

SUSTAINABLE DEVELOPMENT OBSERVER

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IDN-InDepthNews
Analysis That Matters

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SUSTAINABLE DEVELOPMENT OBSERVER ISSUE 10 JUNE 2022

SDGs AND TOURISM COVID AND WAR DIMINISH ITS POTENTIAL



**Bargaining At Bangkok
Night Market**



**Wonders of Banaue Rice Fields
Philippines**



**Capturing Spain's
Wondrous Cathedral
Architecture**



**Quick Selfie At
India's World
Wonder**

"Around the world, in countries at all development levels, many millions of jobs and businesses are dependent on a strong and thriving tourism sector. Tourism has also been a driving force in protecting natural and cultural heritage, preserving them for future generations to enjoy" - Zurab Pololikashvili, Secretary-General World Tourism Organization

FROM THE EDITOR

Tourism is one of a handful of major industries in the world that needs the active participation of human beings for it to function. It is the greatest employer of human capital and when the Covid-19 pandemic hit the world at the beginning of 2020 global tourism was one of the fastest growing sectors of the world economy. There was a widespread belief that more community-based tourism development could play a major role in the achievement of the SDGs by 2030.

All these hopes and optimism came crashing down as Covid-19 started to spread rapidly across the globe with countries rushing to close its borders millions of people from hotel staff, airline employees, tour guides and the biggest lot of them all the so-called “informal sector” like street, beach and market vendors .. almost every one of them losing their livelihood basically overnight. It was a devastating blow to the campaign to achieve the SDGs. While the revival of tourism is gradually gaining momentum, there is a long way to go before the levels of 2019 can be achieved and this is also the best time to address some of the shortcomings and accesses of the tourist industry as well.

In the past 2 decades the Asian region with its rapid expansion of the middle classes has been in the forefront of the tourism boom – not only within Asia but also globally with Europe and Australia benefiting greatly from Asian visitors. The perception of tourism as an industry that “serves White races” has been changed – perhaps some may argue reversed – and it has opened up avenues for greater human understanding – though its not always the case.

This issue of Sustainable Development Observer focus on the value of tourism to achieving the SDGs and how the impact of Covid-19 and the war in Ukraine may have an impact on its recovery. We focus on the Asian and the South Pacific region. In the first article we look at how 3 factors are impacting on the tourism revival across Asia, while Pattama Vilailert writes from Bangkok about how Covid may have killed an unique icon of Bangkok; Russians (along with the Chinese) have been fuelling the global tourism boom since the 2008 western economic crisis and our next article looks at how the Ukraine war is impacting on Russian tourism; while from Fiji we look at how the cultural tourism potential of the country’s only World Heritage Listed site is undermined by government indifference. We also have two features written by journalism students at the University of the South Pacific on attempts to revive tourism in Fiji Islands with focus on developing sustainable community based tourism.

We also alert you to some interesting articles on tourism revival attempts from different areas of the world, and also give you leads to some latest reports from international agencies on tourism revival statistics and policy initiatives. Our final feature, though transmitted by IDN in 2020 is published here because of its relevance to the impact of Covid on tourism’s potential to address SDGs – this article is on Egypt a tourism dependent economy.

Dr Kalinga Seneviratne - Editor

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Chinese Tourists in Koh Samet in Thailand. Photo Credit: Kalinga Seneviratne

Tourism in Asia Hard Hit by Three Factors

Ukraine War and Chinese Lockdowns Add Fuel to COVID's Devastating Blow

Analysis by Mohan Srilal

COLOMBO (IDN) — The COVID-19 pandemic dealt a devastating blow to tourism across Asia that has been a driving force of economic growth, particularly in countries like Sri Lanka, Maldives, Thailand and Indonesia. Today there's a trifecta of impacts on the tourism industry in the region first from COVID, then the conflict in Ukraine and lately the lockdowns in China.

Tourism that propelled the small islands nation in the Indian Ocean—the Maldives—into a middle-income country had to close its borders for the first time in 2020, but after its reopening in July 2020 Maldives gradually started to attract tourists because it was seen as a safer location for a holiday with sparsely populated isolated islands. Thus, in 2021 the Maldives attracted 1.3 million visitors. Then issues beyond their control impacted the visitor arrivals from China and Russia two of its biggest markets.

After recovering from the devastating Easter Sunday terrorist attacks in 2019 and the two-year COVID pandemic, Sri Lankan tourism was picking up towards the end of 2021. The conflict in Ukraine dealt a heavy blow to this recovery as Russians and Ukrainians have been coming to Sri Lanka in large numbers for years, especially during the European winter. Ironically when Sri Lanka opened after the COVID lockdowns it were Ukrainian tourists who came in first on a packaged tour.

Added to this is a homemade crisis, the political protests that were mounted across the country beginning in March that crippled an already shaky economy and Sri Lanka attracted world news headlines for all the bad reasons. With many countries issuing travel warnings to their citizens

against going to Sri Lanka, the travel industry is now facing an unprecedented crisis that would close down many of the tourist industry service providers in the coming months.

It is ironic that the protestors that were demonstrating against government policies that have brought the country to almost bankruptcy, is cutting the arm of the very industry that should bring in the much-needed foreign currency to overcome the economic crisis.

Before the pandemic, tourism brought in some USD 4 billion in foreign exchange revenue to the country each year. Tourism has been the third-largest foreign exchange earning industry in Sri Lanka, beaten only by worker remittances and the apparel industry. Tourism also has a high value-added component of around 80 per cent, with only a few food items and other items being imported. With substantially reduced income streams, the tourist industry is now in a tailspin, running out of cash—like the government’s Central Bank— to sustain its operations.

“Hotels are struggling to maintain minimal operations. Costs are going up weekly and food costs are skyrocketing. Menus have been pruned down, due to unavailability of food items,” noted Srilal Mitthapala, former President of the Tourist Hotels Association of Sri Lanka in a commentary published by the Daily Mirror here. “Even with the exchange rate appreciation, bringing in some enhancement of the equivalent rupee yields from the US dollar room revenue, the increase in costs outweighs this.”

“Therefore, there may have to be a room rate increase to make operations viable. In the post-COVID environment, when all destinations are trying to entice tourists back, such a rate increase may jeopardise our competitiveness in the world market,” he warned.

China’s lockdowns are also having a huge impact on tourism revenue across Asia, as Chinese tourists have been the economic growth engine for the tourism sector across Asia, especially since the European economic crisis of 2008. As Bloomberg put it recently, the lockdowns have created a “\$280 billion black hole” for global tourism. Thailand is facing the pinch most because when the pandemic arrived, over 10 million Chinese visitors have been arriving annually in the kingdom.

Though Thailand’s tourism industry is slowly limping back into life with the famous nightclubs recently allowed to open, yet, the night markets are still deserted and so are the food vending streets that are popular with Chinese visitors.

It is ironic that China which first faced the COVID-19 virus and imposed lockdowns and quickly reopened cities claiming the virus was under control, is now going back into a zero-COVID policy when most other countries in the Asian region (and elsewhere) are learning to live with the virus treating it as endemic rather than a pandemic. China, which exported some 100 million tourists a year before the pandemic has now virtually closed the country to its 1.4 billion population.

