



ASPAC-Market Update- Q1 2023

Mark Your Calendar-2023 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
10 Apr 2023	RS	4	Shanghai Beijing	Leisure/Corporate
17 Apr 2023	TS	5	China Dong Connection Leisure Roadshow	Leisure
15 May 2023	RS	6	Auckland Sydney Melbourne	Leisure/Corporate/MICE
12 Jun 2023	RS	2	Japan	Corporate/MICE
14 Jun 2023	RS	2	South Korea	Leisure/Corporate/MICE
11 JUL 2023	RS/CE	2	Hong Kong	Leisure/Corporate/MICE
19 Jun 2023	TS	4	ILTM Asia Pacific-Singapore	Leisure/MICE
11 Jul 2023	RS	4	Singapore Kuala Lumpur	Corporate/MICE
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	Leisure/Corporate/MICE
25 Sep 2023	RS	5	Japan	Leisure/Corporate/MICE
8 Nov 2023	RS	3	Bangkok Manila -FHR	Leisure/FHR

LEISURE TRAVEL

AUSTRALIA

- Leisure travel is extremely strong and bookings are coming in for Q1 2024 already so hotels should please load rates in advance. Hotels particularly in Japan should please review and ensure some rates are loaded until end of March 2024 as otherwise they will lose business.
- Stays are much longer than pre-Covid so hotels should please consider longer stay rates
- The 2023 Europe season has stretched so travelers are asking about early autumn travel which was not the norm pre-Covid. This means that September / October is still of interest so please do send any early booking offers now
- 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.

- Airfares are expensive as airline schedules have still not returned to pre-Covid levels. This means clients are trying some new and non-traditional travel destinations.
- 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.

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

- China is now issuing all types of foreigner visas including for tourism and ports plus they have reviewed again visa exemption. Inbound travelers are advised to consult with their local China embassies or consulates for more detailed requirements and procedures. For our hotels this means that they are now able to visit to make sales calls and to attend roadshows and client events.
- Multi-year multi-entry China visas have now resumed and PCR tests are no longer required for travellers from 17 countries. However the resumption of flights into and out of China still has not returned to normal though it is increasing month by month.
- High-speed rail services between Hong Kong and Chinese mainland cities will resume from April 1. This will be the first time since pre-Covid that these services have operated.
- Shanghai International Airport resumed airline services on international routes as well as to and from Hong Kong, Macau and Taiwan at end of Q1. Routes have been closed since 25 March 2020.
- After a 1152 day break the first cruise ship set off from the Shanghai Cruise Terminal on 26 March on a domestic itinerary. International itineraries should resume in the next 6 months. So international hotels should start to see more Chinese travellers in the 3- 6 months

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

- The Hong Kong government ended mandatory quarantine for overseas arrivals on March 1 so the border is now fully re-opened so hotels targeting Hong Kong travellers should come and visit with us.
- Taiwan also removed all border restrictions for Hong Kong and Macau residents this quarter meaning that residents of the two territories can now travel independently rather than on a group tour.
- Cathay Pacific confirmed flights have resumed back to 30-40% of capacity as of end of Q1. They hope to be back to 70% by end of 2023.
- The Hong Kong Roadshow has been moved to July 11-12 so for any interested hotels please reach out Sylvia for more information.

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

- Travel in and out of Japan is almost back to normal especially for triple-vaccinated travellers. The government is expected to normalise and downgrade the virus on May 8.
- The Japanese government offered the assessment in its Monthly Economic Report for Mar 2023 that "The Japanese economy is picking up moderately, although some weaknesses are seen" Concerning short-term prospects, the economy is expected to show movements of picking up, supported by the effects of the policies, under the "new normal". According to the leading travel company in Japan – JTB, the number of outbound travellers is forecast to increase by nearly 200% year on year 2022 / 23. This will still be down compared to 2019 due to the weaker yen and the rise in fuel surcharges. JTB sees that recovery will be much slower for outbound travel versus the inbound travel market.
- Japan outbound travel is still slow with just 690,000 travellers leaving in March 2023 which was down 64% compared to March 2019. However, it is an increase of 150,000 travellers compared to Feb 2023.
- 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
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SOUTH KOREA

- Due to the weakness of the Japanese Yen and increased flight to and from Japan there has been high demand for travel. A third of all international South Korean travellers went to Japan in January and February. South Koreans were also the number 1 traveller to Taiwan & Austria. Hotels in these locations should take note and share any special offers that they might have.
- The South Korean honeymoon market has shown 2 tiers in Q1 – Luxury Tours and Package Holiday. The Luxury side has increased especially to Europe since hotel prices have increased substantially so a package holiday is more attractive. Hotels in key honeymoon cities such as Paris / Venice / Rome etc should take note and connect with Alice from the South Korea office
- New direct flight to Prague by Korean Air, to Frankfurt by Air Premia and charter flights to Venice by Asiana Air. Has also increased South Korean interest in these destinations. We are expecting new direct flight to Maldives and Mexico City soon so we anticipate interest to these destinations will also increase.

