

A Spring Awakening: Asia Pacific Travel Moves Out Of The Fall



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Forward-looking statements

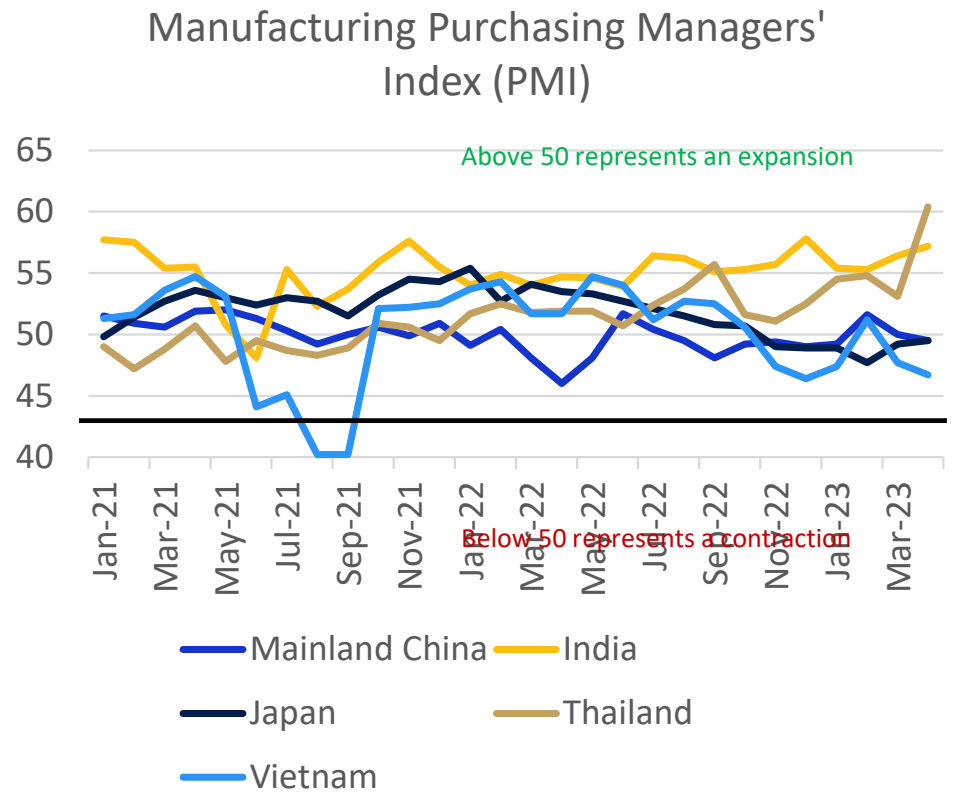
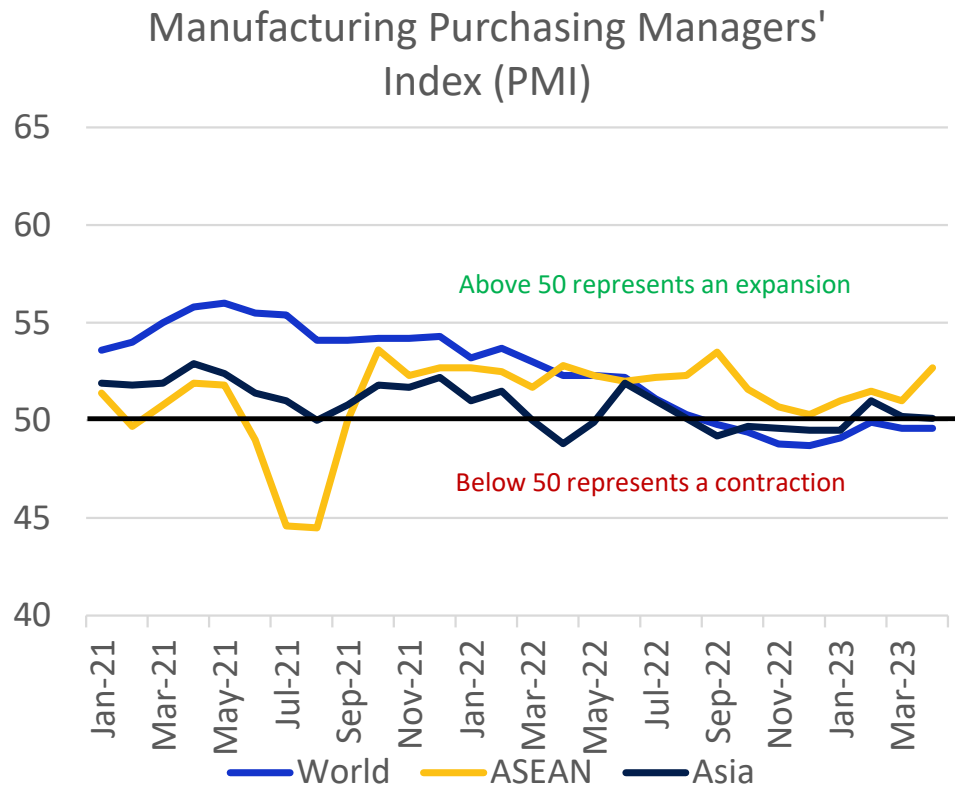
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Overall, manufacturing business activity in Asia is still holding up

