



BACKGROUND PAPER

Analysis of the Global and Asian Wellness Tourism Sector

Scott Wayne with Emma Russell

DISCLAIMER

This background paper was prepared for the report *Asian Development Outlook 2020 Update: Wellness in Worrying Times*. It is made available here to communicate the results of the underlying research work with the least possible delay. The manuscript of this paper therefore has not been prepared in accordance with the procedures appropriate to formally-edited texts.

The findings, interpretations, and conclusions expressed in this paper do not necessarily reflect the views of the Asian Development Bank (ADB), its Board of Governors, or the governments they represent. The ADB does not guarantee the accuracy of the data included in this document and accepts no responsibility for any consequence of their use. The mention of specific companies or products of manufacturers does not imply that they are endorsed or recommended by ADB in preference to others of a similar nature that are not mentioned.

Any designation of or reference to a particular territory or geographic area, or use of the term “country” in this document, is not intended to make any judgments as to the legal or other status of any territory or area. Boundaries, colors, denominations, and other information shown on any map in this document do not imply any judgment on the part of the ADB concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

ANALYSIS OF THE GLOBAL AND ASIAN WELLNESS TOURISM SECTOR

Scott Wayne with Emma Russell

CONTENTS

	Page
I. INTRODUCTION	5
II. OVERVIEW OF THE GLOBAL TOURISM INDUSTRY	7
A. Global Tourism Trends	7
1. Main Drivers of Tourism	11
B. Asia and Pacific Region Tourism Trends	16
1. Main Drivers of Tourism for the Asia and Pacific Region	18
C. Severe Acute Respiratory Syndrome Impact on International Tourism: Possible Benchmarks for Coronavirus Disease Impacts?	19
III. DESCRIPTION, DEFINITION, AND ANALYSIS OF THE WELLNESS TOURISM SECTOR	21
A. What is Wellness Tourism?	21
B. Economic Impact of Wellness Tourism	21
C. Diversity and Drivers of Wellness Tourism Offers	24
D. Transformative Travel	34
IV. ASIA'S WELLNESS TOURISM MARKET	36
A. People's Republic of China	37
B. Republic of Korea	38
C. Australia	38
V. THREE WELLNESS TOURISM CASE STUDIES	39
A. India	39
B. Sri Lanka	41
D. Thailand	43
VI. STRATEGIC RECOMMENDATIONS	45
VII. KEY TAKEAWAYS	50
Appendix 1: Countries Currently Promoting Wellness Tourism	51
Appendix 2: Asia and Pacific Region Wellness Tourism Highlights, 2017	52
Appendix 3: Country and Region Lists	53
REFERENCES	54

Figures

Figure 1: Tourism Gross Domestic Product Growth	7
Figure 2: International Tourist Arrivals	8
Figure 3: Visitor Exports	10
Figure 4: Contribution of Travel and Tourism to Employment.....	10
Figure 5: Purpose of Visit, 2019	11
Figure 6: Market Size of the Global Hotel Industry, 2014–2018	14
Figure 7: Asia and the Pacific International Arrivals	17
Figure 8: Main Destinations for Chinese Tourists, 2019	19
Figure 9: Diversity of Wellness Tourism Products.....	22
Figure 10: The Global Wellness Market.....	23

Tables

Table 1: International Tourist Arrivals	9
Table 2: International Tourist Arrivals	16
Table 3: Tourism Employment: Asia and Pacific Region	17
Table 4: United Nations Sustainable Development Goals, Tourism, and Wellness Tourism	25
Table 5: Top United States and International Wellness Tourism Destinations, 2018	32
Table 6: Leading Growth Markets for Wellness Tourism, 2015–2017	33

I. INTRODUCTION

The travel and tourism industry has been one of the most resilient and fastest-growing economic sectors globally and within the Asia and Pacific region. Section I summarizes the key overall trends driving this growth, especially the wellness tourism sector, which has a self-reinforcing and thus self-perpetuating dimension. Wellness activities, including wellness tourism, help create a healthier population, which in turn becomes an economically more productive population, one with more spending power, disposable income, and desire to travel. Serving and facilitating the development of this market segment can also strengthen destination efforts to achieve sustainability. However, during the first half of 2020, the wellness and thus sustainability of tourism itself, globally but especially in the Republic of China (PRC) and the rest of Asia, was being severely tested by the spreading outbreak of the coronavirus disease (COVID-19). COVID-19 was forecasting a possible continuation over the next 12 months. Once it passes, there will be pent-up demand for travel and tourism. Wellness tourism, which offers opportunities to de-stress, detox, and strengthen one's well-being, could be a long-term solution for returning to even healthier and more sustainable destinations.

Increasing numbers of people travel to realize greater wellness in their lives. They endeavor to maintain a healthy lifestyle, reduce stress, prevent disease, and enhance their overall physical and mental well-being. In fact, some people travel mainly in pursuit of wellness, while others seek to add a wellness activity or service to their trips. These pursuits span a wide range of wellness activities and services, which can include spiritual and emotional wellbeing, personal care, beauty and antiaging, healthy eating, nutrition and weight loss, fitness and mind-body activities, preventive and personalized medicine and public health, traditional and complementary medicine, wellness lifestyle real estate and workplace wellness. These are often the main motives for traveling to destinations that offer these activities and services.

Also, it is important to emphasize that the wellness offers of many destinations depend on protected natural assets and cultural traditions, such as hot springs and traditional yoga and acupuncture practices. Many wellness-motivated travelers are attracted by these assets and traditions, as well as the broader cultural and natural heritage attractions of destinations. By visiting these destinations and buying locally made wellness products and wellness services and activities, these travelers are also contributing to generating local employment, preserving, and protecting heritage, and strengthening overall sustainability of the destination.

Section II provides an overview of the global tourism industry. Section III follows with a description, definition, and analysis of the wellness tourism sector. The market for wellness tourism is then examined in section IV with a specific focus on the Asia and Pacific market. This is followed by case studies covering Thailand, India, and Sri Lanka in section V and recommendations for Asian Development Bank member governments to further grow this segment in section VI.

Coronavirus disease alert. As of 28 April 2020, the United Nations World Tourism Organization (UNWTO) was reported that COVID-19 had caused widespread travel cancellations and restrictions in every destination worldwide: "As of today, 100% of destinations worldwide have COVID-19 related travel restrictions in place. Never before in history has international travel been restricted in such an extreme manner." (UNWTO 2020a). Domestic

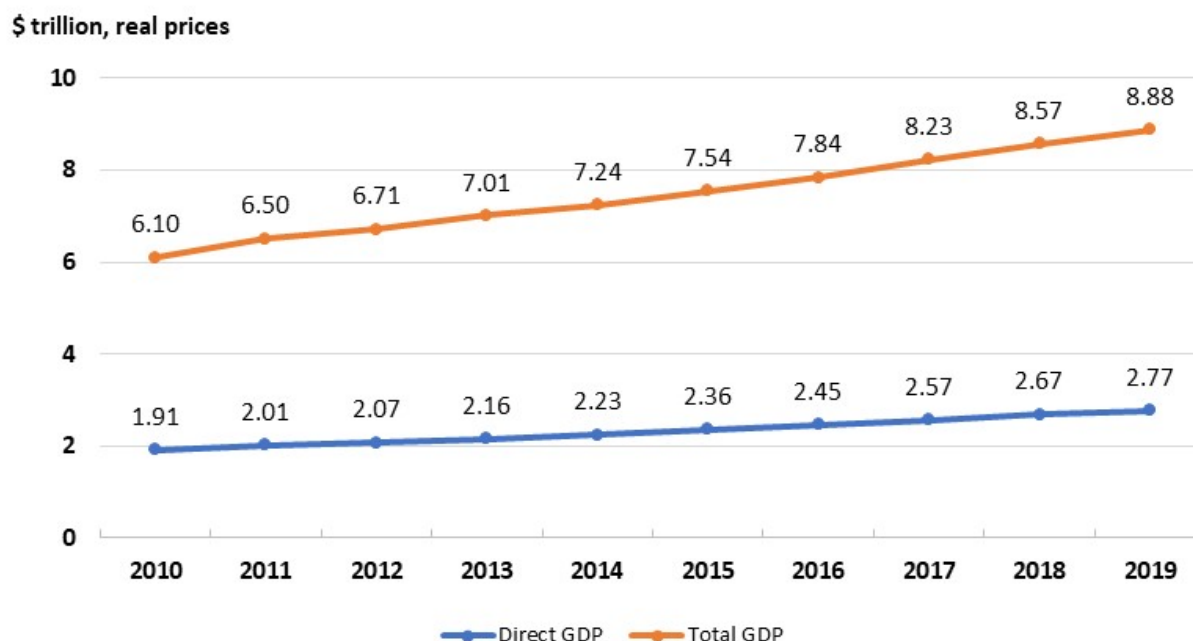
travel was gradually returning in the PRC and elsewhere, but it was not known when it would be safe for international travel to return. This is impacting tourism in every generating and receiving market.

II. OVERVIEW OF THE GLOBAL TOURISM INDUSTRY

A. Global Tourism Trends

The travel and tourism industry is one of the world's largest and fastest-growing industries with a global economic contribution (direct, indirect, and induced) of over \$9.13 trillion (The World Travel and Tourism Council [WTTC] Online Data Tool 2019). The direct economic impact of the industry, including, but not limited to, accommodation, transportation, entertainment, and attractions, was about \$2.77 trillion (WTTC Online Data Tool, 2019). Much of this economic impact was generated by international tourists who totaled about 1.4 billion in 2018 (UNWTO 2019a), having grown 135% since 1996, and was forecasted to continue growing to an estimated 2.2 billion arrivals by 2029¹ (WTTC 2019).

Figure 1: Tourism Gross Domestic Product Growth



GDP = gross domestic product.

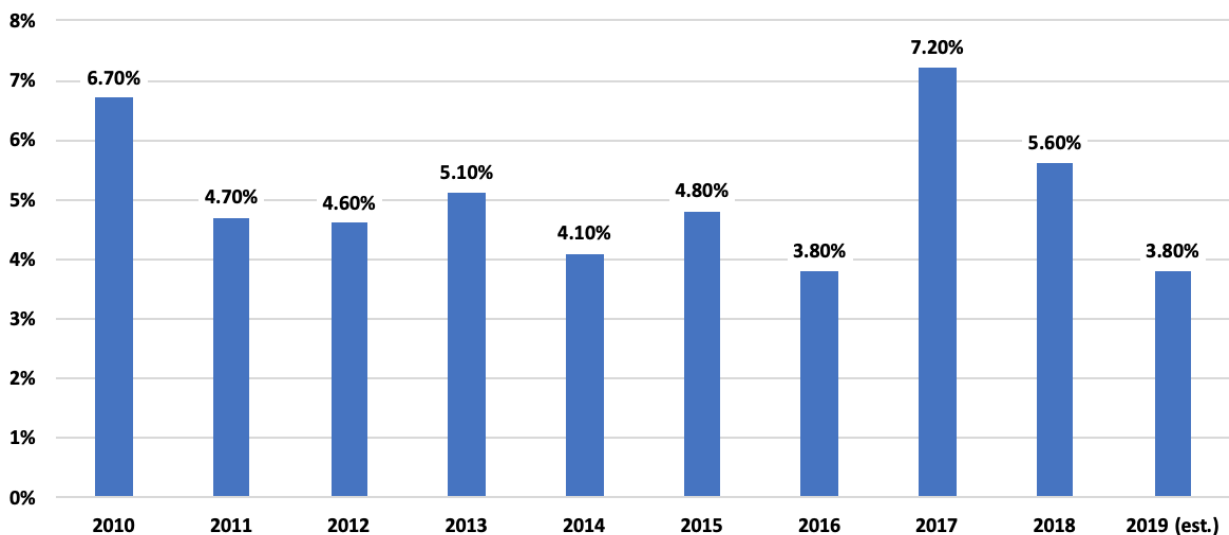
Source: WTTC Online Data Tool. <https://tool.wttc.org> (accessed 18 June 2020).

Since 2010, international tourism, generally, has proven to be a resilient source of economic growth for almost every region of the world. Figure 1, Figure 2, and Table 1 show that international arrivals have increased by 3.8%–7.2% and visitor exports (Figure 3) have increased by over 4% annually. This growth is also reflected in the total and direct contributions of travel and tourism to employment, both of which have grown by about 2% annually on average over the past decade (Figure 4).

¹ This estimate was done before the outbreak of the coronavirus disease (COVID-19).

Over the past decades, the industry’s resilience has been seriously tested by war and conflict, natural disasters, economic downturns, and the spread of viruses such as the severe acute respiratory syndrome (SARS) and COVID-19 in January–February 2020. As of late February 2020, COVID-19 was bringing a substantial amount of travel in and out of the PRC—one of the world’s largest generating, spending, and receiving markets—to a halt with global quarantines and widespread cancellations globally among airlines, cruise lines, and tour operators. Some receiving markets in Asia are heavily dependent on Chinese visitors. It was still too early to determine the magnitude of the impact, but the results are expected to be severely negative worldwide once data is collected, especially in East Asian and Pacific markets. Past declines in tourism, especially those caused by disease outbreaks, can offer some optimism in that, after the outbreaks are resolved, the industry bounces back with ever-growing numbers of arrivals and amounts of receipts (Section II.C.).

Figure 2: International Tourist Arrivals
(% change)



Source: UNWTO 2020b.

