



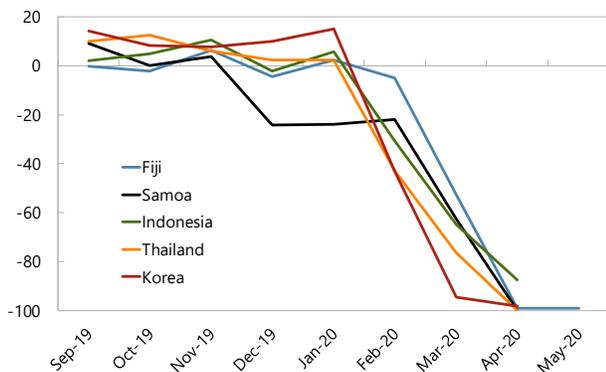
NO TOURISM REBOUND IN MAY/JUNE

- Foreign visitors to the Asia & Pacific region were down an estimated 95 percent in May relative to the same month a year earlier (Figure 1).** Tight travel restrictions and general aversion to international travel amid the pandemic have kept foreign visitors to a minimum across source and destination countries. Newly released official data for April show only limited differentiation among recipient countries. Samoa and Thailand reported zero visitors in April whereas visitors to Indonesia were down “only” 87 percent (Figure 2), reflecting a relatively late (April 24) ban on most air travel.
- International visitor flows appear to have remained minimal in June, according to available high frequency data.** Daily passenger data to Hawaii have stayed about 98 percent below the level observed a year earlier, based on data through mid-June. Meanwhile, domestic visitor arrivals in Hawaii (from other U.S. states) have edged up in recent weeks, hovering around 95 percent below last year’s level (Figure 3). The slow recovery suggests that the economic fallout from the pandemic will only grow as 2020 travel seasons advance, with June to August normally being the busiest period for many tourism destinations in the Asia & Pacific region.

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

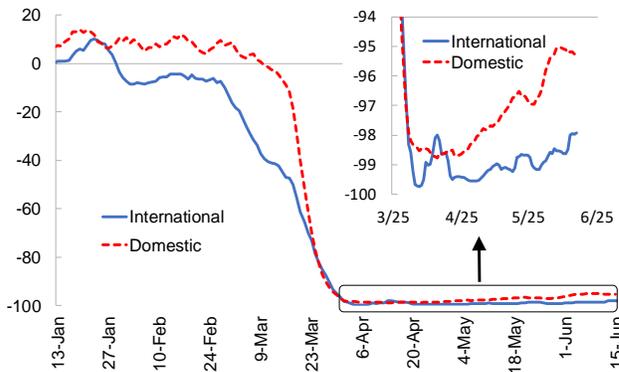
	Jan 20	Feb 20	Mar 20	Apr 20	May 20
Fiji	2.5	-4.9	-52.8	-99.1	-99.0
Micronesia	-1.1	-10.3	-57.4	-96.7	-96.1
Palau	33.4	-42.6	-69.7	-95.8	-95.8
PNG	3.7	-3.5	-53.9	-98.0	-97.7
RMI	-2.0	-2.7	-55.2	-98.7	-98.3
Samoa	-24.0	-22.0	-62.7	-100.0	-99.4
Solomon Islands	1.5	-3.0	-53.7	-98.5	-98.2
Tonga	17.7	-23.8	-48.5	-99.5	-99.5
Tuvalu	-4.9	-3.9	-54.6	-98.7	-98.2
Vanuatu	25.0	13.0	-51.1	-99.5	-99.4
Cambodia	-0.1	-33.0	-64.7	-94.7	-94.4
India	1.3	-6.6	-66.4	-95.6	-94.4
Indonesia	5.9	-30.5	-64.9	-87.4	-95.2
Korea	15.2	-43.0	-94.6	-98.2	-94.9
Maldives	14.4	-11.1	-63.4	-97.1	-96.9
Mongolia	-9.7	-36.6	-68.5	-96.7	-97.0
New Zealand	1.7	0.0	-56.1	-97.9	-97.7
Philippines	-13.5	-34.0	-69.5	-96.9	-96.9
Singapore	-1.2	-24.9	-60.7	-95.1	-94.4
Sri Lanka	-0.9	-10.8	-56.0	-96.9	-96.4
Thailand	2.5	-42.8	-76.4	-100.0	-94.6
Timor-Leste	1.0	-16.3	-56.0	-94.8	-93.5
Vietnam	-15.2	-52.5	-76.1	-96.2	-96.7

