



**Asia-Pacific
Economic Cooperation**

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Session 1

Cross Border Mobility in the APEC Region

Submitted by: Policy Support Unit, APEC Secretariat



**Capacity Building Workshop on Improving
the Utilization of APEC Business Travel
Card**

14-15 September 2021



Asia-Pacific
Economic Cooperation

Cross Border Mobility in the APEC Region

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Capacity Building Workshop on
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Advancing Free Trade
for Asia-Pacific **Prosperity**

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Outline

- Background of the study
- Survey results
- Economics of cross-border mobility
 - Elasticity estimates
- Impacts of COVID-19 border restrictions
 - Pandemic control
 - Cross-border arrivals
 - Economy
- Policy discussion

Background of the study

- *“We will... explore ways to facilitate essential movement of people across borders, without undermining the efforts to prevent the spread of the virus.” – APEC MRT Declaration (July 2020)*
- CTI (September 2020): Survey on “Voluntary Exchange of Information on Measures Being Explored/Implemented by APEC Economies to Facilitate Essential Movement of People across Borders”
- PSU (January 2021): Study on “Cross Border Mobility in the APEC Region”; published August 2021

Survey results

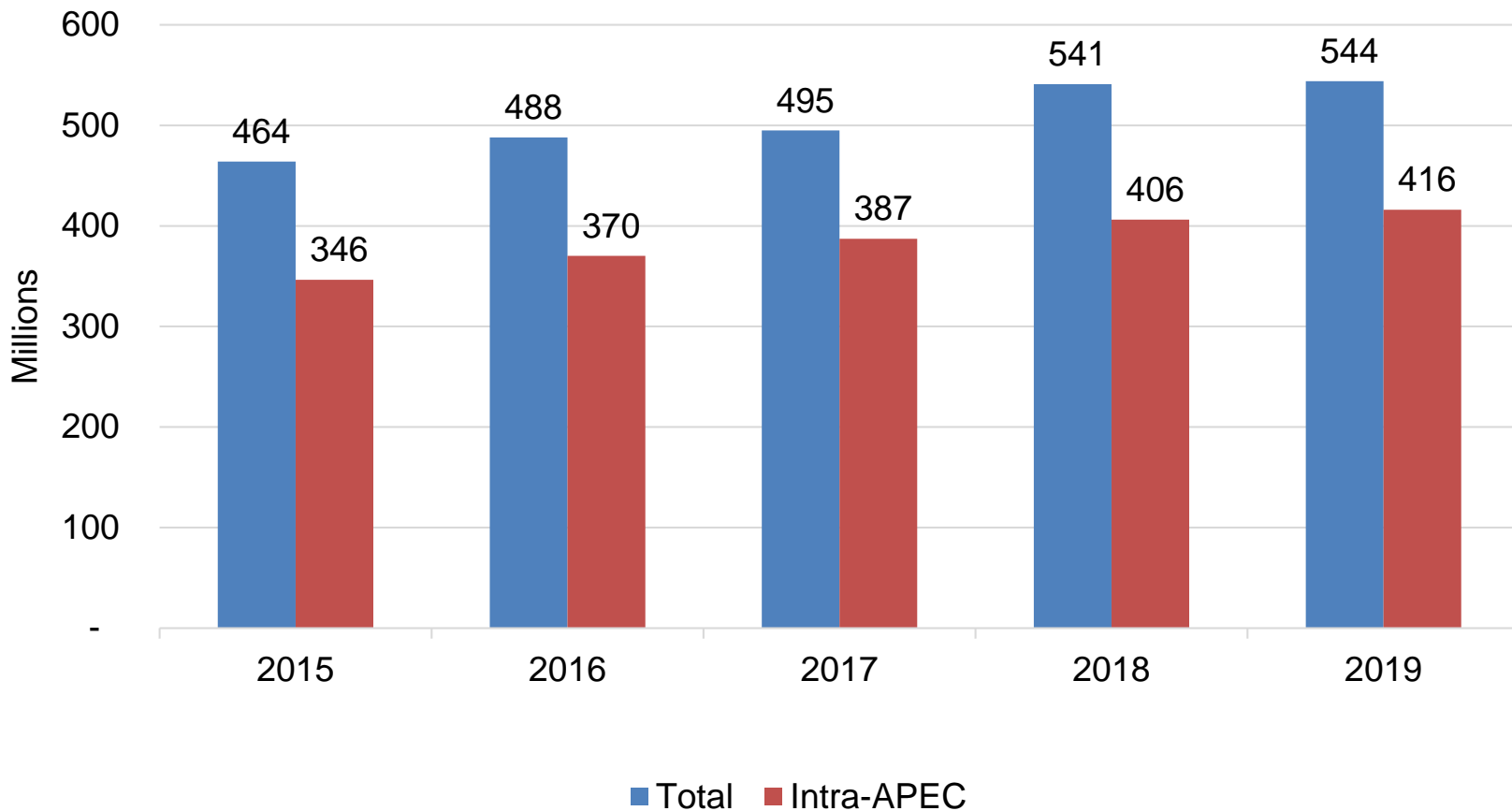
| Economy | General border restrictions | Public health measures: quarantines, testing, etc. | Measures to Facilitate Essential Travel | | | | |
|---------|-----------------------------|----------------------------------------------------|-----------------------------------------|----------------------------|----------------------|------------------------------------|---------------------|
| | | | Exemptions from travel restrictions | | | Special arrangements / green lanes | Information sharing |
| | | | Positive/Negative lists | Labour and Business Travel | Residency and Family | | |
| AUS | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| BD | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| CDA | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| CHL | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| PRC | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| HKC | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| INA | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| JPN | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| ROK | ✓ | ✓ | (-) | ✓ | ✓ | ✓ | ✓ |
| MAS | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| MEX | ✓ | ✓ | (-) | ✓ | ✓ | ✓ | ✓ |
| NZ | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| PE | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| RUS | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| SGP | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| CT | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| THA | ✓ | ✓ | (+) | ✓ | ✓ | ✓ | ✓ |
| USA | ✓ | ✓ | (-) | ✓ | ✓ | ✓ | ✓ |

