = People's Republic of China; FRA = France; GER = Germany; GEO = Georgia; IND = India; ITA = Italy; JPN = Japan; ROK = Republic of Korea; KGZ = Kyrgyz Republic; LAO = Lao People's Democratic Republic; NZL = New Zealand; NET = Netherlands; RUS = Russian Federation; SAU = Saudi Arabia; SIN = Singapore; SPA = Spain; SRI = Sri Lanka; TAJ = Tajikistan; TAP = Taipei,China; THA = Thailand; TUR = Türkiye; UK = United Kingdom; US = United States; VAN = Vanuatu.

Note: Not all economies in Asia have data on departures.

Sources: ADB calculations using data from UN Tourism. Statistics Database, November 2023. https://www.unwto.org/tourism-statistics/tourism-statistics-database. (accessed October 2025) and World Travel and Tourism Council. Research Hub Interactive Economic Impact Dashboard. https://researchhub.wttc.org/dv-dashboard. (accessed October 2025).

[11] Values computed from World Travel and Tourism Council Research Hub Interactive Economic Impact Dashboard. Interactive Economic Impact Dashboard.

A Regional Competitiveness Snapshot

Across Asia, cultural and non-leisure assets generally match or exceed global benchmarks. The region averages 7.6 World Heritage cultural sites per economy (versus about 7.5 globally) and higher non-leisure digital demand (7.8 versus about 6.4). Natural pull is mixed. There are more World Heritage natural sites per economy (2.9 versus about 2.0 globally), but a lower protected-land share (12.8% versus 15.9%). Within the region, East Asia leads on cultural and non-leisure demand. Meanwhile, Australia and New Zealand lead on natural assets, whereas Southeast Asia, South Asia, and Central and West Asia tend to trail on one or more dimensions.[12] Southeast Asia trails on protected-land share and nature digital demand; South Asia on both protected share and online interest; Central and West Asia on World Heritage natural sites, protected share, and demand. These shortfalls reflect visibility and conservation-management gaps more than a lack of assets. Recent analysis in ADB's *Asia-Pacific Climate Report 2025: Unlocking Nature for Development* underscores how material these assets are for the region's economies, estimating that about 75% of GDP in Asia is directly or indirectly tied to nature-dependent sectors such as tourism, agriculture, and fisheries, reinforcing that natural pull is not just an amenity but a core economic asset (ADB 2025c).

Enablers such as internet penetration, mobility across borders, and transport are broadly near global norms. Internet penetration is close to parity (about 71% versus 75% globally) and mobile broadband subscriptions are similar (about 97 versus 95 per 100 people), with near-universal 3G/4G coverage. Border facilitation and overall connectivity are comparatively strong, while ground transport exceeds global averages but formal air-services agreements lag, and seaport services and hotel capacity per capita are below average. Subregional patterns are clear. East Asia leads in digital uptake and hub connectivity. Australia and New Zealand perform strongly in tourist services. Southeast Asia achieves highest visa openness. South Asia lags on internet access, while Central and West Asia shows steady improvement from a lower base.[13] These enablers are critical to turning intent into realized trips and without them, demand remains unrealized regardless of origin strength or destination appeal (ADB 2025a).

In 2024, Asia's accommodation costs remain generally below the global sample (both hotel and short-term rental prices), while fuel is higher and the composite price competitiveness score still sits above the world average. Since 2019, accommodation prices have risen across most subregions, but Asia's relative advantage persists. Variation within the region is wide: costs are typically lowest in parts of Central and West Asia, and South Asia, mixed across Southeast Asia, moderate in East Asia, and highest in Australia and New Zealand.[14]

On safety and security, the picture is broadly comparable to, and in some respects slightly stronger than, global norms, although pockets of elevated terrorism risk and organized violence persist. Within the region, perceptions of community safety are generally strongest in Australia and New Zealand, while East Asia performs steadily on conventional safety metrics, South Asia tends to report softer perceptions of night safety, and Central and West Asia shows improvement but remains uneven.[15] Gallup's Global Law and Order Index, which measures whether people feel safe walking alone at night and trust local police, shows a similar pattern: Australia and New Zealand, and several economies in Southeast Asia, and East Asia score well above the global average, while many destinations in Central and West Asia, and South Asia sit closer to or below it (Gallup 2025). The Global Peace Index similarly places many Asian economies in the upper half of global rankings, even as a subset of destinations continue to face elevated terrorism or conflict risks (Institute for Economics and Peace 2025).

[12] Summary based on World Economic Forum Travel and Tourism Development Index (WEF TTDI) indicators for natural, cultural, and non-leisure resources (2019, 2024 editions). WEF TTDI 2024.

[13] Summary based on WEF TTDI indicators for infrastructure (2019, 2024 editions). WEF TTDI 2024.

[14] Summary based on WEF TTDI indicators for price competitiveness (2019, 2024 editions). WEF TTDI 2024.

[15] Summary based on WEF TTDI indicators for safety and security (2019, 2024 editions). WEF TTDI 2024.

Bilateral Features

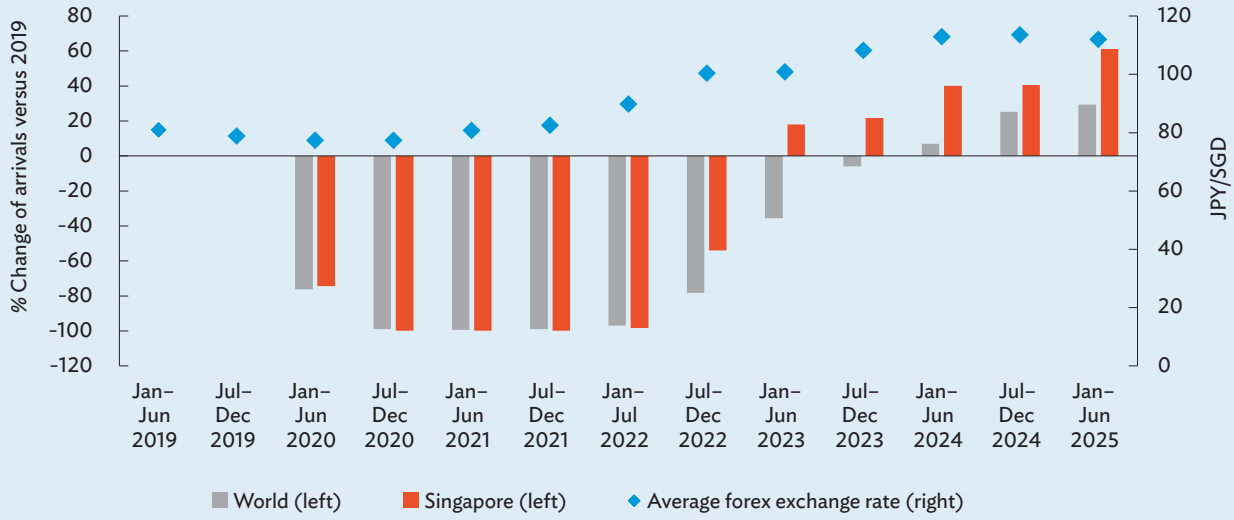
Distance, route connectivity, visa policies, and relative costs significantly influence travelers' decision-making process, independently of destination quality. Shorter distances, direct routes, and progressive visa facilitation raise booking likelihood and speed of sector's recovery, while long distances, limited connections, and restrictive requirements constrain flows even when destinations are strong. Exchange rates create additional corridor-specific variation: currency movements shift relative affordability, making the same destination appear differently priced to different origin markets (which Box 5.3 illustrates through the depreciation of the Japanese yen). Because these factors vary by origin-destination pair rather than destination characteristics alone, they create corridor-specific patterns that require targeted policy responses. Box 5.4 translates these patterns into a push-pull diagnostic map of corridor competitiveness.

