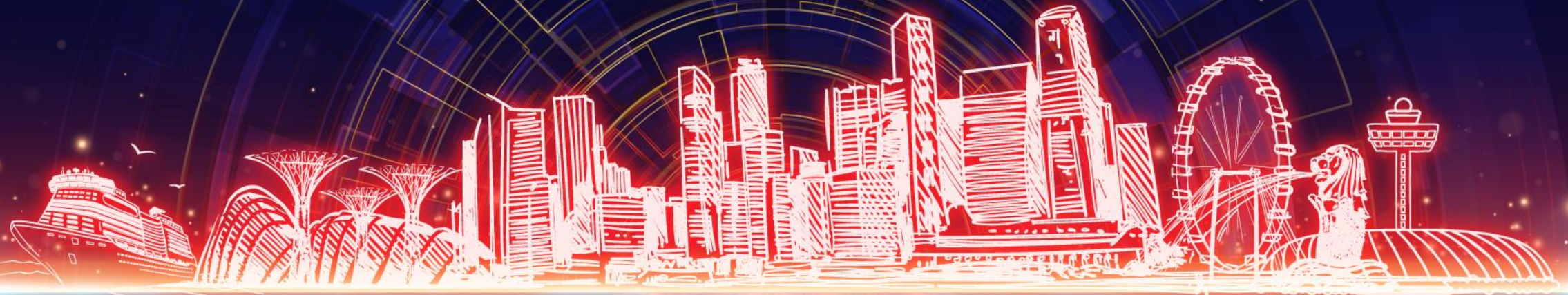




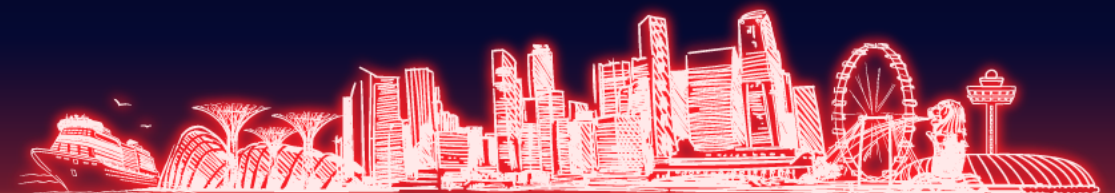
# TOURISM INDUSTRY CONFERENCE

## 2023



# STB International Group Virtual Breakout Sessions

Estimated Time (SGT)	Presentations
1430H	Introduction by Assistant Chief Executive, International Group Context Setting by Executive Director, International Group HQ & Oceania
1450H	STB Southeast Asia (Indonesia, Malaysia, Thailand, Vietnam, Philippines)
1515H	STB Greater China (Mainland China, Taiwan, Hong Kong)
1530H	STB Europe (UK, France, Germany)
1550H	STB Americas (USA, Canada)
1600H	STB North Asia (Japan and Korea)
1610H	STB Oceania (Australia and New Zealand)
1620H	STB India, Middle East, South Asia & Africa (India)

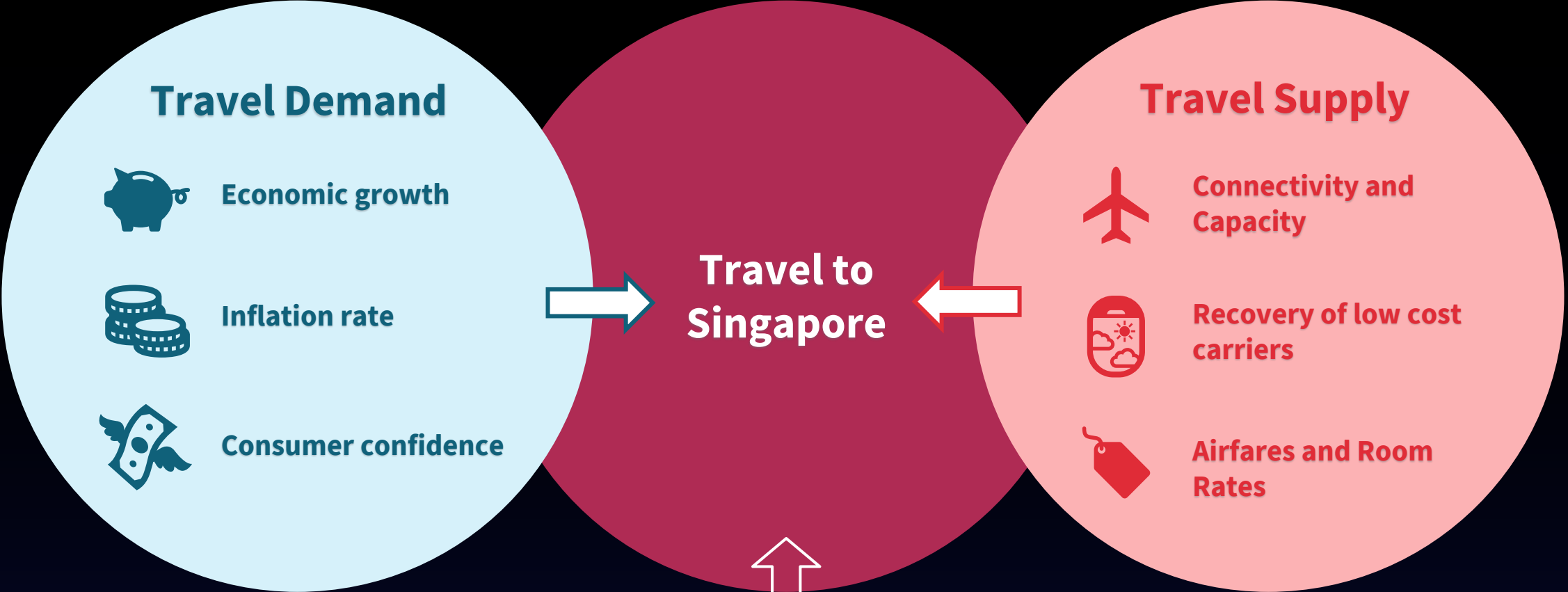




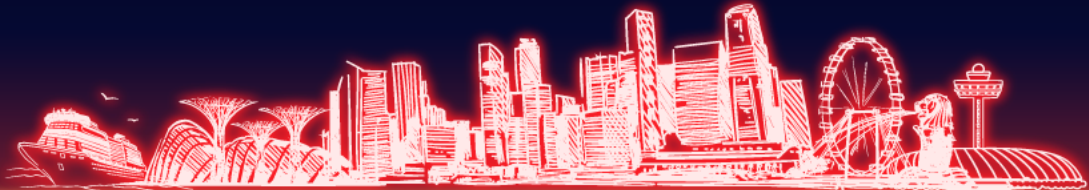
# **Introduction to STB International Group Virtual Breakout Sessions**



