

## ASPAC-Market Update- Q2 2021

Mark Your Calendar-2021 ASPAC Meetings and Events

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| --- | --- | --- | --- | --- |
| **Date** | **Type** | **Days** | **Location** | **Segments** |
| 20 Jul 2021 | TS-V | 3 | Singapore ILTM | All |
| Aug 2021 TBD | RS-V | 3 | China/AUS/NZ/Japan/India/SEA Leisure Virtual RS | All |
| 23 Aug 2021 | RS | 4 | Singapore/Kuala Lumpur | Corporate & Leisure |
| Sep 2021 TBD | RS/CE | 4 | Shanghai/Beijing/Guangzhou | Leisure & MICE |
| 8 Sep 2021 | TS |  | 1000Meetings MICE Shanghai Showcase | Group/ MICE |
| 1 Oct 2021 | TS | 3 | China-ILTM | Leisure |
| 11 Oct 2021 | RS/CE | 4 | Sydney/Melbourne-Global Sales & MICE | All |
| 18 Oct 2021 | RS | 5 | Brisbane/Perth/Adelaide-Global Sales & MICE | All |
| 18 Oct 2021 | RS | 2 | Seoul-Leisure RS for Legend Hotels | Leisure |
| 20 Oct 2021 | RS/CE | 2 | Hong Kong | Corporate & Leisure |
| 29 Nov 2021 | RS | 5 | Japan-Global Sales & MICE | All |
| TBD | TS | 2 | Beijing-IBTM China, Beijing | Group/MICE |

KEY: TS – Tradeshow | RS – Road Show | CE – Client Event | M – Meeting | TR – Training | V – Virtual Event

**LEISURE TRAVEL**

**Australia**

* International travel borders remain closed apart from a travel bubble that is in place with New Zealand however this is currently suspended as there is a Covid outbreak in Australia.
* Due to the current Covid outbreak in Australia most internal domestic borders are currently closed so even domestic travel is no longer possible. Perth / Sydney, Adelaide and some places in Queensland are currently in lockdown.
* Singapore and Australia are in “talks” regarding a travel bubble for late in the year 2021.
* Some countries are “open” to Australians but those leaving the country need a government travel exemption which is very difficult to obtain. Additionally, a 14-day paid compulsory quarantine remains upon return making international travel too problematic and expensive for most!
* Hotels should load rates now until end of Q2 2022 so that they are ready in case anyone wants to commit ahead. Hotels should not load any rates with inflexible T & Cs as these are too difficult to manage especially for the long-haul market.
* Hotels should consider longer stay rates as we expect clients will remain at one hotel for longer rather than swap around as previous.
* We don’t expect USA / Europe travel until at least 2022.
* Travel agents are still working very reduced hours and almost everyone remains working from home.
* The region attended the AMEX Platinum / Centurion top achievers' “Pacesetter” virtual event which had around 60 attendees from within the region including Australia / China / Philippines / Singapore / India and Japan. Shared details on new FHR / THC hotels as well as existing properties within the region.

**Contact for this market is Carolyn Holmes based in Sydney, Australia**

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**CHINA**

* Figures from the Ministry of Culture and Tourism show around 89 million trips were made over the Dragon Boat Festival weekend ( 12-14 Jun ) which was up almost 95% year on year. More than 29 billion yuan (USD$4.6 billion) was generated which was a 140% increase year on year. Attractions highlighting "red tourism" and “folk culture” were popular as its the 100th anniversary of the founding of the China Communist Party on July 1.
* Guangzhou reported no new locally transmitted COVID-19 cases on Jun 24 which was the fifth consecutive day with zero new cases since the most recent outbreak on May 21. Single digit confirmed cases were reported in Shenzhen up to Jun 24. All passengers leaving Guangzhou and Shenzen via whatever mode of transport must present a green health code and a negative test administered in the prior 48 hours.
* China has administered just over 1 billion doses of COVID-19 vaccine as of end of June however caution remains regarding international travel mainly because of the Delta variant. The other issue is that there is a mandatory 14-21 day quarantine in place for any returned traveller.
* Participated in the Dong event engaging with 78 high-end leisure travel agencies from Mainland China. A survey prior showed 47% of agents forecast that by Q2 2022 outbound travel would have recovered to 2019 levels and by the end of 2022 there will be an increase in travel by 20% year on year. They expect that Thailand, Japan, Maldives, Vietnam & Cambodia, Indonesia and Malaysia will be the most popular destinations.
* Phuket will allow vaccinated foreign visitors from 1 July 2021 so Chinese people may travel but once again there is a compulsory quarantine in place for those returning to China. The Maldives will also open up from July 15 but again returning quarantine applies. China was previously the top feeder country for both destinations prior to Covid.

