

## ASPAC-Market Update- Q4 2021

Mark Your Calendar-2022 ASPAC Meetings and Events

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| --- | --- | --- | --- | --- |
| **Date** | **Type** | **Days** | **Location** | **Segments** |
| 14 Feb 2022 | RS-V | 4 | AUS-NZ-Japan-SEA-Global Sales Virtual  | Corporate & Leisure |
| 8 Mar 2022 | RS | 4 | New Delhi-Mumbai-Global Sales & MICE  | All |
| 23 May 2022 | RS | 5 | Auckland-Sydney-Melbourne | All |
| 25 May 2022 | RS-CE | 2 | Hong Kong  | Leisure |
| 7 Jun 2022 | RS-V | 3 | AUS-NZ-Japan-SEA-China Virtual RS-Beyond Green | Leisure |
| 13 Jun 2022 | RS | 5 | Hong Kong-Taipei-Shanghai-Singapore-FHR(Pre-ILTM) | FHR |
| 13 Jun 2022 | RS | 2 | Tokyo-Global Sales & MICE | Corporate |
| 20 Jun 2022 | TS | 4 | Singapore ILTM Asia | Leisure |
| 19 Jul 2022 | RS | 4 | Singapore Kuala Lumpur-Global Sales & MICE | All |
| 29 Aug 2022 | RS | 4 | Sydney-Melbourne | All |
| 5 Sep 2022 | RS | 5 | Brisbane-Perth-Adelaide | Corporate & Leisure |
| 20 Sep 2022 | RS-CE | 4 | Shanghai-Beijing-Guangzhou | All |
| 26 Sep 2022 | RS | 2 | Japan | All |
| 9 Nov 2022 | RS | 3 | Manila-Bangkok-AMEX FHR | Leisure |

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

**LEISURE TRAVEL**

**Australia**

* The international borders remain open without any quarantine restrictions, but this is for returning Australians not tourists. Travel is only possible if you have been doubly jabbed otherwise 14-day paid quarantine will still apply. Even though everyone is excited that the border is open after 2 years sentiment remains weak for immediate travel due to the ever-changing regulations in other countries brought about by increasing Omicron cases.
* Hotels should note that people are planning for Europe summer season 2022 but only for fully flexible rates. No-one is interested in advance purchase / prepay / no changes rate options. Hotels should please load longer stay rates also as the trend will be for travellers to stay longer in one location.
* Omicron cases are increasing in Australia though almost 95% of the adult population is doubly vaccinated. Only 40% of the population has had a third booster and children over 5 years have only just qualified to receive their first jab.
* Hotels should check all rates and make sure they are loaded correctly plus please also make sure that rates are loaded as far ahead as possible.

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

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**CHINA**

* China's civil aviation industry saw another big drop in transport volume in November. Nearly 21.5 million passenger trips were made by air in October showing a 51% decrease on a year ago.
* As of October 2021 there was a 22% year-on-year increase in the number of customers aged 60 or higher registered with Shanghai-based Trip.com Group, the nation's largest online travel agency. Older Chinese consumers, especially those who were born in the 1950s and 1960s, are increasingly opening their wallets to spend on high-end travel options. .
* In December U-Tour and Caesar Travel both announced the termination of Caesar Travel merging with U-tour because on December 8 the Ali Network became the second largest shareholder of U-Tour.
* According to a STR APAC webinar held in Q4 Shanghai is the closest city in terms of occupancy and ADR compared to 2019 levels. A survey also showed when there were no restrictions only 48% said they would feel comfortable travelling internationally. STR also noted that in 2022 they expect hotel ADRs to be very close to or exceeding 2019 levels.
* According to the Chairman of the Board Mr. Jianzhang LIANG’s prediction on Trip.com Group 2021 Global Partner Summit, Asian countries are expected to reopen borders in the next 3 months however China is not expected to reopen theirs for another 6 months.
* Hong Kong has basically met the requirements for resuming quarantine-free travel with the Chinese mainland, and a local health code system was launched on December 10th. . The daily quota and other measures related to the reopening are still being discussed.

