

Dots & Plots

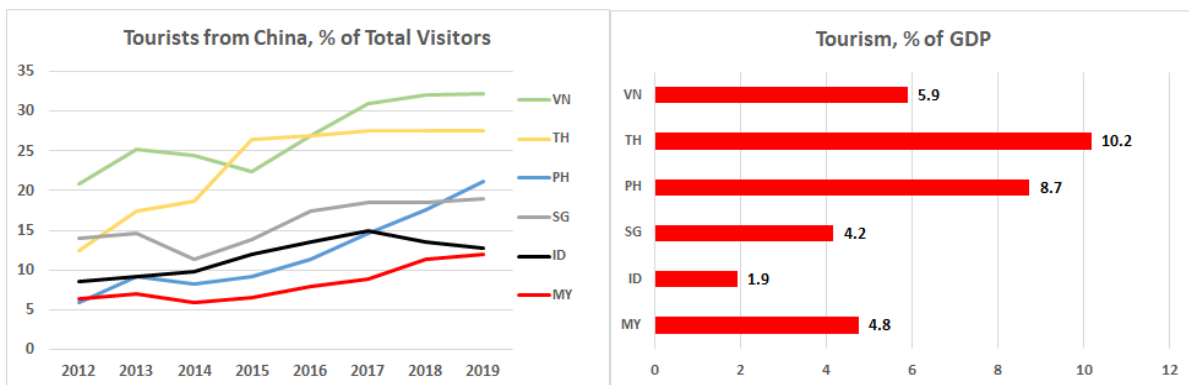
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Restricted Flows

ASEAN’s reopening drive is missing tourist flows from China

- From Bangkok’s Suvarnabhumi to Bali’s Ngurah Rai, airports across ASEAN have dusted off their runways and luggage belts to get ready to welcome visitors from near and far again. Tour boat captains in Langkawi and Phuket are revving their motors again after too many months of deafening silence.
- With most countries starting to see more concrete flattening of the pandemic curve recently, authorities across the region have been keen in reopening their borders again. For the tourism industry which has borne the brunt of such isolation for so long, it could not have come any sooner.
- While more doors are now opening, it will be hard to imagine the type of tourist volumes that used to rush in during the pre-pandemic years. Concerns about catching the virus while abroad, together with the hassle and costs of fulfilling this PCR and that insurance coverage requirement, mean that most people may still opt to travel within their national borders.
- Moreover, the fact that China remains dogged in its pursuance of Covid-Zero strategy would inadvertently curb the recovery pace, as well. Its residents face up to one month of quarantine when they return, making any trip abroad an unattractive proposition. Given that China was a big and growing source of tourists before – comprising a third of visitors to Vietnam and over a quarter to Thailand in 2019 – that reality is a tough one to swallow.
- Still, the authorities are hopeful that inflows from more far-flung places such as Europe and the US might help. Thailand, for one, is hoping to see 10-15mn visitors next year. Even if that is a far cry from the 40mn that it welcomed in pre-pandemic years, any uptick from here would be crucial for an economy, where tourism directly contributed more than 10% of growth.
- Elsewhere, lingering concerns about the seeding of new pandemic wave from visitors may hamper tourist flows. Weeks after [Bali reopened its airport](#), not a single international flight has landed, partly because of still-restrictive quarantine requirements. The light at the end of the tunnel remains a faint one for some in the industry at least in the near term, unfortunately.



Source: OCBC, CEIC, World Bank. Note: Tourism contributions to GDP as of 2019.

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