**Table 1: International Tourist Arrivals
Outlook for International Tourist Arrivals**

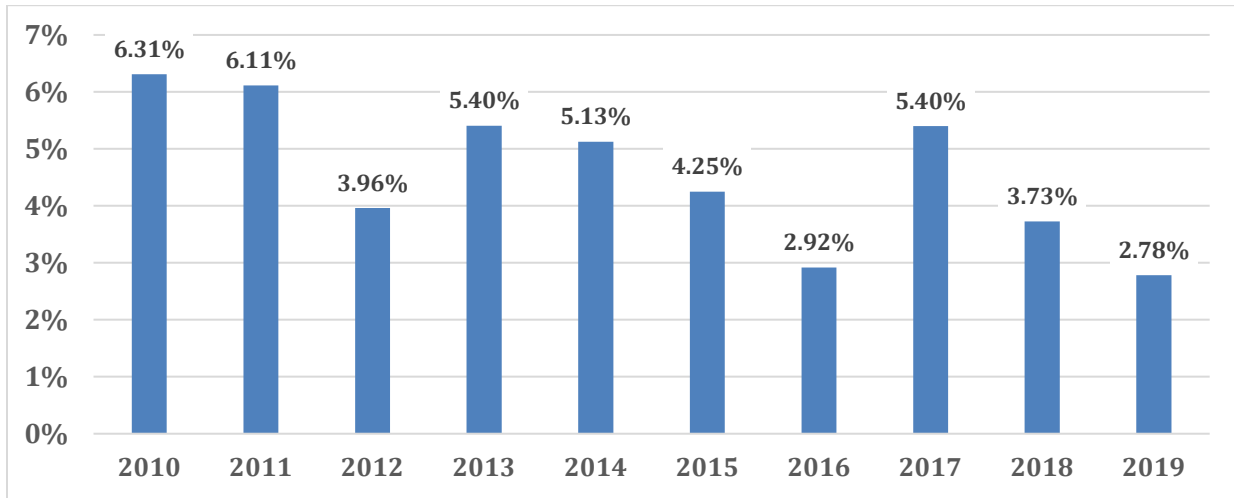
Region	Change				Average a Year	2020 Projection (issued January)
	2016	2017	2018	2019	2009–2019 (Provisional)	from
World	3.80%	7.20%	5.60%	3.80%	5.10%	+3% to +4%
Europe	2.50%	8.80%	5.80%	3.70%	4.60%	+3% to +4%
Asia and the Pacific	7.70%	5.70%	7.30%	4.60%	7.10%	+5% to +6%
Americas	3.70%	4.70%	2.40%	2.00%	4.60%	+2% to +3%
Africa	7.80%	8.50%	8.50%	4.20%	4.40%	+3% to +5%
Middle East	-4.70%	4.10%	3.00%	7.60%	2.70%	+4% to +6%

Source: UNWTO 2020b.

From 2016 to 2019, every region received increased numbers of international tourist arrivals, except for the Middle East in 2016. However, in 2019, the Middle East experienced the highest growth, which is forecast to continue robust growth in 2020. Asia and the Pacific has grown at some of the fastest rates in the world and, for 2019, accounted for 25% of the world's tourism. Chinese outbound travel has fueled much of the growth in the region. The recent onset of COVID-19 will undoubtedly show a serious decline when the data is fully available.

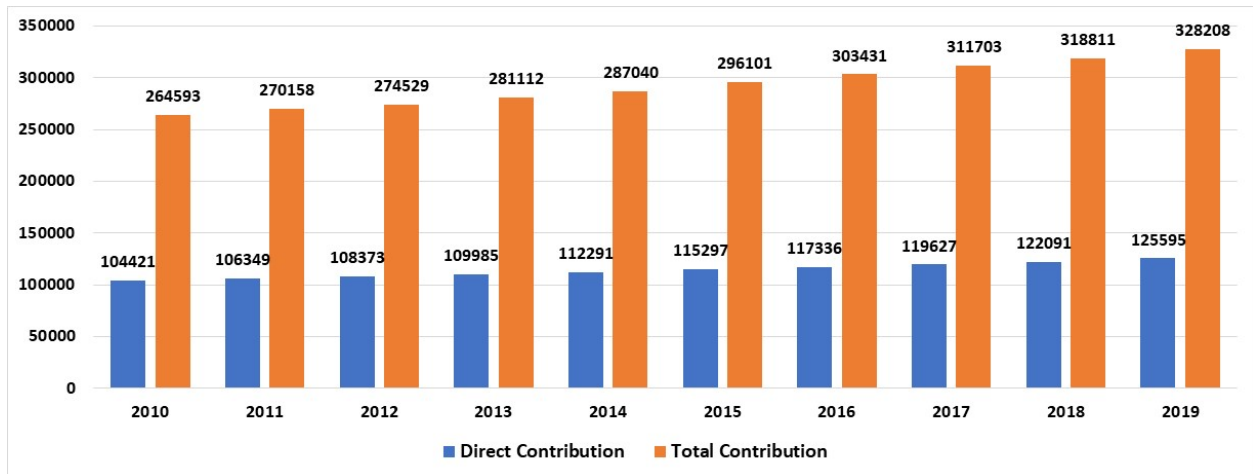
As Figure 2 and Figure 4 show, global growth in arrivals has also fueled a steady percentage of visitor exports (foreign spending) and more total and direct employment. Travel and tourism generate about 10% of all employment worldwide.

Figure 3: Visitor Exports
(foreign spending % change)



Source: WTTC Online Data Tool. <https://tool.wttc.org> (accessed June 19, 2020).

Figure 4: Contribution of Travel and Tourism to Employment
(‘000)

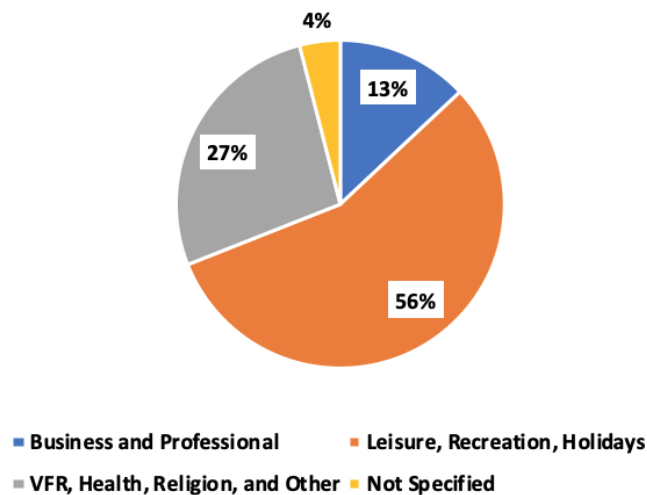


Source: WTTC Online Data Tool. <https://tool.wttc.org> (accessed June 19, 2020).

1. Main Drivers of Tourism

According to the UNWTO, in 2018 over half of the world's travel and tourism was “driven” by travelers seeking leisure, recreation, and holidays (56%); followed by 27% traveling for visits with friends and relatives, religion, and health. In the Middle East, this percentage is higher. Another 13% travel for business and the remainder for other purposes (Figure 5). International tourist arrivals have been growing at 4%–6% annually for decades, driven by increased disposable income, demand, and connectivity around the world. In 2019, over 1.46 billion people traveled internationally, spending US\$1.5 trillion.

Figure 5: Purpose of Visit, 2019



Source: UNWTO 2019b.

Among the 56% traveling for leisure and recreation, beach vacations (whether to the ocean, river, or lake) are the chief attraction for about half of this group, although increasing numbers also seek more authentic destination experiences: nature-based and cultural attractions and activities, and entertainment. In their 2019, the International Megatrends Report, Euromonitor International cites 20 of the “most influential megatrends set to influence the world.” They also state that these trends are influencing the travel and tourism industry. Among those that particularly impact the industry are:

- (i) healthy living, which includes increased focus on wellness and the sharing economy (i.e., Airbnb and Uber);
- (ii) ethical living, including striving for and preservation of authenticity;
- (iii) connected consumers, which is both the result and cause of increased multiculturalism and personalization; and
- (iv) shopping reinvented with online shopping fast growing globally.

All these megatrends also reflect increased interest in and demand for sustainable products and services, which respect and strengthen environmental and sociocultural conservation and protection. For travel and tourism, these megatrends are reflected in the following key drivers:

- (i) **Adventure travel.** The Adventure Travel Trade Association values adventure experiences at \$683 billion with a 21% compound annual growth rate since 2012.
- (ii) **Cultural tourism.** According to the UNWTO, cultural tourism is one of the largest and fastest-developing markets with an estimated 4 out of 10 tourists choosing their destination based on cultural offerings.
- (iii) **Gastronomy or culinary travel.** The World Food Travel Association's 2020 State of the Food Travel Industry Report predicts substantial growth in food and wine festivals and active combination experiences such as culinary bike tours. Their research shows that most travelers spend at least 25% of their travel budgets on food and beverages.
- (iv) **Wellness tourism.** The wellness tourism market is also an increasingly prominent driver, accounting for an estimated total (direct, indirect, and induced) spending of \$683 billion market in 2018, according to the report of the Global Wellness Institute (GWI), which is described in more detail below.

Given the magnitude of these sector estimates, it is also important to remember that there is some overlap between these segments, especially between cultural tourism and adventure travel, both of which focus on providing authentic and memorable experiences with the latter emphasizing nature-based activities. In turn, wellness tourism depends on a healthy environment with many activities related to natural products and nature-based activities. Also, wellness tourism is often an integral part of resort- and leisure-based offers.

Among both the megatrends and key drivers for travel and tourism, technology is enabling and driving innovations that are shaping all these markets. Online content and booking aggregators, such as Expedia, Orbitz, and Priceline, have been around for more than two decades and helped make more destinations and experiences available to travelers worldwide. Hundreds of apps have appeared to help with accommodations, transport, local tours, and even packing strategies. Technology is significantly influencing accommodations and transportation providers in optimizing sales, routings (i.e., low-cost carriers), service offers, and sustainability efforts.

Entertainment and Attractions

The global theme and amusement park market rose 6.8% in 2018, the largest increase since 2015. While attendance growth remained the principal driver, a pickup in per capita spending growth to 3.2% from 1.5% in 2017 contributed to the improvement in overall spending growth. Attendance rose 3.4% in 2018, down from the 4.2% increase in 2017, principally reflecting slower growth in the Asia and Pacific region (section II.B.).

- (i) The global theme and amusement park market outpaced global gross domestic product (GDP) growth by 1.1 percentage points in 2018, and by 1.5 percentage

- points over the past 5 years as theme and amusement parks are attracting a growing share of consumer spending. Some highlights include:
- (ii) Over the next few years, this trend is expected to continue with an estimated projected rate of 6.3%, with the Asia and Pacific region accounting for more than half of the projected global growth in attendance and 29% of the global increase in spending.
 - (iii) North America will generate 58% of the projected growth in global spending and 31% of expected increase in global attendance.
 - (iv) Globally, park attendance is expected to increase by 213.8 million over the next 5 years, 12% more than the past 5 years.
 - (v) Per capita spending will average an estimated \$49.46 in 2023 compared with \$43.36 in 2018, just over a \$6 increase.
 - (vi) Total spending will reach an estimated \$66 billion in 2023, more than \$17 billion higher than the \$48.6 billion total in 2018.²
 - (vii) Attendance at themed attractions at the major operators has exceeded half a billion visits for the first time in history. This is equivalent to almost 7% of the world population. This number keeps growing.

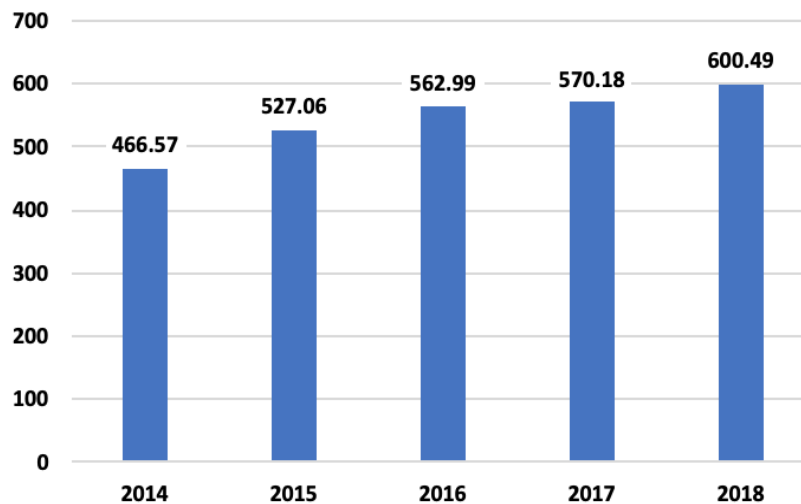
Accommodations

Globally, the hotel industry generated \$600.49 billion in 2018 (Figure 6) from 18 million rooms with 54% of rooms affiliated with a global or a regional chain ('branded'), up from 50% in 2012, while 46% are unaffiliated ('independent'). The top five hotel groups—IHG, Marriott, Hilton, Wyndham, and Accor—account for 25% of market share, up from 19% in 2012, and for 58% of the global development pipeline of hotels being planned or under construction (Statista 2018).

Major stakeholders in the hotel industry include Wyndham Hotel Group, Marriott International, and Hilton Worldwide, with 8,976, 6,542, and 5,405 properties worldwide, respectively. Global market size was just over \$570 billion in 2017 with Marriott International accounting for \$20.7 billion in 2018 revenue (Marriott International Form 10-K, p. 23). Hilton Worldwide earned \$8.9 billion in revenue (Hilton Worldwide Holdings Form 10-K, p. 39). The Asia and Pacific region recorded the world's highest occupancy rate at 72.8%, while the Middle East and Africa recorded the highest average daily rates and revenue per available room.

² International Association of Amusement Parks and Attractions. 2019. *Global Theme and Amusement Park Outlook*. Florida.

Figure 6: Market Size of the Global Hotel Industry, 2014–2018
(US\$ billion)



Source: Statista 2019.

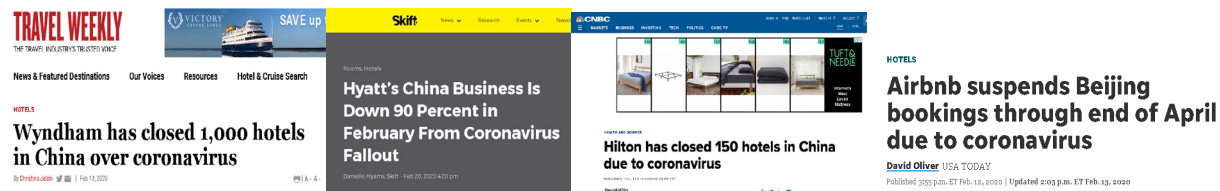
Wellness is becoming an important consideration for the lodging industry. For example, Hyatt is incorporating elements of wellness into its entire business and has a senior vice-president for “global wellbeing” to lead this effort, Ms. Mia Kyricos. According to Kyricos, “we view well-being as more than spas, fitness centers, and healthy food options...ultimately driven by our purpose -- we care for people so they can be their best...wellness as the road and well-being as the destination.”

Another fast-growing player in lodging is Airbnb, which is proving to be a competitor for mainstream lodging companies with more than seven million rental listings now available in 191 countries and 100,000 cities as of 2020.³ The company is also offering more than 40,000 experiences worldwide. The top three cities in terms of the number of Airbnb bookings are Tokyo, Paris, and New York City (Airbnb Newsroom 2017). Airbnb generated \$3.6 billion in revenue in 2018, 38.5% more than 2017. In 2016, Airbnb had 3 million bookings in total and 1 million listings comparable to hotel rooms, competitive with Marriott’s 1.1 million hotel room listings (Haywood et al 2017). However, hotels had higher overall occupancy rates, average daily rates, and revenue per available room than Airbnb (Haywood et al 2017). Some cities are also beginning to regulate Airbnb because rapid increases in listings are causing market distortions, such as rapid local housing rental increases.

