

Unlocking the **Economic Potential** of the **Tourism Industry** Post-COVID-19

ADB ASIAN THINK TANK
DEVELOPMENT FORUM **2021**



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SUSTAINABLE TOURISM – An Emerging Issue in Post-COVID19 Recovery

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TOURISM | *...a powerful development engine*



FOREX EARNINGS

EXPORT DIVERSIFICATION FOR RELATIVE LOW INVESTMENT

HIGH EMPLOYER

HIGH FEMALE PARTICIPATION

INCOME GENERATING OPPORTUNITIES

RELATIVELY LOW SKILLED ENTRY

URBAN & RURAL

GOOD GOVERNANCE TOOL

SUPPLY CHAIN BENEFITS

INITIATE INFRASTRUCTURE DEVELOPMENT

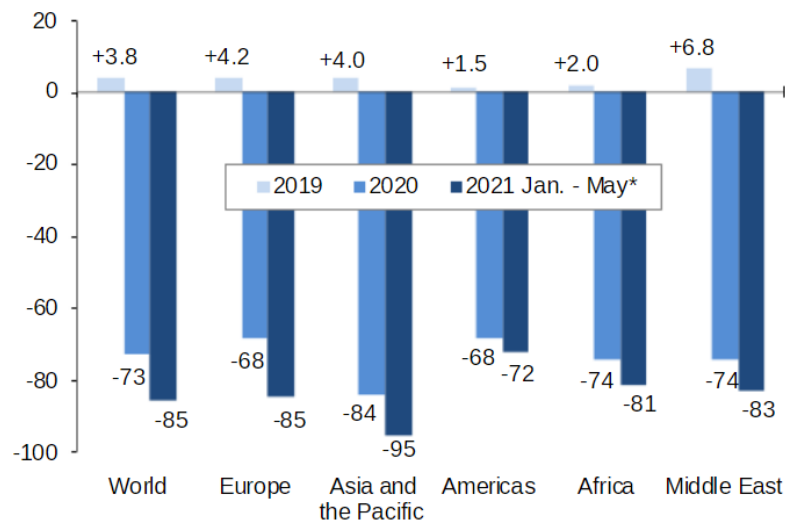
DRIVES INNOVATION

....

TOURISM | ..facing challenges



International Tourist Arrivals (% change)



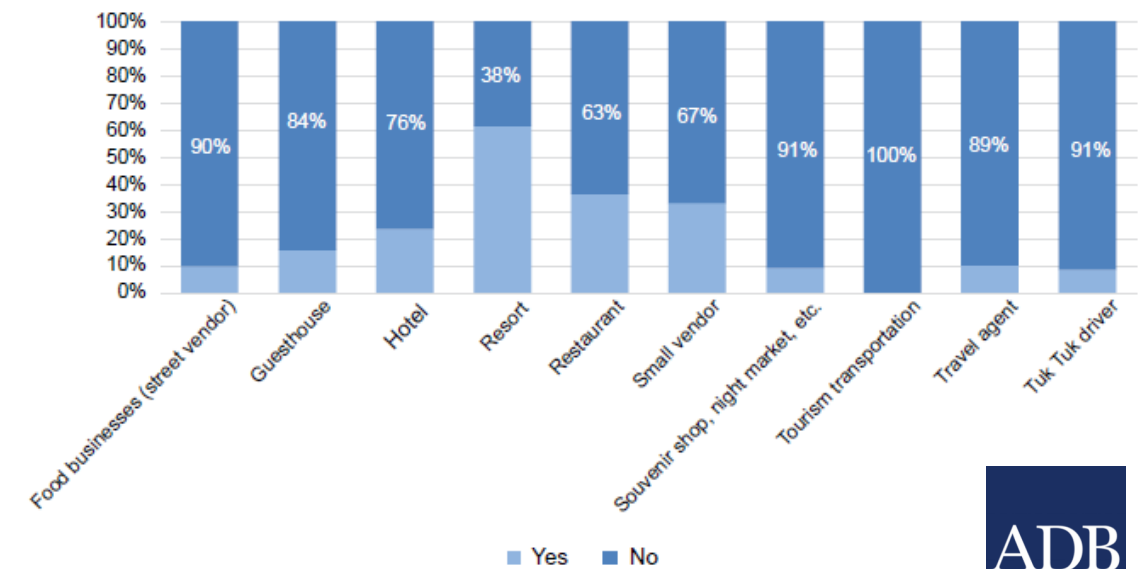
Source: UNWTO * Provisional data (% change over 2019)

International Tourism Receipts

	Change (%)			USD	
	18/17	19/18	20/19	2019	2020*
Asia and the Pacific	8.5	1.0	-70.2	441.3	132.5
North-East Asia	11.5	-3.6	-74.3	187.2	48.9
South-East Asia	5.5	3.8	-78.1	146.9	32.0
Oceania	6.8	5.6	-45.9	61.6	33.3
South Asia	7.7	6.2	-60.4	45.6	18.2

Local currencies, constant prices (billion)

Have you changed your business model as a result of the COVID-19 crisis? (Asia Foundation/ Cambodia 2021)

