

UPDATE COVID 19



June 18, 2020

Dear BGA Clients,

Our report this week surveys the state of the tourism and the travel industry across the Asia-Pacific in the aftermath of the Covid-19 pandemic and provides top-line data on the disease's trajectory and overall economic effect. Our teams across the region have collected highlights of the industry in their markets, focusing on where they were before the pandemic, where they are now and what governments plan to do during the long road ahead.

Markets like Japan and Hong Kong have reported 99.9 percent drops in international visits, and most other countries have seen similarly steep declines. In countries that have made greater progress against the disease, such as Australia and Singapore, talk has now shifted to creating "green zones" or "corridors" to allow business and official travel between "safe" countries. However, even these better-performing markets are highly skeptical of a return to large scale tourism by the end of 2020.

Many countries have yet to emerge from full-scale bans on international travel, let alone move toward encouraging international business visitors or tourists. In countries that have moved to reopen international travel, hypervigilance is required to prevent a resurgence in cases. In New Zealand, held up as the global example of pandemic management, foreign travel has resulted in the virus returning to its previously secure shores. While some governments are adamant that they can control the spread with proper monitoring, testing and quarantines, the risk of the pathogen being reintroduced into "clear" areas weighs heavily on policymakers.

Governments across the region are hoping that domestic tourism can help keep their industries afloat until large-scale international travel resumes. For many countries, tourism and travel services constitute anywhere from 5 to 10 percent of GDP and shuttering the sector entirely would threaten wider economic recovery. However, even when governments have lifted restrictions and are encouraging domestic travel, sometimes through monetary incentives, the wider populace has been slow to travel beyond the safety of their homes.

For countries with already-struggling tourism sectors, Covid-19 has proven a curse but also an opportunity. Sri Lanka, which was in a tourism slump due to last year's terrorist attacks, is using the pandemic as an opportunity to reset the narrative and reform its troubled sector. Other countries have seen their planned reforms for the tourist sector collapse. Indonesia's push to promote alternative tourist hubs has run into the harsh reality of the current economic climate.

While many governments, companies and trade organizations are building frameworks for a limited return to service, the tourism industry is likely to be one of the worst affected by the pandemic. For the core of the industry to survive this year will require a combination of clever thinking, government support and a realistic approach to the risks and costs of the disease. Until a vaccine is found and pushed out to the global population, international travel for business and leisure is likely to remain



suppressed in favor of online teleconferencing and local alternatives. The industry will likely require until mid-decade to fully recover to pre-pandemic levels.

Asia-Pacific tourism is a resilient industry in a resilient region. Already, we have seen countries respond through innovative campaigns to promote greater domestic travel or by reaching out to non-traditional tourist demographics. As mass tourism becomes harder to justify, countries may move to encourage higher-value tourist sources, such as eco-tourism, which will provide economic benefit without the damaging cultural and environmental effects of the pre-pandemic model. Ultimately, tourism in the Asia-Pacific has survived crises in the recent past, from SARS to the 2007 financial crisis, and there is no reason to think that the industry will not emerge and thrive after this pandemic is brought under control.

Next week, BGA will return to a macro-level analysis of the pandemic, but more industry reports will be forthcoming. Questions and comments are welcome and can be directed to BGA Head of Research Murray Hiebert at mhiebert@bowergroupasia.com.



Best Regards,

Murray Hiebert
Director of Research, BowerGroupAsia



Social Intelligence Spotlight: Taiwan

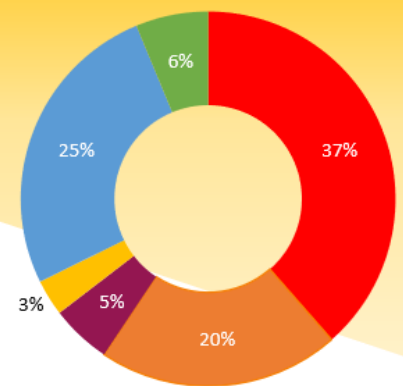
Credited for its successes in controlling the outbreak of COVID-19, Taiwan has turned its focus toward economic recovery while monitoring the continued outbreak of the pandemic worldwide. With that, the public's attention is on public and private sector-led efforts to boost domestic tourism as part of overall economic recovery (37 percent, see pie chart).