  **Contact for this market is Cheryl Siow based in Shanghai, China**

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**HONG KONG**

* The local situation in Hong Kong is now stable and the vaccination rate is increasing steadily and anyone over the age of 12 is eligible. Currently around 47% of the population is fully vaccinated.
* Restaurants will soon be allowed to hold banquets for up to 180 guests and run at full capacity as long as all their employees are fully vaccinated and two-thirds of their customers have already received at least one vaccine dose. Bars, pubs, party rooms, karaoke lounges, and clubs can increase the seating capacity to four persons per table as long as all staff members and their guests have had their first vaccine jab.
* The government announced that the quarantine period for fully vaccinated travelers coming from lower-risk countries like Australia and New Zealand would be reduced.
* Starting from June 30, quarantine requirements will be lowered to seven days for fully vaccinated travelers if they test negative for the virus and positive for antibodies. The government is also starting discussions for lessening travel restrictions to mainland China and Macau, so cross-border travel might be possible soon. You may find more details here: <https://www.coronavirus.gov.hk/eng/inbound-travel.html>
* Hotels in Hong Kong may look to ensuring all staff are fully vaccinated to be ready for summer staycations and the travel rebound once China, HK and Macao are able to travel.
* Hotel members in Hong Kong and China should send us any staycation promotions ensuring that any offers are bookable via our channels. Please continue to update any hygiene policies on brand.com . Kindly send us any presentation deck.

**Contact for this market is Sylvia Mak based in Hong Kong**

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**INDIA**

* India had a second Covid wave which impacted the country from end of March right through until end of June which resulted in lockdowns, suspension of travel, closure of hotels, restaurants, shopping malls etc.
* The government has extended the international travel ban through to end of July 2021. Any bubble arrangement has been suspended with places such as Maldives, USA, The Seychelles, Tanzania, Russia, Germany, France, Kenya, UAE, Qatar and UK.
* All inbound visas have been cancelled as well until end of August 2021
* The government is slowly opening from lockdowns and restrictions from Q3 onwards, but the Delta variant is still of concern.
* Domestic and interstate travel is now allowed via all modes of transport plus gyms, restaurants, cinemas and bars are now open with social distancing norms.
* Amex FHR India team will now work from home until end of the year any engagement will be virtual plus their annual showcase has been cancelled.
* Travel agent and tour operator staff are still being made to clear their leave and have enforced pay reductions. Most remain working from home until further notice.
* Member Hotels should identify target markets for when the market bounces back. They should start to prepare now any offers / packages so that they are ready when the time comes. Any E-flyers with offers should be shared with PHR sales team members for distribution to clients once things resume.

**Contact for this market is Gaurav Sindhwani based in New Delhi, India**

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**JAPAN**

* According to preliminary figures approx 39,000 Japanese travelled outbound in April compared to only 4000 in April last year. This was a great improvement though nowhere near the 1.7 million that travelled outbound in 2019.
* Any Japanese or foreign national with residency status may not use public transport within their 14 days recent arrival quarantine period.
* Due to the spread of the more contagious strain of Covid, Japan is closing its borders until further notice to all new foreign arrivals except foreign residents of Japan or under special circumstances such as the Olympic Games.
* Further border restrictions can be found at <https://www.mofa.go.jp/ca/fna/page4e_001053.html>
* Hotels should please share hygiene and cleanliness policies and their standard operating procedure for the “new normal” with us and we will share with relevant clients.
* Please contact hseguro@preferredhotels.com if you have promotional offers so that the Japan office can share with relevant agencies when the timing is right.
* The Japanese monthly economic report for May stated that " The economy showed weakness, but it could improve depending upon what happens next with Covid19 not only in Japan but also in other countries.

**Contact for this market is Hideki Seguro based in Tokyo, Japan**

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**SOUTH KOREA**

* Domestic travel has resumed though masks must be worn on public transport, aeroplanes and in enclosed spaces. The international border still remains closed and the 90-country visa exemption for inbound travellers to South Korea remains suspended. Anyone who does manage to leave must complete a 14-day compulsory quarantine upon return.
* Vaccination levels are currently sitting at around 30% and the country has targetd to complete vaccinations by year end.