As with every segment, the accommodations segment was experiencing closures of hundreds of hotels in the PRC and beyond because of COVID-19. As of late February, no end was in sight.

³ <https://news.airbnb.com/fast-facts/>

The following were a few of the recent accommodations-related headlines.



Transportation

According to UNWTO, international air transport spending grew from \$171 billion in 2010 to \$256 billion in 2018, comprising about 15% of all tourism exports. In 2019, according to the “ForwardKeys” research consultancy, air passenger journeys had increased by 4.5%. Departures from Asia and the Pacific were estimated to have increased by 7.7% whereas intra-regional air travel grew by 8.7%.

Demand for cruise travel has increased 20.5% in the last 5 years. In 2018, the Cruise Line International Association reported that 28.5 million passengers cruised globally, a 6.7% rise from 2017. In 2016, the association estimated that the industry had \$126 billion in total economic impact and generated 1 million jobs. While this is one of the fastest-growing segments of the leisure travel market, it still represents only 2% of the overall global travel industry. According to the UNWTO, cruise passengers grew by 7% in 2018, which is even faster than the growth of international tourist arrivals at 6% (UNWTO 2020b).

As with every sector, the transport sector, especially airlines, was experiencing thousands of flight cancellations to and from the PRC and beyond because of COVID-19. As of late February, no end was in sight. The following were a few of the recent transportation-related headlines.



On 13 February 2020, the International Civil Aviation Organization reported that some 70 airlines had cancelled all international flights to/from the PRC, and that a further 50 airlines had curtailed related air operations. This has resulted in an 80% reduction of foreign airline capacity for travelers directly to/from the PRC, and a 40% capacity reduction by Chinese airlines. The

next day, the International Civil Aviation Organization urged member states to formalize membership in their Collaborative Arrangement for the Prevention and Management of Public Health Events in Civil Aviation, and thus to establish a national air transport facilitation committee, which can help clarify the roles and responsibilities of public health and civil aviation authorities during the outbreak.

Ship Technology, the digital magazine for the ship industry, reported on 20 February 2020 that five cruise ships including Diamond Princess, World Dream, Royal Caribbean’s Anthem of Seas, Holland America’s Westerdam, and Costa Crociere’s Costa Smeralda have been quarantined after news about possible COVID-19 infections emerged. Cruise operators have started to either cancel or change their itineraries as countries across the world implement travel restrictions to curb the disease spread. Ports are refusing to accept cruise ships that have been either to Chinese ports or carrying Chinese passengers during the outbreak.

B. Asia and Pacific Region Tourism Trends

The Asia and Pacific region has been one of the fastest-growing tourism regions with 208 million international arrivals in 2010, increasing 75% to 363.6 million by 2019 (Table 2). Much of the growth has been led by Northeast Asia, which grew from 111.5 million arrivals in 2010 to 172.2 million by 2019. Southeast Asia also grew substantially, nearly doubling from 70.5 million to 138.6 million. Other regions also grew substantially, but with fewer arrivals—Oceania from 11.5 million to 17.5 million and South Asia from 14.7 million to 35.3 million. International receipts also showed impressive growth with a 12% increase to \$442 billion from 2017 to 2018 overall and increases in every subregion.

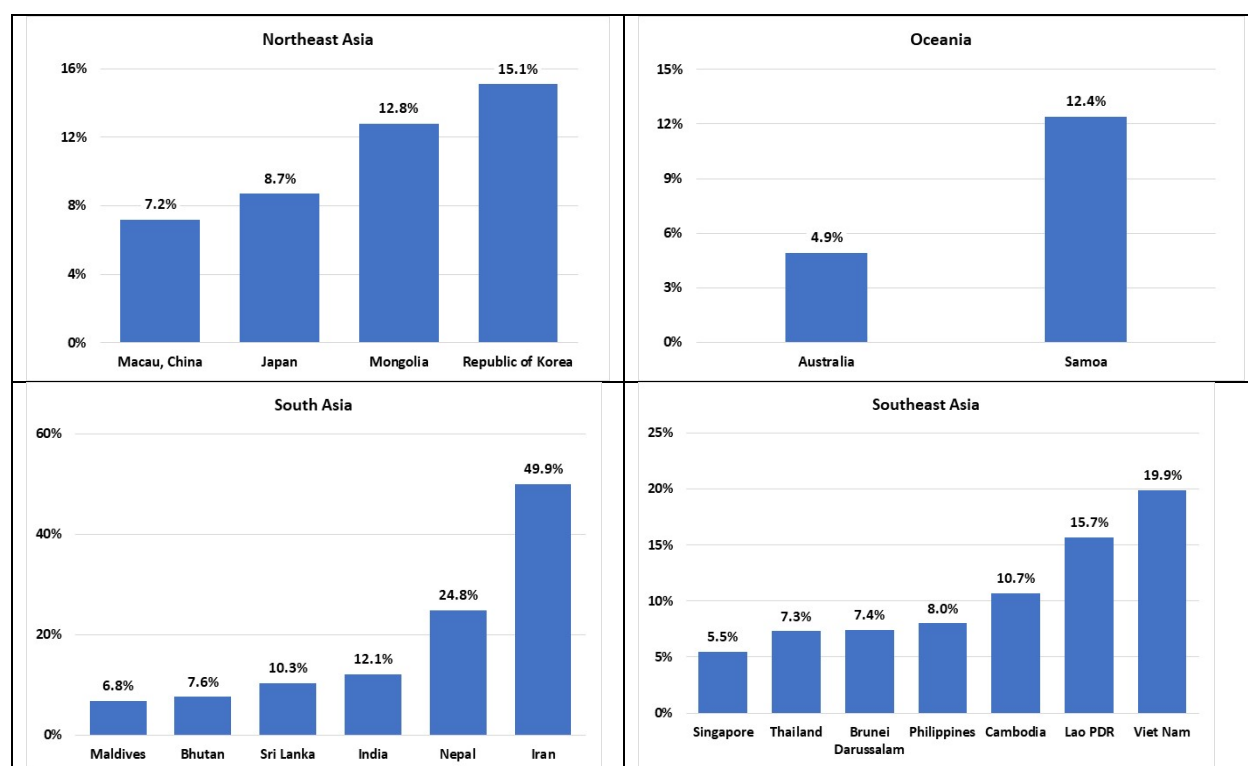
Table 2: International Tourist Arrivals
(million)

Region	2010	2015	2016	2017	2018	2019	Market Share (% of global)	19/18 (% change)
Asia and Pacific region	208	284	305	323	348	364	24	4.6
Northeast Asia	111.5	142	154	159.5	159.5	172	12	1.8
Southeast Asia	70.5	104	110.8	120.4	120.4	139	9	7.8
Oceania	11.5	14.3	15.6	16.6	16.6	17.5	1.3	2.6
South Asia	14.7	23.5	25	26.6	26.6	35.3	2	7.7

Source: UNWTO 2020b.

As of 2018, the fastest-growing countries in term of international arrivals were:

Figure 7: Asia and the Pacific International Arrivals



PDR = People's Democratic Republic

Source: UNWTO 2020b.

Throughout the Asia and Pacific region, substantial growth in tourism has also generated 184 million (10.7%) total jobs with over 79 million (4.5%) directly generated by the industry (Table 3). More than 1 in every 10 jobs in the Asia and Pacific region can be attributed to travel and tourism.

Table 3: Tourism Employment: Asia and Pacific Region
(million)

Asia and Pacific Region	2009	2010	2015	2016	2017	2018	2019
Direct jobs	63,741	65,439	73,421	74,813	76,126	78,073	79,378
Total jobs	146,103	145,541	167,812	172,389	176,668	179,639	183,875

Source: WTTC Online Data Tool. <https://tool.wttc.org> (accessed June 19, 2020).

As of May 2020, travel and tourism in the Asia and Pacific region had dropped precipitously because of COVID-19. As noted below, inbound and outbound Chinese tourism had been a major generator with the PRC and for many countries that have become increasingly dependent on the Chinese market. For example, back in February 2020, the Jakarta Post was already reporting that Hariyadi Sukamdani, chairperson of Perhimpunan Hotel dan Restoran Indonesia (PHRI) (Indonesian Hotel and Restaurant Association), indicated that more than 40,000 hotel bookings in Bali had been canceled since the outbreak.⁴ Understandably, employment at destinations throughout the region was also beginning to be affected.

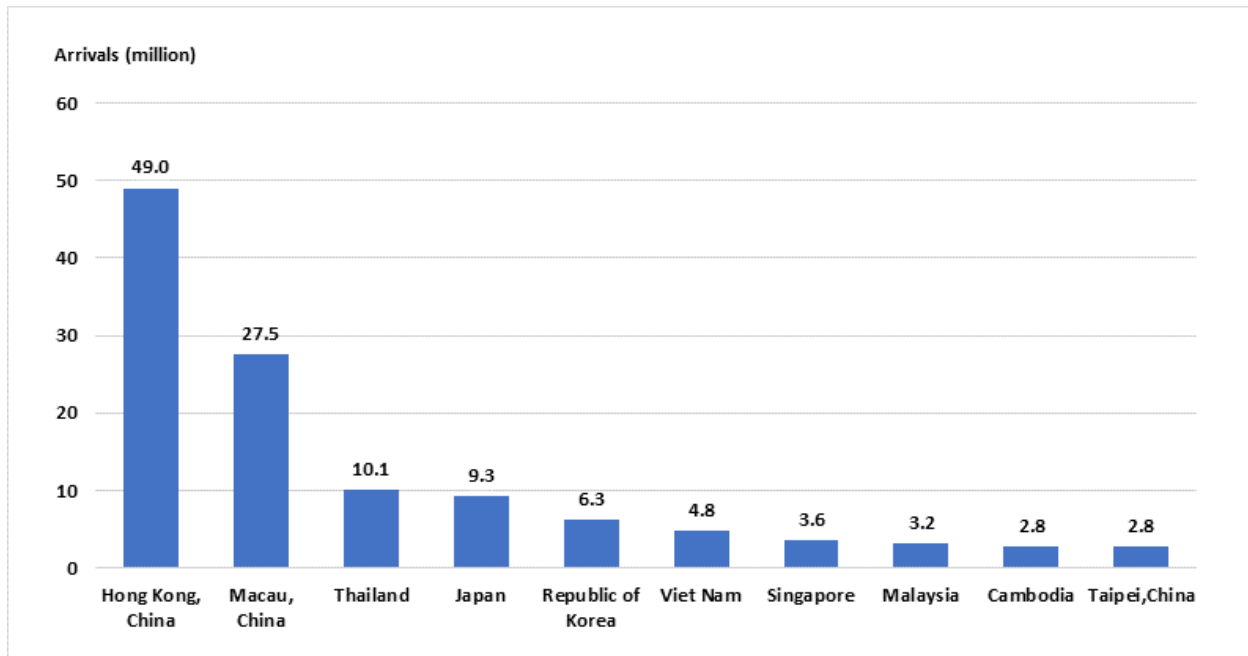
1. Main Drivers of Tourism for the Asia and Pacific Region

The Asia and Pacific region has been one of the fastest-growing tourism generating and receiving regions for at least the past decade. Much of this growth has been driven by the global megatrends and key drivers mentioned above, which is not surprising since about a quarter of the world's tourism is now concentrated in the Asia and Pacific region. However, in addition to the above, there are some additional key drivers that help account for the growth. These include the following, which have been aptly summarized in the UNWTO/GTERC 2019 publication on Asia Tourism Trends:

- (i) The Asia and Pacific region economy grew fast from 2000 to 2018, averaging 5% annually and now accounting for \$30 trillion or 35% of the world economy.
- (ii) The PRC is the world's largest outbound travel market, going from 4.5 million travelers in 2000 to more than 150 million in 2019.
- (iii) Many countries in the Asia and Pacific region were receiving substantial numbers of visitors from the PRC (Figure 8). The COVID-19 outbreak is severely disrupting tourism throughout the Asia and Pacific region and causing serious negative economic impacts.
- (iv) Per capita incomes have increased 160% from \$2,700 in 2000 to \$7,000 in 2018, which, in turn, has generated increased disposable income and interest in outbound travel.
- (v) Shopping, sightseeing, and wellness are priority activities.
- (vi) Over half the world's population resides in the Asia and Pacific region. With improving air connectivity, infrastructure development, and travel facilitation and promotion, international travel within Asia and beyond has gotten a huge boost.
- (vii) Intra-regional tourism predominates in the Asia and Pacific region with 79% of the region's international tourist arrivals originating in Asia itself.
- (viii) Theme parks are big. The overall attendance growth was 3.6% in 2018 for the top 20 Asian theme parks. Big increases were attributable to special occasions, new attractions, and good marketing strategies. Regionally and internationally, Disney has readily maintained its position at the top of the list. Disney parks across Asia had a very strong year overall. Tokyo Disneyland and Tokyo "DisneySea" enjoyed substantial attendance increases in 2018, on top of the previous year's good numbers. (Rubin 2018).

⁴ <https://www.thejakartapost.com/news/2020/02/10/china-virus-spread-continues-to-hit-indonesias-tourist-sector.html>.

Figure 8: Main Destinations for Chinese Tourists, 2019



Source: China Outbound Tourism Research Institute. <https://china-outbound.com/info/> (accessed June 19, 2020).

C. Severe Acute Respiratory Syndrome Impact on International Tourism: Possible Benchmarks for Coronavirus Disease Impacts?

An outbreak similar to COVID-19 in Asia was the SARS pandemic of 2003. SARS is a viral respiratory illness caused by a type of coronavirus called SARS-associated coronavirus (SARS-CoV). It was first reported in Guangdong Province in the PRC in February 2003. Over the next few months, the virus spread to 26 countries in North America, South America, Europe, Australia, and Asia. According to the World Health Organization (WHO), in 2003, 8,098 people worldwide became ill and 774 of them died from SARS.

For comparison, less than 3 months after COVID-19 was first reported in the PRC in December 2019, nearly 80,000 cases and 2,445 deaths were confirmed in 28 countries, but over 99% of cases and deaths were in the PRC. However, the number of deaths had already exceeded the total from SARS 2 months later.⁵ Dr. Robert Redfield, director of the Centers for Disease Control and Prevention, said, “This virus is probably with us beyond this season, beyond this year, and I think eventually the virus will find a foothold and we will get community-based transmission.”⁶

⁵ Centers for Disease Control and Prevention, COVID-19 Situation Report, Atlanta, GA, 23 February 2020.