On Taiwan social and traditional media posts collected between June 10 and 16, 22 percent presented some form of tourism promotion domestically or mentioned loosened restrictions on select travel to international routes. Of these posts, 64 percent were positive and specifically focused on subsidies for domestic tourism, travel corridors for international destinations, released schedules for upcoming summer

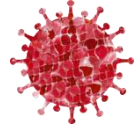
festivals such as the Dragon Boat Festival and special museum discounts. Similar positive sentiments are evident in reaction to other activities made possible in the relaxing of restrictions, such as home buying.

There was, however, some negative sentiment in the form of concerns that best practices for hygiene and safety would be ignored as more people become more active. During the same week, public attention was also on the suspected resurgence of the COVID-19 virus in China and there were continued negative reactions to other countries' responses to the pandemic. The government also faced an uproar over the national health insurance agency's cap for medical device co-pays, which is tied to the rising costs of drugs and devices.

TAIWANESE SOCIAL AND TRADITIONAL MEDIA
June 10-16, 2020



- Recovery
- Beijing Outbreak
- Satisfaction in Taiwan Govt Response
- Taiwanese Diplomats Bus. Card Issue
- Overseas COVID situation
- HK Unrest



Covid-19 and Tourism in the Asia-Pacific

		Covid-19		% GROWTH				Covid-19		% GROWTH	
		6/18 Cases	6/11 Cases	GDP 2019	Est. GDP 2020			6/18 Cases	6/11 Cases	GDP 2019	Est. GDP 2020
	Australia	7,370	7,267	1.8	-6.7		Nepal	7,177	4,364	7.1	2.5
	Bangladesh	98,489	74,865	7.9	2.0		New Zealand	1,157	1,154	2.2	-7.2
	Brunei	141	141	3.9	1.3		Pakistan	160,118	119,536	3.3	-1.5
	Cambodia	129	126	7.0	-1.6		PNG	8	8	5.0	-1.0
	China	84,903	84,652	6.1	1.2		Philippines	27,238	23,732	5.9	0.6
	Hong Kong*	1,125	1,108	-1.2	-4.8		Singapore	41,216	38,965	0.7	-3.5
	India	366,946	286,579	4.2	1.9		South Korea	12,257	11,947	2.0	-1.2
	Indonesia	41,431	34,316	5.0	0.5		Sri Lanka	1,924	1,869	2.3	-0.5
	Japan	17,668	17,282	0.7	-5.2		Taiwan**	446	443	2.7	-4.0
	Laos	19	19	4.7	0.7		Thailand	3,141	3,125	2.4	-6.7
	Malaysia	8,515	8,338	4.3	-1.7		U.S.A.***	2,123,321	1,973,797	2.3	-5.9
	Mongolia	197	194	5.1	-1.0		Vietnam	335	332	7.0	2.7
	Myanmar	263	248	6.5	1.8						
Sources:		(WHO)	(WHO)	(IMF)	(IMF)			(WHO)	(WHO)	(IMF)	(IMF)

Covid-19 Data (except as noted): *World Health Organization*; *Government of Hong Kong SAR; **Taiwan Centers for Disease Control, ***U.S. Centers for Disease Control and Prevention
 GDP: *International Monetary Fund*




"Tourism can promote solidarity and trust - crucial ingredients in advancing the global co-operation that is so urgently needed at this time."

Antonio Guterres, United Nations Secretary-General

Click to jump to a particular country or scroll down to see all:



	Australia	COVID19 DATA (WHO)	6/18 CASES 7,370	6/11 CASES 7,267	GDP Growth (IMF)	2019 1.8%	2020 est. -6.7%
---	------------------	--------------------------	----------------------------	----------------------------	------------------------	---------------------	---------------------------

- Australia’s international borders are unlikely to reopen this year, Tourism Minister Simon Birmingham has warned. Birmingham said the decision to shut the border was one of the main reasons for Australia’s success in suppressing Covid-19, and it would not be lifted for general travel anytime soon. The Australian tourism industry has been hit by the Covid-19 travel restrictions, which bans most visitors, and a 14-day quarantine for the few incoming arrivals who can find both a flight and a compelling reason to visit Australia.
- International visitor arrivals plunged 99.7 percent in April compared to April 2019, and tourism-based industries are unlikely to fully recoup the loss following any increase in domestic tourism from travel-restricted Australians. The government is considering to at least allow Australia and New Zealand to reopen their borders to each other before the end of 2020. In 2019, approximately 1.3 million Kiwis visited Australia and added AUD 2.6 billion (\$1.8 billion) to the economy. International visitors overall spent AUD 50 billion (\$34 billion) in Australia, generating a large part of the 660,000 tourism-related jobs.