Thailand is now looking beyond the Chinese market to help revive its badly hurt tourism industry. Tourism Minister Pipat Ratchakitprakarn told *South China Morning Post* that he expects Thailand to welcome between 7-10 million foreign tourists this year—but still a fraction of 2019’s 39.9 million. To offset the lack of Chinese visitors, Thailand is now looking at Russia, France, the UK, Germany, Israel and Saudi Arabia.

All travellers entering the country must undergo screening, including a body temperature check, and present the required documents to the Immigration/Health Control officer. Non-Thai nationals need to apply for a ‘Thai Pass online’ before their journey to Thailand. However, the government has announced this requirement will be lifted on July 1. Incoming travellers, regardless of their country of origin, are no longer subjected to COVID-19 tests on arrival.

Bali is another tourism hotspot in Asia where most of its people were dealt a devastating blow by the COVID lockdowns. It has opened up slowly to foreign visitors since March this year, but the

predominantly Hindu island is now worried they are attracting too many “trashy tourists”, who disrespect the local culture and religion.

South China Morning Post reported that recently, a Canadian man who filmed himself dancing in the nude on Mount Batur, and a Russian influencer who stripped naked for a photo shoot on a 700-year-old tree in a temple compound have insulted the local Balinese. Social activist Niluh Djelantik warned in an Instagram post: “You are welcome to have a good time and enjoy our island. But if you don’t respect us, deportation and consequences are waiting.”

After almost two years of pandemic travel curbs, Bali dropped its quarantine requirement for vaccinated visitors completely in March and resumed the visa-on-arrival process. In 2019, some 6.2 million foreigners visited and their absence in the intervening years has been keenly felt.

In a bid to entice more tourists back, Bali governor Wayan Koster has called for Jakarta to recognise that COVID-19 had become endemic on the island, with cases stable “at 10 to 20” per day and a positivity rate that is “always under 2 per cent”.

In the decade before the pandemic, tourism across Asia has undergone a dramatic transformation with the region no more dependent on serving western tourists and the phenomenal growth in the tourism sector was fuelled by the growing middle classes of Asia travelling in the region, supported by region’s budget airlines and hostel accommodation. The question is whether these days will come back and how long would it take for that to happen? [Transmitted by IDN-InDepthNews – 19 June 2021]

Street Vending: Covid Seems to Have Killed a Bangkok Icon

By Pattama Vilailert

BANGKOK (IDN) — Street vendors have been an iconic attraction for millions of tourists that visited Bangkok each year before the COVID-19 pandemic. In perfect tune with the Thais' approach to enjoying life to its fullest, including eating and shopping, street vendors have set their carts in the heart of Thai people and Bangkok for a century, serving both Thais and foreigners.

The COVID-19 pandemic lockdowns that have devastated the tourist industry in Thailand have also seriously impacted the livelihood of street vendors. When the pandemic broke out, about 40 million tourists flocked to Thailand every year. Street vending was seen as a sustainable livelihood option for millions of Thais. Tourists have started to trickle into Thailand since the lifting of travel restrictions in November 2021. Still, there are serious question marks whether the traditional street vending could be revived to its past glory?

IDN travelled down the Khao San Road, a backpacker's haven, and Sukhumvit Road, Bangkok's nightlife paradise, to witness the life of street vendors after the country reopened to tourists five months ago.



Handful of tourists in a deserted Khaosan which was before the pandemic filled with street stalls and tourists. Photo Credit: Pattama Vilailert.

The Khaosan Road Business Operators Association president, Sanga Ruangwattanakul revealed in a recent media interview that at the end of 2019, 80% of business revenues here were from international tourists. The effects of COVID -19 are severe: Khaosan Road used to be busy 24 hours. "Before the outbreak, a stall here was sold at 1 million baht (29,670 USD). A few small stalls have survived; owners have gone back to their hometowns," he said, predicting that newcomers might come instead if tourists start to flow.



Yordchai looks forward to tourists returning to support his business.
Photo Credit: Pattama Vilailert

Ruangwattanakul's opinion matches Yordchai's, a street seller of games and gadgets. "I have been a vendor here for over 30 years. I decided to invest in 15,000 Baht monthly rent for a two metered space to set up my stall since I did not have a million to buy a stall," Yordchai told IDN. His investment was worthy until COVID-19 hit the business. He earned around 3,000 Baht (90 USD) a day, but since the first lockdown in 2020, he could hardly make both ends meet. However, Yordchai participated in the government's co-payment stimulus scheme, first launched in October 2020.

According to Thailand's Finance Ministry statement, the co-payment stimulus scheme "Khon La Khrueng" is aimed to stimulate domestic consumption and economic growth. The government subsidises 50% of food, drink and general goods purchase. The total subsidy is limited to 150 baht (4.45 USD) per person a day from the first to third phases. For the fourth phase, which started in February 2022, the total subsidy decreased to 120 baht (3.56 USD) per person per day.

However, Yordchai said, "Even though I joined the co-payment package, I still had to use my savings to pay rent for a room and daily expenses. So I pin my hope on the return of tourists to Khaosan Road as I am 62 years old; I don't know what else to do". From December 2021, he saw international tourists wandering on Khaosan Road while he began to pick up his sales to 500 Baht (15.80 USD) a day.

In addition to street vendors, the co-payment stimulus package covers state welfare cardholders and those in need of special assistance. The participant needs to download Pao Tang application onto a smartphone to register for the program. According to DATAREPORTAL, there were 54.5 million smartphone users in Thailand in January 2022, accounting for 77.8% of the total population.

IDN met Nuy, a food street vendor living in the Khaosan area since she was born. "Before the pandemic, various nationalities of tourists came here, and I made over 4,000 Baht (119 USD) each day," she told IDN. "But since the first lockdown in March 2020, I could not sell food; I just stayed home and came out to my stall when I knew that some generous people would come to give food to the needy".

When she came to her stall during the pandemic, she met other vendors and some tourists that could not fly back home, reaching for free food. Nuy could not participate in any government stimulus packages. She has no access to a smartphone, so she lives on her saving and free food. She reopened her street stall in November 2021, "I am 60 years old and just live by, and I don't think I can do much to change my future", she told IDN.

In the nightlife paradise area of Sukhumvit, 40-year-old Noknoy shared her incredible story with IDN. "I was a waitress in the bar in Alley 11, a famous area for tourists, for 20 years and to my surprise, the bar was shut down permanently last month (March 2022). I contemplated how to move on with my life, then I decided to put up a cart near the Sky train station to sell drinks to passers by", she said, pointing out that she is a brand new street vendor and has a lot to learn,

like what day street vendors are prohibited on the road. Unlike her co-workers, during the COVID-19 outbreak, she did not return to her home in Surin, a province in the Northeast Thailand. She worked in the bar until it closed for good.

Noknoy participated in We Win (Roa Chana) stimulus package. As stated on Thailand's Ministry of Finance website, criteria for participation include people's level of income and savings, as shown in the government record. People from all walks of life are eligible for the subsidy, including freelancers, vendors and farmers. With the new life path that COVID-19 brought her, she earns around 600-700 Baht (20 USD) a day from foreign tourists and local Thais.