# Our Insights on Travel to Singapore as Supported by



Economic and consumer insights from STB's network of 19 regional offices around the world

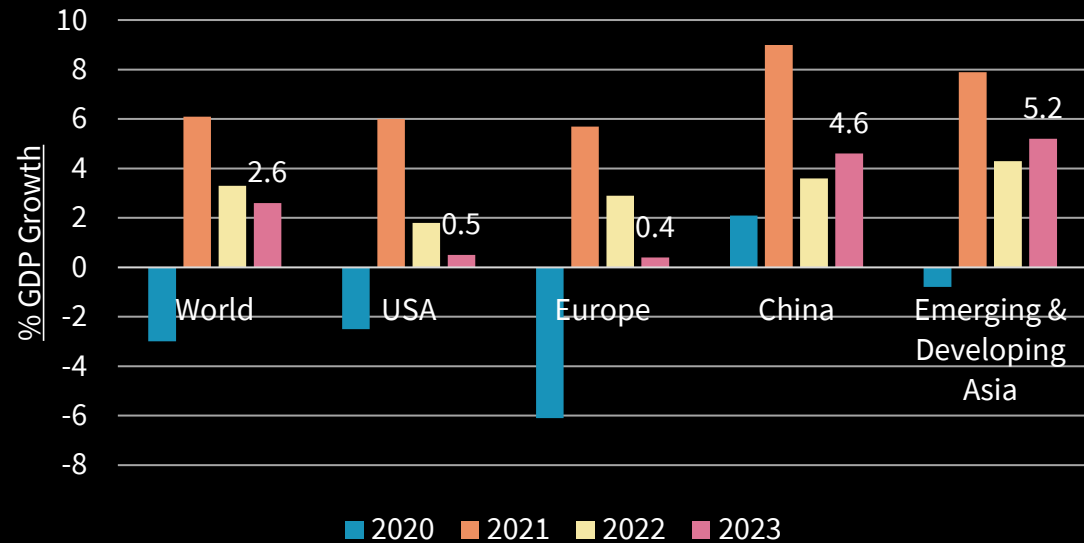


# Optimistic Travel Recovery Despite Global Economic Volatility



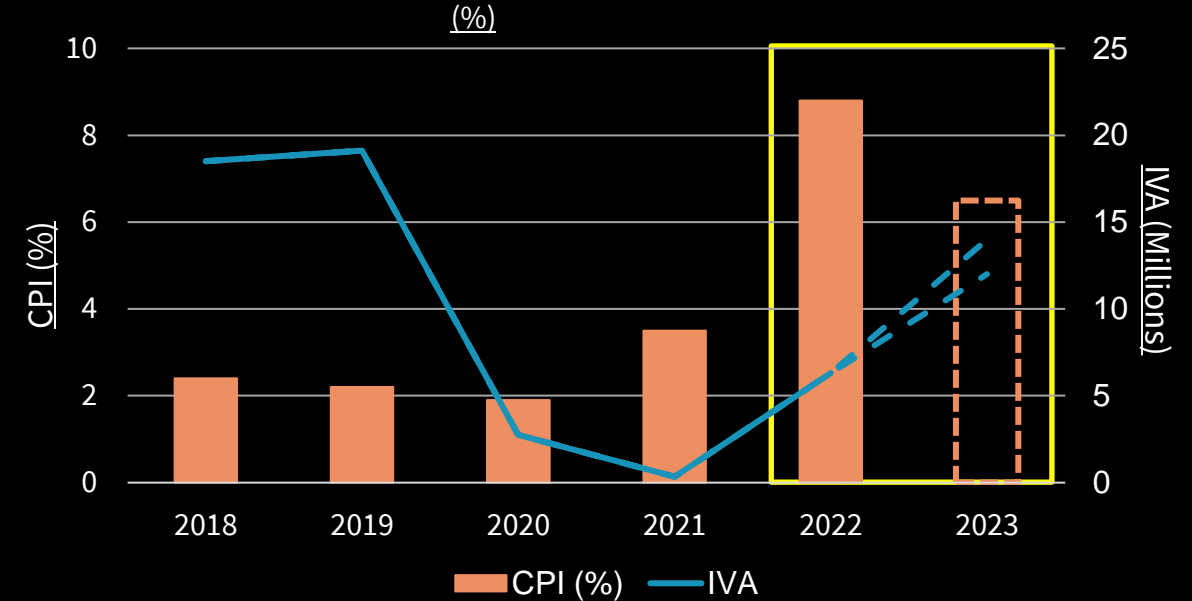
Since the reopening of our borders in April 2022, travel to Singapore has recovered strongly and recovery momentum is projected to continue despite volatile economic conditions.

% GDP Growth of the World's Economies (2020 – 2023)



Source: Euromonitor International Macro-Model, January 2023

International Visitor Arrivals (millions) against Consumer Price Index (%)



Sources: OECD Database, January 2023. STB STAN, February 2023.

**2.2% - 3.0%**

Forecasted world economic growth in 2023 by The World Bank, IMF and OECD.

**6.5%**

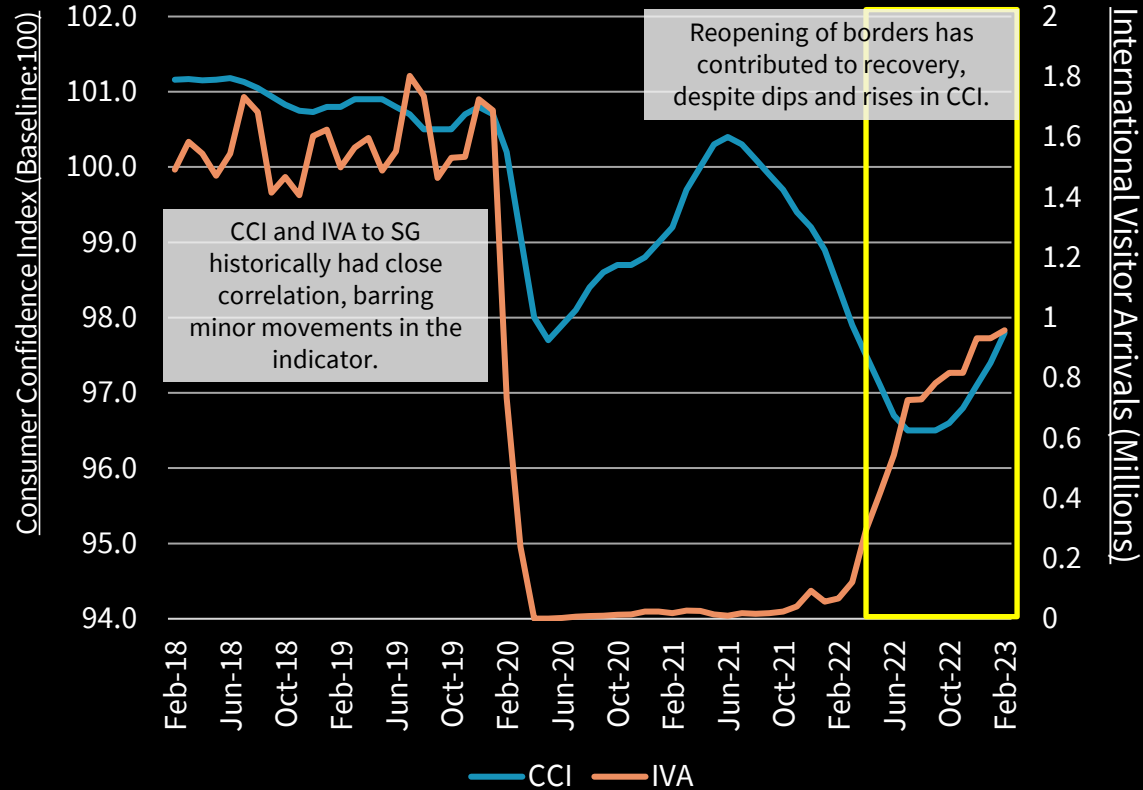
Forecasted World Inflation (%) in 2023 by IMF.