Bangladesh

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	98,489	74,865		7.9%	2.0%

- Bangladesh on June 16 resumed international flight operations on a limited scale after nearly three months of suspended operations. All the returnee passengers will be sent to a 14-day institutional quarantine if they fail to show Covid-19 negative certificates or pass the medical examination at the airport on their arrival.
- The Bangladesh Tourism Board (BTB) is preparing a draft standard operating procedure (SOP) to give health safety assurances to potential tourists. After receiving the draft SOP, the Tourism Ministry will send it to the Health Ministry for its input. Based on their feedback, the tourism board will publish the SOP for implementation. Protocols in the SOP cover subjects such as how service providers will interact with tourists at the airport, accommodations, restaurants, sightseeing and other activities during their stay in Bangladesh.
- Some 300,000 tourists visited the country in 2019, 21 percent higher than the numbers in 2018. Tourism is a rising industry in Bangladesh and comprised 4.4 percent of the total GDP in 2018. However, 97 percent of earnings in tourism come from domestic sources. The government has proposed BDT 37 million (\$436 million) for the Ministry of Civil Aviation and Tourism from the national budget for FY 2020/2021.



Brunei

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	141	141		3.9%	1.3%

- Brunei has not reported any new Covid-19 cases since May 8, with no active cases remaining after its final patient died on June 15. Brunei entered its second phase of reopening on June 18 and is permitting increased capacity at restaurants, businesses and mosques. International borders remain closed, and the Asian Development Bank has estimated Brunei's tourism revenues could fall by 0.1 to 0.2 percent of GDP (\$15-26 million) in 2020.
- Royal Brunei Airlines will operate limited flights to Kuala Lumpur, Singapore, Melbourne, Hong Kong and Manila until August 31, with travelers subject to government approval. Travelers and foreign workers who are entering Brunei will be subject to Covid-19 testing in their country of origin 48 hours prior to departure and upon arrival in Brunei, along with mandatory 14-day quarantine measures at their own expense.



Cambodia

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	129	126		7.0%	-1.6%

- The Ministry of Tourism on June 12 published tourism safety rules and a code of conduct for tourism businesses to prevent the spread of Covid-19 while promoting the tourism sector. The Ministry of Tourism plans to celebrate the “sea festival” in Sihanoukville at the end of 2020 if the Covid-19 pandemic lessens. The measures aim to strengthen tourism services and ensure safe tourism to reassure the international tourist market that Cambodia is still a safe tourist destination.
- According to the Siem Reap tourism department, which covers the Angkor Wat temple complex, business activities like hotels, guesthouses and restaurants are gradually reopening after a few months of shutdown. Overall international tourist arrivals declined by almost 100 percent during this time. Currently, there are 40 hotels and 66 guesthouses — out of a total of 230 hotels and 261 guesthouses that are licensed — operating in the province and preparing to welcome local tourists. From January to May, 390,000 foreign tourists bought tickets to visit the Angkor complex during the period, down 65.5 percent year-on-year.
- The growth of the tourism sector in Cambodia is expected to recover by around 30 percent in 2021 and 2022. From January to April 2020, the nation welcomed only around 1.2 million foreigners, according to Ministry of Tourism figures. However, there were only 5,000 international visitors in April alone, down 99.1 percent year-on-year. The government expects the industry will be able to generate more than \$3 billion this year, a decline from more than \$5 billion in 2019.