⁶ Interview on CNN, 13 February 2020.

Dr. Renfield's prediction proved to be exceedingly true as the disease spread rapidly around the world to every country.

Worldwide tourism was negatively affected by the outbreak. International tourism arrivals fell 1.2% to 694 million in 2003, according to the UNWTO figures. During the height of the outbreak in April 2003, East Asia international tourist arrivals dropped by 41% compared with April 2002 (WTO 2005), but during the entire period of the outbreak from November 2002 to July 2003, international arrivals to the overall Asia and the Pacific region decreased by only 9%, thus 12 million, compared with 2002. Inbound international tourist arrivals to the PRC decreased by more than 6% compared with 2002 (WTO 2003). Conversely, outbound tourism from the PRC increased by about 25% in 2003, especially because of Chinese visitors traveling to Hong Kong, China; Macau, China; Indonesia; and the United Kingdom (UNWTO 2006⁷). However, outbound tourism from the PRC to some major destinations did decrease in 2003, especially to the United States, Canada, the Russian Federation, the Republic of Korea (ROK), Singapore, Thailand, and Viet Nam, but then started increasing again in 2004. Similarly, by 2004, inbound tourism to the PRC also started increasing again, even surpassing 2002's by more than 10%.

⁷ The WTO World Tourism Barometer became the UNWTO World Tourism Barometer in 2006.

III. DESCRIPTION, DEFINITION, AND ANALYSIS OF THE WELLNESS TOURISM SECTOR

A. What is Wellness Tourism?

Wellness is becoming a high priority, globally and particularly in Asia. While there is no universal definition of wellness, the GWI defined wellness as “the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health.” (GWI 2018a). They further defined wellness tourism as “travel associated with the goal of maintaining or enhancing one’s personal well-being and includes the pursuit of physical, mental, spiritual or environmental ‘wellness’ while traveling for either leisure or business.” (GWI 2014).

Figure 9 expounds on this definition and shows the diversity of wellness tourism products, services, and experiences that help define and comprise the wellness tourism industry. The “pursuit” of wellness tourism proactively provides these to people of all ages with rising disposable incomes and growing interest in healthy living. In fact, the tourism-related part of wellness, now called wellness tourism, is one of the fastest-growing tourism segments.

More people travel and tour to maintain a healthy lifestyle, reduce stress, prevent disease, and enhance their wellbeing. Some people travel mainly in pursuit of wellness while others add a wellness activity or service to their trips. These travelers represent a broad and diverse group of people with different motivations, interests, and values. Offerings are often linked to the destination's local culture, natural assets, environmental conditions, and food. In fact, a well-preserved and protected natural environment is often part of the wellness tourism allure, thus contributing to a destination’s cultural and nature-based sustainability.

B. Economic Impact of Wellness Tourism

The wellness tourism sector is estimated to have generated \$639.4 billion in GDP and 17.9 million jobs worldwide in 2017, according to the GWI. Over the past 4 years, the sector’s GDP impact has grown 6.5% annually and, according to the Global Wellness Tourism Economy Report, is forecast to continue growing 7.5% annually over the next 3 years to \$919 billion by 2022. This growth rate of 43% is more than double tourism’s overall growth rate.

While these figures suggest a substantial economic and employment impact from the wellness tourism sector, they also suggest substantial overlap with other tourism segments. For example, as mentioned above, the adventure travel segment accounts for at least \$683 billion in spending, cultural tourism over \$500 billion (rough estimate based on the UNWTO estimate that 40% of travelers spend on cultural activities), \$60 billion spending on themed attractions, \$256 billion spending on air transport, and \$126 billion in economic impact from the cruise industry. So, just among these segments, total spending is \$1.6 trillion.

For 2018, UNWTO estimated total international travel and tourism receipts at nearly \$1.5 trillion. Among these segments and probably others, there are activities and elements that can be

considered wellness-oriented, and thus are counted as wellness tourism, which at least partially accounts for what must be some double-counting.

The economic impact of wellness tourism is magnified by the many types of product and service offers and linkages. For example, the following chart (Figure 9) from GWI depicts the array of wellness-related products offered by destinations around the world, which demonstrates both the existing and potential wellness tourism market.

Figure 9: Diversity of Wellness Tourism Products

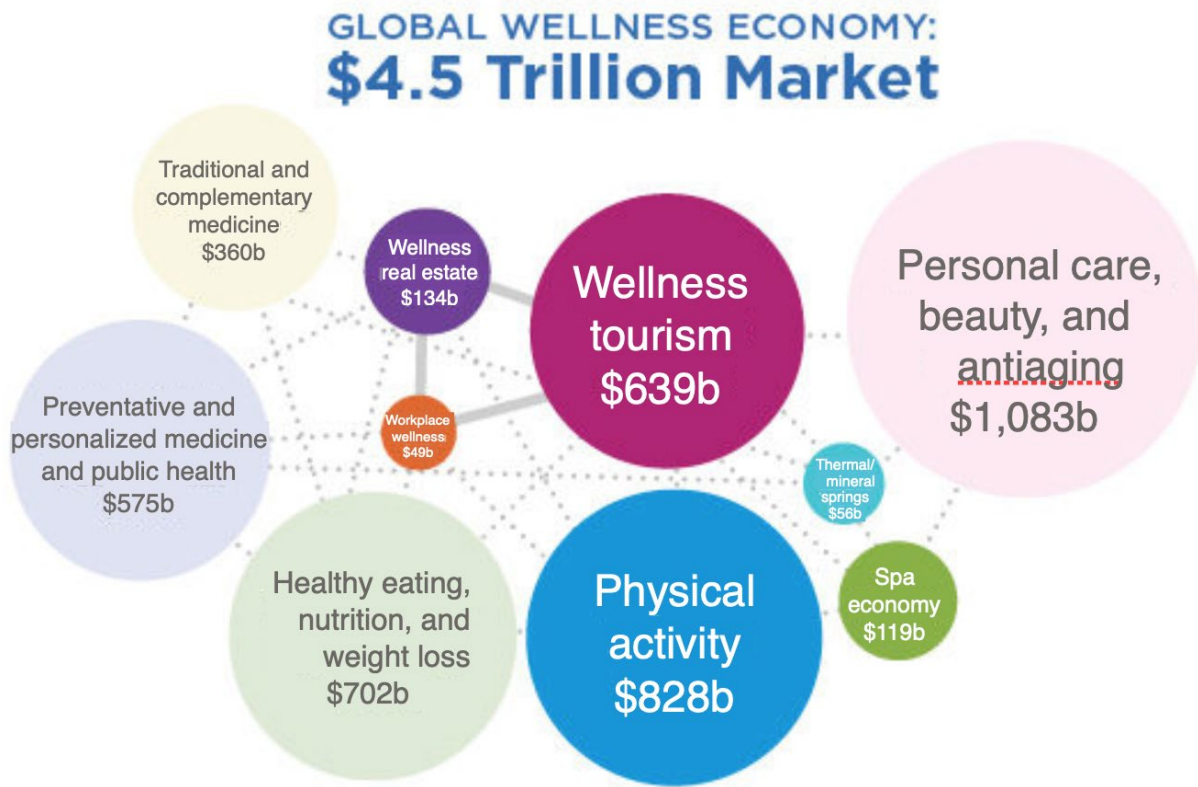


Source: Global Wellness Institute 2018d.

In parallel with the popularity of wellness and wellness tourism is the spawning of an industry of wellness-related products. These products include essential oils, special salts, skin creams, healthy foods and beverages, and clothing. It seems that nearly every travel and consumer segment has a wellness offer.

The GWI estimates the total wellness economy at \$4.5 trillion, which includes the \$639 billion generated from wellness tourism mentioned previously (Figure 10).

Figure 10: The Global Wellness Market



Source: Global Wellness Institute 2018d.

Beyond wellness tourism, the key sectors and economic impacts highlighted by the GWI include:

- (i) personal care, beauty, and antiaging (\$1,083 billion);
- (ii) healthy eating, nutrition, and weight loss (\$702 billion);
- (iii) fitness and mind-body (\$595 billion);
- (iv) preventive and personalized medicine and public health (\$575 billion);
- (v) traditional and complementary medicine (\$360 billion);
- (vi) wellness lifestyle real estate (\$134 billion);
- (vii) spa economy (\$119 billion);
- (viii) thermal/mineral springs (\$56 billion); and
- (ix) workplace wellness (\$48 billion).

All these sectors intersect wellness tourism. For example, personal care products often are integral to spa experiences and often are included among hotel and airline amenities. Healthy eating is a core offer of wellness tourism, as well as spas, thermal springs, and fitness.

C. Diversity and Drivers of Wellness Tourism Offers

The wellness offers of Virtuoso, an international network of 1,000 travel agency partners and 20,000 travel advisors in 50 countries, illustrate how wellness permeates a wide range of travel and tourism segments. Here are a few “wellness tourism” examples from their network:

- (i) “organic spa cuisine” where guests pick their own fresh vegetables at the Golden Door Resort in California and then can choose spa treatments, hiking and walking trails, yoga, and other experiences;
- (ii) “signature experiences” at resorts such as the Indian wellness resort, Ananda in the Himalayas, which emphasizes meditation programs and yoga sessions to “unleash psychic energy and focus on breathing;
- (iii) cruises with wellness options such as Regent’s Seven Seas Explorer, which offers yoga on deck, and Uniworld’s river cruises which offer onshore hiking and cycling and onboard wellness instructors;
- (iv) green space visits at airports, such as at Chicago’s O’Hare, Amsterdam, Dubai, and Singapore; and
- (v) nature-based physical activities that include white water rafting, zip-lining, and cycling.

These examples, as well as the many other wellness tourism offers of Virtuoso and other providers, depend on well-protected and preserved natural and cultural heritage. The wellness offers of many destinations depend on protected natural assets and cultural traditions, such as hot springs and traditional yoga and acupuncture practices. Many wellness-motivated travelers are attracted by these assets and traditions, as well as the broader cultural and natural heritage attractions of destinations. In visiting these destinations and buying locally made wellness products and wellness services and activities, these travelers are contributing to the preservation and protection of this heritage, as well as the overall sustainability of the destination. In so doing, these travelers and the providers are also reinforcing efforts to realize the United Nations Sustainable Development Goals (SDGs) (Table 4). The following table presents how Wellness Tourism contributes to the SDGs:⁸

⁸ The first two columns of this table are extracted from UNWTO. 2018. *Tourism for Development - Volume II Success Stories*. Madrid. (pp. 6–7).

Table 4: United Nations Sustainable Development Goals, Tourism, and Wellness Tourism

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
SDG 1: End poverty in all its forms everywhere.	Tourism provides income through job creation at local and community levels. It can be linked with national poverty reduction strategies and entrepreneurship. Low skills requirement and local recruitment can empower less-favored groups, particularly the youth and women.	Wellness tourism can be generated by wellness, especially in destinations where local cultural traditions offer wellness, such as meditation, healthy cuisine, a variety of local employment, and entrepreneurial opportunities.
SDG 2: End hunger, achieve food security and nutrition, and promote sustainable agriculture.	Tourism can spur sustainable agriculture by promoting the production and supplies to hotels, and sales of local products to tourists. Agro-tourism can generate additional income while enhancing the value of the tourism experience.	Healthy, often organic food is integral to wellness tourism experiences. Movements such as “farm to table” and “slow food” are very much part of wellness tourism.
SDG 3: Ensure healthy lives and promote well-being for all at all ages.	Tax income generated from tourism can be reinvested in health care and services, improving maternal health, reducing child mortality, and preventing diseases. Visitors fees collected in protected areas can contribute to health services as well.	Wellness tourism not only contributes and strengthens the wellness of visitors, but it can both serve as an example of wellness and income-generation for local residents.
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning for all.	Tourism has the potential to promote inclusiveness. A skillful workforce is crucial for tourism to prosper. The tourism sector provides	Wellness tourism experiences often include learning opportunities, which again could be opportunities for visitors to learn about local

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
	opportunities for direct and indirect jobs for the youth, women, and those with special needs, who should benefit through educational means.	culture and customs and for local people to learn and become more involved in this fast-growing segment.
SDG 5: Achieve gender equality and empower all women and girls.	Tourism can empower women, particularly through the provision of direct jobs and income-generation from memorable, meaningful experiences in tourism and hospitality-related enterprises. Tourism can be a tool for women to become fully engaged and lead in every aspect of society.	Same as SDG4
SDG 6: Ensure availability and sustainable management of water and sanitation for all.	Tourism investment requirements for providing utilities can play a critical role in achieving water access and security, as well as hygiene and sanitation for all. The efficient use of water in tourism, pollution control, and technology efficiency can be key to safeguarding our most precious resource.	Wellness tourism depends on safe and clean water, and thus can stimulate investments in ensuring quality management of water and sanitation.
SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.	As a sector, which is energy-intensive, tourism can accelerate the shift towards increased renewable energy shares in the global energy mix. By promoting investments in clean energy sources, tourism can help to	By nature, wellness tourism is clean and green, so its consumers tend to favor clean and renewable energy sources, which reinforce the sustainability of the destination.

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
	reduce greenhouse gases, mitigate climate change, and contribute to access of energy for all.	
SDG 8: Promote sustained, inclusive, and sustainable economic growth, employment, and decent work for all.	As services trade, tourism is one of the top four export earners globally, currently providing 1 in 10 jobs worldwide. Decent work opportunities in tourism, particularly for the youth and women, and policies that favor better diversification through tourism value chains can enhance tourism positive socioeconomic impacts.	The wellness tourism value chain offers diverse and direct employment opportunities for the youth, women, and disabled in the workforce.
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	Tourism development relies on good public and private infrastructure. The sector can influence public policy for infrastructure upgrade and retrofit, making them more sustainable, innovative, and resource-efficient; and moving towards low carbon growth, thus attracting tourists and other sources of foreign investment.	Wellness tourism both requires and stimulates investment in quality infrastructure, especially in energy efficiency and sustainable management of waste and water.