# An Uncertain Economic Outlook for 2023



The global economy is likely to remain very volatile in 2023. Slower economic growth and persistent high inflation will hit consumer confidence, and consequently on travel.

Global Consumer Confidence Index\* against IVA to Singapore (M-O-M)



\* CCI above 100 signals a boost in consumer confidence towards the economic situation. CCI above 100 indicates a pessimistic attitude towards future economic developments.

Sources: OECD Database, January 2023. STB STAN, February 2023.

Region	Consumer Confidence Index 2022 (% change since 2019)	Outlook of Travel Confidence and Spending (Soundbites from STB ROs)
<b>USA</b>	96.7 (-4.6%)	Low household debt and positive sentiments towards spending on travel.
<b>Europe</b>	96.5 (-3.9%)	Pessimism amidst the high costs of living but travel remains less impacted by the growing weakness of the economy. Travel demand seems to be holding up even as consumers are spending less overall.
<b>India</b>	83.5 (-17.8%)	High spending power amongst Indian travellers that is set to expand further due to policies to sustain demand growth amid slower economic growth.
<b>China</b>	92.1 (-11.9%)	Consumer spending is on an uptrend, especially in areas such as dining and travel.
<b>North Asia</b>	97.1 - 98.5 (~-1.8%)	Full unwinding of pandemic-related restrictions has unleashed pent-up demand for spending. However, high inflation and slump in the property market (KR) is eroding household purchasing power.
<b>Southeast Asia</b>	~ 101.0	Travel consumption is likely to slow, especially with economic pressures and high perceived costs.
<b>Oceania</b>	97.5 (-2.3%)	Expenditure on travel/transport has been seeing increases and demand and prices of air tickets are expected to continue seeing an upward trend.



# Cautiously Optimistic Outlook for Travel Demand to Singapore

Despite economic volatilities, we are cautiously optimistic that demand for travel to Singapore will remain strong across our long and short haul markets in the near term.

	GDP Growth 2023	CPI growth rate 2022
UK	-0.6%	9.1%
DE	+0.2%	7.9%
FR	+0.6%	5.2%

## United States



+1.0% 8.0%

Outlook for travel remains strong, especially for the **high-yield premium & luxury segment**, supported by strong **currency, low household debt**, expectations for **inflation to slow** and **pent-up demand** for travel in the new normal of hybrid/remote work.

## Europe



Amidst the economic gloom, travel sentiments remains **positive** and demand for **long-haul trips** and trips to Singapore is still strong, at least up till Summer 2023. STB will continue to sustain demand to drive post-summer traffic.

China's reopening comes as joyous news for the global travel industry. There are signs that the market is bouncing back, with **consumer spending** on an uptrend, **high savings** and **strong domestic travel**.

**KR** - outlook remains positive, with estimated inflation tapering off, **currency rebound**, and the gradual rise in **consumer confidence**.  
**JP** - Pace of recovery is anticipated to be slow mainly because of **poor consumer and industry sentiments, rising costs** and **weak currency**.

## China



+5.0% 1.8%

## India



+5.5% 5.9%

India is experiencing a **renewed sense of travel optimism** post-pandemic, as travellers are making up for lost time and experiences, contributing to **strong demand** for **close proximity** destinations. Of which, Singapore remains top-of-mind. Potential headwinds, such as global economic factors, currency fluctuations, and an increase in \*Tax Collected at Source (TCS) may **impact affordability**, with many Indian travellers seeking value-for-money options.

## North Asia



Outbound travel demand is **strong** despite increased costs but demand for **competitor destinations** (e.g. Japan, Korea, Europe, Hong Kong) is on the rise too. **Tier 2 cities** in SEA countries are also seeing growing demand for outbound travel and could represent untapped potential for SG.

	GDP Growth 2023	CPI growth rate 2022
JP	+1.5%	4.3%
KR	+1.6%	5.1%
ID	+5.0%	4.2%
MY	+4.0%	3.8%
TH	+3.0%	6.0%
PH	+6.0%	5.8%
VN	+6.3%	4.1%

## Southeast Asia



## Oceania



Aussie and NZ travellers show demand for destinations despite steep prices, as long as they perceive **good value** for their bookings. Singapore remains the top 8<sup>th</sup> and 14<sup>th</sup> destinations in 2022 for AU and NZ respectively.

	GDP Growth 2023	CPI 2022
AU	+0.7%	6.6%
NZ	+1.7%	7.2%

Market's expected economic outlook, based on expected GDP growth in 2023.

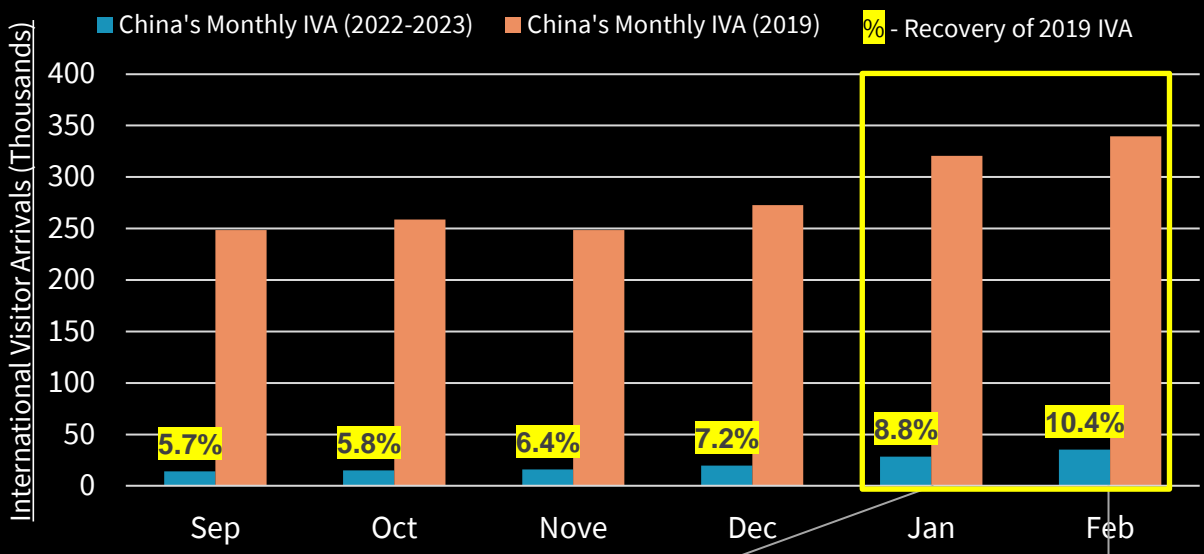
Market's expected inflation based on the average rate of change of the consumer price index in 2022.