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

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**HONG KONG**

* The recent Singapore Vaccinated Travel Lane (VTL) has been approved and it has stimulated some travel however even though quarantine free travel is possible into Singapore a 14 days quarantine period still applies upon return back to Hong Kong.
* A new health code system between Hong Kong and Mainland China (Southern part of China - Guangdong area) has been introduced in December and this is in preparation for border-free travel which is likely to happen in Q1 but exact details are not yet announced in 2021.
* Unfortunately because of imported Omicron cases from 11 countries there is now a ban a 2 week ban on certain routes operated by Cathay Pacific, Korean Air and Emirates. The Hong Kong Health minister says authorities are ready to tighten measures once again including additional testing, quarantine and social distancing if another wave of local infections hits
* American Express Fine Hotel and Resorts showcase plans in HK and Taiwan are still to be discussed and any roadshow covering Singapore / Hong Kong / Taipei / Singapore and Shanghai are not confirmed for 2022 and may not go ahead in person.
* Hotels should continue to prepare their latest presentation deck including hygiene policies and include any updates and send to Sylvia Mak for webinar presentation.

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**INDIA**

* India is seeing the third Covid wave so this has impacted travel from mid-December. The wave peaked in mid-January 2022 so partial curfews and weekend lockdowns in Metro cities remain in place for now.
* The government has extended the international travel ban to 28th Feb,2022 so international flights are only allowed from 27 countries with travel bubble arrangements.
* There is a mandatory seven-day home quarantine for all international arrivals into India plus the traveller must have a RTPCR done on the 8th Day after arrival.
* All tourist visas for travellers coming into India remain cancelled until Feb 2022.
* Domestic travel within India is possible via Air, Road and Train plus the government has also given permission for gyms, restaurants, cinemas and bars to reopen providing social distancing is possible.
* Amex FHR India team has been advised to work from home until March 2022 so all future engagement is virtual and the annual showcase has been cancelled for now.
* The two important tourism fairs SATTE and OTM have been postponed to May,2022. These fairs were originally the 3rd week of Feb,2022.
* Travel agent and tour operator staff are still being made to clear their annual leave and remain on a salary restriction. Many remain working from home. They are open to receiving special offers so that they might share when the timing is right.
* Member Hotels should identify target markets that they want to work on once the market bounces back and come up with offers/packages to roll out. E-flyers for offers should be shared with PHR sales team members to be shared with clients once things resume.

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**JAPAN**

* Due to the spread of the Omicron variant the Japan border closed to foreign arrivals on 30 November. It remains undecided when regular tourists will be able to enter and at this time any returning Japanese traveller must quarantine at a government-designated facility.
* Further border restrictions can be found at <https://www.mofa.go.jp/ca/fna/page4e_001053.html>
* According to preliminary figures from the Immigration Service Agency of Japan, the number of Japanese overseas travellers was approx 51,000 and this was the third highest figure since April 2020 which was a decline from same period in 2019 when 1.66 million travelled overseas.
* The Japanese government offered the assessment in its Monthly Economic Report for November 2021 that "The Japanese economy continues to show weakness in picking up, although the severe situation due to the Novel Coronavirus (COVID-19) is gradually easing." Concerning short-term prospects, the government showed its opinion that "the economy is expected to show movements of picking up, supported by the effects of the policies and improvement in overseas economies while economic and social activities move toward normalization. However, full attention should be given to the further increase in downside risks due to supply-side constraints and raw material prices. Also attention should be given to the effects of the Novel Coronavirus (COVID-19) on the Japanese and overseas economies and fluctuations in the financial and capital markets.
* Hotels targeting the Japan market should be prepared for when borders open and should contact hseguro@preferredhotels.com with any promotional offers so that the Japan office can share with relevant agencies when the timing is right.

