

ACADEMIC WEEKLY DIGEST

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***EX-ANTE* TOURISM FORECASTING ASSESSMENT**

HOW TO FORECAST TOURISM DEMAND MORE ACCURATELY

The coronavirus (COVID-19) outbreak has had a severe effect on the tourism and hospitality industry. An accurate forecast of the industry recovery has become more critical than ever for the industry. This week we share the work of [Dr Anyu Liu](#), in collaboration with [Prof Gang Li](#) from Department of Tourism and Transport and international collaborators, who explored the influencing factors of forecasting accuracy in a big-scale *ex-ante* international visitor arrival forecasting practice.

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What's in this issue:

***EX-ANTE* TOURISM
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Ex-Ante Tourism Forecasting Assessment

DR ANYU LIU

This study was inspired by the Asia-Pacific Visitor Forecast, a collaborative project with the Hong Kong Polytechnic University. **Dr Liu**, **Prof Li**, and **Prof Haiyan Song**'s team in Hong Kong have been publishing five-year forecasts of Asia Pacific destinations annually for the **Pacific Asia Tourism Association** since 2013. The research team generated the forecast on an origin-destination base (i.e., all the source markets in all destinations), which included 1,400 origin-destination pairs from 39 destinations in Asia Pacific. To further improve the forecasting accuracy, the authors explored the influencing factors using the 2013-2017 forecasting results.

The findings suggest that the variation in visitor arrivals and gross domestic product (GDP), covariation between visitor arrivals and GDP, the inclusion of historical data, origin, destination, and forecasting method all have significant effects on the forecasting accuracy over different forecasting horizons. In general, the econometric models work well. However, if the industry suffered from a significant crisis, such as the ongoing COVID-19 crisis, the combination of expert opinions and expertise under alternative scenarios with the quantitative forecasting techniques could also be useful to improve forecasting accuracy.

We believe this study is critically important and timely for scholars to predict the recovery of the tourism and hospitality industry. A more accurate forecast can help decision makers to better plan the recovery strategy going forward.

FURTHER READING

Liu, A., Lin, V.S., Li, G., & Song, H. (2021). Ex-ante Tourism Forecasting Assessment, *Journal of Travel Research* (in press, coming soon).