RECOVERING FROM CRISIS SITUATIONS
CASE STUDIES FROM ASIA

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The Importance of Tourism

The tourism industry, being such a big generator of jobs, foreign exchange, investment and trade opportunities, should be protected from shocks and threats.
Shocks and Threats: Natural disasters

Tacloban left in debris after being hit by a storm surge caused by typhoon Haiyan (Yolanda), November 2013
Shocks and Threats: Natural disasters

Mt. Pinatubo eruption in 1991, Philippines
Shocks and Threats: Man-made disasters

Bali Bombing Incident in October 2002

Photo from theherald.com.au
Threats and Shocks: Man-made disasters

Germanwings Flight 9525 crashed into the French Alps on 24 March 2015
Threats and Shocks: Economic downturn

Asian Financial Crisis in 1997

Photo from caxsupport.wordpress.com
Crisis Management

It is important for a destination to craft a crisis management plan which should be implemented as soon as a disaster occurs.

The plan must identify all the possible risks that may occur in the destination to minimize, if not avert risks.
Crisis Management

It should be crafted by all stakeholders from:

- the national government;
- the local government;
- politicians;
- tourism stakeholders and allied businesses from the private sector;
- government regulators;
Crisis Management

It should be crafted by all stakeholders from:

• financial institutions;
• insurance companies;
• civil society representatives;
• non-government organizations; and
• aid agencies
The Four Rs of Crisis Management

1. **Reduction**: detecting early warning signals

2. **Readiness**: preparing plans and running exercises

*Source: APEC International Center for Sustainable Tourism based on a study by Jeff Wilks and Stewart Moore*
The Four Rs of Crisis Management

3. **Response**: executing operational and communications plans in a crisis situation

4. **Recovery**: returning the organization to the new normal after a crisis

*Source: APEC International Center for Sustainable Tourism based on a study by Jeff Wilks and Stewart Moore*
Case Studies


2. Indian Ocean Tsunami (December 2004)

3. Bohol Earthquake & Typhoon Haiyan (October & November 2013)
Case Study:
SARS Pandemic
2002-2003

Photo from allianz.com
Case Study: 

SARS Pandemic

SARS was an infectious disease caused by a virus that broke out in **Guangdong Province** in late 2002.

By early 2003, the infection spread to Hong Kong and then on to different parts of China, Taiwan, Singapore and Canada.
On 21 February, a Chinese doctor who had treated yet undiagnosed SARS patients in Guangdong Province checked into Metropole Hotel in HK. Within 24 hours, 12 people who stayed in Metropole became infected and took the disease to Singapore, HK, Vietnam, Ireland, Canada, and the US.
Case Study:
SARS Pandemic

World Health Organization (WHO) issued an advisory against travel to China

Panic ensued

110 countries placed restrictions on their nationals to travel to Asia

Source: APEC, PATA
Tourist arrivals (per cent change, through-the-year)

Arrivals plummeted by between 20% and 80%

Source: The Economic Impact of Severe Acute Respiratory Syndrome (SARS) [online]. Economic Round-up, Winter 2003: 43-60.
Case Study:

**SARS Pandemic**

According to PATA, **7 million people** lost their jobs and Asia lost **USD30 billion** in foregone GDP.

Even destinations which did not have SARS cases such as Macau, Thailand, Korea, Indonesia, and the Philippines suffered a **40 to 70% drop in visitor arrivals**.

*Source: APEC, PATA*
HKTB formed a **Recovery Task Force** way before Hong Kong was delisted from WHO’s list of SARS-affected countries.

HKTB and the travel trade crafted a **Global Tourism Revival Campaign** which received a budget of HKD379 million (USD 48.84 million).

*Source: HKTB*
Story of Hong Kong:

**Global Tourism Revival Campaign**

The campaign was implemented in **2 phases**:

**Phase 1:** Restoring travelers’ confidence  
*Seeing is Believing* approach

**Phase 2:** Sustaining the momentum

*Source: HKTB*
Phase 1:
Seeing is Believing
Jackie Chan personally welcomes fans for the special **Jackie Tours**

World’s largest lantern launched in HK during the **Mid-Autumn Lantern Celebration 2003**
Phase 1:

**Seeing is Believing**

**Familiarization programs and consumer promotions:**

- Invited 430 overseas members of the travel trade and media
- Airlines provided 28,000 free air tickets
- Major hotels also participated in a three-nights-for-two programme

