

## TravelSmart-Asia Watch Special

### RECOVERING ONE YEAR DOWN THE TRACK: TSUNAMI

December 26, 2004 - THE day that will be remembered by all in Asia. It was also that same day in history that brought the international tourism community together to begin the process of rebuilding and reconstructing the tsunami-affected destinations, including Thailand, Indonesia, Sri Lanka and the Maldives.

#### Rapid recovery progress

Many livelihoods and businesses were directly affected by the Boxing Day incident, with millions suffering great financial and personal loss. Reconstruction and revival work began almost immediately, with assistance and support being provided from all round the world. One year on from the Indian Ocean Tsunami, recovery is well underway.

According to the latest World Tourism Organization (WTO) Market Intelligence report, around 80 per cent of existing hotel capacity in the Maldives and Sri Lanka is fully operational. In Thailand, close to full capacity is available – with a quick recovery of infrastructure resulting in 80 per cent of the hotels now functioning normally.

Abacus International President and CEO Don Birch says overall bookings on the Abacus system showed that any dip in travel following the tsunami was short term (see chart on next page). Latest figures indicate that Intra-Asia travel bookings showed a slight dip from February to May but began recovering steadily from June onwards.

**Intra-Asia Travel**





“This is proof positive of the resilience of Asian travel,” said Don Birch.

He says the rapid response of affected communities was a critical factor in their recovery. At the earliest opportunity, affected areas were working hard to repair the damage so that they could get back to their primary business of providing quality holiday options for travellers.

Although the recovery suffered a few set-backs with the aftershocks in February and March, bookings gradually began increasing in the following six months. As early as March, travel bookings to the affected areas were indicating positive signs of recovery.

Net bookings for Phuket on the Abacus system are a testament with figures for the week 7-13 March were up 369 per cent on the previous month. In Krabi, bookings were up 50 per cent over the same period, while Penang was up 600 per cent and Langkawi 545 per cent. Other tsunami-affected areas saw a similar rebound. Madras saw a 91 per cent increase and Medan followed closely with a 86 per cent rise and Colombo’s bookings bounced back by 70 per cent.

Although the recovery has been swift, there is still a need for ongoing efforts to rebuild tourism and support the economies of these destinations.

Security measures, such as early warning systems and training drills for the hotels were quickly established, helping to rebuild tourists’ confidence in these markets as soon as possible.

Don Birch explains, “For those destinations hit the hardest in terms of tourism visitors – such as Phuket, Krabi and Sri Lanka - the true test of their recovery will be the upcoming traditional tourism peak period - the Christmas holiday season”.

That’s why the entire tourism sector is working hard to provide as much assistance and expertise as possible to help rebuild the tourism industry in tsunami-affected destinations.

The Phuket Action Plan – established initially by the World Travel Organization to support the Thai holiday destination – has now been rolled out for Sri Lanka, the Maldives, Indonesia as well as the rest of Thailand.

The action plan is focused on saving tourism jobs, relaunching small tourism-related businesses and assisting in whatever it can to recover the visitor flow in the Tsunami-affected regions.

“The programme recognizes that for many places the aftermath of the disaster can have a devastating effect on the economy and wellbeing of many more people,” said Don Birch.

## Countries in review – a snapshot

Countries including Thailand, Indonesia, Sri Lanka and the Maldives have adopted the Phuket Action Plan as part of the recovery process to reinstate traveller confidence, in turn to generating more tourism revenue for the local community.

WTO Secretary-General, Francesco Frangialli says that WTO is confident that the Phuket Action Plan that focuses on tourism employment, small businesses and return of tourists will contribute decisively to the rapid restoration of tourism business in the affected destinations.

(The following countries in review contain statistics from the WTO report *Tsunami Relief for the Tourism Sector Phuket Action plan*.)

### Thailand

Several international tourism resorts in Thailand's west coast were brutally destroyed by the tsunami, resulting in more than 5,000 people killed (2,510 tourists), close to 5,500 still missing (over 1,000 tourists) and about 8,500 left homeless. Damage to Khao Lak and Phi Phi is the most severe. Occupancy rate slipped as low as 10 per cent and several air carriers have suspended or reduced service to Phuket due to lack of demand.

However, Thailand did not take a long time to recover.

Don Birch, Abacus International CEO, visited Phuket in February this year. He was amazed by how normal life was. He says Patong town was a carnival of light, sound and smell, everywhere were smiles and warm greetings. Rebuilding was well underway along the waterfront, and Patong Beach had never looked so beautiful.