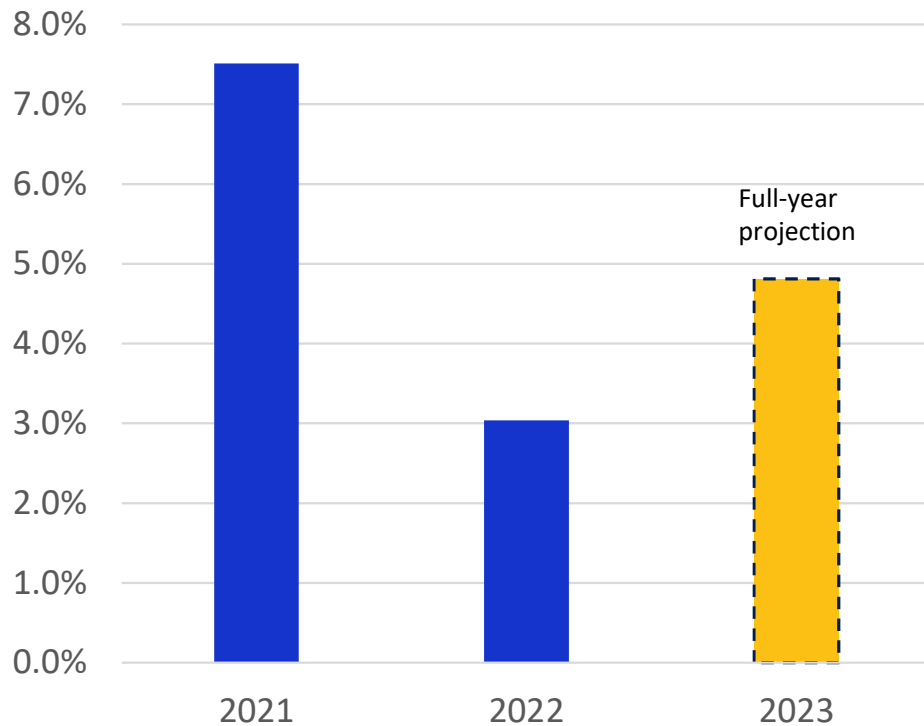
However, within Asia, there are still pockets of weakness