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**SOUTH KOREA**

* International travellers entering South Korea prior to 3 Feb require 10 days quarantine but this is being updated continuously and everyone expects this to be reduced to 7 days soon. Gathering sizes are also changing and recently it was only 4 persons but now it is 6 persons making it easier for family and friends to get together. Domestic travel is very active especially to and from Jeju-island.
* Saipan is a “hot” destination for overseas travellers as there is no quarantine required upon return to South Korea.
* Asiana Air has announced they will resume flying to Hawaii from Apr 2022 three times a week. Jeju Air are flying Busan-Saipan once a week from Jan 2022.

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**SOUTH EAST ASIA**

* Countries in South-East Asia are planning on the gradual reopening of borders with restrictions in place however things are constantly changing. The Thailand “Test & Go’ quarantine free travel scheme was launched then cancelled a few months later but is now back in place. Three more regions are now open to foreign tourists and will join the Phuket “sandbox” program making travel possible to the favourite resorts of Krabi, Phang Nga, and Koh Samui
* Singapore has launched Vaccinated Travel Lanes with 24 countries and saw increased inbound as well as outbound travel in Q4. However, with the emergence of Omicron, the government has put in additional testing requirements for travellers coming in through the VTL. For more info, please click on this link [VTL Details](https://safetravel.ica.gov.sg/vtl/requirements-and-process%23countries)
* Hotels in the region should prepare for the opening of their borders and share any “Welcome back” offers with Nicole to share with agencies. These offers should be commissionable and available on Preferred Hotels and Resorts booking channels so that we can share with relevant agencies.

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

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**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 Dec - Feb is the quiet time of year due to long summer school holidays. Some long-haul travel is booking but it remains challenging due to changing rules and the Omicron variant
* Vaccine roll-out has been successful and almost 95% of over 16 year olds have had 2 doses. The roll out of the booster which protects against Omicron has only just commenced so cases will continue to increase.

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

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**CHINA**

* Central China's Hubei province reported robust foreign trade growth in the first 11 months of 2021. Hubei's total import and export value hit 486.2 billion yuan ($76.4 billion) in the January-November period which was up 26% on the same period last year. Hubei's trade with Regional Comprehensive Economic Partnership (RCEP) member countries reached 145.2 billion yuan which was up 20%. Trade with countries and regions along the Belt and Road amounted to 127.9 billion yuan which was up 34%. Private businesses continued to be the biggest contributor to trade growth in Hubei from January to November accounting for 60% of the province's total foreign trade.
* Survey results from GBTA show that travellers who travelled 2-3 times a month accounted for the highest percentage of all travellers at 30% followed by those that travelled 2-11 times a year accounting for 28%. The main purpose of all domestic travel is business travel for meetings while the main purpose of foreign travel is sales calls. 35% of domestic travel and nearly 70% of foreigners book through a TMC. China's private companies most often book through an OTA and then small to medium companies would usually use an OTA.
* Dairy producer Yili Group held an opening ceremony to celebrate the official launch of the first phase of the Yili Indonesia Dairy Production Base on Dec 10, 2021. Today, Yili Indonesia Dairy has a total of 383 employees, with local employees accounting for 95% of the workforce. The project is expected to create more than 5,000 new jobs for local communities, directly and indirectly. Presently, the company has already established cooperative relationships with more than 90 suppliers in Indonesia. Moving forward, its partnerships will expand to local distributors with 200,000 sales outlets.
* Alibaba Group Holding Ltd is restructuring its businesses into 2 digital commerce companies - China Digital Commerce and International Digital Commerce. The company announced its annual active consumers overseas reached 285 million and reiterated an ambitious goal of serving 2 billion consumers globally in the future.
* With an investment of 1 billion yuan (USD$156 million), Pernod Ricard unveiled a new malt whisky distillery in Emeishan, a city in Southwest China's Sichuan province. With a visitor center set to open in 2023, the distillery aims to draw 2 million tourists in its first decade, enriching Sichuan's cultural influence and promoting the local economy.

