



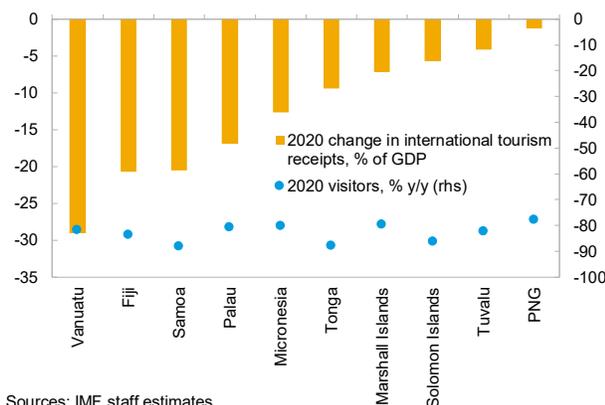
## 2020 REVIEW: A Dismal Year for Tourism

- In 2020, foreign visitors to the Asia & Pacific region were down an estimated 81 percent from a year earlier (Figure 1). The UNWTO reports that the region recorded the largest decline in arrivals in the world in 2020, with the fewest travel restrictions eased over time, and more complete border closures in place for international tourism than other regions. Most countries in the Asia & Pacific region saw year-on-year drops in the 75 to 85 percent range, with visitor arrivals remaining near zero in the last few months of the year. One exception is the **Maldives**, which saw visitors recover to 34 percent of the prior year in 2020Q4 (and to 56 percent in December).
- The extent of economic fallout in recipient countries has varied widely, depending on the size of their tourism sectors. In **Fiji**, the **Maldives**, **Palau**, **Samoa**, and **Vanuatu** the virtual elimination of tourism flows reduced international tourism receipts by an estimated 17 to 39 percent of GDP in 2020 (Figures 2 and 3). By contrast, the impact of reduced international tourism on some of the region's larger (and more diversified) economies like India, Indonesia and Korea has been relatively limited.
- With vaccination programs at an early stage, prospects for reopening may be limited in the near term. The latest UNWTO Panel of Experts Survey shows worsening prospects for a rebound in 2021, with 50 percent of respondents now expecting a rebound to occur only in 2022 as compared to 21 percent in October 2020.

Figure 1: Visitor arrivals by destination country (percent change y/y)  
*Latest available official data and tracking estimates (bold)*

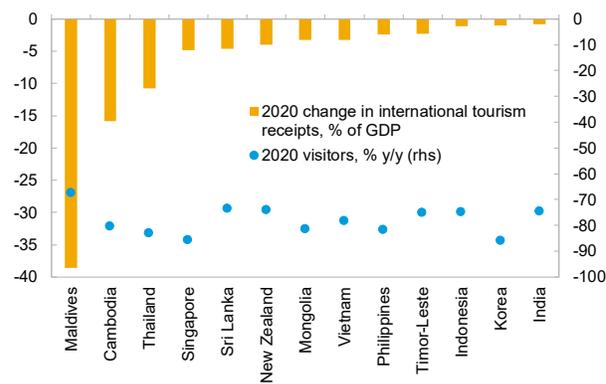
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
<b>Asia &amp; Pacific Region</b>	<b>-34.2</b>	<b>-97.8</b>	<b>-97.5</b>	<b>-96.6</b>	<b>-80.9</b>
<b>Pacific Island Countries</b>	<b>-22.6</b>	<b>-99.5</b>	<b>-99.3</b>	<b>-99.1</b>	<b>-84.1</b>
Fiji	-18.7	-99.2	-99.0	-98.6	-83.5
Micronesia	<b>-24.3</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-80.2</b>
Palau	<b>-30.7</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-80.7</b>
PNG	<b>-17.9</b>	<b>-98.1</b>	<b>-97.3</b>	<b>-95.5</b>	<b>-77.9</b>
RMI	<b>-20.9</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-79.6</b>
Samoa	-36.2	-100.0	-100.0	-100.0	-88.0
Solomon Islands	-36.3	-100.0	-98.8	-96.5	-85.0
Tonga	-41.3	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-87.8</b>
Tuvalu	-11.6	-100.0	-100.0	-100.0	-82.3
Vanuatu	-2.0	-100.0	-100.0	<b>-100.0</b>	<b>-81.8</b>
Kiribati	-35.3	-100.0	-100.0	-100.0	-82.2
<b>Rest of Asia &amp; Pacific</b>	<b>-34.3</b>	<b>-97.8</b>	<b>-97.5</b>	<b>-96.6</b>	<b>-80.9</b>
Cambodia	-38.5	-98.1	-95.6	<b>-97.2</b>	<b>-80.4</b>
India	-22.6	<b>-100.0</b>	<b>-100.0</b>	<b>-90.6</b>	<b>-74.7</b>
Indonesia	-31.1	-87.9	-89.1	<b>-87.4</b>	<b>-74.8</b>
Korea	-46.9	-97.9	-95.7	<b>-97.1</b>	<b>-85.9</b>
Maldives	-20.7	-100.0	-95.1	-65.9	-67.4
Mongolia	<b>-38.3</b>	<b>-97.3</b>	<b>-96.7</b>	<b>-97.1</b>	<b>-81.4</b>
New Zealand	-19.8	-99.0	-98.2	<b>-97.9</b>	<b>-74.1</b>
Philippines	<b>-38.8</b>	<b>-97.3</b>	<b>-97.7</b>	<b>-96.9</b>	<b>-81.7</b>
Singapore	-43.2	-99.9	-99.5	-99.6	-85.8
Sri Lanka	-31.5	-100.0	-100.0	-99.9	-73.5
Thailand	-38.0	-100.0	-100.0	-99.9	-83.2
Timor-Leste	<b>-24.3</b>	<b>-94.9</b>	<b>-92.5</b>	<b>-86.0</b>	<b>-75.2</b>
Vietnam	-18.1	-98.5	-99.0	-99.0	-78.4

Figure 2: PIC Tourism Estimates for 2020



Sources: IMF staff estimates.