Along Sukhumvit Road, not far from Noknoy stall, IDN found a classic cloth stall vendor, Suay. Before the pandemic, thousands of tourists flocked to the night markets on the pavements 365 days to bargain and buy colourful Thai dresses, clothes, shoes and bags. Noknoy had a stall on Sukhumvit Road for over 30 years.

"I made over 5,000 Baht (150 USD) a day before the outbreak, but during a series of lockdown, I just used up my saving and waited for the time to reopen my stall," she said with a sad smile. "I came back to my stall right after the government reopened Thailand to foreign tourists in November 2021". She is confident that tourists will come back to Sukhumvit. "When nightfall, you won't be able to walk here, and it is my time to make money," she says, though the jam-packed pavements are still to come.

The life of street vendors in touristic areas of Bangkok largely depends on international tourists. Numbers of them have gone back to their hometowns during COVID-19. They might return if they have some capital to prolong the traditional street business. Some street stalls are being replaced with newcomers. Whether they are old or new, the tourists would recognise the colour, vibrancy, and great aroma of Thai cuisine served on the streets at bargain prices. One hopes that these sights will slowly come alive to give Bangkok that flavour that is a magnet to millions of people worldwide. [Transmitted by IDN-InDepthNews – 20 April 2022]



Tourists from Russia previously accounted for the seventh-largest share of visitors to Thailand with around 1.5 million travelling to Thailand in 2019. Source: Economic Times.

Ukraine War Hits Russia's Tourism Industry

By Kester Kenn Klomegah

MOSCOW (IDN) — Russia's tourism, both in-bound and out-bound, is severely hit by the war-ravaged crisis that unfolded in the former Soviet republic of Ukraine late February. For more than two years, the tourism industry was affected due to the widespread Covid-19 that shattered the world.

Industry operators say that the impact on tourism due to Russia's "special military operation" in Ukraine has pushed the United States and Canada, European Union, Australia, New Zealand and many other countries to impose a series of sanctions, which are currently affecting the smooth operation of tourism business.

According to statistics, over these past three years that included the Covid-19 restrictions and Russia-Ukraine crisis, foreign airlines have carried an estimated 128.1 million passengers, but most passengers were stuck due to border closures and repatriated in 2020. As Covid-19 subsided, and the latest volley of sanctions have cut foreign travel especially to the United States and Europe for Russians.

Analysts expect tourism business to develop considerably inside Russia. Russian tourists might instead opt for South America and Caribbean, Asian and African destinations such as Cyprus, Thailand, Turkey, Malta, Maldives, Zanzibar, and Egypt. Russian citizens might not fear a sharp rise in airplane ticket prices, as during the spring and upcoming summer seasons costs are being determined, among other factors, by demand and purchasing power.

Many Russian tourists stranded due to economic sanctions, handicapped by bank withdrawals using international credit card system. Zarina Doguzova at the Russian Federal Agency for Tourism told the local Russian media that nearly 90,000 tourists were repatriated in March.

According to the agency, Egypt has the largest number of packaged tourists from Russia. The repatriation process has been hampered and takes more time due to new Western sanctions targeting the planes expected to be used for special flights from Egypt to Russia. The tour operators struggled to bring back Russian packaged tourists by using different ways, including connecting flights of foreign airlines through third countries from the United Arab Emirates, Turkey, the Maldives and Thailand.

On April 4, Russian Prime Minister Mikhail Mishustin announced that from April 9, Russia would cancel restrictions on flights to 52 countries imposed due to the pandemic, including Argentina, India, China, South Africa, and other friendly countries. It applies to regular and charter flights between Russia and several other foreign countries.

It will take into account the epidemiological situation in individual countries: a previous decision was made to completely lift restrictions on regular and charter flights with Algeria, Argentina, Afghanistan, Bahrain, Bosnia and Herzegovina, Botswana, Brazil, Venezuela, Vietnam, Hong Kong, Egypt and Zimbabwe.

The rest include Israel, India, Indonesia, Jordan, Iraq, Kenya, China, North Korea, Costa Rica, Kuwait, Lebanon, Lesotho, Mauritius, Madagascar, Malaysia, Maldives, Morocco, Mozambique, Moldova, Mongolia, Myanmar, Namibia, Oman, Pakistan, Peru, Saudi Arabia, Seychelles, Serbia, Syria, Thailand, Tanzania, Tunisia, Turkey, Uruguay, Fiji, Philippines, Sri Lanka, Ethiopia, South Africa, and Jamaica.

The protracted Ukraine war threatens several tourist destinations that rely on Russian visitors. Turkey, Uzbekistan, the UAE, Tajikistan, Armenia, Greece, Egypt, Kazakhstan, and Cyprus are among the top 25 countries for outbound Russian tourism by flight capacity, according to Mabrian Technologies, an intelligence platform for the tourism industry.

For instance, Egypt's economy relies heavily on tourism from Russia and Ukraine, with the two countries accounting for roughly one-third of all visitors each year. Egypt is working to open tourism markets, particularly for Germany, England, the Czech Republic, Italy, and Switzerland, following the lifting of travel restrictions to Egypt.

Thousands of Russian tourists visit Thailand's beach resorts. The Russia-Ukraine crisis with Europe might further push Russian tourists for popular destinations in Asia and a few destinations in Africa. While Covid-19 restrictions have been lifted, not all these countries are considered as popular destinations for Russian tourists. Russia is looking to develop and promote domestic tourism.

According to statistics, Russian tourists spent over \$300 billion abroad over the past 20 years, and their money could build domestic tourism infrastructure. Experts also argue that the Russian tourism infrastructure has been demonstrating some growth over the past year, and it is important not to lose this pace under the current circumstances in the world.

Federal Agency for Tourism, which promotes tours both domestic and foreign, underscored steps being taken by the Russian government to put tourism on track including subsidy offers for local

destinations, an effort towards encouraging and promoting domestic tourism, which are safe and have comfortable conditions for Russian tourists, during the forthcoming seasons.

Russian government's latest package of measures to support the economy in the face of sanctions will address the tourism industry and a number of other sectors, and it provides for tax incentives, Federation Council Deputy Speaker Nikolai Zhuravlev said this month.

According to the Association of Tour Operators of Russia (ATOR), external tourism will steadily pick up despite the current international situation and the rising dollar and euro exchange rates, and the decline in the share of foreign tours in the volume of sales during February and March, during the months of the Russia-Ukraine crisis.

Russia's membership has been stripped off international organizations, the latest was the United Nations Human Rights Council. On March 8, the Executive Council proposed holding an extraordinary assembly to consider a possible suspension of Russia's membership from the United Nations World Tourism Organization [Transmitted by IDN-InDepthNews – 14 April 2022]



Levuka's historic street. Photo Credit: Kalinga Seneviratne

Fiji Govt's Indifference Threatens Levuka's World Heritage Status

By Kalinga Seneviratne

LEVUKA, Fiji (IDN) — This rugged island of Ovalau covered with greenery is only 13 km long and 10 km wide and is situated off the eastern coast of the main Fijian island of Viti Levu. Its only town, the port settlement of Levuka with about 1500 population is Fiji's only UNESCO Heritage Listed site and a local community leader says that it could well be de-listed if the Fijian government does not pay enough attention to its heritage value.

