



**Asia-Pacific
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Leveraging the Digital Economy to Promote an Inclusive Tourism Industry: Workshop Summary Report

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APEC Tourism Working Group

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Executive Summary

Digital technologies are changing the way destinations and businesses facilitate tourism, develop products, gather data, access markets, and attract visitors. This disruption creates new opportunities and challenges for many stakeholders in the travel and tourism industry, including groups such as women and micro, small, and medium-sized enterprises (MSMEs). The workshop on *Leveraging the Digital Economy to Promote an Inclusive Tourism Industry*, held at the Sheraton Miramar Hotel and Convention Center in Vina del Mar, Chile, on May 7, 2019, aimed to create a discussion around how APEC economies can leverage digital tools to promote tourism, with an emphasis on enabling women and MSMEs to engage in the industry. Through a keynote, three panel discussions, and dialogue between speakers and participants, the workshop brought forth discussion and ideas in the following areas:

- Digital tourism trends in the Asia-Pacific region;
- How digital tools create opportunities for key groups in the tourism economy, including women and MSMEs;
- How digitalization can enable greater access to the tourism industry, but can also present challenges; and
- Regulations and policies that support growth in the digital economy while mitigating potential negative effects.

The key themes that emerged from the discussions include:

- The digital tourism economy presents opportunities and challenges, and governments and industry have a role to play in ensuring all stakeholders have access to digital tools, infrastructure, and the skills needed to use these tools; and
- Governments, with input from the private sector, should pursue policy frameworks that support the benefits of digital tourism while mitigating potentially negative aspects.



Workshop on Leveraging the Digital Economy
to Promote an Inclusive Tourism Industry
May 07, 2019. Viña del Mar, Chile



Introduction

Tourism plays a significant role in stimulating economic growth and fostering connectivity in the Asia-Pacific region. In 2018, travel and tourism directly contributed USD \$1.5 trillion to the APEC region's GDP, supported 57.5 million jobs directly, and contributed 6 percent of the region's exports. The APEC region represents close to 54 percent of global tourism's contribution to GDP. Moreover, every 10 percent increase in tourist arrivals in APEC economies is associated with a 1.2 percent increase in exports and a 0.8 percent increase in imports in the destination economy. Tourism stimulates entrepreneurship and the growth of MSMEs, supporting economic diversification and creating jobs across sectors. To ensure that APEC economies continue to see benefits from tourism, it is important that policy makers and the private sector understand how digitalization the changing nature of the sector.

The Asia-Pacific region is at a pivotal stage where the transformative power of technology has presented a unique scope of possibilities, providing opportunities for businesses in new areas such as the sharing economy and seamless travel. Digitalization will continue to evolve the tourism experience and change how people work within the sector. Emerging digital technologies connect people, information, and experiences more quickly than ever before. These changes are likely to be disruptive and, in the short term, may cause labor displacement as businesses try to figure out the tourism jobs of the future. It is therefore important to prepare for these changes and to ensure that all segments of the population, particularly women and MSMEs, have access to, and can succeed in, the new digital tourism economy.

The workshop on *Leveraging the Digital Economy to Promote an Inclusive Tourism Industry*, which took place on May 7, 2019 at the Sheraton Miramar Hotel and Convention Center in Vina del Mar, Chile, was intended to help APEC economies identify ways to engage women and MSMEs in the tourism industry via the digital economy. As the tourism industry changes due to digitalization, it is critical to ensure that women and other key groups continue to have access to this sector. The workshop was an opportunity for APEC economies, the private sector, and multilateral organizations to obtain, share, and strengthen knowledge and skills related to the digitalization of the travel and tourism industry and its impacts on jobs and skills development.

The main objectives of the workshop were to:

- Deepen participants' knowledge and understanding of the digitally-enabled tourism economy, including how it provides access to key groups, such as women and MSMEs;
- Identify ways to further engage women and MSMEs in the tourism industry via the digital economy;
- Increase participants' knowledge of regulatory and capacity-related barriers affecting the digitally-enabled tourism economy; and,
- Educate participants on successful strategies of companies in the digital tourism industry and develop strategies to engage public-private partnerships in skill-training initiatives tied to the digital tourism economy.

