



Travel Recovery Thought Leadership Series 2021

The Future of Travel in APAC
Recommendations Paper

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Executive Summary

The Covid-19 pandemic has battered the global travel and tourism industry over the last year and a half. According to the World Travel and Tourism Council, global travel and tourism suffered massive losses worth US\$4.7 trillion in 2020, a loss of 4.9% of the global economy, with damaging consequences expected to extend into 2022¹.

In recent months, North America, Europe and Middle East regions, which have reopened borders to allow travel to resume, have seen strong signs of recovery, in some cases even surpassing 2019 levels.

In contrast, Asia Pacific remains mostly closed to international travel and risks lagging far behind. Rather than reopen, many countries are further tightening quarantine restrictions, or in some cases, banning travel outright. The pandemic has cost Asia Pacific's travel and tourism industry greatly. The world's largest regional travel market declined by 58% in 2020 with losses of US\$259 billion in gross bookings². Continued resistance to reopening will not only jeopardize APAC's travel sector recovery, but also its future competitiveness relative to other regions.

On 18 October 2021, the Asia Travel Technology Industry Association (ATTIA), in conjunction with WebinTravel, organized a roundtable discussion bringing together industry experts to put together a roadmap for the resumption of safe travel in APAC.

The members of the roundtable arrived at the following conclusions and recommendations, which ATTIA hopes will be reviewed and adopted by APAC policymakers and government officials:

- Safe travel measures should be evidence-based and grounded in medical science on not only transmissibility but virulence.
- Quarantines are the undisputed travel killer, no matter how short. Travelers today base their destination choice on where there is no quarantine at all; choices are aplenty outside APAC.
- Border quarantines are fast losing relevance as many countries have highly vaccinated populations and are adopting vaccine/testing border regimes as Covid-19 moves towards becoming an endemic.
- Across the world, intra-regional travel has traditionally acted as the largest driver of tourism and economic ties. These have revived in other regions; APAC countries' artificial barriers to entry today only serve to set the region back economically.

¹ Travel & Tourism: Economic Impact 2021, World Travel & Tourism Council, April 2021

² Asia Pacific Travel Market Report 2020-2024, Phocuswright, September 2021

- APAC countries should work towards clear and simple unilateral reopenings, where they admit travelers based on proof of adequate vaccination or negative Covid-19 test results. Bilateral travel bubbles and business lanes can be useful as an interim confidence-building measure to support travel reopening. However, they do tend to introduce added complexity to travel through added protocols and requirements that limit traveler choices and raises the cost of travel, which has been the case with Singapore’s Vaccinated Travel Lanes.
- Unfortunately, mutual recognition of such traveler attestation currently does not exist, making travel a highly complicated affair. It is critical that countries work together to adopt a common set of such standards and make their traveler attestation systems interoperable.
- For consumers, transparency, consistency, and predictability are key to get them to travel again. The industry needs to work together with governments more closely, to make key data available, to remove the confusion and deficit of trust that deters people from traveling.

A Global Picture

Globally, travel has rebounded to more than 50 percent of 2019 levels, but recovery has lacked consistency. Latin America and the Middle East have demonstrated remarkable progress helped in no small part by (i) lifting of government restrictions and (ii) high vaccination rates. Both Europe and the US surpassed 50 percent of 2019 levels the moment they announced lifting of travel restrictions earlier this year; the former is on track to hit 70 percent.^{3 4}

In contrast, APAC has witnessed the slowest pace of recovery and dropped off the world’s top ten global travel routes. Despite having some of the highest vaccination rates in the world, APAC has some of the world’s strictest travel restrictions due to conservative mindsets. Members of the roundtable estimate APAC travel recovery at around 10 percent of 2019 levels; with full recovery not possible until 2024 if current restrictions remain in place.