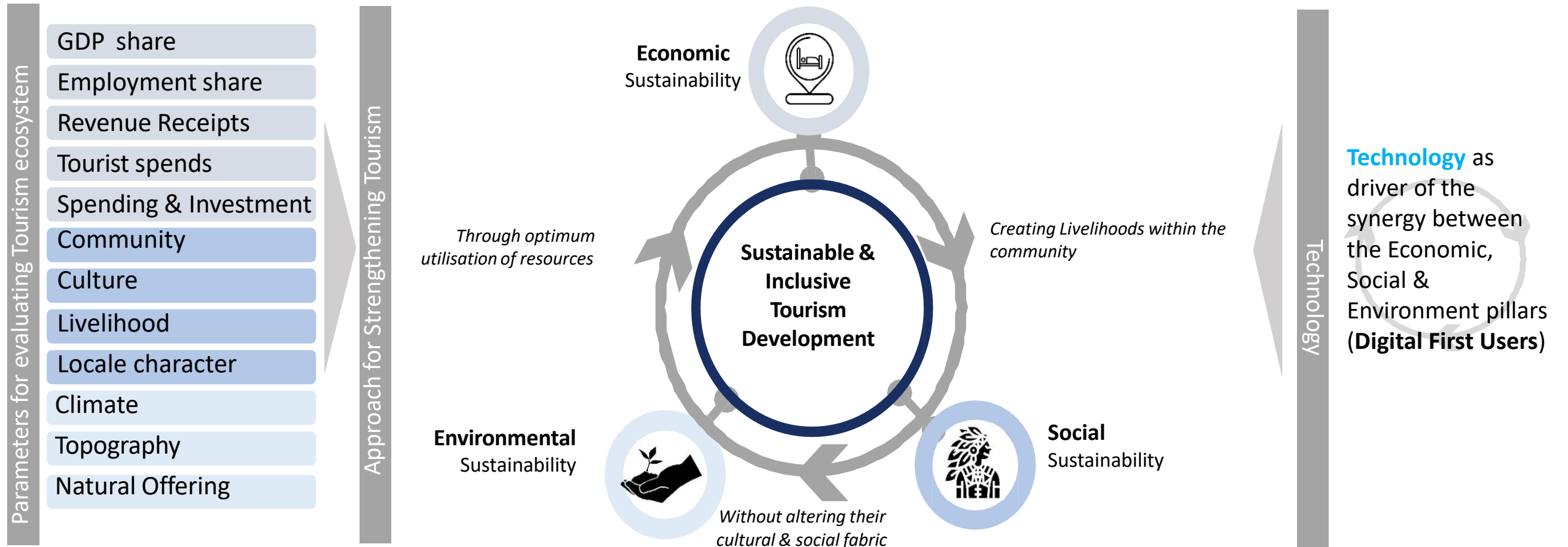


Tourism...

destroys what it's looking for

..... by finding it

SUSTAINABLE TOURISM | Value Framework



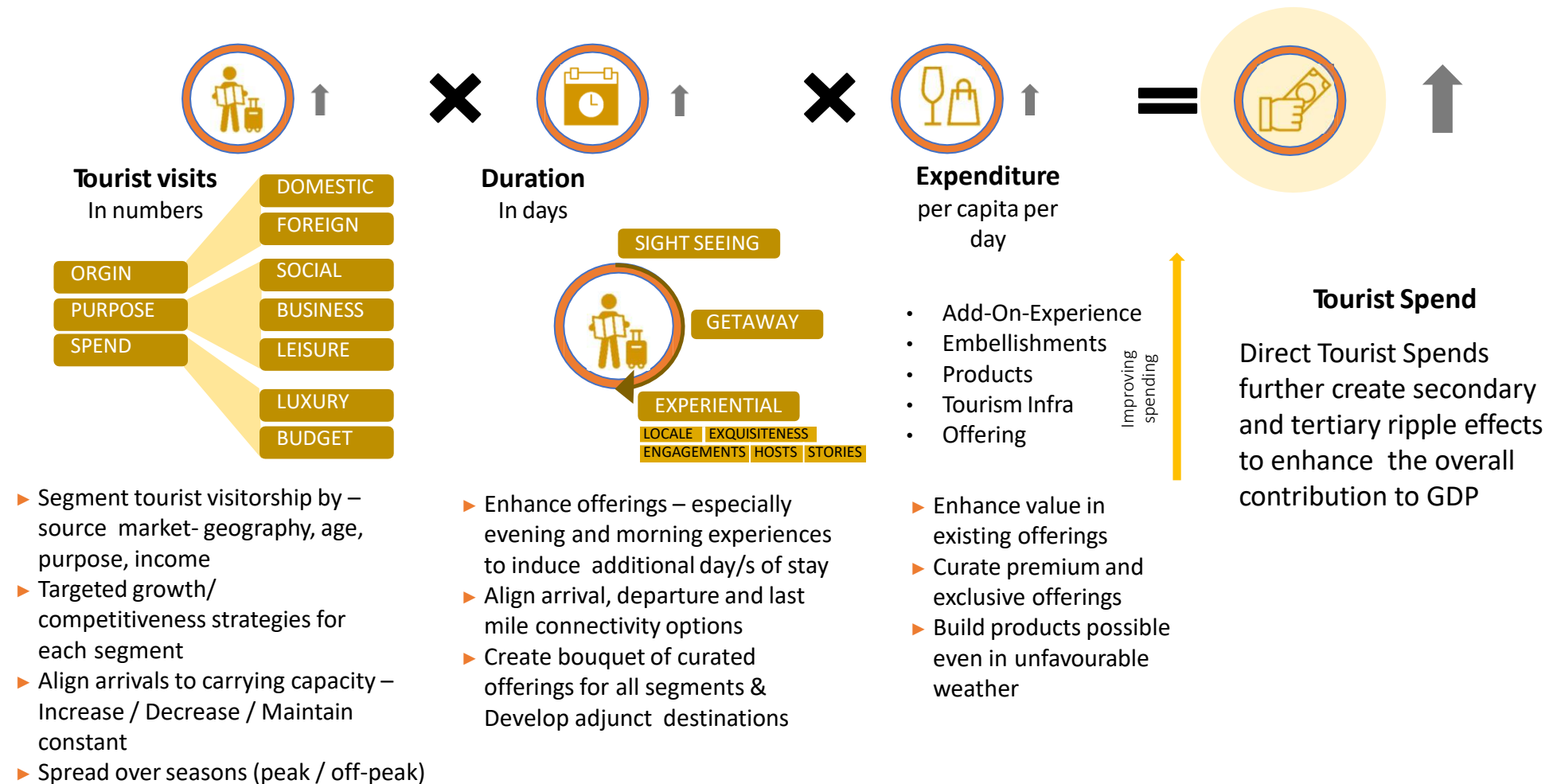
Definition:

“If we take full account of current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities”

-UNWTO

ECONOMIC SUSTAINABILITY |

Service Level



ECONOMIC SUSTAINABILITY | (2)

Public Level / Investments

Investments in basic public infrastructure

- Benefiting local population and tourists
- Pricing models that leverage 'higher propensity to pay' amongst tourists
- Making the case for higher public investment
- Integrated approach to destination level facilities

Tourist experience infrastructure

- Opportunities for PPP
- Operation and Maintenance through private sector (concession)
- Environmentally sensitive 'investments'

Promotion & Branding

- Enabling innovation
- Incentivising private operator



ENVIRONMENTAL SUSTAINABILITY |

Graded Environment Sensitivity and Appropriate Strategies



ENVIRONMENTAL SUSTAINABILITY | (2)

Carrying Capacity / Limits of Acceptable Change

Assessing

Thresholds in adverse situations

- Occurrence of Water Shortages
- Duration of Traffic Congestions
- Maximum load on electricity
- Inability to process waste collection
- 100% occupancy at accommodation



Limiting

Tools to regulate tourism

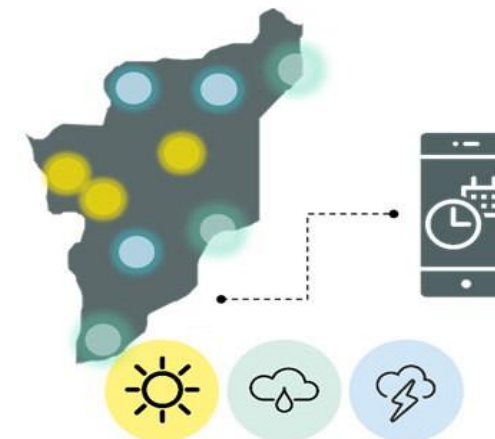
- Regulated dynamic pricing, monitoring footfalls
- Limit free passage
- Compliance to environmental certifications
- Development Control Regulation
- Limiting connecting transport capacity



Managing

Optimising capacity utilisation

- Weather resilient tourism – curating experiences in adverse weather
- Overcome the seasonality in arrivals
- Stretching the tourist season
- Revamp the official tourism calendar
- Pricing driven Demand Side Management



SOCIAL SUSTAINABILITY |

ECONOMIC BENEFITS THROUGH LIVELIHOOD CREATION



Creating Employment avenues

- Imparting hospitality skillsets
- Language training
- Reserving jobs for ethnic/ local community members



Improved Customer Base

- Good demand for local produce, Fair Trade
- Increased visibility through Online presence



Community Based Planning

- Proactive role in planning
- Community organisations engaged through lifecycle of project implementation

CELEBRATING THE COMMUNITY AND THEIR WAY OF LIVING



Enjoy their livelihood

- Appreciate local traditions and practices
- Fishing, weaving, Coir making, farming, etc – not just 'see', but 'do'