Retired local schoolteacher and former CEO of Levuka Town Council Suliana Sandys is critical of the Fijian government for not giving enough priority to developing heritage and cultural tourism in Levuka.

“Heritage doesn’t have prominence in the government of the day. They have told that to our face and shown in the way they conduct affairs of the local government here,” she told IDN, pointing out a new market that is being built here that does not incorporate any of the elements of the local architecture. “Government says if there are open spaces and business person has money, why not develop it?”

A few years ago, when a businessman from Suva wanted to raze an old building and build a flashy nightclub, his plans were fiercely opposed by the local Heritage Society and quashed by the Town Council. But Suliana says that they are not opposed to tourism “we don’t want tourism that will bring vice here”.

Levuka’s natural harbour and anchorage attracted European sailors who first arrived here in the early 1830s. This was Fiji’s first capital after the island was ceded to the British by the local chiefs in 1874. Along the beachfront adjoining the harbour developed Fiji’s first city where shops, houses, salons, bars, and churches were built.

Today the bars and salons are gone as it is no more a centre of maritime trade in the region after the 19th-century whaling operations, the cotton boom of the 1860s fell, and the copra trade stopped in the 1950s.

Today, a Japanese-built fish processing plant, now owned by the Fiji government provides most of the employment for the locals, especially young women.

The city could not expand outwards from the beachfront because of the mountainous cliff terrain of the island. Thus, the capital of Fiji was moved to Suva on Viti Levu Island in 1881. The original shop-front buildings, churches and wooden houses on stilts with their wooden windows opening upwards still stands. The locals have proudly preserved their city, protecting the town’s historic value.



Traditional Levuka House.
Photo Credit: Kalinga Seneviratne

The Levuka Historical Port Town was recognized as a World Heritage Site by UNESCO in 2013 and it is protected under the Fiji World Heritage Decree 2013. Listing was the culmination of at least 36 years of effort by various domestic and international stakeholders. It remains Fiji’s only World Heritage site, which UNESCO describes as “a rare example of a late 19th-century colonial port town that was influenced in its development by the indigenous community”.

Increased prospects for tourism have been seen as a key justification for listing, alongside the inherent heritage protection values. *The Fiji Times*, a newspaper still published, was started here in 1869.

The town was also the site of Fiji’s first bank, post office, school, and town hall.

Suliana explained that with the help of a Japanese foundation they had organized workshops with local communities before the pandemic to develop a plan for heritage and cultural tourism to the island. “We got people from every village to come for the workshops. Tell us their stories, tell us what they have that tourists would like to see. We did a leaflet done with locals from villages to promote tourism, telling their history and all that. We had tour guides trained to take people to their own respective villages. We planned trails to climb up the mountains, and hear the stories of the locals. The Department of Heritage just pushed it aside. They didn’t want to promote it.”

IDN contacted the Department of Heritage and Arts to find out why they do not support heritage tourism to Levuka, but we did not get a response, even though they promised to do so. But, the

Fiji government's global tourism marketing arm, Tourism Fiji's CEO Brent Hill told IDN that they are keen to promote Levuka as a cultural tourism site and they would bring it to the attention of the Ministry of Commerce, Trade and Tourism.

"Currently we promote travel to Levuka as part of Captain Cook cruises as they do a trip to the island," he said, adding that it is easier for them to promote a site that already has infrastructure and tours up and running. "Sending tourists to this historic, quaint town would mean it needs to have the right supporting infrastructure—like accommodation."

There are only three small hotels here, and the Royal Hotel, reportedly the oldest continually operating hotel in the Pacific, is wonderfully intact with its 19th-century interior. "Levuka has always been a special destination for overseas visitors because of its people and history," Nicolette Yoshita, co-manager of Royal Hotel told IDN. "When Levuka lost the copra trade this is what kept Levuka going. Visitor arrivals came in groups, then budget travellers and in the 80s, 90s mainly backpackers".

Yoshita explained that all-inclusive packages could be offered with local entertainment in the evenings. "This is what we did before Levuka was closed down (for Covid). We had groups come in (through a travel agency) with guests accommodated at the Hotel, Ovalau Club & Private homes. Income from these groups helped keep Levuka alive," she said. "The key is to have it run professionally and it's where the Dept of Heritage and Arts could come in as they have the staff and an office in Levuka".

Because of its UNESCO status, Levuka attracts many Fijian tourists as it is only about an hour's ferry ride from the mainland. However, a local shopkeeper told IDN that the old shopfronts need urgent repairs to keep the buildings intact. "Very difficult to maintain our buildings what the British built is expensive to repair and no funds from heritage people."

"This place has a lot of water, and we have five rivers flowing from the hills. There's a lot of food we can grow here—cassava, yam, vegetables, chillies, pumpkins, breadfruit, coconut, mangoes—we can live on local produce," local taxi driver Raj told IDN while driving me around the islands in bumpy roads.

The tour took about four hours including a visit to Lovoni—the only village in the interior that is on a valley created by an old volcano—and a dip in the crystal clear waters of a narrow river flowing down from the mountains. "For tourism to develop, local roads need repair ...they were badly damaged by hurricane Winston five years ago," he added.

Raj is a descendant of Indian indentured labour brought to the island by the British. The many villages around the island have interesting histories of European colonial conquests that paid scant respect to land rights. There are also many interesting stories of the communities' survival, their cultural habits, and traditions that adventurous travellers may find attractive to experience, along with treks into the mountains and rainforests and dips in pristine rivers flowing across the islands.

Suliana believes that sustainable heritage tourism could be developed here if the government sends proper officials to work with the community to develop it. "It is local (Fijian) tourism that is boosting up this town," she says. "I'm hoping we will not lose the heritage listing people have fought so hard to maintain. I hope they employ people in the heritage department who have some heritage background. Not just seasonal government workers who come and go without any passion for heritage."

Hill says that Tourism Fiji will be happy to help Levuka to develop foreign tourist traffic to the island. "I think a bigger conversation needs to take place with several stakeholders and government if Suliana is willing to have a Talanoa (participatory dialogue) session with our Tourism Fiji team, I'm sure we can work out a way to better support or promote Levuka," he told IDN. [Transmitted by IDN-InDepthNews — 12 June 2022]



Beachcomber Resort Island. Phot Credit: Kalinga Seneviratne.

South Pacific: Fiji Tourism Is Back on Its Feet with Focus on Sustainability

By Sheryl Lal and Akansha Narayan*

NADI, Fiji (IDN) — Though Fiji Islands was unaffected by the first wave of COVID-19, its tourism sector, the lifeblood of the economy, has been devastated by border closure across the world due to the pandemic in the past two years. Thus, when the Fijian Tourism Expo (FTE) returned after a break of two years, Fiji Tourism’s CEO Brent Hill was in an upbeat mood, especially because they have been able to attract over 500 participants to the Expo in these competitive times for the travel industry. But, having experienced the vulnerabilities, sustainability was very much in focus during presentations at the event here.