Red = restricting policies; green = facilitating policies; (-) = negative list approach; (+) = positive list approach

Based on collected survey responses as of February 2021

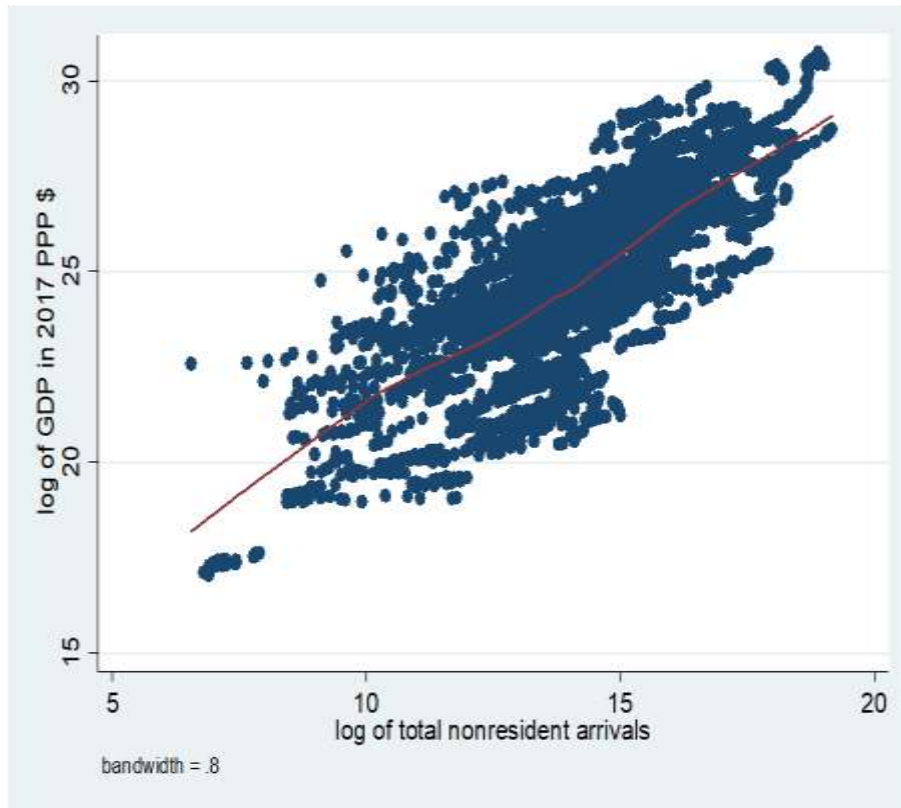
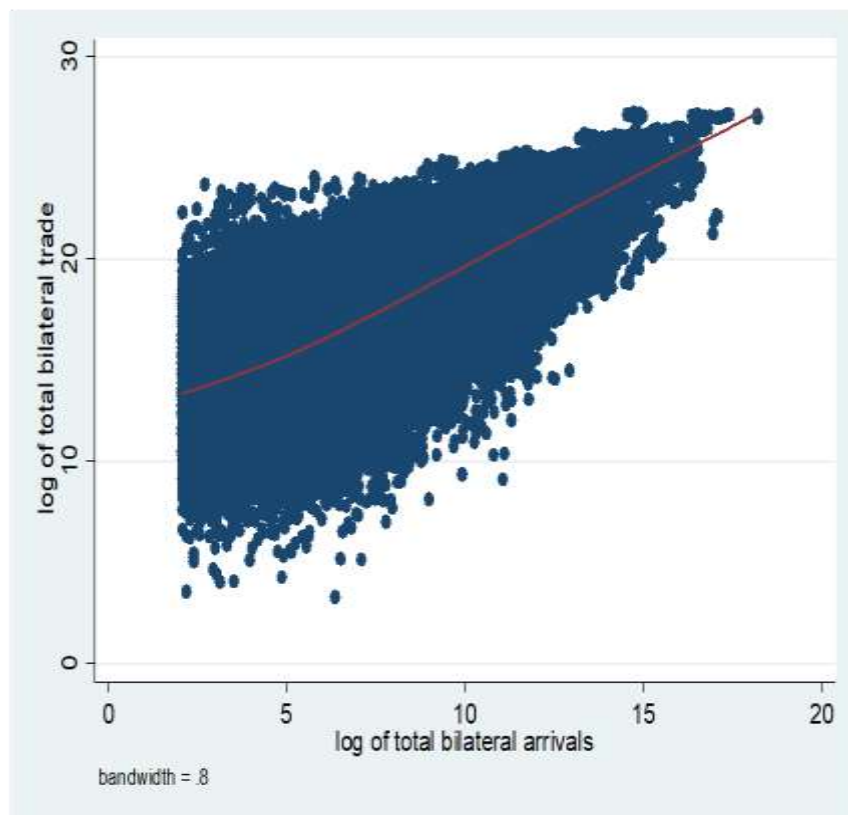
Economics of cross-border mobility

