



ASPAC-Market Update- Q4 2023

Mark Your Calendar-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
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	Waitlisted
21 Feb 2024	RS	2	South Korea	Leisure/Corporate/MICE
26 Feb 2024	RS	5	Brisbane Gold Coast Perth Adelaide	Waitlisted
27 Feb 2024	RS	2	Singapore	Leisure/Corporate/MICE
14,15, 18 & 19 Mar 2024	RS	4	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

- Leisure travel continues to remain strong. For the first 9 months of 2023 more than 7.5 million Aussies headed off overseas on short term trips. That is 86% of pre-pandemic levels though our Australian GDS numbers reflect a 30% increase versus 2019.
- Italy was popular and there was a rise of more than 19% versus 2019 / Portugal saw a rise of 14% versus 2019 / India had a rise of 14% . Japan has also been popular in Q3 specially for those that ski and saw a 30% rise year on year.
- Travel to the USA was down in 2023 mainly due to the strong USD\$ against the AUD\$ and travel was down 39% versus 2019. Travel to China was also down on 2019 numbers and was at 58% below.
- Airfares are still expensive moving into 2024 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. This has meant that the Europe season has continued to stretch for the Aussies with many late comers now booking for September / October / November. Some will also travel to Europe at Christmas which is a new trend.
- 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 do also consider a stay / pay rate for this programme to attract more long-haul clients
- 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
- Please do consider joining us at ILTM Singapore on 1 July. 60% of the attendees are from Australia. There are also the top 30 agents from Fhina attending in 2024 as well as the top agents from Japan / India / Southeast Asia / Thailand and South Korea.

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CHINA

- China launched a visa waiver programme for visitors from France, Germany, Italy, Netherlands and Spain for one year. Travellers are now able to enter China visa-free for up to 15 days. Reason for travel can be for business, tourism, visiting relatives and transit purposes. Travellers from India and Malaysia may enter for up to 30 days. There are discussions with the Singapore government to do something similar in early 2024 plus Indonesia and Sri Lanka are also discussing options.
- A tourism event in California this quarter brought together over 800 guests from the 2023 United States Tour Operators Association Annual Conference & Marketplace. It is hoped that the combined efforts of both the USA and China will directly benefit the tourism industries of both countries. Topics discussed were increased direct passenger flights, whether it was possible to continue to have a high-level dialogue on tourism as well as streamlining visa application procedures.
- In 2024 there will be a collaboration between the European Tourism Association and the European Travel Commission which will focus on promoting Europe in China. The China European Marketplace (CEM) is scheduled to be held in Shanghai on May 24 and this event will facilitate individual meetings between European suppliers and Chinese outbound tour operators during a one-day workshop. Furthermore, from May 27-29, ETC will host a EUROPE stand at ITB China in Shanghai to showcase various European destinations. Please check with Cheryl in China office if you would like further information.

- For the winter season (October – March) flights between Thailand and China have only recovered by 25% compared to 2019.
- The world's first Zootopia land opened this last quarter in Shanghai.
- The government said that tourism revenues reached about 753 billion yuan (\$103 billion) during the combined Mid-Autumn Festival and National Day holiday period that ended on 6th Oct, a rise of 1.5% over 2019. 826 million domestic trips were made, up 4.1% from 2019. According to Trip.com outbound travel has increased nearly 20 times compared to the same period in 2022, with popular destinations including Thailand, South Korea, Malaysia, Singapore, Australia, and the United Kingdom. The demand for bespoke and previously untraveled destinations has also increased, with countries like Uzbekistan, Azerbaijan, Georgia, Sri Lanka, and Kenya all experiencing a significant rise in group tour requests compared to pre-pandemic levels.

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HONG KONG

- Overseas weddings are becoming more popular with Japan, South Korea, Prague and Macau some of the “hot” destinations as wedding photography is fabulous in these locations.
- Hong Kong residents made 7.16 million departures in August 2023 which is over 4 times greater than in January 2023.
- The Hong Kong government said that the capacity of Hong Kong airport will recover to 80% of pre-pandemic levels by the end of 2023 and should fully recover early in 2024. IATA in Hong Kong also confirmed that considerable progress had been made.
- The growing awareness of human impact on the environment has resulted in changes when it comes to tourism particularly with the younger generation. Sustainability is playing an increasingly important role for tourists, especially when it comes to mode of travel. Environmental concerns are also shaping the market and encouraging travel companies to make new and alternative offers for more sustainable travel.
- The China State Council announced that the next Spring Festival Golden Week will run from Feb 10 to 17 totaling 8 days. Hotel members targeting Hong Kong and China business should please prepare any promotional offer.
- 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.

