

# Outlook for Asia Pacific International Travel and Tourism 2022 to 2024

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## ABSTRACT

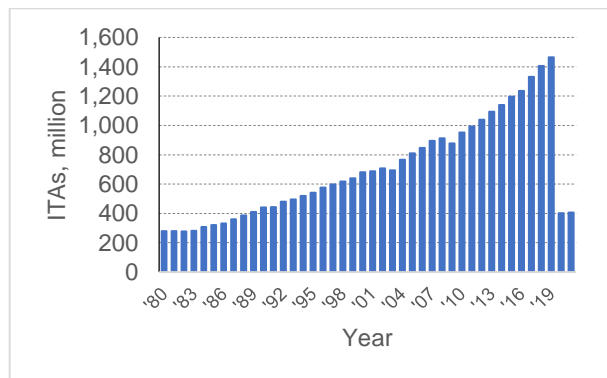
This paper elaborates the current position of travel & tourism from firstly, the perspective of Global International Tourist Arrivals (ITAs) and secondly for International Visitor Arrivals (IVAs) into and across the Asia Pacific region. It then provides an outlook for Asia Pacific International visitor arrival numbers between 2022 and 2024 with a brief overview of scheduled inbound air seat capacity.

**Keywords:** Global Travel and Tourism, international visitor arrivals, air seat capacity

## 1. THE CURRENT TRAVEL & TOURISM POSITION

### 1.1. Global International Tourist Arrivals (ITAs)

The unit of measurement here, is International Tourist Arrivals (ITAs) which by definition, covers overseas (international) arrivals spending at least one night in the relevant destination [1]. The key differentiator here is TOURIST.

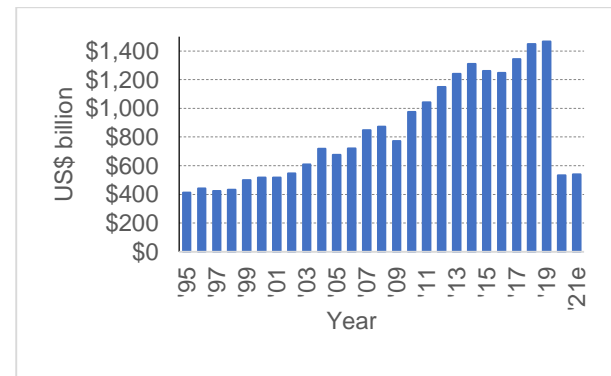


Note: ITAs for 2021 are estimated

**Chart 1** Global ITAs, 1980-2021 [2]

The volume of these arrivals has been growing more or less constantly since at least 1980. These are the official counts from the various countries & territories of the world, although 2021 is an estimate, as final numbers have not yet been released. A long time series

was used to make one extremely important point, namely that the traditional focus on marketing destinations worked in attracting more and more numbers and in many respects that success led to a position of overtourism and the evolution of de-marketing in many destinations. At that point, international travel and tourism was clearly already straining the boundaries of sustainability and that came to a head in 2020 with the rapid and global proliferation of the SARS-CoV-2 virus. The worldwide response to managing the resultant pandemic included, inter alia, the closure of many international borders and the grounding of most of the world's airlines, especially those on foreign routes, resulting in a dramatic and immediate reduction in international visitor arrival numbers across the globe.



Note: Receipts for 2021 are estimated

**Chart 2** Global Receipts from International Tourism, 1995-2021 [2]

Also, receipts from international travel & tourism – excluding the cost of international transport – followed a similar growth trajectory, peaking in 2019 at a value of US\$1.5 trillion, but then falling to a little more than one-third of that in 2020, with a roughly similar value expected in 2021.

The impact on businesses and employment in this services sector has been (and still largely is) catastrophic, to say the least. Almost 101 million such jobs were lost worldwide in 2020, with more than 63 million of those in the Asia Pacific region.