In 2022, Tourism Fiji comes with a vision to “inspire the world to come and experience Fiji—where happiness finds you” and our purpose is to “ensure that Fiji is promoted and marketed as a tourist destination for the purpose of maximizing sustainable and long terms benefits to Fiji”, said Hill, in presenting a brief overview of their past achievements and their two-year strategic plan to the FTE.

The 8th FTE was held from May 11-13 at the luxury Sheraton Beach Golf and Spa Resort near Nadi, the gateway to the Fiji Islands where its international airport and many tourist resort islands are located. The three-day event attracted over 88 exhibiting companies, 90 buyers and 10 media delegates eager to learn the strategic plan Tourism Fiji has set for the small island nation. The semi-government agency was supported by Fiji’s ministry of commerce, trade, tourism and transport and was declared opened by its minister Faiyaz Koya, who highlighted the negative impact of COVID on the tourism industry.

“During this time, we were guided by robust policies that led to our border re-opening,” he said in his opening address. “Our out-of-work tourism workers were among those supported by half a billion dollars (USD 230 million) in direct and indirect assistance paid by the Fijian Government. We took the last two years as an opportunity to re-invest. From upgrading our tourism facilities and renowned hospitality, to piloting new products.”

Hill’s presentation at the FTE highlighted that during the pre-pandemic period, the tourism sector represented 38 percent of the Fijian economy bringing in 36.5 percent employment making up over 118,000 jobs in a population of just over 896,000. In 2019, the overseas visitor economy in Fiji was worth 3 billion Fijian dollars (USD 1.37 billion) and had attracted 960,000 international arrivals, mainly from Australia, New Zealand, Europe and the United States.

Fast forward two years later into the post-pandemic period, the plan of tourism Fiji is to increase the visitor economy to 3.37 billion Fijian dollars. Also, a high end goal of attracting 1 million international visitors by 2024 has been set. Hill also highlighted that the two year strategic plan, 2022 to 2024, were strategized after consultations were done by meeting with tourism industry and also seeking people's feedback on what Tourism Fiji's priorities should be. From these consultations, they have pulled out six key priorities for the two year plan.

Sustainability is a key ingredient of the plan that includes shaping perceptions of Fiji, promoting the value of tourism to Fiji and enabling an efficient, high performing and innovative team to take the industry forward.

"For Tourism Fiji, it is very important as an organization that we set our values. As a team, we really wanted to identify the core of who we are as a true Fijian and I'm very proud of the values that we actually came up with as a team and we want to make a difference," emphasized Hill in an interview with IDN.

Citing data from the global benchmarking agency Smith Travel Research (STR) Hill said in 30 of Fiji's key hotels that accounts for about 8500 rooms, the occupancy was running at 20 percent levels. "That is a stunning rebounded recovery and not to be sneezed at" he points out, adding, "I know that there is dozens of tourism organizations around the world that would be begging to have their occupancy at those kinds of levels."

Many of the exhibition booths at the FTE represented luxury boutique type resorts in small "paradise" islands that surround Fiji's main islands of Viti Levu and Vanua Levu. Many of these islands are so small that it may include just the resort which is usually privately owned (leased from traditional land owners).

One such resort is Beachcomber Island just 17 km and 40 minutes by fast ferry from Port Denarau, the site of the Expo. The resort occupies the whole of the privately owned 8 ha island, where staff works on a 21 day shift followed by 7 days leave to go back to civilization. The resort which is very popular with foreign tourists was closed from 20 March 20, 2020 until April 1 this year.

The resort manager Nemia Merani told IDN that she had to keep a skeleton staff of 5 during this time to help maintain its facilities, even though they had no income coming. Pre-pandemic they used to employ 50-60 staff but now they only have 15-20 staff on the island. "People from overseas are still hesitant to come," she said. "Things that help us are day visitors not only weekends but weekdays too. We are selling to locals everyday. During the weekend we have a surge in numbers and after this we go right down again." Ironically, this resort was too expensive for local tourists pre-pandemic but the prices have been reduced for locals now. "Overseas visitors—especially from Australia—are slowly picking up and if that continues we will survive," Merani said optimistically.

From presentations made at the Expo, the pandemic has also raised awareness among tourism operators here about the sustainability of the industry and the need to tap into local resources much more. Even the five-star Sheraton hotel where the Expo was held made a special presentation on how they are developing a supply chain of local farmers feeding into their menus.

Since the borders were opened on December 1 last year, according to government figures, 119,000 tourists have arrived in Fiji, with 46,000 coming in April alone. "I believe that we can work together collectively for providing the value of tourism to Fiji," argues Hill pointing out the networking that took place here. "Part of that is that we need to continue to tell the story of tourism and tell the story of what it is that we're all about."

* Sheryl Lal and Akansha Narayan are final year journalism students at the University of the South Pacific in Suva, Fiji. [Transmitted by IDN-InDepthNews – 23 May 2022]



Namosi Eco Retreat. Picture Credit: Namosi Eco Retreat website

Tourism Collective Taps into Fiji's Unique Culture, Ecosystems

By Jone Salusalu*

SUVA, Fiji (IDN) — Fiji is home to some 300 islands and is known for its pristine and white sandy beaches that iconically stand as an exotic pride for Fijians all over the world. Many are uninhabited islands with lush green forests and peaks, but most are habited islands with distinctive cultures that are a magnet for foreign visitors.

The Duavata Sustainable Tourism Collective (DSTC) which consists of locally owned 12 tourism business operators, spreading across Fiji, want to tap into this distinctive Fijian island culture and ecosystem to market to the world, as post-Covid tourism takes off with a vengeance in Fiji.

DSTC is made up of like-minded passionate locals who believe that tourism needs to be sustainable and community-oriented. Speaking during the Fijian Tourism Expo 2022 held at Sheraton Resort on Denarau recently, Danny Jason of the Namosi Eco Retreat said that their collective could channel this great uniqueness of traditional experiences that not many tourists get a taste of whilst in Fiji.

“Minister (of tourism) talked about sustainable tourism. We have done it for 20 years” he pointed out in reference to the minister’s opening address to the Expo. “We are a small collective and we support each other. Our clients are 99 per cent local, (and) we are a collective of like-minded tourism people who believes that tourism must value culture and environment”

DSTC includes River Fiji, Talanoa Treks, Namosi Eco Retreat, Drua Experience, Nukubati Private Island, KokoMana, Takalana Bay Resort, Uprising Beach Resort, Leleuvia Island Resort, Barefoot Manta Island, Lawaki Beach House and Waitika Farm.

“We try and engage with different tour agencies or overseas agents like Air BNB, They market what we have to offer and that's how we send messages out for guests to come and visit us,” Jason told Wansolwara.

Involving Tourists With Community

“When they come here they get involved with the community and give something back to the community. Just engaged with the lifestyle, the culture, the tradition and how we build things. What we try to do is mainly try and get engaged with the people. Guests feel good that they get engaged with the community,” he added.

