Summary of report:
Sustainable Tourism after COVID-19
Insights and Recommendations for Asia and the Pacific
4 April 2022
Matthias Helble
Rationale

- Growing interest in the tourism sector before COVID-19
- Important and growing intra-regional services value chain
- Asia Pacific worst affected region by COVID-19 (84% drop in tourism arrivals compared to 74% worldwide in 2020)
- Drop in tourism highlighted importance (labor market, environment, etc.)
- Tourism is complex and requires better knowledge foundation
- Pandemic as opportunity: How to build forward better?
What is sustainable tourism?

Not financial sustainability nor ecotourism, but tourism which supports the sustainable development goals.
Tourism contributing to sustainable development

Contributes to all SDGs

Enabling factors

Within environmental boundaries

Within Earth’s carrying capacity
Enabling factors

i. **Governance.** Historically, the private sector has guided tourism governance; however, *deeper public sector and community involvement* support growth in line with the SDGs.

ii. **Policy.** Policies have traditionally focused on economic aspects of tourism. More can be done to *encourage stewardship and collaboration* while restricting harmful practices.

iii. **Infrastructure and technology.** Investing in both *hard infrastructure* and *digital infrastructure* is a major pathway for governments to support tourism.

iv. **Research and data.** High-quality data is essential for making sound decisions. However, limited large-scale research, and existing materials focus on economics not sustainability.

v. **Education and training.** There is a need for *more training programs*, and to integrate sustainability considerations into hospitality and similar curricula.
COVID-19 Policy Responses

<table>
<thead>
<tr>
<th>Policy category</th>
<th>Response outcome</th>
<th>Policy/ Measure</th>
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</thead>
<tbody>
<tr>
<td>Untargeted support schemes</td>
<td>Immediate</td>
<td>• Health and safety</td>
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<td></td>
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<td>• Monetary policy (e.g. business support)</td>
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<td>• Fiscal policy</td>
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<td>Sectoral schemes</td>
<td>Medium-term</td>
<td>• Jobs and skills (e.g. employee support)</td>
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<td>• Market intelligence</td>
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<td>• Crisis governance / communication</td>
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<td>• Destination/ tourism asset support</td>
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<td>• Promotion of domestic tourism</td>
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<td>Business support programmes</td>
<td>Long-term</td>
<td>• Tourism planning and adaptation</td>
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<td>• Restarting tourism and resilience building</td>
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<td></td>
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<td>• Collaboration and partnerships</td>
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<td>• Innovation</td>
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COVID-19 presents high uncertainty: Four scenarios

**Discipline – the age of technology**
The goal in this future is to maintain economic growth models and globalisation, including allowing international travel to resume. This is achieved through increased control through technology and a focus on maintaining public health and safety.

**Unsettled – crisis as the new normal**
This future is defined by ongoing impact of crisis and uncertainty. Such a volatile world will make travel and 'business' very difficult, thus particularly impacting the Visitor, Industry and Community dimensions. Targeted action towards the SDGs will become challenging. Success will be determined by the adaptive capacity of tourism businesses.

**Compete and Retreat – the end of globalisation?**
The mindset is that resources are scare, there is not enough for everyone. Nationalism is strengthened while global approaches decline. Borders remain controlled tightly and domestic travel will be the main form of tourism. All VICE elements of the tourism system will change substantially.

**Transform – a shift in mindset**
The Transform future requires the largest shift in mindset and across all elements of the tourism system. Focus lies on progressing action towards a more sustainable, low carbon, and equitable world. This requires transformational changes away from exploitative practices to regenerative ones, encompassing collective actions across all types of actors.

Six pathways for change

<table>
<thead>
<tr>
<th>Pathways to transform tourism</th>
<th>Levers for change</th>
<th>Enabling factors</th>
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</thead>
<tbody>
<tr>
<td>A value-led tourism model</td>
<td>Focus on quality and yield</td>
<td>Policy</td>
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<td></td>
<td>Manage capacity</td>
<td>Cooperation</td>
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<td></td>
<td>Understand uniqueness of place</td>
<td>Governance</td>
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<td>Measure success</td>
<td>Infrastructure &amp; Technology</td>
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<td>Decarbonise tourism</td>
<td>Design and implement decarbonisation policies for tourism</td>
<td>Education</td>
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<td>Collaborative approach for Sustainable Aviation Fuel</td>
<td>Research &amp; Data</td>
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<td></td>
<td>Awareness raising and education</td>
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<td>Enable better industry practice</td>
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<td>Tourism-led regeneration</td>
<td>Ecological restoration</td>
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<td>Cultural thriving</td>
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<td>Workforce diversification</td>
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<td>Improve governance of tourism</td>
<td>Integrate policy</td>
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<td>Foster cooperation and public-private sector collaboration</td>
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<td>Strategy-led marketing</td>
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<td>Aligning tourism finance and funding with sustainability</td>
<td>Smaller scale options for tourism green finance</td>
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<td>Sustainability criteria</td>
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Measure success |
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Collaborative approach for Sustainable Aviation Fuel  
Awareness raising and education  
Enable better industry practice |
| Tourism-led regeneration    | Ecological restoration  
Cultural thriving  
Inclusion, health and subjective-wellbeing  
Empower local communities and SMEs |
Pathways to transform tourism

Diversify (visitor) economies
- Market diversification
- Product diversification
- Workforce diversification
- Economic diversification

Improve governance of tourism
- Integrate policy
- Foster cooperation and public-private sector collaboration
- Strategy-led marketing
- Adaptive management

Aligning tourism finance and funding with sustainability
- Smaller scale options for tourism green finance
- Sustainability criteria
- Tourism aspects added to other initiatives
Key Messages

• ‘Sustainable tourism’ is tourism which supports achievement of the Sustainable Development Goals.