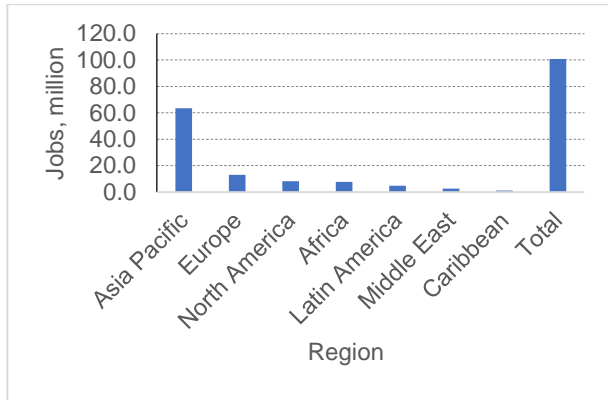


Chart 3 Job Losses, 2020 [3]

Global aviation was very badly affected following a wide number of border closures and the cessation of many inbound commercial flights. From almost 2.4 billion scheduled inbound air seats in 2019 to less than one billion in each of 2020 and 2021.

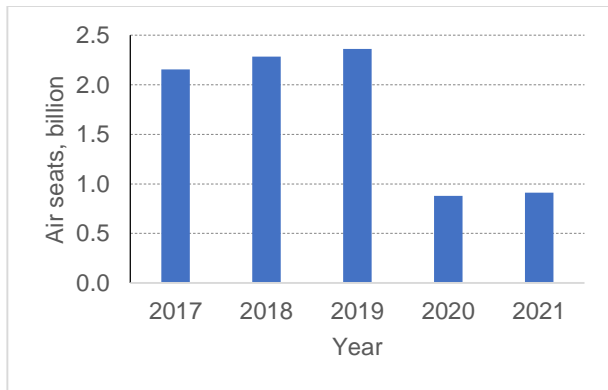


Chart 4 Scheduled International Inbound Air Seat Capacity [4]

During the first nine months of 2021, global international tourist arrivals have moderated their contraction rates relative to 2020, however, they still remain well below the levels of 2019. Asia and the Pacific are still very much in negative territory.

### 1.2. Asia Pacific International Visitor Arrivals (IVAs)

The current position for Asia Pacific is such that it has followed a similar growth pathway to that of global

ITAs. The main metric used by PATA however, the provider of annual forecasts of visitor demand, is visitor arrivals, where any frontier crossing is counted, irrespective of the time spent in the destination. So-called day-trippers are included as across Asia in particular, they are significant in volume and have obvious socio-economic and environmental impacts.

A similar pattern of growth as that for international tourist arrival numbers is evident for aggregate international visitor numbers across 39 destinations within Asia Pacific. While not all destinations within Asia Pacific are included here, this series of 39 covers 95% of the volume into and across the region at any one time. Those missing do not have continuous time-series of arrivals or for various reasons, do not regularly publish such data, so they are excluded.

Again, the contraction in numbers has been severe: from almost 704 million arrivals in 2019 to 129.5 million in 2020.

Table 1. Asia Pacific: IVAs by scenario, 2021 [5]

Year	Scenario		
	Mild	Medium	Severe
2016	594.616	594.616	594.616
2017	636.965	636.965	636.965
2018	679.492	679.492	679.492
2019	703.658	703.658	703.658
2020	129.406	129.406	129.406
2021e	139.129	107.221	86.406

e = estimate, Unit: million

When it comes to estimating the results for 2021 and beyond, three scenarios come into play and these are designated simply as Mild, Medium, and Severe. For 2021 the estimates of international visitor arrivals number from 139.1 million to 107.2 million and 86.4 million under each of those scenarios, respectively.

Under the perspective of volume change from 2020, it is apparent that there is a slight improvement expected under the mild scenario but further contractions under the medium and severe scenarios. Relative to the volume of arrivals in 2019 however, all scenarios are well below that volume.

This varies significantly across the destination regions of Asia Pacific also. One way growth in international arrivals is being tracked is by comparing the volumes to the base year of 2019. This by no means suggests any return to the volumes of past years is being advocated, but is merely one way to make sense of what is happening now.

For example, all Asia Pacific destination sub-regions in 2021 are predicted to exceed their respective volume of arrivals in 2020 under the mild scenario, but with only the Pacific doing so under the remaining two scenarios. However, any growth in 2021 is still dismal

relative to 2019, across all destination sub-regions and under all three scenarios.

