TOURISM TRACKER
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FEW STEPS FORWARD, SOME SETBACKS

- **Foreign visitors to the Asia & Pacific region were down an estimated 97 percent in October from a year earlier (Figure 1).** Amid little differentiation across the region, the **Maldives** saw further improvement relative to September, with visitor arrivals down by about 85 percent from a year earlier compared to 92 percent in September. **Thailand** received its first group of long-stay visitors in October under its Special Tourist Visa program, the first tourist arrivals since closing down borders in March.

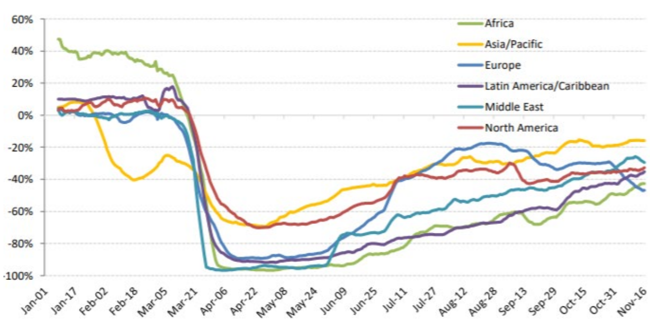
- **Domestic travel is rebounding as internal travel restrictions are eased in many countries.** While international passenger traffic in the region remained at just 4 percent of its total in 2019, domestic travel already returned to 67 percent of its pre-crisis level by September. As of November 16, available seat capacity which tracks passenger demand is at over 80 percent for domestic and 20 percent for international compared to 2019 (Figure 2 and 3). Daily data for domestic U.S. visitors to Hawaii also show continued strengthening of recovery in November, to around 37 percent of last year's level, while the number of international visitors remains minimal.

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	Oct 20
Asia & Pacific Region	**9.1**	**-34.0**	**-97.8**	**-97.5**	**-97.3**
Pacific Island Countries	**2.6**	**-22.6**	**-99.5**	**-99.4**	**-99.1**
Fiji	-0.4	-18.7	-99.2	-99.0	-98.5
Micronesia	**-0.6**	**-24.3**	**-100.0**	**-100.0**	**-100.0**
Palau	22.6	-30.7	**-100.0**	**-100.0**	**-100.0**
PNG	**-0.8**	**-17.9**	**-98.1**	**-97.3**	**-95.7**
RMI	**2.5**	**-20.9**	**-100.0**	**-100.0**	**-100.0**
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	**-100.0**	**-100.0**	**-100.0**
Tuvalu	8.8	-11.6	**-100.0**	**-100.0**	**-100.0**
Vanuatu	11.0	-2.0	-100.0	-100.0	**-100.0**
Kiribati	16.9	-35.3	-100.0	-100.0	**-100.0**
Rest of Asia & Pacific	9.2	-34.1	-97.8	**-97.5**	**-97.1**
Cambodia	-1.6	-38.5	-98.1	-95.6	**-95.0**
India	5.4	-22.3	-100.0	**-100.0**	**-100.0**
Indonesia	4.1	-31.1	-87.9	-89.2	**-88.6**
Korea	8.7	-46.9	-97.9	-95.7	**-95.3**
Maldives	11.7	-20.7	-100.0	-95.1	-84.8
Mongolia	**-21.0**	**-38.3**	**-97.3**	**-96.7**	**-94.4**
New Zealand	4.5	-2.0	-99.0	-97.8	**-95.8**
Philippines	17.9	**-38.8**	**-97.3**	**-97.7**	**-95.6**
Singapore	6.8	-43.2	-99.9	-99.5	**-99.2**
Sri Lanka	-10.7	-31.5	-100.0	-100.0	-100.0
Thailand	6.4	-38.0	-100.0	-100.0	**-100.0**
Timor-Leste	**-1.9**	**-24.3**	**-94.9**	**-92.5**	**-88.0**
Vietnam	32.4	-18.1	-98.5	-99.0	-99.1

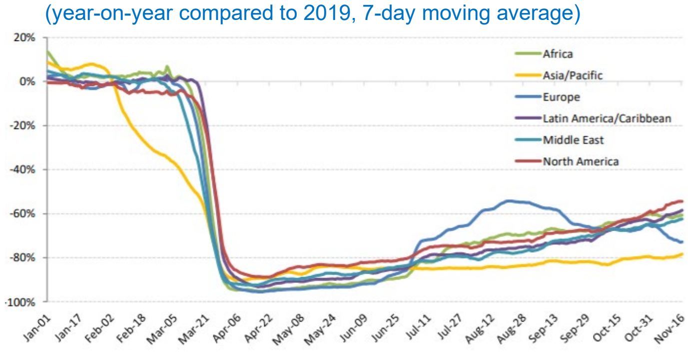
- **Hong Kong and Singapore announced the first travel bubble in the region on November 11.** The agreement would allow travelers to bypass quarantine subject to a negative PCR test and a requirement to travel on dedicated flights. Flight and hotel searches and bookings surged after the announcement, indicating pent-up demand for travel. However, the bubble, which was planned to start on November 22, has since been postponed amidst a spike in COVID-19 cases in Hong Kong.

