



ASPAC-Market Update- Q2 2022

Mark Your Calendar-2022 ASPAC Meetings and Events

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

Date	Type	Days	Location	Segments
5 Sep 2022	TS	4	Singapore ILTM Asia	Please book direct
20 Sep 2022	RS- CE	4	Shanghai-Beijing-Guangzhou	All
20 Sep 2022	RS- CE	4	New Delhi-Mumbai	All
26 Sep 2022	RS	2	Japan	All
17 Oct 2022	RS	5	Hong Kong-Taipei-Shanghai-Singapore-FHR	Leisure/FHR
9 Nov 2022	RS	3	Manila-Bangkok-FHR	Leisure/FHR

LEISURE TRAVEL

AUSTRALIA

- Outbound leisure travel from Australia is strong and Italy / Greece / UK are popular for the next few months. Bookings are still coming in for last-minute travel.
- AMEX FHR teams are still working from home but “in person” events will be back in Q4.
- More agents are using the GDS to book plus there is growing interest in using the regional Preferred Hotels VIP Desks. Wholesalers are also out of favor as many agents had substantial issues getting refunds or money back.
- Leisure travelers are flexible with where they are travelling to as airfares to most places are more than they were in 2019 so are much more expensive.
- Hotels should load long-stay rates as many leisure guests are staying much longer in one location.
- Hotels should consider participating in the Preferred Hotels and Resorts Platinum Partner rates as these rates do drive business to selected hotels. Any hotels that are already participating should please load rates as far ahead as they can so until at least end of July 2023.

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

- On June 1 Shanghai eased the 2 month lockdown in a step towards returning to normal however economic recovery remains unclear as residents are still urged to avoid all non-essential travel outside of Shanghai. Anyone travelling out must still serve a mandatory quarantine of 7-21 days depending upon where they have visited.
- On June 13 Beijing tightened COVID restrictions because there were 200 new cases linked to one location.
- Beijing Zhiketong Technology, a hotel direct-marketing specialist leveraging China's biggest social network platform WeChat has released a report on the digital marketing and innovative development of China's high star-rated hotels. The report shows that traditional OTAs are still primary booking platforms for China consumers with WeChat, Alipay, Douyin, Zhihu gaining popularity and playing an increasingly important role in acquiring new customers and building SCRM.
- From Jun 7 a Chinese work Z visa and a dependent S1 visa no longer requires a supporting letter from the relevant overseas foreign affairs office.
- The number of weekly flights between China and the US is slowly increasing. In the month of June:
 - Air China had 17 international routes on a weekly basis;
 - China Eastern Airlines and Shanghai Airlines had 19 international routes per week
 - China Southern Airlines had a total of 21 international and regional routes
 - Xiamen Air had 30 international flights every week
 - Hainan Airlines also resumed routes to and from Brussels / Beijing. They also resumed Shenzhen / Vancouver
 - Cathay Pacific had a total of 30 international and regional routes

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HONG KONG

- From July 1 visa free travel to Hong Kong will be possible for those living in South Korea and Japan though a 3 day quarantine upon arrival is still in place.
- Since May 1, Hong Kong has permitted non-residents to enter but visitors must undergo a PCR test plus spend 3 days in a designated quarantine hotel.
- AMEX Centurion / Platinum Travel has confirmed that live in person showcases will be held in Taiwan and Hong Kong so if any hotels are interested then please contact Sylvia Mak for more information.
- AMEX FHR Hong Kong team will hire 80 new consultants in July as they expect more traffic around the region in the second half of the year.
- Hotels should continue to update Preferred Hotels and Resorts on their hygiene practices and travel policy of their countries as regulations are changing fast.

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INDIA

- In Q2 there has been a huge surge in inbound and outbound travel to and from India. New Delhi emerged as the 2nd busiest airport in the world for the month of April'22

- All Covid restrictions have been lifted and the only mandatory requirement is to wear a mask in public areas and at airports. 905 million Indians are double vaccinated which is assisting in keeping Covid under control.
- Current key outbound leisure destinations are UK, Switzerland, USA, Singapore & Italy.
- Emerging markets are UAE & Thailand.
- Mumbai & New Delhi are the key outbound markets & emerging potential markets are Ahmedabad, Kolkata & Chennai. Please check with Jit for more information.

