



REVENUE OPTIMIZATION CONFERENCE

A Commercial Strategy Event



SINGAPORE 8-9 May 2024

Beyond the Forecast: The Outlook for the Travel & Tourism Economy in APAC



REVENUE OPTIMIZATION CONFERENCE

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SINGAPORE 8-9 May 2024

The future of travel and tourism

Our travel and tourism services cover global travel activities to help you understand the economic impact of tourism, as well as current market trends and outlook.

10-20

year long-term forecast data

185

countries covered

300+

cities worldwide covered

4,000

of the world's most popular
air routes



Air Passenger Forecasts

Passenger air travel forecasts for the 4,000 most travelled routes across the world.



Global City Travel

Detailed and comparable inbound and outbound travel intelligence for 300+ cities globally.



Global Travel Service

Detailed travel and tourism market trends and forecasts for 185 countries globally.



International State Travel

Travel data covering international visits and nights by source country to the 50 United States.



Cruise Intelligence Platform

The most comprehensive global cruise industry database available, covering current and future trends for both supply and

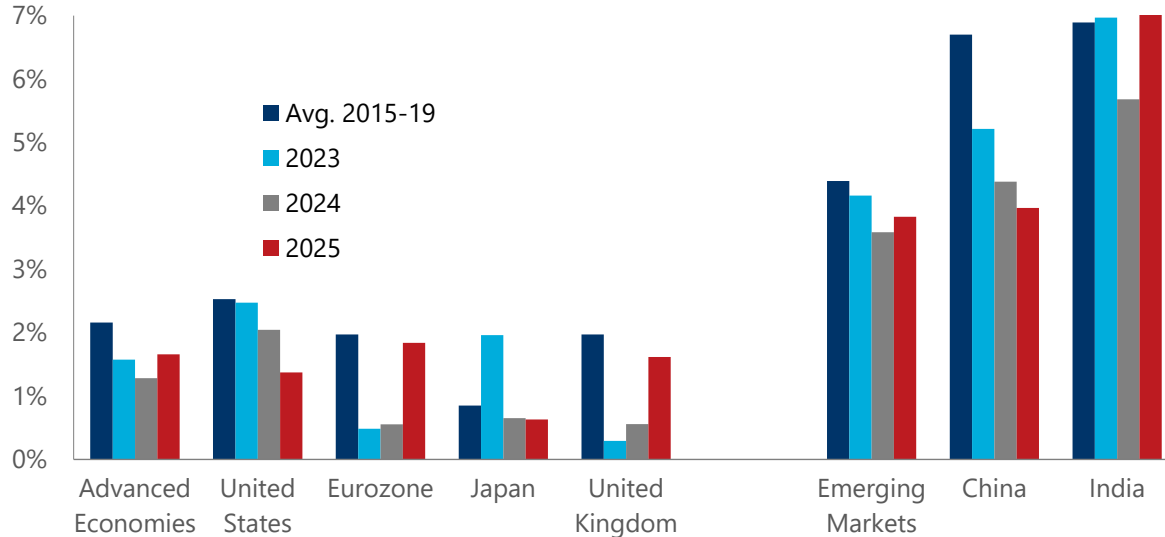
What I'll talk about today

- Travel & Tourism Outlook – Globally and for APAC
- APAC's Prominence as a Region
- Key Source (Outbound) Markets for APAC, incl. China & India
- Outlook for APAC Destinations
- Risks in the Outlook

Steady but improving GDP growth

GDP growth by major markets

Annual % change



Source: Oxford Economics

Improving economic trends

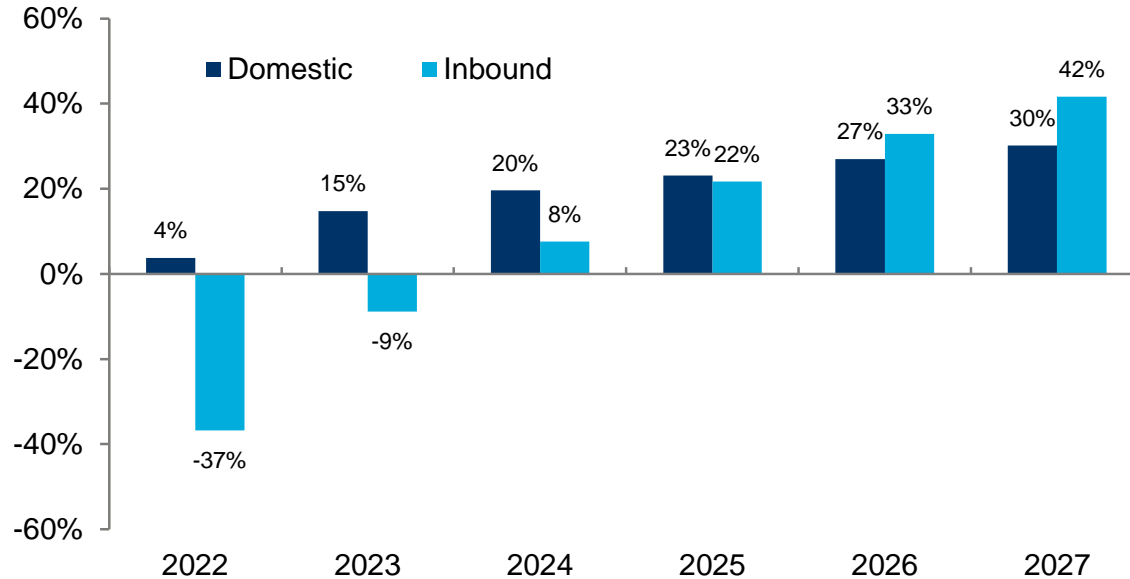
- Inflation is coming under control
- Interest rate cuts expected to begin mid-2024
- Disposable income to increase through 2024
- Uptick in economic growth, especially in advanced economies, albeit still modest by historic standards