• Resilience is enabled through diversification.

• Sustainability is enabled through greater focus on quality over quantity and partnerships/stronger governance structures between government, communities, businesses and tourists.

• Implementation of transformations in tourism will require funding and financing.
Annex
Extending traditional approaches to tourism policy to integrate sustainability

Growth and competitiveness
- Marketing
- Visa policies
- Investment
- Resource efficiency
- Value-driven tourism

Geography
- Tourist flows and dispersal
- Resource use
- Communities
- Capacity management
- Development limitations

Visitor experience
- High value
- Safety
- Product bundles
- ‘Giving back’
- Responsible pledges
- Low carbon

Coordination
- Governance
- Partnerships
- Policy coordination
- Public-private partnerships
- Green investment

Tourism statistics
- Data and trends
- Research
- Innovation
- Environmental indicators
- Sustainable solutions
Figure 8: Reference to Tourism in Voluntary National Reviews

- 1 No Poverty
- 2 Zero Hunger
- 3 Good Health and Well-being
- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 7 Affordable and Clean Energy
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation, and Infrastructure
- 10 Reduced Inequality
- 11 Sustainable Cities and Communities
- 12 Responsible Consumption and Production
- 13 Climate Action
- 14 Life below Water
- 15 Life on Land
- 16 Peace, Justice, and Strong Institutions
- 17 Partnership for the Goals

ADB = Asian Development Bank, SDG = Sustainable Development Goal.
COVID-19 Impact

Figure 10: Global COVID-19 Tourism Index and Subindexes

Figure 11: Perceived Timeframe of Potential Business Failure Among Small and Medium-Sized Enterprises in Cambodia (%)

- We can survive this crisis under current conditions
- More than 6 months
- Less than 6 months
- Don’t know
<table>
<thead>
<tr>
<th>Country</th>
<th>Impact</th>
<th>Description and Time of Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samoa*</td>
<td>10.6% drop</td>
<td>Estimated loss to GDP from tourism receipts for FY2020 (April 2020)</td>
</tr>
<tr>
<td>Cook Islands, Niue, Samoa, Solomon Islands, Tonga, Vanuatu¹</td>
<td>$2.3 billion</td>
<td>Estimated loss in tourism revenue for a 12-month period (May 2020)</td>
</tr>
<tr>
<td>Bangladesh¹</td>
<td>$2.03 billion drop, 420,000 impacted</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Estimated jobs at risk</td>
</tr>
<tr>
<td>Bhutan¹</td>
<td>$2.2 million drop, 50,000 (150,000) impacted</td>
<td>Loss in travel and tourism earnings (June 2020), Jobs at risk (with flow on impacts)</td>
</tr>
<tr>
<td>India¹</td>
<td>$43.4 billion drop, 9 million impacted, 60% drop</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Jobs at risk, Closure of hotels, MICE market</td>
</tr>
<tr>
<td>Maldives¹</td>
<td>$700 million drop, 35,000 impacted</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Jobs at risk</td>
</tr>
<tr>
<td>Nepal¹</td>
<td>$460 million drop, 230,000 impacted, 20,000 impacted, 2,600 impacted</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Jobs at risk, Tour and trekking guides unemployed, Trekking agencies closed</td>
</tr>
<tr>
<td>Pakistan¹</td>
<td>$3.64 billion drop, 880,000 impacted</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Jobs at risk</td>
</tr>
<tr>
<td>Sri Lanka¹</td>
<td>$1.99 billion drop, 200,000 impacted</td>
<td>Potential loss to GDP from travel and tourism earnings (June 2020), Jobs at risk</td>
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<tr>
<td>Fiji¹</td>
<td>84.8% drop in 2020 vs 2019</td>
<td>Decline in international tourism revenue (March 2021)</td>
</tr>
<tr>
<td>Cambodia¹</td>
<td>&gt; 90% of registered and nonregistered MSMEs</td>
<td>Reduction in sales since lockdown, the majority lost over 50% (October 2020)</td>
</tr>
<tr>
<td>Thailand, Sri Lanka, Viet Nam, Cambodia, Nepal¹</td>
<td>80% drop</td>
<td>Estimated loss of revenue from tourism activity (November 2020)</td>
</tr>
<tr>
<td>CAREC countries¹</td>
<td>1 million jobs at risk</td>
<td>Due to loss in aviation activity, estimated loss of jobs (February 2021)</td>
</tr>
</tbody>
</table>

CAREC = Central Asia Regional Economic Cooperation; FY = fiscal year; GDP = gross domestic product; MICE = meetings, incentives, conferences, and exhibitions; MSME = micro, small, and medium enterprises.

⁷ Source: Author’s compilation.