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JAPAN

- Independent leisure travelers cannot yet enter Japan but there are signs that they will be able to do so from the Q3.
- Under new border measures, countries and regions are divided into three groups and 'blue' is the lowest risk which includes Hong Kong, China, Taiwan, Singapore, Malaysia, Thailand, Philippines, Indonesia, South Korea, UK, USA, Australia and New Zealand.
- Tourists from 'Blue' countries won't have to do a COVID-19 test / quarantine or other measures upon arrival in Japan regardless of their vaccination status. However they will still have to present a negative PCR test taken within 72 hours prior to departure.
- According to preliminary figures from the Immigration Service Agency of Japan, the number of Japanese overseas travelers in April was 129,169, an increase of nearly 260% compared to the previous year. This is still down on 2019 figures when there were 1.66 million. It is the first time in 2 years that the number of Japanese overseas travelers has exceeded 100,000.
- Further border restrictions can be found at https://www.mofa.go.jp/ca/fna/page4e_001053.html
- Please contact hseguro@preferredhotels.com if you have any promotional offers so that the Japan office can share with relevant agencies when the timing is right.

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

- Airlines increased flights to Asia, Europe & Americas and from 1 Jul will operate from / to Las Vegas, Milan, Vienna etc. Within Asia there will also be more flights to / from Vietnam, Kota Kinabalu etc however airfares have gone up a lot meaning that package prices need to reflect this increase, so travel is now more expensive than it was ever before.
- The honeymoon market is strong and is travelling to Hawaii, Maldives, Europe (mainly Paris / Italy / Spain) Cancun & New York
- Leisure groups have become smaller than 10 rooms per night with most requests being for 5 – 8 rooms.

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SOUTH EAST ASIA

- The Thailand Pass Registration has now been lifted so international travellers will no longer need to pre-register their visit or show proof of US\$10,000 health insurance cover. International travellers will only need to show proof of either a certificate of vaccination or a negative RT-PCR or professional ATK test result within 72 hours of travel.
- Vietnam also has no Covid-19 testing requirements and there is no need for Covid vaccination passports or certificates meaning that international visitors of all vaccination status are now able to enter the country.
- As of now all travellers entering Indonesia are also no longer required to take any Covid-19 test but must have had at least two Covid-19 vaccine doses. Travellers should also download the PeduliLindungi mobile app and complete their user profile and entry application prior to arrival. Upon arrival, travellers need only provide proof of travel insurance covering Covid-19 treatment with a minimum coverage of US\$10,000.
- Singapore and Malaysia lifted pre-departure Covid-19 test requirements making it easier for fully vaccinated international travellers to enter the country. Travel requirements are still in place for non-vaccinated travellers.
- Travel has been picking up and agencies have shared that they are overwhelmed by the queries and requests. Many are looking for more staff to add to their current teams but do face challenges securing experienced people. They see high demand for long haul destinations and travellers are looking for destinations with little or no travel restrictions.

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CORPORATE / BUSINESS TRAVEL

AUSTRALIA

- Domestic corporate travel is booming as all states and territories are now open.
- There is some business travel within the region and to longer haul destinations, but the main issue is lack of space plus flights are very expensive. A business class ticket to Los Angeles prior to Covid was roughly AUD\$7k and now it is AUD\$18K. An economy class ticket to Singapore was AUD\$1K and it is now AUD\$2.5K making it prohibitive in many circumstances.
- Hotels should re-consider whether they would now like to participate in the global consortia programmes especially now that borders are opening. Without participation it will be challenging to get traction from the TMCs as they will opt to support other properties. The 2023 consortia programmes will be launched shortly so hotels should complete the bid as soon as possible. Please check with Carolyn Holmes for further information, especially on the Flight Centre consortia RFP.
- Clients are looking to have flat rates on the next RFP but most hotels are looking to increase rates so some clients are switching to lower priced hotels.

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

- Trip.com Group's corporate travel arm Trip.Biz has released a white paper delving into trends defining the revival of the corporate travel management sector in mainland China. The paper shows roughly 16% more companies in China worked with a TMC (Travel Management Company) in 2021 compared to 2020. This figure rises to 25% in cities such as Beijing, Shanghai and Guangzhou.
- According to GBTA forecasts China's business travel market is expected to recover and surpass pre-pandemic levels by 2024, with total business travel spending exceeding USD 400 billion.
- CWT has launched a new bilingual service centre in Singapore that will offer companies round-the-clock travel assistance in English and Mandarin. It is in response to a growing demand from Chinese multinationals that require a convenient and consistent corporate travel experience for their employees based outside of China.
- Amazon.com announced it will stop supplying retailers in China with its Kindle e-readers from Jun 2 and will shut its Kindle e-bookstore in China next year.
- Lenovo Group announced that they will invest 100 billion yuan (US\$15.6 billion) over the next five years on research and development covering the metaverse and cloud sectors. The tech giant also plans to recruit more than 12,000 engineers within the next three years all over the world, including 3,600 in the next 12 months.
- The large scale and far-reaching influencing exhibition, the 106th China Food & Drinks Fair most recently confirmed is now postponed until further notice.