Within APAC, rates of recovery will differ. China, and to a lesser extent India, Indonesia, Australia, and Japan, can rely on robust domestic markets. But countries like Vietnam and Thailand, traditionally reliant on international tourists, as well as aviation hubs like Singapore and Hong Kong, will suffer devastating consequences if border lockdowns continue. With travel accounting for 10 percent of APAC GDP in 2019,

³ Wittels, Jack (21 June 2021), “Europe Air Traffic Reaches 50% of 2019 as Recovery Continues”, *Bloomberg*, <https://www.bloomberg.com/news/articles/2021-06-21/europe-s-air-traffic-reaches-50-of-2019-as-recovery-continues>

⁴ Associated Press (12 June 2021). “Travel Rebound: 2 million people go through US airports”, *Associated Press*, https://www.voanews.com/a/covid-19-pandemic_travel-rebound-2-million-people-go-through-us-airports/6206960.html

the stakes are high. Intra-regional travel accounts for 86 percent of APAC tourism; reopening to the region should be a first priority.

Quarantine – the Travel Killer

Members of the roundtable unanimously observed that as quarantines go away, travelers return. Travelers choose to go where there is no quarantine. While traveler quarantine made sense at the start of the Covid-19 pandemic, today they contribute little to public health but impose huge costs on travelers and the economy.

- According to an International Air Transport Association (IATA) survey report, quarantine measures are the biggest hindrance to travel recovery, with 84% of respondents indicating that they will not travel if there is any chance of quarantine at destination.⁵ Over 80% of respondents felt that fully vaccinated people should be allowed to travel freely by air.
- The World Health Organization notes that international travelers are not a high-risk group and recommends that governments adopt a “risk-based approach” to implementing measures relating to Covid-19 and international travel, rather than blanket bans and quarantines.⁶

Vaccine – the Travel-enabler

The EU and US experiences have demonstrated that travel reopening and vaccination go hand-in-hand – they were able to lift traveler quarantine requirements the moment the majority of their populations were vaccinated. First to intra-regional travel, followed by international. In APAC however, despite high vaccination rates in countries such as Singapore, Japan, Malaysia, Australia and New Zealand, countries continue to rely heavily on traveler quarantine requirements, despite the fact that such quarantines have done little empirically to prevent the same virus surges seen in non-quarantine countries.

Members of the roundtable urge APAC countries to follow the same vaccine-based quarantine-waiver models as the US and EU, instead of assessing entry requirements based on the traveler’s country of origin. They also called on governments to provide greater clarity in the way travel restrictions such as quarantine rules, required testing, and requirements for children, are communicated to the public.

- Medical experts agreed that the sufficiently high vaccination rates and high Covid-19 preparedness in these countries strongly alter their resilience and tolerance for local transmission, thereby supporting a risk-based approach leaning in favour of reopening.
- The same experts note that from a clinical point of view, as long as a traveler is vaccinated and tests negative for Covid-19, it makes no difference where he or she is coming from. Differentiating travelers based on their point of origin should be solely based on public health safety and clinical

⁵ IATA (5 October 2021). “Frustration with Travel Restrictions Grows”, *International Air Transport Association*, <https://www.iata.org/en/pressroom/2021-releases/2021-10-05-01/>

⁶ IATA (14 July 2021). “IATA calls on States to follow WHO Guidance on Cross-Border Travel”, *International Air Transport Association*, <https://www.iata.org/en/pressroom/pr/2021-07-14-02/>

reasons. Otherwise traveler differentiation should be made irrelevant under a vaccine- and testing-based entry regime.

Trust, Transparency, and Traveler Confidence

Traveler confidence in APAC is at an all-time low given the (i) opacity surrounding information required to make informed decisions in a Covid-19 environment, and (ii) policymakers' tendencies to announce/change travel restrictions with little warning.

- An asymmetry of information exists between governments and travelers. While governments have amassed huge amounts of data on travel and travelers, the flow is one way – they are sharing little in return that can help ease the traveler's mind.
- Travel requirements between countries have ballooned in both complexity and opacity, very often involving onerous red tape or procedures that are vague or subject to varied interpretation. This makes travel hard to navigate for the average traveler.
- Even industry players get blindsided – for example, the launch of Singapore VTLs caught travel companies by surprise because there was no prior coordination with and communication by the government, resulting in these companies facing a deluge of customer service enquiries they could not handle.
- Bilateral travel bubbles and business lanes, including VTLs, introduce added complexity to travel through added protocols and requirements that limit traveler choices and raises the cost of travel.
- Sudden reversals in government policy make matters worse. For example, the frequent changes in social distancing requirements in Singapore have deterred many from traveling there for leisure. Singapore's announcements of VTLs with a number of countries have not resulted in an influx of inbound travelers as a result.