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
SDG 10: Reduce inequality within and among countries.	Tourism can be a powerful tool for reducing inequalities if it engages local populations and all key stakeholders in its development. Tourism can contribute to urban renewal and rural development by giving people the opportunity to prosper in their place of origin. Tourism is an effective means for economic integration and diversification.	Wellness tourism can occur in both urban and rural environments - from city neighborhoods to remote game parks. For some destinations such as India, visitor spending can generate income and employment for local communities as well as help to preserve local wellness traditions, such as Ayurvedic medicine.
SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable.	Tourism can advance urban infrastructure and accessibility, promote regeneration, and preserve cultural and natural heritage, assets on which tourism depends. Investment in green infrastructure (more efficient transport, reduced air pollution) should result in smarter and greener cities not only for residents but also for tourists.	Similar to the above SDGs.
SDG 12: Ensure sustainable consumption and production patterns.	The tourism sector needs to adopt sustainable consumption and production modes, accelerating the shift towards sustainability. Tools to monitor sustainable development impacts for tourism, including for energy, water, waste, biodiversity, and job creation, will result in enhanced economic, social, and environmental outcomes.	By nature, wellness tourism is a lead sector that ensures sustainable consumption. In fact, through maximizing sustainability measures, wellness tourism becomes an even more attractive offer.

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
SDG 13: Take urgent action to combat climate change and its impacts.	Tourism contributes to and is affected by climate change. Tourism stakeholders should play a leading role in the global response to climate change. By reducing its carbon footprint, in the transport and accommodation sector, tourism can benefit from low carbon growth and help tackle one of the most pressing challenges of our time.	Wellness tourism can be a lead sector in increasing sustainability measures for transport and accommodations.
SDG 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.	Coastal and maritime tourism rely on healthy marine ecosystems. Tourism development must be a part of integrated coastal zone management to help conserve and preserve fragile marine ecosystems and serve as a vehicle to promote a blue economy that contributes to the sustainable use of marine resources.	Many wellness tourism offers are at coastal destinations, so healthy marine ecosystems are critical to these offers and, in fact, can reinforce efforts to protect marine ecosystems.
SDG 15: Protect, restore, and promote sustainable use of terrestrial ecosystems and halt biodiversity loss.	Often, rich biodiversity and natural heritage are the main reasons why tourists visit a destination. Tourism can play a major role if sustainably managed in fragile zones, not only in conserving and preserving biodiversity, but also in generating revenue as an alternative livelihood to local communities.	As with marine ecosystems, many wellness tourism offers are also inland in or near protected areas where conservation of local biodiversity is critical.

United Nations Sustainable Development Goals	Tourism and SDGs	Wellness Tourism and SDGs
SDG 16: Promote peaceful and inclusive societies, provide access to justice for all, and build inclusive institutions.	As tourism revolves around billions of encounters between people of diverse cultural backgrounds, the sector can foster multicultural and inter-faith tolerance and understanding, laying the foundation for more peaceful societies. Tourism, which benefits and engages local communities, can also consolidate peace in post-conflict societies.	Wellness tourism is all about maximizing well-being and healthy environments, both the visitor and visited.
SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Because of its cross-sectoral nature, tourism can strengthen private–public partnerships and engage multiple stakeholders (international, national, regional, and local) to work together to achieve the SDGs and other common goals. Public policy and innovative financing are at the core for achieving the 2030 Agenda for Sustainable Development and the SDGs.	Wellness tourism flourishes where public policy can help ensure quality standards, and the private sector invests and operates quality offers.

SDG = Sustainable Development Goal.

Sources: United Nations. <https://sustainabledevelopment.un.org/?menu=1300>; Global Wellness Institute 2018c.

Virtuoso cites a 2015 Spafinder Wellness 365 Survey and State of Wellness Travel Report to demonstrate the broadness and growing popularity of the segment. According to their website (Spafinder.com), Wellness, Inc. is the world’s largest marketing, gifting, incentives, and rewards company for the wellness industry. They claim to be working with over 27,000 wellness partners worldwide, including wellness travel destinations, fitness, yoga and Pilates studios, spas, and salons.

According to the “Spafinder” report, the travel agents surveyed for the report, many of whom were probably Virtuoso agents, cited the following factors that are driving increased demand:

- (i) increased, overall consumer concern with health and wellness;
- (ii) people’s rising stress levels;
- (iii) increased knowledge of, and media attention about, wellness travel as a category;
- (iv) more wellness-focused vacation properties, with more diverse offerings and price ranges;
- (v) people are working harder, and vacations are more precious; and
- (vi) an aging population.

Eighty-three percent of the agents surveyed said that their clients are willing to pay a premium for wellness travel and/or access to health products and services while traveling. So, as the GWI report emphasizes, it is not surprising that wellness travelers generally spend more than other types of travelers—an average of \$1,528 per international trip in 2017, about 58% more than other international travelers. Domestically in 2017, wellness travelers spent an average of \$609 per domestic trip, which is about 178% more than the average domestic traveler. Other research also reflects the growing demand for wellness tourism.

Among wellness travelers, spa destinations and activities are one of the fastest-growing segments of wellness tourism. GWI estimated that, in 2017, there were over 149,000 spas globally, earning \$93.6 billion in revenues and employing nearly 2.5 million workers. This segment grew 9.9% annually from 2015 to 2017 and is projected to reach \$128 billion by 2022.

Skift, an international travel research firm, estimates that about 78% of affluent travelers in the United States would like to incorporate wellness into their trips.⁹ The Wellness Tourism Association’s Wellness Travel Survey¹⁰ further revealed that 63% of respondents had taken a ‘wellness vacation’ and the remaining 37% also indicated interest in taking a wellness trip. (Wellness Travel Association 2018). To further reinforce the trend, a Facebook poll by TripAdvisor found that more than 25% of its online followers were interested in taking a wellness trip over the next 12 months.¹¹

The CBS Report is a helpful illustration of consumer demand and how wellness destinations are being promoted to these consumers. The report said that travelers seeking “health and restoration...time away to detox, de-stress and improve your well-being” are driving the wellness travel trend. Three destinations were highlighted as “ideal” for wellness:

- (i) Amelia Island, Florida: “pristine nature, beautiful miles of uncrowded beaches...relaxing spas...kayaking from the beach...”

⁹ M. Carty, US Affluent Traveler Trends 2019: New Skift Research, New York, 1 May 2019.

¹⁰ <https://www.wellnesstourismassociation.org/>.

¹¹ <http://ir.tripadvisor.com/news-releases/news-release-details/tripadvisor-names-most-blissful-destinations-wellness-travel> and reported on CBS Morning, 21 July 2018.

- (ii) Lenox, Massachusetts: “attracting visitors for wellness for hundreds of years...check yourself into the Cranwell Spa for some pampering...and just relax while you are in nature...”
- (iii) Calistoga, California: “practicing wellness with a glass of wine...hiking trails...mineral springs...mud baths...”

Based on TripAdvisor research, the top 10 wellness destinations in the United States and globally are:

Table 5: Top United States and International Wellness Tourism Destinations, 2018

United States Wellness Destinations	Global Wellness Destinations
1. Sedona, Arizona	1. Bali, Indonesia
2. Hawley, Pennsylvania	2. Rishikesh, India
3. Ojai, California	3. Sedona, Arizona, United States
4. Amelia Island, Florida	4. Hepburn Springs, Australia
5. Calistoga, California	5. Ko Samui, Thailand
6. Lenox, Massachusetts	6. Costa Rica
7. Palm Springs, California	7. Goa, India
8. Park City, California	8. Zermatt, Switzerland
9. Stowe, Vermont	9. Maldives
10. Wailea, Hawaii	10. Ibiza, Spain

Source: Hill 2018.

It is notable that TripAdvisor indicates that 6 of the 10 most popular wellness destinations globally are in Asia (see Table 5). Beyond TripAdvisor, GWI research shows that wellness tourism is also heavily concentrated in Germany, the PRC, France, and Japan, which rank among the top five wellness tourism destinations and represent 59% of the global market (Table 6). The United States alone maintains over one-third of worldwide wellness tourism revenues. However, the PRC and India’s wellness tourism rankings are rising rapidly. The PRC went from 11th in 2014 to third in 2018 and India from 16th to seventh (GWI 2018c). The report estimates that emerging markets will drive over half of overall wellness tourism growth expenditures and three-quarters of wellness trip growth in the next 5 years in the following regions: Asia and Pacific, Latin America–Caribbean, Middle East–North Africa, and Sub-Saharan Africa (GWI 2018c).

Table 6: Leading Growth Markets for Wellness Tourism, 2015–2017

	Number of Wellness Arrivals/Trips Added From 2015 to 2017 (million)	Average Annual Growth Rate From 2015 to 2017
People's Republic of China	21.9	20.60%
India	17.3	20.30%
United States	15.4	4.70%
Germany	7.5	6.20%
Spain	5.2	17.50%
Mexico	3.3	10.30%
Malaysia	3.3	28.60%
Viet Nam	3.2	22.80%
Chile	3.2	29.30%
Thailand	2.7	13.10%
Japan	2.7	3.50%
Italy	2.7	12.20%
Indonesia	2.7	21.50%
United Kingdom	2.6	6.10%
Russian Federation	2.3	8.40%
Czech Republic	2.2	18.10%
Austria	2.2	7.30%
Canada	2.2	4.20%
Poland	2	14.70%
Brazil	1.9	10.40%
France	1.8	2.80%
Republic of Korea	1.6	4.50%
Australia	1.5	8.30%
Slovakia	1.4	36.90%
Philippines	1.1	31.10%

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. These are estimates by the Global Wellness Institute based on tourism industry data from Euromonitor International.

Source: Global Wellness Institute 2018b.

D. Transformative Travel

Underlying demand for wellness tourism is a growing related trend of transformative travel, which is rooted in the idea that travel experiences have the power to transform one's life, to be life-changing, and empowering people to make meaningful, lasting changes in their life. As co-founder of the Transformational Travel Council explained on the Council's website: "Ultimately, it's a new philosophy on travel connects travelers to their truest self and to others, cultivating a sense of purpose and belonging".¹² The council's co-founder, Dr. Michael Bennett, EdD, focused his doctoral research on exploring and identifying the critical elements of adventure travel experiences that lead transformational learning. He posited seven key themes that form the foundation for transformative travel:

- (i) answering the call to adventure + traveling with intention,
- (ii) crossing the threshold + entering a "zone unknown",
- (iii) being open to experiences and transformation,
- (iv) consciously seeking out extraordinary and challenging experiences,
- (v) engaging in meaningful interactions and conversations,
- (vi) taking time for reflection and "meaning-making," and
- (vii) launching into purposeful action.

Not surprisingly, many of these travelers are attracted to destinations that can offer self-actualization, self-improvement and personal transformation and growth, and deeper experiences, which all lead to wellness. This trend has grown in popularity so much in recent years that travel trade publisher Skift identified "transformative travel" as one of its 2018 megatrends. GWI describes transformational travel as experiential travel to a deeper, more emotional level.

Wellness and transformative travel: What does this mean in terms of actual trips and tours?

- (i) Explorer-X, a Seattle-based tour operator whose owners founded the Transformational Travel Council, offers tours that, according to the owners, help define transformative travel and wellness tourism. They offer tours around the world, including three in Asia: Nepal "A Sacred Journey in the Himalayas," Sri Lanka "Family Adventure," and Bhutan "A Pilgrimage with Phil Cousineau." Some highlights of these "journeys":
- (ii) Nepal: A 13-day "journey" that promises to "revitalize your head, heart, and mind..." and offers an opportunity to "commune with monks, and learn from a meditation wizard..."
- (iii) Sri Lanka: An 11-day journey that is "family-focused" offering "wildlife safaris, tuk tuk rides, enormous Buddhist temples...a global perspective for you and your family by spending time with local kids and families."
- (iv) Bhutan: An 11-day tour with author Phil Cousineau who wrote *The Art of Pilgrimage*, he introduces visitors to "ancient religious and architectural masterpieces, such as the remarkable dzongs, fortified monasteries...and learn

¹²<https://www.transformational.travel/about-tt-page>

from a government official about the modern national goal based on a holistic approach to development called Gross National Happiness...”

From the perspective of a former travel writer (Lonely Planet) and longtime travel and tourism market expert who focused on authentic experiences and sustainable tourism, none of the itineraries of these and other transformative journeys seemed novel or potentially life-changing, unless these were first-time travel experiences. However, even as first-time experiences, these seemed somewhat contrived and “off-the-shelf.” Nevertheless, these journeys bring tourist spending to small communities that might not, otherwise, receive it. As a result, the transformation is potentially greater for the visited rather than for the visitor, since even a small amount of spending and time with visitors from the other side of the planet has potentially greater positive impacts.

IV. ASIA'S WELLNESS TOURISM MARKET

As of early May 2020, as mentioned above, Asian travel had dropped precipitously because of the COVID-19 outbreak. Wellness tourism will undoubtedly also experience declines in the region, although it is expected to recover after the crisis passes. Over 99% of the COVID-19 cases and most of the deaths had been concentrated in the PRC (CDC 2020), but this changed rapidly over the following months as cases and deaths increased faster and in greater numbers in several other countries. The impact on the wellness tourism sector was not yet known, but since flights throughout the region have been severely curtailed, this sector and every other tourism sector has been negatively impacted. One can only hope that the virus will soon stop spreading; that a vaccine is discovered and distributed rapidly; and that the tourism industry, including wellness tourism, can resume its growth trajectory.

Wellness tourism has been a high priority in Asia (refer to Appendix 3 for country lists.). Recently, Asian countries saw major growth in the wellness industry with the PRC leading the way (refer to Appendix 2 and Table 6 for further details). From 2015 to 2017, the PRC increased their number of wellness trips by about 22 million and India followed with an increase of about 17 million wellness trips. Travelers to and within Asia accounted for \$136.7 billion (21.1%) of total wellness tourism revenue and a 10.9% compound annual growth rate. For the PRC, the wellness tourism market is mostly internal and not yet considered a main attraction for international visitors. However, for outbound Chinese travelers, traveling for wellness is important. After the crisis passes, pent up demand for wellness tourism could soar as Chinese and other Asians seek destinations that can help strengthen their well-being.

Significant annual growth was also observed in the Philippines, Malaysia, and Viet Nam. Ten of the world's top wellness tourism destination markets are in Asia and the Pacific (in order from largest to smallest): the PRC, India, Malaysia, Viet Nam, Thailand, Japan, Indonesia, the ROK, Australia, and the Philippines (Table 5). The popularity of wellness tourism in these countries is not surprising since, historically, these societies have emphasized mind-body connections, such as traditional medicine in the PRC and the ROK, tai chi in the PRC, Hindu meditation and Ayurveda in India, and the deep spiritualism and oneness with nature of Buddhism.