Learn from artists and experts

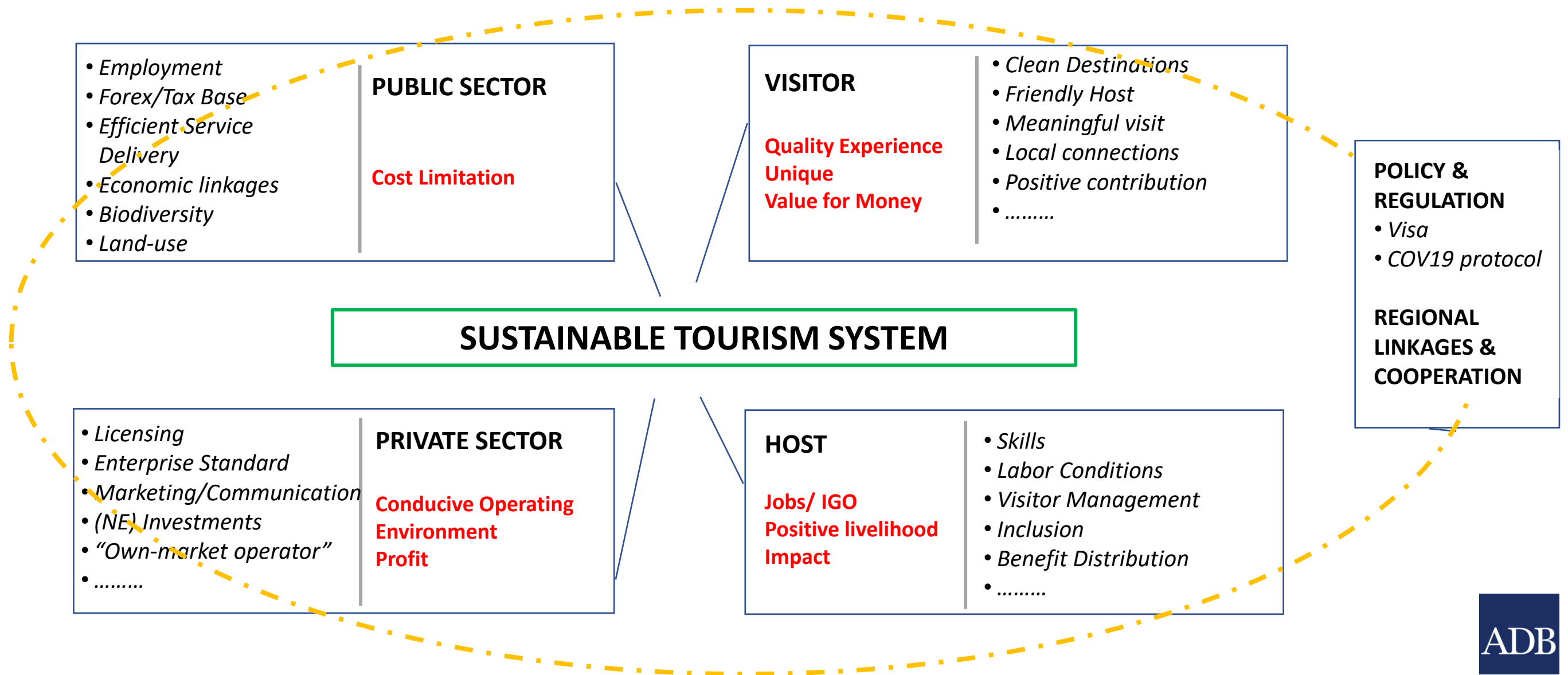
- Engage and learn in art workshops
- Learn local cuisines
- Document and promote the local essence



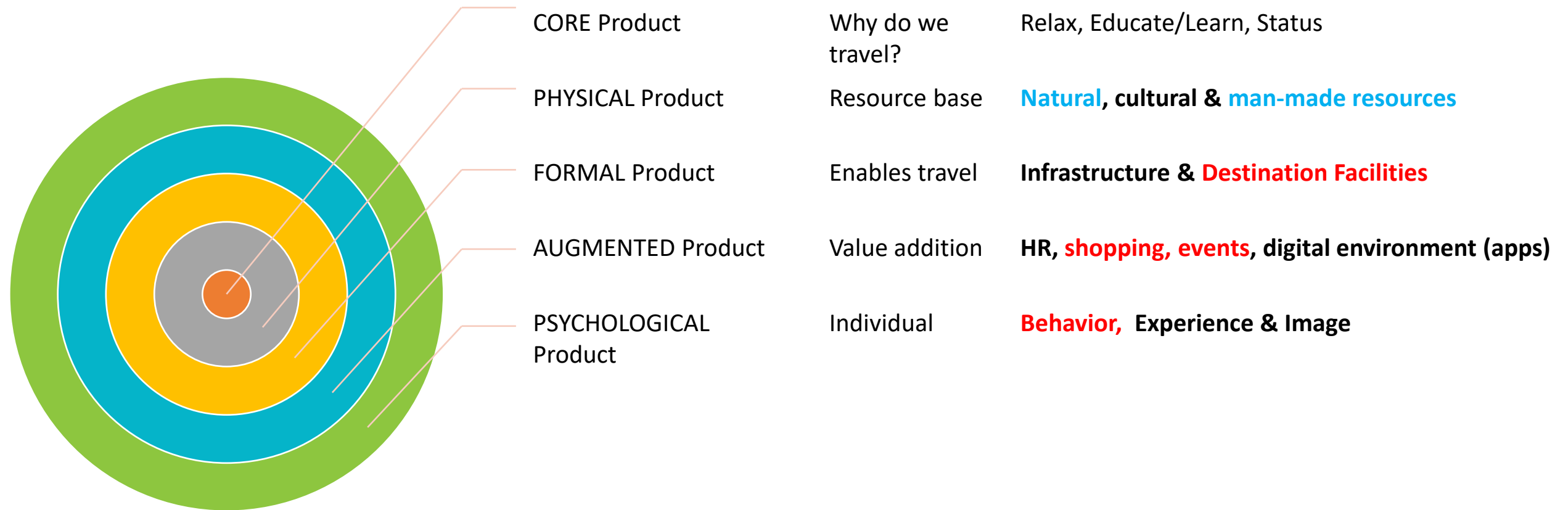
Spend time with community

- Prefer traditional homestays
- Partake in daily routines
- Relish the local culture and customs

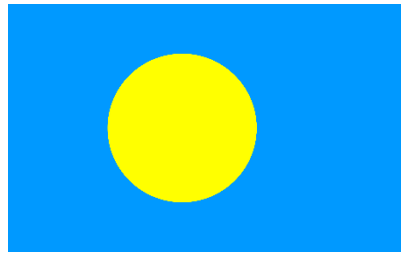
SUSTAINABLE TOURISM | Different Expectations