Figure 3: Asian Tourism Estimates for 2020



Sources: IMF staff estimates.

# METHODOLOGY

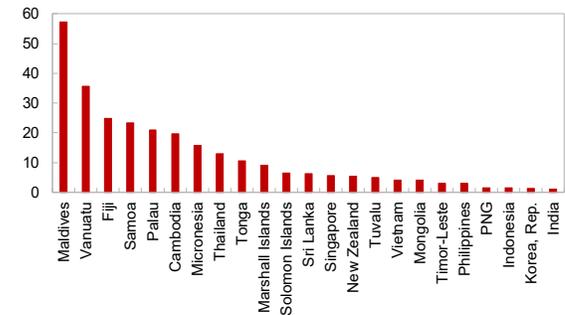
The **Tourism Tracker** provides timely estimates of **monthly visitor arrivals**. The note typically covers visitors by major source markets and destination countries in the Asia & Pacific region with sizeable tourism sectors (Figure A). The intuition behind our approach is that during the COVID-19 pandemic, most countries will see across-the-board reductions in visitor inflows whose magnitudes will vary by source country. For example, if tourists from China reduce travel to Fiji, they are likely to reduce travel to other countries as well.<sup>1</sup>

This approach is particularly relevant for countries where **timely data on tourism activity is sparse** (especially when there is a common shock like the COVID-19 pandemic). Apart from Fiji and Samoa with a quick turnaround of about 20 days, most PICs provide visitor data with a significant time lag (Figure B). Data availability for Asian countries varies widely as well, with most countries' data lagging by at least several months.

A key input into our estimations is data on **monthly visitors to Fiji by source country, published about 20 days after the end of the reference month**. The 12-month change in visitor arrivals from each source market is calculated, and then multiplied by the latest available annual composition of visitors by source country. For example, Chinese visitors to Fiji fell by 73 percent in February relative to a year earlier. And Chinese visitors to Palau accounted for 32 percent of total visitors in 2019. Multiplying the two percentages yields the percentage point contribution to the change in visitors to Palau from Chinese visitors. Adding up the contributions across all source countries yields the total 12-month percent change. Occasionally, we make judgmental adjustments to the model-based tracking estimates to incorporate country-specific information.

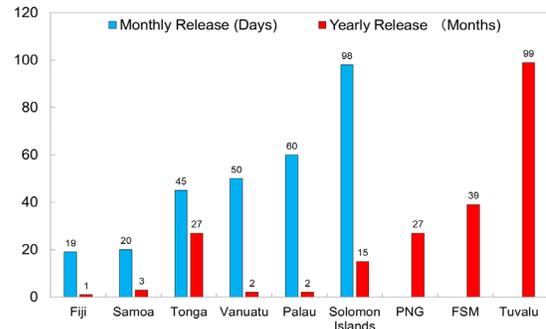
The main assumption behind this approach is that there is a **significant common factor driving visitor flows to Asia and Pacific countries**. To test this intuition, actual arrival data from Samoa and Thailand are compared with tracking estimates as described above (i.e., using tourist arrival growth in Fiji, weighted by the source country shares of the two countries' visitor arrivals in 2018). The overall trend in official data for Samoa and Thailand aligns quite closely with tracking estimates, with a correlation coefficient of 0.6 and 0.5 for the period from January 2019 to February 2020 (Figures C and D). Moreover, tracking estimates for visitors to Thailand in February, March and April were quite close to official data.

**Figure A: Tourism Share of GDP of Asian & Pacific Countries with Largest Tourism Sectors**  
(in Percent)



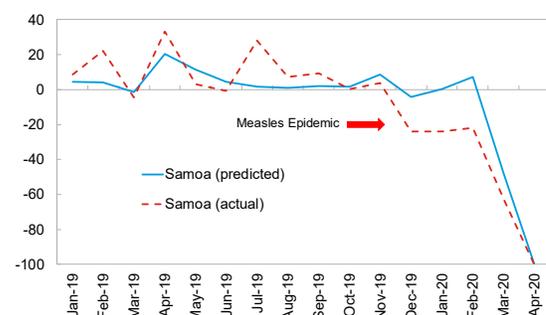
Sources: World Bank, South Pacific Tourism Organization, and IMF staff estimates.

**Figure B: Lag in Data Release of Tourist Arrivals**



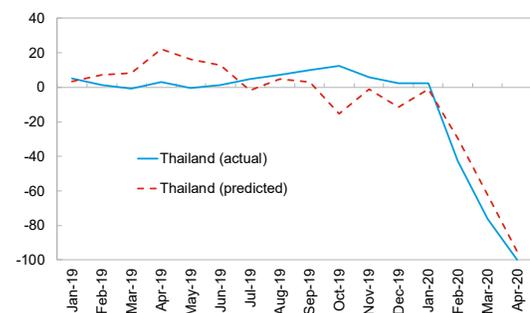
Sources: IMF staff estimates.

**Figure C: Samoa - Monthly Visitor Arrivals**  
(12-month percent change)



Sources: National Sources and IMF Staff Calculations.

**Figure D: Thailand - Monthly Visitor Arrivals**  
(12-month percent change)



Sources: National Sources and IMF Staff Calculations.

<sup>1</sup> Our estimates do not reflect the impact of local travel restrictions or COVID-19 infections on country-specific factors that drive visitor inflows.