Among these countries, as reported by the GWI report, wellness tourism is included in their national tourism strategies (as of 2018): the PRC, India, Malaysia, Viet Nam, Thailand, the ROK, and the Philippines. India and Thailand are profiled in the case studies, as well as Sri Lanka. In addition, wellness tourism is a target for national investment promotion for all these countries and for Bhutan; Fiji; the Maldives; New Zealand; and Taipei, China. India, for example, set up a National Medical & Wellness Tourism Promotion Board to provide policy advice and measures to support wellness tourism, such as guidelines for quality and training, financial assistance, and investment promotion for wellness centers catering to tourists.

Other countries in Asia and Pacific that include tourism in their national tourism strategies are Bhutan and the Maldives.

Some sample highlights include:

A. People's Republic of China

As of February 2020, the top priority for the PRC Ministry of Culture and Tourism was combatting COVID-19. Nearly every announcement on their website concerned measures being taken throughout the country to fight the epidemic. Until the virus became a crisis for the country, wellness tourism was regarded as a fast-growing segment both within the country and for outbound Chinese travelers. After the virus passes, demand for wellness tourism could soar again, perhaps even more since the ongoing focus on wellness and healthy living in the PRC will probably be even stronger.

In 2016, the government launched the Healthy China 2030 initiative through which President Xi Jinping has prioritized health, healthy lifestyles, and wellness as central to the country's development. Demand for and interest in wellness and wellness tourism were growing prior to this initiative, which has stimulated increased national demand for nature-based activities, wellness heritage and healing systems, and fitness. At the core of this interest are age-old traditions in herbal medicine, qigong, meditation, and martial arts.

An important offer of the PRC's wellness tourism is their hot springs, which GWI describes as "mainly cater[ing] to domestic visitors...[with] remnants of historic Soviet-style sanatoria, rustic day-use hot springs/traditional bathhouses, and privately-owned and operated hot springs resorts and towns focused on recreation and family holidays." The government has established a national hot spring committee and regulations related to water quality, safety management, and the rating of "hot springs towns." GWI explains that "increased private investment, [has been] encouraged by rising consumer interest in healthy lifestyles and wellness tourism on the one hand, and government support for preventive health on the other hand."

In addition, the annual International Wellness Industry Expo (Wellness China Expo) reflects this demand and interest in the wide scope of exhibitors that participate. These include:

- (i) wellness institutes: wellness resorts/spa, sports health clubs, Chinese medical health clubs, medical cosmetics, and surgery plastic institutes;
- (ii) food supplement: dried fruits, organic tea, organic meat, organic liquor, functional food and beverages, ginseng, donkey-hide gelatin, maca, and dendrobe;
- (iii) Chinese medicine: native medicinal materials, Chinese and western medicines, pharmaceuticals;
- (iv) health care equipment: mineral spa equipment, Artemisia "arborescens" treatment equipment, massage device, Chinese medicine boiler, and medicine cutter;
- (v) wellness and health management: health management and health care consultancy institutes, massage service, and medical treatment technology;
- (vi) wellness and cosmetics: functional cosmetics, and eye care products;
- (vii) wellness supplies: far infrared / magnetic / antibacterial textile products, cleaning appliance, and health care appliance;
- (viii) wellness environment: air condition supplies like air purifier, dehumidifier, humidifier, oxygen device, negative ion generator; and

- (ix) wellness organization and media.

The 2019 Wellness Trends, from Global Wellness Summit Report also indicates that interest in wellness types of offers is growing among outbound Chinese travelers: “According to a 2017 survey from one of the PRC’s leading travel powerhouses, over 70% of travelers are seeking local experiences or wellness-related activities, such as culinary exploration, outdoor recreation, gallery and museum visits, nature/ecological tours, beauty and spa treatments...and hot springs.” (GWI 2019, p. 75)

B. Republic of Korea

Wellness travel is a key segment for the Ministry of Culture, Sports and Tourism and the Korea Tourism Organization. Through their website (<https://gokorea.co.uk/portfolio-view/wellness-tourism/#>), they market and promote 25 must-visit wellness attractions in the ROK, which they herald as “the best destination to improve your physical and mental health and wellbeing.” These attractions are categorized into beauty and spa, traditional Korean medicine, nature and forest, and healing and meditation destinations. One attraction, for example, the Herb Lab Bom Dong in Seoul serves visitors “medical teas that match their individual physical states.” Another attraction, the “Suncheonman Bay National Garden & Wetland Reserve” in Suncheon is “the perfect place to de-stress and enjoy some peace and quiet, and you can also enjoy a herbarium, a traditional Korean medicine experience center.”

C. Australia

Wellness tourism is a major offer marketed and promoted by Tourism Australia with several opportunities offered to “relax and recharge in Australia.” The variety of the offers is indicative of the breadth and popularity of wellness tourism:

- (i) relaxing destinations,
- (ii) best health and wellness retreats,
- (iii) prettiest farm stays,
- (iv) how to chill out in Byron Bay,
- (v) “Discover Aboriginal Experiences: Immersive Journeys”, and
- (vi) a quick guide to Australian superfoods”.

Tourism Australia considers wellness a key market segment for tourism development and is promoting private investment in this sector. As of February 2020, some of the opportunities that they were promoting included: Crystalbrook Collection, a \$1 billion development in Northern Queensland, Spicer’s Retreats boutique hotel, and the Wirra Wirra Wellness Resort.

Tourism Victoria has its own spa and wellness tourist strategy, which promotes the state as a key spa destination, thus leveraging its extensive mineral springs and geothermal waters. They package the spa offers with locally grown organic food and wine and nature-based activities.

V. THREE WELLNESS TOURISM CASE STUDIES

The following are the three wellness tourism case studies, one each from India, Thailand, and Sri Lanka:

A. India

India is South Asia's largest tourism destination and is growing at a rapid pace. The country attracted nearly 17.5 million international tourist arrivals in 2018 (UNWTO 2020b), up from 15.5 million in 2017. This growth is also reflected in India's international tourism receipts that reached almost \$29 billion in 2018 and their domestic tourism expenditure surpassed \$2 billion in 2019 (UNWTO Tourism Barometer, January 2020). This growth directly generated nearly \$105 billion in 2019 GDP and more than 27 million jobs in India, which accounted for 5% of total employment (WTTC Online Data Tool 2020). According to the GWI's 2018 Global Wellness Tourism Economy Report, one of the main drivers for this growth has been wellness tourism since many of India's product offers include meditation, yoga, and Ayurveda retreats.

In the wellness tourism segment, India ranked seventh as a wellness tourism destination in 2017 with a wellness tourism expenditure of \$16.3 billion, which directly supports 3.8 million jobs (GWI 2018c), thus 14% of all employment. India had 56 million wellness tourist arrivals in 2017, 51 million of which were domestic arrivals (GWI 2018c). India's wellness tourism market is estimated to be growing 22% annually, which makes it the fastest growing in the world. A growing number of hotel/resort spas in India, including traditional Ayurvedic resorts, are becoming destination spas and wellness retreats that provide a holistic package of services, experiences, and journeys. The India-based Carnoustie Group is a prime example.

The Carnoustie Group is known for its Ayurveda and wellness resorts in India, which are particularly popular in the State of Kerala. Kerala has developed what is considered an authentic and place-based wellness tourism product and brand. Kerala branded itself as the "Land of Ayurveda" two decades ago, and now 40% of their tourism revenue is generated by Ayurveda-related offers (India Tourism Strategy and Roadmap and World Bank 2019).

Similarly, the State of Uttarakhand has become renowned for its yoga study center of Rishikesh, which is replete with Ashrams and is described by the Uttarakhand Tourism Development Board as "a most tranquil place." The center attracted the Beatles in the 1960s for a stay with their guru, the Maharishi Mahesh Yogi (India Tourism Strategy and Roadmap and World Bank 2019).

As the wellness segment grows, it is also faced with key challenges: a shortage of skilled staff for spas and other wellness services and a lack of staff training to meet international standards (India Tourism Strategy and Roadmap and World Bank 2019). Several wellness-related associations are working to better support this growing segment, including the International Indian Wellness and Medical Tourism Association, the Indian Medical Travel Association, the Spa Association of India, Spas India, and the Spa and Wellness Association of India (Global Wellness Summit 2019). The Government of India has also implemented strategies to promote wellness and medical tourism, including the establishment of a National Medical & Wellness

Tourism Promotion Board, which provides policy advice to this sector, including guidelines for quality and training, financial assistance, and investment promotion for wellness centers.

India's strategies also included revamping its branding and marketing initiatives, "Incredible India!" and "Athiti Devo Bhava," and the 2018 release of the Incredible India Mobile App for trip planning. Wellness is an integral offer via the app, which promotes "major experiences such as spirituality, heritage, adventure, culture, yoga, wellness, and more"

(<http://tourism.gov.in/incredible-india-android-app>). Earlier in 2015, the Government of India established the Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha, Sowa Rigpa and Homoeopathy and the national government issued Revised Guidelines for the Promotion of Wellness and Medical as Niche Tourism Products, which offers Marketing Development Assistance (MDA) Scheme and financial assistance to accredited providers.

Based on the revised guidelines, the types of support include:

- (i) 50% financing for publicity and promotional materials;
- (ii) financial assistance for organizing workshops/events/meets/seminars on promotion of wellness and medical tourism for 100+ participants, at least half of whom are non-Indian;
- (iii) financial assistance for shows with exhibits, suppliers and buyers for the promotion of wellness and medical tourism for 75+ participants, 40% of whom are non-Indian buyers; and
- (iv) financial support for training courses on skills development and certification courses in the wellness and medical tourism sectors per Ministry of Tourism guidelines.

Lessons

- (i) The Government of India and some states, such as Kerala and Uttarakhand, support the growth of the wellness tourism sector through a national level MDA and financial assistance to accredited providers.
- (ii) It is not possible to gauge precisely the success of MDA for wellness tourism providers, but the fast growth in the sector suggests that it has contributed to the growth. For example, according to statistics from the Uttarakhand Tourism, in 2009 the state received more than 23 million visitors, with 1.1 million foreign visitors and the rest domestic. By 2018, the state recorded over 37 million visitors, with 1.5 million foreign visitors.
- (iii) Private sector associations dedicated to the wellness sector also are facilitating development and growth through marketing and training and are eligible for the MDA.

B. Sri Lanka

Over the past decade, Sri Lanka has been one of South Asia's largest and fastest-growing tourism destinations. From 654,000 international tourist arrivals in 2010 to nearly 2.3 million in 2018, the country demonstrated impressive increases in arrivals. The growth has been equally impressive in terms of international tourism receipts, which increased from \$576 million to \$4.4 billion over the same period (UNWTO Tourism Barometer 2020). The following are some additional important indicators:

- (i) International tourist arrivals declined by at least 17% for 2019 in both arrivals and receipts because of the Easter 2019 terrorist attacks. International arrivals were expected to start increasing in 2020, but with the COVID-19 outbreak, the country's third largest market, the PRC, with nearly 168,000 arrivals in 2019, declines by more than 15% in January 2020 (Sri Lanka Tourism Development Authority Monthly Tourist Arrivals Reports).
- (ii) However, despite the decline in the Chinese market, it still comprised less than 9% of all international arrivals to the PRC.
- (iii) Domestic spending continued to increase from 2018 to 2019 totaling about \$2.9 billion (WTTC 2020 data tool). Growth in domestic spending on travel and tourism also probably accounted for at least some of the increase in the direct contribution to GDP, which increased from \$5.1 billion to an estimated \$5.4 billion in 2019 (WTTC 2020 data tool).
- (iv) Domestic growth also probably accounted, at least partially, for a 25,000 increase in jobs from 2018 to 2019, accounting for close to 6% of total employment in Sri Lanka (WTTC 2020 data tool).
- (v) Lastly, as with India, the GWI points to wellness tourism as a main driver of this growth.

Sri Lanka, as with India, has many hotel/resort spas and traditional Ayurvedic resorts that are becoming (or have become) destination spas and wellness retreats, which provide holistic "wellness" packages. In their marketing and promotion, Sri Lanka combines wellness tourism, some with an Ayurvedic emphasis, with the country's diverse nature-based history and cultural offers. These offers include yoga, meditation, spirituality, pilgrimages, indigenous medicine, faith healing, and well-being.

Supporting this sector, the Government of Sri Lanka has implemented strategies to promote wellness and medical tourism, including economic incentives and simplified project approval procedures for companies investing in wellness-related developments. The country's National Export Strategy (2018–2022) also supports the wellness tourism sector (International Medical Travel Journal 2018). The strategy's three goals include (i) coordinated development of traditional and modern health and medical tourism, (ii) establishing a quality assurance system for wellness and traditional health systems, and (iii) providing an information system for the Sri Lankan health tourism sector and its target markets. A Wellness Tourism Strategy is part of the National Export Strategy.

The Wellness Tourism Strategy was produced for the period 2018–2022 and seeks to establish Sri Lanka as a major wellness tourism hub for the region. According to the strategy: “Stakeholders of the Wellness Tourism sector consider the National Export Strategy as a policy that has been long awaited. Stakeholders remain committed to the effective implementation and monitoring of this strategy to contribute towards furthering the great potential of this industry to reach new heights.” The strategy indicates that the goal is to “develop the sector strategically by addressing constraints in a comprehensive manner and by defining concrete opportunities that can be realized through the specific steps detailed in the Strategy’s ‘Strategic Framework’ and Plan of Action (PoA).” The strategy seeks to fill a void in wellness tourism-specific policies, institutions, regulations, statistics, or support programs. The strategic framework and plan of action are intended to be a road map for helping to achieve the following strategic objectives:

- (i) develop coordination in traditional and western health tourism,
- (ii) set up a quality assurance system for wellness and traditional health systems, and
- (iii) build information about the Sri Lankan health tourism sector and about its target markets.

In line with these objectives and the overall strategy, the country’s Export Development Board (EDB) has identified health and wellness tourism services as a key growth sector. Both the strategy and the EDB are driven by a vision of “Sri Lanka: The Preferred Destination for Well-being.” To help realize this vision, the EDB is (i) working with the health and wellness tourism sector and government institutions on targeted marketing and promotion campaigns, (ii) also studying how to link with European Union wellness travel and insurance companies (International Medical Travel Journal 2018).

The government is also exploring the establishment of a national certification system for wellness and traditional medicine service providers. This would be complemented by international certification options to support the Western medicine segment, as well as a new regulatory and licensing system for spas, including amended regulations particularly for the Ayurveda segment. It is also a potentially promising development that the EDB and the government have been working on strict guidelines for international hotel and spa investors interested in wellness tourism (International Medical Travel Journal 2020). The government wants to ensure that the highest possible quality standards are maintained. These standards will also apply to construction permits for existing investors in traditional medical and health tourism enterprises.

