

# Tourism, Sustainability and Recovery

## Asia Pacific Expert Outlook

**Wakayama-CTR Webinar Series 2020 Vol.1**

## **COVID: Travel and Tourism**

**Wednesday, July 22 7:00-8:00PM (JST)  
@Zoom Webinar (online)**

**Organized by  
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UNWTO Regional Support Office for Asia and the Pacific  
Pacific Asia Travel Association (PATA)  
Kansai Tourism Bureau**



## Wakayama-CTR Webinar Series 2020

Vol.1

# COVID, Travel and Tourism

**Presenter: Brent W. Ritchie**

*(Distinguished University Professor at Wakayama University  
/ Professor at The University of Queensland)*



**Moderator: Joseph M. Cheer** *(Professor at Wakayama University)*

Date:  
**Wednesday,  
22 July, 2020**

Time:  
**7:00 – 8:00 PM (JST)**

Please visit our website for details:

<https://www.wakayama-u.ac.jp/ctr/>

\*Through combined factors of availability and circumstances, this webinar has an all male panel. Wakayama University is very conscious of gender equality and proportionate representation and in forthcoming webinars in the series will ensure that proportionate gender representation is at the forefront of programming.

## Speakers



### Brent W. Ritchie

Distinguished University Professor, Wakayama University, Japan / Associate Dean (Research), Faculty of Business, Economics and Law, The University of Queensland, Australia



### Trevor Weltman

Chief of Staff, Pacific Asia Travel Association (PATA), Thailand



### Hayato Nagai

Lecturer, Faculty of Tourism, Wakayama University, Japan

**Joseph M. Cheer:**

Good evening everybody. Welcome to this evening's webinar. On behalf of Center for Tourism Research at Wakayama University Japan, I would like to welcome you all to the inaugural webinar in the series "Tourism Sustainability and Recovery Asia Pacific Expert Outlook".

My name is Joseph Cheer - I am professor at Wakayama University but at the moment I am talking to you from Australia. We welcome participants from across Asia and Pacific region and beyond, and thank you very much for joining us. The Center for Tourism Research aims to be a key hub for tourism research in the Asia Pacific region, and today's webinar is one part in that overall mission. We welcome visitors and we invite you to consider coming to collaborate with us. This webinar series will be run on a monthly basis and will feature speakers at the leading edge of tourism research and practice - while our necessary focus will be the Asia Pacific region the overall emphasis is obviously on global tourism. The webinars are scheduled for approximately one hour at a time.

Most importantly, we acknowledge the kind support of our tourism industry partners PATA - Pacific Asia Travel Association, and tonight we have their Chief Operating Officer Mr. Trevor Weltman here as a panelist. We also thank the UNWTO Regional Support office Asia Pacific in Nara and the Kansai Tourism Bureau as well. But to begin today's webinar, I would like to firstly showcase the Center for Tourism Research and give you a brief introduction to the faces behind the center via a short two-minute video. This will also help people who are logging in to join us when the session starts. So, please stand by and here now is a two-minute video to introduce you to the Center for Tourism Research. (Promotion

Video)

On behalf of everyone here welcome to the Center for Tourism Research. We know you can't join us at the moment – physically - but we thought we should show you where we are virtually and when all of this is over, we will welcome you to visit us. Now to begin the formal part of today's webinar I would like to ask the President of Wakayama University Professor Itoh to offer a warm welcome to all participants of today's webinar.

**Chihiro Itoh:**

Thank you, Joseph. Hello everyone, I am Chihiro Itoh, President of Wakayama University. Thank you for joining us in the Wakayama University CTR Webinar Series 2020. Because of COVID-19, many international activities have been suspended. For breaking this gloomy situation and making a new trend for the post corona year, we are excited about providing this webinar series. I guarantee you we will enjoy this excellent event. Enjoy and have a wonderful time. Thank you.

**Cheer:**

Thank you, Professor Itoh. Thank you once again for those of you who have just joined us, I see a few people have just come online. Okay, we will start with the proceedings for this evening. So, without further ado I would like to give you some idea about the structure of this evening. We will start with Professor Brent Ritchie who will be followed by response from Mr. Trevor Weltman Chief of Staff at PATA in Bangkok. We think that the interplay between the research community and the practitioner community is going to be very important in the recovery to come. This will then be followed by Q&A which will be led by Dr. Hayato Nagai, lecturer and Faculty of Tourism member, Wakayama University, Japan.

Now to Professor Ritchie, our main speaker today. It is an honor and pleasure to introduce you Brent to the audience. Brent is Associate Dean (Research), Faculty of Business Economics and Law, The University of Queensland - one of the top five tourism research centers in the world. Brent has research interests related to risk, crisis and disaster management in tourism. He is particularly interested in understanding these topics from consumer organizational and destination perspectives. Brent has worked in this field since 2001, publishing over a hundred articles and book chapters, and he is also the author of the 2009 book titled "Crisis in Disaster Management Tourism" published by Channel View, and co-editor of the book "Tourism Crisis and Disaster Management in the Asia Pacific", published by CABI. Brent is also Associate Editor of Annals of Tourism Research, where he curates a collection of papers on tourism, risk, crisis and disaster management. With that, I hand over to you Brent.

## COVID, Travel and Tourism

### Brent W. Ritchie

Thanks very much Joseph. I will just share my screen. So, here we go all right so hopefully you can see the total page there. Thanks very much Joseph for the introduction. Thank you, Professor Itoh, for the introduction too from Wakayama University, it is great to be here. Watching that video made me a little bit homesick because I do actually visit Wakayama University every year in June. Unfortunately, I can't make it this year because of COVID. So, really looking forward to returning sometime in the future Joseph and my colleagues at CTR.

So, as Joseph said, I have been researching this area for a number of years and I thought it would be good to talk about COVID and travel and tourism. And what I want to do is really talk

about some of the possible response strategies. So, COVID obviously has had a massive impact on tourism industry, and there are things that we can probably learn from other crisis and disasters. So, what I wanted to do is go through some of the initial observations I have, some possible response strategies and draw some parallels with what I am saying happening at the moment across the Asia Pacific. But of course, I don't know everything about what's going on, on the Asia Pacific. So, I am just going to focus a little bit more on some of the activities in Australia and New Zealand.

So, thanks or the invitation. What I wanted to do, I think there will be some slides distributed after the webinar, I will make sure that people can access the 2009 books, the one on the left-hand side. And that book is free to download at the moment until the end of July, so make sure you have got the details on how to download that book and how to download the research article here, this is review of research conducted in the areas. So, if you are an academic you might be interested in looking at that paper and saying well some of research things that need to be addressed moving forward, and again that's freely available our paper. So, at the end of the webinar you get slides, you get access to the book on the left-hand side, and to the article at the bottom there.

I will go through and give you a few initial observations first on COVID and its impact on travel and tourism, and I will start to think through some possible response strategies from some of the case studies I have used in the books, and also start to draw some parallels with what I am saying happening at the moment. So, we will move firstly to the impact on international tourism. So, I looked at the UNWTO data yesterday and this is sort of the latest figures. There is obviously a time lag between gathering the data and publishing it. What you can see is year to date, so for the year of date last 12 months we have seen a 43% drop in international tourist

arrivals. If you look at March in particular a 55% drop in March this year compared to March previous year. And April we see a 97% drop in international tourist arrivals in April this year compared to April last year. So, clearly as COVID cases are going up we are seeing a huge impact on the international tourism arrivals with that line going down. In terms of the regions that is most affected we can see Asia and the Pacific is mostly affected and that's probably no surprise because that's where COVID has really started in the Asia Pacific, and you see a 51% drop year to date in terms of tourist arrivals in the Asia Pacific. Less of an impact at this stage in this data for the Americas and Africa, but probably that's going to be increasing particularly in Americans from what we are seeing in the United States, and Latin America at the moment. And then in terms of sub-regions, if we look within the Asia Pacific, we see North East Asia, having the largest impact around 56% drop year to date, and South East Asia 48%, and Oceania here 42%, and that's where Australia is in Oceania, 42% drop. That gives us some idea of the impact that COVID is having on our international tourist arrivals.