China

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	84,903	84,652		6.1%	1.2%

- China has tightened travel restrictions and reintroduced mass testing and quarantine measures in Beijing after the city experienced a fresh Covid-19 outbreak on June 11. Most international travelers are prohibited from entering mainland China with few exceptions for diplomatic and service visas, and those who enter the country must undergo testing and 14 days of quarantine. A complete relaxation of travel restrictions now appears on the distant horizon, though China is working to expand flights and is negotiating with Singapore and European countries to resume business travel.
- The travel and tourism industries will face a rocky road to recovery, though there are reports that hotel occupancy is gradually climbing in select cities. Despite the easing of domestic travel restrictions throughout the country, hope that domestic tourism could keep the travel and tourism industries afloat has been dashed as households demonstrate a reluctance to travel amid growing fears of a second wave. According to the South China Morning Post, domestic tourism brought in CNY 5.7 trillion (\$803.9 billion) in 2019. As authorities mobilize to contain transmission in the capital city, tourism sites have been closed and residents in high-risk districts have been fenced off; others have been instructed to refrain from non-essential travel outside of Beijing. The Beijing cluster likely augers considerable job loss in travel and tourism, compounding the CNY 1 trillion (\$141 billion) in lost tourism revenue during the months of lockdown.



Hong Kong

COVID19 DATA (HKSAR)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	1,125	1,108		-1.2%	-4.8%

- This week, the government announced a relaxation of social distancing rules, allowing public gatherings of up to 50 people and removing customer limits in restaurants. According to the Hong Kong Tourism Board, May arrivals were just over 8,100 people, nearly double the April arrivals, but a 99.9 per cent drop from a year ago. The current ban on non-residents entering Hong Kong from overseas is in effect until September 18 but could be extended depending on the situation.
- With no clear timeline for when normal travel can resume, the Hong Kong Tourism Board (HKTB) has launched a “Holiday at Home” campaign, encouraging residents to be “a tourist in their own city and rediscover the beauty of Hong Kong.” The campaign includes special offers by participating hotels, shopping centers and restaurants. Hong Kong Disneyland Resort will reopen on June 18, though at a reduced capacity. According to the HKTB, the government will conduct negotiations with other markets on how to facilitate travel. Markets that are being considered for a “travel bubble” are Macau, Taiwan, Thailand, South Korea and Guangdong province in China.



India

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	366,946	286,579		4.2%	1.9%

- The government is likely to take a decision regarding international flights next month, depending on the number of new positive cases as well as discussions with other countries. Inbound non-scheduled flights are permitted for foreign nationals on a case-by-case basis. The Indian Ministry of Tourism has recommended taking medical proof/self-declaration from inbound passengers regarding their history of coronavirus.
- As the economy opens, the government has announced safety and sanitization procedures for hotels to increase trust among consumers regarding hygiene. Aiming to promote domestic tourism, the government has launched the “DekhoApnaDesh,” or “See Your Country” webinar series. The ministry has conducted close to 30 webinars that are aimed at advertising domestic destinations, culture and heritage across India.
- Travel and tourism employ more than 42 million people in India and account for approximately 8 percent of total employment. Last year, it contributed 9.3 percent to India’s GDP and received 5.9 percent of total investment. India is ranked third in the World Travel and Tourism Council’s travel and tourism power ranking among 185 countries.



Indonesia

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	41,431	34,316		5.0%	0.5%

- Last year, tourism made up 4.8 percent of Indonesia’s GDP, and the number of inbound travelers reached a new record high of 16.1 million people. The Covid-19 pandemic has forced the government to delay several tourism initiatives, including the development of "super-priority" tourist destinations outside Bali.
- The government has introduced tax incentives and fiscal stimulus for the tourism and hospitality sector, but disbursement remains an issue. The Ministry of Tourism and Creative Economy also plans to introduce new tourism protocols called CHS (clean, health and safety) for tourists and business players. Details of the protocols have yet to be released, but they plan to roll out promotions and a roadshow between October and December.
- The government has been internally discussing a "travel bubble" scheme with China, South Korea, Australia and Japan. The plan, however, drew criticism from the public given that Indonesia is nowhere close to flattening the Covid-19 curve.