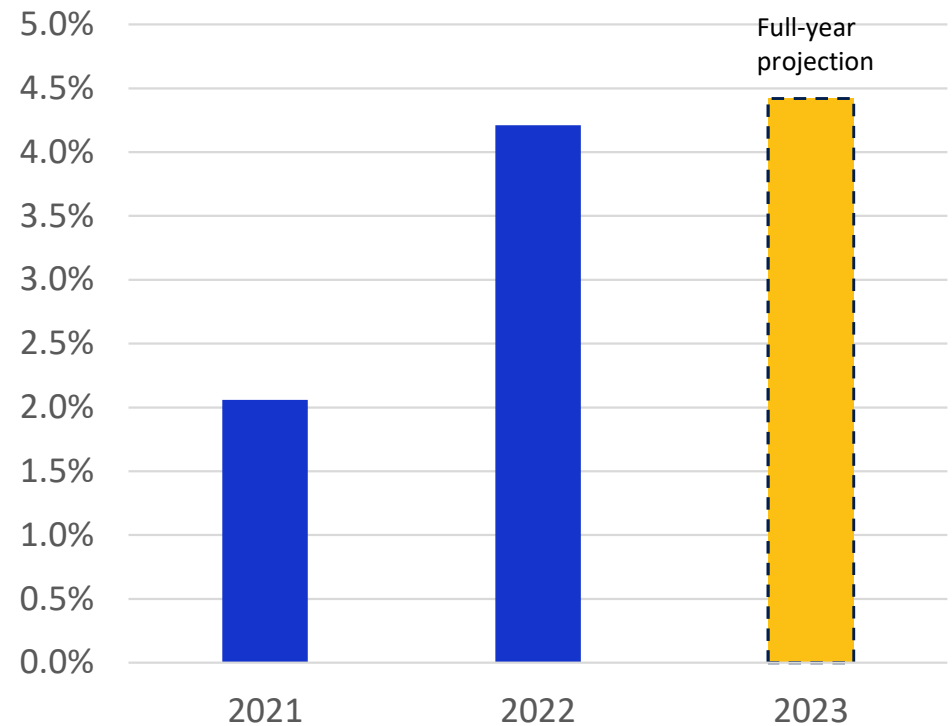
Private consumption in Asia Pacific is likely to improve this year in part due to Mainland China's re-opening

While inflation has peaked for most Asia Pacific economies, it is likely to remain elevated this year

