

## ASPAC-Market Update- Q1 2021

Mark Your Calendar-2021 ASPAC Meetings and Events

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Type** | **Days** | **Location** | **Segments** |
| 26 Apr 2021 | TS | 5 | Sanya-DONG Connection | Leisure |
| 7 May 2021 | TS | 2 | Beijing- ITB China | Leisure & MICE |
| 18 May 2021 | RS-V | 3 | China/Australia/New Zealand/India/Japan/SEA | Leisure |
| 26 May 2021 | RS/CE | 2 | Hong Kong | Corporate & Leisure |
| 10 Jun 2021 | RS | 2 | Seoul | Corp, Leisure & ENT |
| 14 Jun 2021 | RS | 2 | Tokyo-Global Sales & MICE | Corporate |
| 22 Jun 2021 | RS | 4 | Singapore-Hong Kong-Taipei-Shanghai-AMEX FHR | Leisure |
| 23 Aug 2021 | RS | 4 | Singapore/Kuala Lumpur | Corporate & Leisure |
| Oct 2021 | RS/CE | 4 | Shanghai/Beijing/Guangzhou | Leisure & MICE |
| 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 |
| 24 Nov 2021 | TS | 2 | Shanghai-ITB China | Leisure & MICE |
| 29 Nov 2021 | RS | 5 | Japan-Global Sales & MICE | All |

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

**LEISURE TRAVEL**

**Australia**

* International travel borders remain closed though there is some expectation that a Singapore / Australia and vice versa travel bubble may happen in June. However, this will be dependent upon Australians being vaccinated and at this stage vaccinations are not expected to be completed until year end. This means that in-reality travel to and from Singapore may not be possible for most people until Q4.
* Hotels should load rates now until end of 2021 as there have been a few asking about prices for end of year 2021. Please load as soon as Synxis allows.
* 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.

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

[**cholmes@preferredhotels.com**](mailto:cholmes@preferredhotels.com)

**CHINA**

* The travel rush for the Spring Festival started on Jan 28 and ended on March 8. Airlines handled roughly 24 million trips in February which was a jump of 187% compared to the same time last year.
* The Covid risk is now low in mainland China but Beijing still require a negative test result for travel prior to March 15.
* More than 5 million Beijing residents have been vaccinated including those from state-owned companies and high risk groups such as airport and hospital staff. Our team in the Beijing office have also received their vaccination which is great news.
* According to data from the online travel provider qunar.com by March 9 hotel bookings for the “tomb-sweeping” holiday which occurs in early April have increased to nearly 5 times the number of bookings for the same dates a year earlier. In addition the number of hotel reservations for the May Day holidays has exceeded numbers compared to the same time last year.
* STB (Singapore Tourism Board) expect borders to be open in Q3/4 and because of limited flight capacity they are focusing on the leisure market so there will be many online promotions conducted in the South West China market in Q2.

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

[**csiow@preferredhotels.com**](mailto:csiow@preferredhotels.com)

**HONG KONG**

* Hong Kong launched the first batch of Covid vaccinations in late February and officials are considering offering incentives to vaccine takers where they would be exempt from certain travel restrictions and social-distancing rules.
* The Hong Kong tourism sector is optimistic that a successful vaccination drive will hasten the reopening of borders and the resumption of travel.
* In Q1 the Hong Kong government imposed quarantine rules on inbound cabin crew and have exempted only those from mainland China and Anchorage in Alaska. Some member hotels in Hong Kong have now become crew quarantine hotels..
* Hotels should continue to update their hygiene policies on brand.com plus they should also please kindly send us any presentation deck.

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

[smak@preferredhotels.com](mailto:smak@preferredhotels.com)

**INDIA**

* The government has extended the international travel ban until at least the end of April 2021. Currently only international flights are allowed from the 27 countries with a travel bubble such as Maldives, USA, Seychelles, Tanzania, Russia, Germany, France, Kenya, UAE, Qatar and the UK.
* For outbound leisure clients prefer short haul travel within 3-4 hours so there is still demand for domestic destinations such as Goa, Rajasthan, HP and for international destinations such as The Maldives, UAE and Russia. Mid haul travel to Europe may see some recovery during Q3 with long-haul travel to the USA possibly seeing some business late in the summer holidays.
* The government has cancelled all visas for inbound tourists and foreign nationals until at least the end of April 2021.
* Domestic and interstate travel is allowed in the country via air, road and rail and the government has also given permission for gyms, restaurants, cinemas and bars to open if social distancing can be maintained.
* Amex FHR India team has been advised to work from home until mid-September 2021 so all future engagements will be virtual and the annual in person showcase has been cancelled for 2021.
* Travel agencies and tour operator staff are having to clear their leave, and many have pay reductions in place plus most remain working from home. If hotels have any offers or packages, then we can share them for you when the situation improves in Q3 and Q4. Please do share any flyers with the India team for distribution.