Non-resident arrivals In APEC, 2015-2019



Economics of cross-border mobility

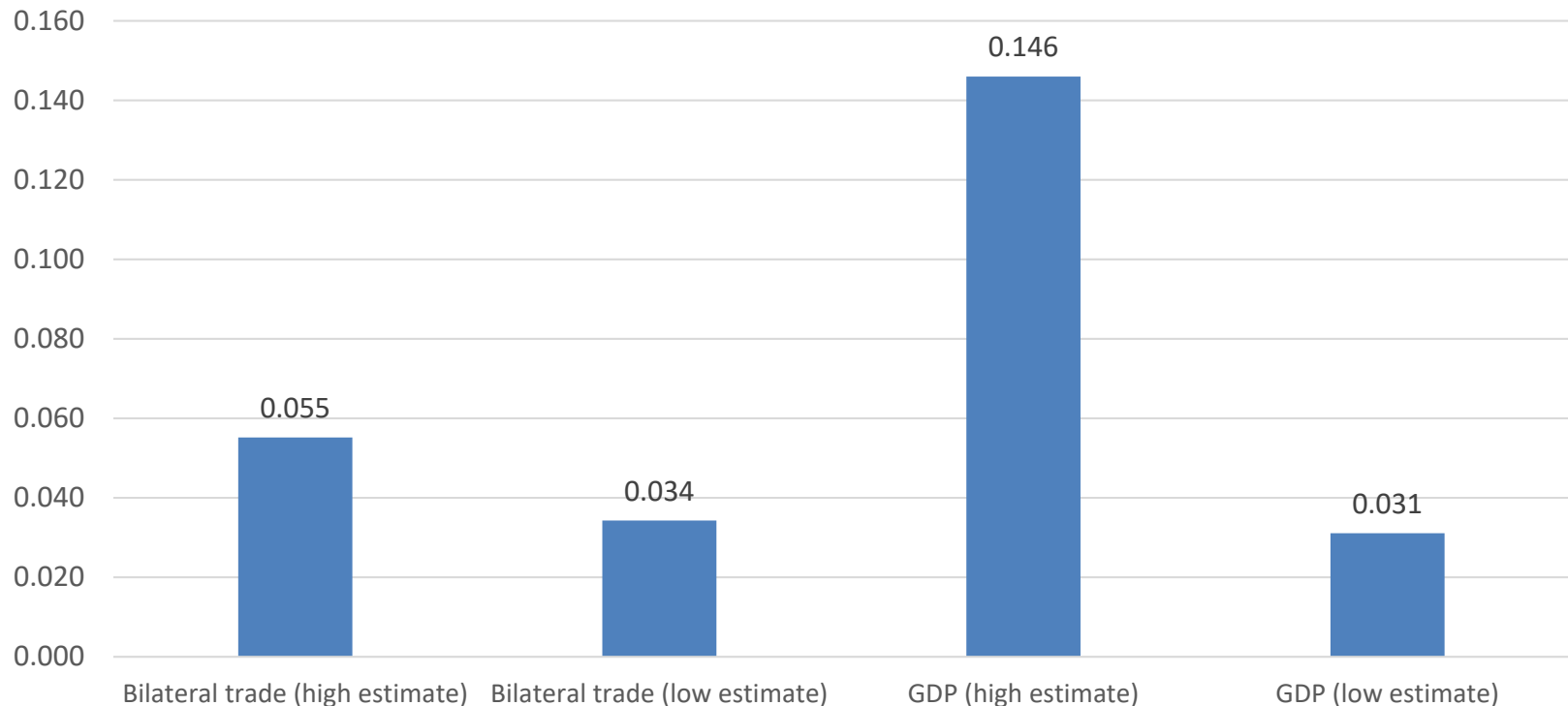
Scatterplots of non-resident arrivals vs bilateral trade and real GDP