The workshop consisted of introductory remarks followed by one keynote presentation and three panel sessions. For each session, experts from APEC economies, multilateral institutions, and private businesses presented information related to the digital tourism economy and, specifically,

related to the opportunities and challenges for women and MSMEs. The results of the discussions during the workshop are consolidated into this report to provide APEC economies with information on how they can best leverage digital tools to promote tourism.



Project Overseer Jennifer Aguinaga, United States, Delivering Opening Remarks

Participating Economies and Organizations

The event comprised 57 participants, including government officials from 14 APEC member economies, private sector representatives from companies including Airbnb and Google, and senior officials from the OECD and World Travel and Tourism Council:

APEC Economies

- Australia
- Chile
- China
- Indonesia
- Japan
- Malaysia
- Republic of Korea
- Papua New Guinea
- The Philippines
- Singapore
- Chinese Taipei
- Thailand
- The United States
- Viet Nam

APEC Working Groups

- Tourism Working Group
- Small and Medium Enterprises Working Group
- Policy Partnership on Women and the Economy

Companies and Organizations

- Airbnb
- CORFO, Chile
- Denomades.com
- Department of Foreign Affairs and Trade, Australia
- Department of Trade and Industry-Bureau of Small and Medium Enterprise Development, Philippines
- Department of Trade and Industry – Aklan, Philippines
- Department of Women’s Development, Ministry of Women, Family and Community Development, Malaysia
- Google
- Institute for Tourism Development and Research, Vietnam National Administration of Tourism
- Japan Tourism Agency
- Macau, China
- Malaysia Digital Economy Corporation
- Ministry of Culture, Sports and Tourism, Korea
- Ministry of Foreign Affairs, Indonesia
- Ministry of Foreign Affairs, Viet Nam
- Ministry of Tourism, Culture and Arts Malaysia
- Ministry of Tourism and Sports Thailand
- Ministry of Trade Republic Indonesia
- National Center for APEC, United States
- Organization for Economic Cooperation and Development (OECD)
- Office of the Undersecretary of Tourism, Chile
- Papua New Guinea Tourism Promotion Authority
- Prochile
- Sernatur
- Singapore Tourism Board
- Tourism Information and Technology Centre, Vietnam National Administration of Tourism
- World Travel and Tourism Council (WTTC)
- University of Valparaiso
- U.S. Department of Commerce
- U.S. Department of State

Women’s Participation

There was a large presence of women at the workshop, both in terms of participants and speakers. Of the 12 speakers featured in the workshop, eight were women. Of the four moderators, three were women. Of the participants, at least 50 percent were women.

Key Issues/Main Discussion

Introductory Remarks

The workshop began with welcoming remarks by Ms Jennifer Aguinaga, Project Overseer from the United States. Ms Aguinaga provided an overview of the workshop and its goal to provide a platform to discuss and identify how APEC economies can leverage digital tools to promote tourism, with an emphasis on enabling women and MSMEs to engage in the industry, to provide APEC economies with actionable information on how they can develop policy frameworks that best leverage digital tools to promote tourism. Ms Aguinaga also highlighted the importance of understanding the changing nature of the tourism industry through digitalization to ensure that APEC economies continue to see the benefits of tourism, particularly for women and MSMEs.



Following Ms Aguinaga's remarks, Ms Alcinda Trawan, (former) Lead Shepherd of the Tourism Working Group, highlighted the 10th Tourism Ministerial Meeting in May 2018 in Port Moresby, Papua New Guinea, during which tourism ministers and high-level officials recognized that the digital economy has and will continue to transform the tourism industry. They encouraged economies to share best practices on the modernization of tourism policy and regulatory approaches that will stimulate growth and create new jobs by harnessing innovation and technology. Ministers also encouraged economies to develop inclusive policies that will consider the technological advancements in the tourism industry.

Opening Session: Setting the Stage – The Digitalization of the Tourism Industry

Digital technologies are impacting the way destinations and businesses facilitate tourism, develop product, gather data, access markets, and attract visitors. This disruption creates new opportunities for many stakeholders in the tourism industry, including for groups such as women and MSMEs. Ms Nayana RenuKamar, Head of Public Policy for Experiences (Americas/APAC), Airbnb, provided an overview of how the digital economy is affecting travel and tourism in general, and women and MSMEs specifically, to set the stage for the rest of the day's discussions. Her remarks focused on how digital platforms like Airbnb are disrupting the industry; whether these new technologies are accessible and inclusive; how these technologies can benefit tourism; and what the risks are and how we are addressing them.

