



## NO TOURISM RECOVERY IN SEPTEMBER

Foreign visitors to the Asia & Pacific region were down an estimated 97 percent in September from a year earlier, in line with the average for Q3 2020 (Figure 1). Amid little differentiation across the region, the Maldives saw limited further improvement relative to August, but visitor arrivals were still down about 92 percent from a year earlier. In a hopeful sign for the months ahead, daily data for domestic U.S. visitors to Hawaii show a notable pickup in October, to around 25 percent of last year's level, while the number of international visitors remains minimal (Figure 2).

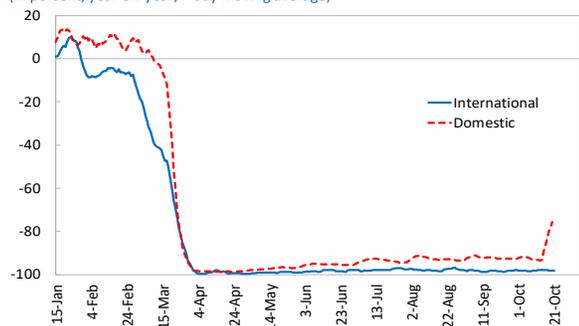
Several countries in the region are taking steps to open up to international travel. Vietnam resumed international commercial flights to six destinations by September 22: Guangzhou, Taiwan, Seoul, Tokyo, Phnom Penh, and Vientiane. Hong Kong and Singapore announced on October 15 a preliminary agreement for an air travel bubble between the two financial centers. The agreement would allow travelers to bypass quarantine subject to a negative PCR test and a requirement to travel on dedicated flights. Palau is reportedly in discussions to reach a travel agreement with Taiwan, Province of China.

Countries in the Asia-Pacific region were the first to introduce travel restrictions and are taking longer to reopen. As of September 1, 28 countries or territories (61 percent) in the region remained completely closed to foreign tourists, according to the UNWTO. This exceeds all other regions in the world (17 percent in Europe, 41 percent in the Americas and 51 percent in Africa). Globally, 93 of the 215 surveyed destinations (43 percent) were closed to tourists. Of these, 27 destinations have had their borders completely closed for at least 30 weeks, with a third of these in the Pacific Islands (Figure 3).

Figure 1: Visitor arrivals by destination country (12-month % change)  
Latest available official data and tracking estimates (bold)

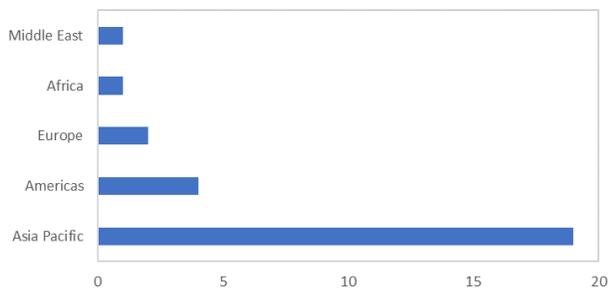
	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Sep 20
<b>Asia &amp; Pacific Region</b>	<b>9.1</b>	<b>-34.0</b>	<b>-97.8</b>	<b>-97.4</b>	<b>-97.0</b>
<b>Pacific Island Countries</b>	<b>2.6</b>	<b>-22.7</b>	<b>-99.5</b>	<b>-99.4</b>	<b>-99.2</b>
Fiji	-0.4	-18.7	-99.2	-99.0	-98.8
Micronesia	<b>-0.6</b>	<b>-24.3</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Palau	22.6	-30.7	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
PNG	<b>-0.8</b>	<b>-17.9</b>	<b>-98.1</b>	<b>-97.3</b>	<b>-96.9</b>
RMI	<b>2.5</b>	<b>-20.9</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Samoa	-10.7	-36.2	-100.0	-100.0	-100.0
Solomon Islands	13.8	-36.3	-100.0	-100.0	-100.0
Tonga	30.8	-41.3	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Tuvalu	8.8	<b>-22.3</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Vanuatu	11.0	-2.0	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Kiribati	16.9	<b>-35.3</b>	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
<b>Rest of Asia &amp; Pacific</b>	<b>9.2</b>	<b>-34.1</b>	<b>-97.8</b>	<b>-97.4</b>	<b>-97.0</b>
Cambodia	-1.6	-38.5	-98.1	<b>-95.3</b>	<b>-94.2</b>
India	5.4	-22.3	<b>-100.0</b>	<b>-100.0</b>	<b>-100.0</b>
Indonesia	4.1	-31.1	-87.9	<b>-88.9</b>	<b>-88.0</b>
Korea	8.7	-46.9	-97.9	<b>-95.5</b>	<b>-94.8</b>
Maldives	11.7	-20.7	-100.0	-95.1	-91.9
Mongolia	<b>-21.0</b>	<b>-38.3</b>	<b>-97.3</b>	<b>-96.7</b>	<b>-95.9</b>
New Zealand	4.5	-2.0	-99.0	<b>-97.7</b>	<b>-96.9</b>
Philippines	17.9	<b>-38.8</b>	<b>-97.3</b>	<b>-97.7</b>	<b>-97.2</b>
Singapore	6.8	-43.2	-99.9	<b>-99.4</b>	<b>-98.9</b>
Sri Lanka	-10.7	-31.5	-100.0	-100.0	-100.0
Thailand	6.4	-38.0	-100.0	<b>-100.0</b>	<b>-100.0</b>
Timor-Leste	<b>-1.9</b>	<b>-24.3</b>	<b>-94.9</b>	<b>-92.5</b>	<b>-91.6</b>
Vietnam	32.4	-18.1	-98.5	-99.0	-99.1