The latest World Tourism Organisation market intelligence report concurs that the tourist confidence is returning rapidly and arrivals will be back to normal – or better – by the end of the year.

On top of that, Phuket ranked second for the "Travel + Leisure World's Best Awards 2005" Asian Islands category.

Travel + Leisure magazine Managing Editor, Mark Orwoll says the Tsunami, of course, took place in December and we did our poll in the spring. While certainly there was damage, it wasn't the type of catastrophic damage that would shut down the island. The island had been very popular among the travel circuit and had a great reputation, and this wasn't enough to change that.

During the recovery phase, the top priorities for Thailand as stated in the Phuket Action Plan are:

- Assistance to small tourism-related businesses
- Diversification of tourism offer of southern Thailand beyond sun and sand, to include more nature and cultural-based products
- Training of new staff and retraining of existing staff
- Communication of current operational status of most tourism destinations and complementary offer – such as restaurants, shops and excursions.

### Indonesia

In contrast to other destinations, the tourism resorts in Indonesia suffered no damage. But there has been a significant plunge in tourists due to the tsunami and media coverage of relief



operations. Bali is most affected which has experienced a huge drop off in Meetings, Incentives, Conferences and Exhibitions (MICE) and cruise tourism since the 2002 terrorist bombings.

Unfortunately, Bali suffered another bomb blast this October. The good news is that the damage caused is considerably lesser than the 2002 attacks. The medical and enforcement authorities were better prepared and the numbers of dead and injured were not as high. And unlike 2002, which saw droves of tourists rushing off the island, there have been relatively fewer departures immediately after the incident.

The Phuket Action Plan announced that the most effective way to liven up Indonesia is to develop its communications strategy, such as:

- Communication of current operational status of most resorts
- Building the communications capacity of tourism organizations

### Sri Lanka

Sri Lanka was the worst damaged country – 30,725 people dead (107 tourists), 6,000 missing (65 tourists) and 422,000 homeless. Tourism, the fourth largest contributor to Sri Lanka's GDP, was brought to a halt immediately. Most of the 14,500 visitors on the island at the time of the disaster left. Restoration of the tourism resorts is estimated to cost about US\$195 million.

Even as tourist arrivals into Sri Lanka dropped sharply in the initial months following the disaster, the travel industry was already implementing initiatives to help the region get back on its feet as quickly as possible.

“Abacus International Sri Lanka is one such company that is committed to assist in the rebuilding efforts throughout the region, including Sri Lanka's tsunami stricken areas,” said Don Birch.

In Sri Lanka, the Abacus Rebuilding Tourism Livelihoods Scheme has contributed US\$25,000 to outreach programmes such as Ruhunu Hospital–Hamburg Trust, to reach grassroots to assist in rebuilding lives, businesses and the tourism industry.

Formulated by the Phuket Action Plan, Sri Lanka will remake itself by also:

- Adhering to the principles of sustainable development in reconstruction
- Training new staff
- Providing assistance to small tourism-related businesses

### The Maldives

Out of 87 resorts in the islands, 24 were damaged and six have said they will never reopen. The tsunami caused 81 people dead, 26 missing and 100,000 homeless. Occupancy rates have dropped to between 20 and 30 per cent at a time of the year when they are usually operating at 100 per cent capacity.

According to the Post-Tsunami Global Travel Intentions Research conducted by Visa Asia Pacific for the WTO Emergency Task Force this February, among those travellers no longer considering Asia for their 2005 holiday, Thailand, the Maldives and Singapore saw the greatest shift in consideration. A third of Asia considerers felt the Maldives had been severely affected by the tsunami and will not be considered for 2005.

But all is not bleak. The report concluded that most of the barriers to travel seem to be based on inadequate perceptions about the infrastructural readiness and safety of the destinations. And these issues can be addressed with targeted information and communications strategies that highlight the recovery of these places.

“Abacus, for example, set up the Abacus Friends United programme to encourage leaders and employees in the industry to visit the affected countries and see firsthand how these destinations were coping in the wake of the tsunami,” said Don Birch.