Global inbound travel to fully recovery this year

Global Inbound and Domestic Visitor Nights: Current Baseline Projections

Per cent, relative to 2019 levels



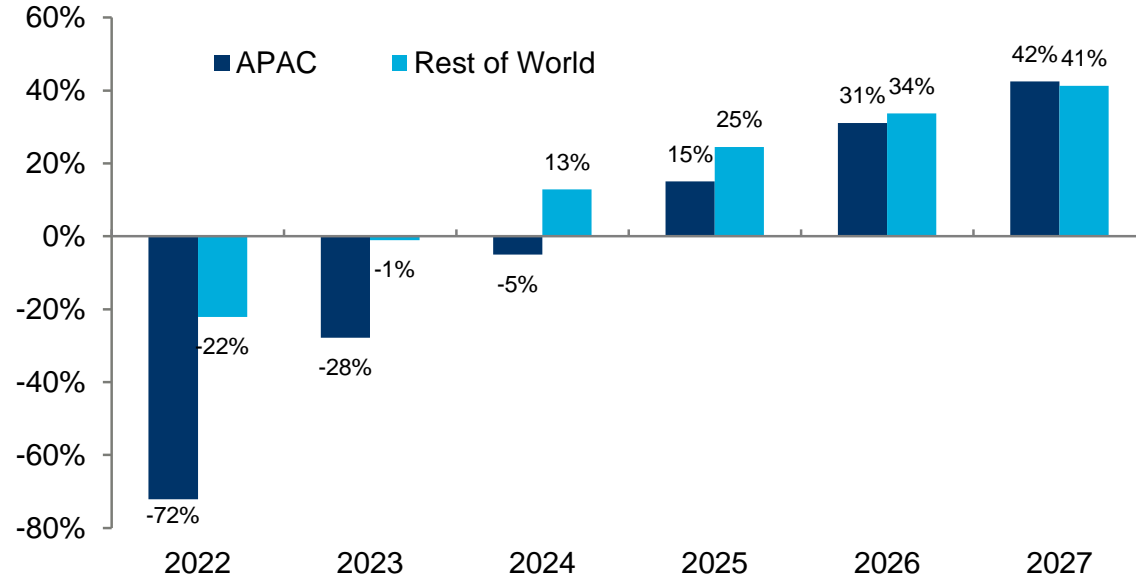
Source: Tourism Economics



Inbound travel to APAC to recover more gradually

Inbound Travel - Nights in All Paid Accommodation

Per cent, relative to 2019 levels

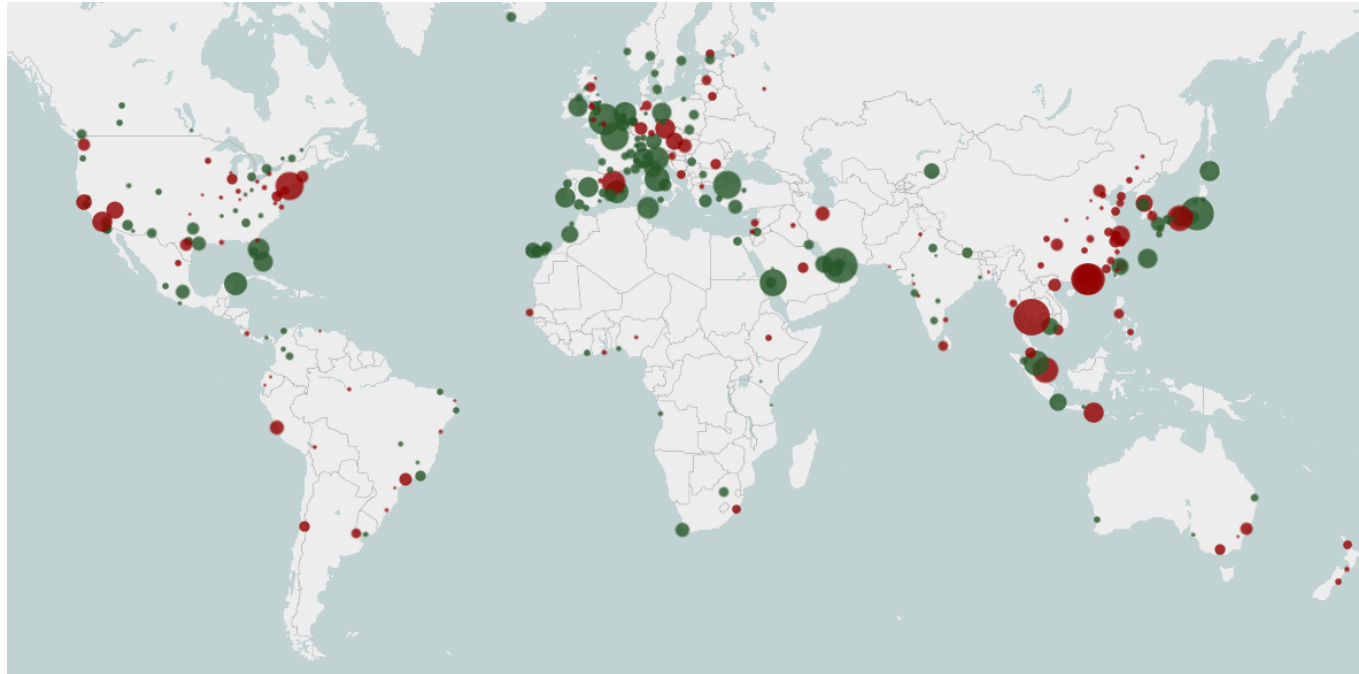


Source: Tourism Economics



Inbound travel to APAC to recover more gradually

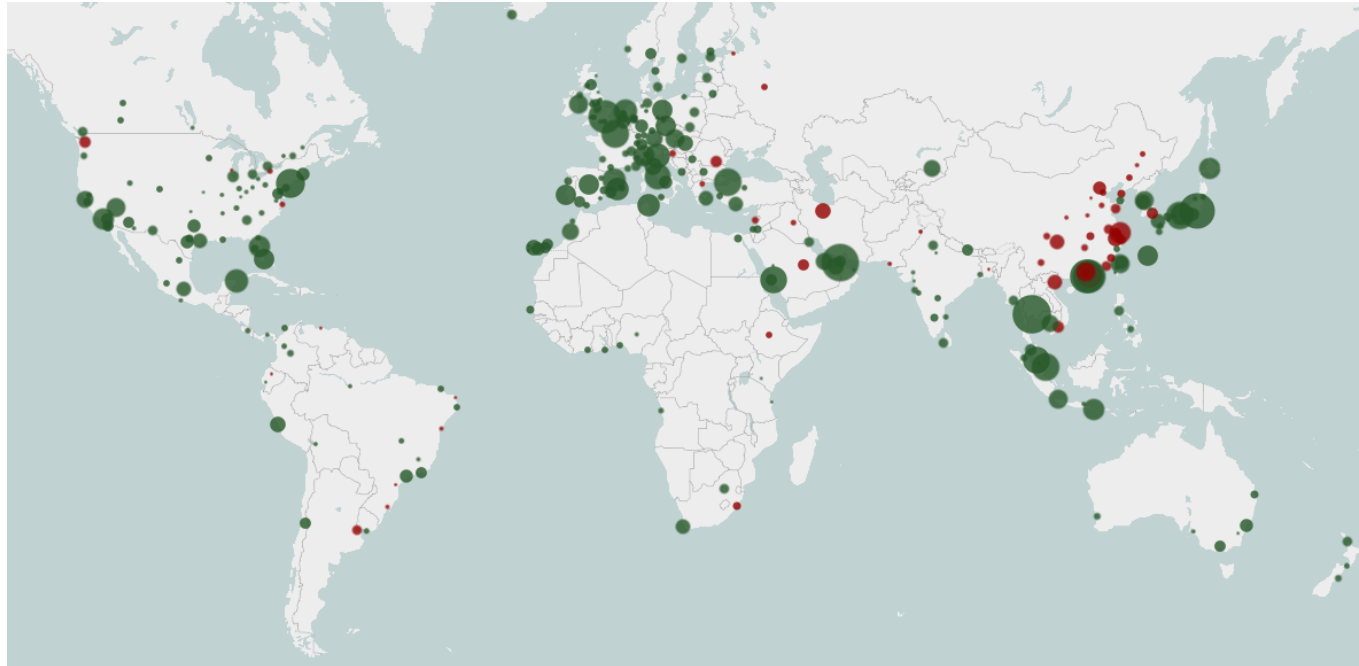
Inbound arrivals to global cities: 2024 vs 2019