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JAPAN

- According to preliminary figures from the Immigration Service Agency of Japan, the number of Japanese overseas travellers in October 2023 was just under 1 million. Which was an increase of 68% versus the same month last year. In 2019 the outbound number of travellers was 1.7 million so there is still a way to go until things return to normal. Top destinations were Korea, The USA and Taiwan.
- The Japanese government offered the assessment in its Monthly Economic Report for November 2023 that "The Japanese economy is recovering at a moderate pace, although it recently appears to be pausing. Concerning short-term prospects, the economy is expected to continue recovering at a moderate pace with the improving employment and income situation however the slowing down of overseas economies is a risk to the Japanese economy. The Chinese economy is of particular concern as is the Middle East situation.
- Due to the weaker yen and the rise in fuel surcharges, a continued leisure travel recovery from Japan will be slower than in other markets.

- For hotels interested in capturing the leisure outbound market from Japan then it is imperative to work with the local tour operators in Japan. 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

- Asiana Airlines are now operating direct flights until end of Feb in between Busan and Melbourne. This is a trial and if it goes well then there could be regular services. This should improve business from South Korea to Australia as travellers will also head to Sydney. LOT (Polish Air) are also increasing their schedule as are Jin Air and Hong Kong Air so increased traction for hotels in Hong Kong / Poland and Taipei will also happen. Hotels in these locations may like to join for some of our roadshows to meet with the booking agents.
- The Travel Trends report shows for 2023 South Koreans prefer short haul holidays within a 5 hour travel time. Top destinations are Tokyo, Osaka, Fukuoka, Danang and Bangkok. We expect this trend will continue in 2024.
- Whisky and food themed travel is a new trend so some agents are now doing food themed tours to France, UK, Italy, Japan and Spain.

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SOUTH EAST ASIA

- 2024 looks positive as most Singaporean travellers intend to take at least as many trips as they did in 2023 if not more, according to a survey by travel agency and search engine Skyscanner. Interestingly 48% said “the cost of flights mainly determines the choice of destination”. Hotel prices was the second most important factor. 47% said they had budgeted more for travel in 2024 with only 10% of those surveyed saying they had budgeted less. Travellers are also keen to go abroad for specific experiences – 46% of Singapore respondents said that they would fly short-haul to see their favourite artist perform, while 30% would travel to a specific destination to eat at a specific restaurant. Hotels may like to consider creating experiences or packages to attract Singapore travellers if they know of concerts/ events happening in their cities or restaurants that will attract visitors.
- Singapore 2024 school vacation periods are shown in the below table and are high travel periods for Singaporeans especially for the longer mid and year end school breaks. Long haul destinations are usually more popular during these times so hotels may wish to target these periods and share any offers with the Singapore team for distribution? Any offers should be loaded and bookable through Preferred Hotels and Resort channels.

MK, PRI & SEC	
Between Terms I & II	Sat 9 Mar to Sun 17 Mar
Between Semesters I & II	Sat 25 May to Sun 23 Jun
Between Terms III & IV	Sat 31 Aug to Sun 8 Sep
At End of School Year	Sat 16 Nov to Tue 31 Dec

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CORPORATE / BUSINESS TRAVEL

AUSTRALIA

- Mixing corporate travel with leisure travel is an increasing travel trend meaning that the average length of stay for corporate travellers is increasing. It also means that since they stay in a hotel for longer their expectations are higher.
- TMCs are doing many more rate audits and are now checking how often RT1 is not available. They are also auditing how many black-out dates a hotel has loaded as most RFPs have a clause that only allows so many.
- TMCs can now actively GDS bias against hotels that do not pay their commission promptly.
- 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. They should also make sure that there is rate parity across all channels as online booking tools do pull from the GDS. Please do review Preferrednet.net in case you didn't manage to attend our regional corporate webinar on 13 December as we discussed rate parity and online booking tools in detail. We also discussed new trends. The session was recorded so you may still listen at your leisure.

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

- The 2024 China Investment Corporation (CIC) RFP launched this quarter on Cvent. London is a city where room nights are increasing so extra hotels were invited. All bids are still with the travel manager awaiting a decision.
- The China International Capital Corporation (CICC) launched the 2024 RFP this quarter also. There was no increase in city rate caps. All accepts and rejects have been finalised already.
- The Tencent account has confirmed that their hotel acceptance notices will be finalised by the end of December.
- Trip.com Group held a global partner summit this quarter as they have established international service sites across Greater China, Southeast Asia, East Asia, and Europe.