Lastly, to facilitate and maximize private sector involvement and investment, in early 2020, the EDB helped establish the Sri Lanka Wellness Tourism Association, which was formed with more than 50 stakeholders, including western medicine companies, indigenous Ayurveda practitioners, and many others engaged in wellness tourism-related activities.

Lessons

- (i) The Government of Sri Lanka recognized that wellness tourism is a leading high growth and high value sector for the country, thus requiring a stronger and more

- strategic approach through investment in the development and implementation of a strategy that is specifically for wellness tourism.
- (ii) Importantly, the strategy includes an emphasis on introducing and implementing national regulations and standards, while also increasing wellness tourism marketing for both national and international markets.
 - (iii) The government-led EDB worked with private sector stakeholders to create the Sri Lanka Wellness Tourism Association. Before January 2020, no such association existed, so it is expected that this will help boost investment and coordinated training and marketing programs.
 - (iv) To further attract and incentivize investment in the wellness tourism sector, the government facilitates fast-track approval and investment procedures.

D. Thailand

Thailand is one of Southeast Asia's largest and fastest -growing tourism destinations. In 2018 alone, international arrivals grew 7.3% to more than 38 million, earning it a ranking of the ninth most visited country. In fact, the country's international arrivals grew faster than tourism globally, which averaged 5.6% in 2018. International tourism receipts grew at a more modest rate of 2.5%, but with a total of \$63 billion for 2018, it ranked fourth globally. Since 2010, receipts have tripled from just over \$20 billion (UNWTO 2020b) and domestic spending reached \$18 billion, a 4% increase over 2017. This growth was also reflected in the significant direct contribution of the industry to GDP at more than \$51 billion and almost 2.5 million jobs in 2019 (WTTC Online Data Tool 2020). According to the GWI's 2018 Global Wellness Tourism Economy Report, as with India and Sri Lanka, wellness tourism has been one of the main drivers for this growth.

The GWI estimated that Thailand earned about \$12 billion from wellness tourism from 12.5 million wellness-related arrivals, thus ranking the country 13th as a wellness tourism destination market in 2017. In fact, international arrivals for wellness tourism grew more than 13% from 2015 to 2017, which was about 50% more than the rate of overall international arrivals (UNWTO 2020b). Notably, with 6.8 million wellness-related arrivals domestic, this amounts to nearly 46% of the total wellness tourism market (GWI 2018c). This market also directly supports more than 500,000 jobs in the country, thus 20% of direct jobs in travel and tourism.

Thailand's main wellness tourism offers are based on spa resorts with the Tourism Authority of Thailand (TAT) promoting 41 spa and wellness resorts in the country. These resorts are especially known for offering traditional Thai massage, which is influenced by traditional medicine and is promoted by TAT for relieving physical and mental tension, as well as reducing migraines, sprains, bruises, anxiety, and improving flexibility.

In 2014, TAT launched a health and wellness marketing strategy in cooperation with Thai Airways International; Asia Web Direct; and more than 30 providers of health, beauty, and spa treatments. The strategy focused on a digital marketing initiative for health and wellness that was aimed at women in the Asia and Pacific region (International Medical Travel Journal 2020). Under the slogan of "Find Your Fabulous," the campaign helped promote over 150 packages of wellness and beauty treatments, spa packages, and hotel stays throughout the country. The

government also began to develop their thermal springs, with a lead pilot “spa city” development in Khlong Thom District in Krabi Province. The campaign is believed to have succeeded based on the strong growth of the market. The campaign also prompted the creation of the annual Thailand Health and Wellness Tourism Trade Meeting that brings international buyers to meet Thai sellers of medical and wellness services (Bangkok Post 2015).

The high demand for spa facilities and experiences also led to the creation of the nonprofit Thai Spa Association, which promotes the industry and works to ensure high standards in staff training, spa management, and equipment. High standards in the sector have positively impacted the development of the industry and its reputation for excellent customer service. The Thai Spa Association also offers its members:

- (i) educational opportunities;
- (ii) access to the latest trends and information on wellness and the spa sector;
- (iii) discounted professional training courses, seminars, and workshops;
- (iv) networking opportunities with spa professionals from all over Thailand and beyond;
- (v) member-only spa tours, excursions, and events;
- (vi) plan for spa accreditation; and
- (vii) "Seal of Approval" that offers recognition to those spas that demonstrate the industry's best practice standards.

There are also several other related associations that offer similar services, including the Thai Massage Association, the Federation of Thai Spa and Wellness, and the Thai Medical and Wellness Tourism Association. These associations help ensure high quality standards and offers.

Lessons

- (i) The Government of Thailand supports the growth of the wellness tourism sector through increased marketing, which has been widely successful.
- (ii) The government has also taken other steps to increase wellness tourism, such as through developing hot spring areas and creating the annual Thailand Health and Wellness Tourism Trade Meeting to connect international buyers with local sellers.
- (iii) The high degree of private sector organization into associations has helped wellness tourism, especially via coordinated training and marketing.

VI. STRATEGIC RECOMMENDATIONS

As described above, the tourism industry overall, especially its wellness tourism segment in East Asia and Southeast Asia, was thriving and growing at some of the fastest rates in the world until the COVID-19 outbreak. Wellness tourism has proved to be an important driver of economic growth and employment for tourism and national economies overall. After the outbreak subsides, wellness tourism might offer a faster path to recovery than perhaps other segments. Wellness tourism emphasizes healthy living, well-being, and preservation of nature and culture-based heritage, with some of the highest-spending tourists, as well as reinforces efforts to achieve the United Nations SDGs.

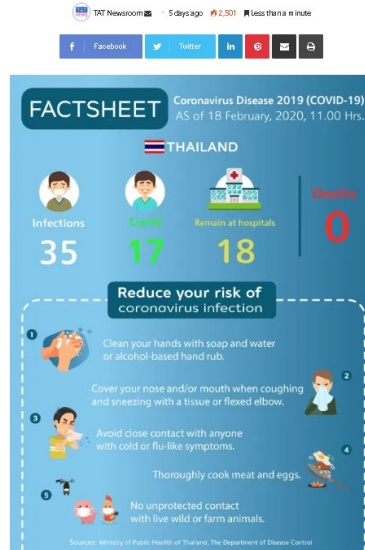
As of early May 2020, the outbreak was impacting the travel and tourism industry globally with every country cancelling or limiting flights to and from the PRC and every other destination, many hotels in the PRC and other countries closing, and international tour operators and cruise lines cancelling tours throughout the region. Asia is heavily experiencing much of the impact with every segment affected. Before the outbreak, preparing for the event and post-event situations was not a top priority issue for tourism.

The following strategic recommendations are organized according to immediate, medium term (6–12 months), and longer term.

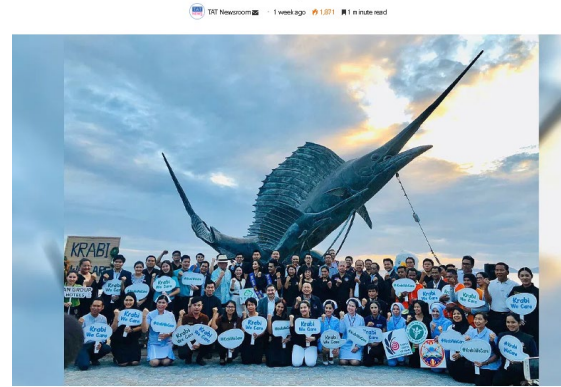
Immediate Actions

Public information campaigns. Wellness tourism is a valuable sector for destinations. As mentioned above, wellness travelers spend on average about 58% more than other types of travelers. COVID-19 cases are still relatively low in wellness tourism destinations outside the PRC, such as India and Thailand. Much was still unknown about how the disease spreads and how widespread it would become. New outbreaks were appearing in the news every day in May 2020. While it was increasingly difficult, if not impossible, to ensure that conditions were safe and healthy or at least stable, public information campaigns at the local and national levels by government agencies, as well as by accommodations and tour providers, would be helpful. These campaigns should provide the facts about the number of cases and recommendations for hygiene, prevention, and protection. Campaigns such as what the Thailand Tourism Authority (TAT) does at a national level and for the wellness destination of Krabi are proactive and positive:

Coronavirus Disease 2019 (COVID-19) situation in Thailand as of 18 February 2020, 11.00 Hrs.



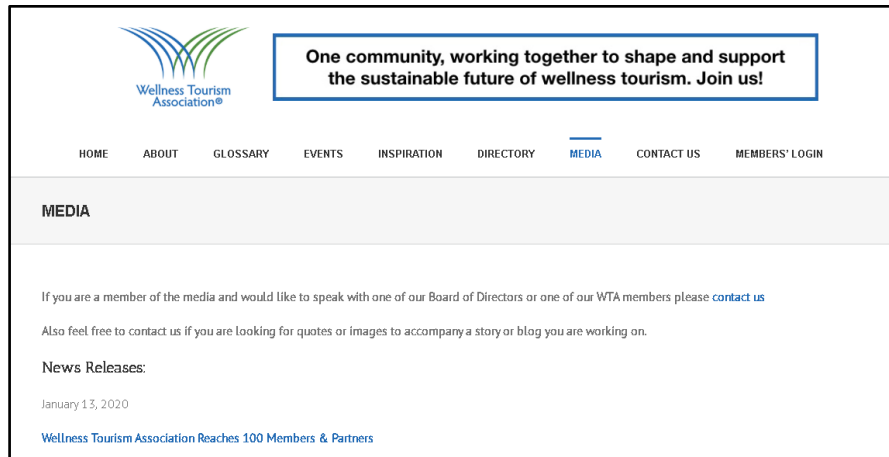
“Krabi We Care” project launched to strengthen Coronavirus prevention



The “Krabi We Care” project strengthens the wellness tourism offer there by demonstrating community-wide cooperation to prevent COVID-19. The project is part of the local tourist office and industry efforts to promote responsible tourism and “encourag[e] the exchange of ideas between the locals, tourists and tourism operators on how to promote the concept both locally and to domestic and international tourists.” Wellness tourism is at the heart of their responsible tourism work.

Increase proactive marketing and promotion of wellness tourism destinations as a solution for strengthening efforts for health, hygiene, and well-being. Wellness tourism emphasizes sustainable activities that strengthen health, hygiene, and well-being, which could serve as examples for non-wellness destinations. Quality certification schemes, such as those that exist in Thailand, Sri Lanka, and other countries, should be reviewed and perhaps instituted with other tourism segments. Regardless of COVID-19, it is helpful to the entire tourism industry for the wellness tourism segment to serve as a model of ensuring wellness throughout the tourism industry.

- (i) In addition, international and national wellness, spa, and wellness tourism associations should be actively communicating the strengths of wellness tourism. For example, the Wellness Tourism Association has no mention on its website of how the segment can be proactive in the battle against COVID-19.
- (ii) Other stakeholder organizations and businesses could be involved in communicating the strengths of wellness tourism, i.e., Virtuoso, Hyatt Hotels, and “green space” airports such as Singapore.



Financial relief. The governments of the PRC, Singapore, the ROK, and other countries are providing economic stimulus to help the industry survive the outbreak. Similar support should be considered for wellness tourism destinations that are impacted by COVID-19 so that they can survive, as well as possibly serve as models of quality health, hygiene, and well-being standards for the industry overall. Singapore estimated that arrivals may fall by as much as 30% in 2020. Their support for tourism provides some ideas for consideration:

- (i) License fees for hotels, travel agents, and tour guides are being waived.
- (ii) The Singapore Tourism Board is defraying the cleaning and disinfecting cost of hotels that provide accommodation to the confirmed and suspected COVID-19 cases.
- (iii) Property tax rebates for licensed hotels and serviced apartments, meeting, incentive, conference, and exhibition venues, ferry terminals, and integrated resorts.
- (iv) A Temporary Bridging Loan Program will be introduced to provide more cash flow for enterprises in the tourism sector.
- (v) Eligible employers will be able to apply for the Leave of Absence Support Program, which provides the employer \$100 daily per affected worker for the duration of the leave of absence.

Rapid risk assessments of COVID-19 impacts on the wellness tourism segment in member states. Given the high value and potential for serving as a positive model for affecting the entire industry, member states and their wellness tourism providers would benefit from rapid assessments of the impacts of COVID-19 on the segment. The assessments could be used to prioritize risks and plan for immediate and medium actions to fast-track recovery efforts and/or ensure the sustainability of the segment.

Medium-Term Actions

Adjust the wellness tourism segments of tourism strategies based on the rapid assessments.

As of 2018, the following Asian countries included wellness tourism in their national tourism strategies: Bhutan, the PRC, India, Malaysia, Maldives, the ROK, Sri Lanka (as of 2019), the

Philippines, Thailand, and Viet Nam. In 2018, these countries received almost 32 million Chinese arrivals. For nearly all these countries, the Chinese market represented more than 11% for Malaysia of their tourism up to 44% for Thailand. COVID-19 is severely limiting these arrivals in early 2020, which will negatively impact their tourism sectors and overall economies. According to GWI, the wellness tourism segment in 2017 generated substantial receipts for the following countries with wellness in their strategies: the PRC (\$31 billion), India (\$16.3 billion), Thailand (\$12 billion), the ROK (\$7.2 billion), Malaysia (\$5 billion), and Viet Nam (\$4 billion).

Wellness tourism also generated significant receipts for the following countries that did not (as of 2018) include a focus of wellness tourism in their strategies: Japan (\$22.5 billion), Australia (\$10.5 billion), Indonesia (\$7 billion), and New Zealand (\$3 billion). For the latter, the Chinese market has also been significant ranging from 12% (New Zealand) to 27% (Japan) of their total international arrivals in 2018. All these markets, including their wellness tourism segments, are being negatively impacted by COVID-19. Their strategies will need to be adjusted to account for the impacts.

COVID-19 wellness tourism survey. A survey of Asian wellness tourism destinations about the impacts and preventative actions being taken to reduce COVID-19 exposure would be helpful.

Longer Term

Wellness tourism strategies or wellness tourism as integral parts of tourism strategies.

Where there were wellness tourism strategies or wellness tourism was part of overall tourism strategies (as of August 2018), the segment proved to succeed in generating growing numbers of visitors, often both domestic and international. (The list from GWI as of August 2018 is in Appendix 1.) Sri Lanka recognized the importance of the segment with the launch of their Wellness Tourism Strategy for 2018–2022, which seeks to establish Sri Lanka as a major wellness tourism hub for the region. As the country continues to recover from terrorist attacks in 2019, wellness tourism could be the path forward.