Real private consumption in Asia Pacific

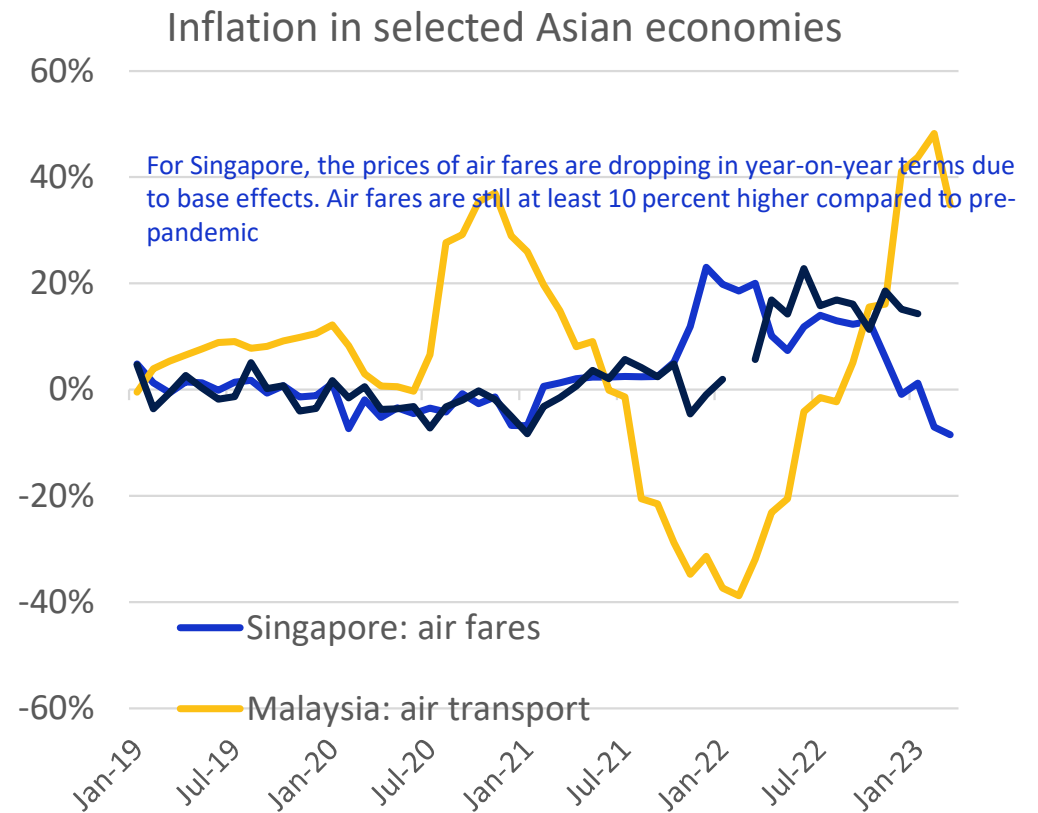
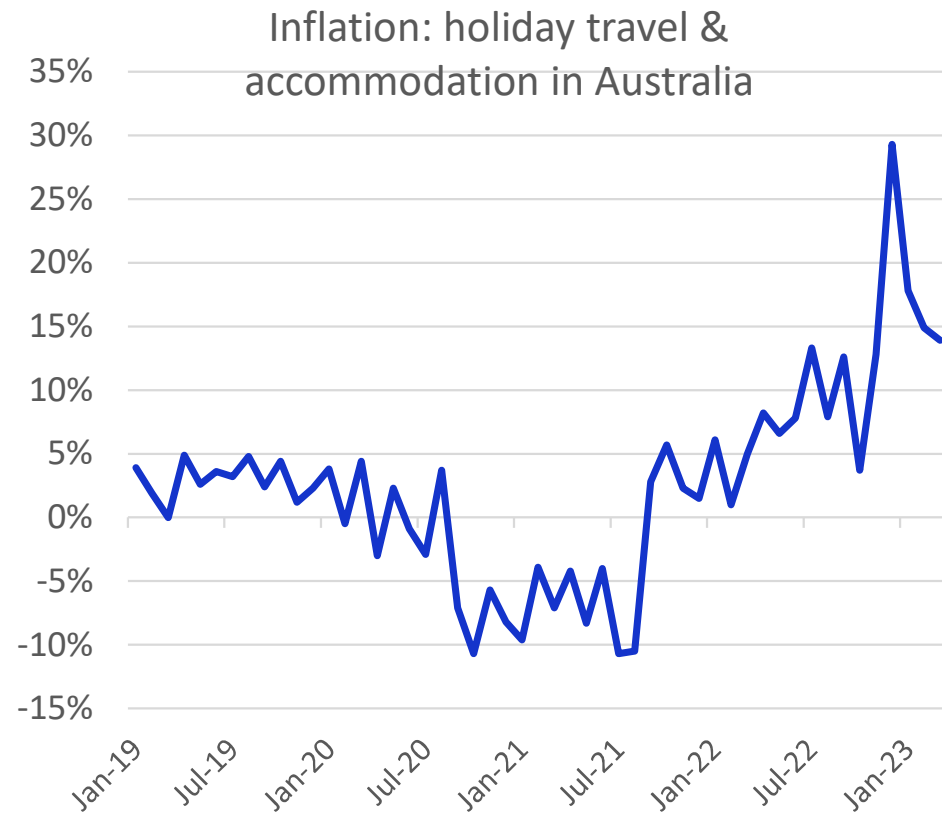


Inflation in Asia Pacific



As borders re-open, prices of air travel and hotels have increased

They are likely to stay elevated for some time given the pent-up demand for travel

