

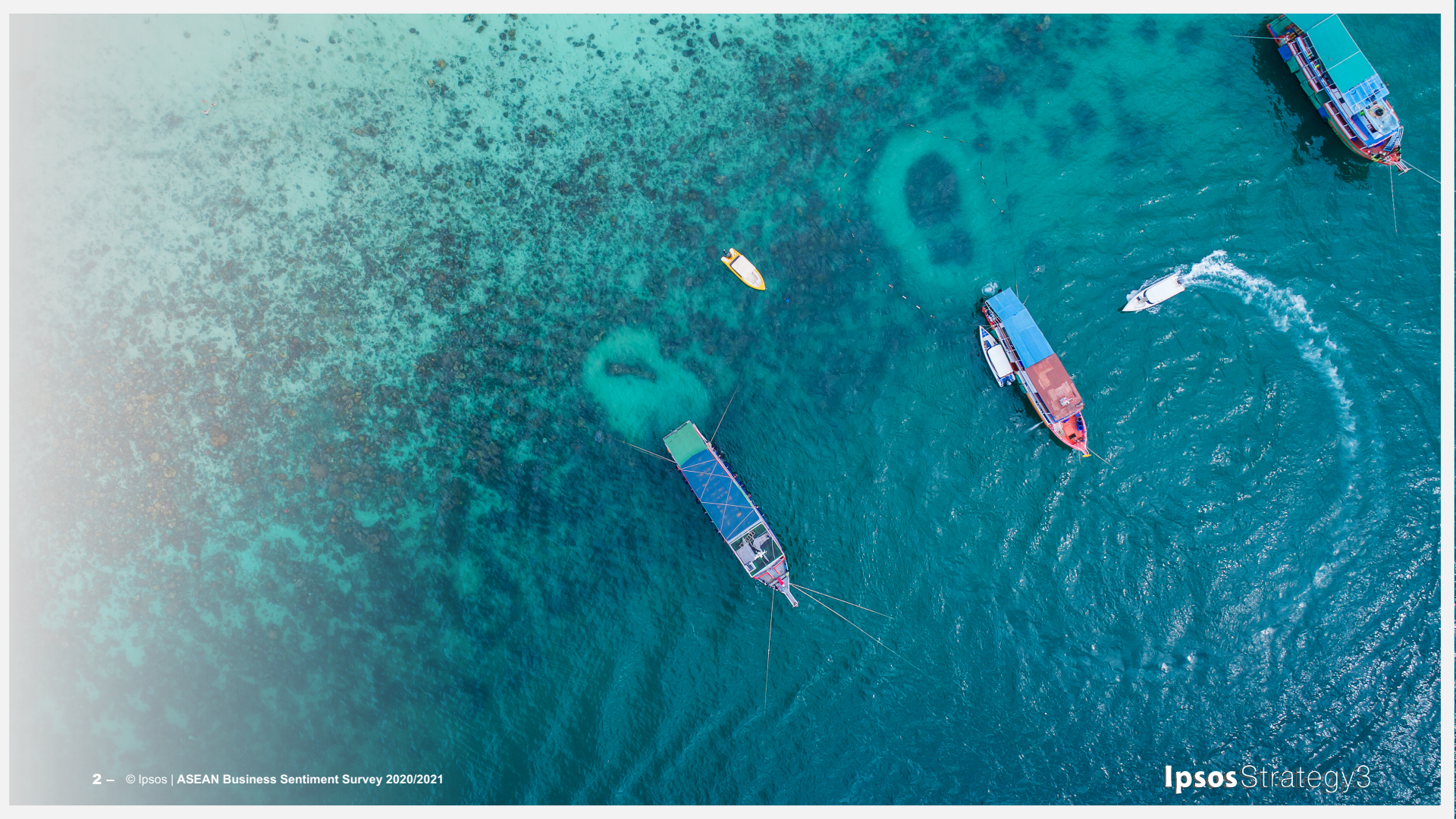
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Ipsos Strategy3

Tourism Sector

ASEAN BUSINESS SENTIMENT SURVEY 2020/2021

Australian
Aid 







Content

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A blurred photograph of people walking in a modern, brightly lit hallway. The walls are a vibrant yellow, and the ceiling features a series of black, curved, parallel lines that create a sense of depth and movement. The people are in motion, their figures softened by a shallow depth of field and a slight motion blur, suggesting a busy, fast-paced environment. A solid yellow horizontal bar is overlaid across the middle of the image, containing the text 'Research overview' in white.

