



ASPAC-Market Update- Q2 2023

Mark Your Calendar-2023/2024 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
12 Sep 2023	RS/CE	4	Shanghai Beijing Guangzhou Shenzhen	Leisure/Corporate/MICE
18 Sep 2023	RS	5	Brisbane Gold Coast Perth Adelaide	Leisure/Corporate/MICE
25 Sep 2023	RS	4	Sydney Melbourne – WAITLIST ONLY	Leisure/Corporate/MICE
25 Sep 2023	RS	5	Japan	Leisure/Corporate/MICE
8 Nov 2023	RS	3	Bangkok Manila -FHR	Leisure/FHR
29 Jan 2024	TS	1	Singapore-AMEX FHR Showcase-BOOK DIRECT	Leisure/FHR/THC
19 Feb 2024	RS/CE	4	Melbourne Sydney – Global Sales Road Show & Preferred Pride Client Event	Leisure/Corporate/MICE
21 Feb 2024	RS	2	South Korea	Leisure/Corporate/MICE
26 Feb 2024	RS	5	Brisbane Gold Coast Perth Adelaide	Leisure/Corporate/MICE
27 Feb 2024	RS	2	Singapore	Leisure/Corporate/MICE
12 Mar 2024	RS	3	Hong Kong & Taipei Global Sales/AMEX FHR Roadshow	Leisure/FHR
25 Mar 2024	RS	5	Shanghai Chengdu	Leisure/MICE
10 Apr 2024	RS	2	Hong Kong	Leisure/Corporate/MICE
14 May 2024	RS	4	Shanghai Beijing Guangzhou	Leisure/MICE
10 Jun 2024	RS	2	Japan	Corporate/MICE
24 Jun 2024	RS	2	Shanghai Beijing	Leisure/MICE
1 Jul 2024	TS/CE	4	Singapore ILTM ASPAC & Client Event	Leisure
8 Jul 2024	RS	5	Guangzhou Shenzhen Hong Kong	Leisure/Corporate/MICE
20 Aug 2024	RS	4	Singapore Kuala Lumpur	Leisure/Corporate/MICE
9 Sep 2024	RS/CE	5	Shanghai Beijing Guangzhou Shenzhen	Leisure/Corporate/MICE
16 Sep 2024	RS	4	Sydney Melbourne	Leisure/Corporate/MICE

23 Sep 2024	RS	5	Brisbane Gold Coast Perth Adelaide	Leisure/Corporate/MICE
30 Sep 2024	RS	5	Tokyo Osaka	Leisure/Corporate/MICE
15 Oct 2024	RS	4	Beijing Chengdu	Leisure/MICE
21 Oct 2024	RS	2	South Korea	Leisure/Corporate/MICE

LEISURE TRAVEL

AUSTRALIA

- Travel for this segment remains strong and June was the largest outbound travel month for 15 years with approximately a 40% increase on the June 2019 number.
- The Europe season has stretched for the Aussies with many late comers now booking for September / October / November. Of interest is that many leisure travellers will travel to Europe twice in 2023 which wouldn't have happened pre covid.
- Bookings are coming in for June / July 2024 so hotels should please make sure that rates are loaded as far ahead as possible. Hotels particularly in Japan should please review and ensure some rates are loaded as they are already missing long haul bookings post April 2024. Japan hotels should also please make sure that at least one rate plan is available that includes breakfast as the Australians don't usually go out for breakfast in Japan.
- Stays are much longer than pre-Covid so hotels should please consider longer stay rates
- Travel to the USA is starting to pick up for Q3 and Q4.
- Airfares are still expensive particularly in the premium classes so Australian travellers remain flexible as to where and when they travel – travel patterns are not the same as pre covid.
- The Platinum Partner rates are gaining traction in Australia so hotels should review their participation if they want to attract longer haul luxury leisure market especially if they aren't a part of any other luxury programme.
- Please be reminded that Australian banks will no longer accept foreign cheques for commission so hotels wanting to attract Australian clients will need to find a new method of paying if they want to source bookings from Australian agencies.
- There are many multi-generational families travelling so hotels should please make sure that they have completed our family travel fact sheet. If you haven't completed one of these recently then please connect with Michelle Yapp in our Sydney office myapp@preferredhotels.com