Box 5.3: Exchange Rates and Tourism Recovery—Japan's Experience

Exchange rates function as bilateral-specific price mechanisms: currency depreciation makes destinations more affordable from specific origin markets. Japan illustrates this bilateral effect. The yen's 40%+ depreciation against the United States dollar from 2019 to 2024 improved affordability for foreign visitors, with inbound arrivals exceeding pre-pandemic levels by 6.9% in the first half of 2024. Yet, elasticity estimates vary by origin: 1%-yen depreciation increases arrivals from the People's Republic of China by 1.5%, but Singaporean arrivals by only 0.7% (Mastercard Economics Institute 2025).

International arrivals from Singapore recovered more rapidly than Japan's overall inbound tourism. By June 2023, inbound flows from Singapore had already surpassed the 2019 volume by 18% and by the second half of 2024, they were 40.1% higher than pre-pandemic volumes (box figure). According to Mastercard Economics Institute (2025), the appreciation of the Singapore dollar against the yen during the first half of 2024 helped offset the rise in hotel and flight prices and this contributed to a boost in arrivals from Singapore. Visa's Global Travel Intentions Study shows that 21% of Singapore travelers prefer Japan as their next destination, with local cuisine cited as the main attraction. Japan also ranked as the top destination for Singaporean spending in December 2023 (Visa 2024a). Travel from Singapore to Japan continued to increase, exceeding its 2019 arrivals by 61.2% during the first half of 2025 (box figure). Supported by favorable exchange rate and strong traveler preference, this growth trend is expected to continue.

International Arrivals to Japan by Origin and Average Foreign Exchange Rate



Source: ADB calculations using data from CEIC Data Company (accessed October 2025).

Source: ADB.

Box 5.4: From Flows to Strategy: Push–Pull Drivers of International Tourism in Asia and the Pacific

Between 1995 and 2024, subregions in Asia and the Pacific took distinct paths. Southeast Asia strengthened both traveler capacity and destination readiness, reaching high performance on both fronts. South Asia's fast-growing middle class lifted outbound demand, yet infrastructure and facilitation gaps limited conversion. Central and West Asia expanded air capacity and modernized infrastructure, but arrivals from higher-income Asian markets remained modest.

A gravity model for bilateral flows in Asia and the Pacific (1995–2024) measures contributions of origin factors (income, population, and digital access), destination factors (attractions, air connectivity, safety, and infrastructure), and bilateral corridor features—distance/travel time, visa status, shared borders, common language, and affordability captured by a bilateral real exchange rate (relative prices). Origin, destination, and year fixed effects control for unobserved traits and global shocks. Year fixed effects explain roughly 12%–25% of variation, showing that global conditions (interest-rate cycles, oil prices, recessions, pandemics) matter alongside local fundamentals.

On the origin side, a 1% increase in income generates roughly 4%–10% more outbound travel, while larger populations and better digital infrastructure (internet access, online booking platforms) also significantly lift outbound flows. On the destination side, a 1% improvement in attractions (heritage sites, natural assets) raises arrivals by 2%–5%, while better air connectivity, tourist services, and safety perceptions all demonstrate positive effects. Distance and visa restrictions reduce flows as expected, while shared borders and common language also increase flows. Visa policies have substantial effects: restrictive requirements reduce arrivals by 32%–52% depending on the subregion, with Central and West Asia, and South Asia experiencing the largest reductions.

Across roughly 30 subregional corridors, four groups could emerge from the push–pull map. Strategic priorities (high push–high pull) comprise six corridors where large, higher-income origin markets align with destinations offering strong attractions, favorable safety perceptions, robust transport connectivity, and high-quality service capacity—indicating structural readiness on both sides. East Asia to Southeast Asia exemplifies this pattern: high incomes and large populations in the People's Republic of China, Japan, and the Republic of Korea generate massive outbound capacity, while Southeast Asia's rich cultural and natural attractions, and the expansion in air transport infrastructure and tourist services infrastructure convert that demand efficiently. Nine corridors show untapped potentials (high push–low pull), where travel-ready origins (e.g., Australia, the People's Republic of China, Japan, the Republic of Korea) meet destination constraints. For example, South Asia's limited flight frequencies and safety perceptions curb the likelihood of travel from East Asia. Underutilized opportunities, defined by low push-high pull dynamics, spans nine corridors where destinations are competitive but outbound propensity at the origin is modest. The remaining six fall under long-term development (low push–low pull), with foundational constraints on both sides. Bilateral features—relative prices, flight time and direct connectivity, and visa reciprocity—then tilt outcomes within each group, explaining why seemingly similar corridors convert differently and indicating the most immediate levers (fares/fees, schedules, or visa facilitation) to unlock demand.

The push-pull diagnostic reveals that binding constraints vary systematically across corridors: some face destination infrastructure and facilitation gaps, others encounter awareness and connectivity limitations despite adequate supply readiness, while well-functioning corridors require capacity management and sustainability approaches. Like export and investment promotion agencies, well-resourced tourism promotion organizations can help materialize potential flows by targeting high-potential corridors with coordinated marketing, route development, and facilitation support. This variation suggests that tourism development strategies—and associated institutional arrangements— benefit from matching interventions to specific performance gaps in origin-destination pairs rather than applying uniform solutions across diverse contexts.

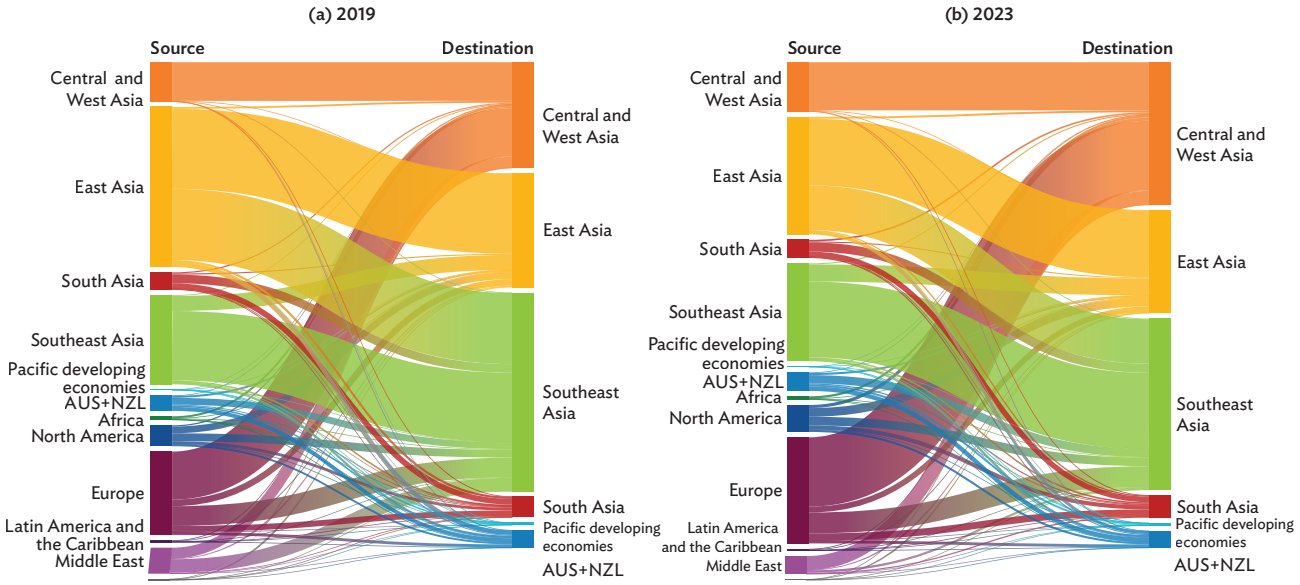
Source: Rodolfo (2025).