**Contact for this market is Alice Choi based in Seoul, South Korea**

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**SOUTH EAST ASIA**

* Thailand is rolling out the Phuket Sandbox on July 1 for fully vaccinated travellers. This means that those who are fully vaccinated have no need to quarantine but must stay in Phuket for a 7-day period. Properties in Thailand can share any offers with our team for distribution to agents within the region in relevent countries.
* Singapore is preparing a “road map” for the next stage of Covid19 which is “living with Covid-19" and measures will be taken in tandem with achieving certain vaccination milestones for the population. The government has ramped up its vaccination drive and has targeted 67% to be fully vaccinated by August 2021.
* The borders remain closed for the countries in the region thus, properties will need to depend on domestic stays. Should hotels have any offers for the local markets, please send to Nicole to share with the market specific clients.

**Contact for this market is Nicole Foo based in Singapore**

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**COrporate / Business Travel**

**AUSTRALIA**

* Most Australian RFPs have been asking for a rate extension until the end of 2021 plus they are not adding any new hotels. Others remain uncertain as to what they will do and may pull back to a domestic hotel programme for this next RFP with no international hotels invited.
* Domestic corporate travel was rebounding strongly in Q2 however in the last 2 weeks of Q2 most domestic borders closed again due to a sudden surge of the Delta variant.
* Some international corporate travel is possible though travelers require approval from the government and must also complete a 14-day paid quarantine upon return making it prohibitive for all but necessary travel.
* Many corporations have still not returned to the office and it’s the same with travel management companies with most only back to 40% capacity.
* We expect more corporate business to be generated from online booking tools in 2021 as this will help to drive compliance as well as make it easy to track workers for health and safety.
* Vaccine roll-out has commenced with completion not expected in December. Currently only 4% of the population is fully vaccinated which doesn’t compare well to other countries.

 **Contact for this market is Carolyn Holmes based in Sydney, Australia**

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**CHINA**

* Following global trends most accounts are asking for current rates to be extended, rate reductions, are reducing invited hotels, need flexible cancellation etc so a strong business case is required for any targeted corporate account.
* Chinese corporations are starting to consolidate their business travel and are managing travel either via a central department inhouse or they are appointing TMCs or travel agencies to manage their business travel.
* At this stage the China government has not given any travel advice to allow outbound travel not even to Hong Kong. Quarantines are also still in place.
* In May the Global Business Travel Association 2020 report was launched by Ctrip Business Travel in China and they continue to grow its market share in business travel. We expect top destinations to be SE Asia, Europe and Japan and Korea. The Ctrip Business Travel white paper also indicates that trade agreements, universal vaccination and vaccine passports will help the outbound travel recovery.
* FCM (fcmtravel.com), one of the world’s largest travel management companies announced on June 23, the launch of its new proprietary technology platform in China. The launch reinforces FCM’s strategic commitment to the Chinese market and to be the best localised global TMC in China. FCM expects its first pilot customers to start using the platform in July. Now FCM has offices in Shanghai, Beijing and Guangzhou so hotels should be encouraged to join the FCM consortia hotel programme if they want business travel from China.
* According to the latest Global 2000 list released by Forbes in May there were twelve Chinese public companies ranked in the top 50: Industrial & Commercial Bank of China (No.1), China Construction Bank (No.4), Pingan Group (No.6), Agricultural Bank of China (No.9), China Bank(No.14), China Merchants Bank (No.22), Alibaba (No.23), Postal Savings Bank of China (No.28), Tencent(No.29), China Mobile (No.32)，China National Petroleum Corporation (No.48),China Life (No.49), Industrial Bank (No.50).

**Contact for this market is Cheryl Siow based in Shanghai, China**

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**HONG KONG**

* Most of the multi-national companies such as BOAML, Chanel, UBS, HSBC, AIA, Kering, LVMH, Manulife have extended their RFP program in 2020/2021. From 2022 onwards we expect they will start again with new RFPs.
* LVMH has stated they will reduce accepted hotel numbers by half for the 2022 RFP. Further details to come in August/ September.
* AIA RFP should be launched in mid/late July. We have already sent solicited hotels to them so it is now too late to complete this Corporate Survey.
* BOAML still does not allow any vendor visits even though their full staff resumed work in their offices late in Q2.
* Reduced hours and staff restructuring is on-going for most travel management companies since the Hong Kong border is till closed.
* The STAR account review process and corporate survey submissions has ended on June 30. If hotels want to change their submission entry after this day they should connect with Sylvia Mak as below from Hong Kong office.
* Travel compliance is becoming much stricter and hotels should please reassure any clients that hygiene measures are all in place which is the basic now for RFP submission.
* Tactical offers with additional commission or staff promotional offers are welcomed at TMCs. Please include PHG logo with Sylvia Mak’s contact details in e-flyer for sharing at procurement level.