Contact for this market is Carolyn Holmes based in Sydney, Australia
cholmes@preferredhotels.com

CHINA

- From Q3 WeChat will support overseas Visa card and AliPay will support all major international card networks, including Visa, Mastercard, Diners Club International, and Discover. The registration will be streamlined and there will no longer be a need to set up a prepaid account or acquire a Chinese phone number.
- Korean Air is resuming multiple routes to China including Changsha, Wuhan and Weihai after a hiatus of three and half years.
- AirAsia and AirAsia X launched new routes from Malaysia to China so we expect traffic to increase between Kuala Lumpur and China in the coming months. Hotels in Malaysia may like to share promotional offers.

- Intuitive and DidaTravel announced a new partnership meaning that DidaTravel has access to strengthened hotel connection capabilities within the Asian market. DidaTravel is an international travel distribution provider headquartered in China and they are integrating with Intuitive's 'iVectorOne' to gain access to a wider selection of hotels. DidaTravel will also contribute to expanding iVectorOne's supplier network by distributing their portfolio of over 1 million worldwide hotels.
- China arrivals to Europe for the first 6 months of 2023 are back to only 60% of 2019 levels.
- Agoda has expanded its partnership with Fliggy. This collaboration will give hundreds of millions of Fliggy users access to Agoda and Booking.com's 3.6 million hotels, homes, apartments and other great places to stay as well as providing great value deals.
- During the 2023 Dragon Boat Festival border control processed nearly 4 million people entering / leaving the country which was 50% greater than the 2022.festival. Outbound Chinese tourists born after 1980 accounted for roughly 75% of the demand. Popular outbound destinations included Hong Kong SAR, Macao SAR, Bangkok, Tokyo and Singapore and the average cost of hotel bookings was 2,981Yuan (USD\$415.19) which is way higher than pre covid.

Contact for this market is Cheryl Siow based in Shanghai, China
csiow@preferredhotels.com

HONG KONG

- Japan is the top pick for leisure travel from the Hong Kong market with Taiwan, Thailand, South Korea and Europe the next most popular.
- There have been some new flights ex Hong Kong to Nagoya, Bangkok and Taipei so hotels should check with Hong Kong office as there could be some new possibilities for direct flights which will open new opportunities. Increased coverage and new services are changing all the time.
- Cathay Pacific finally expect to resume 70% of pre-Covid passenger capacity before the end of 2023. They wont be fully back to pre Covid levels until the end of 2024.
- The Airport Authority of Hong Kong has invested around HK\$9 billion (USD\$1.2 billion) to spruce up its infrastructure on their three-runways which will bring the landing capacity to 120 million passengers by the end of 2024. This investment will link the future success of Hong Kong airport with the Greater Bay Area of southern China.
- Hotel members interested in sharing any leisure promotions please make sure they are available in the GDS and share a flyer with Sylvia Mak for on-sending.

Contact for this market is Sylvia Mak based in Hong Kong
smak@preferredhotels.com

JAPAN

- The Japan National Tourism Organization stated that in June there were roughly 703,300 which was 30,000 travellers more than in May however this is still around 53% lower than June 2019. According to the OAG international flights departing from Narita, Haneda, Kansai, Nagoya, Fukuoka and Sapporo were also down by 31% compared to June 2019 meaning that unlike other parts of the world Japan still has not returned back to the old flight scheduling post Covid.
- According to JTB the number of outbound travellers is forecast to increase by nearly 200% year on year 2022 / 23 however due to the weaker yen and the rise in fuel surcharges they see that a continued leisure travel recovery from Japan will be slower than in other markets.
- The top 3 destinations in May were South Korea / The USA and Taiwan so hotels in those locations should consider visiting Japan for sales calls or joining our roadshows.