Inbound travel to APAC to recover more gradually

Inbound arrivals to global cities: 2025 vs 2019

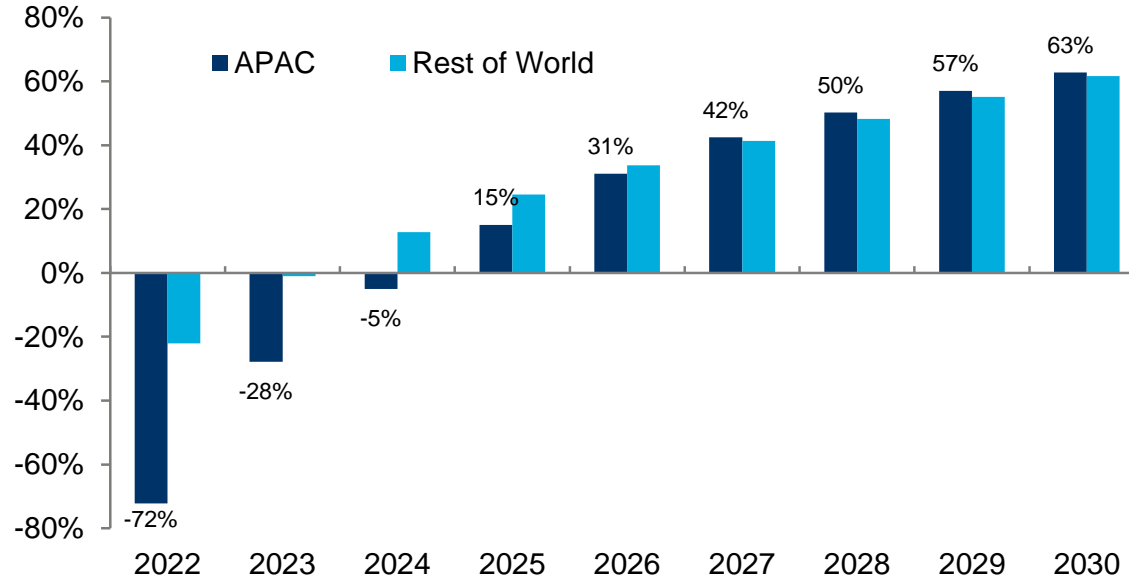




But in the long-run, inbound to APAC outpaces elsewhere

Inbound Travel - Nights in All Paid Accommodation

Per cent, relative to 2019 levels



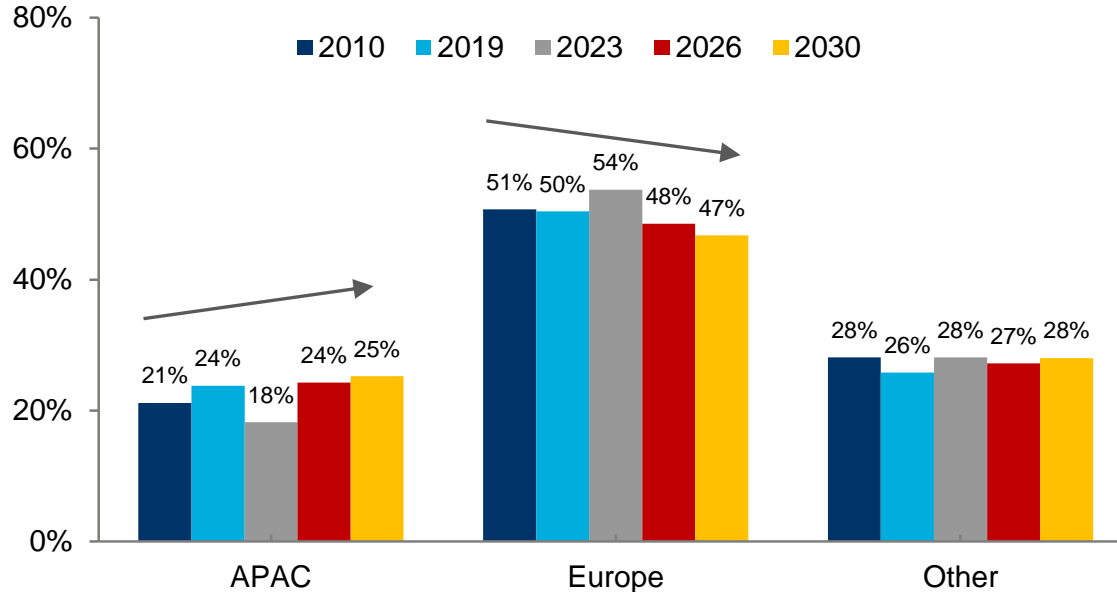
Source: Tourism Economics



APAC Destinations gaining share of global inbound visits

Share of Global Inbound Visits by Destination Region

Per cent, annually

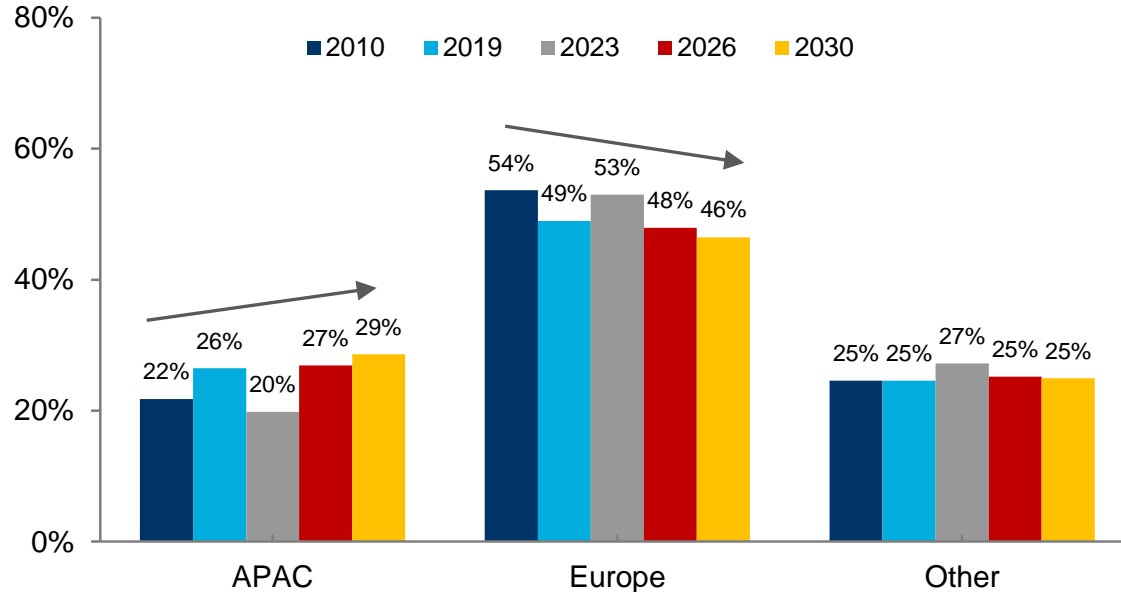


Source: Tourism Economics



APAC gaining share as a source of global *outbound* visits

Share of Global Outbound Visits by Source Region
 Per cent, annually



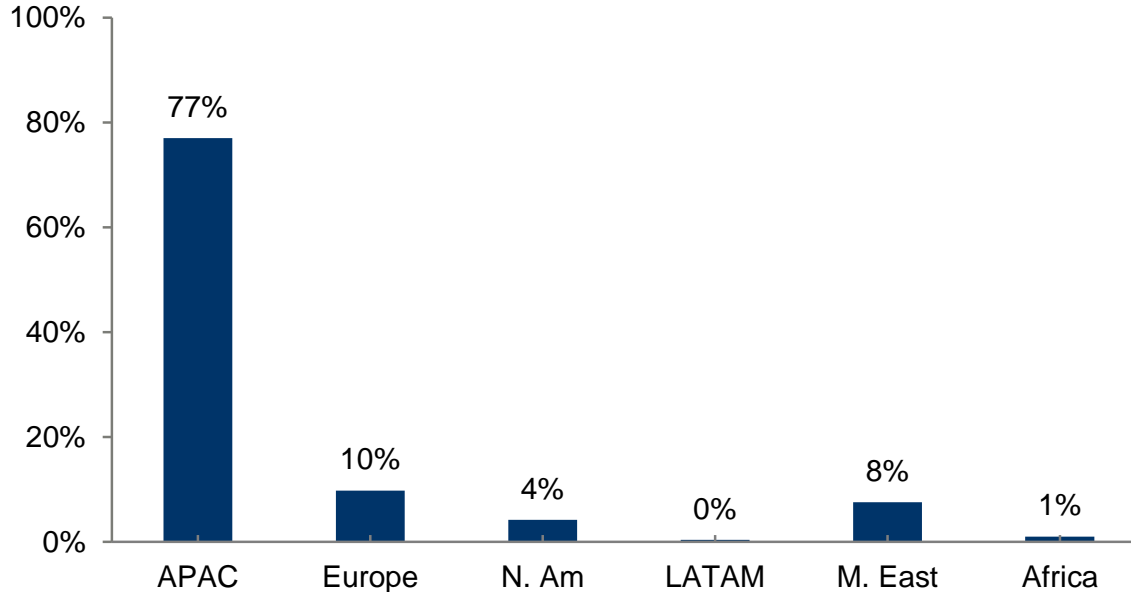
Source: Tourism Economics



And most APAC-sourced travellers go to APAC destinations

