Leveraging Partnerships for ASEAN Competitiveness, Sustainability and Inclusive Growth

Presentation to
22nd Meeting of ASEAN Tourism Ministers (M-ATM)
Ha Long Bay, Vietnam
In 2018, the Council established a Travel and Tourism Committee comprising of leading companies across the value chain.
In recent years, the region experienced growth in the travel and tourism industry and the nature of consumer behavior has changed...

**Growth in ASEAN Tourism Industry**

- Based on the data from Expedia Group, the growth of air tickets sales have increased significantly in the region:
  - Room Nights: +7.7%
  - Passengers: +3.7%
  - Air Tickets: +19.2%

**Changing Nature of Consumer Behavior**

- In the region, more travelers have shifted to online platforms for their flights and accommodations bookings.
- According to Google, this shift is because consumers are becoming more:
  - Curious: Want more content
  - Impatient: Want to be served immediately
  - Demanding: Want everything to be relevant to them

*Source: Expedia Group, Google*
... driving the rising popularity of online travel in the ASEAN countries

Destination Total Available Market in select ASEAN countries*
(in Million USD)

Key Trends

- Online travel is growing at 10%-11% per year – double the market
- Southeast Asia is expected to have nearly 500 million online by 2020
- OTA (Online Travel Agency) bookings are expected to reach US$100 billion by 2020
- Mobile accounts for nearly half of regional travel bookings

*) Total Available Market: Revenue Opportunity Available for a Product or Service

Source: Euromonitor, Airbnb, Agoda

2019 US-ASEAN Business Council

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In exploring new partnerships, the Council aims to support the 2016 – 2025 ASEAN Tourism Strategic Action Plan in the following themes

Overarching Themes of Sustainability and Inclusion

- Diversify Tourism Products
- Build Human Capital Capability and Implement Standards
- Upgrade Local Communities and Public-Private Sector Participation in the Tourism Value Chain
- Enhance Travel Facilitation
Not only do the Council members diversify tourism products and upgrade local communities...

### Diversify Tourism Products

Adobe supports promotion of tourism products through the development of travel websites and other technologies which connect travelers with tourism products. These tools provide a highly effective method to attract travelers and understand their purchasing behavior while in destination.

Expedia Group uses digital marketing tools that leverage the power of technology and data to boost tourism to new or emerging tourism destinations.

Short-term accommodations expand market size by bringing in different travelers and extend stays around 20-50%. Moreover, it spread the wealth by bringing revenue to hosts and local businesses – also creating jobs in local communities, including cleaning, concierge services and local experiences.

Short-term rentals increase sustainability by using existing resources more efficiently and creating smaller environmental footprint.

### Upgrade Local Communities and Public-Private Sector Participation

Expedia Group engages in capability building workshops and equips local independent hoteliers with free digital tools, such as the Expedia Group Partner Central platform to improve hotel and guest management skills. A separate Expedia Partner Solutions helps local travel agents grow and be connected to the international traveler market by offering smaller online and offline travel agents in many countries access to Expedia’s global inventory of hotels.

Airbnb develops partnerships with organizations across the Asia-Pacific region to promote sustainable tourism in rural areas. The aim of the partnership is to build the capacity of officials to act as professional community managers and distribute tourism income to local communities in rural areas.

Since 2017, Visa has driven acceptance of digital payments at Angkor Wat in Cambodia. This has led to into a safer, faster, easier way to pay which benefits tourists and local industry (Angkor Enterprise). Visa has also helped to improve education and financial literacy to drive use of digital payments.
…but we also commit to building human capability and enhancing travel facilitation in the travel and tourism industry

**Build Human Capital Capability**

Marriott works closely with the Youth Career Initiative (YCI) on a 24-week education program that provides disadvantaged young people with life and work skills. The purpose is to empower young participants to make informed career choices and realize available options to them, enable them to improve their employability and enhance their long-term social and economic opportunities. Each program is tailored to suit the local needs of its young people – to tackle or prevent issues such as youth unemployment, social exclusion, poverty, and exploitation. After graduation we offer most of these associates opportunities in our hotels.

Voyage is Marriott’s award-winning leadership development program that provides recent university graduates a combination of hands-on, discipline-specific training and a leadership-focused curriculum. It is an 18 months paid development program which Voyagers (what we call them) will graduate as a supervisor or assistant manager at the end of the program. Currently, we have hired 51 ASEAN Voyagers in 2018 and there will be 122 opportunities available this year.