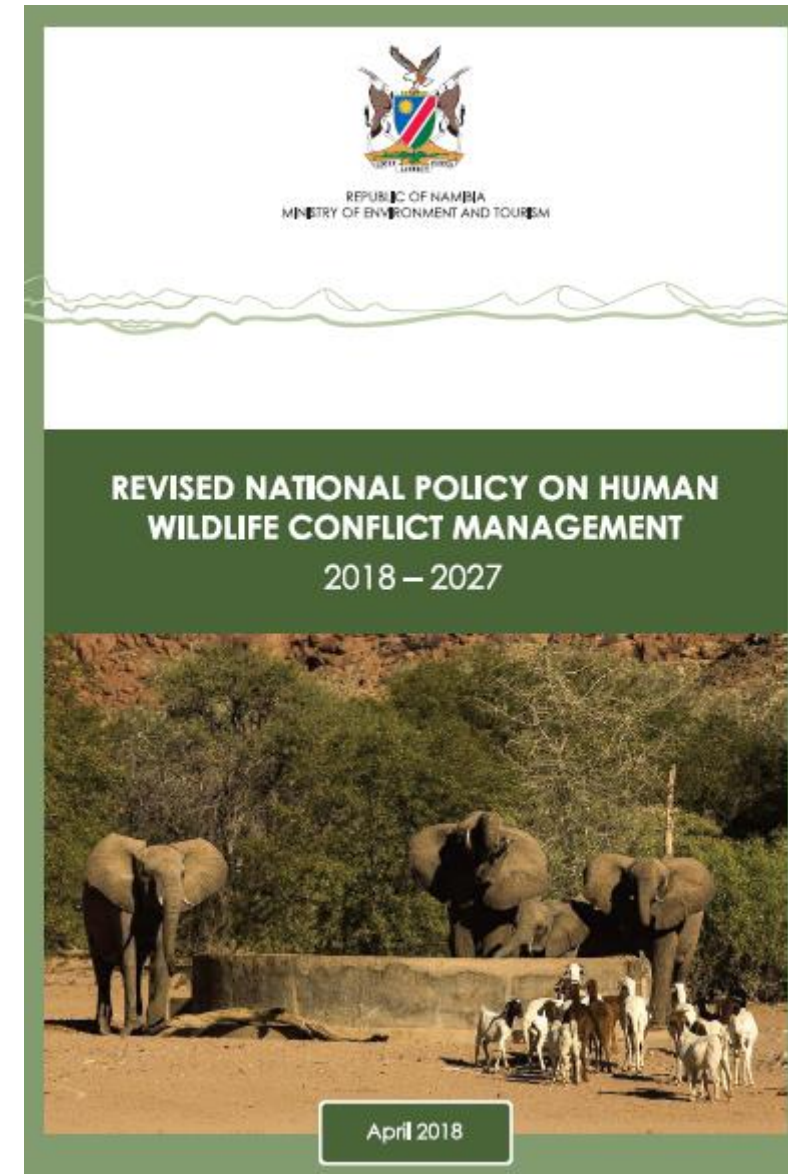
SUSTAINABLE TOURISM | Across Product Levels



GOOD EXAMPLES | Policy



In partnership with **Sustainable Travel International** and Slow Food, **PALAU** aims to mitigate its tourism-based carbon footprint and establish the island country as the world's **first official carbon-neutral tourism destination** by focusing on specific approaches to sustainable tourism, such as promoting local food production and developing a transparent carbon management plan.



GOOD EXAMPLES | Regulations

SUSTAINABILITY MADE IN SWITZERLAND

As part of our Swisstainable programme, sustainable service providers will be awarded an emblem and thus act as role models.

The Swisstainable emblem visibly communicates a commitment to sustainability in our industry in a succinct manner. It is designed in such a way that it can be easily integrated into the communication of all service providers.



EBRD is developing a “how to” guide with evaluation criteria and metrics of impact indicators to ensure that the **Sustainable Blue Economy Finance Principles** can be used practically on analysis of investments, activities and projects that focus on **tourism in coastal and marine areas** of EBRD banking colleagues and their clients. Banks, insurers, and investors can play a leading role during the COVID-19 pandemic recovery in **helping the tourism sector transition** to a sustainable blue economy that foment productivity, health and prosperity.



GOOD EXAMPLES | Operations



ACCOR WILL ELIMINATE ALL GUEST-RELATED SINGLE-USE PLASTIC ITEMS IN ALL HOTELS BY END 2022, AS PER THE FOLLOWING TIMEFRAME:

BY END 2019	BY END 2020	BY END 2022
Complete the elimination of all plastic straws, stirrers and cotton buds	Eliminate all individual plastic toiletry amenities and plastic cups	Eliminate all remaining single-use plastic items in guest rooms, meeting areas, restaurants and leisure activity areas

