

Re-opening the Pacific: a phased approach to resuming international travel

by Andrew Blackman and Hamish Wyatt

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Milne Bay youth performers welcoming a cruise ship in 2016.

Photo Credit: Conor Ashleigh/World Bank

Across the world – including here in the Pacific region – countries are now beginning to look at how to ease travel restrictions that were put in place to limit the spread of COVID-19. As vaccines roll out, international travel begins to resume [between Australia and New Zealand](#) and discussions of a ‘[Pacific Bubble](#)’ [continue to be floated](#), it is time to consider how and when the region could reopen.

The stakes are high. The travel restrictions that have been in place across the Pacific have been effective, sparing the region from larger coronavirus outbreaks. Continuing to avoid outbreaks will continue to be essential for the region, particularly given relatively weak health systems and high rates of pre-existing health conditions among Pacific populations, any large outbreaks could have devastating implications.

Yet there’s no escaping that the economic impacts of the pandemic have already been heavily felt across the region. [World Bank economic modelling](#) indicates that all Pacific economies are expected to have contracted in 2020, particularly those reliant on tourism – such as Fiji, which is facing an expected baseline reduction in GDP of [around 19%](#) in 2020.

To assist policymakers in the Pacific and Papua New Guinea approach these issues, the World Bank has been working to identify next steps.

A new paper, [How could the Pacific restore international travel?](#), highlights the benefits of a phased approach to opening up the Pacific, alongside the potential pitfalls, and less obvious risks, of opening up to international travel.

The paper suggests any opening of Pacific travel should be done in phases. However, it is important to note that relaxing strict border entry policies alone will not necessarily deliver immediate economic benefits. Governments will need to work with the private sector and look at other interventions (particularly in the tourism

sector) to ensure a more sustainable economic recovery.

The distinct phases can be broken into three blocks:

- **Phase 1, which is now underway:** Pre-approved outward travel for specific groups (temporary workers, students etc.). Testing and quarantine measures required, and this is a precursor to any 'travel bubble'.
- **Phase 2, beginning between June 2021 and May 2022:** A 'travel bubble' with commercial flights for business and tourism. This would require sustained containment, improved testing and tracing and initial roll out of vaccines.
- **Phase 3, beginning between October 2021 and October 2022:** A 'new normal'. Longer term general international travel requiring wide distribution of COVID-19 vaccines and treatment with vastly improved testing.

Underlying risks

With any consideration of the above phases, it is important to remain focused on the Pacific's high level of underlying vulnerability to COVID-19. The conditions that motivated strong, early and ultimately successful border closures remain, and the decision to ease international travel restrictions must not be taken lightly.

Ultimately, all governments will have to weigh the economic benefits of permitting international arrivals alongside the potential health risks that these bring.

A considerable benefit of Phase 1 would be the resumption of labor mobility from the Pacific and PNG to Australia and New Zealand, given the **importance of remittances to many PICs** (the total value of remittances in **Tonga is equivalent to over 35% of the country's GDP**, for example).

The '**triple win**' of labor mobility – for the worker (through income); for Australia and New Zealand through access to labor; and for PNG and Pacific economies through foreign exchange inflows and increasing consumption and income – means a focus on reactivating labor mobility should be at the forefront of a Pacific 'opening up' strategy.

Tourism is also central to several Pacific economies with wide flow-on effects for domestic supply chains and benefits spread between genders. There are few industries that can deliver the types of economic and social benefits tourism does.

However, the risk of introducing COVID-19 to the region remains. To mitigate this risk, border entry policies should be adjusted based on progress in strengthening health system capacity for testing, treatment and tracing.

Other downsides include the fact that joining a regional travel bubble could involve

significant financial costs for Pacific nations to strengthen their testing, tracing and treatment capacities.

While vaccine roll-out will be critical in reopening the Pacific for international travel, effective vaccine delivery will only be **a part of the cure for the resumption of travel**. Effective and widely available COVID-19 treatments will also be necessary to facilitate international travel. As such, any 'new-normal' travel arrangements are unlikely to be in place before 2022.

So what should Pacific governments do in the meantime?

Based on this assumed timeline, economic activity across much of the Pacific could remain depressed for another 9 to 18 months. Over that time, there will be competing priorities of strengthening public health preparedness while working to mitigate economic impacts on households and business.

Many governments across the region lack the resources to implement large-scale recovery policies, so hard tradeoffs will likely be required.

In moving government support from emergency relief to a more structured economic recovery, governments across the region will need to carefully weigh where interventions are required and how to ensure complex public policy responses to these numerous challenges are effectively coordinated.

Ultimately, there is a large degree of uncertainty regarding the timing of phases two and three. Subsequent spikes in infections in Australia and/or New Zealand could dramatically affect the timeline outlined in the paper. Nevertheless, it is clear that as the region prepares to reopen, careful deliberation, clear public policy and coordinated interventions will be essential to secure any sustainable and inclusive economic recovery across the region in the slow build back from this world-changing pandemic.

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Link:

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