Destinations for Outbound Visitors from APAC Source Markets: 2026

Share of all outbound visits from APAC



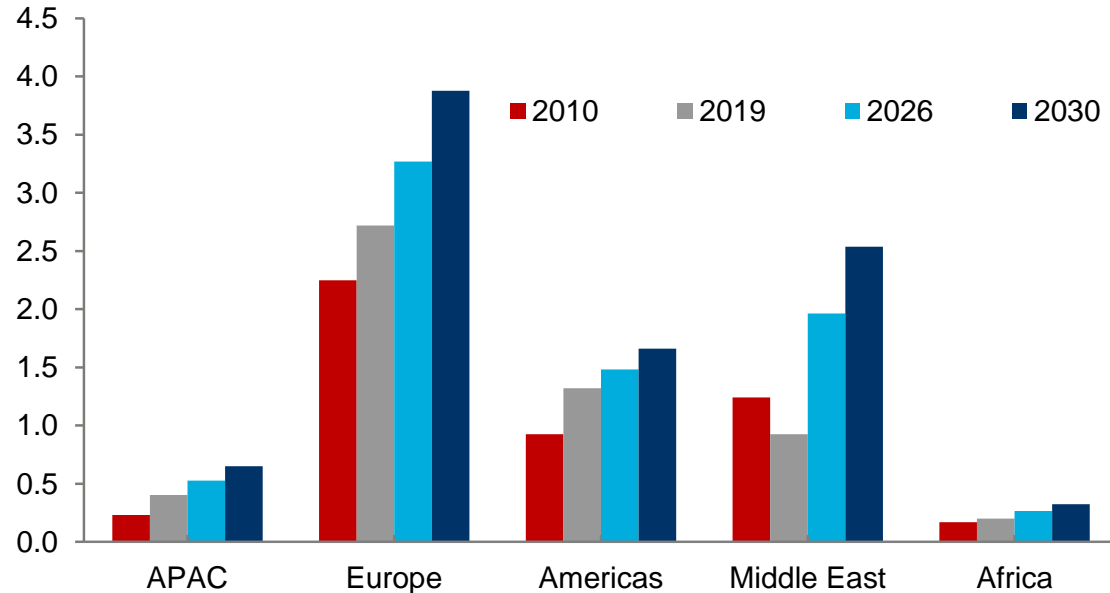
Source: Tourism Economics



Propensity to travel outbound still low in APAC

Outbound Nights per Capita

Nights in all paid accommodation vs population



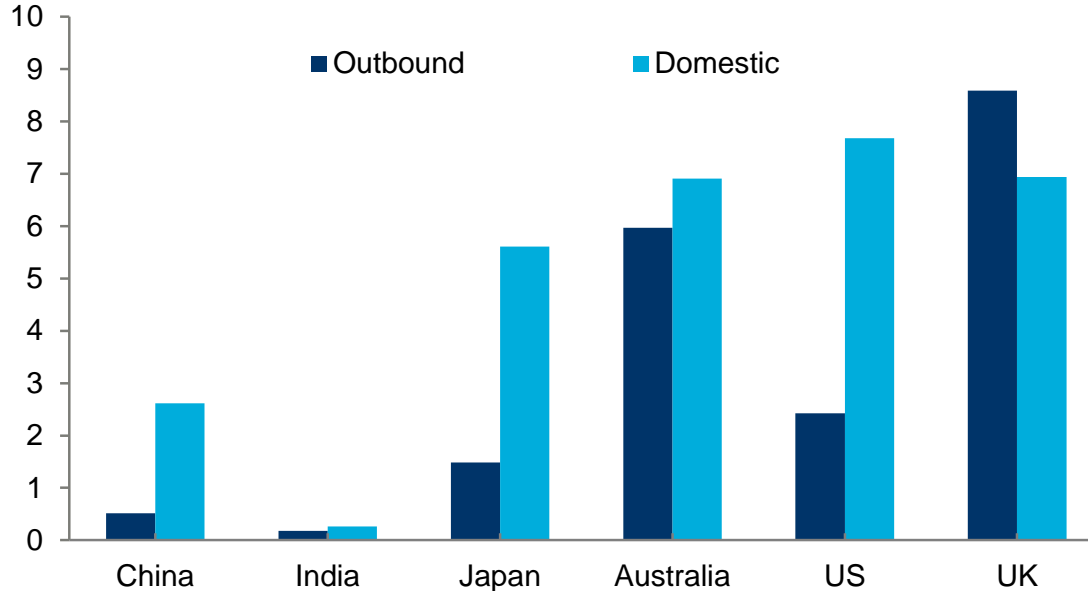
Source: Tourism Economics



Significant potential remaining e.g., China & India

Domestic vs Outbound Nights per Capita in 2030

Nights in all paid accommodation vs population



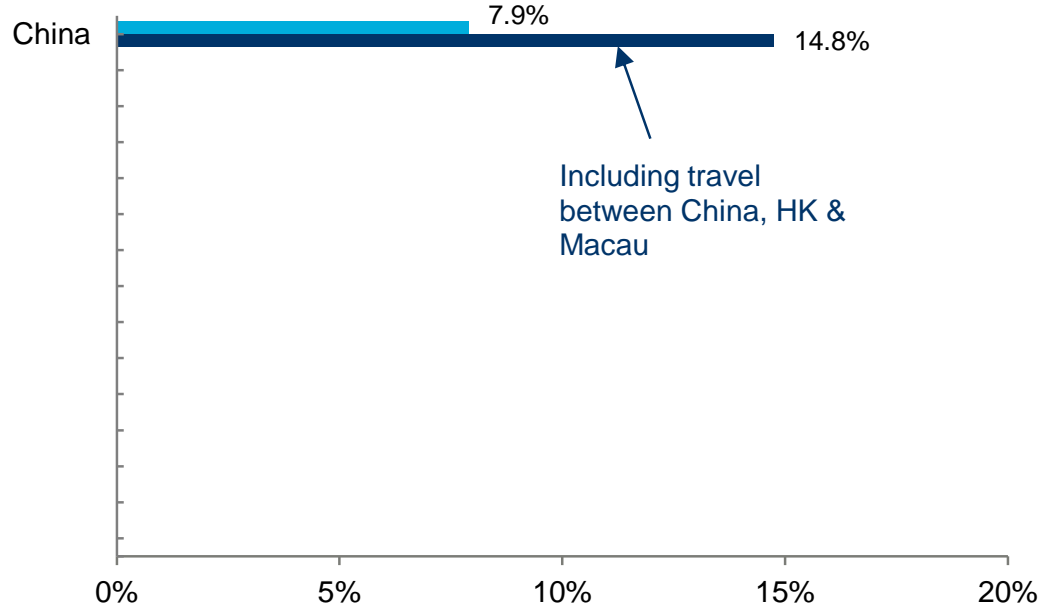
Source: Tourism Economics



Largest source markets for APAC destinations

Share of Outbound Visitors for Arrivals to APAC Destinations in 2023

Per cent of all overnight arrivals to APAC, excluding travel between China, HK & Macau



