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19/06/2020

World Travel & Tourism Council

Tiffany Misrahi
Vice-President of Policy

Travel & Tourism, Southeast Asia and COVID-19

WORLD
TRAVEL &
TOURISM
COUNCIL



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WTTC Membership

- 200 Members (CEOs and Chairs)
- All geographies
- All industries in Travel & Tourism



The WTTC Executive Committee

Airports

Airlines

Cruise

Destinations

Tour Operators

Travel Companies

OTAs

GDS

Car Rental

Hotels

Digital Players

Travel Services



HILTON
Christopher J. Nassetta
President & CEO



CARNIVAL CORPORATION
Arnold Donald
President & CEO



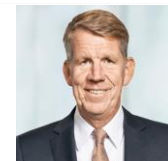
UNITED AIRLINES
Oscar Munoz
CEO



VALUE RETAIL
Desirée Bollier
Chair



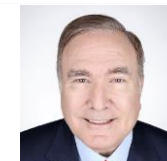
INTREPID GROUP
Darrell Wade
Co-Founder & Chairman



TUI GROUP
Friedrich Joussen
CEO



MSC CRUISES
Pierfrancesco Vago
Executive Chairman



ROYAL CARIBBEAN CRUISES
Richard D. Fain
President & CEO



MARRIOTT
Arne Sorenson
President & CEO



SABRE
Sean Menke
President & CEO



JTB CORP
Hiromi Tagawa
Chairman of the Board



DUBAI AIRPORTS
Paul Griffith
CEO



EMIRATES GROUP
Gary Chapman
President, Group Services



Japan Airlines
Yuji Akasaka
Representative
Director, Executive
President



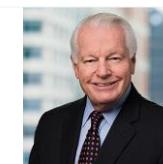
TRIP.COM GROUP
Jane Jie Sun
CEO



VIRTUOSO
Matthew Upchurch
President & CEO



CARLSON WAGONLIT TRAVEL
Kurt Ekert
President & CEO



US TRAVEL ASSOCIATION
Roger Dow
President and CEO

Global Performance

Travel & Tourism Economic Impact 2020 (2019 Figures)

2.5%
Global GDP growth

3.5%
Travel & Tourism GDP growth

10.3%
Travel & Tourism total contribution to global GDP

330 mn
Jobs supported by Travel & Tourism

1/10
Jobs supported by Travel & Tourism

1/4
of all new jobs created came from Travel & Tourism

28.7%
International Spend

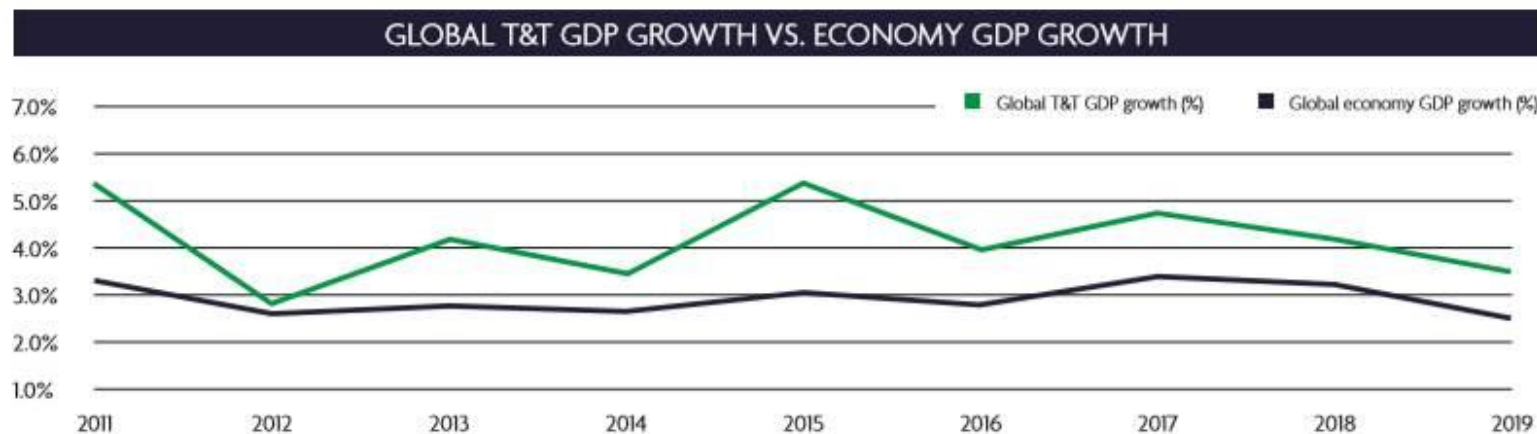
VS

71.3%
Domestic Spend

21.4%
Business Spend

VS

78.6%
Leisure Spend



Source: WTTC EIR 2019 Data

Southeast Asia Performance

Travel & Tourism Economic Impact 2020 (2019 Figures)