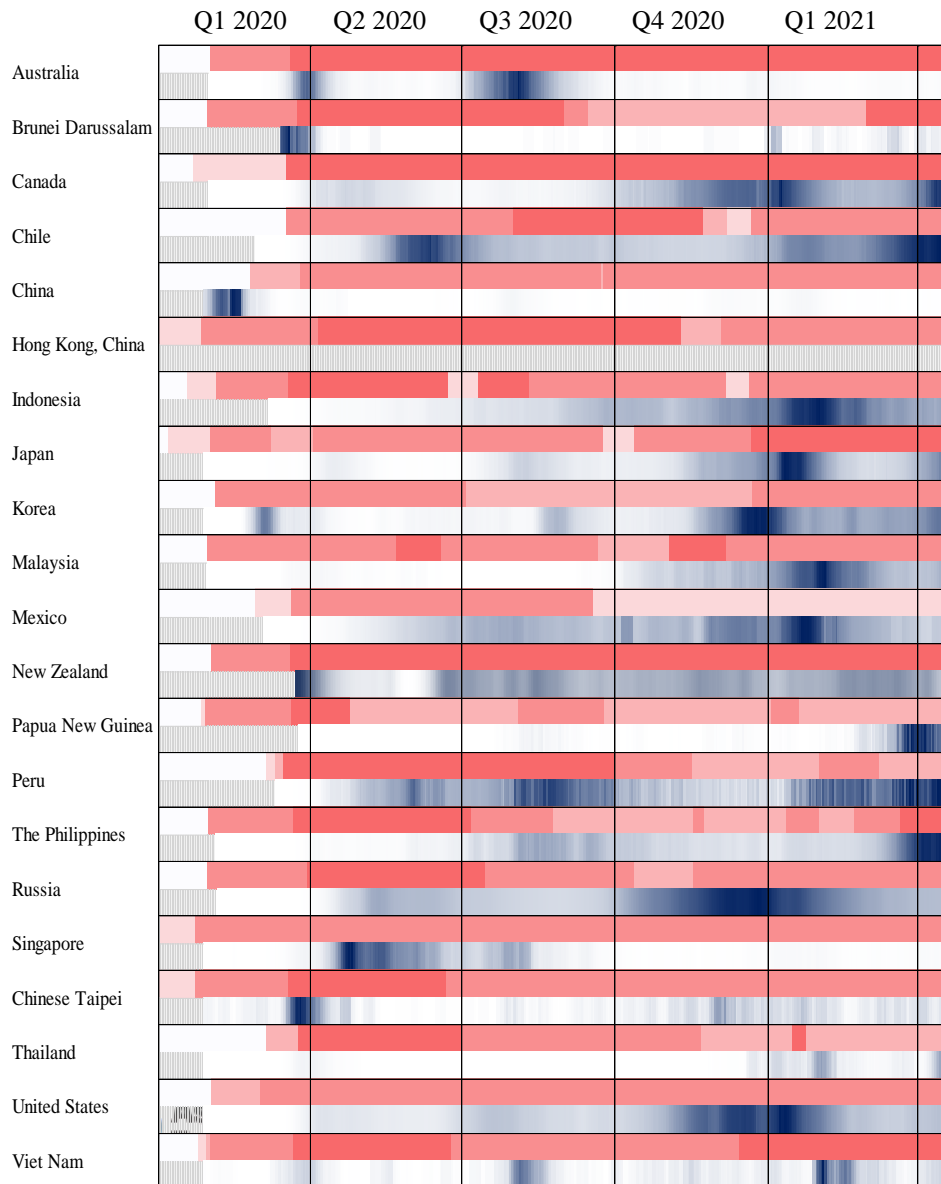
Data cover more than 200 economies, including all APEC economies, over 1989-2019. Trendline is generated using nonparametric locally weighted scatterplot smoothing.

Economics of cross-border mobility

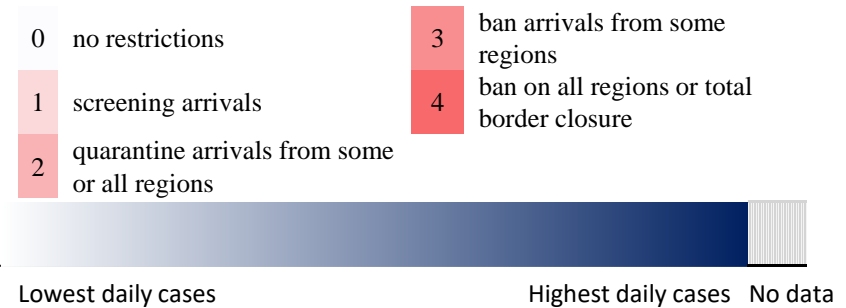