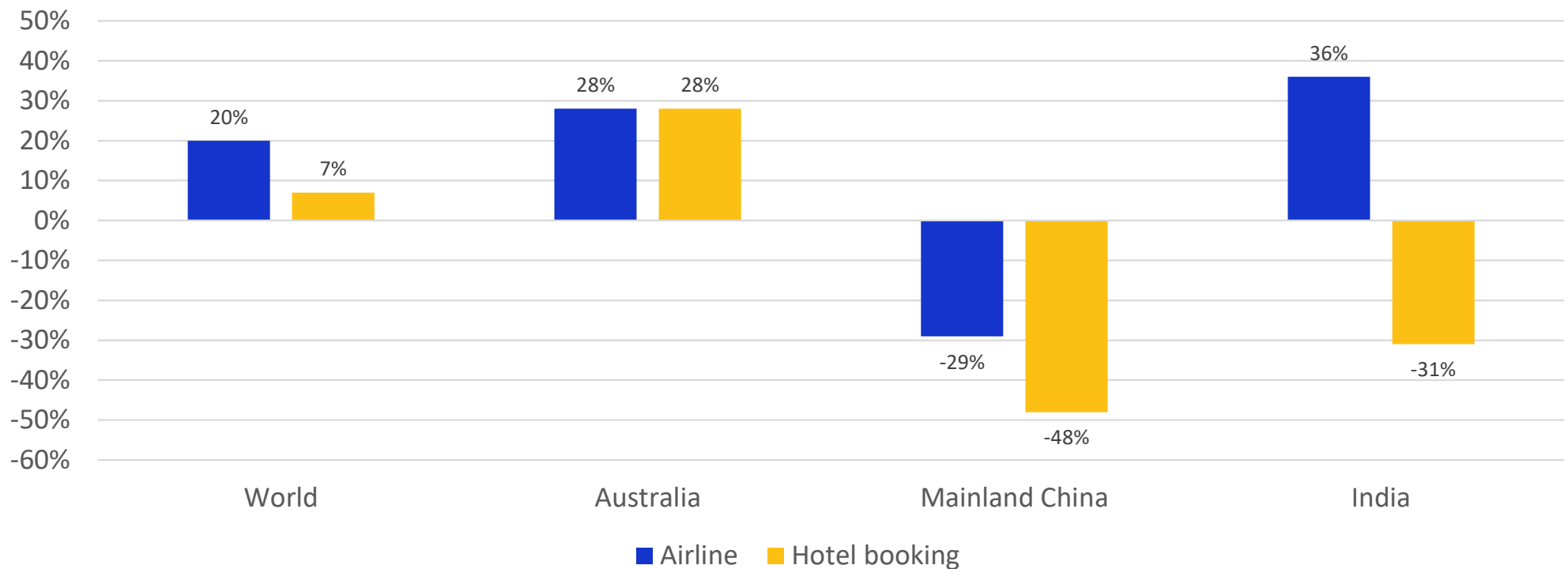


Source: CEIC, Australian Bureau of Statistics, Singapore Department of Statistics, Malaysia Department of Statistics, Hong Kong Census and Statistics Department

In general, the downloads of travel-related apps globally have risen compared to pre-pandemic

However, the downloads of travel-related apps within Asia Pacific have varied significantly

Growth in downloads of travel-related mobile apps between 2019 and 2022



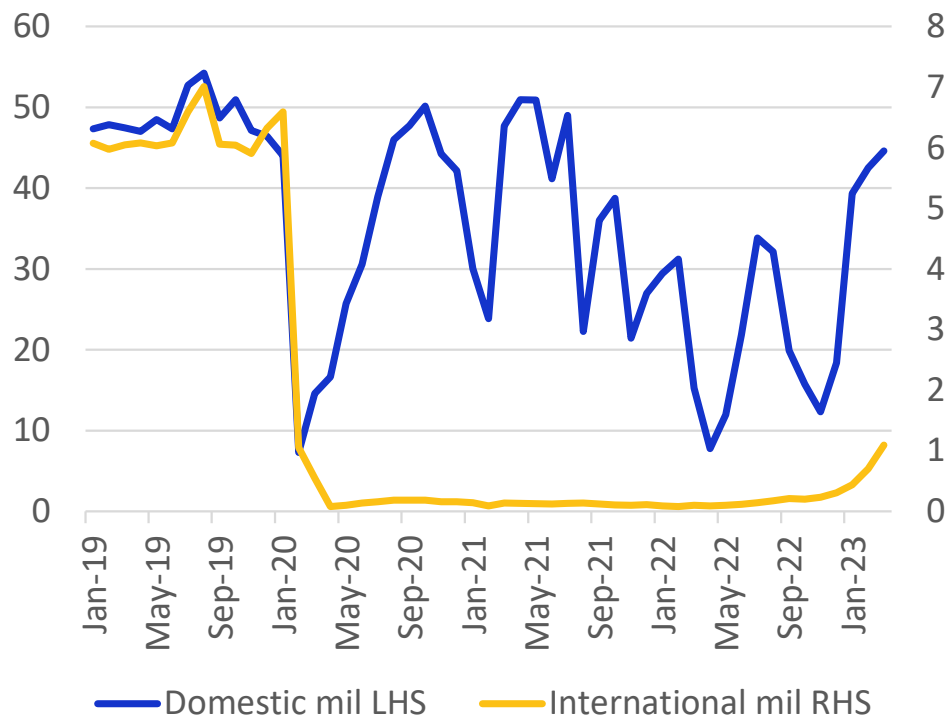
Source: data.ai
<https://www.data.ai/en/go/state-of-mobile-2023/>

Note: Downloads are across iOS and Google Play; China is iOS only.

