

Tourism: Respond, Restart and Recover

24 June 2020, 15:00–16:30 (Manila Time), via Microsoft Teams

I. Background and Context

1. The coronavirus disease (COVID-19) pandemic is having a devastating impact on the global economy and employment. Travel and Tourism (T&T) is one of the hardest hit sectors. The suspension of international aviation services, border closures, travel restrictions, and shuttering of tourist attractions have undermined T&T demand across the world, including in Southeast Asia and the People's Republic of China (PRC).
2. According to the United Nations World Tourism Organization there were 22% fewer international tourist arrivals worldwide during the first quarter of 2020 compared to the first quarter of 2019. The World Travel and Tourism Council is projecting about 100 million tourism-related jobs will be lost in 2020 and the contribution of T&T to global GDP could be \$2.7 trillion lower in 2020. Asia and the Pacific is expected to be the most heavily impacted region, with 63.4 million job losses and \$1 trillion drop in T&T's contribution to GDP.
3. Despite tourism's proven resilience to past crises, the worldwide depth and breadth of the COVID-19 pandemic will likely continue to dampen T&T demand in the medium-term and have a longer-lasting effect on international tourism until effective prevention and treatment measures are widely available. Small and medium-sized enterprises (SMEs) will continue to be challenged by a slow recovery as people will be more cautious to travel.
4. The Association of Southeast Asian Nations (ASEAN) countries reported 34% fewer international tourist arrivals during the first quarter of 2020 compared to the first quarter of 2019. The Pacific Asia Travel Association (PATA) is forecasting international arrivals in Southeast Asia will decrease by 22% this year, resulting in \$34.6 billion less T&T spending. Domestic tourism, which is expected to initially drive recovery, also faces constraints given most ASEAN populations have until recently been subject to containment measures and are suffering from COVID-19 induced economic downturns.
5. With the impact of COVID-19 being felt across the entire tourism ecosystem, governments in Southeast Asia and the PRC are introducing economic stimulus packages and other measures to help T&T respond to and begin recovering from the crisis. Some actions include: (i) tax relief, low-interest loans, unemployment compensation, skills training, and price subsidies for tourism businesses; (ii) introducing health and safety protocols to allow the gradual easing of travel restrictions; (iii) destination marketing to restore traveler's confidence and stimulate demand; and (iv) preparing tourism recovery plans, among others. Institutional coordination mechanisms are being established across the tourism ecosystem to better target response and recovery efforts.

6. The pause in tourism activity caused by COVID-19 also provides governments and T&T stakeholders with an unprecedented opportunity to strengthen and accelerate measures to ensure the sector is sustainable, inclusive, and resilient.

II. Third PACER Dialogue

7. Countries in Southeast Asia and the PRC have been affected differently by COVID-19 and are in different phases of managing the crisis. Some are implementing policies to strengthen the medical response to COVID-19, some have contained national epidemics and are promoting domestic tourism, and some are taking steps to open borders to international tourists. All these are challenging and complex tasks considering the uncertainties brought about by the pandemic and looming economic recession.

8. Countries can learn how others are mitigating the negative effects of COVID-19 on T&T, particularly how to kick-start the recovery process. Several policy options drawn from good practice examples are available for governments to consider and adapt to their own phased tourism recovery efforts.

9. In this context the Asian Development Bank (ADB) will convene the third **Policy Actions for COVID-19 Economic Recovery (PACER) Dialogue** in virtual format on 24 June 2020 (Wednesday) from 15:00–16:30 (Manila time) using Microsoft Teams. The title of the third PACER Dialogue is **Tourism: Respond, Restart and Recover**. PACER Dialogues are organized under the ADB-supported BIMP-EAGA, IMT-GT, and GMS (B-I-G) Capacity Building Program, and will explore measures that can help “B-I-G” member countries, Singapore, and Timor-Leste “bounce back better” from the COVID-19 pandemic.

III. Objectives

10. The third PACER Dialogue will feature global good practice examples of effective tourism crisis recovery policies, featuring phased approaches to manage and mitigate COVID-19 impacts, and build-back more sustainable, inclusive, and resilient tourism. The objectives are to:

- promote a better understanding of the options available for sequenced crisis management policies, considering different country situations and milestones, e.g. restarting operations, reaching recovery, and redesigning for the new normal;
- disseminate global best practices and lessons on how the tourism sector could “bounce back better” from the COVID-19 pandemic; and
- provide a platform for policy makers and tourism practitioners to share knowledge and experience and collaboratively learn from each other.

11. At the end of the dialogue, a Policy Brief will be produced to summarize the policy options and recommendations discussed.

IV. PACER Dialogue Background Paper, Structure and Timing

12. The PACER Dialogues are envisaged to help decision makers broaden their perspectives, appreciate the wider implications of critical policy choices, and identify concrete policy actions. During the open discussions, lead participants are requested to provide inputs, share analysis, country experiences and lessons on T&T policies and measures taken to mitigate the negative effects of the COVID-19 pandemic and accelerate recovery.

13. A background paper will be circulated to all participants as advance reading. The indicative structure of the 1.5-hour (90 minute) PACER Dialogue is summarized in the attached program.

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TIME	DETAILS
15:00-15:05	<p>Third PACER Dialogue – Overview and Objectives <i>Moderator: Mr. Ramesh Subramaniam</i> <i>Director General, Southeast Asia Department (SERD), Asian Development Bank (ADB)</i></p> <p>Moderator to deliver introductory remarks on the third PACER Dialogue context, objectives, and structure.</p>
15:05-15:30	<p>Tourism Response and Recovery: Rebuilding Economic and Social Benefits and Re-inspiring Travelers Confidence <i>Ms. Tiffany Misrahi, Vice President of Policy, World Travel and Tourism Council</i></p> <p>Presentation on global good-practice examples of effective tourism crisis recovery policies using a phased approach for managing and mitigating the crisis; and building back more sustainable, inclusive, and resilient tourism.</p>
15:30-15:45	<p>Panel of Experts Inputs/Reactions Building Travelers Confidence to Cross Borders <i>Mr. Mario Hardy, Chief Executive Officer, Pacific Asia Travel Association</i> Effective Digital Marketing and Promotion post COVID-19 <i>Mr. Jens Thraenhart, Executive Director, Mekong Tourism Coordinating Office</i></p> <p>Panelist will reflect (5-7 minutes each) on: (i) how government and private businesses can work together to effectively implement confidence building measures to help restart international travel; and (ii) how national tourism organizations can work with the private sector to effectively communicate destination readiness, safety, and unique selling propositions post COVID-19.</p>
15:45-16:25	<p>Open Discussion and Questions <i>Moderator: Mr. Ramesh Subramaniam</i></p> <p>PACER Dialogue participants exchange information on tourism crisis recovery policies and measures in an open discussion format.</p> <p>To enrich the PACER dialogue discussions, the moderator will request country delegations to provide inputs and share analysis, country experiences, and lessons on tourism policies aimed at mitigating the negative effects of the COVID-19 pandemic and achieving medium- and long-term tourism recovery.</p>
16:25-16:30	<p>Synthesis and Summary Closing Remarks <i>Mr. Ramesh Subramaniam, Director General, SERD, ADB</i></p> <p>Moderator summarizes the policy discussions, key recommendations, and closes the Dialogue.</p>