*Source: HKTB*
Phase 1:
Seeing is Believing

**Mega Event:** *Hong Kong Super Draw*

- Supported by 10,300 merchants, 37 shopping malls, 170 travel agents, major public transport operators and 24 taxi associations
- Received almost one million entries estimated to have generated spending of at least HKD300 million (USD38.64)

*Source: HKTB*
Phase 1: Seeing is Believing

Arrivals recovered soon after HK was delisted from the SARS affected countries in June 2003

**Recovery of Arrivals to Hong Kong, 2003**

**Source:** HKTB
Phase 2:  
Sustaining the Momentum
Phase 2: Sustaining the Momentum

• Launched a **global brand marketing campaign**

• Directed at the **long-haul markets**

• Campaign **drew on the core strengths** of Hong Kong as a destination — its shopping, dining, its East–West culture, and its combination of city, harbor, and green spaces
Experience the perfect mix of modern living and ancient culture in Hong Kong.

Celebrate the 10th anniversary of the establishment of Hong Kong as a Special Administrative Region of China with a visit to this magnificent city. Hong Kong is a unique blend of old and new East and West. See serene ancient temples against the backdrop of glittering modern skyscrapers or shop and dine at some of the world's finest stores and restaurants. Experience the living culture of this great metropolis by joining locals practicing Tai Chi or some other traditional custom. Once you like it, you'll love it. DiscoverHongKong.com/canada

Immerse yourself in the experience that is Hong Kong.

As the city that bridges the East and the West, Hong Kong offers many transcendent experiences, traditional and contemporary, that will capture your heart and mind. Take in the Symphony of Lights from a nighttime cruise in Victoria Harbour, or visit the magnificent Tian Tan Buddha on Lantau Island—each is a part of Hong Kong's unique living culture. So, come to Hong Kong, and see for yourself that when a city lets you live in the moment, you'll love every minute of it. For an incredible vacation package to Hong Kong, call your travel agent or visit our website. DiscoverHongKong.com/usa
Phase 2:
Sustaining the Momentum

The Hong Kong International Musical Fireworks Competition in October 2003 was Asia’s first international fireworks contest synchronised to music.
Phase 2:  
Sustaining the Momentum

Mega Events  
*The first* International Chinese New Year Night Parade *was* launched in January 2004
Phase 2:
Sustaining the Momentum

New Product Development based on research

Avenue of the Stars opening in April 27, 2004
Photos from avenueofthestars.com.hk
Phase 2:  
Sustaining the Momentum  
New Product Development based on research  

Jackie Chan’s first visit  
Statue presentation ceremony  

Photos from avenueofthestars.com.hk
Phase 2:
Sustaining the Momentum

Visitor Arrivals to HK, 2002-2005

Total Arrivals
Arrivals excl. Mainland

2002: 16.57
2003: 15.54
2004: 21.81
2005: 23.36

Data Source: HKTB

Achievable only if destination is prepared
Singapore government offered a S$230 million (~USD 150 million) relief package for the tourism and transportation sectors which were directly and adversely hit by SARS.
SARS Pandemic: Story of Singapore

Measures implemented:

- **Tax rebates** for commercial properties
- Higher property tax rebates for gazetted tourist hotels
- A **50% reduction in foreign worker levy** for unskilled workers employed by gazetted tourist hotels
SARS Pandemic:

Story of Singapore

Measures implemented:

- A **bridging loan program** for tourism-related small and medium-sized enterprises

- An increased **training grant** for the Ministry of Manpower and Singapore Tourism Board-approved tourism related courses
SARS Pandemic:

Lessons Learned

• Governments concerned did not anticipate the impact of the disease

• Transparency on the true state of SARS in the countries concerned was a key success factor

• Close cooperation with the WHO and local, regional and international health authorities led to the success in containing the virus

• Sometimes it is not the risk itself that causes the disaster; it is the panic generated by the risk.
SARS Pandemic:

Lessons Learned

• Early planning for recovery

• Media was handled sensitively and were treated as partners, rather than as adversaries

• HKTB and travel trade worked closely together in crafting and implementing the campaign

• All sectors were involved, not just those directly involved in tourism
SARS Pandemic:
Lessons Learned

• Results were measured and tracked over time

• Product research and surveys led to the creation of new products and services

• The campaign was sustained to ensure that arrivals, receipts and jobs went back to previous levels and even exceeded those levels
Case Study: Indian Ocean Tsunami 26 December 2004

Source: Tourism Concern
Case Study: Story of Thailand

Three southern provinces affected: Phuket, Krabi & Phang Nga
Case Study:

Story of Thailand

Losses were from **foregone earnings** from the tourism industry rather than from damage to infrastructure.
Employment and livelihood fell to record lows because most of the properties destroyed were hotels and tourism-related establishments.

