



Green Shoots in Tourism Recovery

International tourism activity in Asia & Pacific experienced a rapid recovery in 2023Q1, but it still lags pre-pandemic levels. The tourism recovery became more broad-based in the Asia & Pacific region during 2023Q1. However, international tourist arrivals to the region remained about 38 percent below the pre-pandemic levels in 2023Q1 (Figure 1). Maldives and Fiji remain bright spots in the region, with tourist inflows surpassing the pre-pandemic levels. Another tourism-dependent economy—Samoa—has also witnessed a notable recovery in tourist arrivals since reopening its borders in 2022Q3.

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

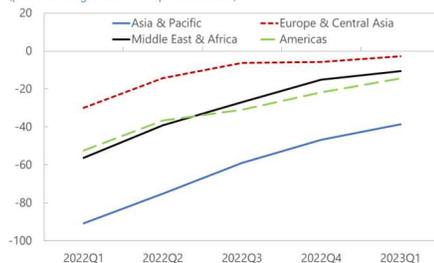
	2020				2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Asia & Pacific Region	-34	-98	-97	-97	-96	-96	-96	-93	-91	-76	-60	-49	-38
Pacific Island Countries*	-23	-99	-99	-99	-98	-99	-99	-93	-82	-53	-35	-24	-4
Fiji	-19	-99	-99	-99	-98	-99	-100	-89	-72	-34	-17	-5	2
Palau	-31	-100	-99	-100	-99	-98	-88	-92	-94	-87	-87	-79	...
Samoa	-36	-100	-100	-100	-100	-100	-100	-100	-100	-100	-75	-27	-11
Solomon Islands	-32	-99	-97	-99	-98	-97	-100	-95	-95	-95	-68	-48	-35
Tonga	-41	-100	-100	-100	-100	-100	-100	-100	-96
Tuvalu	-12	-100	-100	-100	-97	-100	-100	-100	-100	-95	-99	-82	...
Vanuatu**	-2	-100	-100	-100	-100	-100	-100	-100	-100	-100	-62	...	-38
Kiribati	-35	-100	-100	-100	-99	-100	-100	-100	-99	-96	-75	-39	-44
Rest of Asia & Pacific	-34	-98	-97	-97	-96	-96	-96	-93	-91	-76	-60	-49	-38
Cambodia	-38	-98	-96	-97	-96	-98	-98	-96	-92	-76	-49	-44	-31
India	-22	-99	-97	-94	-89	-94	-88	-76	-75	-37	-29	-27	-20
Indonesia	-29	-88	-89	-88	-91	-90	-92	-89	-90	-74	-57	-44	-39
South Korea	-47	-98	-96	-96	-95	-95	-94	-94	-93	-88	-80	-68	-55
Maldives	-21	-100	-95	-66	-38	-44	-7	0	-11	1	-3	7	8
New Zealand	-20	-99	-98	-99	-99	-81	-95	-99	-97	-70	-46	-36	-33
Philippines	-37	-100	-98	-98	-99	-99	-98	-97	-91	-66	-60	-51	-36
Singapore	-43	-100	-99	-99	-99	-99	-99	-97	-95	-73	-55	-46	-38
Sri Lanka	-32	-100	-100	-100	-99	-97	-94	-71	-61	-53	-69	-64	-55
Thailand	-38	-100	-100	-100	-100	-100	-100	-97	-95	-82	-63	-47	-40
Vietnam	-18	-99	-99	-99	-99	-99	-99	-99	-98	-87	-70	-65	-40

Sources: National agencies; Haver Analytics; CEIC Data Company Ltd.; and IMF staff calculations.

Note: *2023Q1 data is an estimate due to unavailability of some country data. **2023Q1 data is for Jan-Feb 2023 relative to Jan-Feb 2019.

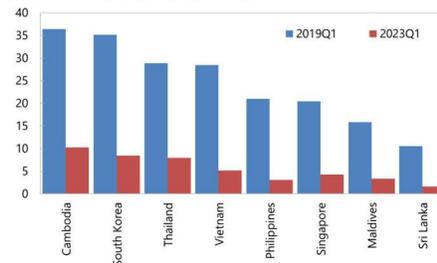
- Despite recent improvements, tourism revival in Asia & Pacific trails other regions.** As of 2023Q1, tourist arrivals in Asia & Pacific recovered to about 62 percent of 2019 levels, while tourist inflows approached their pre-pandemic levels in other regions (Figure 2). However, with most Asia & Pacific countries having eased COVID-related entry requirements in 2022, tourism activity is expected to catch-up with other regions going forward. This rebound should also be supported by the continued recovery in the region’s international airline capacity¹. In addition, the easing of travel restrictions in China in 2023H1 could pave way for a gradual recovery of tourism flows from China, benefitting countries in Asia & Pacific with high tourism exposure to China (Figure 3).
- Growth and inflation concerns pose risks to tourism recovering to the pre-pandemic levels in Asia & Pacific.** The expenditure incurred by tourists in the ‘Rest of Asia & Pacific’ region has risen somewhat relative to pre-pandemic (Figure 4). In addition, the uncertain growth outlook and interest rate increases in tourism source countries pose downside risks to the demand for tourism and the speed of tourism recovery in Asia & Pacific.

Figure 2: International Tourist Arrivals (percent change from same quarter in 2019)



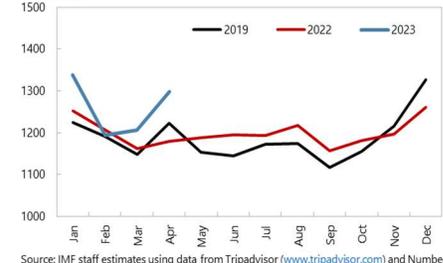
Sources: Haver Analytics; country authorities; and IMF staff calculations.

Figure 3: Tourist Arrivals from China (as percent of total international tourist arrivals)



Sources: Haver Analytics; country authorities; and IMF staff calculations.

Figure 4: Week@the Beach Price Index: ‘Rest of Asia & Pacific’ Region 2/ (U.S. dollars)



Source: IMF staff estimates using data from Tripadvisor (www.tripadvisor.com) and Numbeo (www.numbeo.com).

1/ According to International Air Transport Association (*Air Passenger Market Analysis – March 2023*), international seat capacity in Asia & Pacific airlines reached 61 percent of March 2019 levels in March 2023, versus 95 percent in North America, 91 percent in Europe, 87 percent in Africa, 85 percent in Middle East, and 83 percent in Latin America.

2/ “Week at the Beach(W@TB)” index measures the average cost of a 7-day-stay at a beach destination, excluding travel costs. The index is a simple average of quoted hotel rates from Tripadvisor, and over 80 million crowdsourced data points on meals and beverages from Numbeo. The original W@TB index was first presented in Nicole Laframboise et al. (2014) “Revisiting Tourism Flows to the Caribbean: What is Driving Arrivals?” ([WP/14/229](http://www.imf.org/external/pubs/ft/wp/2014/wp14229)) and further elaborated by the IMF’s Western Hemisphere Department’s Monthly Tourism Trends Team.