13.3%

Total Contribution to
Southeast Asia employment

12.1%

Travel & Tourism total
contribution to Southeast Asia
GDP

42.3 mn

Southeast Asia Jobs
supported
by Travel & Tourism

\$380 mn

Travel & Tourism total
contribution to Southeast
Asia GDP

50%

International
Spend

VS

50%

Domestic
Spend

4.6%

Travel & Tourism
GDP growth

Closer look

	2019 T&T contribution to GDP (US\$ billion)	2019 T&T % of total economy GDP	2019 T&T GDP growth (%)	Domestic spend, % of total, 2019	International spend, % of total, 2019	2019 T&T employment contribution (000s)	2019 T&T % of total employment
Southeast Asia	380.2	12.1	4.6	50	50	42,346	13.3
Brunei Darussalam	0.8	5.9	6.2	56	44	16	7.9
Cambodia	7.1	26.4	8.6	23	77	2,371	26.4
Indonesia	63.6	5.7	3.6	58	42	12,569	9.7
Laos	1.8	9.1	6.5	38	62	330	9.6
Malaysia	41.8	11.5	6.6	49	51	2,217	14.7
Myanmar	3.7	4.6	4.5	42	58	1,073	4.8
Philippines	90.9	25.3	8.6	85	15	10,238	24.1
Singapore	40.4	11.1	-2.5	29	71	527	14.1
Thailand	107.0	19.7	1.8	29	71	8,055	21.4
Viet Nam	23.1	8.8	7.7	49	51	4,951	9.1
PR China	1,584.9	11.3	9.3	86	14	79,870	10.3

Global Recovery Scenarios & Economic Impact

Jobs and GDP losses from COVID-19 on Travel & Tourism

Best Case Scenario

- Current restrictions starting to ease from:
 - ✓ June for domestic travel and short-haul/regional
 - ✓ August for intercontinental travel
- **98.2 million** T&T job losses (30% reduction vs 2019)
- **\$2,686 bn** loss in T&T GDP (30% reduction in GDP vs 2019)

Baseline Scenario

- Current restrictions starting to ease from:
 - ✓ June for domestic travel
 - ✓ July for short-haul/regional
 - ✓ September for intercontinental travel
- **121.1 million** T&T job losses (37% reduction vs 2019)
- **\$3,435 bn** loss in T&T GDP (39% reduction in GDP vs 2019)

Worst Case Scenario

- Current restrictions starting to ease from:
 - ✓ September for domestic travel and short-haul/regional
 - ✓ November for intercontinental travel
- **197.5 million** T&T job losses (60% reduction vs 2019)
- **\$5,543 bn** loss in T&T GDP (62% reduction in GDP vs 2019)

Asia-Pacific Recovery Scenarios & Economic Impact

Jobs and GDP losses from COVID-19 on Travel & Tourism

Best Case Scenario

- **59.7** million T&T job losses (**33%** reduction vs 2019)
- **\$980** bn loss in T&T GDP (**33%** reduction in GDP vs 2019)
- Visitor arrivals drop: **40%** international and **23%** domestic

Baseline Scenario

- **69.3** million T&T job losses (**38%** reduction vs 2019)
- **\$1,137** bn loss in T&T GDP (**38%** reduction in GDP vs 2019)
- Visitor arrivals drop: **48%** international and **27%** domestic

Worst Case Scenario

- **115.0** million T&T job losses (**63%** reduction vs 2019)
- **\$1,888** bn loss in T&T GDP (**64%** reduction in GDP vs 2019)
- Visitor arrivals drop: **67%** international and **55%** domestic

Learning from Past Experience

- The average recovery times for disease and outbreaks was 19.4 months to pre-crisis arrival levels
- The T&T sector is becoming increasingly resilient – the average months to recovery decreased from 26 to 10 between 2001 and 2018.



Impact on Demand

- Economic, Psychological and Regulatory Effects
- Hindered by an Economic Recession reducing disposable incomes
- Risk aversion
- The Dream of Travel remains
- Role of Government to stimulate demand will be key

Impact on Supply

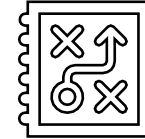
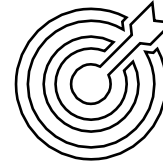
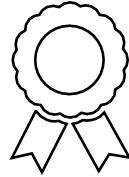
- Effects is dependent on restrictions, industries, geographic scope, demand profile, financial health, etc.
- 80% of T&T Businesses are SMEs
- Support from liquidity to wage subsidies, worker protection and debt cancellation will be needed

Principles for Recovery

1. A Global Coordinated Approach
2. Enhance existing seamless traveller journey
3. Implement global protocols
4. Support the T&T sector with enabling policies