Research overview

Research objectives

To gather insights and recommendations from ASEAN indigenous enterprises

1. On the perceived impact of ASEAN economic integration under the AEC on their businesses and industries
2. On the sentiment upon services trade liberalization e.g. the ASEAN Framework Agreement on Services (AFAS)
3. On how ASEAN can further develop and improve regional economic integration, especially in relation to the relevant sectors

Service industry sub-sectors that are the focus of this study

● Distribution



● Tourism



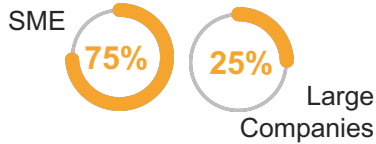
Financial Services

Methodology

Business Sentiment Survey

1,115 Survey with

ASEAN Indigenous Enterprises
across all AMS



Business Leaders Interviews

106 In-depth Interviews with

ASEAN Indigenous Enterprises
across all AMS

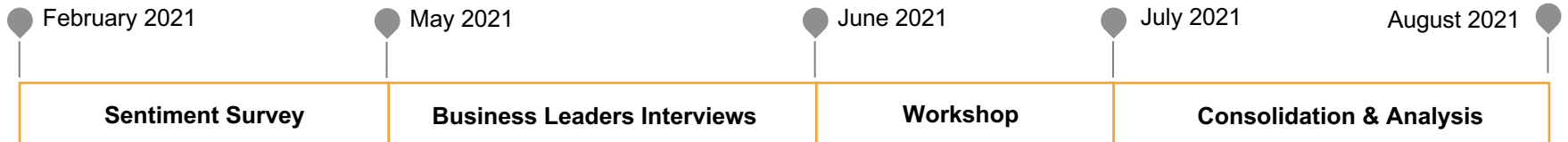


Workshops

29 Workshops with

248 Indigenous Business Leaders (as participants) across all AMS

Timeframe of study





TOURISM IN ASEAN

Regional Tourism Nexus

- Political will and commitment
- Multi-stakeholder Partnerships
- Institutional Development
- Sub-regional Cooperation
- Tourism's Collective Attractiveness
- Infrastructure Development and Linkages

Regionalism



Tourism

- Cooperative culture
- Development and Poverty Reduction
- Identity Construction
- Social Inclusion and Institutions
- Human Connectivity

ASEAN Tourism Strategic Plan (ATSP) – 2016-2025

By 2025, ASEAN will be a quality tourism destination offering a unique, diverse ASEAN experience, and will be committed to responsible, sustainable, inclusive and balanced tourism development, so as to contribute significantly to the socio- economic well-being of ASEAN people.

Strategic Direction 1:

To Enhance The Competitiveness of ASEAN As A Single Tourism Destination

- Intensify Promotion And Marketing
- Diversify Tourism Products
- Attract Tourism Investments
- Implement and Expand Connectivity and Destination Infrastructure
- Raise Capacity and Capability of Tourism Human Capital
- Implement and Expand ASEAN Tourism Standards for Facilities, Services And Destinations
- Increase Responsiveness to Environmental Protection and Climate Change