Ms RenuKamar noted that tourism is changing as new segments of travelers emerge. There has been the recent emergence of 1.5 billion millennials who are seeking to experience new cultures, engage with locals, and have authentic experiences. They have an expectation of having control

over their experiences. As a result, destinations must be genuine and creative and offer seamless travel experiences using technology. Also, seniors and women are traveling more than ever before.



Nayana RenuKamar, Head of Public Policy for Experiences (Americas/APAC), Airbnb

As the sharing economy expands and travel is increasingly organized online, technology is redefining how consumers can access goods, services and even capital – they can obtain it from each other instead of buying it from brick and mortar stores, for example. This creates new opportunities for those in the travel and tourism industry to take place in this evolving marketplace, particularly women and MSMEs. While a lot of discussions around the role of technology in travel focuses on its impact on travelers, growth of technology, and especially the rise of digital platforms, has been life-changing for the very same groups of people who so far have been at the fringes of the tourism economy, include women, youth and seniors (WYS). The rise of digital platforms has empowered these groups to take leading roles in the tourism sector without the large resource investments it typically demanded. In fact, 56 percent of Airbnb hosts are women – and these women make double the income of the average host.

Panel 1: Achieving Inclusion in the New Digital Tourism World

This panel explored the trend of digitalization in the tourism sector and ways that the private sector is working to support a strong digital economy. It examined the resources needed by women and MSMEs specifically to leverage digital tools and technologies to succeed in the tourism space, such as skills training, financial tools, infrastructure, health care, and others. Moderated by Mr. Brian Beall, National Travel and Tourism Office, United States, the panel specifically looked at:



- How has digitalization disrupted the tourism industry and created opportunities and challenges, particularly for women and MSMEs, to succeed in the sector?
- What strategies have been developed by the private sector to ensure that women and MSMEs have the knowledge and skills to leverage digital platforms in the travel and tourism space?
- How can digital tourism platforms enable economies to bring the benefits of travel and tourism beyond their major destinations to more remote areas?



Right to Left: Veronica Goldfart, Head of Industry (Travel, Finance and Government), Google; Javier Guillermo, Interim Government Affairs Director, WTTC; Jane Stacey, Head of Tourism Unit, OECD

Ms Veronica Goldfart, Head of Industry (Travel, Finance and Government), Google: By 2020, 80 percent of adults worldwide will have a smartphone. Travelers are turning to their mobile devices to look for information about their trips three times more frequently than when they ask friends and family. This highlights how digital technologies are changing the way people connect to the tourism industry, but it also showcases how tourism entrepreneurs and MSMEs have powerful tools at hand to engage with visitors.

Ms Goldfart highlighted several digital tools that Google has to enable and empower entrepreneurs, many of which are MSMEs and women. For example, Google My Business is a free tool that allows customers to promote their business profile and website on Google Search and Maps. Users can see and connect with customers and see how customers are interacting with their business on Google. Google Primer is a free mobile application designed to teach digital marketing and business skills to MSME business owners, startups, and job seekers using short, interactive lessons. Women Will is an initiative focused on digital programs for economic empowerment for women across the world. Whether via research, access or leadership, Women Will addresses the gaps in information and empowerment to help where women are being excluded. Finally, Google for Startups is Google's initiative to help startups thrive across the

world, bringing the best of Google's products, connections, and best practices to enable startups to succeed.

Mr. Javier Guillermo, Interim Government Affairs Director, WTTC: Mr. Guillermo provided an overview of the WTTC and emphasized the importance of tourism to job creation – one in five new jobs created comes from tourism. New travelers see luxury in a different way – they do not want to collect things; they want to collect experiences. This creates an opportunity for the future. Today's experience-driven world is fueled by a desire for personal enrichment, self-direction and community. Travelers now demand flexibility; rely on peers over accepted authorities; and de-emphasize ownership of physical goods.

