



The climate risks, business impacts, and resilience assets listed in the chart are examples from the region that we gleaned from our research. They are not exhaustive across the industry or region, nor are they necessarily relevant for every business.

## TOURISM & HOSPITALITY

### Climate Risk

#### HAZARD

Stronger tropical cyclones • More frequent rainfall in the dry season—peak tourist season • Increasing average temperature  
Heatwaves • Beach erosion • Flooding

#### EXPOSURE

- Vietnam’s tourism industry along the 3,260 km of coastline is at risk from storm surge and erosion.<sup>124</sup> Total contribution of the tourism sector is nearly 14 percent of Vietnam’s GDP.<sup>125</sup>
- Ho Chi Minh City received 5 million international and 21.8 million domestic visitors in 2016 and expects a year-on-year increase of 10 percent and 12 percent respectively.<sup>126</sup> At the same time, annual average temperature in the city is expected to rise 1.4°C, and 61 percent of the city area will suffer from regular flooding by 2050.<sup>127</sup>
- In Thailand, 830 kilometers of coastline are suffering from erosion.<sup>128</sup>

#### VULNERABILITY

- The industry is **weather- and climate-dependent**; warmer temperatures affect worker health and guest comfort.
- The industry is also **dependent on efficient transportation**, both for air travel and local routes, which can be affected by hazards.
- Furniture and linens in hotel guest rooms are **sensitive to mold from heat and humidity**.
- In Thailand, one-meter sea-level rise would affect nearly **1.4 million people** living or working in low-lying tourism areas.<sup>129</sup>
- Serving as a natural barrier to storm surge, **mangroves are at risk of thinning** by 18 meters on the Thai coast.<sup>130</sup>
- Land use in the Thai tourism sector is contributing to **land subsidence, water scarcity, and natural habitat loss**, all of which can make hazards worse.<sup>131</sup>



### Business Impact



**Strategy:** Climate change can impact a hotel’s business continuity if it is located in an area that is projected to receive stronger cyclones, storm surge, and beach erosion.



**Finances:** A hotel or restaurant may incur high recovery costs from infrastructure damage due to increased intensity of storms, flooding, or mold.



**Operations:** A hotel’s cooling system may be cut off by a disrupted energy supply caused by flooding or storm surge.



**Human Resources:** Employee health may be at risk from working in increasingly hot, outdoor areas.



**Legal and Compliance:** Businesses may need to comply with laws that limit outdoor worker activity if average temperatures exceed a set threshold.



**Sales and Marketing:** Businesses may experience a decline in sales as the number of rainy days and temperatures increase. Strong cyclones, flooding, and high temperatures restrict travel, access to hotels, and guest comfort.



### Climate Resilience

#### CAPITAL ASSETS



**Physical Capital:** Build in elevated areas to reduce exposure to storm surge; equip hotel rooms with energy-efficient cooling systems.



**Natural Capital:** Build and restore natural coastal barriers to prevent flooding; plant trees to provide shade for guests and outdoor workers.



**Human Capital:** Protect outdoor workers who are exposed to warmer temperatures by offering access to health exams, frequent hydration, and shorter rotations in the sun.



**Social Capital:** Serve on local planning boards to build resilience in the community, including roads, seaports, and airports to ensure guest access.