**Contact for this market is Sylvia Mak based in Hong Kong**

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**INDIA**

* Domestic corporate travel which was improving in Q1 has shown a drastic decline in Q2 due to the impact of the second wave of Covif within India. However on the positive side we expect growth from July onwards with the resumption of domestic flights and increased vaccination levels.
* TMC’s employees are still on reduced working hours or furlough,and remain mainly working from home. They are working with corporates on duty of care and collating data on hygiene and safety.
* The TMC's are open to receive special offers on consortia programs such as enhanced commission, amenities for next two quarters so member hotels should please send the same to our PHR team in India.
* The Ericsson and HCL account travel managers have not yet made a decision if they will be rolling out an RFP for the next 12 months. They will share their decision with all parties by end of August.
* Member hotels should take this opportunity to work on their sales strategies and consider additional amenities or value adds to entice travellers to book their property once business travel resumes
* The E-flyers for offers should be shared with PHR global Sales members in order for them to share with the clients when relevent.

**Contact for this market is Gaurav Sindhwani based in New Delhi, India**

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**JAPAN**

* Most major Japanese corporate accounts are yet to establish a global hotel program launched out of a head office within Japan. Hotels should note that most corporate hotel bookings from Japan are still made through local offices even when negotiated corporate rates are loaded on the GDS. This is one of the reasons why a local corporate relationship is imperative regardless of whether the hotel is in the program or not. Hotels should advise Preferred Hotels and Resorts Japan office (hseguro@preferredhotels.com) with any local contracts they hold for Japanese companies so that it can be followed up locally.
* The trend for most Japanese RFPs ais to ask for a rate extension, rate reduction, Hygiene policies, and to reduce the number of hotels selected.
* Since business travel is still very restricted within Japan many consultants at TMCs remain working from home or on limited hours.
* International business travel for the rest of 2021 will be limited unless it’s essential and any travel required needs to have several senior approvals.

**Contact for this market is Hideki Seguro based in Tokyo, Japan**

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**SOUTH EAST ASIA**

* Business travel remains slow within the region as most borders remain closed. Some companies are reviewing their travel policies and needs for 2022 so we expect a very cautious approach.
* For both the Corning and the Johnson & Johnson account hotels should note that both have international travel restrictions in place but domestic travel is allowed within certain markets such as China, Australia and US. Both are also reviewing if there is a need to RFP as travel volumes are still expected to be low and they have no need to add any new properties. Johnson & Johnson shared they may even look at reducing the list of hotels further.
* The Apple account has a target to launch their RFP by late July. They will use another RFP platform instead of HRS and will only invite existing accepted properties.
* All three accounts have queried on the corporate rate strategies of hotels in China as they understand that currently domestic China travel is strong so hotels are enjoying high occupancies.

**Contact for this market is Nicole Foo based in Singapore**

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**MEETINGS AND EVENTS**

**ASPAC**

* Until the Covid outbreak in Sydney at end of June group business was making a strong comeback and was at 70% of pre-pandemic enquiry levels. Domestic Australian hotels had been receiving increased group leads from global meeting partners especially BCM ME and AMEX ME.
* The new trend seems to be more day conferences / social events with a limited accommodation component.
* The industries enquiring about meetings are from Pharmaceutical, Banking, Finance and Consulting segments.
* Advance international enquiries are at this stage minimal due to ongoing border closures. Corporations do not wish to commit to long haul travel as of now.
* Tokyo is gearing up for the Olympic games in July and group movements are minimal due to the ongoing state of emergency and many restrictions still being in place. There is some group travel mainly from international media, foreign Olympic committees and major sponsors of the games.
* Australia - Until most of the population is vaccinated (goal is September) group travel and meetings will be limited. Currently only 4% have been fully inoculated.
* Singapore/SEA - A recent surge in Covid cases caused many SEA countries to go either into full lockdown or impose severe restrictions. MICE came to a standstill especially in Singapore where we were getting traction with group leads / meeting requests for our hotels there. By first week of July restrictions had eased slightly so hopefully we will see group leads coming back in the Q3.
* As Phuket has opened to fully vaccinated travellers we hope to see increased interest for Thailand as a whole.
* Meetings in Indonesia are only permitted for governmental meetings.

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