For the Maldives, the Phuket Action Plan’s solutions to revive tourism are:

- Communication of current operational status of most resorts
- Increasing visitor numbers
- Disaster management

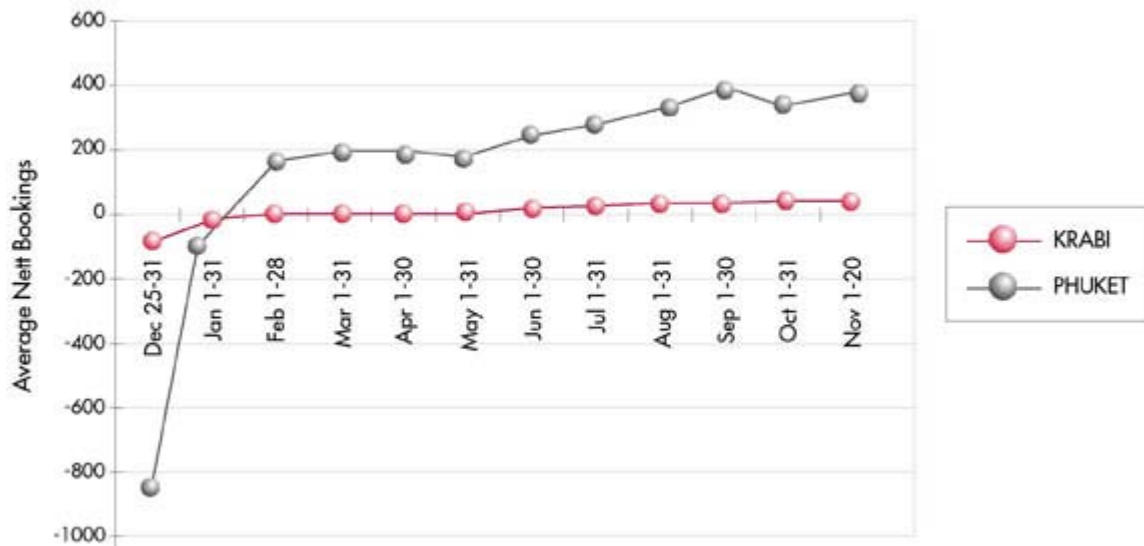
### Tourists are returning

The post-tsunami tourism recovery progress seems to be rather encouraging. According to the WTO World Tourism Barometer, most regions and sub-regions have enjoyed sustained growth in tourism demand during the first seven months of 2005. Asia-Pacific is the best performing region of the world to date this year with a growth of 9 per cent.

Don Birch added that the tsunami had not had a major impact on travel growth within Asia-Pacific as a whole.

Figures from Asia-Pacific’s leading travel facilitator, Abacus International, show bookings to countries affected have steadily recovered.

### Abacus Daily Bookings Post Tsunami





A separate WTO report found that tourists charged 14 per cent more to their Visa credit cards in tsunami-hit countries in February, compared to the same period last year.

“This is a good indication that tourists are not only returning but are willing to spend more to assist in reviving the livelihoods of the locals. Tourism is the biggest industry in coastal towns such as Phuket. The best way my wife and I could have helped the people of Phuket then was to go there for a holiday, stay at the hotel, eat at the restaurants, enjoy the entertainment and buy souvenirs, all in a bid to stimulate the economy again,” said Don Birch about when he visited Phuket shortly after the historic day.

### **Lessons to learn**

It is quite impossible to guard against such acts of nature, but getting travellers to return to these tourism-dependant economies is absolutely essential to their long-term survival. It takes a joint effort by the governments of the country and the assistance of neighbouring regions to help rebuild the confidence and support of the travellers.

On another note, what travellers can do is to travel smarter – take simple precautions and keep up-to-date on the risks that are inherent in different countries. Websites, such as Abacus’ [travelsmart-asia.com](http://travelsmart-asia.com), provides the necessary tips and tools that travellers need to consider in order to help travellers make informed decisions when planning their trips.

“As the region’s leading travel facilitator, Abacus has an important role to play in helping tourism in areas affected by the tsunami get back on their feet. We have been providing accurate information so travellers and the industry can make informed decisions, encourage visits by travel industry officials so they can see first hand the incredible progress that’s been made in restoring tourism infrastructure, and facilitating bookings when travellers do start to return, which we are confident will be very soon. After all, we’re in this together,” said Don Birch.

### **About Abacus International**

Singapore-based Abacus International is the Asia-Pacific's leading travel facilitator with around 11,000 travel agency locations in 24 markets. With 17 years of experience in fusing international best practices and local expertise with global and local partnerships, Abacus provides travel information and reservations specifically tailored to the Asia-Pacific region.

Abacus International's partners include All Nippon Airways, Cathay Pacific, China Airlines, EVA Airways, Garuda Indonesia, Dragonair, Philippine Airlines, Malaysia Airlines, Royal Brunei Airlines, SilkAir and Singapore Airlines. Abacus is also partially owned by Sabre, the US-based leader in the electronic distribution of travel and travel related services.

More information on Abacus can be found at [www.abacus.com.sg](http://www.abacus.com.sg)