- Amex GBT's hotel rate forecast tool says that rates in Shanghai are expected to rise by 8.4% in 2024. Trip.Biz also released their "Business Travel Hotel Price Trend" analysis this quarter and shared that for outbound corporate travel the IT industry ranked number one with most travel going to Singapore, Indonesia and Japan. This was followed by the manufacturing industry where most travel went to Vietnam, Japan and Thailand. The average price of hotel bookings from China in the IT / manufacturing and finance industries is below.

IT		
Singapore	Indonesia	Japan
CNY1,659	CNY941	CNY1,371
Manufacturing		
Vietnam	Japan	Thailand
CNY470	CNY847	CNY579
Finance		
Singapore	Japan	Thailand
CNY1,596	CNY923	CNY883

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HONG KONG

- The trend of using a self-booking tool for corporate travel is more common plus it assists with avoiding human errors and eliminates some transaction fees for Travel Management Companies. Hotels should please be aware of this growing demand and be able to ensure that rate descriptions / photos are precise to encourage more bookings.
- During RFP submissions hotels should please address the importance of security measures and sustainability requirements from corporates. These elements can't be ignored as RFP rejection could be because of lack of information in these sections of the RFP.
- Hotels should please be reminded that acceptance notifications in Lanyon will be sent to the dedicated person assigned by the hotel through Lanyon Cvent so hotels should please share this notification with the relevant team members for rate loading in a timely manner.
- AIA, Morgan Stanley, UBS, LVMH, Richemont, Bank of America, Natixis RFP acceptances were sent in Q4 and rate loading instructions were given. Hotels please proceed accordingly.
- 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
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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 2024 Renault Nissan Mitsubishi RFP has been launched but the result may be delayed as Renault Group and Nissan have announced the finalisation of their new agreement terms. The RFP will most likely be applicable for both Renault & Nissan once accepted but will use a different rate-code. Further information will be provided by their appointed TMC, AMEX-GBT shortly.

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

- There are a few corporate incentive group leads for 2024 already and there are two tiers depending upon budget and travel period. Main destinations within the ASPAC region are Vietnam and Japan and for longer haul Italy and Spain are popular.
- South Koreans like twin beds and it is an essential requirement for MICE groups with many group operators asking hotels to guarantee twin beds at time of reservation.
- To keep competitive and to save costs MICE agents are trimming down what is included in the group schedule with many now only wanting to include accommodation and one gala dinner and they then leave the group to arrange their own other activities such as sightseeing / shopping etc.
- South Korean corporate accounts are increasingly giving all their authorizations in handling a travel programme to a travel agent / TMC.
- Most South Korean corporate accounts who have launched a 2024 RFP 2024 have requested that rates remain flat or with only a minimal increase. They are also requesting less hotels in order to drive production to a smaller list of accepted hotels.

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

- The GBTA APAC Conference 2024 will be taking place in Singapore again from May 14-15. This will be a great opportunity to network with Travel Managers in Asia Pacific and get updates on corporate travel trends. Hotels within the APAC region in particular should consider participating so please do reach out to Nicole should you be interested.

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

ASPAC

- Groups continue to strengthen and Q4 has been strong with numbers up 21% globally compared to same time in 2022 and up 35% to same time 2019.
- Out of Australia we are seeing increased demand for the USA specifically to New York City plus domestic intra Australia groups traffic remains strong with many customers opting to stay onshore because of the weak Australian dollar.
- Japan enquiries are popular and will continue through 2024 with the main key cities having the most interest such as Tokyo and Kyoto. Fukuoka is also of interest though Osaka is not so popular though this may change as availability in Kyoto and Tokyo can be a challenge.
- South-East Asean clients are more interested in Europe and at end of Q3 and 4 we have been receiving late group requests within 2 months of the departure time especially for Scandinavia and Finland. European hotels with any late need periods should connect with Andrew in the Sydney office.
- Japan and South Korea remain popular within the South-East Asean segment though Taipei has emerged as a popular alternative especially for the incentive market.
- Demand for India for groups is weak but we are hopeful this will change in 2024. We continue to work with our global partners to raise the profile of our Indian hotels with their corporate customers, the likes of Bank of America, Boston Consulting Group and pharmaceutical company – Cardinal Health.

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