Now if we look at our countries and the impacts, they are not equal. Well that way we always see those figures having a huge impact on global arrivals particularly from May it is uneven. We see quite a large impact on countries that are very reliant on tourism; either it is part of their GDP, total share of exports, or where international tourism plays a really important part of their total tourism demand. And we see that lot of these are actually island destinations, Pacific island countries, such as Fiji, Tonga and so on. We also see the Philippines and Thailand and Malaysia, where they have a strong percentage of shared GDP and total exports related to tourism. So, they are lot more vulnerable than other countries in particular, because they depended on tourism related in come.

If we take a look at the figures, this is a couple of months old now. This the UNWTO scenarios that they are predicting the impact of COVID into 2020. And scenario one, this is based on lifting of restrictions, border restrictions in July and that was estimated about 58% drop and demand of border restrictions were opening in July. In September about a 70% drop and then in December a 78% drop. And these are scenarios UNWTO has put together. And possibly I mean we haven't seen many restrictions being open to date so, potentially the impact could be a lot more significant than the 78% here. Interestingly if you look at other crisis and disasters you see very limited impact, the biggest impact we see is the global economic crisis back in 2009 with the 4% drop. So, here we are looking at a very unprecedented event, a massive impact on our international tourist arrivals. And that really poses significant challenges to the tourism industry particularly as I said earlier the kinds of countries that rely on tourism and international tourism in particular.

So, some initial observations. The impacts are unequal, we are seeing a bigger impact I think clearly on developing countries and developing economies which are more vulnerable. And these are countries that probably have been transitioning out of agriculture and fisheries and primary industry towards tourism, so they are a lot more vulnerable and the impacts on them are going to be a lot more severe, and that worries me quite a lot. In terms of unequal impacts to see that certain industry sectors who have a high level of impact particularly those focusing on international inbound tourism and outbound tourism. So, airlines, tour operators, travel agents anyway much more impacted than retail hospitality when perhaps they can pivot to domestic or local customers. And we are going to remember too that tourism related industries are more likely to be small or medium enterprises or owner operators, so they don't have a lot of cash

flow or cash reserves. So, this is quite important for when we think about response strategies. Governments are going to have to think through how they provide stimulus packages to small and medium enterprises and a way that is easy for them to access and thus support them. Because it is very unlikely, they are going to have cash flow potentially beyond the end of the year.

In terms of COVID, I think we are potentially going to be still dealing with this in 2021 and 2022. We are still seeing well we are seeing waves second or third waves happening once we have seen some restrictions being lifted. And certainly, that's the case here in Australia, in Victoria we are seeing a surge in cases linked back to quarantine in hotels. So, it might be a bit of a case of, we might have two steps forward about relax some restrictions but then might be one step back because of the impact of additional cases. So, this is going to be a challenge for global tourism because recovery times are going to be staggered but I guess the silver line for some countries is that 70 to 80% of tourism is domestic. So, there is definitely going to be a pivot towards domestic tourism in the short to medium term, but in saying that not all countries can actually do that, Singapore, Hong Kong, and as I mentioned earlier some of the Pacific islands might not have that domestic demand. So, pivoting to domestic tourism might not actually work for those types of countries. So, we need to deal that in mind differently when we are thinking about response strategies and impacts. It is going to be uneven based on geographical location, based on sector, and based on where the countries can actually pivot to the local market or domestic tourism.

So, just a couple of initial observations, if I turn to response phase and really basis of that industry survival, if we look at other crisis and disasters we can learn a few lessons from that and we can think about how then governments and industry are responding to this particular pandemic. So,

certainly there has been lot of calls for supporting tourism and travel as an industry and particularly for businesses because this cash flow issue that I mentioned earlier, businesses are running out of cash. They are not able to generate revenue, particularly those focusing on international tourism. So, this is a bit of a problem. So, relief packages are needed particularly for the sectors most impacted. So, airlines as I mentioned earlier, inbound tour operators and travel agencies in particular. But the impact of COVID on our economy has been so significant that really the recovery packages for any business regardless of whether its tourism or not, it is really about the impact on the business, the revenue decline, and developing some stimulus packages to help those industries.

But we do know from previous work direct support for industries affected work best. Giving money to consumers to possibly spend is perhaps not very effective, it might be efficient, it might be a good way of getting money into people's pockets but it might not be a very good way of supporting industries. Because people may not spend that money, they might save it. So, the most effective way to support industries and businesses is actually through direct support, it might be through right relief, tax deferrals, guaranteed loans so that people can maintain a business operation. So, in Australia the big stimulus package there is being the job keeper payment, which is about 1500 dollars fortnight paid to businesses that are being impacted upon by COVID. And that money is there for them to then employ and keep this staff and job. The package is due to run out in September, it is now being extended to March next year, but the rights of pay are going to be cut down over the next six months with the hope that businesses can start to get a little bit back to normal. What we also know from previous research is really that because we are dealing with small and medium enterprises and tourism the application processes to secure

the stimulus packages and their support needs to be easy simple and not complicated. I have some media reports in the UK aside that it is difficult for small businesses to actually get some of the relief and some of the support packages. Here in Australia, it does seem easier. I have seen some recent data to show that 9 out of 10 businesses arrival for access and are accessing the job keeper payments so that is good. But in some countries, this is challenging for businesses to access those kinds of funds. So, access needs to be very easy and simple and not complicated.

The other thing we know too is that business associations play a really important role at gathering data and evidence on the impact of tourism and travel, and I think that's very important point. We need to have strong evidence of the impact on tourism compared to other industries and demonstrate that and put a strong case to government for any targeted response. And that's the role of people like PATA I think, they can play a really important role at gathering that evidence and providing support through the crisis resolve center. And Trevor is going to talk little bit more about that later.

So, very important to maintain membership and industry association. If you are a business operator, it is really important not to just see that as why they cut cost but to keep your membership going because they provide lot of support for businesses. And also provide better coordination and consistency so that we can approach government as an industry sector together and



ask for support, rather than having different associations approaching governments separately. That gives a real mixed message, very confusing for government to deal with many different associations. They can deal with the big body or in the case of PATA, one organization for the Asia Pacific that's better, rather than individual associations.

So, these are things that we have learned from the past and I think where it is important to make sure that this is happening that tourism goes to government with evidence and with one voice. In terms of response phase two what we are seeing marketing is probably limited, it is probably not worth doing any marketing campaigns now because people can't travel with restrictions for international travel. It is really about top of line marketing keeping in contact with your potential consumers. Get them to think about it is time to dream or anticipate a travel, a trip to your destination and we see that with some of the hashtags travel tomorrow, we see that with Travel Netherlands here and starting here to get to dream and consider them for when borders reopen. And short to medium term, it is going to be more local travels, staycations, maybe intra-regional travel and some limited cross border travel. And so here in Australia in Queensland where I am based we are able to take people from states and territories into Queensland except for Victoria at the moment. So, lot of traveler's intra-state or now we are seeing some more inter-state travel actually happening. And that's good for Australia, but as I said earlier some countries don't have the capacity help domestic tourism stage.

We are seeing people quite concerned about health obviously and hygiene and this again is where industry associations can help their members to give them protocols, and guidelines, and how to deal with this. And this is some from the WTTC that they are providing their members to get them these guidelines so that they can



actually provide a safe environment for their customers. So, these are in a short term some things to think about. Interesting this picture here, you may think this is summer. This was taken a few weeks ago after some hot weather we saw people start to relax and become complacent and go to Bournemouth Beach in the UK and this is the crowding. It is not last year's photo; this is this year's photo. So, we do have some real problems around complacency and social distancing happening, in some particular destinations.