Japan

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	17,668	17,282		0.7%	-5.2%

- The Japanese government will start relaxing travel with select countries that have contained the Covid-19 virus well. An initial group of 250 Japanese business travelers to Vietnam will be boarding a chartered plane by the end of June, and entry restrictions of Vietnamese technical trainees will also be relaxed. The government is in similar discussions with Thailand, Australia and New Zealand — also prioritizing business travels. Foreign travelers will be requested to show a negative polymerase chain reaction (PCR) test result before leaving their country to Japan and will also be administered a PCR test on arrival. They will be asked to share information about their accommodation plans during their stay. The government is considering creating a PCR test facility solely focusing on incoming and outgoing travelers and will likely use novel test methods, such as using saliva, to shorten the test procedure.
- Japan received an estimated 1,700 foreign travelers so far in 2020 — an all-time low and a 99.9 percent drop from a year earlier. The tourism sector contributed 7 percent to the 2019 GDP, and many localities are desperately looking into boosting domestic visitors to survive. Prime Minister Shinzo Abe last month introduced a travel boosting policy he named the “Go To” campaign that was incorporated in the supplemental budget that recently passed the Diet. However, the JPY 1.7 trillion (\$15.5 billion) plan has met fierce criticism from the opposition due to its high administrative budget cap and concentration on a handful of vendors, which is viewed as favoritism.
- A recent poll organized by Nikkei shows that more than half of travel related businesses expect a one to two-year period for demand to bounce back.



Laos

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	19	19		4.7%	0.7%

- The Lao government declared the elimination of Covid-19 on June 10. International travel remains banned until June 30, but domestic travel and flights are now permitted, subject to social distancing and health guidelines. The government is permitting students, Lao citizens, experts and diplomats to enter or exit Laos with specific authorization. All international entrants will be subject to Covid-19 testing and a 14-day self-quarantine at their own expense.
- The Ministry of Information, Culture and Tourism estimates 4.6 million people visited Laos in 2019, with year-on-year growth driven primarily by Chinese and American tourists. Tourism revenues, which contributed 14 percent of GDP in 2017, are expected to fall by at least LAK 3.1 billion (\$350 million) in 2020.



Malaysia

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	8,515	8,338		4.3%	-1.7%

- Under the Recovery Movement Control Order (RMCO), which has been put in place from June 10 to August 31, the government is still not allowing Malaysian citizens to travel overseas, and the country's borders are still closed to foreign travelers.
- The government is considering the possibilities of cross-border travel by using the "green bubble countries" method, under which Malaysia would agree to a reciprocal agreement by allowing travel between two "green zone" countries. The government must consider other factors before deciding, such as the global Covid-19 index and other examples of cross-border travel. Currently, Malaysia is discussing with Singapore the possibility of resuming cross-border travel.
- Under the Short-Term Economic Recovery Plan (Penjana) which was announced on June 5, MYR 1 billion (\$230 million) will be allocated for the tourism sector under the Penjana Tourism Funding (PTF) to ensure the sustainability of the country's tourism sector. The allocation will finance small and medium-sized enterprises in the tourism sector to help local businesses remain viable and competitive under the "new normal." Bank Negara Malaysia will announce the PTF in July. In addition, the tourism tax will be fully exempted from July 1 to June 30 next year.
- In 2019, Malaysia recorded 26.1 million foreign visitor arrivals. Tourism is the third biggest contributor to Malaysia's GDP, after manufacturing and commodities. In 2018, this sector contributed around 5.9 percent to the total GDP.



Mongolia

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	197	194		5.1%	-1.0%

- According to the Foreign Ministry, borders could open and international flights be allowed from mid-July, but it will depend on the number of virus cases in neighboring countries, Russia and China, and a dozen cities with direct flights to Europe and Asia. Most likely, visitors will be required to undertake Covid tests on arrival, undergo a 21-day quarantine and report to authorities about their physical whereabouts.
- There are potentially 500,000 domestic tourists, but they do not spend as much as international ones. There are no local efforts to support hotels apart from converting a few hotels and resorts into state-mandated quarantine facilities for 2,000 repatriated citizens. Some 577,000 tourists visited Mongolia in 2019, generating around \$600 million in revenue, or 4 percent of the country's GDP. Mongolia will most likely miss international tourists during the most profitable summer season, as the prime minister continues to hold to his position that borders will be shut "until a vaccine is found." Mongolia may likely be closed for many months.



Myanmar

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	263	248		6.5%	1.8%

- International flights are currently scheduled to resume on July 1, but this may be delayed if the spread of cases accelerates.
- The government's Tourism Relief Plan has both short-term (June to August) and long-term (through the end of 2020) elements. The plan is designed first to encourage domestic tourism and then to target neighboring markets, promoting Covid-19-free destinations. Other promotions include more effective online and digital services upgrades across tourist destinations.
- The industry is developing new standard procedures to ensure the health and safety of guests and service providers. Local hotels and tourism companies are on the priority list for loan access as part of the government's \$70 million stimulus package.
- Approximately 4.4 million tourists visited Myanmar in 2019 and 40 percent of them were Chinese. Myanmar earned \$3 billion from tourism last year, an estimated 4.6 percent of the total economy.