This has led to the emergence of the gig and sharing economies, which are redefining relationships, disrupting industries and creating new expectations for work and life. Tourism has almost twice as many female employees than other sectors, which means that women have more opportunities for workforce participation, leadership, entrepreneurship than many other sectors, particularly in developing economies. Increasing female employment plays a role in sustaining economic growth and supporting women's empowerment and independence. In fact, APEC economies which have experienced particularly strong growth in tourism GDP over the years 2007 to 2017 have also witnessed a significant improvement in the share of women's employment in the sector. This provides many opportunities for the future as tourism becomes more digitalized. Challenges remain though, including the need to embrace change or get left behind; recognizing tomorrow's traveler is different than today's; promoting policies to support women's employment in the sector; improving access to labor force and quality jobs; and promoting education and training.

Ms Jane Stacey, Head of Tourism Unit, OECD: Digitalization offers unprecedented opportunities for growth, well-being, and sustainability. Tourism has been at the forefront of adopting digital technologies, and these technologies are transforming the way people travel. But the scale, scope and speed of these changes is creating challenges. Not all individuals, places and businesses have benefitted to the same degree. Digitalization is benefitting bigger and younger firms rather than small, established ones. Tourism offers employment and entrepreneurship opportunities for women, and the digital transformation provides new avenues for the economic empowerment of women. But a digital gender divide persists, including in access to digital technologies and gaps in digital skills. Women working in the tourism sector are often concentrated in low-skilled, non-managerial roles and perform tasks at the most risk for automation.

The OECD Tourism Committee is working to develop new evidence on how digital is transforming tourism services, and the policy shifts needed to empower tourism MSMEs and women to benefit. Policymakers have a role to play in ensuring digital transformation is inclusive, working together with industry, education and training providers to prepare workers and managers for the digital future; promoting an innovation culture that supports MSMEs and is inclusive to women; and supporting the adoption of digital tools and transformation of MSMEs to a digital economy.

Panel 2: Integrating Digital Tourism into Policy Frameworks

This panel examined how APEC economies are responding to the evolution of digital tools and technologies and how these changes impact policy and regulations. The discussion focused on ways in which government officials can advance policy frameworks that enable stakeholders to leverage digital tools to support growth in the sector, while easing any potentially negative effects, particularly for women and MSMEs. Moderated by Ms Ingrid Kuman, Papua New Guinea, the panel looked at:

- How have governments worked to create a policy and regulatory environment that both supports and fosters the growth of digital tourism?
- Have APEC economies faced regulatory challenges with digital tourism platforms?
- What are some approaches to regulation in APEC economies?
- How have governments worked to ensure that policies and regulations consider the needs of women and MSMEs?



Right to Left: John Donnelly, Director, Services Competitiveness, Department of Foreign Affairs and Trade, Australia; Cristóbal Forttes, Head of Investment and Development, Office of the Undersecretary of Tourism, Chile; Jung Hyang-mi, Director of the International Tourism Division, Ministry of Culture, Sports and Tourism, Korea; Nozomi Nakai, Officer, International Affairs Division, Japan Tourism Agency

Mr. John Donnelly, Director, Services Competitiveness, Department of Foreign Affairs and Trade, Australia: Mr. Donnelly opened with a discussion of the role of government as encouraging innovation while safeguarding human rights. He noted the importance of ensuring that the efforts of federal, state, and local government stakeholders are complementary to each

other rather than at odds. He also noted that the travel and tourism sector in Australia is 95 percent MSMEs, and these MSMEs are not making the most of digital opportunities. Travelers have an expectation of being able to access things online and to have a seamless travel experience, which not all MSMEs are able to provide. Digital tourism policies at the national level can therefore help support MSMEs. MSMEs can also administer services and provide entrepreneurship support for larger businesses. There is also an opportunity for MSMEs to disperse product and support regional tourism. Additionally, Australia is leveraging digital and biometric technology to enhance the entry experience through SmartGate, which automatically process passengers through passport control using facial recognition technology and an ePassport to check identity.

Mr. Cristóbal Forttes, Head of Investment and Development, Office of the Undersecretary of Tourism, Chile: Mr. Forttes presented Chile's 2018-2022 roadmap for digital transformation. He noted that while 97 percent of tourism companies are MSMEs, only 10 percent of MSMEs are digitalized. Digitaliza Turismo is a government program in Chile that provides advice and training to MSMEs in the tourism sector to adopt digital tools and increase their productivity. In the first stage, which began in June 2019, the program will be implemented in the Maule Region for 50 MSMEs. Mr. Forttes also discussed regulatory challenges dealing with hotels and sharing economy accommodations and noted a tax modernization project.