Every 1% increase in non-resident arrivals is associated with ___% increase in _____.



Impacts of COVID-19 border restrictions



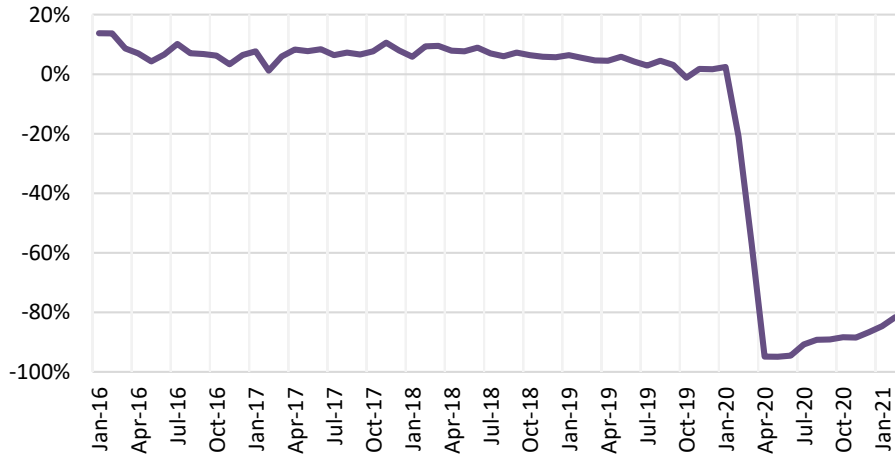
Border Policies and COVID-19 Daily New Cases, 1 Jan 2020 - 20 Apr 2021



