POLICY BRIEF

Harnessing Technology in Promoting Safe Tourism Destinations in Central Asia

Digital tools can help restart tourism activities successfully during the pandemic. Photo credit: ADB.

Technology can help reboot the tourism sector by enabling contactless and digital transactions and mapping COVID-19 infections for disease control.

Published: 01 June 2021

Introduction

Tourism is facing its worst crisis. The ongoing coronavirus disease (COVID-19) pandemic has disrupted the travel and tourism industry worldwide. In 2020, its contribution to global GDP dropped to 5.5% from 10.4% in 2019 according to the World Travel and Tourism Council. An estimated 62 million jobs have been lost and 120 million more are under threat. The lowest-tier jobs, which are held by economically weaker and most vulnerable sections of society (including women), are the most at risk. Small businesses that account for nearly 80% of global tourism are particularly vulnerable.
The pandemic's impact on Central Asia’s tourism sector is no different from the rest of the world. An Asian Development Bank study conducted in June 2020 estimated that international visitor spending in the Central Asia Regional Economic Cooperation (CAREC) countries will decline by 70% or about $9 billion in 2020 compared with 2019.

CAREC groups 11 countries: Afghanistan, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

This study, *Harnessing the Role of Technology in Promoting Safe Tourism Destinations in CAREC*, estimates that total travel and tourism contribution to GDP in CAREC will decline by 35% or about $13.5 billion in 2020.

While CAREC’s tourism potential is undisputed with its wide range of natural, historical, and cultural endowments that traverse national boundaries, the infrastructure and distribution of information and communication technology (ICT) are relatively low. Demands from tourists are also changing with increased need for safety and security assurances against COVID-19 and easy access to information.

Harnessing the role of technology should be a key strategy for the region as it recovers from the pandemic.

**Challenges**

While the region’s tourism sector has seen a boom in the last few years, it has long been facing some deep-rooted challenges—even before the pandemic. Some of these are:

- **Digitalization.** The current level of investments in infrastructure, such as universal access to internet connectivity, is low due to limited government incentives for the development and adoption of ICT, except for a handful of countries.

- **Connectivity and infrastructure.** Low investments in road and air connectivity and support infrastructure in the region have led to high transportation costs, limited air connectivity, cumbersome border crossings, and poor road conditions.

- **Quality and standards.** The quality of services varies significantly across the region, largely due to the absence of a common quality standard or regulation. Majority of tourism service providers are small or medium-level enterprises who also have limited access to the latest technology and standards.

- **Skills and development.** The region lacks a shared strategy for skills development to raise hospitality standards and business practices to improve tourism’s efficiency, productivity, and profitability.

- **Marketing and branding.** The region does not have a common marketing strategy that properly packages and promotes the tourism potential of its destinations.
Technology as a Key Strategy

ICT has been transforming the tourism sector all over the world. On the demand side, it empowers visitors to identify, customize, and purchase tourism products and services. On the supply side, it is playing a critical role in the competitiveness of tourism organizations and destinations and providing tools for developing, managing, and distributing tourism product offerings globally.

Technology is a key tool available to CAREC governments for tourism recovery. If well planned and invested, it can play a significant role not only in creating safe destinations but also in addressing existing challenges in the region’s tourism sector. But its implementation requires close collaboration not only between governments in the region, but also between the public and private sectors.

Although various services for tourism is predominantly provided by the private sector, it is the government’s policies, strategies, and incentives that provide the direction and impetus for the growth of the sector. The role of governments is to formulate national policies and programs, and coordinate the activities of various central, provincial, and local governments and the private sector.

Boosting digital adoption

Governments also need to provide adequate support to the private sector so it can adopt new technologies, such as augmented and virtual reality, internet of things, artificial intelligence, and cloud computing. Digital adoption can increase the effectiveness and efficiency of private enterprises not only for improving their daily operations but also for creating unique experiences for tourists.

Targeted marketing and communication campaigns on social media can then be used to promote the rich and diverse offerings of the CAREC region along with unique experiential opportunities to tourists. Technology will also enable the private sector to continue innovating to provide bespoke itineraries, routes, and experiences for domestic and international tourists.

Governments must play an active role in boosting technology adoption through policy interventions, starting with policy support for the revival of the tourism industry through a combination of incentives to the private sector, such as tax subsidies, funding, and skills development.

They should also help increase tourists’ confidence and willingness to travel. One way is to create an environment conducive to the conversion of key tourist destinations into “smart” destinations through the modernization and upgrade of technology infrastructure. Massive investments to improve ICT infrastructure in major tourist destinations are vital.

