

## APAC COVID-19 Landscape Updated 22 July 2020

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### 1. Overview

- From early July, most countries within Asia Pacific were starting to discuss how to ease their respective 'lockdown' measures, with many doing so in a gradual manner. Markets such as Australia, New Zealand, Thailand, and Vietnam have already allowed for the resumption of domestic aviation travel. However, international aviation travel continues to remain suspended for the time being.
- We are anticipating an emergence of travel corridors between two countries, allowing for the crossing of borders with minimal or no quarantine periods for a limited number of travellers. A regional comprehensive map of travel corridors between Asia Pacific countries has not yet been formed. In the interim, we have outlined a summary of the active travel corridors between countries in the region (Annex A).
- Across certain markets, regulators have made amendments to the concessions that affect duty free operators. These include measures such as a temporary allowance for operators to discharge their existing stock via other channels, as well as for individuals to revisit duty free stores at the airport after having been unable to do so earlier, due to lockdown restrictions.
- Industry associations are also calling for the understanding of the current thinking on border crossings so to plan and how best to support industry recovery. However there is also the fear that a subsequent lockdown will happen given the fluctuation in Covid-19 numbers.

### 2. Political Developments

Leaders of [Singapore](#), [Indonesia](#) and [Thailand](#) have proposed the establishment of a travel corridor between ASEAN member states, calling for a protocol to be developed. This call was made at the recently concluded 36<sup>th</sup> ASEAN Leaders Summit. No announcement has taken place.

[Indonesia](#) is looking to open travel bubbles with China, South Korea, Japan, and Australia. The Indonesian Office of the Coordinating Maritime Affairs and Investment Minister has been discussing this issue with the Foreign Ministry, as well as the Tourism and Creative Economy Ministry, though given the rapid spike in cases lately, experts have recommended caution.

[Vietnam's](#) Ministry of Transport confirmed that it is now looking into reopening international routes to countries and territories that have no local community cases of Covid-19 for 30 consecutive days. Vietnam News Agency reported that Japan, South Korea, China, and Taiwan are markets which are currently under consideration.

[Thailand and Hong Kong](#) have confirmed that they are in the midst of holding talks to establish a travel corridor. Separately, the Center for COVID-19 Situation Administration (CCSA) has allowed for a handful of short-term business travellers and government guest to enter Thailand – this is subject to requisite conditions.

[Singapore and Malaysia](#) have both agreed in principle to implement a Reciprocal Green Lane (RGL) and a Periodic Commuting Arrangement (PCA) to cater to the needs of different groups of cross-border travellers. The operational details of the RGL and PCA are currently being worked out. [In addition, it was reported that Malaysia](#) is in discussion with five other countries (including Singapore) for the establishment of a travel corridor.

[Japan](#) is seeking to relaunch business travel with ten markets in Asia. These include Brunei, Cambodia, Laos, Malaysia, Mongolia, Myanmar, Singapore, Taiwan, Korea, and China. This is in addition to ongoing talks with Vietnam, Thailand, Australia, and New Zealand for the resumption of business travel.

### 3. Regulatory Developments

[China Hainan island](#) has increased its annual tax-free shopping quota from 30,000 yuan (4,261 U.S. dollars) to 100,000 yuan per person each year, while the categories of duty-free goods have also been expanded from 38 to 45, with electronic products such as mobile phones and laptops being added to the list. In addition, the previous tax-free limit of 8,000 yuan for a single product has been lifted, while the number of categories with single-purchase quantity limit has been reduced. This comes as the country's duty free industry starts to see a rebound since the start of the pandemic in February.

[Airport and Aviation Services \(Sri Lanka\)](#) has introduced a temporary scheme for passengers who are unable to buy duty free goods on arrival at Bandaranaike International Airport in Colombo due to COVID-19-related closure of shops. This will only apply to passengers (with approval) who had arrived in the country between 9 March to 31 May, subject to the provision of appropriate documentation.

The [Korean Customs Service \(KCS\)](#) has allowed for the local duty free industry to offload unsold stock (after paying import taxes) through a range of channels. The temporary permit will be allowed until 29 October 2020 and will adhere to the following conditions:

- Local distribution of unsold duty free inventory (limited to items held by retailers for over six months)
- The transfer of ownership of unsold imported foreign goods to another party
- International shipping and sales of unsold imported foreign goods overseas

[Duty free operators in India](#) were reported to be requesting for permission to sell liquor and other items in the open market. Major operators were also reported to be requesting for a coupon system for travellers coming via repatriation flights so that passengers may be able to purchase liquor and other duty-free items within a specific period.

The [Hong Kong Airport Authority](#) will be extending its rent-relief package duration to tenants and other stakeholders. The rent relief package which was announced earlier in March, will now continue through July and August.

#### 4. Industry Developments

The [International Air Transport Association \(IATA\) together with the Airport Council International \(ACI\)](#) has called on governments to bear the costs related to public health measures, that are aimed at mitigating the spread of communicable diseases. ACI and IATA believe that existing roles and responsibilities of governments, airlines, airports, and other operational stakeholders should be respected in implementing the response to the COVID-19 outbreak.

The [Association of Asia Pacific Airlines \(AAPA\)](#) has called on governments across Asia to expedite the resumption of travel links, so as to regain consumer confidence in the aviation industry, that has been badly affected by the ongoing pandemic.

[Hong Kong's Cathay Pacific](#) has secured a HK\$27.3 billion (US\$3.5 billion) lifeline from the city's government, as part of a wider HK\$39 billion recapitalisation plan aimed at keeping the airline afloat amid the pandemic.

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### Annex A: Summary of active travel corridors in Asia

Countries		With effect	Remarks
China	South Korea	1 May	<p>Individuals would need an invitation from companies or governments to travel. They would also need to be tested for the virus 72 hours before departure. Upon arrival, they would be quarantined for up to two days and be subjected to another test before being allowed to proceed with their trip.</p> <p><b>No available information on current DF allowances for this corridor.</b></p>
Singapore	China	8 June	<p>Corporation or the government entity sponsoring the trip must apply for approval from the authorities on the behalf of the traveller, with an itinerary to be submitted prior the start of the trip. Individuals must be tested 48 hours before departure and be subjected to another test upon arrival. They will be quarantined for up to two days before the commencement of their trip. Individuals are not allowed to deviate from their submitted itinerary.</p> <p><b>DF allowance is only limited to transits at Changi Airport, on a concierge service basis (i.e. pre-order items).</b></p>
Taiwan	Australia, Bhutan, Brunei, Fiji, Hong Kong, Japan, Malaysia, Macau, Mongolia, New Zealand, Palau, South Korea, Singapore, Thailand, Vietnam	22 June	<p>Currently only allowed for business travellers. Travellers must be able to provide details of their stay and be tested negative for the virus 3 days prior to their arrival. In addition, they must be able to present proof of invitation from a company. Travellers will be subjected to the mandatory 14-day quarantine but will be able to shorten the duration if they pay for a COVID-19 test and have a negative outcome from the test.</p> <p><b>No available information on current DF allowances for this corridor.</b></p>