Concentration Risk and the Case for Diversification

Destinations that attract large volumes from a handful of nearby sources perform well but carry concentration risk. Globally, four in five tourists travel within their region (UN Tourism 2020). In Asia, 70.1% of 2019 arrivals were intraregional, with East Asia supplying 34.9% and Southeast Asia 19.4% (Figure 5.24a). Europe contributed a smaller 18.2% of arrivals but 17.5% of travel export revenues,[16] indicating a high-value profile. This concentration creates vulnerability. When these dominant origins experience shocks, exposed destinations lack alternative source markets to offset losses. During the 2022 reopening, when East Asia eased travel restrictions later than other regions, its share of arrivals to Asia dropped to 7.2% and its revenue contribution to 27.5%.[17]

Between 2019 and 2023, the inflow mix became more diversified, with Europe emerging as a growing source, although intraregional travel remained dominant at 65.8%. East Asia's dominance as a source market softened, while Central and West Asia, Southeast Asia, North America, and Europe gained share. On the destination side, Southeast Asia and East Asia's intake eased, while Central and West Asia emerged as the relative gainer (Figure 5.24b). The net effect is that intraregional travel remains the anchor, but reliance on one market has moderated—strengthening the case for diversification. This concentration is efficient in calm times but risky during times of shock. The PRC episode

Figure 5.24: Bilateral Inbound Tourism Flows to Asia (excluding the PRC)



AUS = Australia, PRC = People's Republic of China, NZL = New Zealand.

Notes: Central and West Asia includes tourism flows to Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Türkiye, and Uzbekistan. East Asia includes tourism flows to Hong Kong, China; Japan; the Republic of Korea; Mongolia; and Taipei,China. South Asia includes tourism flows to India, Maldives, Nepal, and Sri Lanka. Southeast Asia includes tourism flows to Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam. Pacific developing economies include tourism flows to the Cook Islands, Fiji, Kiribati, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Sources: ADB calculations using data from CEIC Data Company (accessed October 2025); Haver Analytics (accessed October 2025); UN Tourism Statistics Database, October 2025. https://www.e-unwto.org (accessed November 2025); and official sources (accessed October 2025).

[16] ADB calculations based on Organisation for Economic Co-operation and Development - World Trade Organization (OECD-WTO) Balanced Trade in Services data set.

[17] ADB calculations based on OECD-WTO Balanced Trade in Services data set.

illustrates how a single origin can transmit large swings to exposed destinations (Box 5.5).

Achieving diversification requires moving beyond reactive responses to strategic portfolio management. Individual economies cannot rebalance their source portfolios alone because the constraints requiring coordination span borders. Regional cooperation provides the mechanism to address these corridor-specific mismatches systematically, strengthening competitive positioning across multiple origin markets simultaneously. This portfolio approach builds structural resilience by reducing dependence on any single high-push origin. The experience of economies in the Association of Southeast Asian Nations (ASEAN) demonstrates this in practice.

Regional Cooperation as a Pull Multiplier: The ASEAN Case

Many of the most significant barriers to tourism operate across borders. Regional cooperation platforms can therefore multiply national reforms by addressing these corridor-wide bottlenecks simultaneously. ASEAN provides a practical illustration. By coordinating on travel facilitation and connectivity, the bloc has strengthened factors that pull tourists to the region, helping shift multiple corridors from "untapped potential" toward "strategic priorities" and improving resilience after disruptions.

The changes for travelers are substantial. Visa exemptions and e-visas make entry simpler. The ASEAN Single Aviation Market has expanded flights and improved schedules,

Box 5.5: Impact of Slowdown of Outbound Tourism from the People's Republic of China on Asia

The coronavirus disease (COVID-19) pandemic led to a sudden halt in cross-border travel, resulting in a drastic drop in international arrivals and tourism receipts. Many destinations in Asia and the Pacific are heavily dependent on tourists from the People's Republic of China (PRC). From 2015 to 2019, arrivals from the PRC to Asia increased from 54.5 million to 70 million but plummeted by 89.6% in 2020. Among the subregions, East Asia was the most severely affected. For instance, the PRC accounted for an average of 66.7% of total inbound arrivals of Hong Kong, China from 2015 to 2019. During the same period, travelers from the PRC accounted for more than 30% of international arrivals in Palau (45.6%), the Republic of Korea (38.5%), Mongolia (31.7%), and Viet Nam (31.2%).

The PRC is also a significant contributor to global services imports. In 2019, 13.8% of global travel imports and 3.2% of total global services imports were attributed to the PRC. A large share of the PRC's travel imports was from Asia and the Pacific. East Asia comprised at least 30% of total PRC travel imports from 2015 to 2019. Meanwhile, travel imports from Southeast Asia to the PRC are smaller, the value of travel imports increased 29% from 2015 to 2019, increasing its share from 8.7% in 2015 to 10.2% in 2019.

The PRC's outbound tourism is vital in the economies of many destinations, particularly those in East Asia and Southeast Asia. Travel restrictions due to COVID-19 pandemic emphasize the need to examine how external shocks in the tourism sector impact other industries within economies.

Using a Global Trade Analysis Project model, the study analyzes the impact of changes in the PRC's outbound tourism on Asia and the Pacific through three simulations: broader economic and sector impacts of the expansion of tourists from the PRC from 2017 to 2018; its slump in 2020; and its cautious recovery from 2021 to 2022. The findings reveal that higher volume of tourists from the PRC boost gross domestic product (GDP) and exports in all subregions in Asia, while GDP and export losses are notable when the volume of tourists declines. The slowdown in the PRC's outbound tourism resulted in a -0.05% decline in GDP of the Pacific developing economies and 0.01% in East Asia, amounting to a $526.57 million loss. Moreover, East Asia suffered steep reductions in exports of recreational services (-33.16%) and accommodation, food and beverage services (27.47%). This indicates the subregion's vulnerability to fluctuations in outbound travel from the PRC.

While the PRC remains a significant source market for many destinations in Asia, the study underscores the importance of market diversification to enhance resilience against future shocks. Dependence on a single market exposes destinations to significant risks. Thus, identifying new and emerging markets, along with strengthening domestic and regional tourism, can help economies reduce their dependence on a single or limited set of markets and build a more adaptable tourism sector.

Source: Narayanan, Domingo, and Basu Das (2025).

cutting travel time. Mutual recognition of standards has lifted quality perceptions across member economies. Shared digital infrastructure has improved how trips are discovered, booked, and paid for. Together, these interventions increase destination attractiveness while reducing bilateral frictions, raising conversion rates, encouraging longer stays, and generating higher spending per visitor.

