

INDUSTRY TREND WATCH

Insights on the current impacts and opportunities for the travel and hospitality industry

March 2023

2023 Southeast Asian Tourism Outlook

With travel returning to normal and tourism demand returning, the Southeast Asian tourism industry have shared their ambitious targets and outlook for 2023



SUMMARY

From international arrivals, aviation, to hospitality - the travel and tourism industry in Southeast Asia is predicted to see a continued and strong recovery in 2023.

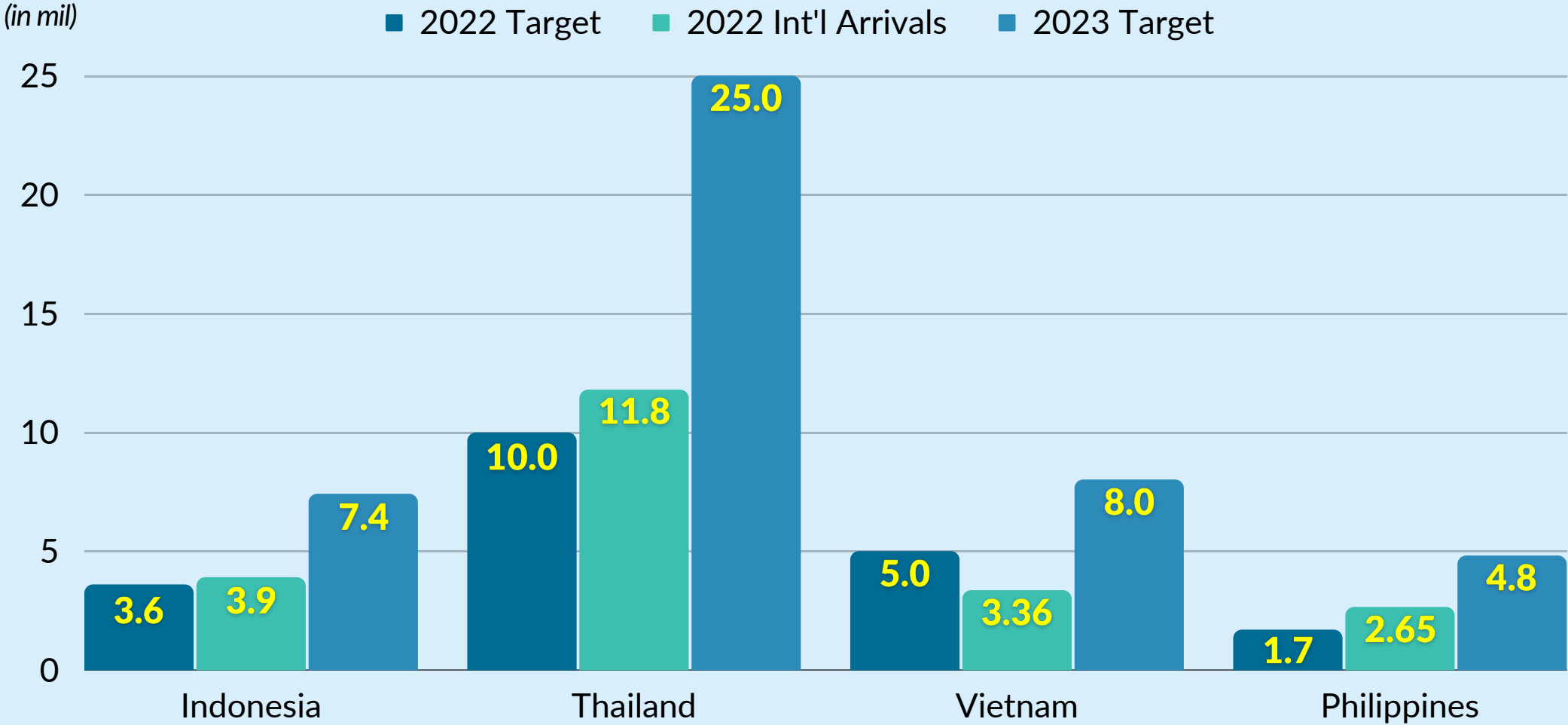
China's sooner-than-expected reopening has also added anticipation and excitement to the recovery of the sector