Waitika Farm, which is situated on a hilltop overlooking the scenic Rakiraki Bay and the adjoining islands in northern Viti Levu (Fiji’s main island), is owned and run by a husband and wife combination of Anil and Jean Tikaram. It has a bee farm and they grow a lot of vegetables and fruits in their property. They have just opened the farm for visitors after a 2-year closure due to Covid restrictions.

“We don’t provide overnight accommodation at the farm, but we provide visitors a local organic farm experience,” Jean Tikaram told Wansolwara. “We take them into an outdoor classroom area where they will hear about the basics of beekeeping, its sustainability and then they get into bee suit and they actually get to handle the bees. They will learn about a beehive and then they come in (to the house) and hear local folklore. Fijian hinterland is very rich in Fijian folklore, legends, myths and all that”.

She added that just down the hill bordering the King’s Highway is the tomb of Ratu Udre Udre a Fijian chief listed in the Guinness World Records (according to Wikipedia) as the “world’s most prolific cannibal”. Both the existence of the tomb and her husband Anil’s girmitya (Indian indentured labour) background provide a reason to tell visitors interesting local stories.



The beehives at Waitika Farm
Photo Credit: Kalinga Seneviratne

“During lunch (which consists of vegetables and fruits grown in the property) we talk about these stories and after lunch, we work with bee wax and turn it into a candle or so on. Then we talk about how we create sustainable products out of what we have here” explained Jean. “Message we are trying to get across is sustainability, sustainable products, sustainable land and importance of taking care of bees, looking after the land and planting”.

Venturing Into Agri-Tourism

During the Covid lockdowns, small tourism operators like DSTC members were put under immense pressure to keep their operations afloat. They are thankful to the financial help given by the Fijian government.

In his address to the Fijian Tourism Expo, Minister of Commerce, Trade and Tourism Faiyaz Koya said that their main focus during the Covid period was to help the business stay afloat. “Our out-of-work tourism workers were among those supported by half a billion (Fijian dollars) in direct and indirect assistance paid by the government”

In an effort to recover from such unforeseen circumstances, Jason says that their collective is now diversifying to a more proactive adaptation of venturing into Agri-Tourism, something he says is the future for more sustainable tourism for Fiji. “We have found out that Agri-Tourism is the best way to go forward. You are dealing with agriculture and tourism as well,” he points out.

Agri-Tourism is a type of commercial enterprise that connects agricultural production and/or processing with tourism in order to attract visitors onto a farm, like what Waitika does. It has

both an entertaining and educating purpose while generating income for the enterprise from visitors.

“During Covid everything that we planted on land – like cassava and taros - they were the ones that paid for our bills when tourists were gone. We can sell (produce) also, but when guests come we engaged them to do farming, learn how to farm. All the taros and cassava we have, the guests planted that. They engage in harvesting it, cleaning and preparing the food. It’s an amazing experience to take away. As a company we feel privileged to share that experience,” says Jason.

The Duavata Conservation Leadership Program

Funded through the German Embassy in Wellington (New Zealand) and the British High Commission in Suva (Fiji), the ‘*Duavata Conservation Leadership*’ (DCL) program is an affiliate of the DSTC that support and educate youths about sustainable tourism.

The program was to start in early 2021 but was postponed by the pandemic. It has now been launched in northern Viti Levu hosted by Nukubati Private island Resort in Macuata, KokoMana in Savusavu and Ocean Ventures in Natewa Bay.

Lara Bourke, co-managing Nukubati Resort and coordinator for the northern region, says the opportunity was an eye-opener for her and also, particularly the young people from the North to learn and grow their ability to be conservational young leaders. The program not only helps in the conservation of natural resources but it also draws them closer to nature and their traditional method of preserving their natural surroundings, she notes.

“I managed to recruit 40 youths from the community (in Macuata) and was able to recruit them since I know them personally and I grew up with them and even their parents have worked with us for the last 30 years,” Bourke said.

Her program partner from the South, Richard Markham owner of KokoMana is a very successful Agro-forestry farmer that has helped in the success of Ocean Ventures that has worked more closely with villagers and communities nearby to set up coral reef nurseries.

“This program is called ‘Rich to Reef’. I took the youth to KokoMana where they had an ecological session with Richard where he educate the youth on how important our rainforests are (and) very much connected to the ocean,” Bourke told Wansolwara.

In one of the programs, she pointed out that the youth took it upon themselves to save the community after the learning experience. “For Instance, Nasea Village had gone through a tidal surge so the youths decided to build a ‘Living Seawall’ instead of waiting around for funding to build a nice concrete seawall, they improvised and took to heart what the program was advocating for and this makes me happy,” says a contented Bourke

In his address to the Expo, Koya hinted at a change of heart within the government regarding tourism development in Fiji. “You’ll learn of our focus to grow the industry in a much greener and bluer way. Including how we’ve set ourselves ambitious targets that put us on a course to sustainable recovery,” Koya said. “As we see our economy recovering, our focus will continue to remain on growing the value of the industry and propagating its benefits across the entire tourism ecosystem.” [Transmitte by IDN-InDepthNews – 17 June 2022]

** Jone Salusalu is a 3rd-year journalism student at the University of the South Pacific (USP) in Suva, Fiji. He was assisted in compiling this story by Dr Kalinga Seneviratne, consultant to USP’s journalism program. This story is published under an agreement between IDN and Wansolwara – the USP’s students’ newspaper.*



UNWTO and WHO to Build Coalition of Health and Tourism Partners

UNWTO will work with the WHO Regional Office for Europe (WHO/Europe) to strengthen ties between tourism and public health in Europe's smallest states. The COVID-19 pandemic has shown the importance of building more sustainability and resilience into both economies and public health systems. Recognizing the need to learn from the lessons of the crisis, the two UN agencies will further develop their collaboration and strengthen cooperation.

Source: UN World Tourism Organisation - <https://www.unwto.org/news/unwto-and-who-to-build-coalition-of-health-and-tourism-partners>

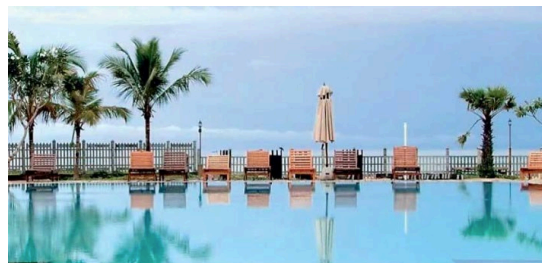
As Asia and Pacific Opens Up, Leaders Look to Innovative and Resilient Tourism

Tourism leaders from across Asia and the Pacific have placed building resilience and embracing innovation at the heart of the sector's restart and sustainable future. The 34th Joint Meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Commission for South Asia (34th CAP-CSA), was held as destinations across the region begin welcoming back international tourists. The region was hit first and hit hardest by the pandemic's impact on tourism as many countries maintained strict restrictions on travel. Now, as UNWTO data confirms a 64% increase in international arrivals in the first quarter of 2022 compared to 2021, the high-level meeting of sector leaders identified the key challenges and opportunities ahead.

Source: UN World Tourism Organisation - <https://www.unwto.org/news/as-asia-and-pacific-opens-up-leaders-look-to-innovative-and-resilient-tourism>

Sri Lanka Tourism - Catch-22 Situation for Government?