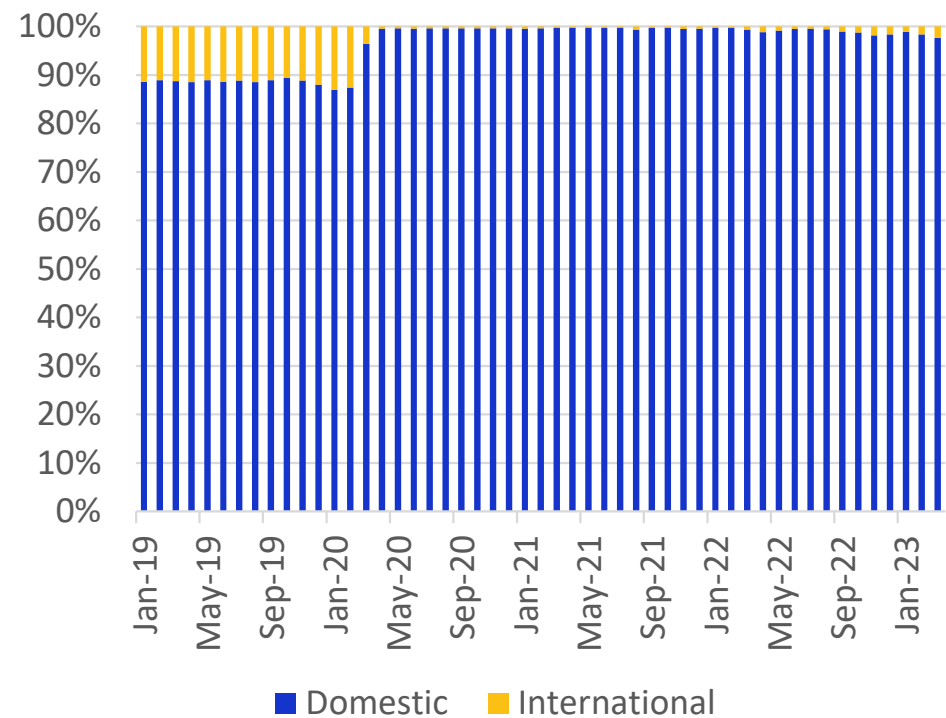
Since the lockdown, the Chinese have leaned towards domestic tourism

International air passenger traffic should see a sharp uptick in the coming months based on current momentum