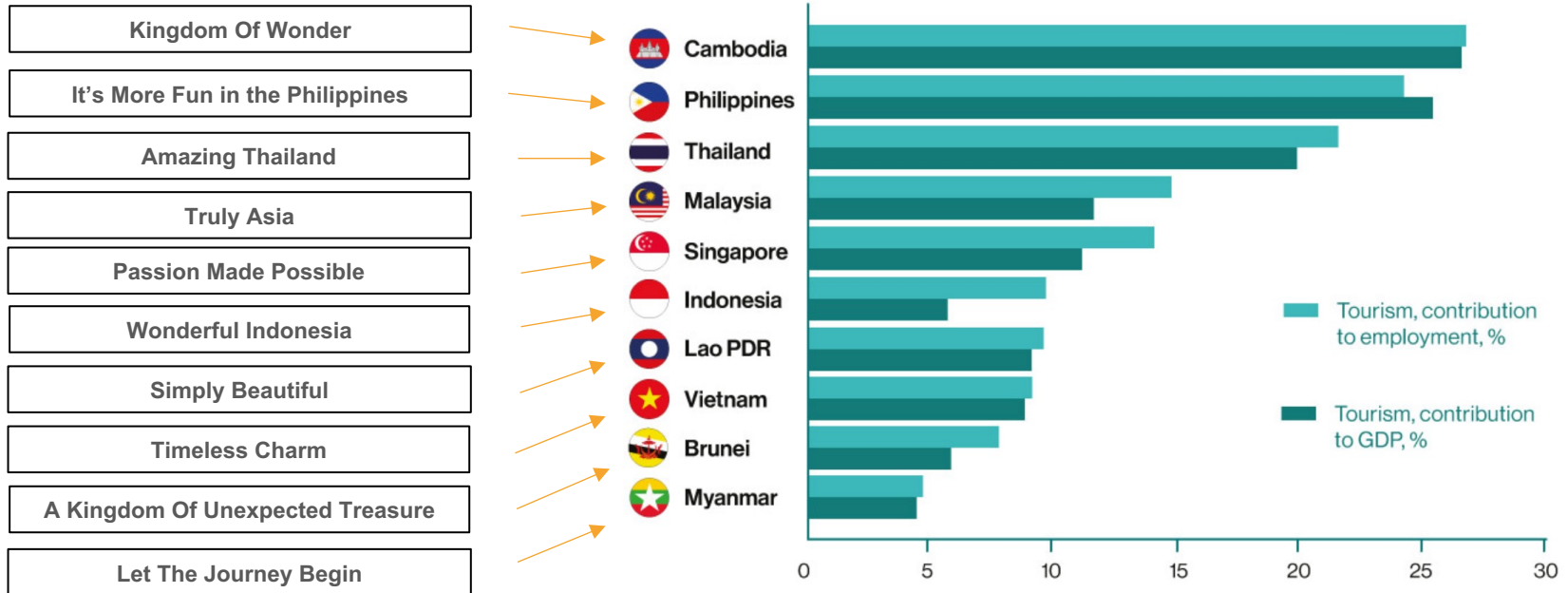
Strategic Direction2:

Ensure that ASEAN tourism is sustainable and inclusive

- Upgrade Local Communities and Public-Private Sector Participation in the Tourism Value Chain
- Ensure Safety and Security, Prioritize Protection and Management of Heritage Sites
- Increase Responsiveness to Environmental Protection and Climate Change