# Strong Travel Sentiments with China's Reopening

Travel sentiments have soared since the loosening of China's travel policy. Singapore remains one of the most desired destinations amongst Chinese tourists and continues to be perceived to be welcoming to Chinese visitors.

Monthly IVA from China against China's Reopening Timeline



Restrictions on travel were relaxed from 8 Jan 2023.

- a. **Quarantine requirements were removed** for COVID-negative travellers entering China.
- b. **Passport Renewals** for expired passports resumed in most major tier 1/2 cities.
- c. **China's Civil Aviation Authority (CAAC) formally issued an invitation to civil aviation authorities worldwide**, informing the ceasing of various COVID precautions and inviting applications for restoration of 2019 flight routes.
- d. **Flight capacity** is gradually being restored. As at end Mar 2023, number of weekly flights between China and Singapore stands at ~37% of pre-COVID levels.

China has resumed outbound group travel to selected countries since 6 Feb 2023.

- a. From 6 Feb, travel agencies and online travel operators are **allowed to organize group tours to 20 countries (including Singapore)**. This list has since expanded to 60 destinations as of 10 Mar 2023.
- b. Travel agencies are allowed to **resume selling travel packages** at the same time.

## Chinese Travellers' Travel Preferences in the Near-Term

Over **60% of Chinese travellers** indicating **willingness for outbound travel** this year.

**The 2<sup>nd</sup> half of year is likely to be the peak season for outbound travel.** Most interviewees cited the summer school holidays and Mid-Autumn Festival + National Day holiday as the likely period for travel.

**Family travel will be popular.** Nearly half of interviewees plan to travel with family members.

Source: Research to over 1000 Chinese travellers during 3-7 Jan'23 by Dragon Trail Research, and published on 28 Jan '23

## Singapore Remains one of the Top Destinations of Desire to Travel. Compared to other top destinations, Singapore is still seen as more open.

SG is among the **top 10 most desired destination** after Japan, Thailand, South Korea, the US, HK, Macau, Taiwan, according to various reports.

Searches for overseas group tour products soared 500% immediately following the announcement of the 6 Feb relaxations, with **Thailand, Indonesia, Singapore and Cambodia** being the most popular destinations.

Most destinations have relaxed their entry policies for Chinese travellers, while SG continues to be perceived as an open and welcoming destination to Chinese visitors.



# China's Outbound Travel to Rebound towards 2H 2023



**3 phases of recovery is expected for outbound travel for the Chinese market: Reopening, Recovering, Stabilising. A more significant uptick in outbound travel is expected during the later part of the year.**

## Re-opening Period

Jan to Mar '23

1. Covid cases peaks and Chinese continue to be **cautious towards travel**, and likewise for SG sentiments towards Chinese visitors
2. Spring Festival holiday period saw high travel volume domestically, and a spike in outbound travel. Inflection points from 8 Jan/6 Feb 2023 with travel policies being relaxed and **group leisure travel being allowed to resume to Singapore and selected destinations.**
3. **Air tickets prices remain high**, and bulk of travellers are driven by essential (BTMICE, VFR, Edu, Healthcare) travel.

## Recovering Period

Apr to Aug '23

1. Peak infections pass and public sentiments adjust to **living with Covid**, with interest to travel during **peak travel months** of Jul/Aug (summer holidays).
2. Travel trade industry players continue to rebuild trade network and ramp up their operations for outbound travel.
3. **Continual restoration of flight capacity & routes** will help bring down air ticket prices to be more viable for larger group travel.

## Stabilising Period

Sep '23 onwards

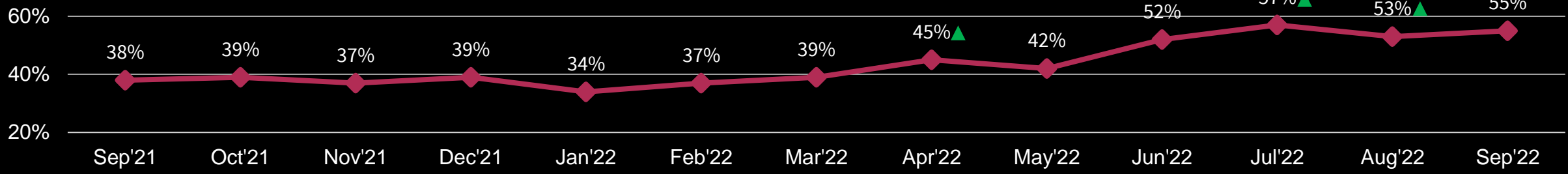
1. No major spike in reinfection cases and travel trade industry players **resume full operational capacity** for outbound travel.
2. Flight routes are restored to **close to or at Pre-Covid levels**
3. STB expects China's IVA in 2023 to recover to approximately 30-60% of pre-pandemic 2019 levels (China IVA in 2019: 3.6mil)



# Singapore Continues to show Strong Brand Health and Consideration

There is healthy global intention to travel, especially after border reopening and easing of restrictions. Travel consideration for Singapore also remains strong in most of our key source markets.

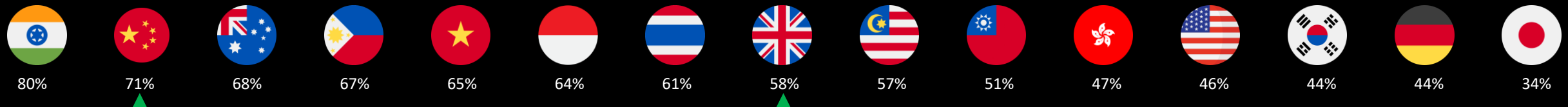
## Next 6 Months Travel Intention



Q: When are you most likely to make your next overseas trip for leisure?