Members of the roundtable note the VTLs have helped boost confidence in travel, but also caution against relying on them as a template for countries to reopen. Given the limited flights available under the scheme, VTL flights have been in some cases been three times as expensive as non-VTL ones. This imposes significant costs on the traveler and introduces market distortions – rather than democratize travel, travel may now risk being seen as an exclusive domain for the rich.

Roundtable members also note that the plethora of certificate standards and recognition frameworks makes travel a daunting process. Digital certificates issued in one country may not be accepted by another for the purpose of travel. Almost all the certificate-issuing and verifying- frameworks currently in use are not interoperable, as a result of governments insisting on using their own proprietary systems.

To solve these issues, countries should progressively work towards a **CVS** model of reopening:

C – Clear and Consistent: Government communications on entry requirements need to be clear and not subject to changes all the time. Governments also need to share up-to-date data in simple and easy to understand ways with travelers in order to inspire confidence.

V – Vaccine-based Entry: As local vaccination rates hit sufficiently high levels, countries need to allow fully-vaccinated travelers in without complicated rules.

S – Standardised: In addition to keeping entry regimes simple and vaccine-based, countries need to work together to standardize the way vaccination and testing certificates are issued and recognized. A region-wide protocol and standards framework will go a long way to help restore traveler confidence.

Skills Atrophy

As we keep an eye out for recovery, members of the roundtable also have concerns over the industry's ability to prepare for the return of international travelers. Covid-19 has decimated the travel industry in some places, displacing travel-sector workers and with them, hospitality and operations skillsets required to service the international traveler. Popular tourist destinations face a labour crisis as travel returns, and businesses will need to devote attention to developing talent and operations capabilities lost in the preceding year.

Summary Recommendations

To recap, the members of the roundtable recommend the following to APAC leaders and policymakers:

Start working on restoring intra-Asia travel as a priority. This is the main driver of the region's tourism economy. Governments in Asia need to work together to normalize travel across borders by building mutual trust, harmonization and standardization on travel protocols to restore confidence in intra-Asia travel.

Progressively remove traveler quarantine regimes for fully vaccinated travelers. Travelers are deterred by any length of quarantine; traveler quarantines become increasingly irrelevant amidst high vaccination rates and Covid-19 becoming endemic.

Fully vaccinated individuals should be allowed to travel without quarantine requirements, irrespective of country of origin. Travel bans and discrimination against fully vaccinated travelers based on their country of origin have little clinical basis versus the protection provided by vaccination and testing regimes.

Communicate safe travel measures consistently and in simple ways to understand. Travel requirements need to be easily understood for travelers to make travel plans. Processes and documentations should be reasonable and easy for travelers to follow. If requirements keep changing, travelers will turn somewhere else.

Simplify complex COVID cross-border travel procedures by promoting and accepting mutual recognition and interoperability of COVID-related technology solutions. The numerous overlapping technology solutions creates uncertainty and confusion for travelers. Mutual recognition and interoperability of technology solutions (e.g. digital COVID vaccination certificates) by governments in Asia can help to ease the traveler experience.

Intergovernmental cooperation to standardize travel protocols. Intergovernmental cooperation can help reduce the existing complex web of bilateral and unilateral safe travel measures and protocols that can be hard for travelers to navigate and understand. A standardized set of safe travel protocols can help create consistent and predictable safe travel measures for travelers.

These are all areas in which industry players such as the members of this roundtable are keen to engage APAC governments on via **Public-Private Partnerships**. It is in all our interests to support governments to reopen their travel economies. In particular, we need to keep an eye on promoting skills training to prepare the local tourism economy for the demands of the new traveler.



Contact Us

For further information about this Recommendation Paper, this Thought Leadership Series or ATTIA in general, please email secretariat@asiatravelttech.org Thank you for your interest.