ASEAN Tourism Sector Landscape – Dogma and Employment

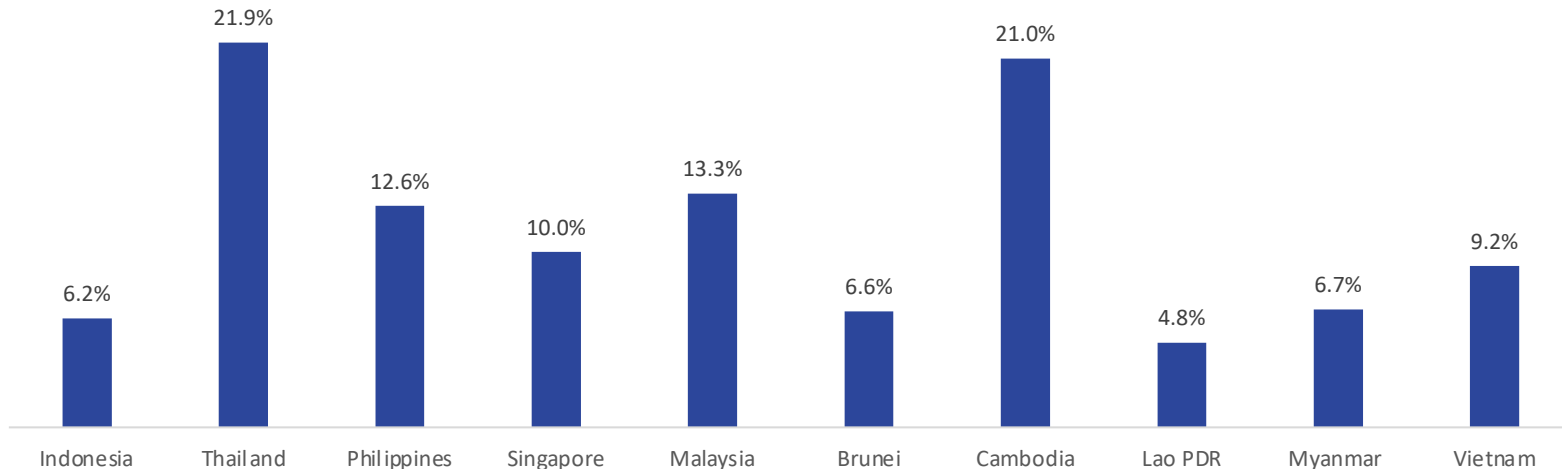
Tourism sector contributes between 5%-27% of total employment in ASEAN. The respective AMS determine their tourism sector focus based on their attraction capabilities available. The respective tourism promotional taglines depicts the uniqueness that AMS represents



ASEAN Tourism Sector Landscape – Dogma and Employment

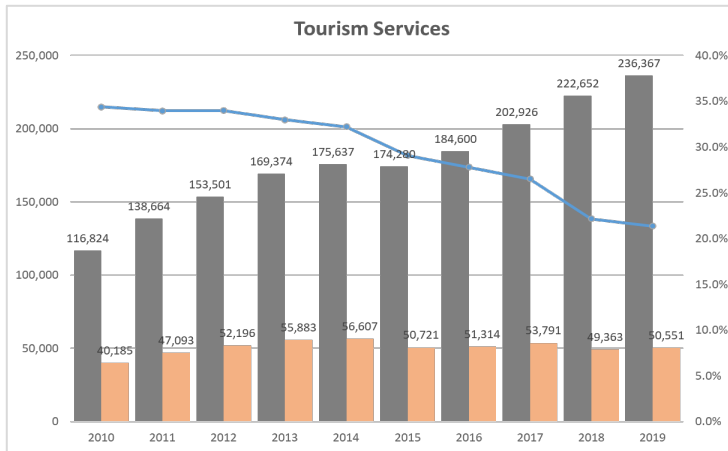
The ASEAN Tourism sector has been a healthy contributor to the AMS's GDPs. The contribution margin is rather diverse which ranges from the lowest being 4.8% (Lao PDR) and the highest 21.9% (Thailand). The tourism sector contribution is important to the AMS.