Sri Lanka tourism is yet again going through severe crisis. But this time the crisis is multifaceted and of unprecedented proportions. Many service providers are barely managing to survive, with several expected to 'go under' in the next few months.



Source: Daily Mirror - <https://www.dailymirror.lk/features/Sri-Lanka-tourism-Catch-22-situation-for-government/185-238623>

Return of ‘trashy tourists’ to Bali spotlights mass tourism’s double-edged sword

Bali is back – but so are the tourists’ shenanigans. The Indonesian resort island has seen a rash of reports about badly-behaved foreigners since it fully reopened to international tourism in March.



Source: South China Morning Post - <https://www.scmp.com/week-asia/people/article/3178675/return-trashy-tourists-bali-spotlights-mass-tourisms-double-edged>



2022 will set the tone of tourism recovery in the Caribbean

Members of the Caribbean Tourism Organisation (CTO) remain bullish about the recovery of tourism in the region, with 2022 serving as springboard for a stronger bounce back in the following years.

Source: Caribbean News Now - <https://thecaribbeannewsnow.com/cto-2022-will-set-the-tone-of-tourism-recovery-in-the-caribbean/>

A Ticket to Recovery: Reinventing Africa’s Tourism Industry

Months into the COVID-19 pandemic in 2020, Kenya’s normally manicured beaches were carpeted three-feet deep in parts with thick layers of seaweed. The Indian Ocean had seemingly taken advantage of the shuttered hotels and absence of tourists to reclaim the white sands in normally bustling Diani, Watamu, Malindi, and other favoured places along Kenya’s coastline. The story was similar across much of Africa: pandemic-induced lockdowns and grounded flights devastated the continent’s tourism industry, forcing many operators to the brink of bankruptcy—or to cease operations.



Source: https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/reinventing-africa-tourism

Lao-China Railway Could Open Up ASEAN Tourism Routes

The inauguration of 414 km electrified standard gauge Lao–China railway line has a potential to change the dynamics of international transport among the ASEAN member States and beyond. The railway line would link ASEAN’s railway network with the wider railway corridors along the Trans-Asian Railway Network, opening new prospects for international railway transport for these countries.

Source: UNESCAP - <https://www.unescap.org/blog/lao-china-railway-opportunity-more-sustainable-transport-asean#>



IMF Country Focus: Tourism in a Post-Pandemic World

For many developing countries in the Asia-Pacific and Western Hemisphere—small island states in particular—the effects have been severe. Before the pandemic hit, tourism was big business, accounting for more than 10 percent of global GDP. The share was even larger in tourism-dependent countries. This report explores the post-pandemic recovery issues in specific countries.

Source: IMF - <https://www.imf.org/en/News/Articles/2021/02/24/na022521-how-to-save-travel-and-tourism-in-a-post-pandemic-world>

Weathering The Coronavirus Storm in The Caribbeans

Caribbean countries have had to weather many storms in the past, but none that unleashed impacts quite like the coronavirus pandemic. Alongside the lives at stake are millions of livelihoods, and understanding the economic forces at work is essential to planning a way forward for the region.



Source: Inter-American Development Bank - <https://www.iadb.org/en/improvinglives/weathering-coronavirus-storm-caribbean>

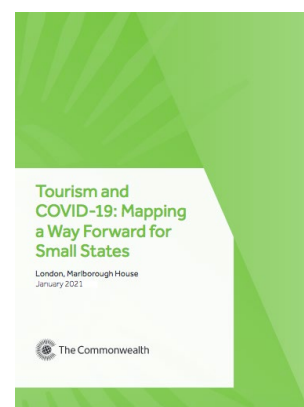
Eco-Tourism – An Unsustainable Delusion

Since the 1980s, coinciding with the shift to the “sustainable development” paradigm, the notion of a new, benign tourism has become firmly incorporated into the fabric of mainstream tourism discourse. Ecotourism and other forms of tourism dubbed as green, sustainable, responsible, low-impact, etc. have been promoted enthusiastically as the solution to undesirable high-impact mass tourism. This briefing paper published before the coronavirus pandemic hit the world takes a critical look at its potential for sustainable tourism.

Source: Third World Network - https://www.twn.my/title2/briefing_papers/No88.pdf

Tourism and COVID-19: Mapping a Way Forward for Small States

The global tourism industry plunged in 2020 after the COVID-19 pandemic hit. The sector’s demise has had far-reaching effects, particularly for small states, which depend on it almost exclusively for foreign exchange inflows and a large proportion of their gross national income. Of the economic, social and environmental impacts, the most severe have been in employment where an estimated 100–120 million direct tourism and hospitality jobs have been threatened by the crisis (UNWTO 2020). While larger countries like the USA, France and Spain have suffered the highest revenue losses in absolute terms, the countries that have been dealt the largest blow are those where tourism gross domestic product (GDP) contributions are largest. These include Commonwealth small states such as Antigua and Barbuda (7.2 per cent GDP loss), Maldives (6.9 per cent GDP loss) and Grenada (5.5 per cent GDP loss) (Johnson, 2020).



Source: Commonwealth Institute - <https://production-new-commonwealth-files.s3.eu-west-2.amazonaws.com/migrated/inline/Mapping a Way Forward for Small States UPDF.pdf>



Pyramids are the backbone of Egyptian tourism. Photo Credit: IFPRI

Economic Impact of COVID-19 on Tourism and Remittances – Insights from Egypt

Viewpoint by Clemens Breisinger, Abla Abdel Latif, Mariam Raouf and Manfred Wiebelt

This article was transmitted by IDN in April 2020, but we are publishing it here because of its relevance to the theme of this month's issue

WASHINGTON, DC (IDN) – The economic impacts of the COVID-19 crisis are increasingly hitting low- and middle-income countries and the poor. International travel restrictions and the full or partial closure of businesses and industries in Asia, Europe, and North America have led to a collapse in global travel and are expected to reduce the flows of remittances. Tourism and remittances are important sources of employment and incomes for the poor, respectively. This article assesses the potential impacts of the expected reductions in these income flows by using Egypt as a case study.

The pandemic is likely to have a significant economic toll. For each month that the COVID-19 crisis persists, our simulations using IFPRI's Social Accounting Matrix (SAM) multiplier model for Egypt suggest national GDP could fall by between 0.7% and 0.8% (EGP 36-41 billion or \$2.3-\$2.6 billion). Household incomes are likely to fall, particularly among the poor.

Egypt is a rising star among emerging economies. Even though several reforms remain to be completed, the reform program launched in 2016 has started to bear fruit: Egypt has achieved economic growth of over 5% in the last two years. The tourism sector recorded its highest revenues in 2018-19, another sign of increased stability. Continued efforts aimed at improving Egypt's business climate were expected to lead to even stronger private sector growth and economic diversification in 2020 and beyond.

This progress will almost certainly be interrupted by the COVID-19 pandemic. While the government is taking actions to contain the spread of the virus—including the suspension of commercial international passenger flights, school and sports clubs closures and a nationwide nighttime curfew,—and the number of reported infections in Egypt is currently low compared to that of many other countries, the global economic slowdown is expected to have major knock-on effects for Egypt.