**Enhance Travel Facilitation**

In other jurisdictions, Adobe supports destinations to connect travelers with visa processing and other government services. Adobe technology can also ensure that all on these processes are online and connected with other government systems.

Google Station provides free, fast, reliable Wi-Fi hotspots in tourist heavy places like train stations and shopping malls. In partnership with local telcos, Google has installed over 150 hotspots in ASEAN (Indonesia and Thailand, with plans to expand in more countries).

Google is committed to provide digital skills free training to 3 million SMEs by 2020 in 10 ASEAN countries (500K in Vietnam) - this affects several sectors, beyond tourism, yet Google see that several of the participating companies are tourism related. (such as: "Gapura" program in Indonesia and "Digital 4.0" program in Vietnam).
**Moreover, our committee is committed to sustainable tourism**

### Sustainable Tourism Projects

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<th>Expedia</th>
<th>Airbnb</th>
<th>Marriott</th>
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<td>• Expedia Group works with hotels in Thailand to reduce the use of single-use plastics such as drinking straws, drinking water bottles, and toiletries bottles. Such efforts can be expanded across ASEAN.</td>
<td>• Airbnb develops partnerships with organizations across the Asia-Pacific region to promote sustainable tourism to rural areas.</td>
<td>• In Thailand, Marriott partners with IUCN to plant 20,000 mangroves a year at 5 locations and have completed 78,000 trees planted so far. Marriott purchases sustainable seafood from local communities and guest welcome gifts from the local mangroves communities. In Thailand, IUCN Mangroves and Coral Reef project which the company just won the Rockefeller Awards 2017 for Best Social Impact Partnership in Asia 2017.</td>
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<td>• It is important to raise public and industry awareness on the need to reduce the use of single-use plastic. Plastic trash, wash up on tourist beaches and pollute the marine environment, which harms Southeast Asia’s natural resources and impacts the livelihoods of its people. The tourism industry can take the lead to advocate and drive the adoption of responsible environmental practices, which preserve the long-term sustainability of tourist spots in the region.</td>
<td>• For instance, the company partners with the Thailand Ministry of Interior’s Department of Local Administration (DLA) through the <em>Empowering local Tourism Entrepreneurs</em> program which aim to build the capacity of officials to act as professional community managers and distribute tourism income to local communities in rural areas.</td>
<td>• Marriott has also collaborated with the International Union of the Conservation of Nature (IUCN), and Sea Bees Diving in Phuket to work together to conserve and restore the unique reef ecosystem in front of the hotel. The “house reef” is one of the healthiest nearshore coral reefs in Phuket, with high coral cover and diversity, which recruits a range of fish species and other reef-dependent organisms.</td>
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<td>• Airbnb trains local provincial officials on hospitality, compliance and hosting standards, and onboarding existing homestay programs onto Airbnb’s platform. The initial workshop was attended by over 100 Thai officials, and selected local administrative organizations from the tourism sector across 11 provinces.</td>
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Currently, there are some industry challenges that might be turned to future opportunities...

### Tourism Job Creation
- Develop secondary destinations

### Build Human Capital Capability and Implement Standards
- Welcome hotel schools and other tourism training institutions
- IT training for SMEs
- Encourage local SMEs to Go-Digital and connected to the international market

### Accommodation Gap in Tourism Spots
- Ensure transparency and fairness in short-term accommodation policies

### Expand Connectivity and Destination Infrastructure
- Include IT infrastructure
- Benefit from tourism and transport convergence
- Promote national, regional and local government procurement opportunities

### Limited Cashless Payments
- Expand acceptance in secondary destinations
- Train local entrepreneurs and consumers in the use of digital platforms and financial literacy
- Support policies that encourage the use of digital payments

### Enhance Travel Facilitation
- Simplify visa processes at national and ASEAN level

Currently, there are some industry challenges that might be turned to future opportunities…
...hence, the Council members would like to explore opportunities to collaborate with the ASEAN Member States through multiple platforms

Panel on Role of Digital Economy in Travel and Tourism

Business Mission/ Road Shows to ASEAN countries
  o Support ASEAN Ministers’ national and local priorities
  o Scope commercial and investment opportunities to evaluate local conditions and opportunities the 4 themes we are supporting
  o Continue policy dialogue with US member companies

Tourism SME workshops
  o Scale up to more ASEAN countries
  o Hold workshops in 2nd or 3rd tier destinations

Reports/Activities promoting ASEAN Travel and Tourism
  • Statistics, trends, policy issues and recommendations
  • Role of US businesses in ASEAN tourism
  • Promotion of ASEAN as single destination
THANK YOU
Xin cảm ơn