Mainland China air passenger traffic



Share of total air passenger traffic

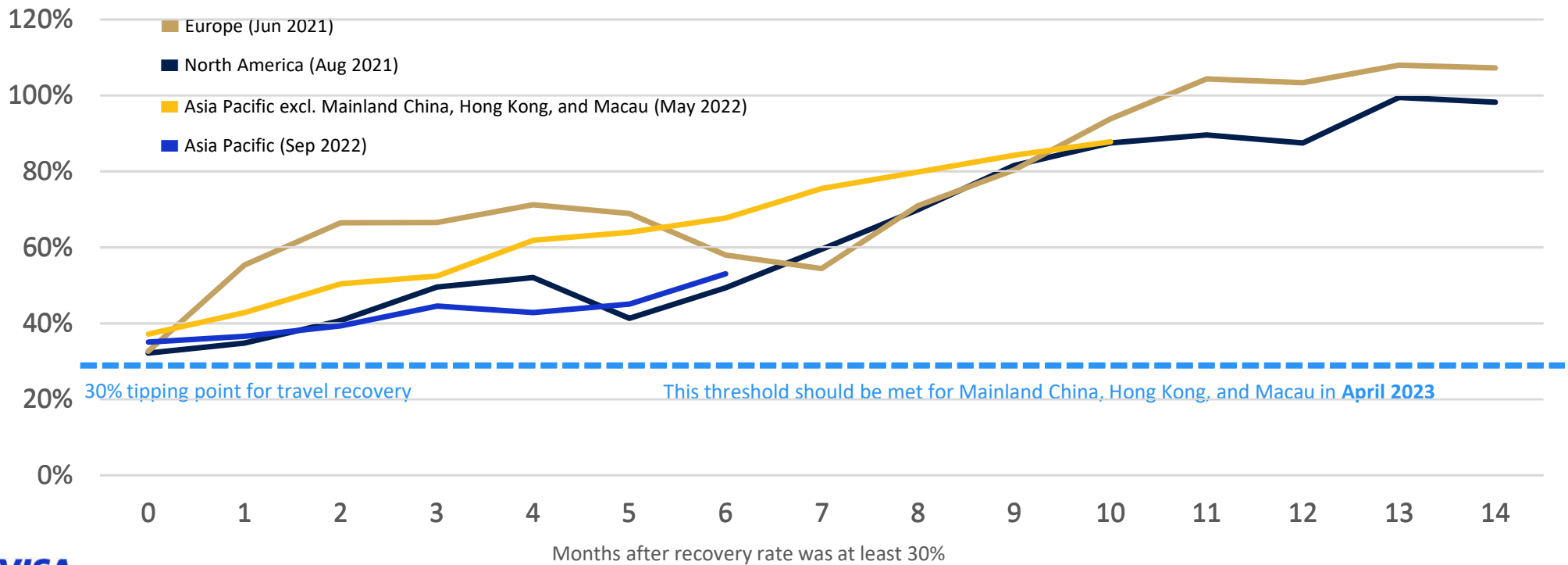


Source: CEIC, Civil Aviation Administration of China

A 30 percent recovery rate has formed the base for forward momentum

That threshold was reached in Asia Pacific a full year later than either North America or Europe.

Asia's outbound travel recovery relative to the recoveries in Europe and North America
(Monthly travel volumes relative to the same month in 2019)