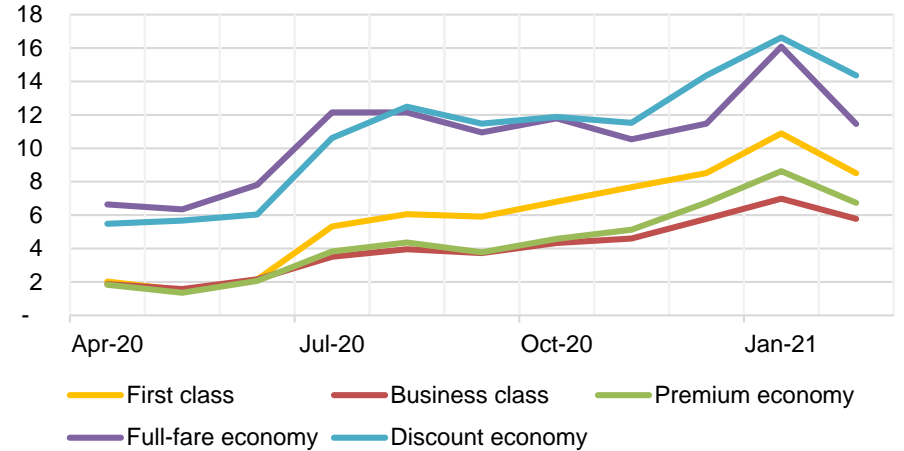
- No clear association between border stringency and pandemic control
- Effectiveness of border controls depend on
 - Timing: before disease takes hold locally
 - Effectiveness of behind-the-borders pandemic control

Impacts of COVID-19 border restrictions

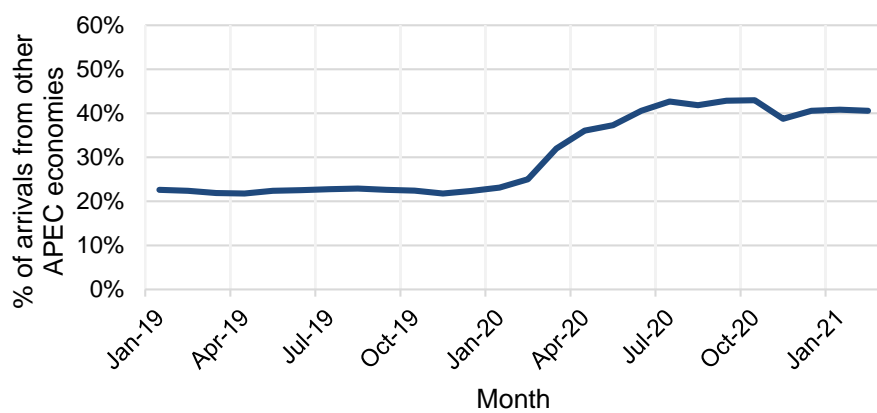
Total APEC air arrivals, yoy growth



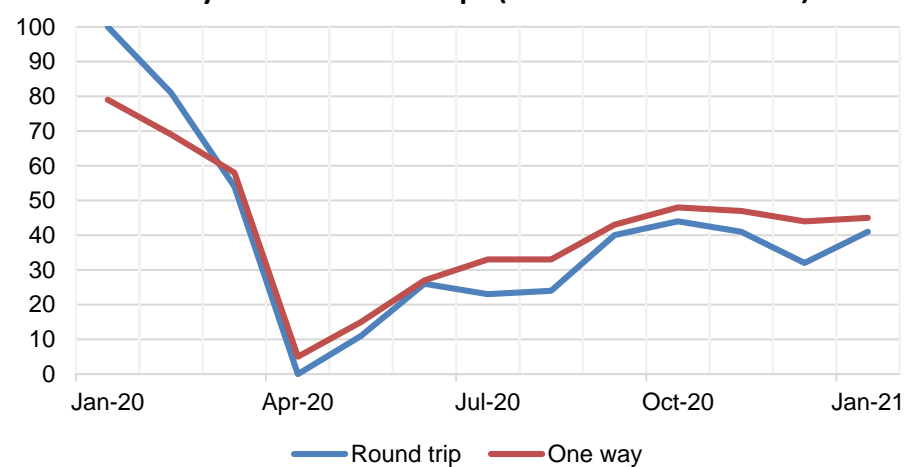
APEC arrivals by cabin (Jan 2020 = 100)



