

Can border re-openings revive tourism in South-east Asia?

Tourism Economic News

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- South-east Asian countries are relaxing border restrictions to drive a rebound in tourism
- Some quarantine requirements have been abolished for selected vaccinated travellers
- Vaccination levels, both abroad and at home, remain key to tourism revival plans



After 18 months of travel restrictions, a number of countries in South-east Asia have begun opening their borders to foreign visitors to stoke recovery in their respective tourism industries. In late September Thailand announced a four-phase plan to reopen the country by prioritising key tourist destinations. As of November 1 quarantine requirements will no longer apply to vaccinated travellers from 10 low-risk countries – among them China, Germany, Singapore, the UK and the US – while various different parts of the country will open to tourism from October through to January.

The move comes after the country introduced a first-of-its-kind “sandbox” tourism scheme in July. As OBG detailed, [this allowed vaccinated foreigners to travel to the Phuket region without needing to quarantine, providing they tested negative before and directly after arrival.](#)

In a similar approach, in September the Vietnamese government announced that the island of Phu Quoc would be open to fully vaccinated foreign tourists who present a negative test on arrival. The move is part of a broader plan to reopen parts of Vietnam, with the government announcing that it would allow people from low-risk countries to visit key tourist destinations from December, including Halong Bay, Hoi An, the highlands town of Dalat and beach destination Nha Trang. Elsewhere, Singapore has established quarantine-free travel through its Vaccinated Travel Lanes system. Under the plan, vaccinated passengers from selected countries may enter the country provided they return a negative PCR test within 48 hours of their departure.

Initially launching in September for travellers from Germany and Brunei Darussalam, the system will expand to eight more countries – Canada, Denmark, France, Italy, the Netherlands, Spain, the UK and the US – on October 18, with South Korea to join the list on November 14.

Indonesia, Malaysia take more cautious approach

Other countries have been more circumspect, however. For example, earlier this week the Indonesian government announced that the popular tourist destinations of Bali and the Riau Islands would be open to foreign tourists from 18 countries, including China, Japan and New Zealand, from October 14. However, in contrast to elsewhere in the region, those entering Indonesian tourist hotspots are still required to spend five days in quarantine, in addition to purchasing quarantine insurance and a hotel stay for the initial quarantine period prior to their arrival.

In Malaysia, meanwhile, officials have recently lifted restrictions on domestic tourism, as part of the country's Tourism Recovery Plan. Last month the Langkawi archipelago reopened to vaccinated local tourists, while it was announced that domestic and international travel restrictions for fully vaccinated residents would be lifted from October 18. At present, international travel is restricted to business, official or emergency reasons, while high rates of infection domestically have led to a ban on travel across Malaysia's 13 states. While officials have noted that they are looking to lift more measures, the country remains shut to international tourism.

Reviving tourism

These moves to open international borders are primarily aimed at reviving the tourism sector, a key contributor to many South-east Asian economies. In Thailand, where pre-pandemic tourism accounted for 11-12% of GDP, the country lost an estimated \$50bn last year as Covid-19 restrictions led to an 82% fall in arrival numbers. Vietnam, which derives around 12% of GDP from tourism, recorded a similar impact: foreign arrivals fell from 18m in 2019 to 3.8m last year, resulting in an estimated \$31bn in lost revenue. The collapse of tourism has led to the closure of many companies and threatened the livelihoods of those employed in the industry. Hotels and resort towns bore the brunt of the downturn, with normally busy tourism hotspots largely abandoned during peak seasons.

Vaccination remains key

Despite a rise in Covid-19 cases in recent months following the spread of the Delta variant, the decision to loosen border restrictions has been made possible by the increase in vaccination, particularly in key source markets. In many cases this has led to a reduction in infections, making quarantine-free travel a more realistic option. However, while vaccination rates are rising in the developed markets of Europe and North America, the situation in South-east Asia continues to vary significantly.

While Singapore has one of the highest vaccination rates in the world, with nearly 80% of the population fully vaccinated, and Malaysia is making strong progress at around 66%, the figure is lower among other countries in the region. The equivalent rate is 33% in Thailand, 21% in Indonesia and 16% in Vietnam, according to figures from Our World in Data. To help reduce broader health risks, some countries have sought to prioritise the rollout of vaccinations in key tourist regions.

Thai officials vaccinated 70-80% of residents in Phuket prior to the launch of its sandbox plan in July, while Vietnam said it would fully vaccinate the population of Phu Quoc before opening up to international travellers. In Indonesia, around 98% of Bali's eligible population have received at least one dose while more than 80% are fully jabbed. In the Riau Islands, meanwhile, those figures stand at 83% and 58%, respectively.