



Tourism Recovery Continued at a Gradual Pace in 2022Q3

International tourist arrivals in the Asia & Pacific region continued to rebound in 2022Q3. The recovery momentum in international tourism activity observed in Q2 across a number of countries extended into Q3 as the region emerged from the pandemic (Figure 1). **Maldives** and **Fiji** remained a bright spot in the region. International flight arrivals continued to increase towards the pre-pandemic levels, while travel restrictions were eased further (Figure 2). An additional nine countries in the Pacific Islands reopened borders in Q3,¹ helping countries like **Samoa** witness a steady recovery in tourist inflows. Many countries in Asia & Pacific also removed COVID testing requirements for vaccinated tourists. **New Zealand, Cambodia, Thailand,** and **India** are among the countries that have removed all COVID-related requirements, with their travel restrictions indices back to the pre-pandemic levels.

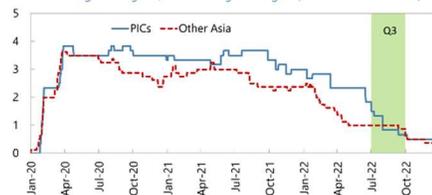
Figure 1: International Visitor Arrivals by Destination Country (percent change from same quarter in 2019; latest available official data. Blanks = insufficient data)

	2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Asia & Pacific Region	-34	-98	-97	-97	-96	-96	-96	-93	-91	-77	-62
Pacific Island Countries	-23	-99	-99	-99	-98	-99	-99	-93	-82	-53	-39
Fiji	-19	-99	-99	-99	-98	-99	-100	-89	-72	-34	-17
Micronesia	-24	-97	-95	-95	-94	-98	-98	-100	-100	-100	-100
Palau	-31	-100	-99	-100	-99	-98	-88	-92	-94	-87	-87
Marshall Islands	-21	-99	-99	-100	-97	-98	-99	-100	-100	-100	-100
Samoa	-36	-100	-100	-100	-100	-100	-100	-100	-100	-100	-75
Solomon Islands	-32	-99	-97	-99	-98	-97	-100	-95	-95	-95	-98
Tonga	-41	-100	-100	-100	-100	-100	-100	-100	-96
Tuvalu	-12	-100	-100	-100	-97	-100	-100	-100	-100	-95	...
Vanuatu	-2	-100	-100	-100	-100	-100	-100	-100	-100	-100	-91
Kiribati	-35	-100	-100	-100	-99	-100	-100	-100	-99	-96	-75
Rest of Asia & Pacific	-34	-98	-97	-97	-96	-96	-96	-93	-91	-77	-63
Cambodia	-38	-98	-96	-97	-96	-98	-98	-96	-92	-76	-49
India	-22	-99	-97	-94	-89	-94	-88	-76	-75	-37	-52
Indonesia	-29	-88	-89	-88	-91	-90	-92	-89	-95	-83	-65
Korea	-47	-98	-96	-96	-95	-95	-94	-94	-93	-88	-80
Maldives	-21	-100	-95	-66	-38	-44	-7	0	-11	1	-3
New Zealand	-20	-99	-98	-99	-99	-81	-95	-99	-97	-70	-46
Philippines	-37	-100	-98	-98	-99	-99	-98	-97	-91	-66	-60
Singapore	-43	-100	-99	-99	-99	-99	-99	-97	-95	-73	-55
Sri Lanka	-32	-100	-100	-100	-99	-97	-94	-71	-61	-53	-69
Thailand	-38	-100	-100	-100	-100	-100	-100	-97	-95	-82	-63
Vietnam	-18	-99	-99	-99	-99	-99	-99	-99	-98	-87	-70

Note: Data of 2022Q3 ends at July 2022 for Vanuatu.

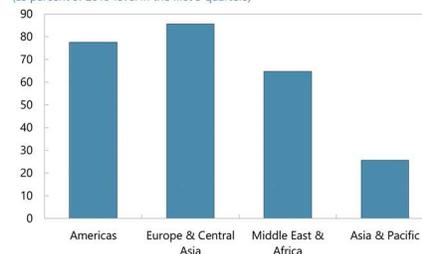
- Even with a promising start, tourism recovery in the region is still in its nascent stages.** Tourism recovery in Asia & Pacific significantly lags behind that in other regions. Compared to the same period in 2019, tourist arrivals recovered by 26 percent by 2022Q3, a modest recovery compared to the 65-86 percent recovery witnessed in other regions (Figure 3). Stringent COVID policies in Asia & Pacific resulting in delayed border reopening and removal of travel restrictions is one of the main reasons for this divergence. In addition, high exposure to China as a key tourism source market implies that strict COVID policies in China might have posed challenges for tourism recovery in many Asian countries (Figure 4).
- International tourism activity across Asia & Pacific is expected to continue recovering, albeit with uncertainty.** The strong tourism recovery in countries from other regions that reopened borders and eased travel restrictions early on suggest high potential for Asia & Pacific to catch up in the coming months. Meanwhile, downside risks include a slowdown in global growth, elevated global fuel prices, and COVID situation in China. Accordingly, efforts to diversify tourism source markets as well as develop high-end tourism products that are less responsive to price changes could help strengthen tourism resilience and achieve a full tourism recovery.

Figure 2: International travel controls (Simple average of country indices, 0=no measures, 1=screening, 2=quarantine arrivals from high risk regions, 3=Ban on high risk regions, 4=total border closure)



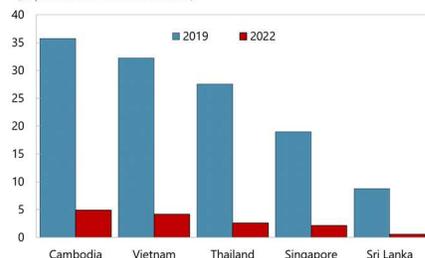
Note: Updated on Dec 2, 2022. PICs includes Fiji, Papua New Guinea, Tonga, Kiribati, Vanuatu, and Solomon Islands. Other Asia includes Cambodia, India, Indonesia, South Korea, Singapore, New Zealand, Thailand, and Philippines. Source: Our World in Data.

Figure 3: Tourist arrivals in Q1-Q3 2022 (as percent of 2019 level in the first 3 quarters)



Sources: Haver Analytics and IMF staff calculations.

Figure 4: Share of Chinese Tourist Arrivals (as percent of total tourist arrivals)



Sources: Haver Analytics, IMF staff calculations.

¹ 11 out of 12 Pacific Island countries have reopened borders as of September 2022, with Tuvalu the only exception.