Ensure high-quality and model international standards through national certification. As India and Sri Lanka demonstrated, government-led certification programs help ensure high quality, which in turn reinforces national and international marketing efforts. Coordinated agreement and implementation of international standards would be helpful for knowledge-sharing and international promotion of the segment as the highest quality segment of tourism.

Broaden the application of the Hazard Analysis Critical Control Point system to wellness tourism destinations and facilities. The International Hazard Analysis Critical Control Point (HACCP) Alliance defines HACCP “a process control system that identifies where hazards might occur in the food production process and puts into place stringent actions to take to prevent the hazards from occurring. By strictly monitoring and controlling each step of the process, there is less chance for hazards to occur.” (<http://haccpalliance.org/alliance/haccpqa.html>) The seven-step HACCP process could be adapted to wellness tourism destination certification, and thus further strengthen the segment as a model source of hygiene, health, and well-being.

- (i) Conduct a hazard analysis to identify potential hazards.
- (ii) Identify the critical control points (CCPs), those points in the process where the potential hazards could occur and can be prevented and/or controlled.
- (iii) Establish critical limits for preventive measures associated with each CCP. A critical limit is a criterion that must be met for each CCP.
- (iv) Establish CCP monitoring requirements to ensure that each CCP stays within its limit. Monitoring may require materials or devices to measure or otherwise evaluate the process at CCPs.
- (v) Establish corrective actions if monitoring determines a CCP is not within the established limits.
- (vi) Establish effective record-keeping procedures that document the HACCP system is working properly.
- (vi) Establish procedures for verifying that the HACCP system is working properly. Verification procedures may include reviewing the HACCP plan, CCP records, and critical limits.

VII. KEY TAKEAWAYS

1. The international tourism arrivals in the Asia and Pacific region grew faster than most other regions of the world, increasing 75% from 2010 to 2019 to more than 363 million arrivals with comparably significant increases in tourism-related receipts to \$442 billion and 184 million jobs (10.7%).
2. Wellness tourism has been a significant driver of this growth, accounting for \$136.7 billion (21.2%) of receipts with the PRC alone generating almost \$32 billion from more than 70 million inbound (7.7 million) and domestic wellness-related trips (62.4 million). Among the top 10 wellness traveler markets, average spending per international trip was over \$2,000 whereas an “average” trip was \$1,405 (Global Wellness Institute 2018c). Factoring in direct, indirect, and induced economic impacts, wellness tourism generated about \$683 billion as of 2017, some of this through spending on local products and services.
3. Wellness tourism and travel has been defined as “associated with the goal of maintaining or enhancing one’s personal well-being and includes the pursuit of physical, mental, spiritual or environmental ‘wellness’ while traveling for either leisure or business.” An important part of the allure of the segment is interaction with a well-preserved and protected natural environment and local cultural heritage. In fact, wellness tourism contributes to and benefits from efforts to ensure sustainability, especially via adherence to the United Nations SDGs. Wellness tourism is a strong path to destination sustainability.
4. As of May 2020, COVID-19 was a crisis for most countries and their travel and tourism sectors across Asia impacting every sector, including wellness tourism, especially since the PRC was a prominent outbound market. As a segment that emphasizes sustainability and could be considered as a model for other tourism segments, wellness tourism offers a possible fast-track to post-COVID-19 recovery. Those destinations, both at the national and subnational levels, that have strategies in place will be best positioned to leverage and further develop their wellness tourism segments for the benefit of their entire economies and work to maximize sustainability. Countries such as the PRC, Thailand, India, Singapore, Australia and Sri Lanka offer helpful examples for strategic action.
5. Immediate actions to leverage and preserve the high value of wellness tourism are recommended, such as public information campaigns, proactive marketing that highlights the segment’s sustainability elements, financial relief, and risk assessments.

Appendix 1: Countries Currently Promoting Wellness Tourism

Asia and Pacific Region

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism is a Target for National Investment Promotion
Australia	Yes	No	No
Bhutan	Yes	Yes	Yes
Cambodia	Yes	No	No
People's Republic of China	No	Yes	Yes
Fiji	Yes	No	Yes
French Polynesia	Yes	No	No
Guam	Yes	No	No
India	Yes	Yes	Yes
Indonesia	Yes	No	No
Japan	Yes	No	No
Lao People's Democratic Republic	Yes	No	No
Malaysia	Yes	Yes	Yes
Maldives	Yes	Yes	Yes
Nepal	Yes	No	No
New Caledonia	Yes	No	No
New Zealand	Yes	No	Yes
Philippines	Yes	Yes	Yes
Samoa	Yes	No	No
Republic of Korea	Yes	Yes	No
Sri Lanka	yes	No	No
Taipei, China	Yes	No	Yes
Thailand	No	Yes	No
Viet Nam	Yes	Yes	No

Note: This list is current as of August 2018.

Source: Global Wellness Institute 2018c.

Appendix 2: Asia and Pacific Region Wellness Tourism Highlights, 2017

Number of wellness trips : 257.6 million (15.3% CAGR from 2015 to 2017)

Wellness tourism expenditures : \$136.7 billion (10.9% CAGR from 2015 to 2017)

Projected wellness tourism expenditure compound annual growth rate (2017-2022): 13.0%

Average expenditure per trip:
\$1,741 for inbound/international (33% premium); \$268 for domestic (120% premium)

Direct jobs: 10.1 million

Top Ten Wellness Tourism Markets In Asia-Pacific, 2017

	Number of Arrivals/Trips ('000)			Receipts/Expenditures (US\$ million)
	Inbound/International	Domestic	Total	
People's Republic of China	7,724.3	62,442.2	70,166.5	\$31,705.9
Japan	1,585.5	38,900.0	40,485.5	\$22,466.1
India	4,542.4	51,426.3	55,968.6	\$16,299.7
Thailand	5,691.9	6,764.1	12,456.0	\$12,018.4
Australia	876.2	9,122.1	9,998.3	\$10,520.9
Republic of Korea	1,709.8	17,908.6	19,618.3	\$7,186.6
Indonesia	5,183.5	3,151.7	8,335.2	\$6,928.5
Malaysia	3,331.7	4,956.1	8,287.8	\$5,019.2
Viet Nam	3,149.5	6,465.8	9,615.3	\$4,001.1
New Zealand	341.0	2,736.5	3,077.5	\$3,036.0

Note: These figures include both primary and secondary wellness trips. Expenditures data combine both international/inbound and domestic wellness tourism spending. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International.

Wellness Tourism Spending Premiums In the Top Ten Markets, 2017

	Average Spending per Inbound/International Trip		Average Spending per Domestic Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
People's Republic of China	\$2,226	\$1,417	\$232	\$146
Japan	\$2,192	\$1,436	\$488	\$307
India	\$2,937	\$1,941	\$58	\$36
Thailand	\$1,885	\$1,206	\$191	\$120
Australia	\$2,992	\$2,490	\$866	\$487
Republic of Korea	\$2,054	\$1,307	\$205	\$126
Indonesia	\$1,184	\$793	\$251	\$115
Malaysia	\$1,109	\$717	\$267	\$102
Viet Nam	\$959	\$634	\$152	\$97
New Zealand	\$2,758	\$2,115	\$766	\$478

Note: These figures include both primary and secondary wellness trips. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International.
Source: Global Wellness Institute 2018c.

Appendix 3: Country and Region Lists

Definitions

United Nations World Tourism Organization geographic classifications:

Asia and the Pacific: Afghanistan; American Samoa; Australia; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People's Republic of China; Cook Islands; Fiji; French Polynesia; Guam; Hong Kong, China; India; Indonesia; Iran; Japan; Kiribati; Republic of Korea; Democratic People's Republic of Korea; Lao People's Democratic Republic; Macau, China; Malaysia; Maldives; Marshall Islands; Micronesia; Mongolia; Myanmar; Nauru; Niue; Nepal; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Pakistan; Palau; Papua New Guinea; Philippines; Samoa; Seychelles; Singapore; Solomon Islands; Sri Lanka; Taipei, China; Thailand; Timor-Leste; Tonga; Tuvalu; Vanuatu; and Viet Nam.

Northeast Asia: People's Republic of China; Hong Kong, China; Japan; Democratic Republic of Korea; Republic of Korea; Macau, China; Mongolia; and Taipei, China.

Southeast Asia: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam

South Asia: Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, and Sri Lanka.

Oceania: American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Kiribati, Marshall Islands, Micronesia, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

The World Travel and Tourism Council geographic classification:

WTTC counts the following as being in Asia and Pacific: Australia; Bangladesh; Brunei Darussalam; Cambodia; People's Republic of China; Fiji; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Kiribati; Kyrgyz Republic; Lao People's Democratic Republic; Macau, China; Malaysia; Maldives; Mongolia; Myanmar; Nepal; New Zealand; Other Oceania; Pakistan; Papua New Guinea; Philippines; Singapore; Solomon Islands; Republic of Korea; Sri Lanka; Taipei, China; Tajikistan; Thailand; Tonga; Uzbekistan; Vanuatu; and Viet Nam. Unlike the United Nations World Tourism Organization, they include the Central Asia/Caucasus countries of Kazakhstan, Kyrgyz Republic, and Uzbekistan in this geographic classification.

REFERENCES

- Airbnb Newsroom. 2017. The U.S. Midwest, Ryokans and Brazilian Beaches: Airbnb's 2018 Travel Trends. <https://news.airbnb.com/the-u-s-midwest-ryokans-and-brazilian-beaches-airbnbs-2018-travel-trends/>
- Bangkok Post. 2015. World of Wellness. 3 August.
- Carty, M. 2019. *U.S. Affluent Travelers Plan More Wellness Trips This Year: Skift Research*. <https://skift.com/2019/05/07/u-s-affluent-travelers-plan-more-wellness-trips-this-year-skift-research/>.
- Centers for Disease Control. 2020. *Update: Public Health Response to the Coronavirus Disease 2019 Outbreak — United States, 24 February*. <https://www.cdc.gov/mmwr/volumes/69/wr/mm6908e1.htm#suggestedcitation>
- China Outbound Tourism Research Institute. China Outbound Latest. <https://china-outbound.com/info/>
- Global Wellness Institute (GWI). 2014. *Global Wellness Tourism Economy 2013*. Global Wellness Institute. November
- _____. 2018a. *What is Wellness Tourism?* <https://globalwellnessinstitute.org/what-is-wellness/what-is-wellness-tourism/>.
- _____. 2018b. *New Study Reveals Wellness Tourism Now a \$639 Billion Market*. <https://globalwellnessinstitute.org/press-room/press-releases/new-study-reveals-wellness-tourism-now-a-639-billion-market/>.
- _____. 2018c. *Global Wellness Tourism Economy*. Global Wellness Institute. November
- _____. 2018d. *Wellness Industry Statistics & Facts*. <https://globalwellnessinstitute.org/press-room/statistics-and-facts/>
- _____. 2019. *Wellness Trends, from Global Wellness Summit*. Global Wellness Institute. Miami.
- Haywood, J., P. Mayock, J. Freitag, K. Akuffo Owoo, and B. Fiorilla. 2017. *Airbnb & Hotel Performance*. STR Research Inc., 2017. Hendersonville, Tennessee:
- Hill, L. 2018. *TripAdvisor Names Top Destinations for Wellness Tourism as Segment Continues to Experience Exponential Growth*. Welltodo Global Wellness News, June, 2018. <https://www.welltodoglobal.com/tripadvisor-names-top-destinations-for-wellness-tourism-as-segment-continues-to-experience-exponential-growth/>.
- Hilton Worldwide Holdings, Inc. Form 10-K for Fiscal Year Ended December 31st, 2018. EDGAR. Securities and Exchange Commission, 2019,

https://otp.tools.investis.com/clients/us/hilton_worldwide2/SEC/sec-show.aspx?Type=html&FilingId=13217616&CIK=0001585689&Index=10000#Q42018HWH10-K_HTM_S5C817A068FDB557A9AEEF58562499E8E

International Association of Amusement Parks and Attractions. 2019. *Global Theme and Amusement Park Outlook*. Florida.

International Medical Travel Journal. 2020. *Plans to regulate wellness tourism in Sri Lanka. 6 February 2020*. <https://www.imtj.com/news/plans-regulate-wellness-tourism-sri-lanka/>

Marriott International, Inc. Form 10-K for Fiscal Year Ended December 31st, 2019. EDGAR. Securities and Exchange Commission, 2019, <https://www.sec.gov/Archives/edgar/data/1048286/000162828020002376/mar-q42019x10k.htm#sD3179DC31AC555469AFF84342F6A41DA>

Rubin, Judith ed., *TEA/AECOM 2018 Theme Index and Museum Index: The Global Attractions Attendance Report*. Burbank, California: Themed Entertainment Association (TEA), 2019 and Los Angeles: AECOM, 2019.

Sri Lanka Tourism Development Authority. 2019 and 2020. *Monthly Tourist Arrivals Reports*. Colombo.

Statista. 2019. *Number of international tourist arrivals worldwide from 1996 to 2017 (in millions)*. <https://www.statista.com/statistics/209334/total-number-of-international-tourist-arrivals/>.

UN World Tourism Organization (UNWTO). 2006. *WTO World Tourism Barometer*. Madrid, Spain. January

_____. 2018. *Tourism for Development - Volume II Success Stories*. Madrid.

_____. 2019a. *UNWTO World Tourism Barometer*. Madrid, Spain. November.

_____. 2019b. *UNWTO Tourism Highlights, 2019*. Madrid, Spain.

_____. 2020a. "100% of Global Destinations Now Have COVID-19 Travel Restrictions, UNWTO Reports." 28 April 2020. <https://www.unwto.org/news/covid-19-travel-restrictions>

_____. 2020b. *UNWTO World Tourism Barometer*. Madrid, Spain. January. <https://www.e-unwto.org/toc/wtobarometereng/18/1>

UNWTO and Global Tourism Economy Research Centre (GTERC)019. *UNWTO / GTERC Asia Tourism Trends 2019 Edition*. Madrid, Spain.

World Travel and Tourism Council (WTTC). 2019. *Travel & Tourism Economic Impact 2019 World*. London, United Kingdom. March.

World Tourism Organization (WTO). 2003. *WTO World Tourism Barometer*. Madrid, Spain. January.

_____. 2005. *WTO World Tourism Barometer*. Madrid, Spain. January.