▲ Indicates significant increase from previous month

## Markets % consideration for SG as a leisure destination



▲ Indicates significant increase in market % consideration

## SG's strengths which can be leveraged to increase destination appeal

- Safety
- Family-friendly
- Shopping
- Local arts offerings & districts
- Cruise hub
- Convenience of commuting
- Ease of trip planning

Source: COVID-19 Impact Analysis (Sep'22), STB Brand Health Study by Ipsos.

# Recovery in Flight Connectivity to Continue to Bolster Tourism



Total flight capacity serving Singapore and the number of cities Singapore is connected to has gradually increased since borders re-opened. Flight capacity to majority of our key source markets has also been restored to pre-covid levels and we observe month-on-month growth in flight capacity for source markets where flight capacity is lagging.

Source Market	Weekly Seats to SIN		Number of City Connections		
	Seat Recovery (Apr 2022)	Seat Recovery (Mar 2023)	(Mar 2019)	(Apr 2022)	(Mar 2023)
China	2%	35%	35	5	18
Indonesia	28%	71%	14	4	10
India	69%	95%	18	14	16
Malaysia	41%	87%	8	7	8
Australia	67%	82%	9	8	8
Japan	22%	68%	8	5	6
Philippines	58%	87%	6	4	4
United States	81%	104%	6	6	6
South Korea	28%	140%	1	1	3
United Kingdom	50%	91%	2	3	2
Vietnam	69%	94%	3	3	3
Thailand	40%	73%	7	6	6
Hong Kong (SAR)	17%	43%	1	1	1
Taiwan	24%	87%	2	1	1
Germany	76%	91%	4	3	3
France	57%	118%	1	1	1

## Key Markets of Interest :



Number of **weekly flights** between Singapore and China have **increased** significantly from 7 (Apr'22) to **135** (Mar'23) times weekly. While connectivity has expanded to 18 cities, **full restoration of connectivity is expected to take some time**. Singapore was connected to 35 cities in China in 2019.



International flights to the following cities have **yet to be restored**: Bandung, Palembang, Semarang, Tanjung Pandan

Flights to Denpasar have been fully restored to pre-covid level. While flight capacity serving Jakarta is at 62% of 2019.

The lower flight capacity recovery between Singapore and Indonesia is likely due to the lag in restoration of flights by Garuda.



Flights between Singapore and India have **recovered to pre-covid** levels and Singapore added a **new gateway, Pune**, in 2022. This newly established connection is operated by Vistara with a frequency of 4 flights weekly.



There are **more flights** between Singapore and South Korea compared to pre-covid.

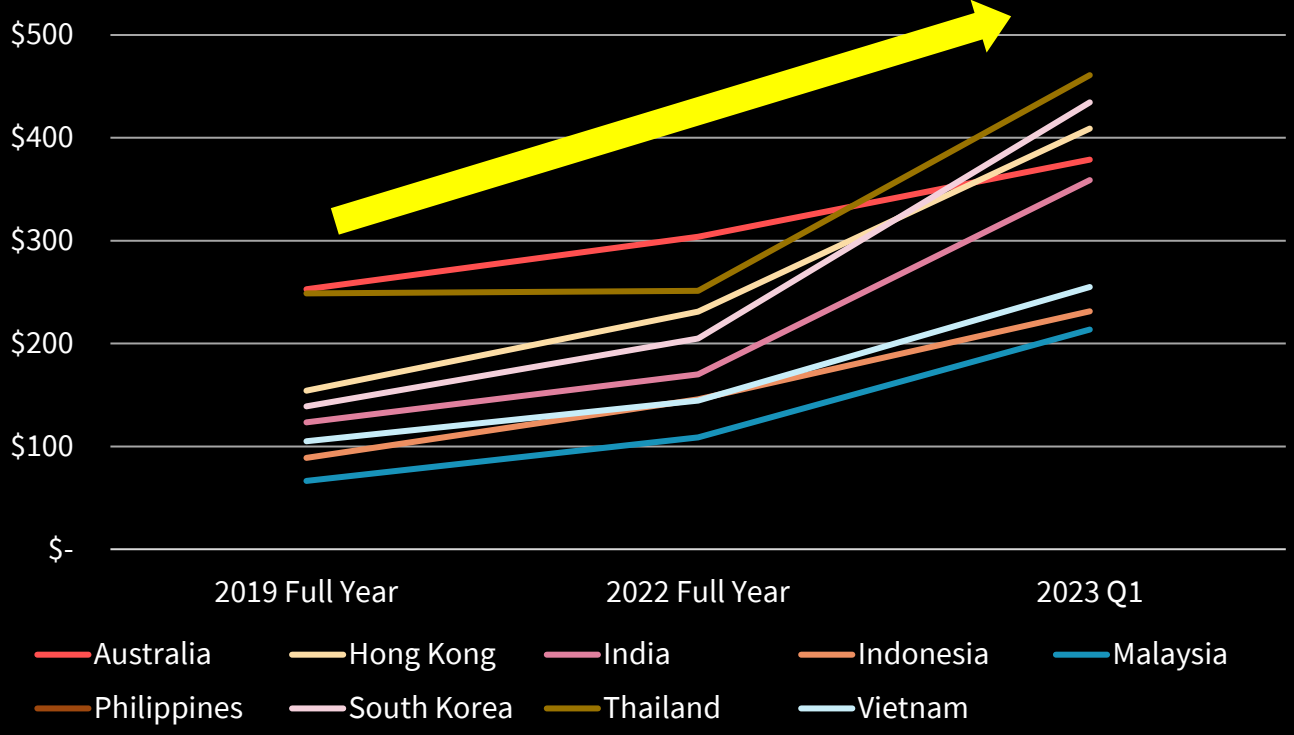
Singapore added a **new connection to Jeju** and this route is operated by Scoot with a frequency of 5 times weekly.



# Higher Airfares observed. Market Pricing likely to remain competitive in the medium term.

High airfares have not affected Singapore's travel recovery to a significant extent yet due to pent-up demand and revenge travel. It is expected that overall restoration of total seats will help to moderate pricing over time. Meanwhile, LCCs are also seeing a greater share out of the total flight capacity to Singapore.

Average Airfares for Key Source Markets



\* These airfares are for Economy class, base airfares excluding taxes and surcharges.