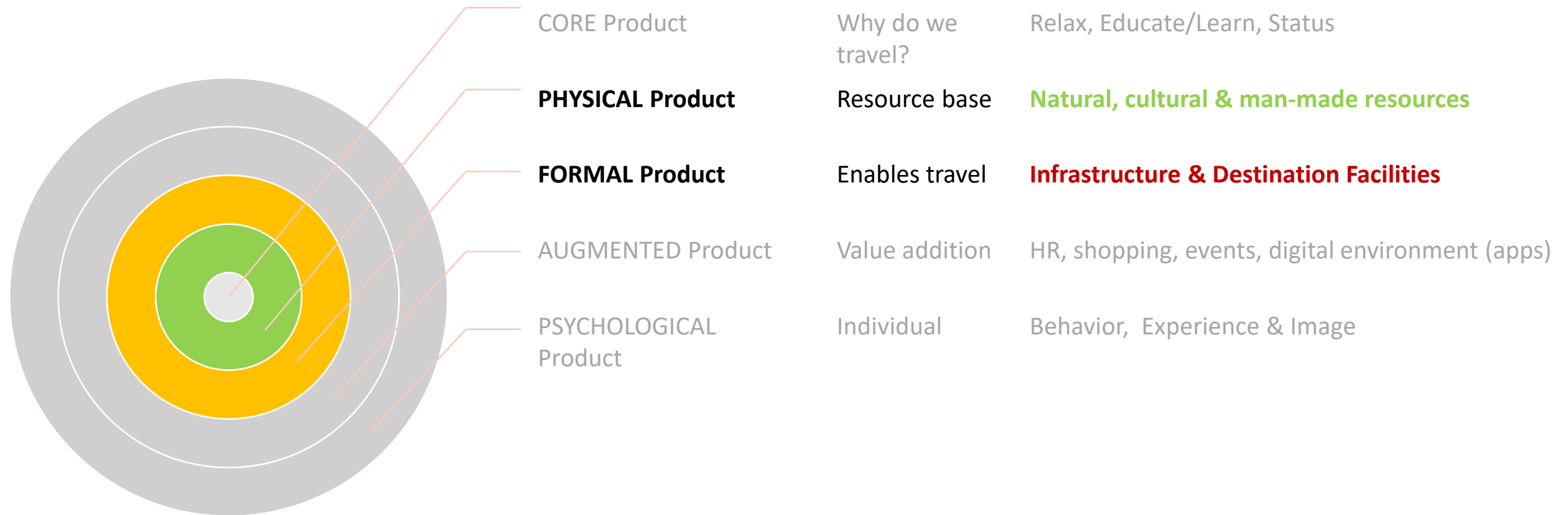
Intrepid is committed not just to treading lightly, **but to making a real difference** – by investing in local communities, human rights initiatives, wildlife conservation projects and the environment. We’re all about operating in a responsible manner and incorporating principles of sustainable tourism and development into the way we provide our travellers with real life experiences. These values are more than just words; they’re ingrained in the culture and daily operations of every Intrepid office and trip.



SDG	OUR APPROACH	MAJOR ACTIVITIES IN 2020
5	Tourism can empower women in many ways, but particularly through the creation of jobs and income generating opportunities in small and larger-scale tourism and hospitality-related enterprises.	<ul style="list-style-type: none"> Achieved equal gender representation through our company spokespeople Partnered with social enterprise Women in Travel to launch three female-led day-tour businesses Committed in 2020 to double number of female porters globally by 2025 Committed to working with our 200 largest suppliers to reduce gender inequality by 2025 Committed to reporting on gender pay gap by 2025
8	Tourism is one of the driving forces of global economic growth and before the pandemic, accounted for one in every 10 jobs worldwide.	<ul style="list-style-type: none"> Expanded our Human Rights Policy Launched modern slavery review in response to Australian legislation The Intrepid Foundation created 226 jobs and supported 139 people to become job ready
10	Tourism can be a powerful tool in reducing inequality if it engages local communities and key stakeholders in its development.	<ul style="list-style-type: none"> Launched Innovate Reconciliation Action Plan in Australia to support reconciliation and a more equal country for all Launched mandatory anti-racism training for staff and leaders
11	A city that is not good for its citizens is not good for its tourists.	<ul style="list-style-type: none"> Partnership formed between Urban Adventures and Intercruise to supply more sustainable shore excursions
13	Tourism stakeholders should play a leading role in the global response to climate change.	<ul style="list-style-type: none"> Approved science-based targets by the Science-Based Targets initiative Declared a climate emergency with a seven-point commitment plan
14	Tourism can contribute to healthy oceans, seas, reefs and marine areas, on which many countries, including island states, rely.	<ul style="list-style-type: none"> Joined the Tourism Action Coalition Working Group for the Ocean Panel Partnered with WWF-Australia on selected Antarctica trips Partnered with WWF Adria on Lastovo Island, Croatia
15	Tourism can contribute toward conservation and the protection of biodiverse areas, including national parks, forests and mountain regions.	<ul style="list-style-type: none"> Partnership formed between Intrepid, The Intrepid Foundation, Eden Reforestation Projects and Ecologi in Kenya's Kijabe Forest The Intrepid Foundation raised more than \$700,000 for bushfire relief in Australia
17	Due to its cross-sectoral nature, tourism can strengthen private/public partnerships and engage multiple stakeholders – international, national, regional and local – to work together to achieve SDGs and other common goals.	<ul style="list-style-type: none"> Signatory to the UN Global Compact since 2008 Member of Global Sustainable Tourism Council (GSTC) board Member of Reconciliation Australia Certified B Corp since 2018 The Intrepid Foundation works with 24 partners to deliver community impact and tourism opportunities in 12 countries

