Tourism Recovery Dampered by Omicron in Q1

- While starting to show signs of recovery, the pickup in international tourism activity in the Asia & Pacific region remained modest in 2022Q1 and limited to a small number of countries. International visitor arrivals were estimated to be 91 percent lower than the pre-pandemic levels in 2022Q1, a slight improvement compared to the previous quarter (Figure 1). With the emergence of the Omicron variant at the end of 2021, the region witnessed a surge in COVID cases during the first three months of 2022 (Figure 2). This delayed efforts to reopen international borders and relax travel restrictions, especially in the Pacific region (Figure 3).

- Countries that managed to reopen borders and ease entry requirements have observed some recovery in international tourism. Maldives, one of the first countries in Asia to reopen for tourists, witnessed a return to pre-pandemic tourism levels in 2021Q4. However, the country suffered from a 11 percent drop in tourist arrivals in 2022Q1 compared to the same period in 2019, partially due to the Omicron wave and impact of the Ukraine-Russia war. Meanwhile, Sri Lanka has seen a marked improvement in tourist inflows since end 2021, with the resumption of visa-on-arrival and easing of entry restrictions. Fiji also observed a resurgence of visitor arrivals since reopening borders in December 2021 and relaxing restrictions in 2022Q1. Tourism activity in India has continued to improve gradually with further relaxation in travel guidelines. Other tourism destinations in the region also scaled back travel restrictions for vaccinated tourists during 2022Q1. Cambodia resumed visa-on-arrival and waived testing requirements; and Thailand reduced quarantine measures.

- The recovery in Asia & Pacific tourism activity is expected to continue and become more broad-based as low COVID cases and increased vaccination encourage more countries to reduce travel restrictions. Several Asian countries have further relaxed testing and quarantine requirements for tourists in early 2022Q2, including Singapore, Indonesia, and Thailand. Helped by rising vaccination rates, some countries in the Pacific region are also expected to reopen international borders in 2022H2 (Figure 4). However, the pace of tourism recovery in the Asia Pacific region remains uncertain, given the weak global economic outlook and high oil prices.