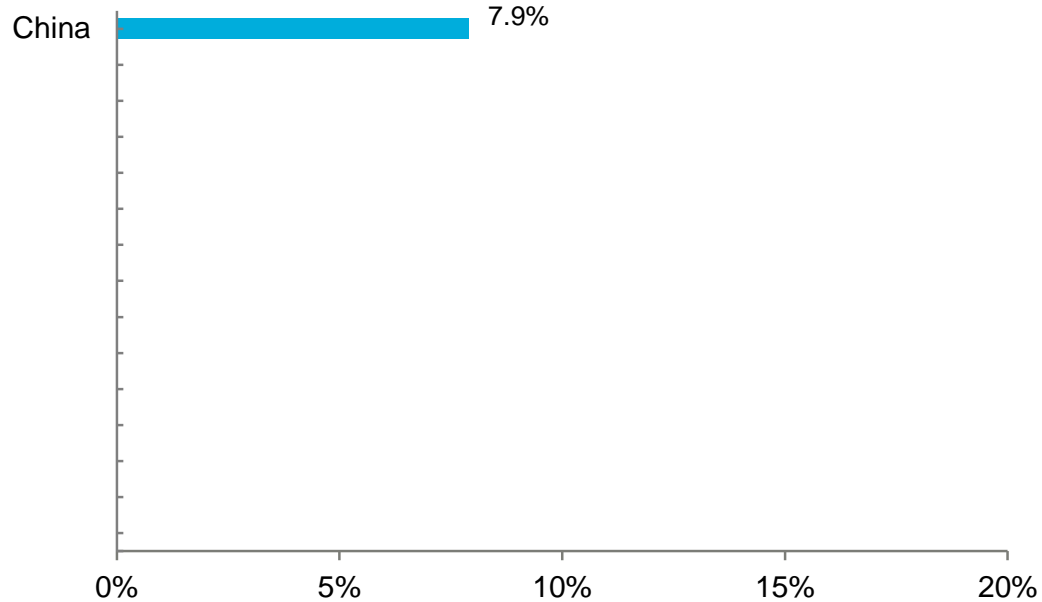
Source: Tourism Economics



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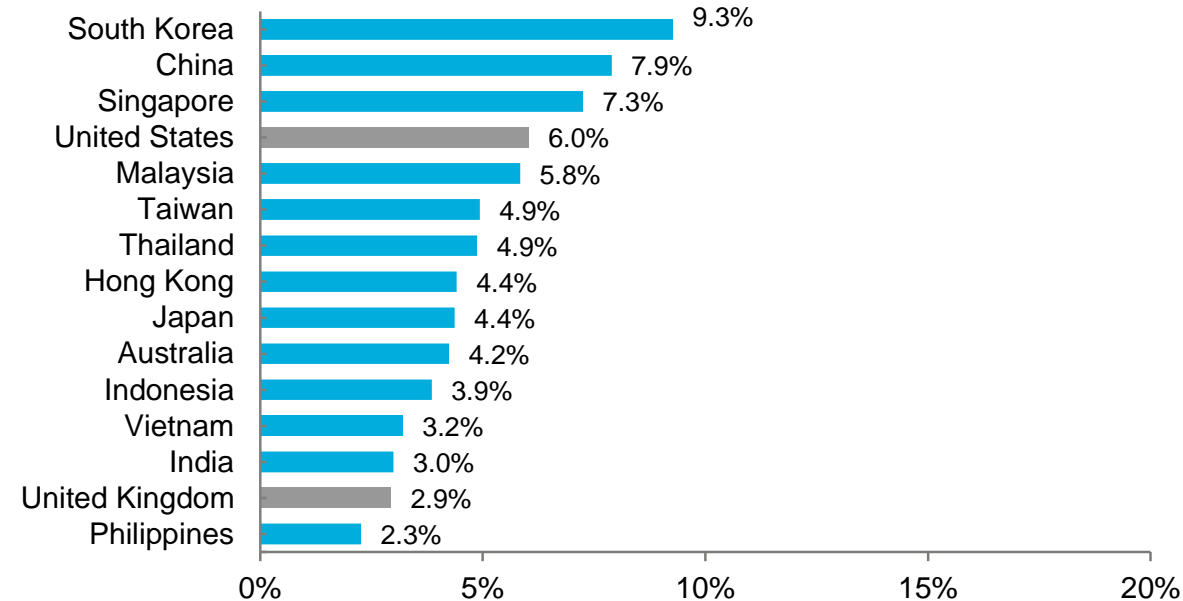
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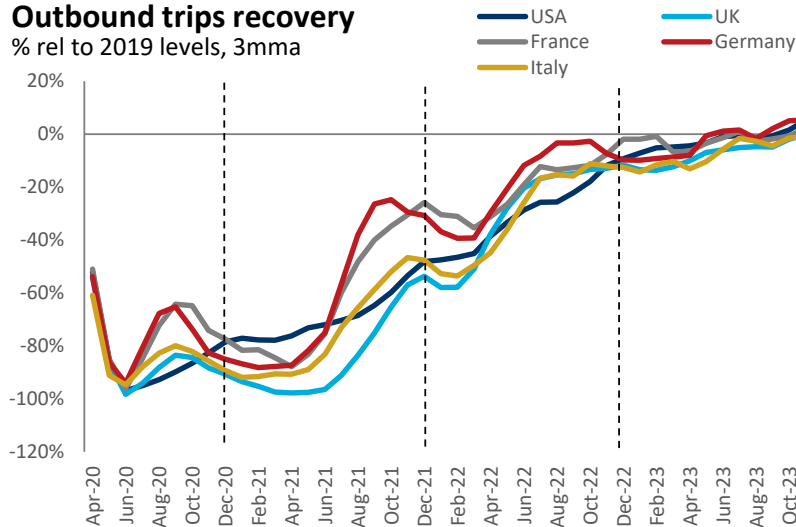
Source: Tourism Economics



Chinese outbound gathering momentum, but still lags

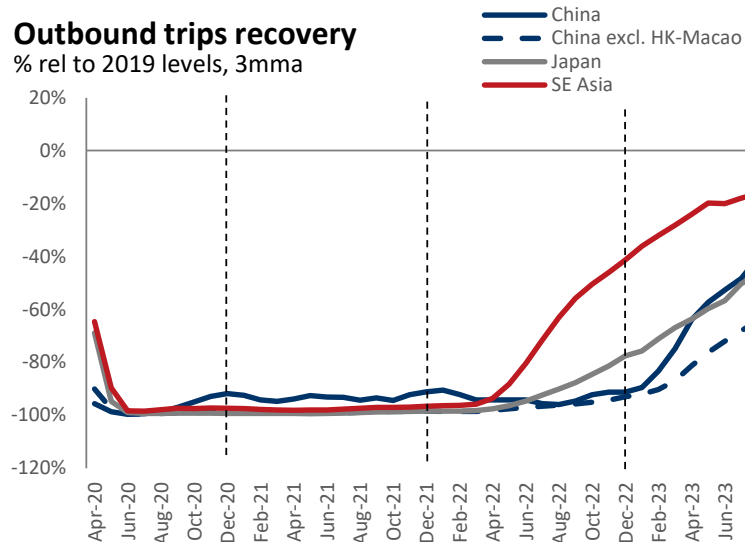
Outbound trips recovery

% rel to 2019 levels, 3mma



Outbound trips recovery

% rel to 2019 levels, 3mma

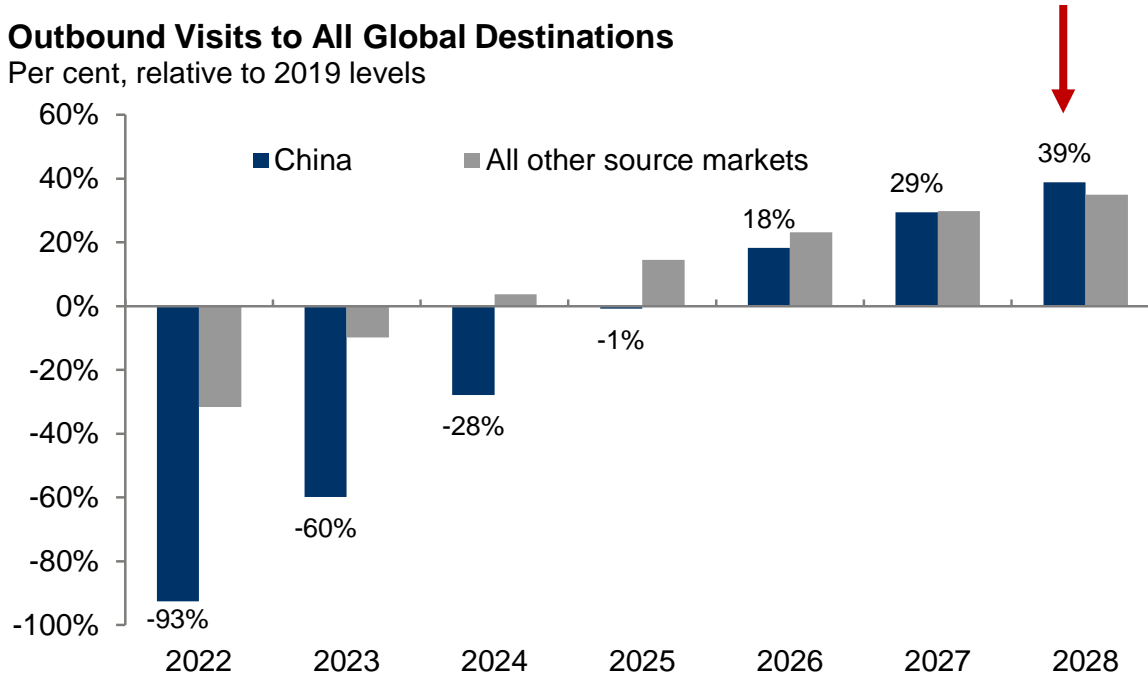




Chinese outbound to recover pre-pandemic volumes in 2025/26

Outbound Visits to All Global Destinations

Per cent, relative to 2019 levels



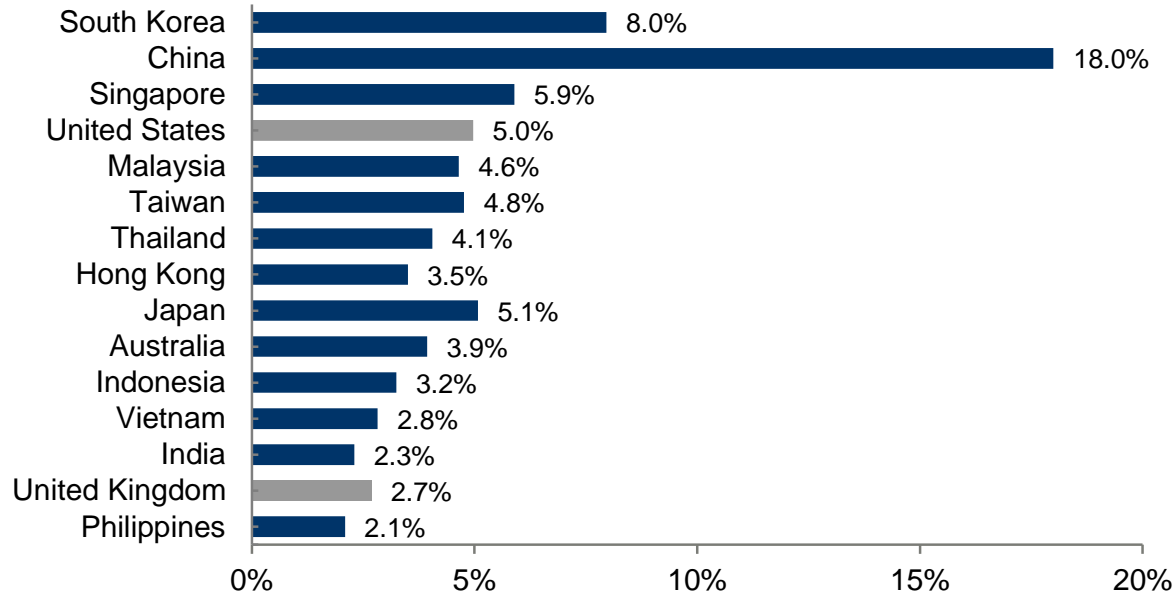
Source: Tourism Economics



China to regain prominence after recovery

Share of Outbound Visitors for Arrivals to APAC Destinations in 2026

Per cent of all overnight arrivals to APAC, excluding travel between China, HK & Macau