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

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**HONG KONG**

* FCM Hong Kong team is actively assisting us in conjunction with their team in Singapore on bookings due to the recent introduction of the Singapore Vaccinated Travel Lane (VTL).
* We notice that many RFPs 2021/2022 are rolling over their hotel programmes but competitors are offering not only flat rate but an even more competitive than what the corporate account is asking for. We urge hotel members to be cautious on market intelligence especially at the negotiation stage.
* RFPs like Kering, Ralph Lauren, LVMH and Morgan Stanley are launching a static rate RFP model but also a dynamic discount off BAR model. We urge hotel members to enrol in our Corporate Rate Chain rate programmes which are in Cvent / Lanyon to be competitive in their existing but potential markets.
* Corporate companies are welcoming any staff travel 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**

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**INDIA**

* Domestic corporate travel which showed some good revival signs in Q4 has seen a drastic decline due to the Omicron variant in very late Q4 and early Q1.
* TMC employees are back working from home though remain on reduced working hours.
* TMC's are open to sharing special offers on consortia programs such as enhanced commission and value-added amenities for Q2 and Q3 2022. Member hotels to please share with the India team.
* The Ericsson RFP for 2022 has requested a roll-over of 2021 rates as currently there is a travel ban until the end of March 2022.
* 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**

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**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) regarding 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 through to the end of 2022 or they are requesting lower rates than the previous year due to budgets being limited.
* 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.
* Because corporate travel is still very restricted within Japan many consultants at TMCs remain working from home or on limited hours.
* Honda in Japan has been quite active with long stay business trips. If you are targeting Honda, please send our Japan team an offer with quarantine with a STRONG business case and we will share with the travel manager accordingly.
* Hotels should note that travel managers are asking for safety and hygiene policies to be provided.
* International business travel in 2022 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**

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**SOUTH KOREA**

* Samsung has finalized their hotel listing for 2022
* The LG RFP is under internal review.
* Due to the 10 day quarantine policy most companies have postponed all overseas travel. Only very limited travel can be approved.
* TMC s are working with very limited staff so response times are slower

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

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**SOUTH EAST ASIA**

* Corporate travel within the region remains minimal as most companies are only allowing domestic travel in the short term.
* Singapore TMCs are seeing a slow increase in enquiries and bookings after the launch of the VTLs but also notice that clients are still cautious due to uncertainties on border restrictions and new Covid variants.
* Hotels should share if they notice increased bookings from their target RFP accounts so that Preferred Hotels can assist when soliciting for RFPs.
* Standard Chartered Bank and Johnson & Johnson have updated that they will not be launching a 2022 RFP and will instead request existing listed hotels to extend their current rate until the end of 2022. Standard Chartered is in the process of switching TMCs from CWT to AMEX GBT so listed hotels need to ensure that their rates are loaded correctly as advised.

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

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**MEETINGS AND EVENTS**

**ASPAC**

* + With the relaxation of international borders in Asia Pacific group leads/opportunities received have been on the increase
	+ With Singapore introducing their VTL with many European countries in November, Singapore-based customers have been asking for destinations for meetings/incentives to Germany, Paris, Italy & Spain. Las Vegas, Hong Kong and San Franciso also remain popular
	+ Customers in Australia are still cautious as the Covid 19 situation is fluid especially with the new variants. New South Wales came out of a 4 and half month lockdown in early October and we are seeing some leads for local hotels. Australia-based clients are all ready to travel overseas for meetings/conferences however companies remain cautious due to duty of care and the everchanging landscape due to the pandemic
	+ NSW borders are open for international students and visa holders however leisure travellers & business travellers are still off limits unless there is a travel bubble arrangement. Currently all incoming travellers must self-isolate for 72 hours but the situation is changing
	+ China’s borders are still closed so any group activities are domestic. China will reconsider opening their border to international travellers only after the winter Olympics in 2022 which is another 6 months away

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