

INDUSTRY TREND WATCH

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

March 2023

The Impact of China's Reopening on Southeast Asian Tourism

With China finally permitting outbound tourism, Southeast Asia is gearing up for the return of one of its top markets, which may provide the final boost for recovery to pre-pandemic levels.

SUMMARY

China's border reopening has spurred excitement from the Southeast Asian tourism industry, with governments setting high expectations on the return of Chinese tourists, and airlines racing to restore flight connections to China.

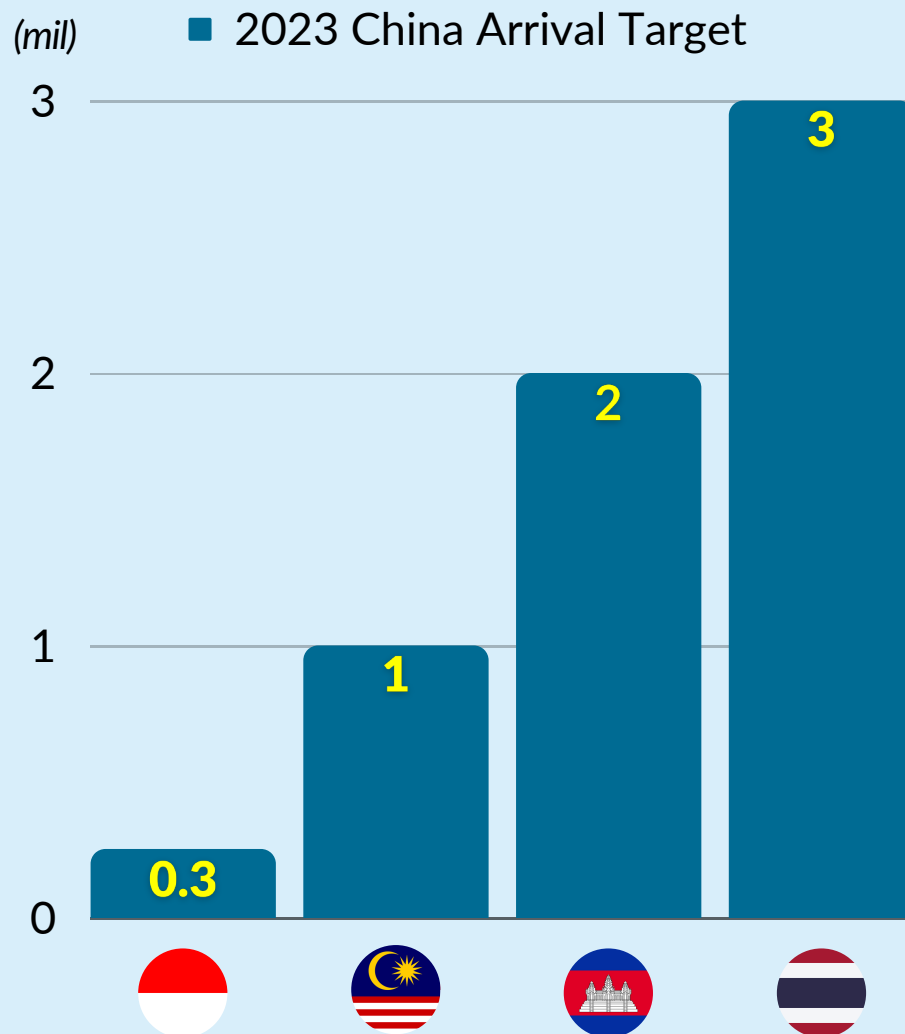
Interest from China is also high, with flight search volume to Southeast Asian destinations surging following the announcement

COUNTRIES IMPACTED



Government

Many countries have set their 2023 Chinese arrival targets



- Thailand planned to reintroduce **full vaccination requirement** for all int'l arrivals ahead of China's reopening but **backtracked on the decision**
- TAT **revised its 2023 int'l arrival target to 25 mil** from 20 mil following China's border reopening announcement



- The Transport Secretary **proposed on-arrival testing** for arrivals from China but DOH believes that **additional COVID-19 measures are not needed**
- DOT signed an **Implementation Program on Tourism Cooperation with China** to strengthen joint promotion and increased investments in tourism