ASEAN's tourism cooperation evolved deliberately over 4 decades. Early political commitment came with the Manila Declaration in 1987. The ASEAN Tourism Agreement in 2002 expanded collaboration across facilitation, transport, standards, and marketing. The visa exemption framework in 2006 enabled visa-free intra-ASEAN travel (ASEAN Secretariat 2012). The Single Aviation Market liberalized regional air transport, expanding capacity and lowering fares. External agreements with the PRC (ASEAN Secretariat 2010) and the EU (ASEAN Secretariat 2022) widened market access to key partner markets. The current ASEAN Tourism Sectoral Plan (2026–2030) prioritizes resilient tourism, workforce development, seamless travel, digital transformation, and sustainability toward a 2045 vision of regional leadership in quality tourism.

ASEAN's coordinated infrastructure strengthens member destinations together, sustaining performance across multiple corridors while reducing vulnerability to shocks in any single source market—directly addressing the concentration risk illustrated in Box 5.6. Regional cooperation shifts multiple corridors simultaneously from constrained potential to realized performance.

Building on the analysis and enablers above, the next section outlines recommendations to translate competitive potential into gains across diverse contexts.

Recommendations for Advancing Tourism Competitiveness in Asia

Drive Recovery into Value Creation, Jobs, and Source Market Diversification

Asia's tourism sector reached $3.2 trillion in 2024, supporting 1 in 10 jobs, with projected growth to $6.2 trillion and 260 million jobs by 2035. Converting this momentum into durable gains requires raising both visitor volumes and receipts per arrival. Strategic priorities vary by context. For instance, employment-intensive economies like Indonesia, the Philippines, and Thailand should invest in workforce development and the digitization of small and medium-sized enterprises (SMEs) to capture multiplier effects across food suppliers, transport providers, and local enterprises. Tourism-dependent island economies like Fiji and Maldives need premium product development to strengthen external balances. Addressing geographic concentration, where gateway cities face overtourism while secondary destinations remain underutilized, requires improved road links, accommodation financing, and multidestination packaging that disperses visitors and creates employment in emerging areas. Enabling dispersion through secondary gateway development, improved road connectivity, accommodation financing, and multidestination packaging would generate substantial incremental employment while relieving pressure on saturated destinations. Building intrasubregional travel reduces dependence on long-haul origins and creates more resilient revenue streams.

Integrate Tourism into Macroeconomic Monitoring and Policy Response Systems

Tourism increasingly functions as a traded service sector with stabilization properties—generating foreign exchange, strengthening current accounts, and enabling faster recovery from external shocks. As a result, commitments under the General Agreement on Trade in Services (GATS) and services chapters in regional trade agreements, which shape market access and regulatory predictability for tourism and related services, form an important part of the enabling environment. Yet, real-time monitoring remains limited. Annual statistics arrive with extended lags, and most economies lack Tourism Satellite Accounts to track contributions to GDP, employment, and balance of payments. Institutionalizing satellite accounts alongside a compact dashboard that provide insights on origin market shares, receipts per arrival, and spending patterns can enable timely policy adjustments. This integration also supports proactive

management of concentration risk. Destinations drawing from balanced portfolios of Asian and extraregional sources absorbed disruptions more effectively during 2019–2023 and recovered faster, with diversified approaches dampening foreign exchange volatility. This integration supports tourism's role as contributor to external resilience and fiscal stability: reliable gateways and predictable regulatory environments sustain visitor confidence; deeper products and digital readiness raise value per visitor and extend length of stay; and diversified sources stabilize foreign exchange earnings particularly for economies where tourism is the primary services-export earner.

Resolve Destination Supply Constraints to Draw in Latent Demand

The analysis reveals systematic mismatches between origin market capacity and destination readiness. South Asia demonstrates a pronounced gap. Despite world-class heritage sites, Himalayan landscapes, and rich cultural diversity, the subregion captures modest flows from East Asia, and Southeast Asia. This represents substantial unrealized arrivals and employment potential in hospitality, transport, and tourism-linked sectors. Binding constraints include visa complexity, limited direct air connectivity, safety perceptions, and essential infrastructure gaps in water supply and sanitation facilities meeting international standards, reliable information and communication technology connectivity for digital payments and online bookings affecting visitor satisfaction. Central and West Asia demonstrates a similar untapped potentials pattern from high-capacity East Asia, and Southeast Asia. Even where infrastructure investments have been made in recent years, destination pull is constrained by limited direct connectivity from major markets, destination awareness gaps, and insufficient tourism service standards. While the subregion's arrival share grew from 17.8% in 2015 to 23.2% in 2024, actual flows remain far below potential given origin market capacity.

Evidence from tourism value-chain analysis—including ADB's multiregional input–output work and the Central Asia Regional Cooperation (CAREC) Tourism Strategy—shows that additional tourism demand can generate large multipliers in domestic economies, with most on-site spending in hotels, restaurants, and local transport sourced locally, while international airlines, online platforms, and foreign tour operators often control key distribution channels and higher-margin segments. Strengthening domestic SMEs and destination management organizations, improving standards and regulatory frameworks, and expanding access to digital tools therefore becomes vital to deepening local supplier linkages and raising the share of tourism value added captured onshore (APEC 2019; and Fujita 2018). Regional platforms can help operationalize these reforms by harmonizing facilitation procedures, supporting collective air service negotiations, aligning safety and quality standards, and cofinancing essential utilities, digital infrastructure, and skills development so that domestic firms are better positioned to participate in regional tourism value chains and capture more of the value created by growing visitor flows.

Use Regional Cooperation to Remove Cross-Border Barriers and Scale Solutions

ASEAN's experience demonstrates how coordinated action multiplies national reforms. By aligning facilitation standards, liberalizing air services, underpinned by progressively deeper services commitments in regional trade agreements, and establishing mutual recognition frameworks, the bloc strengthened destination competitiveness across all member states simultaneously. Across Asia, air services markets are more liberalized than in regions like Latin America but remain heterogeneous. In East and Southeast Asia, low-cost carriers now account for around one-third of available seat-kilometers in Asia—the highest regional share globally—and roughly 55%–60% of seat capacity on many intra-ASEAN routes following the rollout of the ASEAN Single Aviation Market, indicating relatively contestable regional markets (Wang et al. 2024). By contrast, the case of CAREC highlights that, despite the rapid growth of low-cost carriers, intrasubregional markets still suffer from limited competition, few direct links between capitals, and restrictive bilateral regimes, underscoring the role of regional open-skies–

type agreements in unlocking tourism connectivity (ADB 2024b). The model is replicable. CAREC and the South Asia Subregional Economic Cooperation can adopt phased liberalization road maps combined with co-created multidestination experience corridors (e.g., Mekong heritage routes, Silk Road circuits, Pacific island-hopping packages) that extend visitor stays from single-destination averages of 6–8 days to regional circuit averages of 10–14 days. These packages require coordinated transport schedules, unified booking platforms, and transparent pricing structures. Such cooperation addresses both supply bottlenecks and concentration risk by building network effects that individual economies cannot achieve independently.