In terms of markets if we look at the importance of domestic tourism particularly the visiting friends and relatives' market, we know from previous work that these markets may be more likely to return faster to a destination. They are more familiar with the destination they may have visited before they may have friends and family. And so, we know from previous studies that this market is likely to return a lot quicker than other markets. So, again that's good if we have got potential to develop domestic tourism or attract domestic tourists, but it might not be the case for all countries. Just as an example here, one of my colleagues from UQ has done some research here in Australia and about 50% of Australians do want to travel domestically when restrictions are lifted, and they want to do it to support Australian tourism. And the preferences are changing, we have heard this little bit in the mass media that they want open spaces, they want to drive to the destinations rather than flying and they do want to be careful around hygiene standards and so on. So, again some indicators that domestic tourism is going to be important moving forward.

A couple of examples here, I am actually from Dunedin, New Zealand and we have got a little tweet here from Dunedin New Zealand saying international travel is so last year you might not be going where you hoped, but the good news is you can come to Dunedin New Zealand. We have got the beaches like Bali, we have got the pyramids

like Egypt, we have got the history and culture like Edinburgh, and we have got the wild life safaris like Africa. So, a bit of tongue and cheek here but it is encouraging New Zealanders to travel domestically to Dunedin. An example here of staycation with Hong Kong. Hong Kong really doesn't have domestic tourism but local people can explore the city, they can go and stay in a hotel even, they can have a restaurant experience and that is very good for the businesses in Hong Kong but they don't really have the ability to drive domestic or international tourism this stage. So, their campaigns are around staycations, local market.

In terms of understanding consumer preferences too, we are seeing some consultancy companies partnering with travel associations. This is McKinsey Company partnering with IATA to provide some lead indicators, to give some sense of what might be happening out there, so that businesses can start to think about reopening or airlines can start to think about what routes they can start to service in the future. So, this is capturing data around COVID, state of COVID in particular regions or countries, passenger's interest in travel, from survey that McKinsey do, and then willingness and decisions to travel based on website data and based on flight search index and flight purchasing indexes from IATA. So, all this information is available for businesses and airlines to search and they can delve into regions or countries to get an idea of lead indicators and where they might be prospects for developing routes or reopening routes from airline perspective. So, these lead indicators are going to be pretty important moving forward. Other lead indicators around consumer confidence are also going to be important, because they provide some indication of where there might be potential growth from a tourist market perspective.

And I have just given an example here of Vietnam. Because Vietnam actually has very low

cases of COVID, I think it has under 400 cases and no deaths. So, interesting looking at their spending pattern shifts, so on the left-hand side we have got during COVID versus before COVID people spending behavior. And we can see people still were shopping for groceries and food delivery and take outs and entertainment and home, and telecommunications. But certainly, travel and tourism drop significantly in Vietnam during COVID versus COVID purchasing. Interestingly anticipated post COVID purchasing compared to before COVID we see not much of a shift, bit of a shift but still purchasing behavior is quite low. So, still 20 odd percent lower than before COVID. So, this is a bit of a concern even in a country where the rates are pretty low and domestic tourism is growing. People's propensity on one against to spend money on travel is still quite low, and that is a concern. And this is obviously a snapshot, but I think this kind of work is needed on an ongoing basis to provide some lead indicators some sense of where we might start to return to normality.

Similarly, too we have been doing some studies in China and looking at when people may come back in terms of their travel after restrictions are lifted and we see most people would travel four to six months after restrictions have been opened. And particularly those who have got a bit more fear, or nervousness, or anxiety, this is going to take longer for them. And interestingly we found that those that are more nervous are going to delay or avoid their travel which is probably not surprising here but also people's capacity to protect themselves from infection, the more they think they can protect themselves the less nervous they are the more likely they are to travel in the future. So, these lead indicators, these research studies are going to be very important for showing us where we might see some glimpse of hope with potential markets in the future.

We will though, on the good news, we will see some pent-up demand, we will see this

amazing scenario done of V-shaped bounce backs happening. This particular one with the US market and travel to Asia Pacific and we can see predicted VoV shaped bounce back. But depending on the scenarios that will take more time, it could take to 2022 before we see US visitor arrivals come back to the baseline level. So, we are going to pretty more like to see point to point travel between particular countries with travel bubbles and where there is countries with very low or no cases happening. That's probably more likely to happen in the future. I also got similar predictions of V-shaped recovery, but they are predicting that by 2025 they will still be 10% below pre COVID level. So, we are going to have a drop of 32 to 41% in air travel predicted over the next couple of years and it might not get back to baseline for quite some time. So, there will be a bounce back with pent-up demand, but it is going to take a while to get back to normal.

In terms of longer-term recovery, I think it will be a bit of scramble for high yield markets here. So, people will be trying to target high yield high spending markets, such as the Asian markets and the Chinese market. Usually we see events being used as a catalyst to bring people back to a destination after it has been affected by a crisis or a disaster, but that might be difficult to do with social distancing. And I am also little bit concerned about tourism and hospitality career paths, so I think people are saying the impact that this is having on travel and tourism and we are seeing a drop in demand for vacation and higher education studies in the area of travel and tourism hospitality. So, that's a concern to me.

And just as finishing up I want to speak about this we might take some questions around this, but there has been a lot of talk about possibly the size of the shock surely we are going to learn some lessons, surely we are going to change a behavior, surely businesses are going to change their practices because of this. Surely, we are

going to be rethinking our supply chain or market dependency, surely, we are going to be doing more crisis planning into the future. So, people are saying that potentially this could be the shock that we need to change practices. And I think I am not quite sure of that; I am not quite convinced that this will happen, but I am happy to discuss this in the Q&A. So, thanks very much for listening I look forward to the Q&A at the end of the show. Thank you very much.

**Cheer:**

Okay, thank you very much Brent for that - good timing. On that note, we now go across to Mr. Trevor Weltman who is currently in Bangkok. Before Trevor starts, I will make a very brief introduction.

Trevor is Chief Operating Officer of the Pacific Asia Travel Association more commonly known as PATA, where he oversees day-to-day operations of the association across three offices in Bangkok, Beijing, and London. Trevor has over 10 years of experience in Asia, spanning China, Vietnam, and Thailand. Currently Trevor's primary focus is leading the team global experts and providing content to the PATA Crisis Resource Center. The PATA Crisis Resource Center is a unified platform that provides reliable and up to date policy statements authoritative information and tourism indication around the globe. And the aim of the center is to provide a global centralized repository of reliable information for users based on their needs and much of this was recently released. So, with that I will hand over to you Trevor. Thanks for joining us.

## **The PATA Crisis Resource Center (CRC)**

**Trevor Weltman**

Thank you very much Joseph and thank you Professor Ritchie for your wonderful presentation. Two things, first I have never been introduced as Professor Trevor Weltman before, so I appreciate that sincerely. I am going to call that an honorary professorship from somebody who I respect as a tourism thinker and practitioner. So, thank you very much Joseph and thank you everybody for having me here to participate today. I am going to go ahead and share my screen now, so you can see my presentation. At the beginning, this was sort of framed as a response to Professor Ritchie's presentation when actually now it is more of a build on it. Typically, when I give this presentation, I spend a lot of time sharing some of the similar information that Professor Ritchie did in grounding this crisis and what's been happening then I built towards what has been PATA's response. Instead of spending time on the background which Professor Ritchie has already done, I am going to share from the industry perspective where as an industry body how we have been building our response and how we are assisting the industry actually with the recovery. So, as I shared I am Trevor Weltman from the Pacific Asia Travel Association, if you have any questions for me as a result of this presentation please do reach out to me via my email which is here, or you can scan this QR code for my LinkedIn. You can reach me on either and I will share this slide again at the end of the presentation, so you have my contact details.