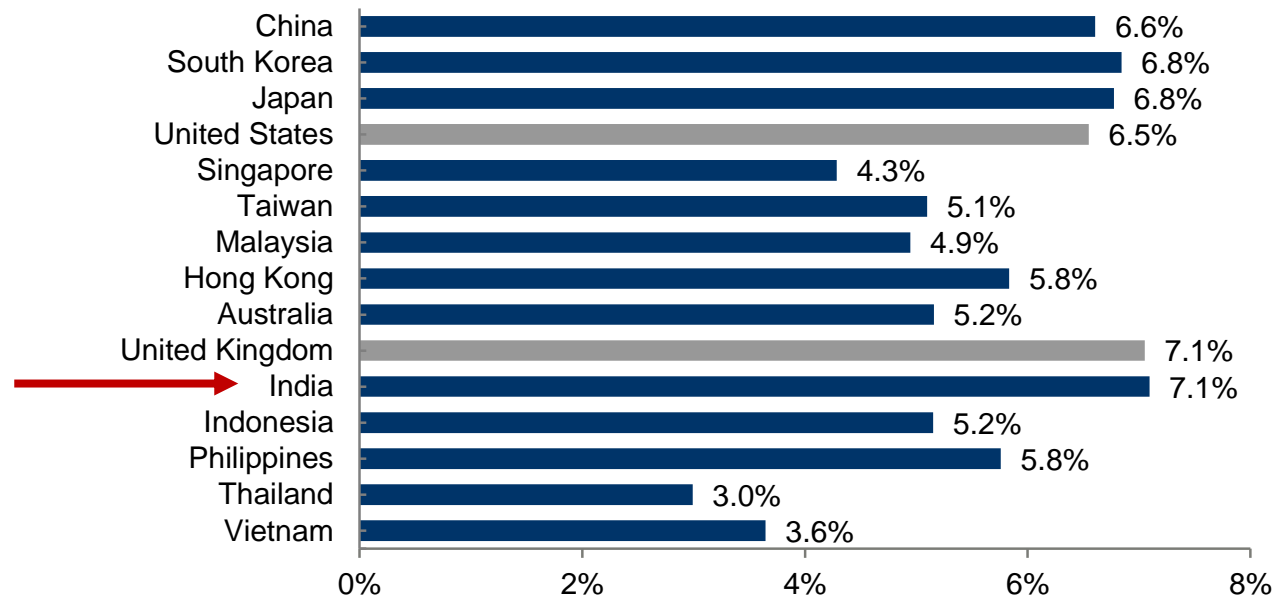
Source: Tourism Economics



Beyond 2026, India to see strong outbound growth to APAC dest.