Leverage Multilateral Development and the Private Sector for Targeted Interventions

Multilateral development banks are positioned to address the specific constraints revealed by this analysis through differentiated approaches that match economy contexts. Employment-intensive economies benefit most from investments that strengthen workforce skills, expand SME access to digital platforms, and improve booking infrastructure—interventions that translate competitive gains directly into jobs. Tourism-dependent island states face a different challenge. Sustaining revenues while building resilience against climate impacts and market shocks requires balancing infrastructure investments with source diversification strategies and flexible financing mechanisms. Emerging destinations with strong cultural and natural assets but limited current flows need foundational support—improving entry systems, ensuring reliable utilities at tourism sites, and de-risking early-stage route development where commercial financing remains cautious despite evidence of latent demand. In several contexts, technical assistance on services trade negotiations can complement these investments by helping economies use commitments under the GATS and free trade agreements to lock in facilitation gains and strengthen regulatory transparency in tourism and related services. Financial instruments—such as concessional and blended-finance loans for tourism infrastructure, partial risk guarantees and viability-gap funding for airport and port upgrades, and time-bound, performance-based incentives or risk-sharing facilities for new routes and tourism SMEs—can help unlock corridors where origin capacity and destination readiness exist but thin connections constrain conversion.

References

Aiden and J. Jo. 2025. Stablecoins as Vietnam's Parallel Financial System. https://reports.tiger-research.com/p/stablecoins-as-vietnams-parallel-vnd-eng.

Akram, K., M. A. Mamun, S. A. Raza, and M. T. Suleman. 2023. Global Geopolitical Crisis and Tourism Development in the USA. *Current Issues in Tourism*. 27(20). pp. 3352–3368.

Alliance for Financial Inclusion and ASEAN Working Committee on Financial Inclusion. 2021. *Policy Note on Digital Financial Literacy for ASEAN*. ASEAN Secretariat. October.

Ante, L. 2025. From Adoption to Continuance: Stablecoins in Cross-Border Remittances and the Role of Digital and Financial Literacy. *Telematics and Informatics*. 97(102230).

Asare, J. G. 2024. The H-1B Visa Controversy: Cheap Labor, Racism and the American Divide. *Forbes*. 30 December. https://www.forbes.com/sites/janicegassam/2024/12/30/the-h-1b-visa-controversy-cheap-labor-racism-and-the-american-divide/.

Asian Development Bank (ADB). 2024a. *Asian Economic Integration Report 2024: Decarbonizing Global Value Chains*.

———. 2024b. *Low-Cost Carrier Opportunities, Air Transport Liberalization, and Post-Pandemic Recovery in CAREC*.

———. 2025a. *Asian Economic Integration Report 2025: Harnessing the Benefits of Regional Cooperation and Integration*.

———. 2025b. *Asian Development Outlook (ADO) July 2025: Slower Growth Amid Tariffs and Uncertainty.*

———. 2025c. *Asia-Pacific Climate Report 2025: Unlocking Nature for Development*.

Asian Development Bank Institute (ADBI), Organisation for Economic Co-operation and Development (OECD), and International Labour Organization (ILO). 2024. *Labor Migration in Asia: Trends, Skills Certification, and Seasonal Work*.

Asia-Pacific Economic Cooperation (APEC). 2019. *SMEs' Integration into Global Value Chains in Services Industries: Tourism Sector*.

Asian Infrastructure Investment Bank. 2020. *Digital Infrastructure Sector Analysis*.

Association of Southeast Asian Nations Secretariat (ASEAN Secretariat). 2007. *ASEAN Economic Community Blueprint*. https://afcwp.asean.org/wp-content/uploads/2020/09/Blueprint20071130203135.pdf.

———. 2010. *Air Transport Agreement between the Governments of the Member States of the Association of Southeast Asian Nations and the Government of the People's Republic of China.* https://asean.org/dialogue-partners/air-transport-agreement-between-the-governments-of-the-member-states-of-the-association-of-southeast-asian-nations-and-the-government-of-the-peoples-republic-of-china/.

———. 2012. *ASEAN Tourism Agreement.* https://asean.org/asean-tourism-agreement/.

———. 2022. Joint Press Release on the Signing of the ASEAN–EU Comprehensive Air Transport Agreement. https://asean.org/joint-press-release-on-the-signing-of-the-asean-eu-comprehensive-air-transport-agreement/.

———. 2024. Vientiane Declaration on Skills Mobility, Recognition and Development for Migrant Workers. https://asean.org/wp-content/uploads/2024/10/22a-Final_Vientiane-Declaration-on-Skills-Mobility-Recognition-and-Development.pdf.

Auer, R., U. Lewrick, and J. Paulick. 2025. DeFiying Gravity? An Empirical Analysis of Cross-Border Bitcoin, Ether and Stablecoin Flows. *BIS Working Paper*. No. 1265. Bank for International Settlements.

B2B Asia News. 2024. Digital Payments Via Bakong Reach USD 54.8B In First Half Of 2024. 10 August. https://b2b-asianews.com/articles/digital-payments-via-bakong-reach-usd-548b-in-first-half-of-2024/.

Bangko Sentral ng Pilipinas. https://www.bsp.gov.ph/SitePages/Default.aspx (accessed February 2026).

Bangladesh Bank. https://www.bb.org.bd/en/ (accessed January 2026).

Batista, C. and P. Vicente. 2021. Is Mobile Money Changing Rural Africa? Evidence from a Field Experiment. Centre for Research and Analysis of Migration *Discussion Paper Series*. No. 16/21. University College London.

Boston Consulting Group. 2025. Stablecoins Five Killer Tests to Gauge Their Potential. White Paper. https://media-publications.bcg.com/Stablecoins-five-killer-tests-to-gauge-their-potential.pdf.

Cambodia Investment Review. 2024a. Cambodia's Digital Transaction Volume Exceeds $492 Billion in 2023, Indicating Substantial Growth in Cashless Transactions. 1 April. https://cambodiainvestmentreview.com/2024/04/01/cambodias-digital-transaction-volume-exceeds-492-billion-in-2023-indicating-substantial-growth-in-cashless-transactions/.

———. 2024b. Cambodia Central Bank Enhances Digital Payment Systems Amid Growing Adoption: NBC Fiscal Stability Report 2023. 10 June. https://cambodiainvestmentreview.com/2024/06/20/cambodia-central-bank-enhances-digital-payment-systems-amid-growing-adoption-nbc-fiscal-stability-report-2023/.

Campos, O. 2025. Trump's Policy to Affect BPOs, Remittances. *Manila Standard*. 19 January. https://manilastandard.net/business/314548526/trumps-policy-to-affect-bpos-remittances.html.

Central Bank of Armenia. https://www.cba.am/en/ (accessed February 2026).

Central Bank of Samoa. https://cbs.gov.ws/ (accessed February 2026).

Coins.ph. 2025. Coins.ph Brings Cheaper and Faster Remittances to All. 19 May. https://www.coins.ph/en-ph/blog/coins-ph-brings-cheaper-and-faster-remittances-for-all.

Crivelli, P., J. Marand, and G. Y. Pascua. 2022. Liberalizing Services Trade in the Regional Comprehensive Economic Partnership: Status and Ways Forward. *ADB Briefs*. No. 237. Asian Development Bank.

Cruces, G., H. Jawara, A. Touray, and F. Singhateh. 2020. Information, Price, and Barriers to Adoption and Usage of Mobile Money: Evidence from a Field Experiment in the Gambia. *SSRN Electronic Journal*. February. https://doi.org/10.2139/ssrn.3537903.

DigiconAsia. 2025. Survey Data Shows Varied Digital Remittance Use and Fee Concerns Among Asia Pacific Respondents. 18 August.

Dupeyras, A. and N. MacCallum. 2013. Indicators for Measuring Competitiveness in Tourism: A Guidance Document. *OECD Tourism Papers*. 2013/02.

European Commission, Migration and Home Affairs. 2025. EU Blue Card: Attracting Highly Qualified Talent to the EU. 1 May. https://home-affairs.ec.europa.eu/policies/migration-and-asylum/legal-migration-and-resettlement/work/eu-blue-card-attracting-highly-qualified-talent-eu_en#resources.