Nepal

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	7,177	4,364		7.1%	2.5%

- Nepal is heavily tourism dependent, with approximately 1 million Nepalis relying on the industry for their income. While Nepal had originally planned to run a “Visit Nepal Year 2020” marketing push, the subsequent explosion of cases in Nepal undermined the campaign. Many tourist-facing businesses attempted to leverage the new campaign and borrowed extensively to meet the expected increased demand, putting further financial pressure on the industry.
- Nepal received 1.2 million tourists in 2019, with the largest contingents coming from India (250,000), China (170,000) and the United States (90,000). In 2018, tourism accounted for 7.9 percent of GDP — nearly \$2 billion.



New Zealand

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	1,157	1,154		2.2%	-7.2%

- Tourism is New Zealand’s largest export industry and contributes 6 percent of total GDP and employs 8.4 percent of the workforce. As New Zealand’s borders are likely to remain closed to international travel outside of Australia and the Pacific until a Covid-19 vaccine has been released, the survival of New Zealand’s tourism sector is largely dependent on the proposed trans-Tasman bubble.
- In 2019, 1.5 million Australians took a holiday in New Zealand, accounting for 40 percent of all foreign visitors to the country. Tourism boards in both countries believe the travel bubble could be in place by September. However, Prime Minister Jacinda Ardern has said that current restrictions with a 14-day quarantine would remain intact until Australia is Covid-19 free, especially as Australia has not committed to elimination at this stage. New Zealand is in the fortunate position of having a strong domestic tourism sector — domestic tourists spend NZD 23.7 billion (\$15.3 billion) annually — and can depend on domestic tourists to prop it up.



Pakistan

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	160,118	119,536		3.3%	-1.5%

- Pakistan’s tourism industry, which has been stymied over the last decade by violence and economic malaise, had been undergoing a slight renaissance over the past few years with the improved security situation. While the government of Prime Minister Imran Khan has moved to reopen the country to encourage foreign visitors to maintain their travel plans, local governments have been more hesitant. The central government hopes to encourage more high-value western tourists to visit the northernmost areas of Gilgit-Baltistan, home to Himalayan peaks and valleys, though the local government fears that visitors could infect isolated alpine communities with poor access to healthcare.
- In 2019, Pakistan’s tourism sector provided 5.9 percent of total GDP, equivalent to \$16.8 billion. The vast majority of Pakistan’s tourists are domestic, but nearly 2 million overseas visitors — largely, but not solely, overseas Pakistanis returning to visit — came to visit in 2019, more than double the number from 10 years previously.



Papua New Guinea

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	8	8		5.0%	-1.0%

- Papua New Guinea is reeling from the sharp collapse of tourism following the outbreak of the Covid-19 pandemic. A report from the Tourism Promotion Authority offers sobering figures for the tourism industry: 90.7 percent of all 2020 bookings were cancelled. The sector is looking at a PGK 65.9 million (\$19 million) loss and has seen over 1,200 tourism workers laid off with little to no income.
- Papua New Guinea submitted a formal letter to the offices of both the Australian and New Zealand prime ministers outlining the benefits of including the nation in a regional travel bubble. The letter also included the strict control measures and enhanced health monitoring that would be in place if a travel bubble were put in place.



Philippines

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	27,238	23,732		5.9%	0.6%

- Currently, only a limited number of foreigners can enter the country, including foreign spouses and children of Filipinos as well as holders of diplomatic visas. Returning Filipinos and foreigners entering the country are mandated to undergo testing and quarantine before they can move to their destination.
- The Board of Investments (BOI) has approved tax incentives for tourism and tourism-related industries that are upgrading and modernizing their facilities to ensure the health, safety and wellness of their clients. The tax incentives include an income tax holiday for a period of three years and duty-free importation of capital equipment — only value added tax will be paid — for tourism projects that will renovate to enhance health and safety provisions. The income tax holiday will be pro-rated according to the cost of the upgrade or renovation.
- The Philippines recorded 8.3 million foreign visitor arrivals in 2019; tourism revenue reached a total of \$9.3 billion. According to the Philippine Statistics Authority, tourism contributed 12.7 percent of GDP in 2018.