So, just very quickly I was asked to give an introduction to who PATA is. In its simplest form, we are a business association that focuses on travel and tourism in the Asia Pacific region. Specifically, we are an entity that was founded in the USA 70 years ago and have been headquartered here in Asia, in Bangkok for last

20 years. Our mission or our role in the world is to act as a catalyst for the responsible development of travel and tourism to from and within the Asia Pacific region, and uniquely unlike other travel and tourism business associations we are both public and private. And within the public and private sectors we also have a wide range, so we have some of the largest national destinations as our members, and some of the smallest tertiary and secondary destinations as members as well as some of the largest global corporates in travel and tourism as our members, as well as some of the smallest SMEs and micro-SMEs. So, really as you can see by this graphic, we in our membership represent the entire travel and tourism supply chain which gives us a really unique advantage point into not only what's needed but how to bring solutions to both the public and private sector in terms of crisis or in terms of business in general.

One thing I want to share very quickly before I get into the details is this very simple but ultimately, profound graphic that was developed by one of our key experts Damian Cook at E-Tourism Frontiers. He put out this graphic early on in the crisis in about February, and even though it is scant on details it is ultimately the trajectory that we are on right now, which is in order for travel and tourism to open up, it is going to have to follow this timeline or this timeline of events in this order which is first the easing of the restrictions which is what we are now starting to see. Next domestic travel picking up either as road or non-air travel, then the resumption of domestic flights, then the resumption of international flights, business travel, and the FITs and then a while after group and volume travel. Again, the big question is when will this happen, well nobody knows. And the second question is well how long of the time between these trenches will actually take place. Again, nobody knows. But I find that I have to return to this graphic again and again when I speak to the governments, the corporates, and the SMEs to remind them at a

high level where we are and the work that still has to come. So, I share this with you all. This will be shared in the slides, but this is an ultimately a very powerful graphic in grounding us in our journey going forward.

So, specifically what is the industry asking us? What are the governments and what is the private sector asking of PATA at this time? Really all the support that we are being asked can fall under three distinct categories. First is market research, what are travelers thinking? This is evolved from health and safety to consumer confidence to dreams of where to travel next etc. Next is governance and policy, what policy should the destinations and the corporates be putting in place, either adopting or recruiting on their own for the safe resumption of travel. And three how to finance the actual management and recovery from the crisis. Where to find that money or if they have that money, how to budget internally from national government, the municipal government etc. And of course, there is a big interest in the source markets and a big interest regionally around the world in China looking at some of the out bound sentiment analysis, what are the Chinese now thinking as they start to come through this process. And also, specifically what do the per capita losses financially in China mean for Chinese consumers and their desire and ability to travel.

So, what has been our response? Early on in the crisis, there was not a lot of coordination happening in the industry in terms of in the region, in terms of where the information could be found that was credible. PATA was one of the first entities to put out a statement. We were one of the first entities to start hosting webinars and we quickly became overwhelmed. We were doing this out halfway because typically in the past we supported the industry on the recovery side. Destinations would reach out to us post crisis to assist them. However, as the crisis

deepened, we really recognized that there was a lack of centralized crisis response and recovery in leadership. And we have sort on risen as de facto leader now as this has gone up. And as a result, in partnership with the Asian Development Bank and several experts in our membership, we have built the PATA crisis resource center which is live. It is a public resource aiding in the rapid, robust, and responsible renewal of the Asia Pacific travel and tourism industry. And you can visit this on your own at [CRC.PATA.org](http://CRC.PATA.org) to use the tools that I am going to outline in a little bit.

Just very quickly what is the purpose of our CRC? The purpose is to help solve the Asia Pacific tourism industry's urgent need for crisis leadership and we really want a lead in and coordinate this but in a sustainable way. This shouldn't just be about COVID through our surveys, through the surveys that other entities have uncovered be then the WTTC and WTR. There is an ongoing need and a past need actually to prepare for crisis and manage it better going forward. And finally, I just want to say what our focus is. We are Asia and the Pacific; our focus is the governments and SMEs and as much as possible our CRC is looking to be action oriented. This means the resources that we are putting out are practical to the situation in the current phases of recovery that are currently taking place with the goal of being useful on the day that the ready for the businesses and the governments who are using these resources. So, very action oriented to the need of the industry and response in that way. Of course, we are trying to not just we are rebuilding or renew the industry or recover we are looking to rebuild in a more sustainable way, which in short term means that our CRC is 100% focused on the management and recovery from COVID-19. And I think with the number of scholars on call and people doing the tourism sustainability research we all want to prevent against tourism from again becoming a diesel generator of unsustainable economic and

environmental activity. We want entire recovery to building a better industry and make sure that with our partners that we are also reaching out to their constituents as well. And really bring on the best experts in the industry available to help build and guide these resources.



So, the first resource I want to highlight for you is our recovery planner. This is an interactive tool that you will put in some information about what's happening on the ground in your destination in terms of case count, in terms of dates that are projected for opening up borders etc. And based on the information you put in just about seven or eight questions, will give feedback to you a PDF email that shares not only what phase your destination currently is in with regard to recovery, but also give you links to resources that we have built for outside of our crisis resource center specific to deepening your recovery at that phase, or enhancing your recovery at that phase. Next we have our communication guides these were developed by John Bailey who is a foremost leader in crisis communication for the airline industry, in fact he literally wrote the book on airline crisis communications and was instrumental on the IATA guidelines that come out every year, he wrote those. What we have done is a two-fold strategy here. Our crisis communication planner is a general strategy for crisis communications, for destinations, and for tourism practitioners regardless of what crisis is happening. These are the best practices, but then our communications strategy guide is specific

to COVID and that's giving sort of step by step instructions on how to communicate the changes that your business, or your destination is actually making during COVID in order to communicate this to your constituents and your consumers, your travelers, and your clients.

Next is our case study library. I think as Professor Ritchie shared it is good to look at case studies. Many people have said throughout the crisis there is no comparable in history and Professor Ritchie third or fourth slide there were shown the impact of COVID certainly has no comparable. However, we also believe that there are best practices that can be learned from how different destinations in organizations have recovered from crisis in the past. And we have distilled those lessons into principles and each of these case studies again for the industry to learn from and to start adapting to a COVID response now. And with these case studies we have put in an enormous amount of time over the last six weeks interviewing people from the public and the private sector in Vietnam. And putting together that timeline of not only just what did Vietnam do for the recovery and management of COVID, but at what stage did they do it? And then how did those different entities respond individually and respond collectively. This is honestly a unique resource I believe in the region and in the world. Given the dearth of the tourism perspective in it, and we welcome all of you to visit our website and to download and to use it for whatever purpose you need for your students for your businesses etc.

Just want to talk about long term vision not only for the CRC but about the entire renewal for our industry. I know I only have about a minute left and this is my last slide. So, I am going to go quickly through this, but you know really there is a need for disaster planning. We put out a business impacts survey just a couple of weeks into the crisis. 65% of survey response didn't

have a disaster plan. Furthermore over 40% of the businesses of the SMEs we pulled didn't have money for more than two months out from that times. So, obviously there is a need for disaster planning and preparation. And finally, we are working with some scholars from Cornell and Harvard on developing a holistic accounting methodology for that ongoing destination management.

And my final point has to do with habitat protection. What is now an ongoing health and economic crisis truly began first and foremost as an ecological an environmental issue. So, we cannot lose sight of the fact that in order to prevent against crisis and pandemics of the scale going forward, we really need to take care of the environment. So, that is my final slide. We invite all of you to join our PATA crisis resource center. Go to the website, use the tools, engage with them and please give us the feedback. You are on the frontlines of knowledge and tourism practitioners and we invite you to have a voice in this. If you would like to publish on our resource, if you would like to use our resources please reach out to me, we are happy to have a dialog. Thank you very much.