Ms Jung Hyang-mi, Director of the International Tourism Division, Ministry of Culture, Sports and Tourism, Korea: Ms Jung noted that most businesses in the travel and tourism industry are MSMEs. Although the digital economy provides opportunities for these MSMEs, they are in need of funding and skills to enhance their competitiveness. At Korea's National Tourism Strategy Interagency Meeting in April 2019, presided over by Korea's President, government officials discussed a Smart Tourism Ecosystem, including a Tourism Enterprise Fostering Fund, which has both government and private sector support. In addition, the Tourism Business Support System provides support for infrastructure, workforce development, technology, and financing for tourism enterprises. Korea is also offering tourism start-up support – 1,000 start-ups by 2022 – at a cost of \$3.4 million. Another program is the Startup to Scale Up, which is an accelerator program led by the private sector at a cost of \$3.0 million. Enhanced Support includes crowd-funding, tourism research and development, and job training. Korea is also focused on amending the Tourism Act to identify regulations serving as obstacles to Korea tourism companies. Finally, Korea is working to identify new tourism industries – online travel agencies (OTAs), new types of tour guide services, and more.

Ms Nozomi Nakai, Officer, International Affairs Division, Japan Tourism Agency: Ms Nakai discussed Minpaku services (peer to peer) in Japan. Private lodging services are spreading rapidly in Japan. These services are important to cope with sharp increases in foreign tourists and their varying needs and meeting their pressing demands for lodgings in large cities. However, it is also important to have regulations in place to ensure public health and prevent troubles with locals, as well as to address illegal services. This was the purpose of Japan's recent Private Lodging Business Act. This allows government to play a role in regulation and development by providing information to private lodging operators/users and present good practices to contribute to regional development; optimizing notification procedures; coping with illegal practices through a portal site. Problems have emerged one year later, particularly with

illegal lodging. Japanese ministries are working together to eliminate illegal private lodging. Also, the Japan Tourism Agency regularly supervises the legality of the properties handled by private lodging agents and travel agents.

Panel 3: Learning by Example – Case Studies in the Digital Tourism Industry

This panel shared case studies featuring women entrepreneurs, MSMEs, and other tourism companies and their experiences in the digital tourism industry. It provided an opportunity for participants to learn about how the company or APEC economy achieved success and educated participants on successful strategies in the digital tourism industry. Moderated by Ms Agustina Silva Humeres, Chile, this final panel looked at:

- What were the key components of success?
- What were the main challenges to success?
- What are some of the best practices in integrating your company into the digital travel and tourism economy?



Right to Left: Pablo Alarcón, Partner, Denomades.com; Christina Chan, Singapore Tourism Board; Ingrid Kuman, Senior Policy and Planning Officer, Papua New Guinea Tourism Promotion Authority; Nayana RenuKamar, Head of Public Policy for Experiences (Americas/APAC), Airbnb; Arifah Sharifuddin, Senior Manager, Malaysia Digital Economy Corporation

Mr. Pablo Alarcón, Partner, Denomades.com: Mr. Alarcon is a partner at Denomades.com, a travel e-commerce company that focuses solely on tours and excursions in South America. Based in Santiago, Chile and Cusco, Peru, Denomades.com was formed by a team of South American travel professionals in 2013. Mr. Alarcon described the challenges of the new digital tourism industry including informality, the digital divide, and financial inclusion. As an example of industry informality in Chile, there are 1,700 local travel and tourism agencies in Cusco. Of these, 63 percent are formal, 37 percent are informal. It is therefore difficult to access all of the businesses, particularly for an MSME. Mr. Alarcon also described the digital divide – only 67 percent of Latin America has internet access, creating a challenge for his business in terms of reaching customers. Finally, regarding financial inclusion, only 54 percent of Latin America has banking access; and a mere five percent have digital banking access. To overcome this challenge, Mr. Alarcon is looking at financial inclusion tools like Paypal.