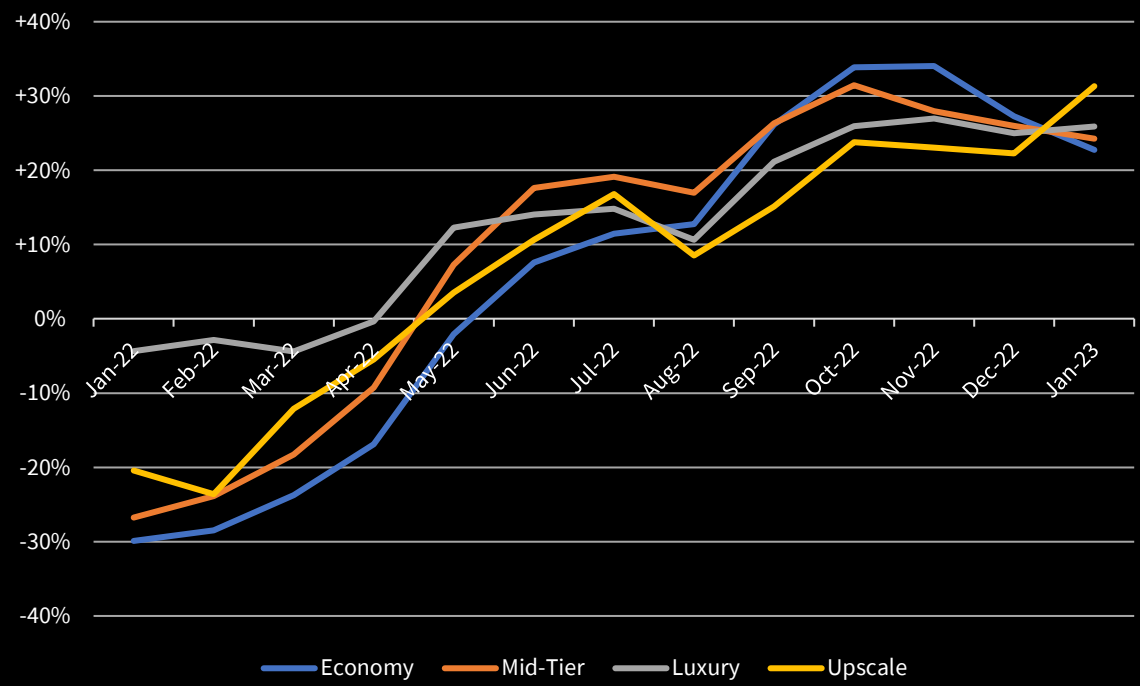
Source Market	LCC Proportion of Total Seat		Proportion Change
	Mar 2019	Mar 2023	(Mar 2023 vs Mar 2019)
Malaysia	56%	66%	+10%
Philippines	53%	56%	+3%
South Korea	13%	36%	+23%
Thailand	50%	60%	+10%
Vietnam	37%	42%	+5%
India	39%	36%	-3%
Taiwan	43%	38%	-5%
Indonesia	44%	43%	-1%
Japan	30%	31%	+1%
Australia	14%	24%	+10%
China	33%	26%	-7%
Hong Kong (SAR)	13%	16%	+3%

# Hotel Occupancy Regaining Momentum despite Higher Hotel Rates

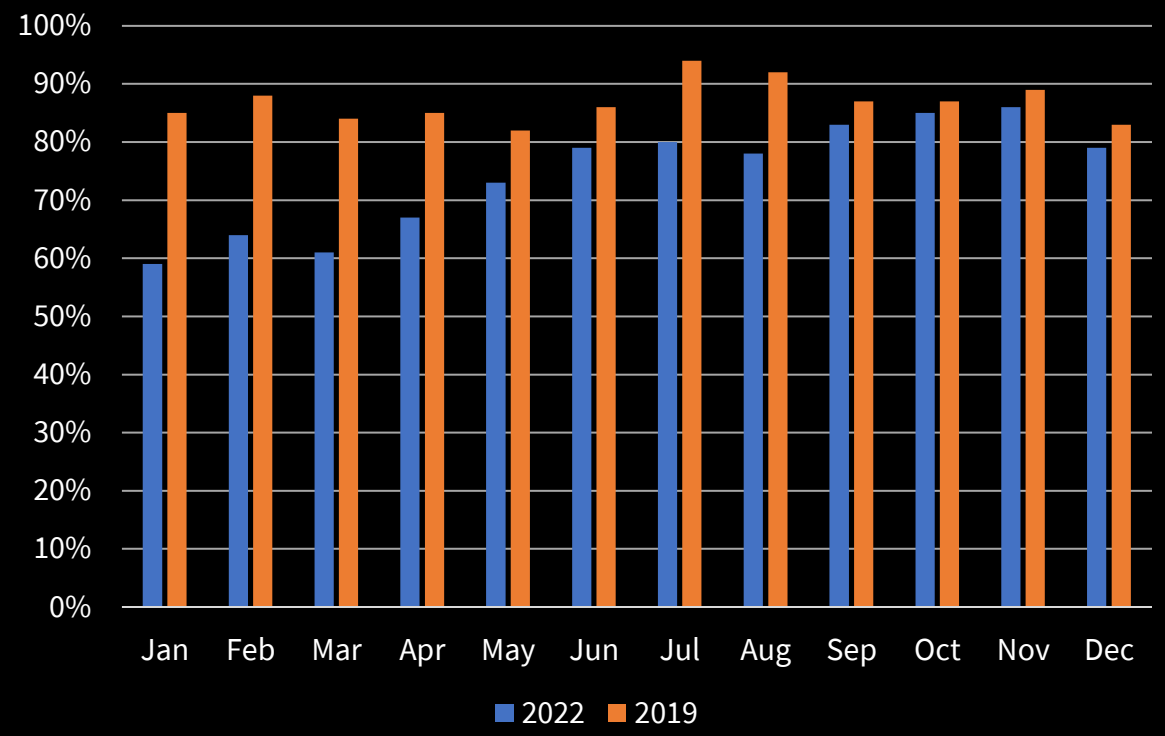


Hotel room rates have seen steady improvements since Singapore reopened its borders in April 2022, across all hotel tiers. Demand continues to be strong as demonstrated by occupancy rates improving close to those of pre-pandemic levels.

% Change of Average Room Rates (2022 vs 2019)