Faber, B. 2024. Improved Immigration: Japan's Solution to Its Population Crisis. *Harvard International Review*. 30 October. https://hir.harvard.edu/improved-immigration-japan/.

Financial Stability Board. 2020. *Regulation, Supervision and Oversight of "Global Stablecoin" Arrangements*. https://www.fsb.org/2020/10/regulation-supervision-and-oversight-of-global-stablecoin-arrangements/.

Fintech News Singapore. 2023. Cambodia's New Fintech Policy Revealed. 3 November. https://fintechnews.sg/79792/cambodia/cambodias-new-fintech-policy-Reveiled/.

Fujita, M. 2018. Global Value Chains in ASEAN: Tourism. *Global Value Chains in ASEAN.* Paper 16. https://www.asean.or.jp/main-site/wp-content/uploads/2024/03/GVC-in-ASEAN_paper-16_Tourism.pdf.

Heyer, A. and I. Mas. 2009. Seeking Fertile Grounds for Mobile Money. GSMA. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/wp-content/uploads/2012/03/fertile_grounds_mobile_money55.pdf.

G7 Working Group on Stable Coins. 2019. Investigating the Impact of Global Stablecoins. Bank for International Settlements. October. https://www.bis.org/cpmi/publ/d187.pdf.

Gallup. 2025. *The Global Safety Report: A Safer World in Unsafe Times?* https://www.gallup.com/analytics/356996/gallup-global-safety-research-center.aspx.

Gao, Y. 2025. As US Raises H-1B Visa Fee Canada Faces Test in Talent Race. *China Daily*. 29 September. https://www.chinadaily.com.cn/a/202509/29/WS68d9ee38a310f735438b2dd7.html.

Gates Foundation. 2013. *Fighting Poverty, Profitably: Transforming the Economics of Payments to Build Sustainable, Inclusive Financial Systems*.

Global Partnership for Financial Inclusion. 2024. *Promoting Financial Inclusion through Digitalization of Remittances. International Fund for Agricultural Development*. June.

Gooding, D. 2025. H-1B Visas Under Scrutiny as Big Tech Accelerates Layoffs. *Newsweek*. 1 August. https://www.newsweek.com/h1b-visa-immigrants-tech-jobs-impact-college-grads-2106392.

Government of Australia, Department of Home Affairs. https://www.homeaffairs.gov.au/ (accessed January 2026).

Government of Canada. 2024. 2025–2027 Immigration Levels Plan. 24 October. https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html.

Government of Canada, Open Government Canada. https://open.canada.ca/data/en/dataset (accessed January 2026).

Government of Saudi Arabia, General Authority for Statistics. https://www.stats.gov.sa/en/ (accessed January 2026).

Government of Sri Lanka, Ministry of Foreign Affairs, Foreign Employment, and Tourism. 2023. Employment Opportunities for Sri Lankans in Japan—Conducting Examinations in Construction Skills Test Under Specified Skilled Worker (SSW) Programme of Japan, Launched in Sri Lanka. 6 December. https://mfa.gov.lk/en/employment-opportunities-for-sri-lankans-in-japan-conducting-examinations-in-construction-skills-test-underspecified-skilled-worker-ssw-programme-of-japan-launched-in-sri-lanka/.

Government of Thailand, Board of Investment. 2023. Benefits to Promoting the Employment of Highly Skilled Personnel Under the Thailand Plus Package. 14 March, updated 11 July. https://www.boi.go.th/index.php?page=press_releases_detail&topic_id=136393&_module=news&from_page=press_releases2&language=en.

Government of the United Kingdom, Home Office. https://www.gov.uk/government/organisations/home-office (accessed January 2026)

Government of the United States, Department of Homeland Security, US Citizenship and Immigration Services (USCIS). 2025. H-1B FAQ. https://www.uscis.gov/newsroom/alerts/h-1b-faq.

Gowder, C. 2023. Useful Stats: A Look at the H-1B Vsa Program by Industry, Employer and State. State Science and Technology Institute. https://ssti.org/blog/useful-stats-look-h-1b-visa-program-industry-employer-and-state.

Hazan. E., A. Madgavkar, M. Chui, S. Smit, D. Maor, G. S. Dandona, and R. Huyghues-Despointes. 2024. A New Future of Work: The Race to Deploy AI and Raise Skills in Europe and Beyond. McKinsey Global Institute. https://www.mckinsey.com/mgi/our-research/a-new-future-of-work-the-race-to-deploy-ai-and-raise-skills-in-europe-and-beyond#/.

Heyer, A. and I. Mas. 2009. Seeking Fertile Grounds for Mobile Money. GSMA. https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/wp-content/uploads/2012/03/fertile_grounds_mobile_Money55.pdf.

Immigration New Zealand, https://www.immigration.govt.nz/about-us/research-and-statistics/statistics/ (accessed January 2026).

Institute for Economics and Peace. 2025. *Global Peace Index 2025: Identifying and Measuring the Factors That Drive Peace*.

International Data Center Authority. 2025. *Global Digital Economy Report 2025*.

International Labour Organization (ILO). 2019. Labour Mobility in Pacific Island Countries. Presented at the High-Level Tripartite Forum on Climate Change and Decent Work, Papua New Guinea, 24–26 July. ILO Office for Pacific Island Countries. https://www.ilo.org/publications/labour-mobility-pacific-island-countries.

———. 2024. *Recruitment Fees and Related Costs at a Glance*.

International Monetary Fund. 2023. *Accelerating Innovation and Digitalization in Asia to Boost Productivity.*

International Organization for Migration. 2023. *Skills Mobility Partnerships: Recommendations and Guidance for Policymakers and Practitioners*.

International Telecommunication Union (ITU). 2023. Population of Global Offline Continues Steady Decline to 2.6 Billion in 2023. 12 September. https://www.itu.int/en/mediacentre/Pages/PR-2023-09-12-universal-and-meaningful-connectivity-by-2030.aspx.

Jack, W. and T. Suri. 2016. The Long-Run Poverty and Gender Impacts of Mobile Money. Science. 354 (6317). pp. 1288–1292.

Kamau, J., A. Gonzalez-Caro, and M. Hossain. 2023. Access to and Usage of Digital Remittances: A Case Study of SentBe. Insights. UNCDF Migrant Money, United Nations Capital Development Fund. https://migrantmoney.uncdf.org/resources/insights/access-to-and-usage-of-digital-remittances-a-case-study-of-sentbe/.

Katano, H. 2025. Rising Nepali Population May Shift Top 5 Foreign Nationalities in Japan. *The Mainichi*. 11 March. https://mainichi.jp/english/articles/20250310/p2a/00m/0na/015000c.

Kim, Y. 2025. E-9 Foreign Worker Arrivals Down 21% This Year Amid Economic Slowdown. *The Korea Times*. 22 June. https://www.koreatimes.co.kr/southkorea/society/20250622/e-9-foreign-worker-arrivals-down-21-this-year-amid-economic-slowdown.

Klapper, L., D. Singer, L. Starita, and A. Norris. 2025. *The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy*. World Bank.

Latif, M. A. and S. Sultana. 2025. How Trump's Economic Policies Will Impact South Asia. *Daily Star Bangladesh*. 8 January. https://www.thedailystar.net/opinion/geopolitical-insights/news/how-trumps-economic-policies-will-impact-south-asia-3794211.