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

[**gsindhwani@preferredhotels.com**](mailto:gsindhwani@preferredhotels.com)

**JAPAN**

* Japan leisure travellers are still not able to travel overseas. According to preliminary figures from the Japan Immigration Service there were 33000 outbound travellers in January 2021 which was a decrease of 96% year on year. There is a slight trend towards recovery but there is still a long way to go.
* The Japanese government gave its February assessment as follows: "The Japanese economy shows some weakness because of COVID-19. However, the economy is expected to pick up as other overseas economies improve."
* Due to the spread of new, more contagious strains of the virus, Japan is closing its borders until further notice to all new foreign arrivals except foreign residents of Japan or under special circumstances.
* It is currently undecided when regular tourists will again be able to enter the country, but it is unlikely to happen in considerable numbers before autumn 2021 (Q3) after the end of the Olympic and Paralympic 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](mailto:hseguro@preferredhotels.com) if you have 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**

[**hseguro@preferredhotels.com**](mailto:hseguro@preferredhotels.com)

**SOUTH KOREA**

* Domestic travel has resumed though masks must be worn on public transport, aeroplanes and in enclosed spaces. The international borders remain 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.

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

[**achoi@preferredhotels.com**](mailto:achoi@preferredhotels.com)

**SOUTH EAST ASIA**

* Borders within South East Asian countries remain closed however the hope is that some travel bubbles will open shortly. Singapore and Australia are considering if this is possible in the coming months so hotels should start working on plans to capture the market and share with us any special offers that may suit.
* Thailand is working on a phased reopening that will hopefully commence in April with relaxed quarantine rules. If it goes ahead this would mean that tourists from UAE, Israel, Taiwan, Hong Kong, Singapore and possibly India and Russia who stay in 5 provinces will be eligible for a relaxed quarantine. The 5 provinces eligible are Phuket, Krabi, Surat Thani (Samui, Tao and Phangan Islands) Chonburi (Pattaya), and Chiang Mai. Properties in Thailand should start to plan now and share any offers so that we are ready to when the time comes.
* Domestic travel remains the focus within South East Asia so member hotels are encouraged to share with our team here in Singapore any local domestic offers via an e-flyer. Please include the relevant Preferred Hotels and Resorts logos and ensure that offers are visible on Preferred Hotels and Resorts booking channels so that we can share with relevant agencies.
* Hotels that are government approved for travellers to stay in when travelling into the country may also want to share this information in an e-flyer to be communicated to our clients and travel agencies.

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

[**nfoo@preferredhotels.com**](mailto:sfam@preferredhotels.com)

**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.
* Limited business travel within Australia is happening though it remains challenging and inter country borders are opening and closing as new Covid cases are identified.
* Some international corporate travel is possible, but 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.
* Physical distancing still in place with many employees still working from home. Some large corporations have already confirmed that they will not return to their offices until mid 2021.
* 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 expected in December. There have been delays in shipping from Europe due to the European Union blocking exports.

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

[**cholmes@preferredhotels.com**](mailto:cholmes@preferredhotels.com)

**CHINA**

* Domestic corporate travel has returned to normal after the Chinese New Year rush. (mid-March)
* China continues to relax its inbound travel policy so that foreign nationals and their family members may now return to mainland China for work. As of March 18, they are now only required to present a valid vaccination certificate plus holders of the APEC business travel cards can apply for an M visa as long as they have an invitation letter.
* CWT China concluded that business travel in 2020 recovered to 49% of the total volume compared to 2019. They also won some new Chinese clients such as Alibaba, Tencent and Byte Dance.
* Travel managers remain reserved in their approach towards overseas corporate travel for the remainder of this year however hotels should make efforts with any local contacts in order to get traction in 2022.
* The Fosun account intends to reduce hotels accepted to their travel programme and won’t consider hotels outside of Mainland China this year.
* Royal Dutch Shell is constantly seeking cleaner energy investment opportunities in China and also plan to increase the number of retail sites worldwide from 46,000 to 55,000 in 2021.
* Huawei's founder and CEO Ren Zhengfei said the company still relies on globalization to resolve its current challenges and is committed to its globalization strategy.
* 82% of Tiktoks global revenue came from their Chinese version called Douyin and TikTok remains the top grossing non-gaming app worldwide for the month of January. The USA was the largest overseas market followed by Turkey. Tencent Video and iQIYI, two Chinese online movie and video streaming apps, ranked fifth and seventh on the list in terms of the overall revenue.