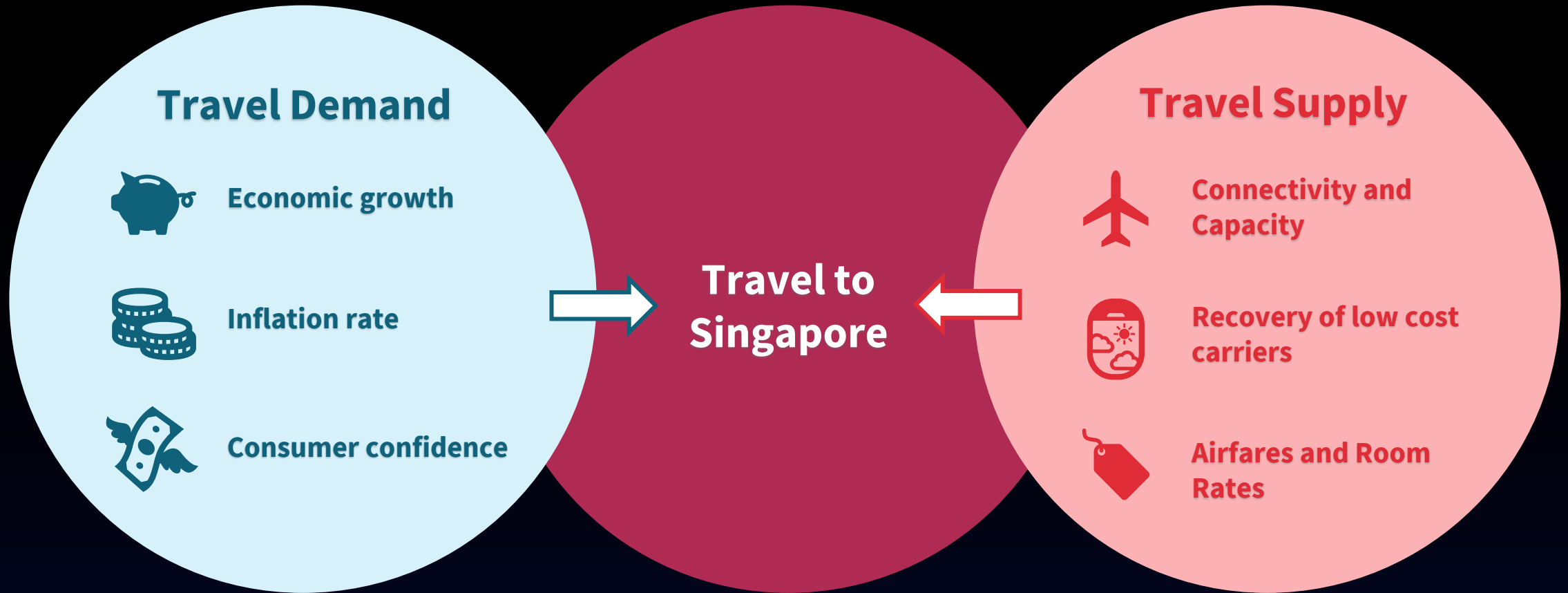
Average Hotel Occupancy Rates (Monthly, 2019 and 2022)



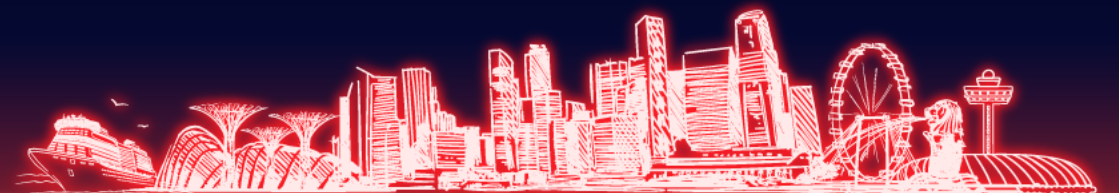
Since Singapore's reopening in April 2022, room rates have adjusted across the different tiers of accommodation options. Average room rates (ARR) has increased between +20% to +30% across all tiers as compared to 2019.

The difference between average occupancy rates in Singapore has been narrowing since the beginning of the year.

# Understanding Factors which Impact Travel and Remaining Competitive



**How might we boost our offerings and maintain competitiveness as an industry?**



# Case Study: Incentivisation of Sharing of Travel Experiences by Tripbtoz

## ABOUT TRIPBTOZ

An online **personalized travel guide platform** designed to provide recommendations on vacation and travel packages. Tripbtoz's mobile application allows users to search for the best deals for hotels, flights, car rentals; provide and read **real-time reviews** using a **variety of media formats**, enabling its customers to review and purchase tourism products.

## BUSINESS MODEL: USER GENERATED CONTENT

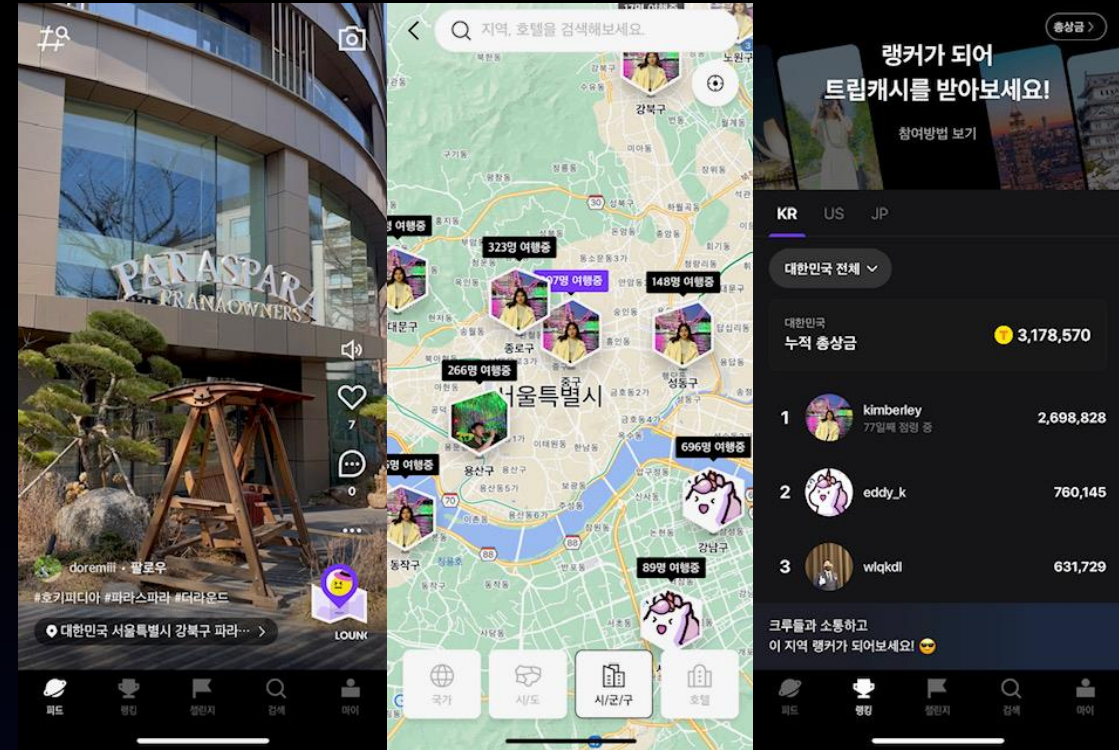
Encouraging users to share their experiences could lead to a **community of sharing**, more **authentic reviews**, and possibly, even a reduction in marketing costs for businesses.

Some of TripbToz's features include:

- Incentivisation of sharing of authentic video content.
- Exchanges with fellow travellers in real-time.
- Location-based discovery of nearby POIs.
- Leaderboard and gamification of sharing which brings benefits in the form of discounts to travellers who share.