Figure 2: Domestic seat capacity
(year-on-year compared to 2019, 7-day moving average)



Source: ICAO ADS-B operation data

Figure 3: International seat capacity
(year-on-year compared to 2019, 7-day moving average)



Source: ICAO ADS-B operation data

Prepared by Robin Koepke and Vybhavi Balasundharam, with research support from Yadian Chen and Pule Sukanaivalu (all Asia & Pacific Department). Estimates presented in this note may be different from actual data for a variety of reasons, as discussed below. 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 rkoepke@IMF.org.

METHODOLOGY

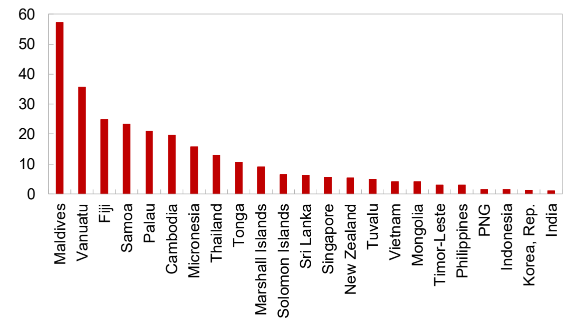
The Tourism Tracker provides timely estimates of monthly visitor arrivals. The note typically covers visitors by major source markets and destination countries in the Asia & Pacific region with sizeable tourism sectors (Figure A). The intuition behind our approach is that during the COVID-19 pandemic, 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. Occasionally, we make judgmental adjustments to the model-based tracking estimates to incorporate country-specific information.

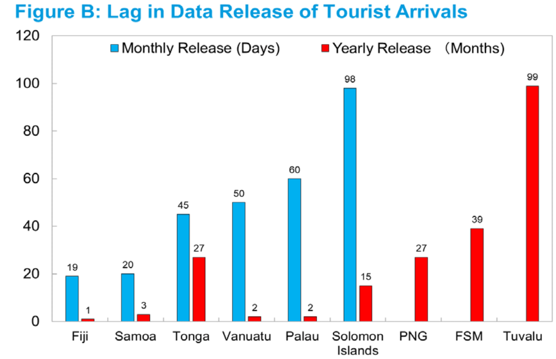
The main assumption behind this approach is that there is a significant common factor driving visitor flows to Asia and Pacific countries. To test this intuition, actual arrival data from Samoa and Thailand are compared with tracking estimates as described above (i.e., using tourist arrival growth in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



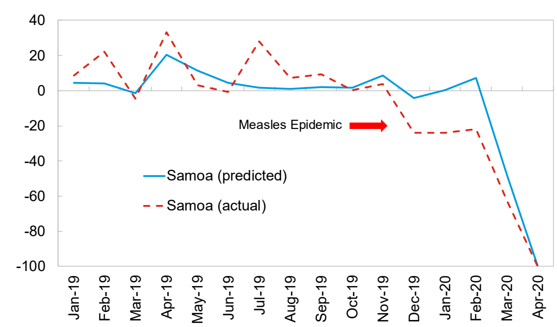
Sources: World Bank, South Pacific Tourism Organization, and IMF staff estimates.

Figure B: Lag in Data Release of Tourist Arrivals



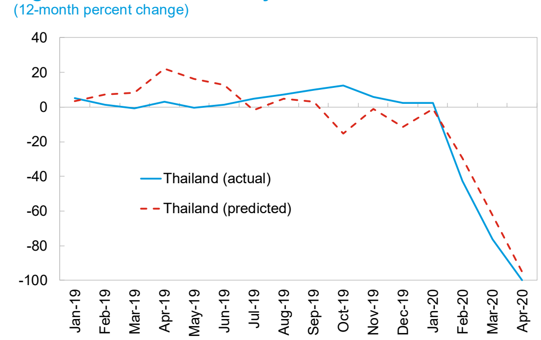
Sources: IMF staff estimates.

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.

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