Future of Tourism in Asia and the Pacific

Key Messages

Sanchita Basu Das
Economist, ERCI/ERCD
Asian Development Bank

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Objective of the Report

- To share and inform policy makers on the changing nature of the tourism industry as the economies try to emerge out of COVID-19

- The report seeks to answer 3 key questions:
  - How is COVID-19 changing tourism demand and behavior?
  - What will these changes mean for governments and businesses?
  - What can governments and the private sector do to optimize the new norms?
Changing Tourism Demand
During the Pandemic…

- Stakeholders on supply side adapted to survive
- Aviation sector took a hit
- Accommodation industry faced challenges
- While small businesses suffered, hotels adapted by providing personalized services or developing new business models
- Tour operators were forced to close or forced to adapt with online services
During the Pandemic…

- Demand side (i.e. consumers) showed changing preferences and behavior
- Preference grew for booking flexibility, outdoor travel, personalized services within small groups
- Use of technology grew
- Different travel segments faced different challenges and hence adopted accordingly
  - Cultural, religious, heritage tours went online
  - Nature-based travel and urban tourism grew; beach tourism catered to domestic travelers
  - Business travel/ events stalled
  - Youth showed greater eagerness to travel
Megatrends for the Future of Tourism

- Increase in uncertainty
- Greater government support to manage small businesses and address climate change concern.
- Technology – a key enabler – for tourism recovery and greater inclusion
- Cautious consumers towards health, hygiene and environment
- Youth may grow in proportion for all kind of travel experience
Implication for the Governments and Businesses
Consideration for governments and businesses

- Design policies to manage level of infection and generate awareness for safe travel to gain consumer confidence
- More dialogues for regional cooperation
  - To discuss about travel protocols and mutual recognition of vaccine
  - To match travelers demand of vacation closer to home
- Adopt digital technology to provide services

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Key Opportunity</th>
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<tbody>
<tr>
<td>National government stakeholders</td>
<td>Tourism that drives more inclusive, sustainable, and resilient growth.</td>
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<tr>
<td>Consumers</td>
<td>Tourism that is easier to plan, safer, sustainable, and more affordable.</td>
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<tr>
<td>Destinations and communities</td>
<td>Improved offerings that support economic growth alongside community, destination, and environmental stewardship.</td>
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<tr>
<td>Suppliers and businesses</td>
<td>Innovation and new technology that drives growth and reduces costs.</td>
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Policy Recommendations
Way Forward – Policy Priorities

- Ensure safe and easy travel experience
  - Use of big data to undertake evidence-based policy decision

- Support businesses to design new products, integrate digital technology and re-skill

- Incorporate sustainability in tourism plan and implement it in collaboration with local governments and businesses

- Ongoing dialogue with other countries for faster recovery and improved resilience

- Invest in research and identify areas of vulnerabilities for better preparedness in the future