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

[**csiow@preferredhotels.com**](mailto:csiow@preferredhotels.com)

**HONG KONG**

* Most travel management companies are rostering their teams into an A or B bubble with very reduced hours. There are no longer wage subsidies from the government so many agencies and travel partners are suffering financially.
* Most RFPs for 2021/2022 are rolling over their hotel programmes and rates apart from a few such as HSBC.
* Hotels should take note the “account review” process will launch in April so relevant business cases will need to be submitted via www.preferrednet.net by May 31, 2021. More to come on this.
* Hotel's hygiene policy should always be the highlight for any corporate client and will become part of clients standard operating procedure moving forward.
* Company compliance and levels of travel approval will be in place now more than ever. Hotel members should leep up to date with their corporate account’s travel policies on a regular basis to ensure they are aware of what their comp set are offering and are complying with what each corporate account needs.
* Corporate companies are welcoming staff promotional offers. In addition, please share any tactical offers for quarantine stays but please ensure any logos are included as well as Sylvia Mak’s contact details s that she can share the flyer at procurement level.

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

[**smak@preferredhotels.com**](mailto:smak@preferredhotels.com)

**INDIA**

* Intra India corporate travel is increasing especially with the resumption of domestic flights and the Covid vaccination programme.
* TMC’s employees are still on reduced working hours or furlough and most remain working with corporates on duty of care and are collating data on hygiene and safety.
* The TMC's are open to receive special offers on consortia programs such as enhanced commission and value-added amenities for Q2 and Q3. Member hotels to please share with the India team.
* The Ericsson 2021 RFP results have been communicated via HRS plus they only expect travel to resume in Q3 2021.
* Member Hotels should use this quiet time to work on sales strategies and consider additional amenities or value adds to entice travellers to book their property once business travel properly resumes.

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

[**gsindhwani@preferredhotels.com**](mailto:gsindhwani@preferredhotels.com)

**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](mailto: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 2021 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.
* Since business travel is still very restricted within Japan many consultants at TMCs remain working from home or on limited hours.
* Hotels should note that travel managers are asking for safety and hygiene policies to be provided.
* 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**

[**hseguro@preferredhotels.com**](mailto:hseguro@preferredhotels.com)

**SOUTH KOREA**

* Samsung are still working their way through ACCEPT and DECLINE notices.
* The LG RFP has been cancelled unless hotels are in high demand cities in which case a new RFP has been launched. For all other cities and destinations accepted hotels have been asked to extend rates. No new hotels or cities have been added.
* Hotels should consider an extremely strong business case and include relevant information in their solicitations such as rate offer / value adds / distance from local office etc. As in the current market it will be increasingly difficult to get new hotels invited to any new RFP.
* Singapore and South Korea concluded a fast-lane arrangement which allows for essential business and official travel between the two countries however a 14 day stay at home order upon arrival in Singapore has been put in place making it prohibitive for most corporations.

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

[**achoi@preferredhotels.com**](mailto:achoi@preferredhotels.com)

**SOUTH EAST ASIA**

* TMCs in the region report that corporate clients have not resumed business travel as of now. Many remain working from home or on reduced work weeks however they are receptive to offers or situational updates for sharing with their teams. Please send any offers in a 1-page e-flyer so that we can share with relevant parties.
* Corporate travel within the region is still restricted due to border closures as most countries are monitoring the situation so will only allow company travel to commence once vaccinations have been rolled out further and when it is deemed safe to travel.
* The Rio Tinto travel manager based in Singapore has left the company so moving forward this RFP will be handled by their Australian office. Hotels in the program will be contacted to request for an extension of their current rates.

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

[**nfoo@preferredhotels.com**](mailto:nfoo@preferredhotels.com)

**MEETINGS AND EVENTS**

**ASPAC**

* With the Covid-19 situation under control in China more in person meetings & events are happening within the China domestic market and Beijing, Guangzhou and Shanghai remain popular locations.
* In markets such as Australia, India and Japan, there is an expectation that more domestic travel including meetings & events will happen in Q2. For Q1 in person meetings and events were largely hampered by new locally transmitted cases which saw snap lockdowns. At the end of Q1 some in person meetings have now returned in Australia especially in Sydney, Perth and Brisbane but Covid-19 safety rules still apply.
* A travel bubble is planned for Australia and Singapore in July which will hopefully encourage in person meetings and city-wide events for both countries.
* More and more countries in the Asia Pacific region are rolling out the vaccine so this will assist in the recovery of the meetings and events industry within the region.
* Japan will go ahead with the Tokyo Olympics this July but without international spectators however some domestic spectators may be an option.
* Many non-essential meetings especially those that are internal will now be replaced by virtual meetings and this new habit will remain for some time. Both hybrid and virtual meetings are the norm now so hotels should invest in digital technologies to cope with this demand.

**Contact of this market is Andrew Kuek based in Sydney**

[**Akuek@preferredhotels.com**](mailto:Akuek@preferredhotels.com)