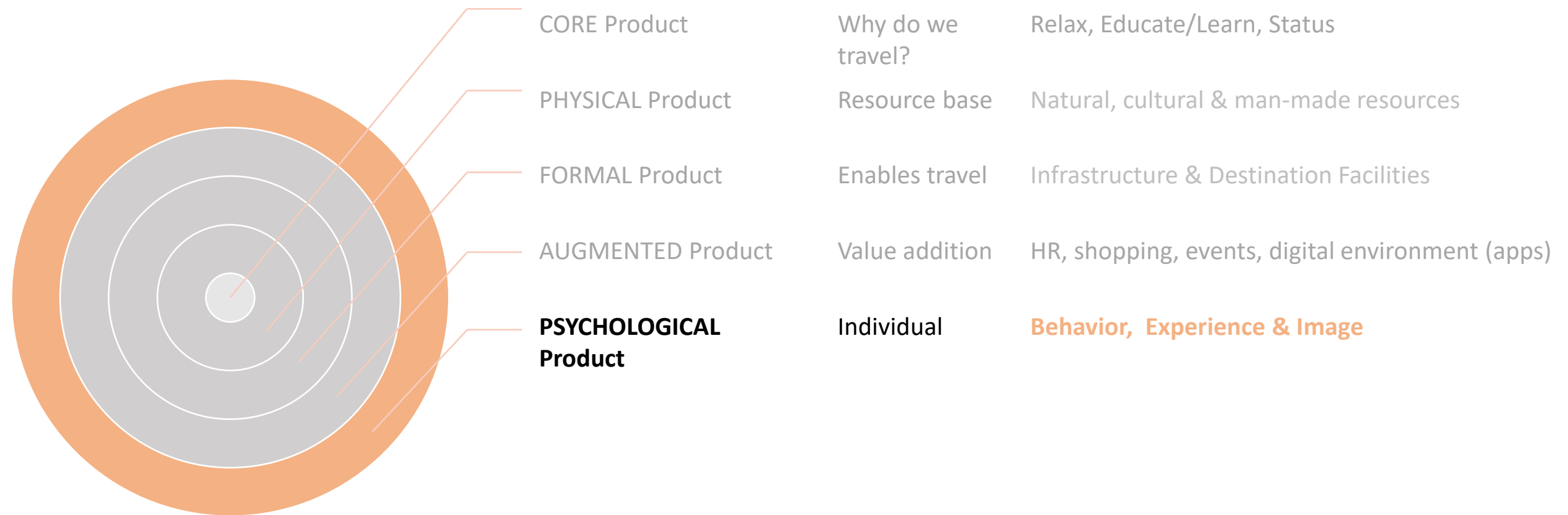
SUSTAINABLE TOURISM | Growth/Profit vs Environment

How to address the issue of balancing growth/ profit with environment?



SUSTAINABLE TOURISM | Growth/Profit vs Environment

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CONSIDERATIONS | Post COVID19 Recovery

1. **Broad scope of market linkages to be developed to remain competitive & resilient** by establishing **the right product offer** to meet demand in various source countries (including the domestic market).
2. **Improve spatial dimensions of tourism and its impacts on land use dynamics.** Proper planning enables a better spatial distribution of tourism activities, promoting the use of untapped resources, **ensure sustainability** and improving local participation in, and benefits from, decision-making processes related to sustainable tourism strategies.
3. Tourism **enterprises should provide safe, satisfying, and fulfilling experiences and services of value.**
4. **Effective coordination** in support of the multi-disciplinary nature of tourism.
5. **Research and production of skills, knowledge and ideas and to create tools that enable innovation and spread improvements and benefits.** To remain competitive and control the market position, it is necessary to have updated information and have expertise that can be applied by various stakeholders in implementing strategies.