- For hotels interested in capturing the leisure market outbound from Japan then it is imperative to work with the local tour operators handling the Japanese market. For most destinations, the major travel agencies in Japan source and book the hotel rooms through local tour operators and it is hardly ever the case where these agents' source and contract directly.
- Please contact hseguro@preferredhotels.com if you have any promotional offers so that the Japan office can share with relevant agencies.

Contact for this market is Hideki Seguro based in Tokyo, Japan
hseguro@preferredhotels.com

SOUTH KOREA

- Airline uplift to and from South Korea continues to improve post covid with new services as follows: Batik Airlines to/from Kuala Lumpur, Air Premia to/from New York and Los Angeles, Singapore Airlines to/from Singapore, Hong Kong Express to /from Hong Kong. Hotels in these locations should expect increased traction from South Korea market and may like to send us any offers that they might have.
- Now that borders are fully open the Hong Kong and Macau tourism boards have held various promotions that include flight tickets, flash sales and special value adds with selected OTA and travel agents. Hotels in these locations should see further traction in the coming months.
- Japan is still the number one destination for travellers from South Korea.
- Football and golf are popular sports among Koreans and some agents are arranging sporting tours for South Koreans to watch games / matches / sporting events overseas. If hotels know of any big sporting events in the future then they should please connect with South Korea office with any offers and we may be able to distribute those and get some traction.

Contact for this market is Alice Choi based in Seoul, South Korea
achoi@preferredhotels.com

SOUTH EAST ASIA

- Japan remains the number one top destination for the region followed by Thailand, Bali, Italy and France especially Paris because of the interest in The Olympics 2024.
- There is increased interest for leisure travel to Europe from the Thai market from Q4 onwards so if any hotels in Europe have offers for autumn and winter months please do share for distribution.
- The next school holidays for Singapore will be for one week commencing 4 September followed by one month starting from mid-November. Hotels targeting family travellers can send any offers to us so that we can share with our clients and agents. Please make sure that rates are loaded and bookable through Preferred Hotels and Resort channels.
- Stay / Pay offers remain popular with our market so any hotels with such offers should also send them to Singapore office for sharing with agents.

Contact for this market is Nicole Foo based in Singapore
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CORPORATE / BUSINESS TRAVEL

AUSTRALIA

- Domestic corporate travel is very active and international travel is also strong however the cost of airfares remains prohibitive for some international travel. For instance even economy class airfares Sydney to Los Angeles and return are now AUD\$4000 per ticket compared with around AUD\$2000 pre Covid.
- Corporate stays from long haul international market are now much longer since airfares are expensive travellers are making the most of it and spending longer periods of time overseas unlike pre-Covid. Stays of 1 or 2 weeks are becoming more usual.
- Online Booking Tools are gaining traction as they drive compliance, which is necessary for health and safety due to post Covid protocols. Hotels should make sure their rate descriptions and images etc are up to date.
- Hotels should complete the 2023 consortia RFPs as soon as possible so that they are ready for business in 2023 as otherwise the major TMCs will opt to support other properties.
- Many corporate TMC agents still have large swathes of staff working from home several days a week as this is the new preferred norm

Contact for this market is Carolyn Holmes based in Sydney, Australia
cholmes@preferredhotels.com

CHINA

- The Lenovo 2024 RFP launched via Cvent. Hotels should note they have new offices in Farnborough UK and Sha Tin in Hong Kong. Their office in Basingstoke UK is closed.
- The Geely 2024 RFP bidding is now complete so if you are accepted please make sure rates are loaded and visible as per the rate loading instructions. Geely Automobile Holdings and Renault also announced in Q2 that they would jointly invest up to 7 billion EUROS in a joint venture developing gas engines and hybrid technology for cars. The new company will employ 19,000 people at 17 engine plants and 5 research and development hubs, Further information to come when we know more.
- The NIO 2024 RFP bidding results will be released before the end of August and again if you are accepted please make sure that rates are loaded as per the rate loading instructions as soon as possible.
- Chinese electric vehicle manufacturers are gaining traction in Thailand having committed to spend over USD\$1.4 billion in production facilities. The automotive hub there has previously been dominated by Japan but the Thai government has a target to convert about 30% of the country's yearly vehicle production into EVs by 2030 so they need more cars manufactured locally. This means that GWM, SAIC, BYD as well as Chinese battery manufacturer SVOLT are all establishing local production facilities so there should be increased corporate travel between China and Thailand moving forward. Please check with China team for further information.
- TikTok, which is owned by China's ByteDance, announced it would invest billions of dollars in Indonesia and Southeast Asia over the next few years. They did not provide a detailed breakdown of the spending plan but said it would invest in training, advertising and supporting small vendors looking to join its e-commerce platform TikTok Shop.