Governments must also enact policies that safeguard tourists from infection by providing contactless and digital payment options, technological means to map the spread of the virus, and vaccine passports.
Policy Recommendations

With suitable contextualization for each country, the recommendations below are offered as broad guidelines for the planning and adoption of technology in the tourism sector.

Technology for prevention and mitigation

- Maximize contactless and digital transactions. Technology can be used to minimize physical human touchpoints while providing a hospitable and tailored service required by visitors. With the use of digital payment platforms, cash payments can be replaced, reducing common touchpoints and limiting the spread of the virus.
- Map and control risk of spread. Technology can control the crowd, ensure social distancing, and avoid the incursion of the virus in a closed area. The real-time results of all COVID-19 tests when plotted on a digital map to identify pandemic hotspots and mobile alerts will help tourists and residents alike to avoid such areas. By deploying contact tracing technologies, the movement of COVID-19-positive people can be monitored and controlled. Smart public transit smart cards can help trace the visitors who do not have smartphones.

Technology for enhanced experience

- Ensure a more immersive experience. The richness of the travel experience comes from interacting with the local people, listening to local music, buying the local art and crafts. Technologies, such as virtual reality and augmented reality combined with human and AI-powered interfaces, can help to create a safe, delightful, and immersive experience.
- Make information ubiquitous. Ensure that up-to-date, reliable, and relevant information is always made available to all visitors, preferably in multilingual and easy-to-access formats. The availability of credible and relevant information generates trust and confidence among visitors and increases their ability to help themselves, without relying on any local contact or person.

Smooth technology adoption

- Rapidly scale up broadband internet connectivity. Making sure fast internet connection is available, both through fiber optic and mobile 4G/5G, is the single most important need since virtually all technologies require internet connectivity.
- Provide incentives to the private sector for technology adoption. Governments and associations could provide loans at cheaper interest rates, support packages, duty drawbacks, etc. Existing innovation funds may be leveraged though national boards and chambers of commerce and trade associations to make technology easily available to smaller businesses.

Technology for marketing and promotion

- Deliver personalized and not standardized services. With the escalated use of social media platforms for reviewing tourism destinations and for digital marketing by service providers, today’s
tourism industry can focus on using technologies, such as big data to deliver tourism products and services based on an individual’s unique profile, requirements, and preferences. Social media campaigns can then be utilized to promote tourism products to these individuals.

- Design a comprehensive tourism portal and national online register. Government or tourism bodies should develop a central portal or websites where all providers could provide information about their services. The development of a digital register of all inbound visitors, along with their local contact details, will also greatly assist in collecting and providing relevant information. This may be done by issuing smart card visa cards.

Technology for regional cooperation

- Facilitate cross-border travel and adopt a regional approach. Technology must be used to support travel facilitation and implementation of contactless immigration check-in procedures to stimulate demand and make it easier to travel. Having a regional protocol and specifications will enable ICT service vendors to develop new products, while monitoring quality and safety standards through technology can be made stress-free.
- Use technology to facilitate the proposed Silk Road Air Pass and Vaccine Passport. The CAREC Institute has proposed a “Silk Road Air Pass” for the 11 CAREC countries. The Air Pass will allow a tourist visiting the region to book multiple flights to CAREC destinations through a single window. Further, with the global rollout of COVID-19 vaccines, a vaccine passport may now be required for tourists to travel internationally.

Technology support

- Use technology to create and sustain jobs. At least 120 million jobs are at risk in the tourism sector. Despite the best efforts of governments, thousands of small businesses will close. While technology can slash jobs by automating manual operations to reduce the need for human interfaces, many jobs can still be created with ICT companies needing people to design, implement, and support the technology solutions. There will also be a demand for more skilled knowledge workers who are proficient in the use of technology.
- Promote skill developments. Suitable capacity building and skills development programs need to be designed to bridge the skills gap, especially for the smaller players in the tourism value chain. It is important to train the various stakeholders on how to adapt and employ technologies.

Institutional support for technology introduction
• Adopt a multistakeholder, multidisciplinary approach. All private and public sector entities should cooperate and share information to develop a unified dialogue, approach, and agreement in following common protocols and guidelines.
• Establish a national ICT Task Force to support the tourism sector. The high-level task force composed of government and private sector representatives will finalize the list of technology-related initiatives to support the tourism sector, and develop a detailed action plan for their implementation.

Resources


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Central Asia Regional Economic Cooperation Institute (CAREC)

The Central Asia Regional Economic Cooperation Institute (CAREC) is an intergovernmental organization promoting economic cooperation in Central Asia and along the ancient Silk Road through knowledge generation and sharing. CAREC is jointly shared, owned, and governed by 11 member countries: Afghanistan, Azerbaijan, People’s Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.