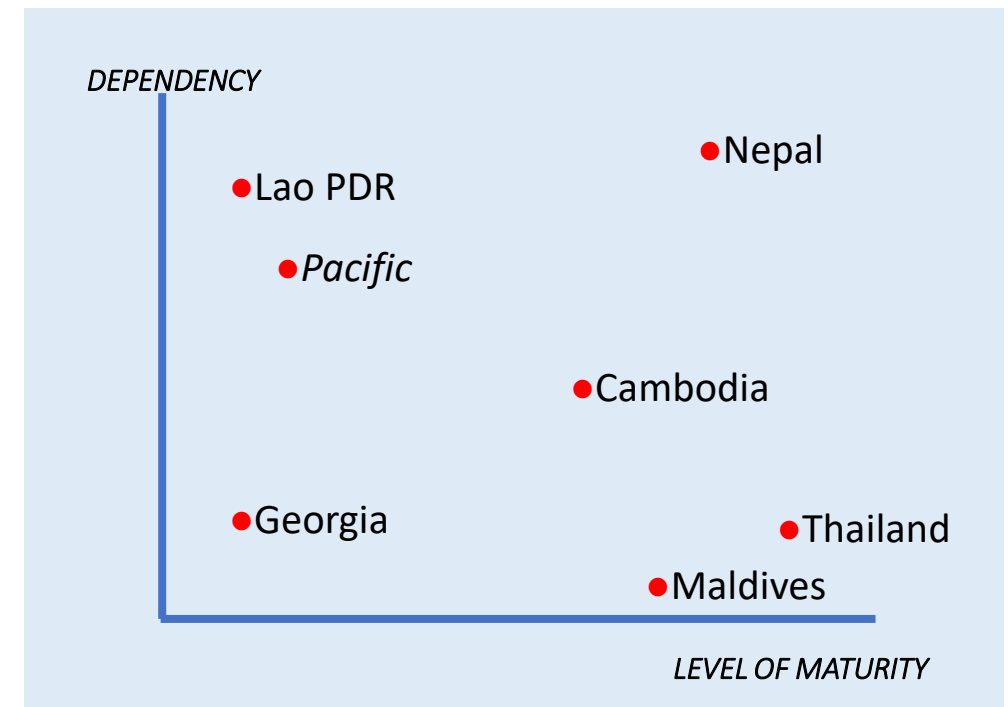
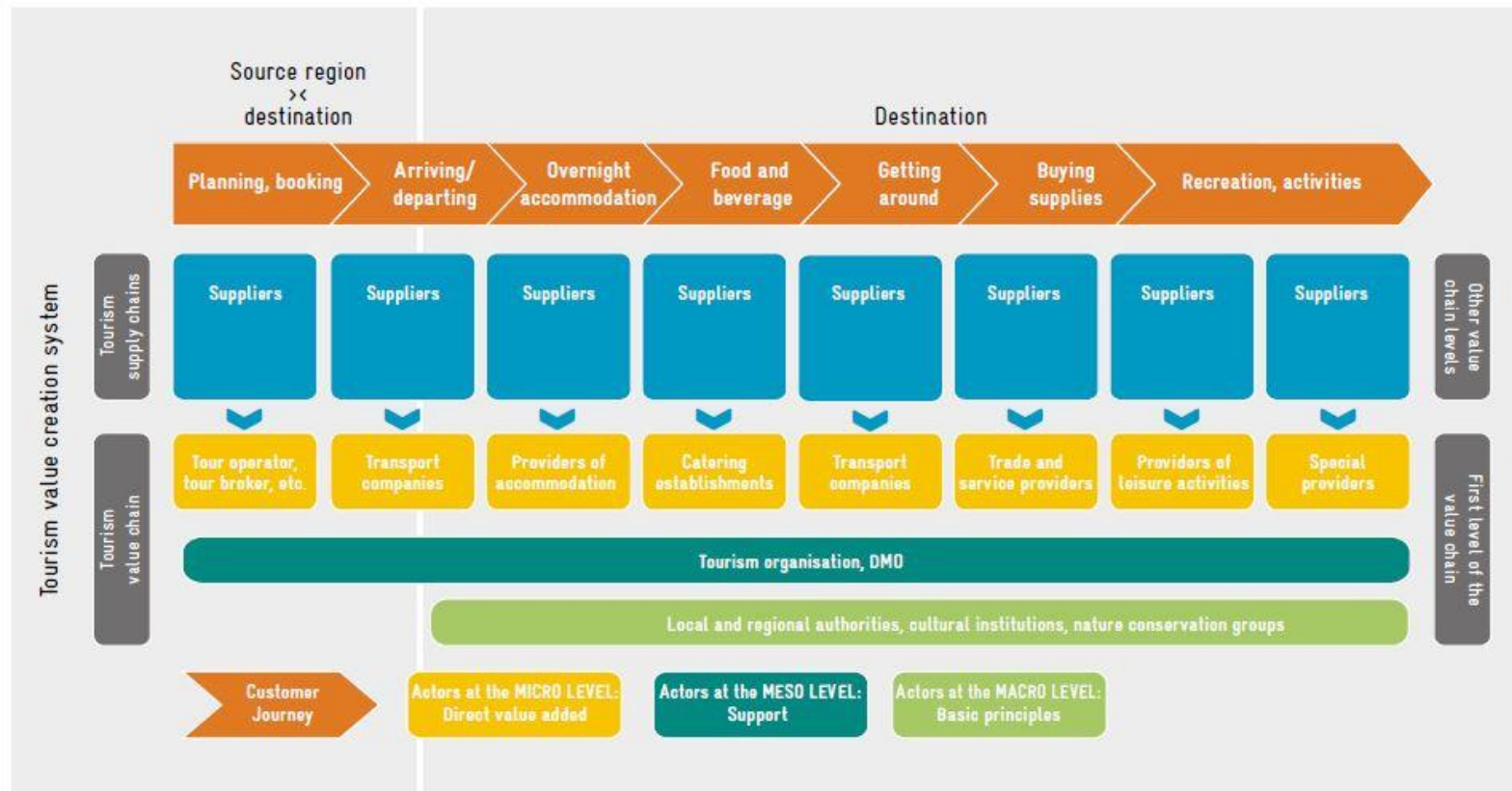
A country's differences in focus and scope of these objectives depend on the political system, the level of overall economic development, and the level of tourism development of the destination and more recently the recovery efforts post-COVID19.



HOW | Understand what you Control

Effective tourism management starts with recognizing the position of the Destination in the GTVC in order to optimize tourism value while

- Aspire to tourism sustainability
- Establishing a competitive edge
- Spreading the benefits of tourism
- Improving tourism yield
- Building a strong and vibrant brand identity



SUSTAINABLE TOURISM | Entry Points

RESILIENCE, INCLUSIVE, SUSTAINABLE

Micro level: Functions that directly contribute to tourism value added



Increasing sophisticated expectations > Failure to attract high quality tourists with high spending per head

Meso level: Support functions that benefit all stakeholders



Sustainability/ Resilience > Damage to image & reputation of DMC as high-quality destination

Macro level: Basic elements of service provision and functions for tourism



Increasing importance of data (real time data for trip planning; data on tourists to better design products & policies) > Deteriorating competitiveness of products

Shortage of talent in workforce & in general communities > Un-inclusive with sub optimal benefits of tourism to local workforce & communities

Infrastructure bottlenecks > Concentration of tourists mainly in primary destinations with few visits to other areas reducing inclusiveness



Sustainability



- Lower costs
- Mitigate risk
- Maintain business continuity
- Appeal to Millennials and Gen Z
- Better reputation
- Better customer experience
- Reduce waste
- Reduce wastage
- Reduce carbon emission



Profitability

ADB



THANK YOU |