Annual Growth for Outbound Visits to APAC Destinations: 2026-30

CAGR%, excluding travel between China, HK & Macau



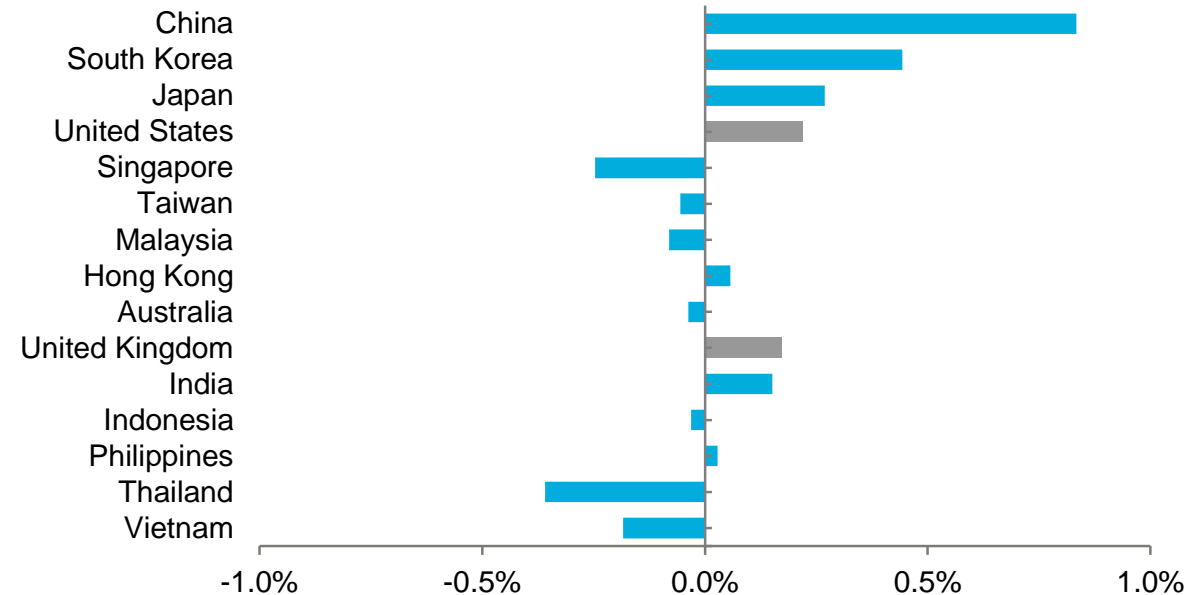
Source: Tourism Economics



And gain share as an outbound market for APAC

Source Market Share of Outbound Visits to APAC: 2026-30

Change in share, ppt, excluding travel between China, HK & Macau



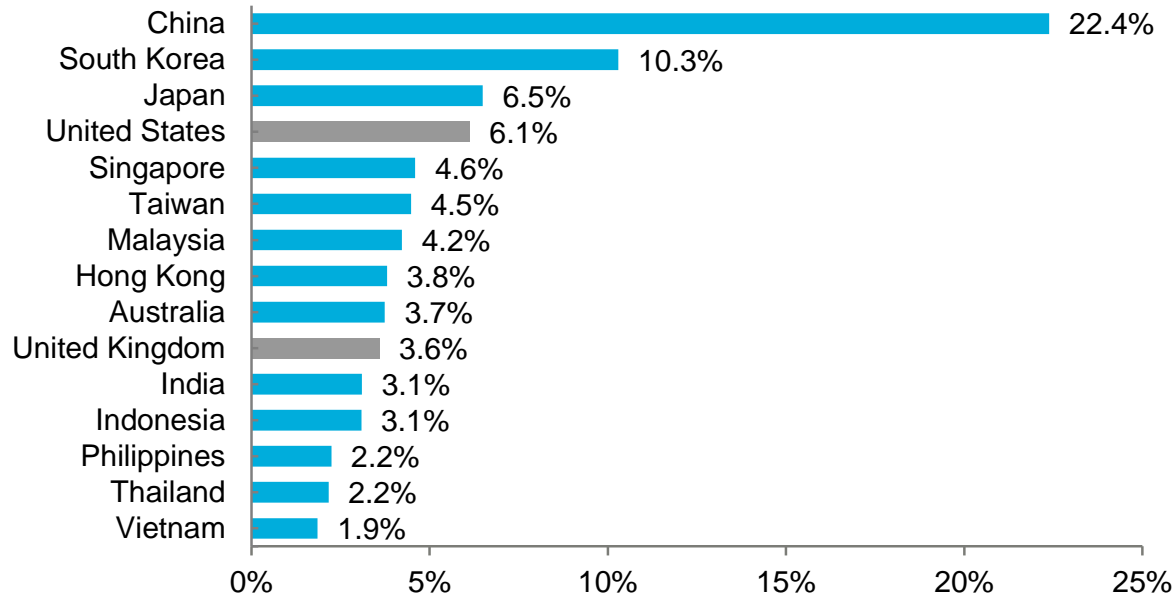
Source: Tourism Economics



China to drive growth in arrivals to APAC through to 2030

Contribution of Source Markets to Increase in Arrivals to APAC: 2026-30

Per cent of annual increase, excluding travel between China, HK & Macau



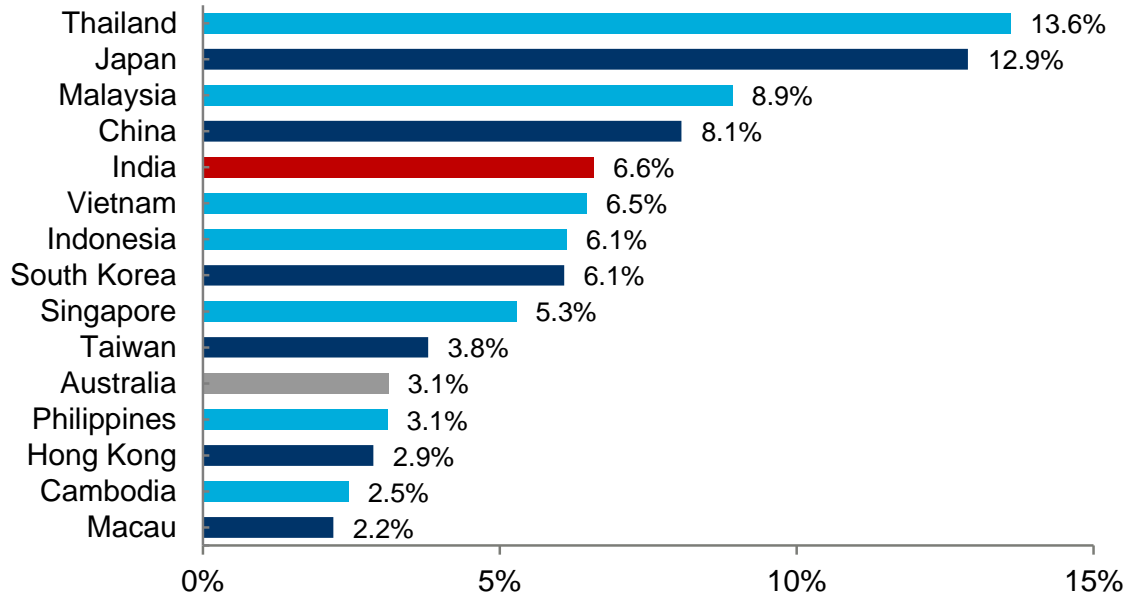
Source: Tourism Economics



Thailand and Japan the largest *inbound* visitor markets in 2026

Top Destinations in APAC for Inbound Overnight Visits in 2026

Share of all inbound to APAC, excluding travel between China, HK & Macau

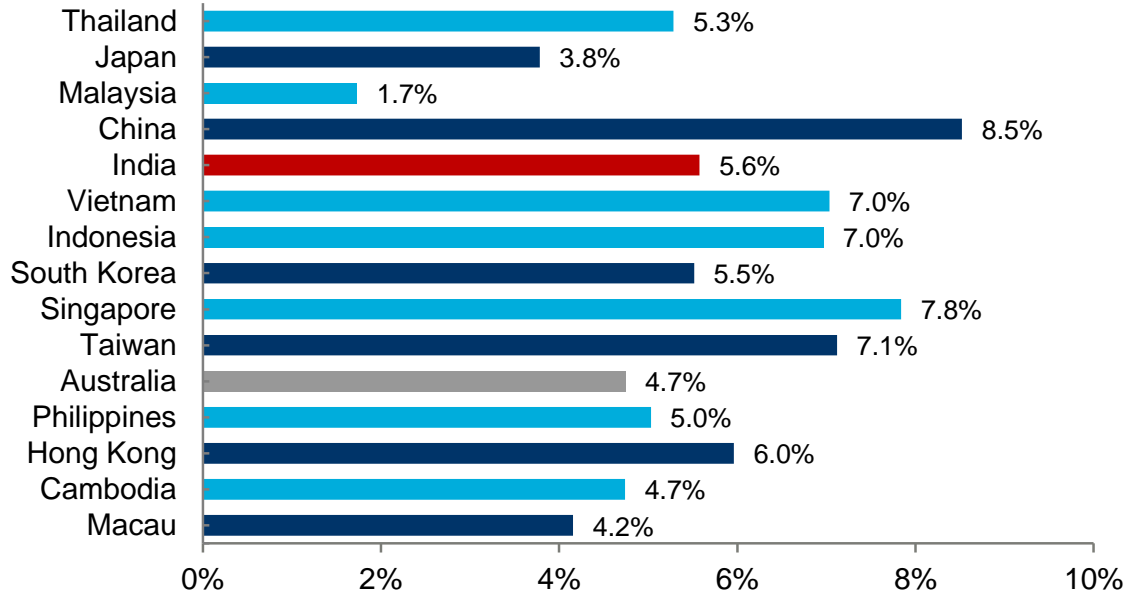


Source: Tourism Economics



China, Singapore, Vietnam, Indonesia to see strong growth

Annual Growth for Inbound Visits to APAC Destinations: 2026-30
CAGR%, excluding travel between China, HK & Macau

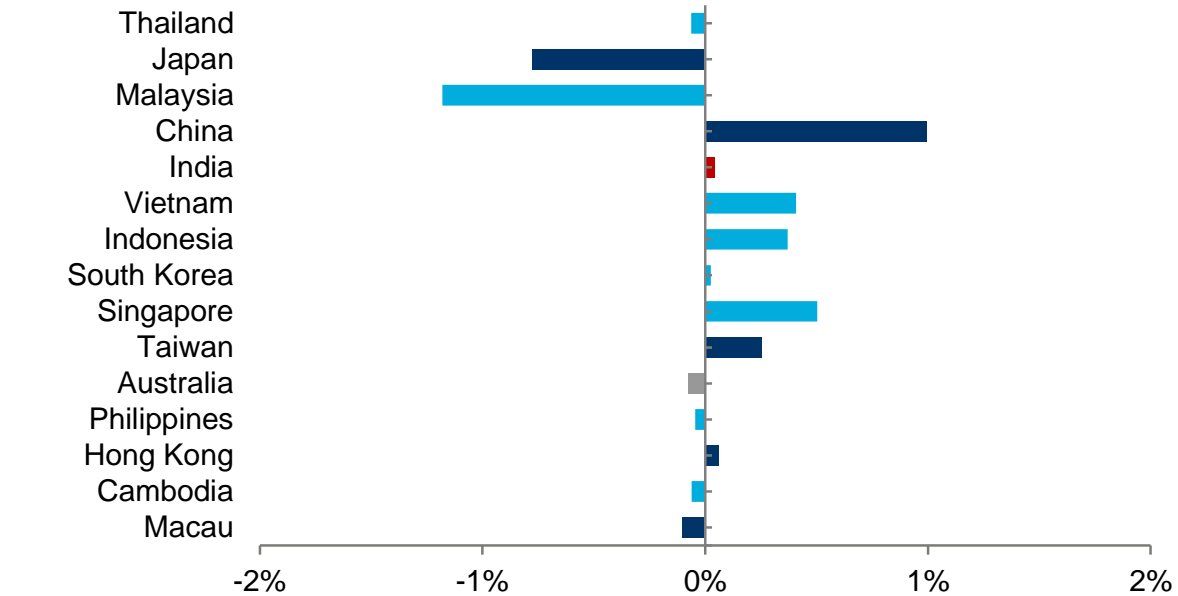


Source: Tourism Economics



And to gain share of inbound to APAC

Destinations Share of Inbound Visits to APAC: 2030 vs 2026
Change in share, ppt, excluding travel between China, HK & Macau