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

- The month long June school holiday for Singapore and Malaysia is approaching so many families are planning for leisure travel. Hotels that have family rooms can share any offers with 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. Interest in Platinum Partner rates is also increasing.

- With the opening of China borders, various airlines in the region have increased flights to different cities in China: Philippine Airlines, Thai Airways, Singapore Airlines, Scoot and Air Asia. Making it easier and more affordable to travel within the region.

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. In many cases there is also lack of availability.
- 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 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.

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

- The AIIB RFP 2023 bidding results have now been released so hotels accepted should please make sure that the corporate rates are visible and bookable as soon as the acceptance notice is received.
- The ride hailing business Didi now allows users to book airline tickets and hotel reservations so please check with China team for further information.
- As per advice from CITS business travel revenue for domestic corporate travel in the first two months of 2023 has exceeded the same period in 2019. International corporate travel has also shown good recovery with active industries including those in luxury goods, automobile manufacturing, financial services and pharma particularly in the wellness area. Booking numbers also exceeded the same period in 2019 and hotel sales increased by 43%.
- SAIC Motors launched a new self-operated sea route connecting Ningde City in Fujian Province with Mexico for the self-export of motor cars. There will be one departure of one ship from Ningde to either Mexico or Europe every month in 2023 so there will be 10,000 cars despatched mainly of the MG brand. Last year, the annual sales of MG models in Mexico exceeded 48,000 vehicles surging 200% so hotels in Mexico could see increased corporate travel from China. Please check with our China team for further details.

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

- Any hotel not invited to a corporate RFP they should please discuss the particular account with Sylvia as it may be possible to offer staff benefits to companies such as UBS, Morgan Stanley, Bloomberg or Bank of America etc.
- Preferred Hotels will be participating in the Bloomberg Travel Fairs in May on site in the Bloomberg offices in Hong Kong / Tokyo / Sydney and Singapore. Hotels are welcome to send us any offers and promotions. Since the theme of Bloomberg Travel Fair is sustainability, it would be appreciated if hotels could offer a QR code rather than a paper flyer.

Contact for this market is Sylvia Mak based in Hong Kong

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JAPAN

- The recovery of overall business travel in Japan is slower than expected due to high airfares.
- 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.
- Astellas Pharma is NOT launching their RFP for 2023 due to their budget cuts in the travel department so we expect current rates to be extended so more to come once we know more.

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

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SOUTH KOREA

- Due to high airfares corporate travel recovery has been slow in Q1.
- Line corporate business to and from Japan is active and we are expecting similar room nights to 2019
- Incentive travel has bounced back but the group size is smaller. Companies are visiting their headquarters instead of heading to new destinations. Tourism board support will be key in selecting destinations as tourism boards also offer rewards programs for visiting their countries.
- Small and medium enterprises are interested in hotel programmes however there is usually no previous record of hotel stays so it is difficult to estimate city volume.

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

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SOUTH EAST ASIA

- Hotels should please make sure that their corporate survey entries remain current and updated. Hotels should also make sure that if they are accepted to any new 2023 that rates are loaded in a timely manner.

- Western Digital Corporation has cut their travel budget so as a result have a travel freeze in place for staff.
- Emerson is rolling out an online booking tool in ASPAC starting with The Philippines closely followed by Singapore, Malaysia and Australia. They are also looking to review their 2023 program in preparation for the 2024 RFP. One of their requirements is that hotels that want to be solicited will need a minimum of 200 room nights however if any hotel is seeing more than 50 room nights, please reach out to Nicole in the Singapore office so that she can review with their travel manager just in case.

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

ASPAC

- Since the reopening of Japan in November demand for groups and incentives has increased tremendously. Japan hotels should share any offers as customers are opting to go to Japan as a first choice, rather than Seoul, Taipei, or Hong Kong.
- Group travel and enquiries for first quarter has returned in numbers bigger than pre-pandemic.
- Ongoing challenges include availability, exorbitant and limited airline seats/fares, and popular dates.
- With China opening, it will be interesting to note if the Chinese travellers are heading internationally for groups and incentives in big numbers for the rest of 2023.

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