Four Critical Recovery Phases



1. Crisis Management (Underway)

2. Re-starting of operations (12 Months - Ramp up testing)

3. Reaching Recovery (Treatment, Vaccine)

4. Redesign for: "The New Normal"

- Cycles of relax/tighten as social distance remains the only brake
- Gradually re-open business with testing and new protocols
- WTTC advocates for testing & tracing + cleanliness protocols to accelerate recovery

- Medical Breakthroughs
- Health tools – testing/tracing/Health certificates
- Business re-open / Travel volume increases with safety protocols
- Ramp up vaccines

- 2&3 enables the New Normal
- Prevalent use of vaccines
- Vaccines become annual and/or appropriate guidelines in place

1. Crisis Management (underway)

Aim: Significant and swift measures are needed to support the T&T sector in the turbulent months ahead. Governments should implement policies that directly support sector across the following five areas:

- 1. Protect the livelihoods of workers**
- 2. Ensuring fiscal support**
- 3. Injecting liquidity & cash**
4. Supporting the informal sector
5. Complying with travel bans

Crisis Management Policies

OVERALL MEASURES	SPECIFIC MEASURE	GOOD EXAMPLES FOR T&T
WORKER PROTECTION	Furlough schemes	France
	Wage compensation schemes	Singapore
FISCAL	Special tax & public fee exemptions and deferments for tourism	Russia Indonesia Malaysia UK
LIQUIDITY	Supporting DMOs	Hong Kong
	Grant funding for tourism	UK
	Favorable credit lines for tourism	Portugal
	Debt deferrals and cross border collaboration	Germany, France, Finland, Italy and Norway
	Investment to upgrade infrastructure green tourism	Iceland

1. Crisis Management (underway)

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1. Protect the livelihoods of workers
2. Ensuring fiscal support
3. Injecting liquidity & cash
4. **Supporting the informal sector**
5. **Complying with travel bans**

2. Re-starting of Operations

1. **Coordination across the sector**
2. **Define new global protocols**
3. Create regulatory relief for the sector & reinvesting
4. Using metrics & strategy
5. Prioritising T&T
6. Remove travel restrictions
7. Build sustainability

Safe Travels Protocols



- WTTC alongside our Members, governments, health experts (WHO and CDC guidelines) and other industry associations are working together **to develop effective recovery protocols to optimise sector-wide recovery efforts**
- Launched: Hospitality, Outdoor Retail, Aviation, Airports, Tour Operators, MICE, Short-Term Rentals, Attractions and Car Rental
- Designed to **rebuild confidence among consumers & ensure alignment of private sector**
- Now **calling on governments to adopt them**
- The protocols are divided into **four pillars**:
 - Operational and staff preparedness
 - Delivering a safe experience
 - Rebuilding trust
 - Confidence & implementing enabling policies



Safe Travels Stamp



Major destinations around the world have signed up and have been recognised by the world's first ever global safety and hygiene stamp



His Excellency, Ahmed Al-Khateeb, Saudi Arabia Minister of Tourism, said:

“As Chair of this year’s G20 Tourism Track, we are putting public-private cooperation at the heart of international efforts for a swift recovery. The WTTC’s new Safe Travels global protocols are an essential step on that path to recovery, by helping to provide consistency and reassurance for travellers.”



Zurab Pololikashvili, UNWTO Secretary-General, said:

“We welcome WTTC’s global safety stamp and Safe Travels protocols and its contribution to restoring confidence. This is key to build trust and we will only succeed if we work together.

We are united in the common goal of tourism’s comeback to generate benefits going far beyond our sector. Trust and tourism will catalyse consumer demand, investments and jobs, thus generating opportunities for all.”



Carlos Joaquín, Governor of Quintana Roo, said:

“Cancun and the Mexican Caribbean have implemented the new safety measures for travelers that WTTC has recognised and approved through the Safe Travels stamp.”

2. Re-starting of Operations

Aim: Ensuring the successful resumption of Travel & Tourism through strategic coordination, the prioritisation and implementation of relief measures, removal of restrictions and the definition of new protocols and metrics.

1. Coordination across the sector
2. Define new global protocols
3. **Create regulatory relief for the sector & reinvesting**
4. **Using metrics & strategy**
5. **Prioritising T&T**
6. **Build sustainability**
7. **Remove travel restrictions**

3. Reaching Recovery

Aim: By rebuilding traveller confidence, re-inspiring wanderlust and implementing enabling policies, the sector can reach recovery

1. Lead with domestic travel and resilient groups
2. Re-inspire wanderlust while reassuring and re-building travellers' confidence
3. Facilitate recovery through supportive regulation & incentives

4. Re-design for the "New Normal"

Aim: Domestic and international travel return to pre-crisis levels and the sector has successfully adapted to the shifting expectations and requirements

1. Determine new requirements & expectations
2. Collaborate on new policies
3. Embrace new technologies and their adoption
4. Communicate openly and promote both domestic and international travel to revitalise the sector

Thank you

For more details visit www.wttc.org
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