



Tourism Recovery Continues in Q2

International tourist arrivals in the Asia & Pacific region continued to increase in 2022Q2. After being weighed down by the Omicron wave in Q1, international tourism activity recovered steadily across a number of countries in Q2 (Figure 1). The increase in travel has been supported by a decline in travel restrictions, a phasing out of COVID-related requirements (Figure 2), and a resumption in international flight arrivals in the region (Figure 3). Notably, the number of inbound flights during January-August 2022 have surpassed their 2019 levels in Maldives and New Zealand, while showing substantial recovery in India and Fiji.¹ However, even with these promising starts, tourism recovery for the region is still in its early stages. International tourist arrivals in Asia & Pacific still remain some 77 percent below pre-pandemic levels.

Figure 1: International Visitor Arrivals by Destination Country (% change from same quarter in 2019; latest available official data)

	2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Asia & Pacific Region	-34	-98	-97	-97	-96	-96	-96	-93	-91	-77
Pacific Island Countries	-23	-99	-99	-99	-98	-99	-99	-93	-82	-53
Fiji	-19	-99	-99	-99	-98	-99	-100	-89	-72	-34
Micronesia	-24	-97	-95	-95	-94	-98	-98	-100	-100	-100
Palau	-31	-100	-99	-100	-99	-98	-88	-92	-94	-87
Marshall Islands	-21	-99	-99	-100	-97	-98	-99	-100	-100	-100
Samoa	-36	-100	-100	-100	-100	-100	-100	-100	-100	-100
Solomon Islands	-32	-99	-97	-99	-98	-97	-100	-95	-95	-95
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
Kiribati	-35	-100	-100	-100	-99	-100	-100	-100	-99	-96
Rest of Asia & Pacific	-34	-98	-97	-97	-96	-96	-96	-93	-91	-77
Cambodia	-38	-98	-96	-97	-96	-98	-98	-96	-92	-76
India	-22	-99	-97	-94	-90	-94	-89	-77	-75	-37
Indonesia	-29	-88	-89	-88	-91	-90	-92	-89	-95	-83
Korea	-47	-98	-96	-96	-95	-95	-94	-94	-93	-88
Maldives	-21	-100	-95	-66	-38	-44	-7	0	-11	1
New Zealand	-20	-99	-98	-99	-99	-81	-95	-99	-97	-74
Philippines	-37	-100	-98	-98	-99	-99	-98	-97	-91	-66
Singapore	-43	-100	-99	-99	-99	-99	-99	-97	-95	-73
Sri Lanka	-32	-100	-100	-100	-99	-97	-94	-71	-61	-53
Thailand	-38	-100	-100	-100	-100	-100	-100	-97	-95	-82
Vietnam	-18	-99	-99	-99	-99	-99	-99	-99	-98	-87

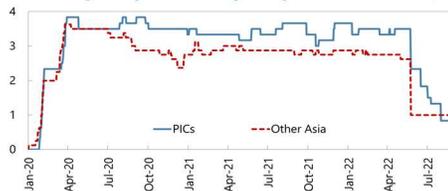
Note: Blanks = insufficient data

Countries in the Asia and Pacific made significant progress in simplifying entry requirements for tourists during 2022Q2. Declining COVID cases and rising vaccination rates encouraged more countries to ease border restrictions, phase out quarantine requirements, and remove COVID-related entry requirements. **Maldives, Cambodia, Singapore, and Sri Lanka** were among the earliest Asian countries to remove pre-departure testing requirements in March and April 2022, followed by other countries. Visitor arrivals in **India** have recovered steadily and reached 37 percent below pre-pandemic levels, helped by the resumption of regular commercial flights and removal of most travel requirements in 2022Q1. Tourist inflows to **Maldives** recovered back to pre-pandemic levels in 2022Q2, as tourists from India, Germany, United Kingdom, and Italy contributed to a major share of arrivals in offsetting the loss of tourist arrivals from Russia. In the Pacific Islands region, **Fiji** continued to be a bright spot. The reopening of borders in December 2021 and progressive relaxing of testing requirements contributed to a strong recovery during the peak season—particularly from Australia and New Zealand.

International tourism activity across Asia & Pacific is expected to continue recovering as pandemic related concerns subside and countries ease entry and testing requirements. Many Asian tourism destinations outside the Pacific region further relaxed testing requirements during 2022Q3, including Indonesia, New Zealand and Thailand. A major of Pacific Island countries have also reopened international borders in July and August, which will likely broaden the recovery in tourism in the region (Figure 4). However, risks are now tilted to the downside due to less favorable external conditions and it is unclear to what extent the slowdown in global growth and elevated global fuel prices may dampen prospects for the remainder of 2022 and 2023.

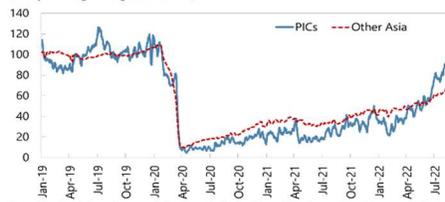
Figure 2: International travel controls

(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 September 10, 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: Inbound international flights to Asia & Pacific^{1/} (7-day moving average, 2019=100)



^{1/} Pacific Island Countries are defined as 10 destinations: Fiji, Micronesia, Palau, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Kiribati. Other Asia is defined as 10 destinations: India, Philippines, Maldives, Cambodia, Thailand, Sri Lanka, Singapore, New Zealand, Korea, Indonesia. Sources: FlightRadar24 and IMF Staff calculations.

Figure 4: Number of Pacific Islands Reopening Borders (Number of countries, out of 12)



Sources: IMF country desk survey.

¹ It should be noted that in addition to flight arrivals, other factors such as flight occupancy rates are also important when evaluating the recovery in tourism. Prepared by Arpitha Nagesh Bykere and Anh Thi Ngoc Nguyen, with research support from To-Nhu Dao, Enakshi Das, and Pule Sukanaivalu (all Asia & Pacific Department). Estimates presented in this note may be different from actual data. Suggestions on the methodology and data sources are welcome. Previous editions are available at <https://www.imf.org/en/Countries/ResRep/PIS-Region>. To receive future editions when released, please email apdpi-ast@imf.org.