**Cheer:**

Thank you very much Trevor. It is really great to have someone like you with your wealth of experience and the reach that you have across the Asia Pacific region and the tourism industry to come and spend some time talking to us because very often we don't get access to people like you - but one of the side benefits of this corona virus crisis is we get to hear from people like you and that's fantastic. Thank you very much. So, with that having heard from Professor Ritchie and Mr. Trevor Weltman one of the things that we wanted to do was also give you a snapshot of the context in Japan. Because as most of you realize, Japan was supposed to be host of the Olympics in 2020,

but of course, it was one of the main casualties of COVID-19. So, with that, I hand over to Dr. Hayato Nagai from the Faculty of Tourism at Wakayama University to give us a great snapshot of what the situation is like in Japan. Hayato, over to you.

## Inbound tourism in Japan

### Hayato Nagai

Thank you very much Joseph for the introduction. Hello everyone, my name is Hayato Nagai I am a lecturer here in Wakayama University. So, my part is very quick one. I will have about four minutes and I have three slides to share with you. And because I see many people joining from different countries which is very great, but I think some of you are not very familiar with Japanese tourism situation before COVID. So, I will show you some of the slides and give you a quick snapshot. Let me just share the screen. Okay, I hope you can now see my slide. This slide, I created a bar graph here, the number of inbound tourists in Japan since 1964. 1964 is the time that Tokyo hosted the first Olympics and since then the number of inbound tourists has been gradually growing. But before 2000, we only received a less than five million inbound tourists. But especially after the government started the inbound tourism campaign called “Visit Japan” in 2003, the number has increased. So as you can see from here, this is 2003 number. The initial goal of “Visit Japan” campaign was actually 10 million by 2010. But we didn’t reach this one. One of the reasons is in 2009 as Professor Ritchie also mentioned, global financial crisis and also in 2011 Japan especially in Northern Tohoku area, we had 2011 Great East Japan Earthquake and Tsunami which impacted tourism in Japan as you can see from here. But after that, since 2013, we actually reached the record number every year. So, this is a number last year 2019, and we had about 31 million inbound tourists within that about 82%

from Asia. Within Asia, 70% from East Asia. The biggest market was China, then next one was Korea, Taiwan, then Hong Kong.



I will move on to the next one. Because we started to have more and more inbound tourists, this is the tourism consumption by international visitors. As you see here in 2012, the year after we had the great earthquake and tsunami, there was around 1 trillion Japanese Yen. So, 1 trillion Japanese Yen is about 10 billion US Dollars. Since then, it started to grow then last year it was about 4.8 trillion Yen. So, this graph highlights that tourism especially in the last 10 years has become very important driver of Japan’s future economy. This one, as Joseph mentioned, actually we were planning to host the Olympics in July and August this year. But it has been postponed to next year and there is also discussion I see in both international media and Japanese media that whether we can have, or we should or not. But I just want to highlight this one. This is the one the government set a goal in 2016. Their goal this year and this is not realistic that we reach this one, but it was actually 40 million by 2020 and 60 million by 2030. I was checking and just found one document released by the government this week that the long-term goal of reaching 60 million hasn’t changed so far. So, that’s something we will continue looking at this one, but if you are interested in Japanese tourism please look at this one and maybe it is a great opportunity for us to discuss and how we reach this one and whether it is realistic or not.

Because of limited time and I will also want to use time for Q&A session, so thank you very much again for giving me an opportunity to provide this quick snapshot and it was very quick but hope I provided some information for audience especially who are not familiar with Japanese tourism. Okay, thank you very much and I will hand over to Joseph.

## <Part II > Panel Discussion

### **Cheer:**

Thank you, Dr. Hayato Nagai, from the Faculty Tourism at Wakayama University. Okay, we have gone through all the panelists and we have some questions coming through now. And while we would normally schedule this for one hour, we are happy to go slightly over to bring some of the questions to the panelists involved. As we can see, and as Hayato has said, Japan is very disappointed in terms of not being able to meet its goal of 40 million by the end of 2020, 60 million by the end of 2030 still there. And whether the Olympics will go ahead next year or not, must still be a big question mark. So with that, we have a number of questions and I guess the questions can be answered by anyone. And one of the main ones, one of the questions at the top of the list here is this question about travel and tourism as a career. You know given the crisis and this is perhaps it is a question for Dr. Nagai and Professor Ritchie. What are the prospects of travel and tourism careers?

### **Ritchie:**

Good question. In Australia, we have had job shortages, so if you look back at the tourism 2020 plan there is probably somewhere between 30,000 to 50,000 job vacancies predicted. So, that demand is there and of course, some of that will be management roles, most will be frontline staff. My concern is I am seeing this in some

of the data for enrolments at the university. There is a drop in demand. Yet we are seeing an increase in applications to commerce or business management but a decline in tourism and hospitality. And previously we have had shocks like cyclones in Queensland and in Australia and government has invested in packages to promote the career paths around tourism. They have seen that that's a potential issue, that students think okay the industry is being hit hard. We are not going to see increase in numbers of students taking this at a vocational level or at university level. And they have invested some recovery money to provide that as a career path. So, I think in the short-term, I am a little bit worried that we are going to see a decline in enrolments, we already have shortages so it is going exacerbate that and I do think there would be a bounce back. There will be pent-up demand, we have seen that in the past with other crisis, just might mean that the bounce back is going to be a couple of years down the track.

### **Cheer:**

Okay, so if you are in the middle of a tourism degree stick to it.

### **Ritchie:**

Stick to it. I think people probably have been affected by the media coverage and obviously the impact that COVID has had on our sector. But don't give up now, it is actually good time to study to be quite honest and by the time you come out of your degree, things will have hopefully improved and then hopefully have a good job for you. So, I would encourage people to continue to study. But I am just seeing these patterns you see, commerce and business going up, enrolments in travel and tourism coming down.

### **Cheer:**

Okay, the next question comes from Professor Betty Wheeler of Southern Cross University. Hi Betty, thanks for your question. Betty's question



can be answered by anyone and the question is about tourism bubble, or travel bubble. Where is it likely to form and the pros and cons especially for those outside the bubble? So, either Trevor or Brent whoever wants to grab that first.

**Ritchie:**

Trevor do you want to go first?

**Weltman:**

Sure. I have been advising actually and PATA's been advising multiple governments in the region at different stages of this discussion. And what it means to open a travel bubble. And I can't disclose too much, but I do want to talk about the enormous complexities surrounding the travel bubble. But I like using the example of Australia and New Zealand and Professor Ritchie you are going to go around this in more detail I am sure. But just looking at this from the outside, countries that have a long history of trade, commerce, and tourism they have a shared language, they have mutually accessible healthcare systems, and a lot of overlap with the insurance etc. and many other similarities, of course, differences but similarities. We still don't have a fully open travel bubble between those two countries. Then you have countries in the Pacific specifically Fiji who are asking to join the travel bubble. But what does that mean when they don't have any of those other pieces already in place. So, that's a level one.

Level two is starting to look at the actual components or indicators for readiness for opening. Whether these are the hospital beds, helicopters, who is responsible for repatriation at what step of the journey, the insurance companies, the airlines, the individual nationalities at play, the state lines. This is enormous and I don't want to sign off on a hope on these travel bubbles. I believe we are going to see more and more successful roll outs of these as we get deeper into, as you get further into recovery. But I think often times the complexity and the various factors that

go into the bubbles are not being discussed. And that's what I wanted to highlight here. Over to you Professor Ritchie.

**Ritchie:**

Well I agree with you Trevor. I mean we had a meeting with the New Zealand High Commissioner back in March. It wasn't about travel and tourism, it was actually about the vaccine and new keys developing a vaccine for COVID. But actually, she said I think we should have the bubble sorted out in June, and we are still talking about it. So, I agree totally I think it is going to take a while. And to be quite honest, I think we should be talking about bubbles not only New Zealand and Australia but with Pacific Island countries. I think we need to be seeing that as a form of aid and support for these countries which are going to be very badly affected. Because they rely on international tourism, yet the cases are very low. So, in my mind I think we need to be focusing on some of the Pacific island countries if we can. But as Trevor said, it is complicated and they got to have the health system and the beds and so on ready to go with this kind of thing. So, it is a good idea but a lot of work to do to make it happen.