Ms Christina Chan, Singapore Tourism Board: The mission of the Singapore Tourism Board, which is part of the Ministry of Trade and Industry, is to shape a dynamic tourism landscape for Singapore in partnership with industry and community. The Board is currently looking at navigating the next phase of tourism growth. Trends they are seeing include greater competition, slower workforce growth, impacts on locals, and more discerning travelers. As a result, they are looking at serving citizens and businesses better through smart technology – initiatives that makes citizens’ lives better; create opportunities for businesses; and build a better home and community. In a smart nation, government and the private sector both have a role to play. The visitor experience must be convenient, personal, seamless, customizable, accessible, and inclusive. The One Singapore Experience, a shared resource platform for travel-related content, provides rich information and services delivered through omni-channel strategy, including the Visit Singapore App; Tourism Information and Services Hub; Visit Singapore Account, a unique digital token to personalize and build loyalty for each traveler; and the One Tourism Pass, a single pass for visitors to effortlessly access key attractions and unlock various offerings on the go. Innovation is key to pushing technology boundaries to achieve greater growth

Ms Ingrid Kuman, Senior Policy and Planning Officer, Papua New Guinea Tourism Promotion Authority: Ms Kuman discussed PNG’s APEC 2018 focus on the digital economy. Papua New Guinea recognized in 2018 that digital technologies have the potential to act as a future catalyst of growth in APEC member economies. Digital technologies can provide the means of more people to share the benefits of this growth. She emphasized the importance of digitalization to Papua New Guinea as a developing economy. Recently, Internet usage spiked after a new company brought more affordable Internet to Papua New Guinea. This provides potential for rapid technological “catch-up” in the right circumstances. Technologies such as smartphones provide new opportunities for economic engagement, including in rural areas. However, there is also a risk that technologies will lead to a growing gap between developed and developing economies. Ms Kuman shared several success stories focused on an accommodation digital platform; building capacity for women tour operators; and a digital application for MSMEs with a focus on empowering women entrepreneurs.

Ms Nayana RenuKamar, Head of Public Policy for Experiences (Americas/APAC), Airbnb:

On this panel, Ms RenuKamar focused on how to get travelers to remote and rural areas. She discussed the role of the stakeholder in providing government policy guidance, project implementation, and infrastructure. She discussed a case study showing how multi-stakeholder involvement and cooperation, including government, industry, Airbnb, the village and universities, can bring success. Airbnb and the Guilin Municipal Government Tourism Committee signed a strategic partnership agreement to promote rural empowerment. The one-year project saw globally-renowned designers come on board to re-design local, traditional stilt-style homes to create functional homestays with unique cultural features. Airbnb designed guidelines for locals; recruited and trained hosts; provided hospitality workshops, promoted the destination, and captured lessons learned. The government provided policy guidance, implementation and coordination, and infrastructure building. The community mobilized villagers, and academia provided a theoretical framework and training. A host mentorship project was also established.

Ms Arifah Sharifuddin, Senior Manager, Malaysia Digital Economy Corporation:

The Malaysia Digital Economy Corporation (MDEC) is a government-owned company established to organize and lead the digital economy in Malaysia and to drive digital transformation and adoption across the public and private sectors. MDEC is focused on digital inclusivity, i.e. getting the public to adopt digital tools. They are working to create an ecosystem for digital tourism, working closely with relevant agencies and industry. Digital tourism pilot projects are ongoing, providing insights for adoptive policymaking; e.g. a MOU with Airbnb. Recently, MDEC launched people-oriented campaigns that focus on providing everyday Malaysians with the skills and opportunities they need to penetrate the digital market, including a wide-range of work to cater to citizens of different profiles, qualifications, skill sets and asset ownership – from simple online tasks requiring non-specific skills (data entry, cleaning, delivery services) to work that requires skills and qualifications (programming, accounting, etc.).

Challenges include the lack of local startups in digital tourism; the limited resources in the sharing economy to garner community participation; the need for supporting ecosystems in rural areas, including connectivity, transportation, retail, and food and board. Success factors include stronger collaboration among agencies and regulatory bodies and preparing women with skills to participate in the digital economy.