## TRIPBTOZ'S SUCCESSES:

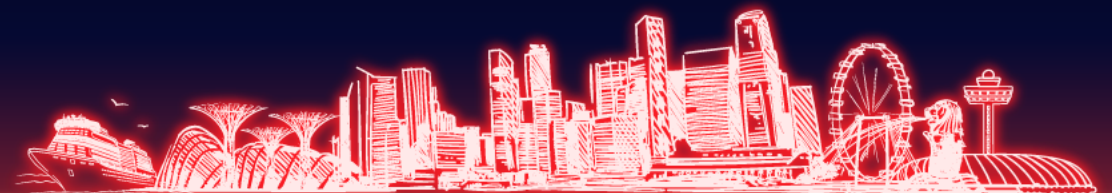
- Ranking on Google Playstore's travel related apps jumped from **#80 to #10**, and **#75 to #18** on Apple's Appstore.
- Since the launch of the service in July 2017, its business has **grown at an average of 138% a year**.
- Made **\$30 million** worth of hotel transactions in 2021, three million of which was shared with users in the form of Tripcash, its loyalty currency.



Under “Play share story” model, users are incentivised to share travel experiences.

Under “Feed”, users can communicate with worldwide travellers in real-time. Users can also check out other POIs nearby location via “Lounge” function inside.

Under “Ranking”, users can post their travel videos and gain trip cash which can be redeemed for their travel purchase later on the platform. More points will be gained based on others' responses.



# Case Study: Data-driven Personalised Content Marketing by Visiotrip

## ABOUT VISIOTRIP

Visiotrip is an online travel agency which adopts a vertical approach **focusing on building up an inventory of compelling travel products** in a single destination as opposed to working on multiple destinations at the same time.

## BUSINESS MODEL: USING DATA TO DRIVE PERSONALISED DESTINATION MARKETING

Visiotrip's main target audience are Gen Z travellers. They target them using **data-driven personalised content marketing, customised based on the user's stage of travel journey** identified through its propriety distribution system (e.g. location based services). Visiotrip identifies travellers while travelling and recommends nearby products & services to enrich the travellers' itinerary.

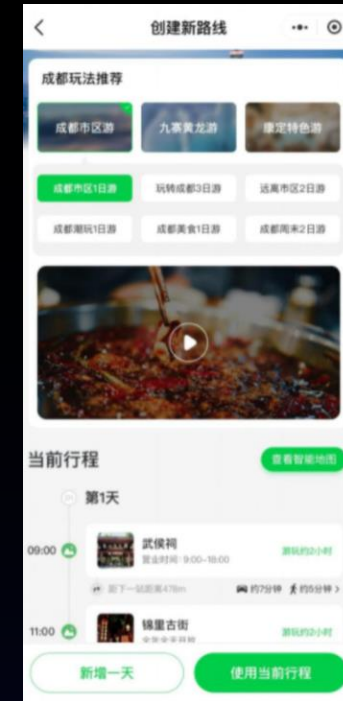
Visiotrip prefers to engage **micro-influencers** as they are more invested in their respective specialties and dedicated in creating **engagement within the community**.

## SUCSESSES:

- Visiotrip currently works with 500 travel merchants, with over **1 billion product transactions** across major Greater China OTAs (e.g. CTrip, Meituan, Fliggy and QuNar) and content platforms (e.g. Mafengwo, Xiaohongshu, Douyin and Weixin).
- Visiotrip's longer term vision is to become a **two-way platform**. On the demand side, they would reach out to consumers via KOLs, and on the supply side, they would become a platform for DMCs.



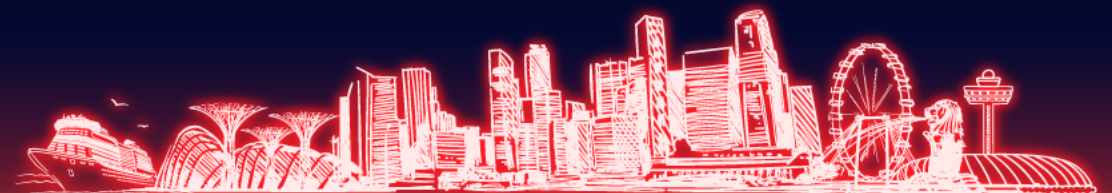
Free-formatted travel itinerary recommendations and interactive discovery format



Interactive itinerary planning formats, including app-based recommendations in the form of short videos and authentic reviews



Location-based services which provide recommendations of nearby POIs







# **STB Regional Offices' Market-Level Presentations**



# STB International Group Virtual Breakout Sessions

Presentations	Presenters	Contact
<b>STB Southeast Asia</b> (Malaysia, Thailand, Vietnam, Indonesia, Philippines)	<b>John Conceicao, Executive Director, Southeast Asia</b> <b>Lim Si Ting, Area Director, Indonesia (Surabaya)</b> <b>Lee Jian Xuan, Area Director, Malaysia, Thailand &amp; Brunei</b> <b>Serene Ng, Area Director, Vietnam</b> <b>Ruby Liu, Area Director, Philippines</b>	<a href="mailto:stb_indonesia@stb.gov.sg">stb_indonesia@stb.gov.sg</a> <a href="mailto:stb_surabaya@stb.gov.sg">stb_surabaya@stb.gov.sg</a> <a href="mailto:stb_kl@stb.gov.sg">stb_kl@stb.gov.sg</a> <a href="mailto:stb_vietnam@stb.gov.sg">stb_vietnam@stb.gov.sg</a> <a href="mailto:stb_philippines@stb.gov.sg">stb_philippines@stb.gov.sg</a>
<b>STB Greater China</b> (Mainland China, Taiwan, Hong Kong)	<b>Andrew Phua, Chief Representative &amp; Executive Director, Greater China</b>	<a href="mailto:stb_gc@stb.gov.sg">stb_gc@stb.gov.sg</a>
<b>STB Europe</b> (UK, France, Germany)	<b>Michael Rodriguez, Area Director, Northern &amp; Southwestern Europe</b>	<a href="mailto:stb_london@stb.gov.sg">stb_london@stb.gov.sg</a> <a href="mailto:stb_germany@stb.gov.sg">stb_germany@stb.gov.sg</a> <a href="mailto:brussels@stb.gov.sg">brussels@stb.gov.sg</a>
<b>STB Americas</b> (USA, Canada)	<b>Rachel Loh, Senior Vice President, Americas</b>	<a href="mailto:americas@stb.gov.sg">americas@stb.gov.sg</a>
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<b>STB Oceania</b> (Australia and New Zealand)	<b>Ervin Lim, Senior Manager, Oceania</b>	<a href="mailto:stb_infosingapore@stb.gov.sg">stb_infosingapore@stb.gov.sg</a>
<b>STB India</b>	<b>G B Srithar, Regional Director, India, Middle East, South Asia &amp; Africa</b>	<a href="mailto:mumbai@stb.gov.sg">mumbai@stb.gov.sg</a> <a href="mailto:delhi@stb.gov.sg">delhi@stb.gov.sg</a>