**Weltman:**

Yes, and just to share I think consumer confidence is actually a secondary consideration versus national confidence right now. And the conversations have all changed since the end of June when I believe two things happened in the region to change that. First was the second wave out of nowhere in Beijing. So, you have the most lockdown city and the most lockdown country that still was able to have a minor resurgence in the virus. And then some of the countries in the region who were slated to open their borders delayed again, Vietnam, Thailand, etc. So, I believe that was actually a turning point in the crisis to start touching on this conversation of well we are really waiting for the vaccine in order

for bubbles to actually happen etc. I don't have an answer on that. And please don't misquote me that we are only waiting on the vaccine, I don't believe we are actually there. However, I do believe over the last few weeks we have reached a turning point from what's possible to a more sober in prognostic on what might happen before the end of the year or not.

**Cheer:**

Okay, thanks Trevor and Brent and interestingly on the vaccine Trevor as you mentioned at the very beginning of the recovery, people were saying that all we need is the discovery of the vaccine to fix things right. But now researchers at Oxford yesterday were saying that we might find that the vaccine, is not a 100% full proof. So, the risk factors are still there at some degree. Okay, we will move to the next question. It is about SMEs. Most of the companies in the tourism industry learn from previous disasters as you can see now or are you finding SMEs still ill prepared for the crisis that's unfolding?



**Weltman:**

You know ill prepared is maybe an aggressive term here. Because we haven't seen a crisis of this scale. I think in some instances whether it is tsunami prone areas or flood prone areas, or earthquake prone areas, if you have a crisis you know you can maybe point fingers and say we should have been more prepared, we should have learned from the last \_\_\_ and there are aspects of this crisis that infrastructure; be it business infrastructure, physical infrastructure, destination

infrastructure could have been better and we can have that conversation. However, I take it back to Professor Ritchie's third or fourth slide. Nobody in any industry and any business of any size really had a game plan for a global pandemic in the era of globalization. What do we always say, the last one of these took place in 1918. And that was not only 100 years ago, it was about a 1000 years ago in terms of the complexity of the international congress. So, I think it is a little hard on the SMEs to say that maybe they should have been prepared for this crisis. Now with that being said what we uncovered in our business impact survey which we put out in late January or early February was just starting to put numbers to the lack of preparations, or to the absence of preparation. As I shared in my presentation, 65% of the businesses had no crisis preparedness plan at all. So, this could mean if it was for a local crisis such as a volcano, an earthquake, bush fires, whatever it is, there was no crisis plan, which is problematic and needs assistance in training.

And second when we look at the cash reserves, it is devastating. Actually at that point, people had only over 40% and only two to four months of funds left, and over 50% at that time and this is in March when we looked at the results, had already reduced staff or reduced staff pay. So, there is a need and we need as governments, as corporates, as anybody in the supply chain to think about who do we rely on for running business as usual, and how can we support them now in financial ways, but going forward in non-financial ways to be more prepared and more resilient for future crisis. Thank you.

**Cheer:**

Thank you, Trevor. The next question is about domestic tourism and Professor Ritchie you touched on this for a bit. The question is how viable domestic tourism as a recovery response and to what extent is the shift from crowded city centers to less crowded rural and peripheral

areas; a case of problem shifting. Because we see many countries now especially, we see this in Spain, and recently where they are talking about people at regional and rural areas being reluctant to have tourists. We see that in Australia as well, we see that in Japan, the fear that people from the cities are going to be bringing COVID-19 to the countryside. How do we deal with this situation? And back to the overarching question how viable is domestic tourism as a recovery response?

**Ritchie:**

It is probably the only option we have got to be quite honest. I mean and I gave the examples of Hong Kong and Singapore and Pacific Island countries which don't have domestic tourism. So, we have to take that into account too. But really it is the only options we have got. I guess the issue is it is not necessarily a high yield market, the spend is lower, but I am saying that maybe there is an opportunity for people to rediscover their country and maybe there are opportunities to develop high end products and experiences for domestic tourists. When you take Australia, I think it is something really billions of dollars that more money is spent internationally by Australians than in the country. So, there is an opportunity we can capture that dollar. We can showcase high quality experiences that could be a high yield sort of market there. But at the moment it is not. In case of North Queensland, I think obviously people are travelling around Queensland, and the occupancy rate is still 10 to 20% up in North Queensland. And that's because the reef and the rainforest is very much driven on the international market. So, I think really it is the only option now. I can understand why some regional areas are probably worried about people coming. But I think we have got the health situation under control if freedom of movements okay, I think we need to trust the health agencies, and welcome them. Because I think that can provide the economic development that we need. So, not high yield but it is probably it is going to be perhaps the strategy that we need

until the international borders are open and that could be quite a while to be honest.

**Cheer:**

Yes. Trevor do you want to add to that?

**Weltman:**

No, I think that's a very good answer. I should also let Professor Nagai have some time and some further questions, very good answer.

**Cheer:**

All right. The next question and there are couple of questions - we have just gone over our hour allotment, but we will try and get through the next two questions and probably stay not more than another 10 or so minutes. Next question concerns the Asia Pacific and the question was what are the prospects for long haul travel because as well know Asia and Australia and New Zealand in particular the other end of the world and the key source markets in North America and Europe, what are the prospects of long haul travel going forward?

**Weltman:**

Prospects now? I think that's sort of a summation question of everything we are asking right now. Because look at the primary source markets in the world right now, look where we are having the resurgence of the second wave or fortunately in countries such as my own, really the continuation of a ghastly first wave. So, long haul travel will resume at some point but that's as I have showed in that graphic that's really a long time off, particularly the group travel. So, we are struggling from my last question and I am very short haul cross border travel. We will return to cross border short haul and long haul as well, but it may not be for some time. And I know that's not a precise answer and I also know that it is not a desirable answer. But it is the reality of the situation I believe we are in.

**Ritchie:**

Trevor, doesn't have a crystal ball; we don't have a crystal ball here. It is going to be quite some time the way I suspect.

**Cheer:**

Yes, okay. We have got time for one more question and the question that has come through is in relation to we were just talking about source markets for Asia. One of the things we know that in Japan as an example and Dr. Nagai touched on that. 75% of all the international inbound arrival is from within the region. And more than half are from, close to half is from China, and Hong Kong which raises the question about China. Is the recovery in South East Asia dependent upon the bounce back of Chinese outbound travelers?

**Weltman:**

It doesn't have to be in as much as the growth of these markets, then have to be dependent on only one source market. Let's not pick on the Chinese, in the 90s it was the Koreans, and early 2000 it was the Americans and the Russians, etc. etc. etc. who is the dominant source market at that time who everybody tries to cater to. So, we have been saying for several years at PATA as have entities such as yours Joseph diversify your source markets, this is not only good for business, this is good for the environment as well. So, we are advocating very strongly to look beyond single source markets whether it is Chinese, or Japanese, or Singaporeans, or Americans. And there are some really practical realities in this too which has to do with flight routes. Nobody knows right now what flight routes are going to be still viable and at what volume when recovery really gets underway. So, to start looking now at different ways of segmenting your markets whether it is high yield, or geographically based in terms of closeness, deepening your regional presence, whatever it is it is now time to start thinking that way. It is beyond time to start thinking that way.

**Cheer:**

Brent do you want to have a go at this one too.

**Ritchie:**

Not really no. I think Trevor did a good job of it.

**Cheer:**

Yes, there are other questions I can't quite answer but this one came in earlier and I have neglected to ask it and this question you raised it Trevor. The question of yield versus volume. We had many countries saying we don't want as many tourists we just want high spending tourists. Is that realistic? And what does that mean for tourists who aren't high spending, the old mass tourism market what do we do with them?