Tourism Services Contribution to AMS' GDP, 2019

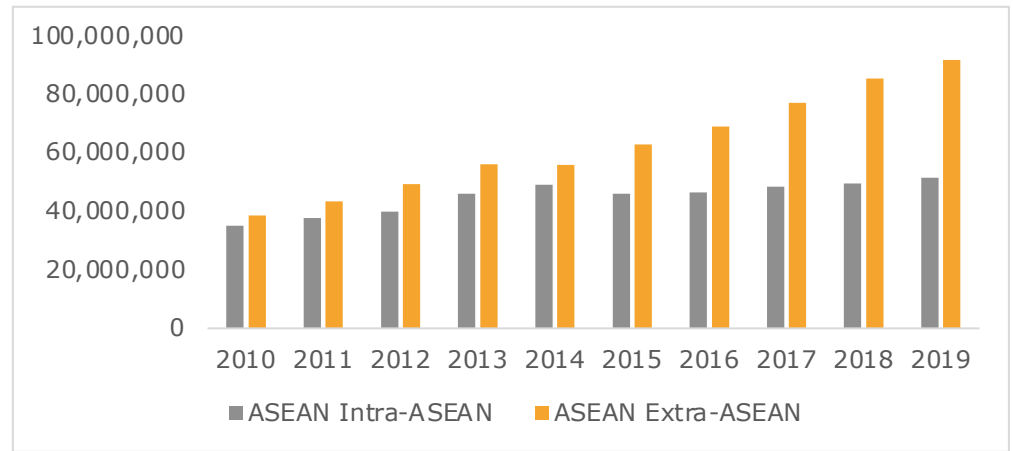


ASEAN Tourism Sector Landscape: Tourist Arrival

Overall trade in services in ASEAN has indicated a progressive growth from 2010-2019. Visitor arrivals have shown consistent growth over the last decade for both intra and extra ASEAN. Heavy tourism promotional campaigns by the AMS resulted in Extra – ASEAN arrivals doubling in the recent years. There is almost a level playing field within the AMS. Despite the overall \$ volume increase, there is sharp decline in term of the ratio of contribution of the tourism sector to GDP. There is a need to address the pain point to revive the contribution rate to GDP.



Trade in Services in ASEAN – Tourism Sector



Tourist Arrival Intra/Extra ASEAN

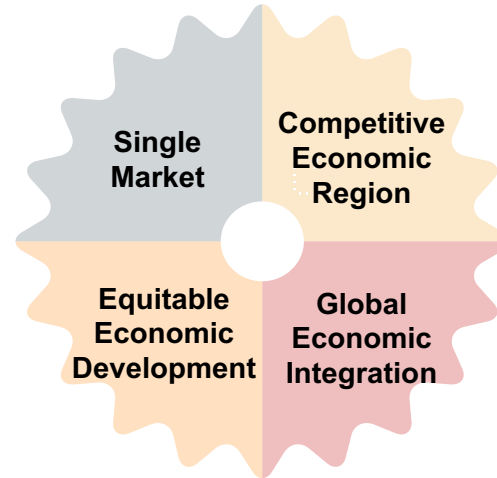
Tourism Sector Indigenous Enterprise Sentiment on AEC - General