Lavenia, A. 2025. Japan Sees Growing Interests for Indonesian Migrant Workers. *Tempo English*. 21 April. https://en.tempo.co/read/1999149/japan-sees-growing-interests-for-indonesian-migrant-workers.

Lee, H. A. 2025. Facilitating Gainful Labour Migration in Southeast Asia Remains an Elusive Task. *ISEAS Perspective*. No. 2025/37. ISEAS–Yusof Ishak Institute.

Lee, J. N., J. Morduch, S. Ravindran, A. Shonchoy, and H. Zaman. 2021. Poverty and Migration in the Digital Age: Experimental Evidence on Mobile Banking in Bangladesh. *American Economic Journal of Applied Economics*. 13(1). pp. 38–71.

Lee, J., M. Mahmud, J. Morduch, S. Ravindran, A. Shonchoy, and S. Sreedharan. 2025. Remitting against Poverty: Eight-year Evidence on Digital Remittances and Rural Poverty. Working paper. https://bpb-us-e1.wpmucdn.com/wp.nyu.

edu/dist/4/5267/files/2025/12/Lee-et-al-Remitting-Against-Poverty-Mobile-Banking-LR-Impacts-12-25-25.pdf.

Lee, S. J. 2025. Korea's New 'Top-Tier' Visa Offers Various Perks to Attract Select Foreign Professionals. *Korea JoongAng Daily*. 5 March. https://koreajoongangdaily.joins.com/news/2025-03-05/national/socialAffairs/Koreas-new-toptier-visa-offers-various-perks-to-attract-select-foreign-professionals/2255172.

Lim, S. and A. Morshed 2014. International Migration, Migrant Stock, and Remittances: Reexamining the Motivations to Remit. *The Quarterly Review of Economics and Finance*. 57. pp. 101–115.

Lim, M. A., I. F. Anabo, A. N. Q. Phan, M. A. Elepano, and G. Kuntamarat. 2023. *The State of Higher Education in Southeast Asia*. Association of Southeast Asian Nations.

Mas, I. and A. Ng'weno. 2010. Three Keys to M-PESA's Success: Branding, Channel Management and Pricing. *Journal of Payments Strategy & Systems*. 4(4). pp. 352–370.

Mas, I. and D. Radcliffe. 2011. Scaling Mobile Money. *Journal of Payments Strategy & Systems.* 5(3). pp. 298–315.

Mastercard Economics Institute. 2025. *Travel Trends 2025: Purpose-Driven Journeys*.

McKinsey & Company. 2025. What Is a Stablecoin? 2 September. https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-a-stablecoin.

Merani, M. 2025. Stablecoin Issuer Circle Targets UAE's $44 Bn Remittance Corridor. *Arabian Gulf Business Insight*. 12 June. https://www.agbi.com/banking-finance/2025/06/stablecoin-issuer-circle-targets-uaes-47bn-remittance-corridor/.

Monetary Authority of Singapore. 2023. MAS Finalises Stablecoin Regulatory Framework. 15 August. https://www.mas.gov.sg/news/media-releases/2023/mas-finalises-stablecoin-regulatory-framework.

Morales, N. 2025. Understanding the Potential Impact of H-1B Visa Program Changes. *Economic Brief*. No. 25-39 (October). Federal Reserve Bank of Richmond.

Morgan, P. J., B. Huang, and L. Trinh. 2020. Minding the Gaps in Digital Financial Education Strategies. *Policy Brief for the Saudi T20 Process*. Global Solutions Initiative. https://www.global-solutions-initiative.org/publication/minding-the-gaps-in-digital-financial-education-strategies/.

Narayanan, B., M. V. Domingo, and S. Basu Das. 2025. Impact of Slowdown of Outbound Tourism from the People's Republic of China on Asia and the Pacific. *ADB Economics Working Paper Series*. No. 782. Asian Development Bank.

National Bank of Cambodia. 2025. The National Bank of Cambodia (NBC) and UnionPay International (UPI) Officially Launch Phase 2: Bakong Outward Cross-Border Payment. *NBC.gov.kh*. 10 March. https://www.nbc.gov.kh/english/news_and_events/news_info.php?id=839.

National Bank of Kazakhstan. https://nationalbank.kz/en (accessed January 2026).

National Bank of Tajikistan. https://nbt.tj/en/ (accessed January 2026).

National Bank of the Kyrgyz Republic. https://www.nbkr.kg/index.jsp?lang=ENG (accessed February 2026).

Nepal Rastra Bank. https://www.nrb.org.np/ (accessed January 2026).

Ng, A. 2025. Southeast Asia's digital economy set to top US$300b by end-2025; Singapore attracts most AI funding: Report. *Channel News Asia*. 11 November. https://www.channelnewsasia.com/singapore/southeast-asia-digital-economy-artificial-intelligence-investment-5459761.

Open Development Vietnam. 2023. Vietnam Digital Transformation Agenda. 9 December. https://vietnam.opendevelopmentmekong.net/topics/vietnam-digital-transformation-agenda/.

Organisation for Economic Co-operation and Development (OECD). 2023. *OECD/INFE 2023 International Survey of Adult Financial Literacy*.

———. 2024. *Return, Reintegration and Re-migration: Understanding Return Dynamics and the Role of Family and Community*.

Our World in Data. https://ourworldindata.org/ (accessed January 2026).

Ozden, C., S. Kerr, W. Kerr, and C. Parsons. 2017. Global Talent Flows: Causes and Consequences of High-Skilled Migration. *World Bank Blogs*. 31 May. https://blogs.worldbank.org/en/developmenttalk/global-talent-flows-causes-and-consequences-high-skilled-migration.

Pacheco, D. 2025. The H-1B Visa Dilemma: A Closer Look at the Legal Uncertainty Facing Employers. *Columbia Business Review*. 3 March. https://journals.library.columbia.edu/index.php/CBLR/announcement/view/765.

Pankert, G., A. Srivastava, S. Gupta, M. Dehaene, and M. Humphreys. 2023. Can Required Digital Infrastructure of Southeast Asia Be Built Profitably in the Next 5 Years? *Viewpoints*. Arthur D. Little. https://www.adlittle.com/en/insights/viewpoints/can-required-digital-infrastructure-southeast-asia-be-built-profitably-next-5.

Paweenawat, S. W. and J. Vechbanyongratana. 2019. Will ASEAN Mutual Recognition Arrangements Induce Skilled Workers to Move? A Case Study of the Engineering Labor Market in Thailand. In E. Gentile, ed. *Skilled Labor Mobility and Migration*. Edward Elgar Publishing.

Raithatha, R. and G. Storchi. 2025. *The Economic Impact of Mobile Money in Asia*. GSMA.

Ratha, D., S. Plaza, and E. J. Kim. 2024. In 2024, Remittance Flows to Low- and Middle-Income Countries Are Expected to Reach $685 Billion, Larger than FDI and ODA Combined. *People Move Blog*. World Bank. 18 December. https://blogs.worldbank.org/en/peoplemove/in-2024--remittance-flows-to-low--and-middle-income-countries-ar.

Ravindran, S. 2025. Insights from Domestic Digital Remittances for Advancing Cross-Border Remittances. Background Paper for Chapter 5: Movement of People. In *Asian Economic Integration Report 2026: Leveraging Regional Cooperation and Integration to Navigate Global Uncertainties*. Manuscript. Asian Development Bank.