*Source: B. Nicdhiprabha, ADBI Intitute, August 2007*
Visitor arrivals and revenues dropped due to fear that the tsunami or another natural disaster could happen again.

Source: B. Nidhiprabha, ADBI Institute, August 2007
Out of a budget of USD 1.7 billion allocated for tsunami relief and reconstruction, 14% or USD238 million went to projects for reviving the tourism industry in the Andaman areas.

Source: B. Nidhiprabha, ADBI Intitute, August 2007
Case Study:

**Story of Thailand**

Measures implemented:

- Provided **soft loans** to tourism entrepreneurs with low interest rates for hotel reconstruction efforts

- SME Bank loaned 523 business operators some 19 million baht (USD 471,815) at a concessionary interest rate of 2% per year over a three-year repayment period

Source: B. Nidhiprabha, ADBI Institute, August 2007
Case Study:

Story of Thailand

Measures implemented:

- Heavily **promoted other destinations** in Thailand while reconstruction was going on in the tsunami-affected Southern provinces
Case Study:

**Story of Thailand**

Marketing and Promotion Efforts

- Conducted **road shows** to India, Middle East, and Russia

- Hosted **Miss Universe** Pageant in Bangkok

- Visit of supersurfer Bethany Hamilton
Case Study:
Story of Thailand

Miss Universe Pageant held in Bangkok, 2005
Case Study:
Story of Thailand

Visit of supersurfer Bethany Hamilton

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Hamilton spreads aloha, surf culture in Thailand

**Sunday, September 25, 2005**

Jet-setting Bethany Hamilton of Princeville, who tossed out the first pitch at a New York Yankees game at Yankee Stadium in the Bronx last week, filmed a Subway sandwich TV commercial, found time to participate in (and win) a surf contest on the South Shore, and still keep up on her school work, also paid a visit to Phuket, Thailand late last month.

In Phuket, she gave a basic surfing lesson to approximately 20 children from the nearby fishing village of Laem Tuk-Kae, which was battered by the tsunami last winter. Members of a large, enthusiastic crowd watched, and Hamilton obliged them with many autographs. She was also featured on TV and radio, and in newspapers there. She went to Phuket to help officials with the international aid agency World Vision, whose leaders are active in the ongoing tsunami-relief efforts in Thailand, Indonesia, Sri Lanka, India and Myanmar.

While in Thailand, Hamilton, who lost most of her left arm in a shark attack while surfing off Kauai's North Shore nearly two years ago, also visited a fishing village where World Vision leaders and volunteers have helped restore or replace fishing boats, refurbish damaged homes, and built a library and children's play center.
Case Study:
Indian Ocean Tsunami

UNWTO-initiated Phuket Action Plan (PAP)

- Speed up recovery of the tourism sector by restoring traveler confidence
- Help destinations resume normal operations by maximizing the use of existing tourism infrastructure

Source: UNWTO
Case Study:

**Indian Ocean Tsunami**

Phuket Action Plan (PAP)

- Helping small tourism-related businesses and employees **survive the recovery period**
- Putting systems in place that strengthen the sustainability of the affected destinations through **disaster preparedness**

*Source: UNWTO*
In December 2006, a “Deep Ocean Assessment and Report of Tsunami” (DART) buoy costing USD 5 million was installed in the centre of the Andaman Sea.
Case Study: Story of Thailand


Data Source: Tourism Authority of Thailand
Indian Ocean Tsunami:

Lessons Learned

• **Speedy and efficient response** to the disaster is key to the return of public confidence in the destination

• **Concessionary loans** to both big entrepreneurs and SMEs are important to get them back on their feet and start employing people again
Indian Ocean Tsunami:

**Lessons Learned**

- A tourism plan should always **offer alternative destinations**

- An **early warning system** is an important element for disaster preparedness and crisis management

- **Support of international humanitarian agencies and tourism organizations** is very important in mobilizing worldwide support
Case Study:
Bohol Earthquake & Typhoon Haiyan
15 October & 8 November 2013
Case Study:

Bohol Earthquake & Typhoon Haiyan

15 October & 8 November 2013
In a span of 3 weeks, the province of Bohol experienced the wrath of nature:

Great Bohol Earthquake (15 October 2013)
Super Typhoon Haiyan (8 November 2013)
As the **third most disaster prone country** in the world, the Philippines needs to pay greater attention to creating **resilience** not only to **climate change** events but also to **tectonic events**

Case Study:
Story of Bohol

While tourism infrastructure and superstructures remained fully intact, Bohol suffered extensive damage to its iconic churches and its eco-adventure sites.