Singapore

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	41,216	38,965		0.7%	-3.5%

- The multi-ministry taskforce announced on June 15 that it will progressively reopen for international travel. Incoming Singaporeans, permanent residents and long-term pass holders must continue to serve a 14-day Stay Home Notice (SHN). However, from June 17, those who were in Australia, Brunei, Hong Kong, Japan, Macao, China, New Zealand, South Korea, Taiwan and Vietnam for the last 14 days will no longer be required to serve their SHN at a dedicated facility.
- Singapore will not allow the entry of short-term visitors, except those under Green/Fast Lane arrangements. Besides the current green lane arrangements with China, Singapore is in ongoing discussions with countries such as Australia, Canada, New Zealand and Korea on developing bilateral arrangements for safe travel. Discussions with Malaysia on allowing commuters to cross the causeway remain in progress.
- Singapore recorded 19.1 million arrivals in 2019, up 3.3 percent year-on-year, with SGD \$27.7 billion (US \$19.9 billion) in receipts and contributing 4 percent to GDP. Prime Minister Lee Hsien Loong said in a speech earlier this month that industries relying on travel will either take a long time to recover or never fully recover. The government has rolled out specific support packages for the tourism industry, such as boosting the skills of workers and providing larger wage support. The Singapore Tourism Board introduced several initiatives, including those relating to digitalization, to support the industry's domestic recovery.



South Korea

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	12,257	11,947		2.0%	-1.2%

- Korea halted visa waiver agreements with 56 countries on April 13 and has no immediate plan to lift the suspension. Foreigners coming from high-risk areas in China are still banned from entering the country. Upon arrival in Korea, all foreigners are required to get tested for Covid-19 within three days and must quarantine for two weeks at one of the seven designated places for foreign visitors. The only exception as of June 17 is fast-track processes for businesspeople traveling to and from China, which has been in place since April 29, and Uzbekistan, which will be implemented shortly.
- To revive the much-hit domestic tourism industry, the government has reduced property taxes for accommodations and has introduced loan programs and tourism vouchers, with more voucher programs expected to be launched later this year.
- In 2019, 17.5 million overseas tourists visited Korea, up 14 percent from the previous year. The total income from foreign visitors stood at \$21.5 billion last year, earning 16.5 percent more than 2018. Tourism accounted for 2.7 percent of the GDP in 2018, which was the lowest among OECD countries.



Sri Lanka

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	1,924	1,869		2.3%	-0.5%

- Sri Lanka has eased restrictions for international travel, with the Colombo Airport scheduled to open for both inbound and outbound flights on August 1. Arriving passengers are not required to be quarantined; instead, they will have to undergo PCR testing at the airport and submit a PCR test report on arrival, obtained at the country of origin. The Tourism Development Authority has published strict conditions and requirements for passengers, operators and hoteliers that must be followed.
- Sri Lanka Tourism plans for an early revival post-Covid-19, as the country started re-opening from May 26. An important decision was the Cabinet's approval of the critical five-year global promotion initiative. Plans are underway to finalize the terms of reference and appointment of the Procurement, Project and Technical Evaluation Committees. The approach focuses on consumer types and will allow for research-supported global promotional campaigns for Sri Lanka with a traveler focused, evidence-based promotion strategy developed.
- The number of foreign visitors to Sri Lanka in 2019 was 1.9 million, a decline of 18 percent, compared to 2.3 million arrivals in 2018. Sri Lanka's tourism sector earnings were provisionally estimated at \$3.6 billion during 2019, compared to \$4.3 billion during the corresponding period in 2018. Statistics available up to December 2018 show that tourism earnings made up 12.5 percent of the country's total GDP.