Intra-APEC arrivals with transit



1-way vs round-trip (Jan 2020 = 100)



Impacts of COVID-19 border restrictions

- **Losses in services sectors**
 - Direct impact: travel, tourism, and hospitality sectors
 - Knock-on impact: food, manufacturing, other personal services
 - Disruption to cross-border education and training
 - But growth in digital economy and virtual services
- **Disruptions to GVCs and trade**
 - Stranded air crews, seafarers, and truck drivers
 - Higher logistics costs, time, procedures, and uncertainty
- **Impacts on people**
 - Loss of cross-border business and employment opportunities
 - Loss of remittance revenues for labor-exporting economies
 - Increase in abuse of migrant workers
- **Estimated direct losses from fall in cross-border arrivals in APEC**
 - Lost bilateral trade: USD 488 billion to USD 786 billion
 - Lost economic output: USD 1.2 trillion



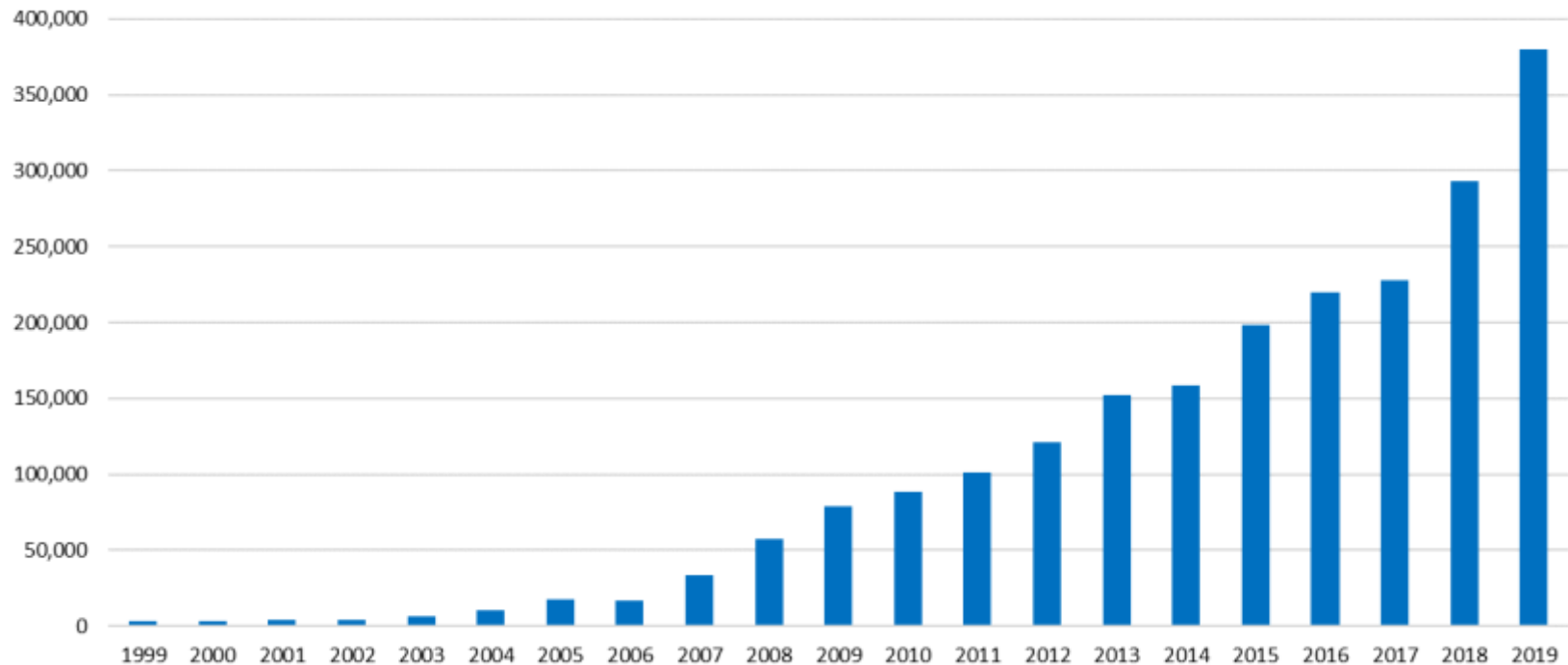
Policy discussion

- **Contain COVID-19 everywhere and for everyone**
 - COVID-19 is a threat everywhere so long as it rages anywhere
 - Virus mutations introduce uncertainties and can reverse gains
 - Requires quick and equitable access to vaccines and therapeutics
- **Reduce uncertainty at the borders**
 - Harmonise and standardise requirements, recognise tests and health certificates, develop transparent criteria for closing or reopening borders, etc. → all based on scientific evidence, ideally
 - But how to reconcile different risk profiles, outlooks and appetites?