General View (Tourism Service Sector)	Overall positive sentiment, indigenous enterprises in tourism sector are in general aware of various programme and framework aimed to enhance ASEAN tourism sector and recognize that tourism sector is improving, although not necessarily the intra-ASEAN portion		
Perception on improvement made in ASEAN Business Environment	Sentiment on ASEAN Economic Integration	Awareness and Understanding of AEC	Understanding on AEC programs for Tourism Sector
<p>Felt improvement in the past 5 years Easier movement of skilled workforce across ASEAN as well as good regulatory practices</p> <p>Key area where improvement felt positively:</p> <ul style="list-style-type: none"> - ASEAN Market become more open - Ease of doing business - Regulatory practices in movement of people - Economic and political stability - Transportation and Digital Infrastructure <p>Key area where improvement felt to be lagged behind:</p> <ul style="list-style-type: none"> - Customs regulation that are uncertain and are not harmonised across ASEAN - Taxation, some countries can impose additional tax to protect local business 	<p>Further integration is generally welcomed to integrate ASEAN tourism as one Most indigenous enterprises sees that further integration would enable larger scale impact. Promoting ASEAN as a single identity and joint promotion should be the way forward.</p> <p>Current result of integration are not evident or clear to see by indigenous enterprises Aside from being far from truly 'integrated', enterprises also sees that development across ASEAN to be unequal. Enterprises are not sure on AEC's role in economic integration.</p> <p>Further liberalization is desired with condition:</p> <ul style="list-style-type: none"> - All AMS are harmonizing customs, tariff, taxation and people movement, regulation, at least the one related to tourism sector - Equal development of transportation infrastructure - Better access to regulation and its implication to enterprises. - Creation of dedicated programme for Intra/Extra ASEAN tourist 	<p>Moderate to high awareness on AEC Enterprises often encounter AEC in the newsletter or forums that they participate with. It is also often mentioned in some of the programs they participate in.</p> <p>Low level of understanding on AEC among enterprises that are aware about AEC, some have heard about ASEAN Tourism Standards but cannot relate it to AEC.</p> <p>In general, AEC as the main blueprint for ASEAN economic integration is less known. The implementation programs or framework that have relation with tourism are more known among enterprises.</p>	<p>Low awareness of AFAS and ATIGA</p> <p>Moderate awareness of ASEAN's initiatives in tourism sector such as MRA- TP.</p> <p>Low level of understanding both on programs and initiatives, as information regarding the programs are said to be difficult to access and hard to understand.</p> <p>The need for ASEAN and Government to reduce over policing and regulatory actions. To create dedicated programmes that attracts both Intra/Extra ASEAN tourists</p>

Tourism Sector Indigenous Enterprise Sentiment on AEC - General

The followings are some of the key pointers shared by the indigenous enterprises from the tourism sector. The industry thrives despite each AMS competing in the same arena. Individual uniqueness in offerings indirectly further integrate the sector

- Better movement of people achieved
- Easier and cheaper flow of services offerings
- Multiple barriers of entry and the need to use local partner in other AMS
- Better tourism labour movement
- ASEAN tourism is yet to be positioned as a single market



- Unfair competition perceived due to local protectionism
- The need for an efficient and integrated transportation network for mobility
- Improvement needed in the Legal infrastructure and taxation system that supports and complements e-commerce trading
- Tourism technology infusion and integration can support and boost cross border activity

- Local SMES from the tourism sector are appreciated and well facilitated for cross border offerings
- Developed economies are enjoying the early mover advantage and the country need to be pushed for relevant investment

- Extra-ASEAN tourism is a source of growth
- Globally recognized visa exemption framework is needed to further support the extra-ASEAN tourist in flow

Tourism Sector Indigenous Enterprise Sentiment on AEC - General

**Skills
Standardization**

**Ease of
travel within
ASEAN with
single visa**

Digitalization

**Joint
Promotion**

**AEC efforts
are benefitting
the industry**

**Financial
support
for business
sustainability**

**Policy
standardization**



Key recommendations
Suggestions from ASEAN Tourism
Indigenous Enterprise to Complement the
AEC Integration Agenda

Key Recommendations

- 1 • Policy **transparency & harmonization** of standards & regulation of tourism sector.
- 2 • Simplify / free **mobility of skilled human resources (i.e. tourist guide) and easier access to human capital resources** across ASEAN through **standardization of skills and capabilities especially the language capabilities**.
- 3 • **Increase the involvement of tourism players** in developing ASEAN tourism policies.
- 4 • Tourism **cross promotion among AMS and single brand ASEAN tourism / ASEAN single destination**. Introduction of an ASEAN single visa for tourism will allow better management of tourist travel across ASEAN seamlessly.
- 5 • **Improvement in transportation infrastructure** across ASEAN will help in managing inbound tours and garner better confidence on safety and security level amongst the tourists.
- 6 • **Digitalisation of the tourism industry across AMS** for integrated data and promotional drives; a focus on acknowledging the intellectual property in preparation of promotional materials and collaterals and advocating through IP law regionally. This is critical to substantiate for the preparation work and production costs.

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Thank You