

Prospects of Fiji’s tourism in 2022

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THE relentless spread and its disastrous consequences of the COVID-19 pandemic since early 2020 and the emergence of new variants from time to time, the latest being Omicron, have wrought immense misery to the world. The result is that we now have a global economic recession aside from the loss of lives and livelihoods. Shortages are also rising in key primary sectors, raw materials and food grains, and intermediate products, such as semiconductors and electronic chips. Although there have been signs of robust recovery in the United States and some feeble recovery in other advanced economies, stagflation (stagnant growth with inflation) has become a matter of concern for people and businesses.

Aside from the fallout of the global recession with its adverse consequences, the small developing states and the island economies are now suffering from the loss of external resources caused by loss of jobs, closure of production units in advanced economies and oil drilling in the Middle Eastern countries. The first one is the fall in remittances from migrants to countries of origin. The second one is the decline in international travel, not only for business travel but also for travel by tourists, mostly by the retirees and senior citizens from rich countries to island nation countries in the Caribbean region and the Indian Ocean and the South Pacific regions, which offer an unique combination of sun, sand and surf.

Remittances were covered two weeks ago in this column. Now this time, we focus on tourism in Fiji.

COVID-19 impact on world tourism

The COVID-19 pandemic wrecked international tourism, which is still going through a crisis of incomparable proportions. The latest assessment released in December 2021 by the Asian Development Bank (ADB) and United Nations World Tourism Organization (UNWTO) shows that it was tourism that “suffered the greatest crisis in 2020”. International arrivals had plunged by 73 per cent. The COVID-19 pandemic led almost all nations to impose a wide range of restrictions on world travel, including border closures to tourists, some of which are still continuing.

The fall in the number of international tourist arrivals is estimated to be around one million, which reduced world tourism receipts by \$US2 trillion (\$F4.3t). It has also resulted in an estimated loss of nearly \$1.1t in worldwide exports and over \$2t in direct tourism contribution to Gross Domestic Product (GDP). That amounts to more than 2 per cent of the world’s GDP.

About 100 million direct jobs were lost, with women and youth deprived of many opportunities available in the tourism industry. The support industries and services in the tourism sector, mostly micro, small, and medium-sized enterprises (MSMEs), were also affected. The most unfortunate aspect is the near destruction of the informal sector, which played an increasing role in recent years.

Though all the worlds region were affected, Asia and the Pacific (AP) region recorded the most significant decrease in tourist arrivals, with 300 million fewer tourists in 2020 than in 2019, a fall of 83 per cent. It was the biggest blow to small island developing states, in the South Pacific and the Indian Ocean regions.



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Picture: SUPPLIED

Year	Remittances	Nominal GDP	% GDP	Tourism Earnings	% GDP
2015	491.70	9822.10	5.01	1683.40	17.14
2016	541.80	10327.30	5.25	1823.40	17.66
2017	533.20	11065.00	4.82	1924.30	17.39
2018	564.00	11650.60	4.84	2010.30	17.25
2019 (p)	587.00	11874.10	4.94	2065.40	17.39
2020 (f)	652.70	9833.10	6.64	314.90	3.20
2021(f)	752.70*	9512.80	7.91	4.50*	0.05

Source: Reserve Bank of Fiji & Bureau of Statistics
p= provisional and f = forecast

Fiji: Remittance and Tourism Receipts (F\$ million and % of GDP. *The remittances value for 2021 is for 11 months, and there is an expectation that it will increase above \$800 million by the end of the year. The contribution towards GDP is also expected to be more than 8%. Source: RBF/FBOS

COVID-19 impact on Fiji

The COVID-19 pandemic did not spare the most important sector of the Fijian economy. The fastest growing and the largest foreign exchange sector earning annually \$F2 billion sector plunged. Fiji received almost 900,000 visitors in 2019.

Although World Health Organization officially declared the deadly pandemic’s arrival in April 2019, Fiji was lucky to escape the serious consequences in the year, as North American tourists and Australian and New Zealand tourists continued to pursue their planned trips to Fiji, thanks to lukewarm approaches of these countries to contain the spread.