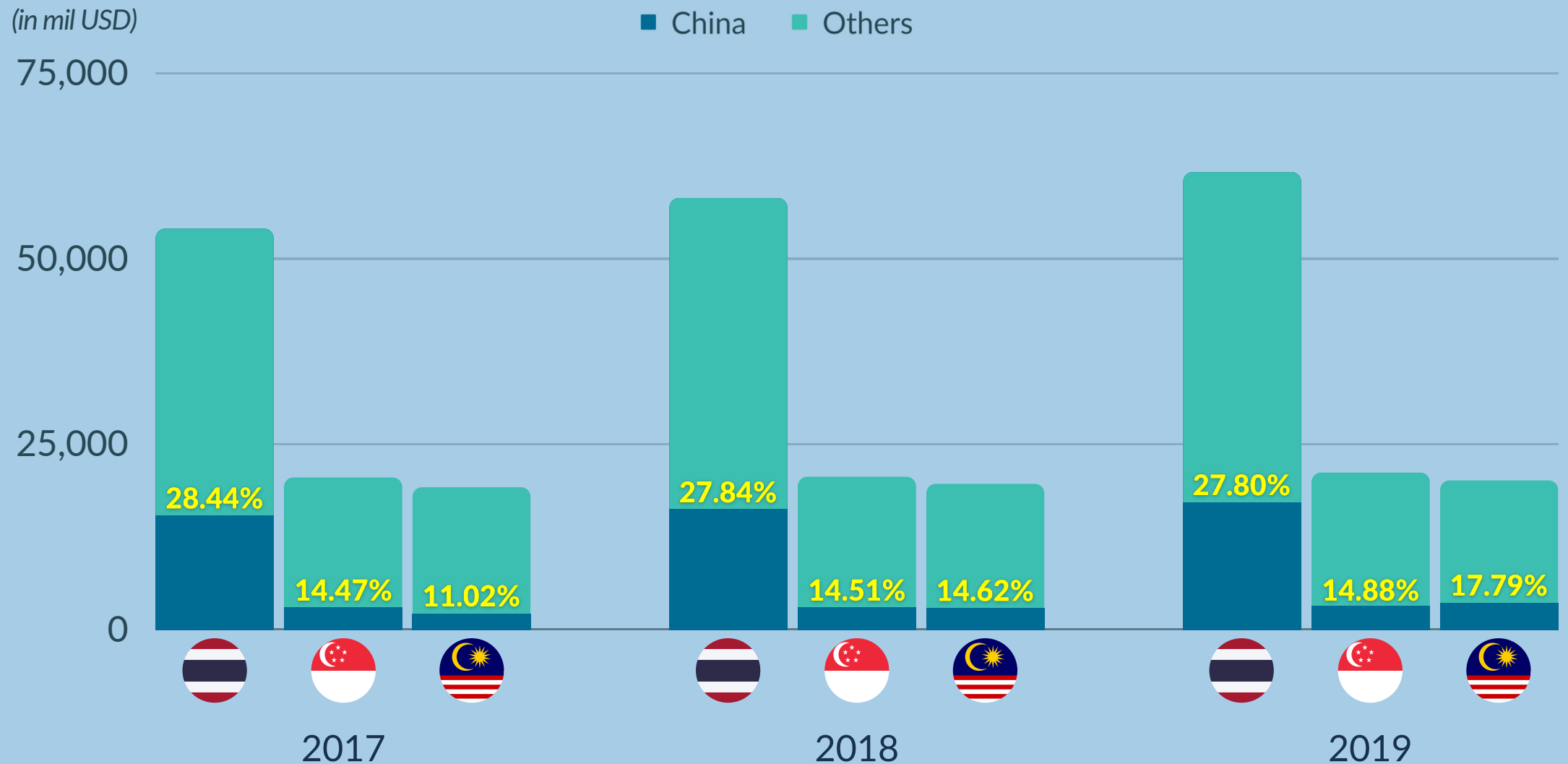
The PM said Malaysia would **tighten screening for all int'l arrivals** but won't discriminate against any country



The Health Minister said Singapore **will not impose pre-departure tests** on arrivals from China as severe cases can originate from anywhere

Economy

China occupied a significant portion of the overall tourism receipts in Southeast Asia pre-pandemic



Corporates



to launch **new project** linked to Beijing's "Air Silk Road" to **boost connectivity** from Siem Reap & Phnom Penh to China

to launch **commercial flights** to Haikou, Hangzhou, Shanghai and Beijing **in 2023**



is "looking at a **summer schedule** for China"

in talks to launch **China-Kalibo chartered flights**



to resume **Shanghai-Phuket** and **Guangzhou-Chiang Mai** routes in **Jan 2023**



to resume **Shanghai-Chiang Mai** route on **18 Jan 2023**



to launch **6 new routes** to China



plans to **charter flights** from **Cam Ranh and Da Nang** to Hangzhou



100% of pre-pandemic China network from Jun 2023

100 flights to China daily by end-2023

30% above pre-pandemic flight frequency level

Consumers



Qunar.Com

7x

increase in flight ticket searches from China within 15 min. of border reopening announcement

Thailand is one of the top destinations



850%

increase in int'l flight ticket searches following border reopening announcement

Thailand and Singapore are ones of the top destinations

Trip.com

254%

day-over-day surge in flight bookings from China on the day of border reopening announcement

6x

increase in flight bookings from China to Singapore

Top Destinations

#1



#5



10x

YoY increase in search volume for int'l destinations within 30 min. of border reopening announcement

Top Destinations

#4



#7



#8



Regional Impact

- Pent-up demand from China will benefit Southeast Asia due to its relaxed travel restrictions and proximity to China
- With China as the top source market for Southeast Asia pre-pandemic, competition will be high in the region as stakeholders race to attract Chinese tourists back
- China's reopening can lead airlines to finally achieve pre-pandemic level network and capacity



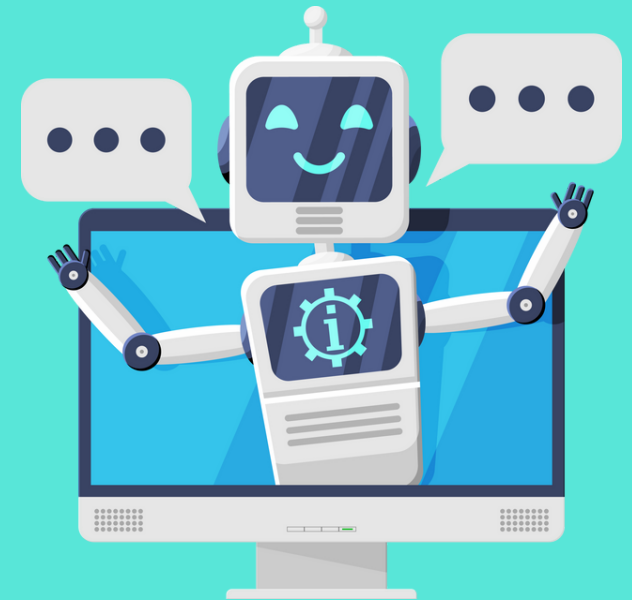
TECH OPPORTUNITIES



**Integration with Chinese
digital payment systems
and lifestyle apps**



**Online e-visa
application system**



**AI translation app to
Chinese**

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