**Weltman:**

Well I wasn't the one who brought up that point Professor Ritchie, but I do have some comments on it. You know mass tourism or the mass tourism phenomenon was driven by many factors and again the destinations are asking we built it up and we were working on this high yield or high volume low yield model for many years, but again when you look at the supply chain going forward with many of the budget carriers around the region either consolidating, or going out of business or significantly reducing their routes, just access to the high volume travelers in the mid-term may not be feasible. So, I think particularly in terms of sustainability, we can all have a conversation about viability and the wisdom behind mass tourism. But again, there is just some practical supply chain realities that should be forcing to rethink regardless of what the desired outcome is. I don't think a high yield tourism is the only answer, I think deepening some of the other matrix such as hotel night, not only just daily spend is also important but again what is the reality, what is the potential reality in four months or five months' time. And Joseph I think that will start to yield some of the similar

results that this conversation could lead towards.

**Cheer:**

Brent, do you want to add to that?

**Ritchie:**

No, look I think we can't talk about particular countries exactly, but China obviously is a high yield market, particularly for Australia but doesn't have to be group travelers, take international students for instance. High yield and they contribute so much to society and diplomacy and so on. So, I think it doesn't have to be about the group tours, it can be very much about these international students. And there is a number of markets where there is quite high yield, high spending, but it might be very difficult to get that started now obviously. Domestic market I said earlier not very high yield perhaps but potentially could be especially with international borders closed. Potentially we could have some inbound tour operators and people with experiences designed for other markets pivot if they can but that's difficult today. But it probably needs to happen a little bit, particularly for survival in the next twelve months or so for them. So, can we pivot that, create those kinds of experiences for domestic tourists. I don't know but I think something is going to have to happen for the inbound tour operators particular.

when can I travel again? I think the fact is, and I think this is an equivocal response from both of you Brent and Trevor. We just don't know, right? Anyone who thinks they know is really guessing. So on that point, I would like to thank all of the attendees for coming along. Thanks Professor Brent Ritchie for being our speaker. Thanks to Mr. Trevor Weltman for being our industry panelist. Thanks also to Hayato Nagai for giving us a Japan response.



**Cheer:**

Okay. Well I think in order to wrap things up, quite a few people have asked the question about when is the recovery likely to take place,

**COVID, Travel and Tourism**

Professor Brent W. Ritchie  
Faculty of Business, Economics and Law  
The University of Queensland, Australia  
Email: b.ritchie@uq.edu.au

Distinguished University Professor  
Center for Tourism Research  
Wakayama University, Japan




**Tourism (direct) as share of GDP (%)**

Mexico (China)	41%
FP	11%
Philippines	9%
Thailand	7%
New Zealand	6%
Hong Kong (China)	5%
Indonesia	4%
India	4%
Australia	3%

**Tourism as share in total exports (%)**

Mexico (China)	100%
Maldives	84%
French Polynesia	65%
Turkey	57%
Marshall Islands	45%
Tonga	47%
Macronesia FSM	39%
Sri Lanka	28%
Timor-Leste	27%

**International tourism as share of total tourism (%)**

Timor-Leste	86%
New Caledonia	66%
Korea (ROK)	42%
Malaysia	36%
Thailand	36%
Japan	15%
Indonesia	14%
Australia	11%

**UNWTO**

A number of reports by regions, by cells and clusters, including an overview, a list of cluster management and more. In French, English, Spanish.

1

### International Tourism 2020

World

**YTD change (%)**

**-43.8**


YTD data available: April 2020

YTD change by region (%)

Europe	-44
Asia and the Pacific	-33
Americas	-35
Africa	-35
Middle East	-38

**International tourist arrivals (persons)**

• Current year (2020) • Previous year (2019)



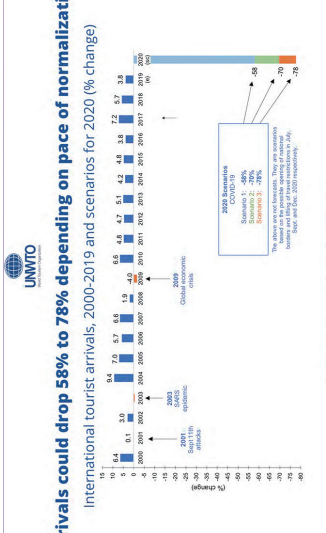
**YTD change by subregion (%)**

North America	-35
South America	-35
Europe	-44
Asia and the Pacific	-33
Africa	-35
Middle East	-38
Oceania	-35

2

### Arrivals could drop 58% to 78% depending on pace of normalization

International tourist arrivals, 2000-2019 and scenarios for 2020 (% change)



**UNWTO**

UNWTO estimates for COVID-19

- Scenario 1: 58%
- Scenario 2: 78%

The above are based on: These are estimates based on the UNWTO's International Tourism Arrivals and Expenditure Report, 2020 (November 2020).

Source: World Tourism Organization (WTO) | UNWTO | © Unwto based data.

3

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4

### Initial Observations

#### Impacts are unequal

- Developed ct. developing countries/economies = more vulnerable
- Impact most pronounced for airlines/tour operators/travel agents ct. retail/hospitality
- Tourism related industries are more likely to be SMEs or owner/operators

#### May be still dealing with COVID in 2021-2022

- So post-COVID may be sometime away/Additional waves of outbreak
- Recovery times will be staggered across the world posing challenges for recovery
- Around 70-80% of tourism is domestic – but not for all countries

5

### Response Phase: Industry Survival

- Targeted relief packages for travel and tourism work best
- Reduce gov't red tape for interventions
- Business networks and role of associations
- Evidence of impact and lobbying needed
- Coordination and consistency



### JobKeeper Payment Employer Guide



6

### Response Phase: Markets and Preferences

- Top of mind marketing (dreaming/anticipation)
- Local travel, intra-regional travel, some limited cross border travel
- Health protocols and social distancing



### #TRAVELTOMORROW



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7

### Response Phase: Markets and Preferences

- Importance of domestic market
- VFR market
- Tracking travel preferences and consumer sentiment

### VFR Travel: A Unique Market for Tourism Crisis and Disaster Recovery?

Author: Jennifer M. Brown, Ph.D., Professor, Dept. of Tourism, Recreation, and Hospitality Management, University of Northern Iowa, 10/20/2020

Keywords: VFR, tourism, recovery, crisis, disaster, recovery, VFR, travel, tourism, recovery, crisis, disaster, recovery

### Sunny outlook for domestic tourism post COVID-19 restrictions

By April 2022, domestic tourism is expected to reach pre-COVID-19 levels, with a strong rebound in the summer months. Domestic tourism is expected to be the main driver of recovery in the tourism industry.

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**Tweet**

**Benjamin N.Z.**  
@BENJAMIN\_NZ

International travel is so last year. You might not be going where you hoped, but the good news is, you get to come to Dunedin NZ. #dunedinsummer #dunedinnz

12:32 pm · 2/26/20 · Twitter Web App

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**Hello, Always Kenya**  
HOLIDAY AT HOME

**McKinsey & Company**

9

### Demand Rebound Tracking: Recovery Scorecard

Please choose a metric:

- Planned flight weeks of 2020
- Planned flight weeks of 2021
- Share of international flight purchases index
- Share of international flight search index
- Share of international flight purchases index

Compare time period: Region: Region/Category

Region/Category	Share of international flight purchases index (2-Digit Avg)	Share of international flight search index	Share of international flight purchases index
Asia	0.4	109%	109%
Europe	7.2	110%	110%
North America	6.5	105%	105%
South America	4.5	97%	97%
Total			

Region/Category	Planned flight weeks of 2020	Planned flight weeks of 2021	Share of international flight purchases index	Share of international flight search index	Share of international flight purchases index
Asia	2,521	2,521	109%	109%	109%
Europe	2,918	2,918	110%	110%	110%
North America	2,177	2,177	105%	105%	105%
South America	297	297	97%	97%	97%
Total					

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### Study of 1,208 Chinese (March 8-23, 2020)

Travel avoidance (delay or avoid travel) is explained by nervousness and protection motivation (ability to protect oneself from infection)

Region	Average infected area	Highly infected area	Low infected area
North America	2.4	2.5	2.6
Europe	2.6	2.7	2.8
Asia	2.9	3.0	3.1
South America	4.5	4.6	4.7
Total			

Legend: ■ High infected area ■ Average infected area □ Low infected area

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### In multiple sectors, Vietnam consumers anticipate decreased spending even after COVID-19.