However, from 2020 strict enforcement of travel restrictions, border closures, and fear of deaths caused a sharp decline in tourist arrivals. The number of tourists declined to 146,905 in 2020 and a total of 6637 until August 2021, an annual decline of 95.4 per cent. Tourism earnings also dropped rapidly to a total of \$4.5 million in 2021, a drop of 98.5 per cent compared with a contraction of 65.6 per cent in 2020 (Fiji Bureau of Statistics 2021).

The available data on tourism business further revealed half of the tourism business was closed because of decline in demand for services; cash flows fell to cover operating expenses for around 90 per cent of the businesses including payments to suppliers (74 per cent). Debt debt servicing (20 per cent) became an issue. Medium, small and micro-enterprises suf-

fered severely with workers faced reduced hours (27 per cent), leave without pay (25 per cent) and redundancy (8 per cent).

The Government introduced notable relief measures. They included access to FNPf savings, free food distribution, subsidies for utility payments and free private medical services. Businesses received working capital loans, holidays on loan repayment, debt forgiveness, relief payments, reduction in fees, support from FRCS, concessions, grants, deferrals and the like (Fiji Bureau of Statistics, 2021). Supplementing these, there were other relief efforts too, which included from non-government organizations, religious groups, international donors, partner countries, families and friends from overseas.

In November 2021, reopening plans of Fiji to tourism revived hopes of recovery, as businesses re-started their operations and workers returned to their jobs. The official announcement of a low incidence of pandemic positive cases among the tourists from Australia and New Zealand in mid-January 2022 was also encouraging.

However, the US issued travel advisory in late January to its citizens against travel to Fiji, dampened the spirit of optimism, citing the rising number of new positive cases. It is now clear that the pandemic will be with us for a while. The prospects of any recovery of tourism in the next three months look rather dim.

ADB’s suggestion for Big Data

With the acceleration of digitalisation since the onset of COVID-19, the need for relevant and reliable data and intelligence to manage tourism during normal and abnormal periods is well recognised. The ADB-UNWTO study clarifies that official statistics worldwide are inadequate, and they have to be complemented by data, which the study calls Big Data.

The study defines Big Data as one that “comprises large, diverse, structured, and unstructured datasets of information generated and transmitted at ever-increasing rates by organisations, people, and machines”. If properly processed and analysed, Big Data can provide valuable insights on tourism trends, growth, and tourists’ consumption of services and preferences. It can also act as a tool for policy formulation towards tourism recovery and development.

Big data is now beginning to be used widely to measure, monitor, and manage tourism developments. However, the potential of Big Data and digitalisation remains to be fully exploited, while its challenges and pitfalls require attention for effective policy implementation.

The authors of ADB-UNWTO study which review trends in the use of Big Data highlight how Big Data is leveraged for COVID-19 recovery and provide a statistical framework to measure tourism’s economic, social, and environmental impact on destinations.

The ADB-UNWTO study also gives examples of various locations in Asia, which serve as

evidence of how the private sector and the government tourist agencies are partnering to tap Big Data fully. The study expects that they would help both Government and private sectors to support recovery, guide decision-making, and inform future planning.

The Big Data would enable both governments and the private sector to understand changes in consumer behaviour better over time and enhance recovery with targeted products, segments, and source markets.

The ADB-UNWTO study says Big Data is also key to supporting seamless travel by implementing safety protocols, biosecurity technologies, and digital health certificates to enable the safe reopening of borders. The ADB-UNWTO publication also recognises some legitimate concerns relating to privacy, skills gaps, data reliability, digital divide, accessibility barriers, and lack of financial resources.

Fiji and other Pacific island countries (PICs) are far behind those countries such as Thailand and other major ASEAN nations in terms of human skills, capacity and financial resources.

The pandemic has further put Fiji and PICs under stress, and therefore, they cannot implement and institutionalise a system for building the Big data on the lines suggested by the ADB-UNWTO study. Fiji and Pacific Island countries would need a medium term technical assistance (TA), grants from ADB for expert knowledge and guidance.

The experts provided under the TA would take stock of current data availability and their adequacy and advise what has to be done further relating to collection of more relevant data, their storage and sharing, as well as guiding them in promoting their efficient usage.

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