Reiche, S. 2024. Cases, Comments and Current Trends Welcoming and Nurturing the Value Skilled Migrants Bring. *Expatriatus Blog Network*. University of Navarra, IESE Business School. 16 March. https://blog.iese.edu/expatriatus/2024/03/16/welcoming-and-nurturing-the-value-skilled-migrants-bring/.

Reserve Bank of Fiji. https://www.rbf.gov.fj/ (accessed January 2026).

Reserve Bank of Tonga. https://www.reservebank.to/ (accessed February 2026).

Rodolfo, M. C. 2025. From Flows to Strategy: Push–Pull Drivers of International Tourism in Asia. Background Paper for Chapter 5: Movement of People. In *Asian Economic Integration Report 2026: Leveraging Regional Cooperation and Integration to Navigate Global Uncertainties*. Manuscript. Asian Development Bank.

Royal Monetary Authority of Bhutan. https://www.rma.org.bt/ (accessed January 2026).

Siam Commercial Bank. 2024. SCB Partners with Lightnet to Revolutionize Cross-Border Payments and Remittances with Stablecoin, Powered by Fireblocks. October. https://www.scb.co.th/en/about-us/news/oct-2024/scb-partners-stablecoin.

Singh, S. G. 2025. H-1B Visa Applications for 2026 Drop 25%, Hit 4-Year Low Under Trump. *Business Standard*. 21 May. https://www.business-standard.com/immigration/h-1b-visa-applications-for-2026-drop-25-hit-4-year-low-under-trump-125052100808_1.html.

Sohst, R. 2024. *Leaving No One Behind: Inclusive Fintech for Remittances*. Migration Policy Institute.

Spaan, E., F. Hillmann, and T. van Naerssen, eds. 2005. *Asian Migrants and European Labour Markets: Patterns and Processes of Immigrant Labour Market Insertion in Europe*. Routledge.

State Bank of Pakistan. https://www.sbp.org.pk/index.html (accessed January 2026).

Struyven, D., H. Shan, and D. Milo. 2022. Asianomics in America: Contributions and Challenges. *The Bigger Picture*. Goldman Sachs.

Suri, T., J. Aker, C. Batista, M. Callen, T. Ghani, W. Jack, L. Klapper, E. Riley, S. Schaner, and S. Sukhtankar. 2023. Mobile Money. *VoxDevLit*. 2(2).

Tech for Good Institute. 2025. Advancing Digital Sustainability in Southeast Asia. August. https://techforgoodinstitute.org/research/.

The Economist. 2025. The Perverse Consequence of America's $100,000 Visa Fees. 22 September. https://www.economist.com/business/2025/09/22/the-perverse-consequence-of-americas-100000-visa-fees.

The National Bank of Georgia. https://nbg.gov.ge/en (accessed January 2026).

The Philox. 2024. The H-1B Visa Program: Legal Controversies and Policy Proposals. 14 December. https://thephilox.com/the-h-1b-visa-program-legal-controversies-and-policy-proposals/.

Thornton, D. 2025. Demand Remains High for Skilled Foreign Workers, as U.S. Faces Critical Shortage. *CNBC*. 17 March. https://www.cnbc.com/2025/03/17/demand-remains-high-for-skilled-foreign-workers-as-us-faces-shortage.html?msockid=12b83b13be3766b834b22d7cbf786789.

UN Tourism. 2020. *International Tourism Highlights*. 2020 Edition.

UN Tourism Dashboard. https://www.untourism.int/tourism-data/un-tourism-tourism-dashboard (accessed August 2025).

United Nations Department of Economic and Social Affairs, Population Division. International Migrant Stock 2024. https://www.un.org/development/desa/pd/content/international-migrant-stock (accessed May 2025).

United Nations Office on Drugs and Crime (UNODC). 2024. *Transnational Organized Crime and the Convergence of Cyber-Enabled Fraud, Underground Banking and Technological Innovation in Southeast Asia: A Shifting Threat Landscape*. https://www.unodc.org/roseap/uploads/documents/Publications/2024/TOC_Convergence_Report_2024.pdf.

Vaughan, P., W. Fengler, and M. Joseph. 2013. Scaling-Up through Disruptive Business Models: The Inside Story of Mobile Money in Kenya. In L. Chandy, A. Hosono, H. Kharas, and J. Linn, ed. *Getting to Scale: How to Bring Development Solutions to Millions of Poor People*. Brookings Institution Press.

VietNamNews. 2025. Mobile Money Service Set for Major Boost with Higher Transaction Limits. 26 September. https://vietnamnews.vn/economy/1726012/mobile-money-service-set-for-major-boost-with-higher-transaction-limits.html.

Visa. 2024a. Japan Tops the List as Singapore Travellers Intend to Take More Trips in 2024. 2 April. https://www.visa.com.sg/about-visa/newsroom/press-releases/japan-tops-the-list-as-singapore-travellers-intend-to-take-more-trips-in-2024.html.

Visa. 2024b. Singapore Consumers Keen to Splurge on Travel Despite High Costs. *Visa Business and Economic Insights*. October.

VisaVerge. 2025. Who Must Pay the $100K H-1B Fee? Detailed Applicability Table. September 21. https://www.visaverge.com/news/who-must-pay-the-100k-h-1b-fee-detailed-applicability-table/.

Visintin, S., K. Tijdens, and M. van Klaveren. 2015. Skill Mismatch Among Migrant Workers: Evidence from a Large Multi-Country Dataset. *IZA Journal of Migration*. July(5).

Wahba, J. 2023. Who Benefits from Return Migration to Developing Countries? *IZA World of Labor.* Institute of Labor Economics. https://wol.iza.org/articles/who-benefits-from-return-migration-to-developing-countries.

Waliczek, S. and H. Yeung 2025. The GENIUS Act is Designed to Regulate Stablecoins in the US, but How Will It Work? https://www.weforum.org/stories/2025/07/stablecoin-regulation-genius-act/.

Wang, H., K. W. H. Tsui, H. Wu, X. Fu, and T. Kille. 2024. Impacts of Low-Cost Carriers' Development in the Asia-Pacific Region on Tourism, Economic Development and Social Wellbeing: A Systematic Review. *Current Issues in Tourism*. pp. 1–22.

Wong, W. and D. Woods. 2025. What the H1B Visa Application Fee Hike Could Mean for the U.S. Economy. *NPR*. 3 October. https://www.npr.org/2025/10/03/nx-s1-5561095/what-the-h1b-visa-application-fee-hike-could-mean-for-the-u-s-economy.

World Bank. 2023. *World Development Report 2023—Migrants, Refugees, and Societies*.

———. 2025. *Migration: Leveraging Human Capital in the East Asia and Pacific Region*.

———. Remittance Prices Worldwide. https://remittanceprices.worldbank.org/ (accessed September 2025).

World Economic Forum. 2019. *The Travel and Tourism Competitiveness Report 2019: Travel and Tourism at a Tipping Point*.

World Travel and Tourism Council. 2023. *A World in Motion: Shifting Consumer Travel Trends in 2022 and Beyond*.

World Travel Market London and Tourism Economics. 2025. *WTM Global Travel Report 2025*.

Wujie, X. 2023. The Impact of Geopolitical Risks and International Relations on Inbound Tourism – Evidence from China and Key Source Countries. *Cogent Social Sciences*. 9(2).

Zetzsche, D., D. W. Arner, and R. P. Buckley. 2020. Decentralized Finance (DeFi). *Journal of Financial Regulation*. 6. pp. 172–203.