- **Need for regional cooperation**
 - APEC as an ideal venue for policy cooperation and coordination

Virtual ABTC as a digital health pass

- **Around 380,000 active ABTC holders in 2019**
 - 0.1% of all non-resident APEC arrivals during that year
 - ABTC was not designed with scale and mass travel in mind

Number of active ABTC holders, 1999-2019



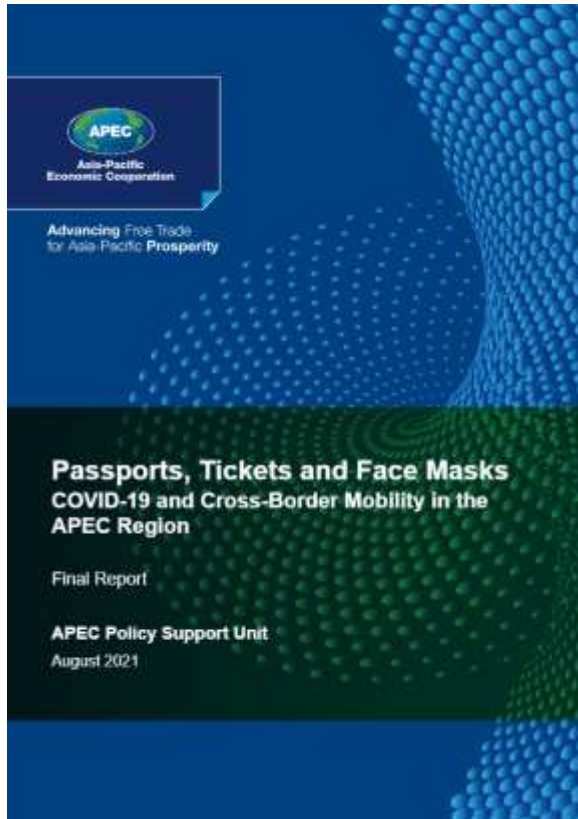
Virtual ABTC as a digital health pass

Essential principles for a digital health pass (UNWTO 2021)

| Principle | ABTC | Notes |
|---------------------------|------|--------------------------------------------|
| Privacy and data security | O | Adheres to privacy rules of APEC economies |
| User control over data | O | Adheres to data rules of APEC economies |
| Inclusivity and equity | X | Not open to all travelers |
| Open standards | ? | Economies may have different approaches |
| Interoperability | O | Interoperable within the APEC region |
| Scalability | X | Not meant to facilitate mass travel |
| Portability | O | Portable within the APEC region |
| Sustainability | O | ABTC has been ongoing for 20 years |

Find out more

APEC Online and Social Media



Passports, Tickets and Face Masks:
COVID-19 and Cross-Border Mobility in the
APEC Region

[https://www.apec.org/Publications/2021/08/
Passports-Tickets-and-Face-Masks](https://www.apec.org/Publications/2021/08/Passports-Tickets-and-Face-Masks)

Find out more

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