Workshop Observations

Themes

Two overarching themes emerged from the discussions during the workshop:

1. The digital tourism economy presents opportunities and challenges, and governments and industry have a role to play in ensuring all stakeholders have access to digital tools, infrastructure, and the skills needed to use these tools; and

2. Governments, with input from the private sector, should pursue policy frameworks that support the benefits of digital tourism while mitigating potentially negative aspects.

Within these themes, several additional observations emerged:

Opportunities: Speakers noted various opportunities that the digitalization of the tourism economy presents. These opportunities include 1) the ability to attract more visitors without necessarily having to invest in more infrastructure, as with the sharing economy; 2) the capacity to push visitors beyond gateway cities to rural areas, which can help avoid over-tourism and spread the benefits of tourism across an economy; 3) providing a more sustainable, authentic, and cultural tourism experience; 4) the opportunity for previously excluded or underrepresented segments (whether due to lack of capital to invest, specific skills, or other resources, etc.) to participate in tourism and even take a leading role, including women and MSMEs, creating a more inclusive industry; and 5) the opportunity to cater to a new type of traveler – one that is fueled by a desire for personal enrichment, who demands flexibility, relies on peers rather than accepted authorities, and is more focused on experiences than physical goods.

Challenges: With these opportunities come challenges. One major challenge identified by multiple speakers is the digital divide. There are some who do not have access to the digital infrastructure and skills needed to participate in the digital tourism economy. Women working in the tourism sector, for example, are often concentrated in low-skilled, non-managerial roles and perform tasks at the most risk for automation. Women and MSMEs also often do not know how to build the platforms that would allow their businesses to thrive or how to manage those platforms.

There is also a digital divide between developed and developing economies. Some economies or parts of economies do not have the digital infrastructure in place to support a digital tourism economy. There may be scarce or little Internet access, or online banking access, for example. Or Internet access may be a recent occurrence and therefore there is a lack of digital skills.

Additionally, while the sharing economy can assist in bringing visitors out to less popular tourist areas, there is still a need for a supporting ecosystem, particularly in rural areas – connectivity, transportation, and retail, for example. It is also not a given that the community will become involved when more visitors begin to show up – this takes effort from the government, community, and private sector, and resources may not be available to ensure this is a priority.

Finally, regulating any new area brings challenges, and the digital tourism economy is not immune from these challenges. Many economies have tried to implement policies and regulations in this area, but often end up encountering issues down the road as unforeseen concerns emerge.

Potential Actions Needed: According to speakers, economies should take actions that support the emergence and innovation of the new digital economy while mitigating any negative effects. The digital economy is transforming tourism services, but certain policy shifts could further empower women and MSMEs to benefit. Policymakers have a role to play in ensuring that the new digital tourism economy is inclusive, working together with industry to prepare workers for

the digital future; promoting an innovation culture that supports MSMEs and is inclusive to women; and, supporting the adoption of digital tools and the transformation of MSMEs to a digital economy. Addressing the digital divide requires measures to promote access to digital infrastructure; adoption and efficient use of new technologies by MSMEs; empowering MSMEs to innovate and keep up with consumer demand; and, developing the skills mix needed for workers and managers now and in the future as rapid change continues to occur.

Given the diversity of APEC economies, policy planning is done in various ways and at different levels of government. Some economies regulate and plan at the national, state, and local levels, through whole-of-government approaches, while also keeping an open dialogue with industry. Other economies focus more on partnerships between national and state governments. Despite these differences, there is an overarching need to create regulations that are accessible and transparent to ensure that local communities benefit while businesses are encouraged to create innovative solutions. APEC economies, though diverse, can learn from one another in this area.

Lessons Learned from the Workshop

Overall, the project evaluation surveys suggested that most participants found the workshop relevant, gained new insight from the presentations, and will aim apply to the knowledge to their own economies. Suggestions for improvement include:

- Distributing speakers' presentations in advance to facilitate discussion among participants;
- Ensuring that all speakers could be understood, as language appeared to be a barrier at times;
- A greater focus on women specifically and how to engage them in the digital economy;
- More concrete examples of successes in the digital tourism economy for women and MSMEs;
- Including more representatives from government ministries focused on digital to enhance discussions; and
- Better highlighting the work already underway on the digital tourism economy in APEC economies.

The project overseers will take these suggestions into account for future projects and for determining next steps and/or projects on the topic of the digital tourism economy in APEC.