Those differences continue down to the destination sub-regions, with only Polynesia showing annual increases in 2021 across all scenarios. Northeast Asia shows an annual increase but only under the mild scenario (LHS). All destination sub-regions in 2021 remain well below their respective international visitor numbers of 2019 (RHS).

**2. OUTLOOK 2022-2024**

The latest forecasts indicate growth in visitor arrival numbers under each scenario from 2022 to 2024, but at varying degrees of strength. And this varies considerably across each of the three destination regions of Asia Pacific. A similar pattern is shown but with very different volumes for the Americas, Asia, and the Pacific.

In terms of visitor numbers relative to 2019, it is obvious that while parity with that level will be reached under these predictions, it will take some time still, with only the Americas and the Pacific reaching the 2019 level in 2023, and then only under the mild scenario in each case.

**Table 2. Asia Pacific: IVAs 2022-2024 [5]**

Year	Scenario		
	Mild	Medium	Severe
2019	703.658	703.658	703.658
2020	129.406	129.406	129.406
2021e	139.129	107.221	86.406
2022f	314.822	229.061	158.929
2023f	626.541	467.175	322.549
2024f	817.730	702.480	501.889

*Note e=estimate, f = forecasts, Unit: million*

By 2024, all three Asia Pacific destination sub-regions are forecast to have similar or greater volumes of visitor arrivals relative to 2019, under the mild and medium scenarios, but they all still languish far behind in each case, under the severe scenario.

Asia, however, includes 56% of the 39 destinations covered in these forecasts, so it is worthwhile disaggregating that destination region into its component sub-regions. Here it is evident that any recovery back to the visitor volumes of 2019, for each of the major sub-regions is not expected to occur until 2024 and even then, mostly under the mild scenario only. Southeast Asia is the only sub-region where parity with the 2019 volumes is predicted to occur under the mild scenario.

**2.1. SOURCE MARKET CHANGES**

It is not only the destination regions and sub-regions that are recovering at varying rates either. The various

source regions and markets are also changing. For the first time in the history of modern travel & tourism, visitor flows are contingent upon much more than just demand. Policies in both the source markets and destinations will play a major role in converting pent-up demand into actual travel.

An easier way to visualize these changes is to consider not just the absolute volumes but also their relative shares within the inbound mix into Asia Pacific. At the aggregate level, for example, it is apparent that international visitor numbers into the region are mostly generated out of Asia, the Americas, and Europe. In 2019 for example, those three source regions together generated 92% of total foreign arrivals into Asia Pacific. That proportion fell to a low of 82% in 2020 under the mild scenario but this is projected to slowly return to almost the same ratio of 2019 in 2024.

Even within that three-way grouping, however, there were significant differences. The proportion of arrivals out of Asia, for example, fell from 64% in 2019 to just under 36% in 2021, under the mild scenario, while those of the Americas and Europe increased. These are short-term effects and a return to a similar mix of source regions is forecast under this scenario by 2024.

These are short-term effects, however, and a return to a similar mix of source regions is forecast under this scenario by 2024, although the current variations give some valuable indications on where the fastest growth rates are occurring, and that is something that is likely to be of particular interest to destination marketers.

However, there are significant differences at the destination region level. In the Americas for example, under the medium scenario, the degree of intra-regional visitor flows is very significant at 55% in 2019, and although that is expected to decrease to under 50% in 2022, it is projected to show some recovery to 2024. The implication is that intra-regional travel flows will be the mainstay for the Americas to 2024 and possibly beyond. The non-descript ‘Other’ category is also large, and this needs a deeper review as it could well be hiding strong potential.

**Table 3. Asia: IVAs 2022-2024 [5]**

Year	Scenario		
	Mild	Medium	Severe
2019	524.914	524.914	524.914
2020	75.313	75.313	75.313
2021e	75.722	54.894	39.993
2022f	205.478	148.925	98.234
2023f	446.998	331.237	224.499
2024f	601.951	513.919	360.007

*Note e=estimate, f = forecasts, Unit: million*

For the destination region of Asia, the major supplier is also intra-regional in nature, with the markets of Asia collectively generating 81% of visitor arrivals in 2019.