Figure 2: Asia & Pacific Countries with Recent Visitor Data
 (12-month percent change, official data)



Source: National sources.

Figure 3: 2020 Hawaii Daily Passenger Counts
 (Percent change, year-on-year; 7-day moving average)



Source: State of Hawaii Department of Business, Economic Development & Tourism.

METHODOLOGY

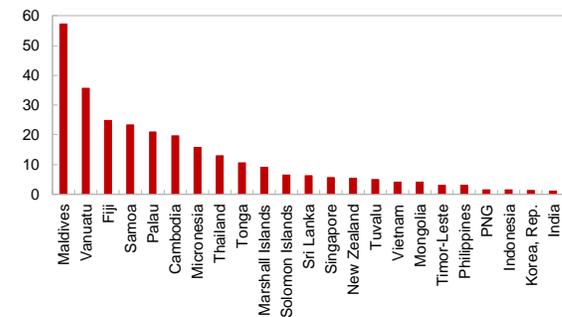
The **Tourism Tracker** provides timely estimates of **monthly visitor arrivals**. The note typically covers visitors by major source markets and destination countries in the Asia & Pacific region with sizeable tourism sectors (Figure A). The intuition behind our approach is that during the COVID-19 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.¹

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.

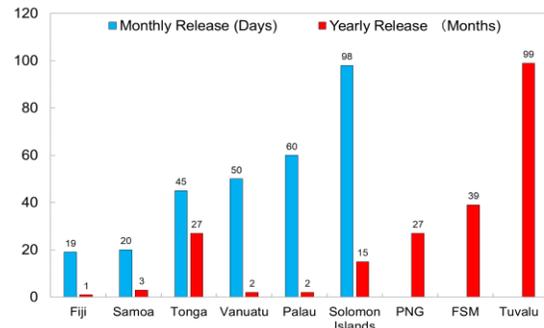
The main assumption behind this approach is that there is a significant common factor driving visitor flows to Asia and Pacific countries. To test this intuition, actual arrival data from Samoa and Thailand are compared with tracking estimates as described above (i.e., using tourist arrival growth in 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)



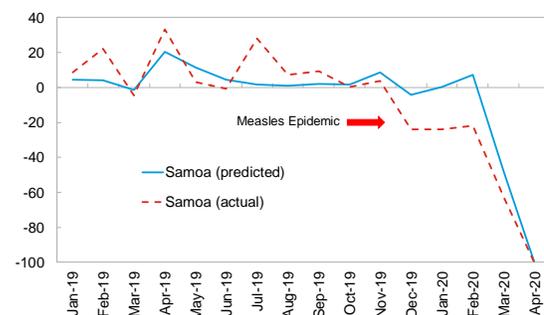
Sources: World Bank, South Pacific Tourism Organization, and IMF staff estimates.

Figure B: Lag in Data Release of Tourist Arrivals



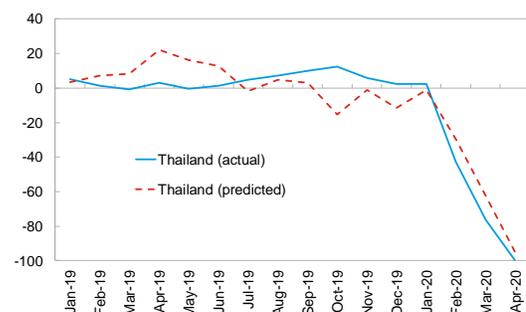
Sources: IMF staff estimates.

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.

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