Moreover, the air carriers dropped their air services to 6 a day even though 12 a day would be technically achievable.
Case Study:
Story of Bohol

Chocolate Hills after the earthquake
Case Study: Story of Bohol

Baclayon Church before and after the earthquake
Case Study:
Story of Bohol

Loboc Church before and after the earthquake

photos by:
(L) reginsrealm.blogspot.com
(R) Robert Michael Poole (@tokyodrastic on Twitter)
Post impact and recovery assessments found that:

• there were **immediate cancellations of existing bookings** not only in the affected areas but in other destinations of the Philippines;

• **steep declines of up to 40%** in forward bookings heading into the peak season from November 2013 through to April 2014;
Case Study:

**Story of Bohol**

Post impact and recovery assessments found that:

- **removal of Bohol** from normal tour programs offered by tour operators in Japan, South Korea and China; and

- a **50% reduction** in the number of **air services** to Bohol.
Case Study:

Story of Bohol

- The impact of the earthquake and super typhoon events highlighted the perception of the Philippines as a disaster-prone and unsafe destination.

- As a result, tourism growth to the Philippines stalled in the last quarter of 2013 and for the whole of 2014.
Case Study:

Story of Bohol

Measures implemented:

- Relaunched the Loboc River Cruise 9 days after the earthquake
Case Study:

Story of Bohol

Measures implemented:

- Focused promotions on the domestic market
  - crafted and implemented a communications plan
  - brought groups of local journalists for fam trips
  - activated a website with the tag line "Behold Bohol"
Case Study:

Story of Bohol

Measures implemented:

Focused promotions on the domestic market

- hosted events such as marathons and conferences
- held a big commemorative event one year after the earthquake
- mounted the “Visit Bohol 2015” campaign with a mini travel trade fair in Makati, Metro Manila
Visit Bohol 2015
1,776 hills. And then some.
Bohol Travel Fair, January 9-11, 2015
Bohol Travel Fair, January 9-11, 2015
Case Study:

Story of Bohol

Measures implemented:

- Provincial Tourism Council (PTC) was lead agency in coordinating and implementing plans and programs
Growth of Tourist Arrivals to Bohol, 2010-2014

Source: DOT Central Visayas
Bohol Foreign Arrivals By Month, 2012-2014

Source: DOT Central Visayas
Case Study:

Story of Bohol

2015 first quarter occupancy rates of hotels were up and forward bookings are optimistic

*Based on an interview with the President of the Bohol Association of Hotels, Resorts and Restaurants (BAHRR)*
Story of Bohol:

Lessons Learned

- The crisis brought the tourism stakeholders together in a spirit of **solidarity and cooperation**

- An umbrella organization such as the Provincial Tourism Council is an effective way to get things done as **all stakeholders are members**
Story of Bohol:
Lessons Learned

- There is need to help small hotels, resorts, and tourist establishments craft their individual crisis management plans as the economic impact of the disasters hit them most
Story of Bohol:

**Work in Progress... what needs to be done**

- Focus on **tourism planning** as an important component of the crisis management plan

- **Continuous education** of residents/communities/tourists of evacuation procedures and safety measures that will get them out of harm's way
Story of Bohol:

**Work in Progress... what needs to be done**

- Pass local legislation to ensure **climate change resiliency** in all communities
  - Location of buildings
  - Setbacks from shorelines
  - Design guidelines for establishments
  - Design guidelines for evacuation centers - should be able to withstand winds of 300 Kms
Ciudad de Zamboanga

Celebrating Diversity

Livable Cities Design Challenge

Source: Hans Pedersen
Conclusion

Recap of Tourism Recovery Measures

• Fiscal Measures
• Communications Plan/Media Management
• Tourism Plan – need to institutionalize policies through legislation
• Fam Trips
• Special Events
• Domestic Tourism
• Partnerships and Regional Cooperation Programs
• Training and Capacity Building
• Need for closure after a disaster
Conclusion

Effective crisis management can be gauged in:

- The ability to avoid or reduce the crisis
- The speed with which a destination resumes full business operations
- The degree to which business recovers to pre-crisis levels
- The amount of crisis resistance added since the crisis
Conclusion

The case studies presented demonstrate strategies used by destinations to help in:

- regaining the public's and their tourist markets' confidence in their destination
- ensuring business continuity
- ensuring that concrete steps were taken to make the destination crisis resistant
THANK YOU

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