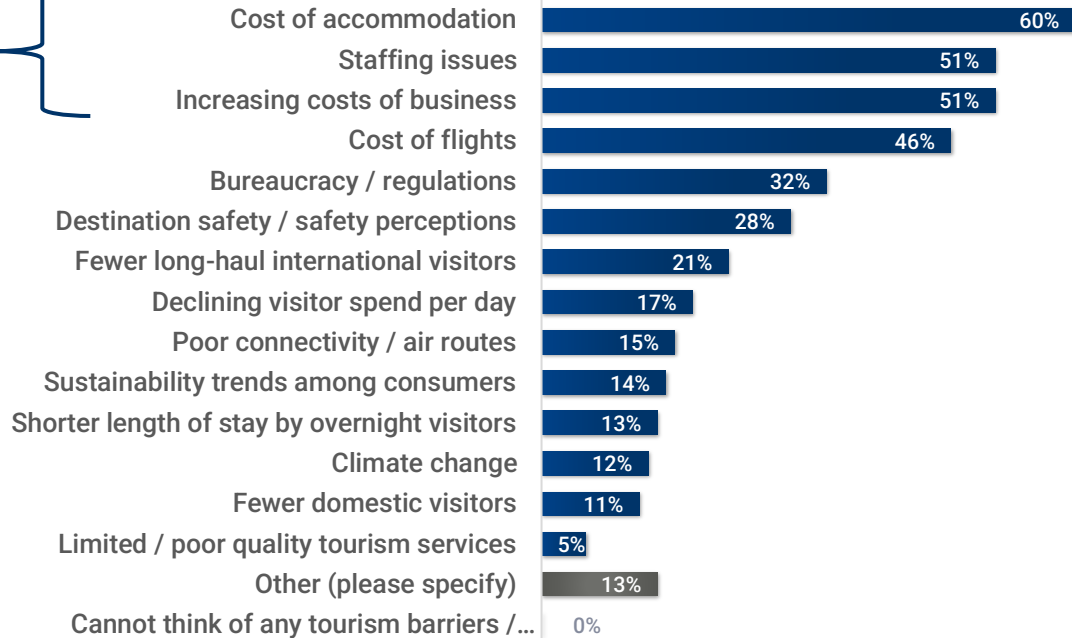


Source: Tourism Economics



Tourism Challenges – Costs and Staffing

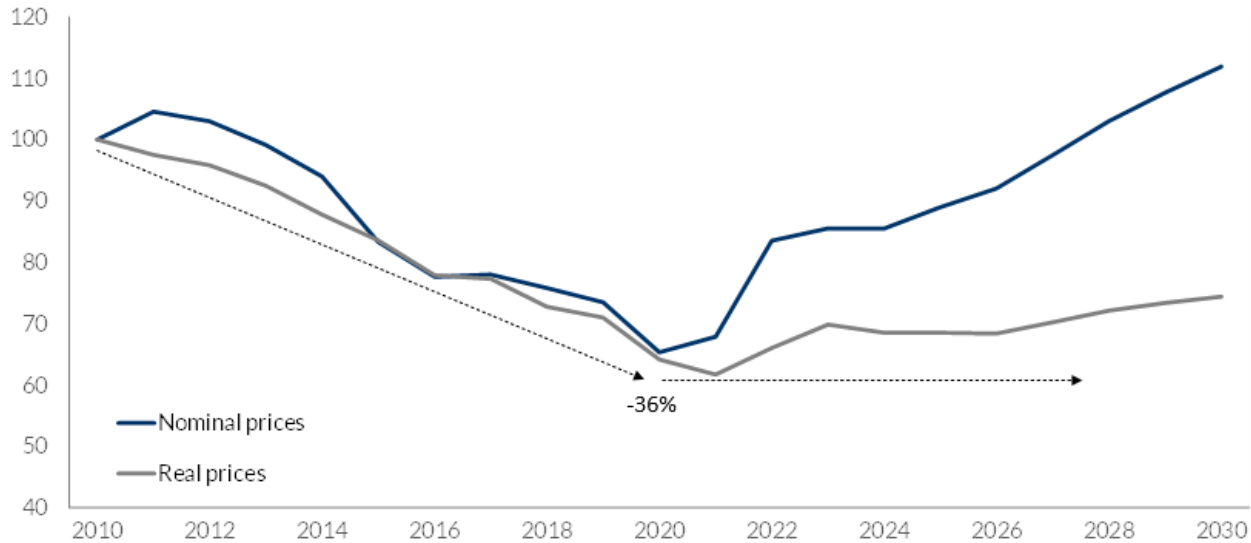
Key challenges mentioned by 50% or more





Discounting era for airfares has ended

Global air fares trends and forecast expectation
2010=100



Source: Oxford Economics, IATA



Upside and downside scenarios – risks around baseline forecasts



Upside and downside scenarios – risks around baseline forecasts

Upside:

- Quicker return of inflation to target, monetary policy eases, consumer spending boosted
- Quicker rebound for China

Downside:

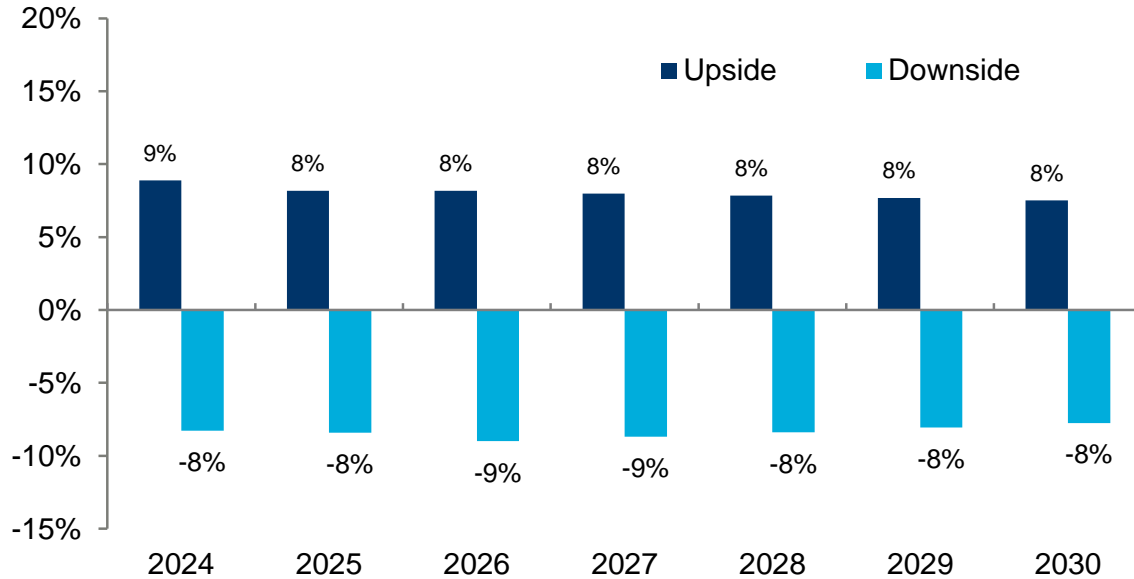
- Interest rates stay higher for longer with inflation stubborn, weaker growth & consumer spend
- Geopolitical tensions – conflict in Israel continues for longer than expected (to end of 2024) with flow-on effects to Middle East markets



Upside and downside scenarios – risks around baseline forecasts

Inbound Arrivals to APAC - Upside and Downside Scenarios vs Baseline

Per cent, relative to baseline forecasts



Source: Tourism Economics

Upside:

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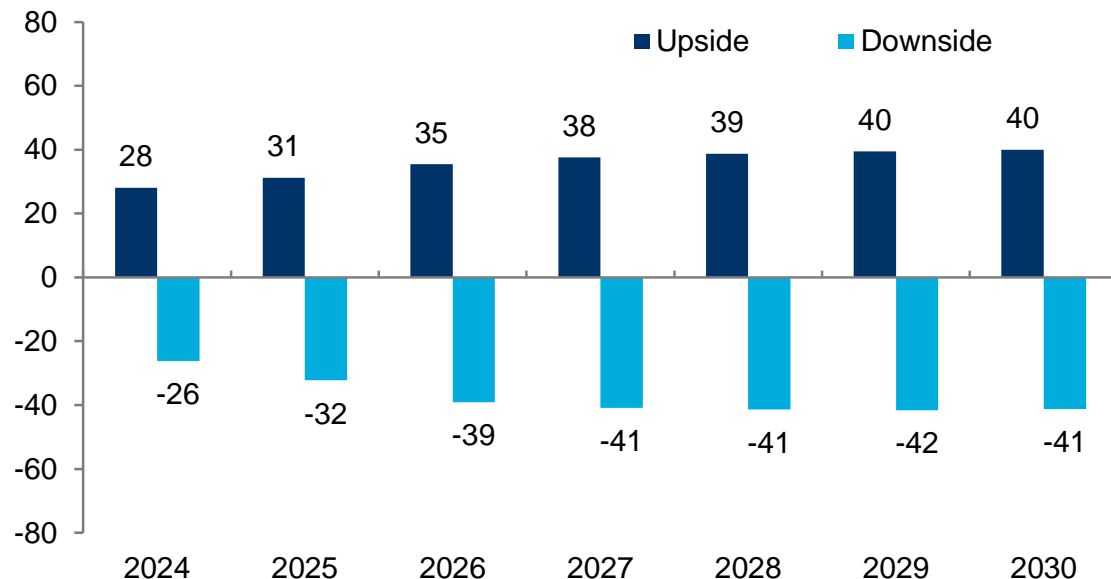
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Upside and downside scenarios – risks around baseline forecasts

Inbound Arrivals to APAC - Upside and Downside Scenarios vs Baseline

Millions, relative to baseline forecasts



Source: Tourism Economics

Upside:

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- Quicker rebound for China

Downside:

- Interest rates stay higher for longer with inflation stubborn, weaker growth & consumer spend
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Key Takeaways

- Global inbound travel to recover this year. Slower near-term recovery for APAC (2025) but stronger longer-term outlook as APAC continues to gain prominence for outbound and inbound travel
- China will continue to be the most important source market for APAC destinations in aggregate, but recovery in outbound not expected until 2025/26.
- India, South Korea, Japan to grow relatively quickly as outbound markets for APAC destinations, and gain share in terms of their prominence (along with China)
- As inbound destinations, China, Singapore, Vietnam, Indonesia to see strong growth from 2026 to 2030 and gain share
- Downside risks from Middle East tensions and stubborn inflation; upside risks from China rebounding quicker and inflation / monetary policy easing sooner

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