Figure 2: 2020 Hawaii Daily Passenger Counts  
(In percent, year-on-year; 7-day moving average)



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

Figure 3: Number of destinations closed off for 30 weeks  
(as of September 1, 2020)



Source: UNWTO

# METHODOLOGY

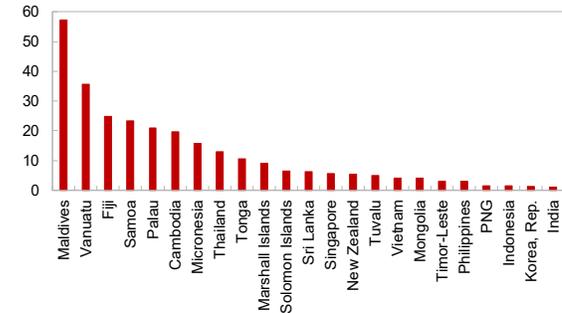
The **Tourism Tracker** provides timely estimates of **monthly visitor arrivals**. The note typically covers visitors by major source markets and destination countries in the Asia & Pacific region with sizeable tourism sectors (Figure A). The intuition behind our approach is that during the COVID-19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

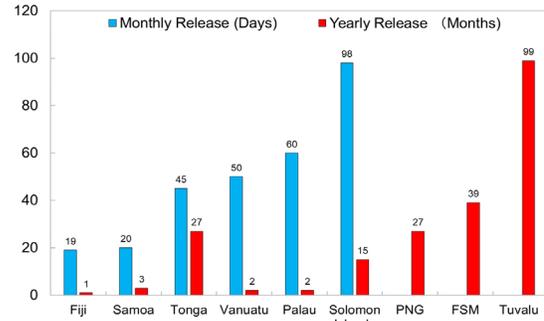
The main assumption behind this approach is that there is a significant common factor driving visitor flows to Asia and Pacific countries. To test this intuition, actual arrival data from Samoa and Thailand are compared with tracking estimates as described above (i.e., using tourist arrival growth in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



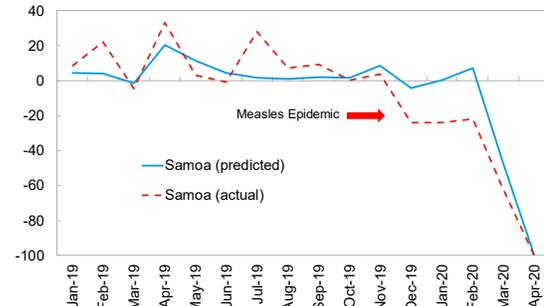
Sources: World Bank, South Pacific Tourism Organization, and IMF staff estimates.

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



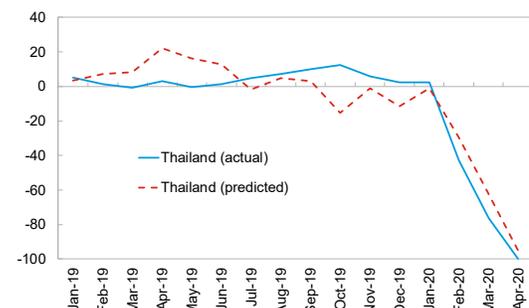
Sources: IMF staff estimates.

**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.