Anticipated post-COVID-19 spending vs before

Sector	Anticipated post-COVID-19 spending vs before
Beauty	14%
Electronics	18%
Food delivery	25%
Home appliances	27%
January and accessories	28%
Entertainment and education	31%
Consumer electronics	32%
Online travel	33%
Online home entertainment	34%
Personal care products	35%
Groceries	36%
Home appliances	37%
Home care products	38%
Home care products	39%
Home care products	40%
Home care products	41%
Home care products	42%
Home care products	43%
Home care products	44%
Home care products	45%
Home care products	46%
Home care products	47%
Home care products	48%
Home care products	49%
Home care products	50%

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12



Scenario Analysis – The Impacts of COVID-19 on Destinations

USA - Visitor Arrivals

95  
90  
85  
80  
75  
70  
65  
60  
55

2017 2018 2019 2020 2021 2022 2023 2024

Markets  
Domestic  
Hospitality  
Retail

Category	% change compared to the original forecast for 2020
Markets	-30%
Domestic	-20%
Hospitality	-25%
Retail	-28%

Transport of recovering to the long term based: Q2 2021 - Q2 2022

**Longer Term Recovery**

- Pent up demand will exist but slow recovery anticipated
- Expansion of cross country corridors (wises) in low case countries
- Point to point aviation links
- Co-operative marketing

Trans-Tasman bubble could take flight by September: Tourism Minister

© 2020 Tourism Australia  
Victoria excluded from trans-Tasman bubble

13

Return to growth post-COVID but at a lower level

Global RPKs forecast to be 32%-41% below expected levels in 2021

Global RPKs medium term scenarios

12,000  
11,000  
10,000  
9,000  
8,000  
7,000  
6,000  
5,000  
4,000  
3,000  
2,000

2012 2014 2016 2018 2020 2022 2024

Pre-COVID Forecast  
2016-2019 level

2021: 32% below pre-COVID expected level

2021-2024: COVID expected level

2021: 41% below pre-COVID expected level

ATA

14

**Longer Term Recovery**

- Targeting high yield markets
- Events as a catalyst for tourism
- Tourism and hospitality careers

**HOSPITALITY AND TOURISM**

15

**Transformation and Learning**

- "Build back better"
- Business innovation and new products & processes (digitalcross training)
- Reassessment of market and supply chain experiences
- Crisis planning for black swan events
- Identify importance and value of tourism
- Sustainable tourism and SDGs

**II. PROVIDING STIMULUS & ACCELERATING RECOVERY** (LWFO 2020)

**BUILD BACK BETTER** with Ecotourism Australia's ECO Destination Program

12. Macroeconomic sustainability in stimulus and recovery packages

EURO NEWS  
CORONAVIRUS IN ITALY  
Venice considers a new tourism model

16

**PATA**  
Pacific Asia Travel Association

**Pacific Asia Travel Association**  
The PATA Crisis Resource Center (CRC)

1

**Who We Are**

**70 Years of Leadership**  
As the industry's oldest and most responsible development of travel and tourism to, from and within the Asia-Pacific region since 1951.

**PUBLIC AND PRIVATE**  
The only major travel and trade industry body in the world that represents both public and private sector members.

**850+ MEMBERS**  
100 destinations, 102 Hospitality Associations, 100 Airlines, and hundreds of corporate and SMES

- Airlines/ Airports
- Young Tourism Professionals
- Travel Agents/ Tour Operators
- Government
- Educational Institutions
- Local PATA Chapters
- Hospitality Management Companies

2

**Timeline**

Existing Restrictions → International Flight Resumption → Domestic Travel → Group Volume Travel

PTTs

Source: e-Tourism Frontiers

3

**What the Industry is Asking PATA**

- All support being sought falls under three categories:
  - Market Research
  - Governance & Policy
  - How/Where to Finance Management and Recovery
- Major interest in China:
  - Outbound survey & sentiment analysis
  - What are they thinking?
  - What do economic losses in China mean for regional travel?

4

PATA's Response

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PACIFIC ASIA TRAVEL ASSOCIATION

CRISIS RESOURCE CENTER

Download the Recovery Toolkit

5

COVID-19 Crisis: React, Rethink, Rebuild  
The PATA Crisis Resource Centre

PATA  
PACIFIC ASIA TRAVEL ASSOCIATION

CRISIS RESOURCE CENTER

Download the Recovery Toolkit

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Asia Pacific Travel Crisis Resource Centre

- **Purpose:** Solve the Asia Pacific Travel Industry's urgent need for crisis leadership
- **Vision:** Lead, coordinate and sustain a comprehensive, world-class digital resource for crisis response, management, and recovery for the Asia Pacific Travel Industry.
- **Extremely focused:**
  - Asia and the Pacific
  - Governments and SMEs
  - **Action-Oriented**

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7

Sustainable Development Goals

PATA  
PACIFIC ASIA TRAVEL ASSOCIATION

Sustainable Development Goals

PATA  
CRC  
National Tourism Organisations  
Sub-national Tourism Organisations

8

**CRC Phase I: Immediate- and Mid-Term**

- Prevent tourism becoming a quick and dirty “diesel generator” to kickstart unsustainable economic activity
- 100% focus on management and recovery from COVID-19
- Recovery tied to “building a better industry” – SDGs
- Already supported by ADB, with more to come
- Onboard more partners

9

**On The CRC: The PATA Recovery Planner**  
<https://crc.pata.org/tools/recovery-planner/>

**Recovery Planner**  
 The PATA Recovery Planner is a platform to create personalized Plan of Action for your business.

**PATA's Five-Phase Approach to COVID-19 Recovery**

<b>PHASE 1</b> Prevention & Protection	<b>PHASE 2</b> Prevention & Protection	<b>PHASE 3</b> Prevention & Protection	<b>PHASE 4</b> Prevention & Protection	<b>PHASE 5</b> Prevention & Protection
• Cleanliness & Hygiene	• Personal Protective Equipment (PPE)	• Social Distancing	• Quarantine	• Contact Tracing
• Sanitization	• Handwashing	• Mask-wearing	• Avoiding Crowded Places	• Avoiding Public Transport
• Avoiding Sick People	• Avoiding Sick Animals	• Avoiding Sick Food	• Avoiding Sick Places	• Avoiding Sick People

10

**On The CRC: Crisis Communications Guides**

<https://crc.pata.org/tools/crisis-communications-strategy/>

<https://crc.pata.org/tools/crisis-communications-planner/>

11


**On The CRC: Case Study Library**  
<https://crc.pata.org/learn/case-studies/>

**Case Studies Library**

- After the Disaster: The Phuket
- How Kenya's Recovery from SARS
- Singapore: Recovering from SARS
- Reopening from the Start
- How Kenya's Recovery from SARS
- THAI: Fighting Against COVID-19
- Visitors' Resilience to COVID-19

12

On The CRC: Case Study Library  
<https://crc.pata.org/learn/case-studies/vietnam/>



CASE STUDY  
**VIETNAM**

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CRC Phase II: Long-Term Vision / Future of Travel PATA  
 PACIFIC AREA TRAVEL ASSOCIATION

- Expand content creation capability – crisis preparedness, case studies, etc.
- Assist with disaster planning – 65% survey respondents don't have a disaster plan
- Develop holistic accounting and ongoing destination management training
- Habitat Protection (The Insurance Policy)

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14

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15