COUNTRIES IMPACTED



Government

Southeast Asian governments are setting ambitious 2023 international visitor arrivals target following encouraging 2022 results



Economy



937 billion THB

TAT budget approved for 2023

+88.7% YoY



200 million MYR

proposed to promote tourism recovery in Budget 2023



22.4 trillion IDR

allocated to develop the Five Super Priority Tourism Destinations in 2023



3.58 billion PHP

DOT budget approved for FY 2023-24

+27.87% YoY



Asia-Pacific predicted to be the **first region** to return to **pre-pandemic levels**

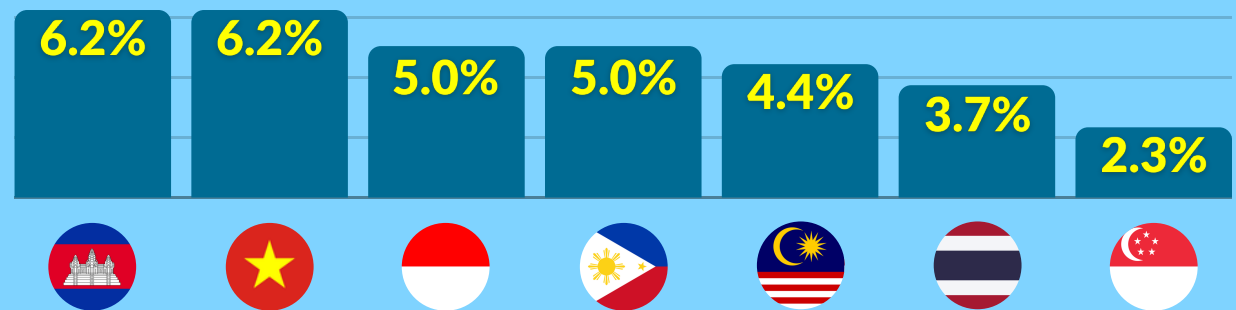
81.6 million

new jobs expected in APAC's travel and tourism sector in 2022-2032

IMF

predicts Southeast Asia is "likely to enjoy a strong recovery" in 2023 amid an "increasingly dimming global economy"

■ Oct 2022 FC for 2023 GDP growth



Corporates

Airlines have set their recovery targets for 2023 and beyond



100%
pre-COVID capacity and network by H2 2023



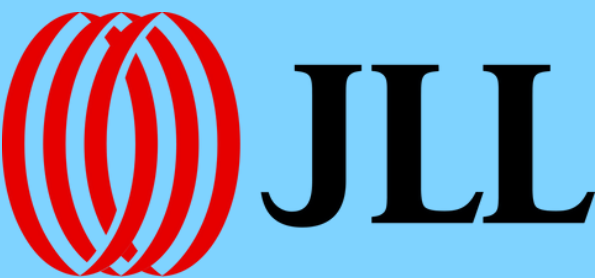
100%
pre-COVID capacity by Q2 2023



100%
pre-COVID domestic capacity in 2023



+100%
pre-COVID flight frequency to various Asian destinations by Mar 2024



predicts **increased hotel investments volume** in 2023 for Southeast Asia



Consumers

Booking.com Travel Predictions 2023

Surveyed respondents across 32 countries including Singapore, Thailand, and Vietnam

72%

say that travelling will always be worth it despite current global instability

50%

say that investing in a vacation remains a top priority for them

61%

will plan travel more in advance to secure a better deal

53%

will consider off-season destinations or longer routes on the journey

48%

will opt for one or two longer vacations instead of several short breaks

88%



want to go on a nostalgic getaway

73%



want to experience 'out of comfort zone' travel

44%



want to go on a meditation and mindfulness getaway

43%



will be turning to virtual reality in 2023 to inspire their vacation choices

Regional Impact

- Desire for recovery to pre-pandemic levels may spur competitiveness in the region to attract key international tourist source markets
- During the pandemic, many Southeast Asian governments have expressed intent to pursue quality over quantity in terms of tourism arrivals. But now that tourists are returning, the question is whether governments would see it through, or return to chasing the numbers
- Industry players need to pay attention to new travel trends that have emerged post-pandemic, such as the growing interest in wellness or outdoor/nature trips



TECH OPPORTUNITIES



Metasearch engines to compare travel prices



AI-based personalised travel recommendation



VR destination simulators

INDUSTRY



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