Contact for this market is Cheryl Siow based in Shanghai, China
csiow@preferredhotels.com

HONG KONG

- Corporate travel is slowly gaining traction again post Covid and most RFP discussions are coming up in Q3. Hotels should please bear in mind to reply to RFPs in a timely manner as travel managers do not have tolerance for missed deadlines.
- The HSBC 2024 RFP has sent accept notices to hotels so hotels should please make sure rate loading instructions are well followed and RFP rates are mapped accordingly.

- The LVMH 2024 RFP will be launched in late August and the 2024 Morgan Stanley and AIA RFPs have already been sent through Cvent.
- If any hotels are interested in offering staff promotions or tactical offers please do send them to Sylvia Mak for sharing. Please note any offers should also be available through the Preferred booking channels such as the GDS.

Contact for this market is Sylvia Mak based in Hong Kong
smak@preferredhotels.com

JAPAN

- The recovery of corporate travel from Japan is slower than expected due to high airfares and the weakness of the Japanese Yen.
- 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.
- The NTT 2024 RFP should be launching in September/October so any interested hotels should please connect with Hideki Seguro at hseguro@preferredhotels.com with a strong business case.
- The 2024 Renault Nissan Mitsubishi RFP should be launched in August/September.

Contact for this market is Hideki Seguro based in Tokyo, Japan
hseguro@preferredhotels.com

SOUTH KOREA

- Travel expenses are going up and up due to airfare and accommodation prices increasing. This has meant that corporate travel was slow for the first 6 months of 2023.
- The K-Wave including K pop, movies and TV programs is becoming more popular from South Korea so there are more entertainment and event leads overseas for K pop concerts, exhibitions and events.
- Korean corporate accounts are increasingly giving all their authorizations in handling a travel programme to a travel agent / TMC.
- MICE accounts are more limited than before. Direct marketing business such as Amway and Herbal Life and insurance companies remain the most active.

Contact for this market is Alice Choi based in Seoul, South Korea
achoi@preferredhotels.com

SOUTH EAST ASIA

- The Boston Consulting South-East Asia Travel & Events Manager is gathering room rate and meeting offers from hotels so that they might be offered to their SEA staff for leisure travel. This will be shared on their internal Sharepoint drive allowing hotels that are not on their program to be experienced by their staff for leisure. Please contact Nicole Foo for more details if you are keen to give your offers.

- Hotels that have submitted their business cases on the Corporate Surveys for 2024 do please ensure that accurate room night production numbers are included so that it will be relevant when presented for discussions with the clients.
- The GBTA APAC Conference is taking place in Singapore, 19-20 September, at the Shangri-La Hotel and it will be an opportunity to network with Travel Managers in the region as well as to stay updated on the trends for corporate travel. Hotels within region should also consider participating.

Contact for this market is Nicole Foo based in Singapore
nfoo@preferredhotels.com

MEETINGS AND EVENTS

ASPAC

- Group business across the globe continues to ramp up at a rapid pace.
- Japan continues to be a popular destination for groups however availability and high prices have deterred some meeting planners.
- Markets like Southeast Asia, Korea and Australia continue to thrive with many outbound meetings/incentives mainly to Europe and intra-Asia.
- Key cities in Asia such as Singapore, Hong Kong & Bangkok continue to be favourites for meetings/groups due to easy access and ease of doing business.
- There are ongoing discussions with FCM Meetings & Events in Australia about a potential partnership so more to come in Q3.

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