International travel restrictions are already curtailing tourism to the country. The global slowdown is likely reducing payments received from the Suez Canal and remittances from Egyptians working abroad. These three sources together account for 14.5% of Egypt's GDP. Thus, any disruptions to these foreign income sources will have far-reaching implications for Egypt's economy and population.

Using the SAM multiplier model for Egypt, we simulate the individual and combined effects of a collapse in the tourism sector and reductions in Suez Canal revenues and in foreign remittances

under more and less pessimistic scenarios. SAM multiplier models are well suited to measuring short-term direct and indirect impacts of unanticipated, rapid-onset demand- or supply-side economic shocks such as those caused by the COVID-19 pandemic. We model the demand shocks as the anticipated reductions in tourism, Suez Canal, and remittances revenues.

Our results show the potential significant impact on the economy and people for each month that the COVID-19 crisis persists. If the dynamic effects of the COVID-19 shock on the Egyptian economy are different than those simulated, our results could be either under- or over-estimations of the aggregate economic impact of the crisis. Also, effects from other channels may reinforce the effects of the pandemic.

These expectations also assume that there is no change in the current government policies in place to combat the crisis. This is important to note, as the government is taking aggressive action to contain the disease and support the economy and people. As such, the model scenarios do not consider the impacts of specific government economic policies, but are intended to support government decision makers in deciding on the scale of their support to the economy and to Egyptian households.

Figure 1: Estimated GDP loss per month, less pessimistic and more pessimistic scenarios, percent of average 2019 monthly GDP

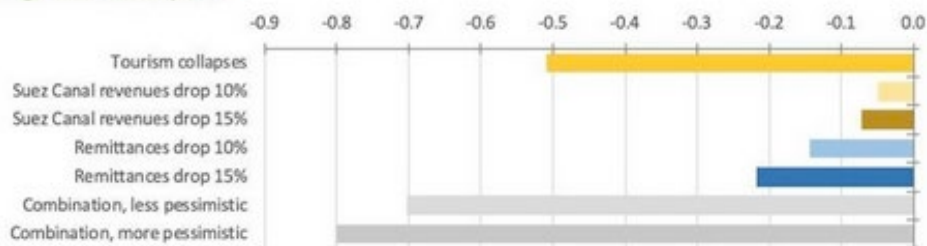
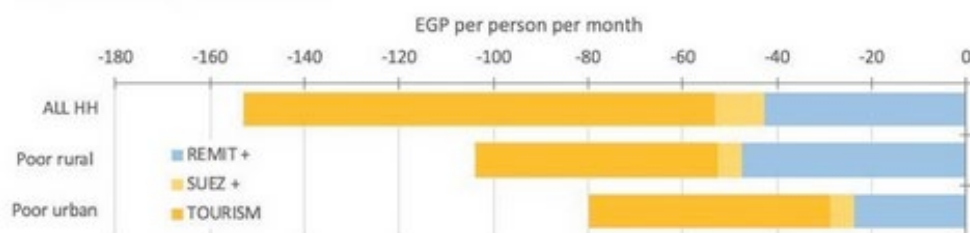


Figure 1 breaks down estimated losses in GDP, which may hit 0.8% per month in the more pessimistic scenario. Lower tourist spending will affect not only hotels, restaurants, taxi enterprises, and tourist guides, but also food processing and agriculture. Lower public revenues from Suez Canal fees are likely to affect the government budget. Lower remittances income will likely reduce household consumption of consumer goods and hit sectors producing intermediate goods. We estimate that the absence of tourists alone may cause monthly losses of EGP 26.3 billion, or \$1.5 billion. Thus, the loss in tourism revenues accounts for about two-thirds of the total estimated impact.

Household incomes are estimated to decline by between EGP 153 or \$9.70 (less pessimistic scenario) and EGP 180 or \$11.40 (more pessimistic scenario), per person per month for each month that the crisis continues (between 9.0% and 10.6% of household income). The expected reduction in tourism has the strongest effect on all households, making up more than half the economic impact for all household types in the model (Figure 2). Households are also affected directly and indirectly by lower remittances from abroad.

Figure 2: Estimated household consumption loss per month under the less pessimistic scenario, disaggregated by source of loss



While all households are hurt by lower tourist expenditures, it is poor households—and especially those in rural areas—that suffer the most from lower remittances. Due principally to the relatively greater decline in remittances that they experience, rural poor households are estimated to lose in total between EGP 104 and 130 (\$6.60-\$8.20) per person per month, or between 11.5% and 14.4% of their average income, while urban poor households will see their incomes decline somewhat less, between EGP 80 and 94 (\$5-\$6) per person a month, or between 9.7% and 11.5% of their average income.

Policy considerations

If the crisis persists for three to six months, as many now believe likely, the cumulative loss from these three external shocks alone could amount to between 2.1% and 4.8% of GDP in 2020. Importantly, our simulations measure only the effects that might result from specific impact channels, e.g., foreign sources of remittances and revenues. Domestically, restrictions on movement of people and goods within the country and on certain productive activities may also have adverse economic impacts.

On the other hand, some sectors may benefit, such as information and communications technologies, food delivery, or the health-related goods and services sectors.

The authorities have begun a course of decisive action to curb the virus outbreak by allocating EGP 100 billion (\$6.3 billion) and have enacted tax breaks for industrial and tourism businesses, reducing the cost of electricity and natural gas to industries, and cutting interest rates, and is considering providing grants to seasonal workers. Additional measures may also be in the works, such as increasing cash transfer payments to poor households, increasing unemployment benefits, and providing targeted support to specific sectors.

While the country's focus currently is rightly on fighting the health crisis and mitigating its immediate impacts, planning on how to re-open the economy should start now. To emerge stronger after the COVID-19 crisis, both the public and private sectors should continue to strengthen their collaboration. The government should work to further improve the business climate for the private sector and continue undertaking serious reforms to overcome institutional weaknesses. The crisis may also provide an opportunity to strengthen analytical capacity in Egypt to provide policy makers with research-based solutions for safeguarding Egypt's economy during future pandemics and other crises.

Unless governments around the world take decisive action, the case of Egypt suggests that poverty is likely to increase in countries where tourism and remittances play a large role. It is also a strong reminder of the interconnectedness of the world and the importance of global cooperation to end this crisis and to be better prepared for the future.

** Clemens Breisinger is a Senior Research Fellow in IFPRI's Development Strategy and Governance Division (DSGD) and Head of IFPRI's Egypt Strategy Support Program (ESSP), based in Cairo. Abla Abdel Latif is the Executive Director of the Egyptian Center for Economic Studies in Cairo. Mariam Raouf is a Research Associate of ESSP, based in Cairo. Manfred Wiebelt is a Senior Research Fellow and Professor of Economics at the Kiel Institute for the World Economy, Kiel, Germany. The analysis and opinions expressed in this piece are solely those of the authors. [Transmitted by IDN-InDepthNews – 13 April 2020]*

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Edited by Dr Kalinga Seneviratne Email: kalingasen@gmail.com