Taiwan

COVID19 DATA (TCDC)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	446	443		2.7%	-4.0%

- Taiwan’s government is going to let international students from 11 low risk countries return to school if they are graduating seniors. These countries include Vietnam, Hong Kong, Macau, Thailand, Palau, Australia, New Zealand, Brunei, Fiji, Mongolia and Bhutan. The students are still subject to testing upon entry and 14 days of quarantine. Business travelers from these countries will also enjoy a five-day quarantine (instead of 14) if they test negative upon entry and again after five days.
- Taiwan is engaged in bilateral dialogue with various countries to form a travel bubble, but only discussions with Vietnam has been publicly confirmed.
- Domestic tourism has seen a 20 percent surge in business, though the rebound is low as domestic travel was never banned. The government is subsidizing hotel rooms and tours, providing NTD 1,000 (\$33) for one night of hotel expense and NTD 700 (\$23) per day per person for tour groups. The subsidy for remote areas and islands increases to NTD 2000 (\$67) for two nights of hotel expenses.
- The tourism industry generated NTD 831 billion (\$28 billion) in 2019, combining both foreign and domestic tourist revenue. The total number of foreign visitors to Taiwan in 2019 was 11.8 million, and the number for January to March 2020 was 1.25 million.



Thailand

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	3,141	3,125		2.4%	-6.7%

- Thailand entered phase four of its reopening starting June 15. The nationwide curfew was lifted and 95 percent of businesses and activities, except some night entertainment venues, resumed operation. Alcohol can be served at restaurants, but promotional events are not permitted. Interprovincial transport occupancy is limited to 70 percent. Airline passengers must wear masks for the duration of the flight.
- No local transmission was reported for 23 consecutive days. The government is considering a proposal for a “travel bubble” with select partner countries and is implementing health guidelines. Priority will be given to investors and working professionals. The ban on inbound and outbound commercial flights is expected to remain in place until June 30.
- The Cabinet approved more assistance packages: a domestic tourism stimulus worth THB 22.4 billion (\$719 million) to fund subsidies for accommodation, food and other services provided at tourist destinations, domestic flights for local tourists and holiday travel for 1.2 million healthcare volunteers and officials through tour agencies. Over 24,700 hotels and accommodation facilities and more than 36,000 restaurants are expected to receive benefits.
- Foreign tourist arrivals hit a record 39.8 million in 2019, and tourist revenue has risen 3 percent to 1.9 trillion baht (\$61.1 billion) The sector accounts for about 15 percent of the formal economy.



United States

COVID19 DATA (CDC)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	2,123,321	1,973,797		2.3%	-5.9%

- Much of the state-level reopening across the United States has been in anticipation of the summer tourism season, a major economic driver for much of the country. States that are especially tourism dependent, such as Florida, were early and notable leaders in lifting restrictions on many outdoor activities. However, with the stubborn persistence of coronavirus and emerging low-level hotspots across the “Sun Belt,” domestic travel is much lower than in previous seasons.
- According to a report commissioned by the U.S. Travel Association, travel spending is expected to drop from \$1.1 trillion in 2019 to \$622 billion in 2020, reflecting the drastic decline in both international and domestic tourism. Domestic travel accounted for nearly 85 percent of tourism revenue in the United States last year, and the current decline is driven largely by the unwillingness of Americans to travel in the current environment. While 79 million overseas visitors came to the United States in 2019, current projections estimate at most 29 million foreign visitors by the end of 2020.



Vietnam

COVID19 DATA (WHO)	6/18 CASES	6/11 CASES	GDP Growth (IMF)	2019	2020 est.
	335	333		7.0%	2.7%

- The tourism industry, which made up 9.2 percent of the GDP in 2019, will go through four stages before it fully recovers, according to the Ministry of Culture, Sports and Tourism. These steps include i) resuming domestic tourism, ii) piloting foreign tourism on a bilateral basis from certain safe countries, iii) expanding the pilot scheme to more countries and iv) receiving foreign tourists as usual at pre-Covid levels.
- Currently at the first stage of the recovery process, the tourism industry has been focusing on stimulating the domestic market. Since the nationwide social distancing mandate was lifted in early May, domestic tourism has quickly recovered. Revenue from travel services in May, though down 90 percent over the same period last year, are up 780 percent compared to April. The hotel occupancy rate has occasionally reached 70 percent in some coastal areas. In late May, the “Vietnamese People Travel Vietnam” campaign was launched, adding further momentum to domestic industry growth.
- The government has taken an extremely cautious approach toward resuming international commercial flights and foreigner entry given the complexity of the pandemic globally. Vietnam is in conversations with some countries such as China, South Korea and Japan to gradually resume travel, subject to pandemic prevention measures. Initially, the government will allow experts and business executives from these countries to return to Vietnam to work, and it will create favorable conditions for Vietnamese trainees and workers to travel to and work in those countries.