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

- As of now inbound international travel is possible to Hong Kong, but all travellers are still required to produce negative PCR result and a 3-day quarantine in a designated hotel, then undergo four days of medical surveillance during which their movements will be restricted via the use of a health code system.
- Business travel is now possible as companies are trying to resume some sort of normality.
- Hotels should be mindfully competitive in offering hotel rates this season as some will "buy" business by offering super low rates.
- Hotels should be ready to receive RFP invitations in Q3 as this will be when the bulk of RPs will be launched. Member hotels should have a designated person to check Lanyon daily in order not to miss any opportunities.
- Any hotel opening or tactical offer should be shared with Sylvia Mak for further discussion and sharing with relevant parties.

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

- Domestic Hotels have seen a buoyant summer with exponential growth in GDS numbers
- The TMC partners are returning to their offices & from Q3 onwards we expect to be able to meet clients in person.

- The E-flyers for offers should be shared with PHR global sales members for them to share with the relevant clients.
- Pharma and BFSI are looking at incentives until the end of the year. Thailand & Dubai are traditionally preferred due to connectivity from key cities in India but there is renewed interest in Europe & other SEA countries though airline pickup and availability is an ongoing issue.
- STAR process and Corporate Survey 2023 is currently ongoing and its critical the Hotel puts up strong business cases for key acquisition accounts and review the market production numbers from Hotelligence report for YTD 2022

Contact for this market is Jit Bose based in New Delhi, India
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JAPAN

- With reduced outbound border restrictions business travel has been active especially with manufacturing, financial, consulting, trading and pharmaceutical businesses.
- 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) about any local contracts they hold for Japanese companies so that it can be followed up locally.
- Most of the Japanese RFPs are asking for rates to be extended until the end of 2022 plus they are limiting any new invites to current preferred hotels with larger production volumes. In many cases unsolicited bids are not possible without a VERY strong business case. If you have any promotional rates for quarantine, and you are receiving production from Japanese TMCs, please do share with us and we will share with our contacts accordingly.

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

- Hyundai Motors announced an electronic car factory in Bryan County, Georgia where they will invest USD\$ 5.5 billion dollars with a targeted opening date of 2025.
- NAVER/LINE issued local contracts direct to hotels however after reviewing these can then be moved over to the global RFP so if any hotels have received a direct local contract please let Alice Choi in South Korea office know.
- After tight quarantine restrictions have been lifted corporate business travel is now on the move from South Korea and is slowly reaching pre-pandemic levels. Hotels should send any offers that they have for sharing with relevant parties

Contact for this market is Alice Choi based in Seoul, South Korea
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SOUTH EAST ASIA

- Singapore and Malaysia office workers may return to their offices however many companies have adopted a hybrid model where teams alternate on different days of the week making office visits still a challenge.
- TMCs are seeing more travel requests but face the challenge of expensive airfares for their clients thus, resulting in travel plans on waitlist or on hold.
- Hotels can share if there are any peak periods in their cities so that we are aware when receiving queries as well as pockets of low occupancies so it helps us to advise clients accordingly.
- The 2023 RFP season is building up so hotels should please ensure that the business cases submitted are targeted with strong reasons for clients' consideration and room night productions received by hotel should be updated. Do keep in mind that as corporate travel is slowly resuming, travel volumes are not certain so please review your rate offering and be in tune with the market sentiments.

Contact for this market is Nicole Foo based in Singapore
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MEETINGS AND EVENTS

ASPAC

- Even with markets closed such as China, Hong Kong, Taiwan and Japan meetings & events / group leads for business meetings, incentives & conferences have returned in a big way.
- With pent-up demand availability is a challenge and clients are requesting space often with a very short lead time.
- Incentives tend to have a longer lead time about 8 months to a year timeline and tend to travel further afield
- Singapore, Australia, South Korea are generating a good volume of leads but leads out of India are still mainly for domestic hotels.
- There is a sense that clients are waiting for Japan and Hong Kong to reopen as these are traditionally popular meeting and incentive destinations.
- The recent IMEX Frankfurt tradeshow saw a resurgence of Asian customers both from the corporate and the meeting and event space which is a great sign of business returning to pre-pandemic levels.
- Popular destinations include European cities such as Paris, Barcelona, Oslo, Stockholm and Copenhagen. Regional ASPAC cities include Hawaii, Bangkok and Kuala Lumpur but do also include Sydney as well as key cities in India.

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