The medium scenario projections indicate that while this dropped to 73% in 2021, it will begin recovering in 2022 and by 2024 could well be a more dominant supplier of visitor arrivals in that latter year, than in 2019.

The Pacific is slightly different as under the medium scenario and in relative terms, Asia was only a marginally more dominant supplier of international visitors in 2019, slightly stronger than the Americas. That position was reversed in each year between 2020 and 2023 but is expected to return to those similar 2019 proportions in 2024. Again, the implication is that the Americas will be the main source region in which to invest for the Pacific sub-region as a whole, at least in the short-term.

All these trends become different at the destination level as well and three examples are offered here. In the case of China, while the trends are similar to those of many other Asia Pacific destinations, the absolute values are very different. Even under the mild scenario, the volume of overseas arrivals into China is not expected to rival that of 2019 until 2024. The road back, under current conditions, is projected to be longer for this destination.

**Table 4.** China: IVAs 2022-2024 [5]

Year	Scenario		
	Mild	Medium	Severe
2019	166.260	166.260	166.260
2020	15.524	15.524	15.524
2021e	22.255	12.399	5.483
2022f	58.253	43.047	25.859
2023f	96.113	75.470	48.804
2024f	167.319	154.679	103.893

*Note e=estimate, f = forecasts, Unit: million*

Asia is the dominant source region for China by volume of overseas arrivals, and while the proportion of arrivals from this region is predicted to remain very high at more than 90% between 2019 and 2024, it is only under the mild scenario in that latter year that parity with the volume of arrivals out of Asia in 2019 is expected to be reached. China, however, does not necessarily need overseas arrivals to boost its travel & tourism sector – domestic travel is vast and performing very strongly.

**Table 5.** Korea (ROK): IVAs 2022-2024 [5]

Year	Scenario		
	Mild	Medium	Severe
2019	17.310	17.310	17.310
2020	2.493	2.493	2.493
2021e	1.077	0.991	0.903
2022f	6.930	5.428	3.985
2023f	14.191	11.174	8.800

2024f	20.196	17.666	14.380
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*Note e=estimate, f = forecasts, Unit: million*

A second destination covered here is the Republic of Korea, and the outlook for IVAs into that destination is largely positive, with strong increases in visitor numbers under both the mild and medium scenarios out to 2024. Asia is the dominant supplier region for IVAs into South Korea, generating 84% of arrivals in 2019. Despite becoming less dominant in 2020 and 2021, the predictions are for Asia to return with growing strength between 2022 and 2024, exceeding the volume of arrivals into Korea under both the mild and medium scenarios in 2024.

**2.2. SCHEDULED INBOUND AIR SEAT CAPACITY 2020-2022**

Much of what is driving this more optimistic perspective on international visitor arrivals into Asia Pacific is the gradual opening of borders, improving population inoculation rates and access into and out of various destinations. Scheduled inbound air seat capacity is one that is monitored closely as the relationship between such capacity and visitor flows is very strong.

Total inbound air seat capacity shows a slow but sure strengthening in 2022, after severe reductions in 2020 and in some cases, in 2021 as well. This strengthening varies across the destination regions of Asia Pacific, with the Pacific and Asia regions for example, scheduled to reach inbound air seat capacity of around half of that of the 2019 capacity in 2022.

Growth in international scheduled inbound air seat capacity into Asia Pacific lags the rest of the world so that the Asia Pacific share of total inbound air seats, although increasing in 2022, will remain at less than half of the capacity into all global destinations.

Growth is stronger within the Legacy Carrier segment in 2022, especially into the Americas, and overall, Asia Pacific is scheduled to hold a 56% share of total inbound air seats from this segment in 2022. That growth is slightly weaker in the Low Cost Carrier (LCC) segment, but is still positive, with Asia Pacific expected to return to more than half of the 2019 capacity in 2022.

**3.CONCLUSION**

All of this is contingent upon the SARS-CoV-19 virus and all of its variants, coming under managed control across the globe. There appears to be a gradual turning from a mindset of eradicating the virus to living with it in a managed way. We need to move beyond single-step thought processes. By doing so, we may be better prepared for what is coming next.

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