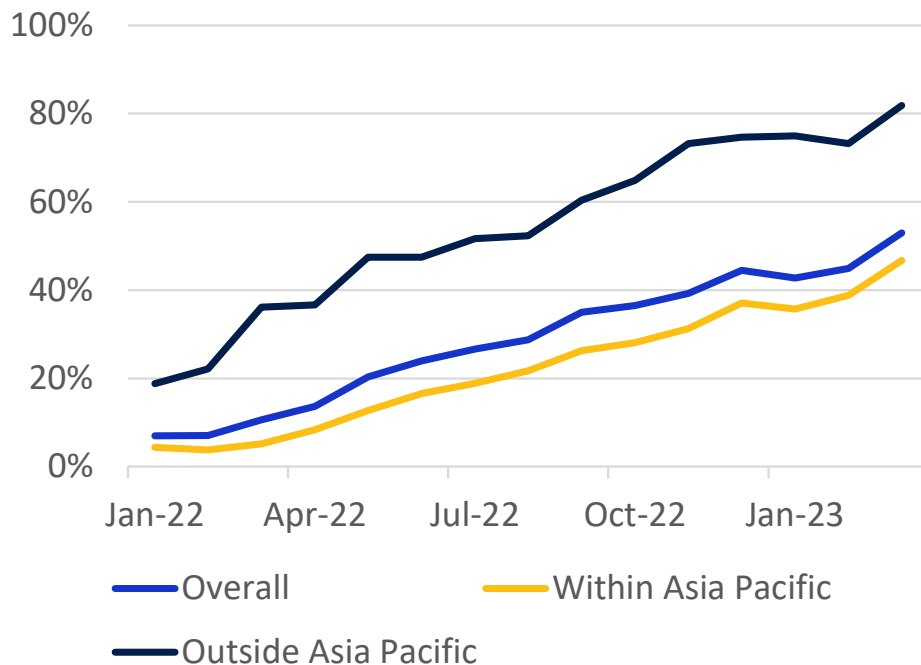


Source: Visa International Travel Platform

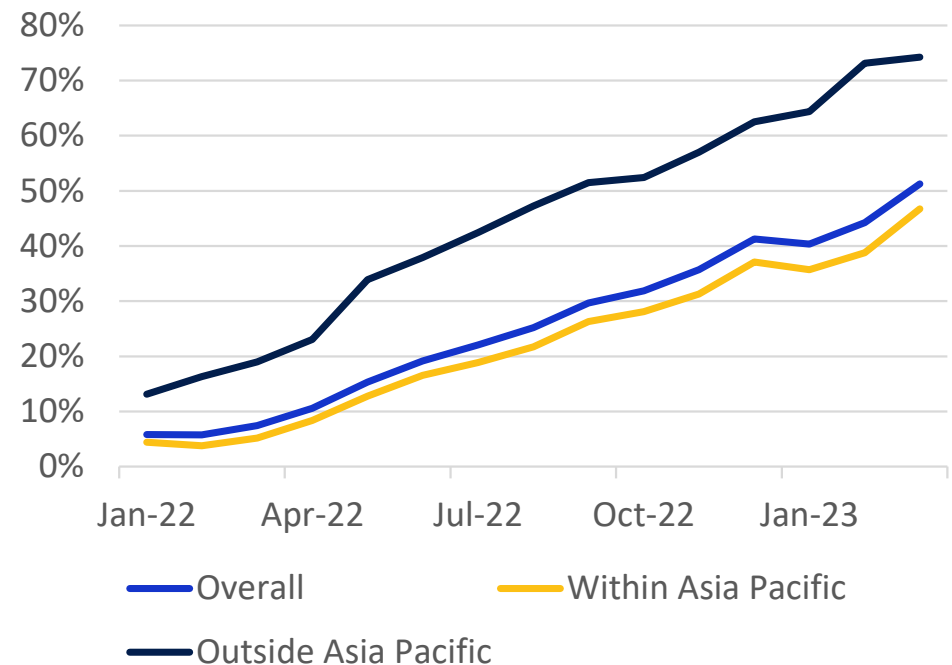
Asia Pacific monthly outbound travel could match its 2019 levels as early as the third quarter of 2023

Inter-regional travel from and to Asia Pacific is recovering at a much faster pace

Asia Pacific outbound travel recovery (share of 2019 levels)



Asia Pacific inbound travel recovery (share of 2019 levels)

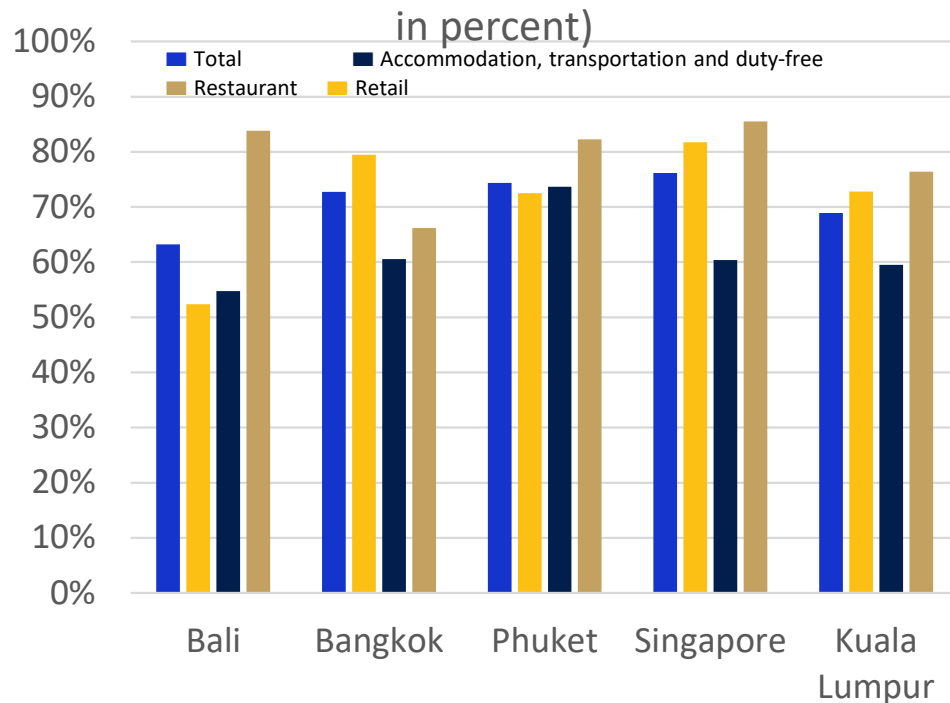


Source: Visa International Travel Platform

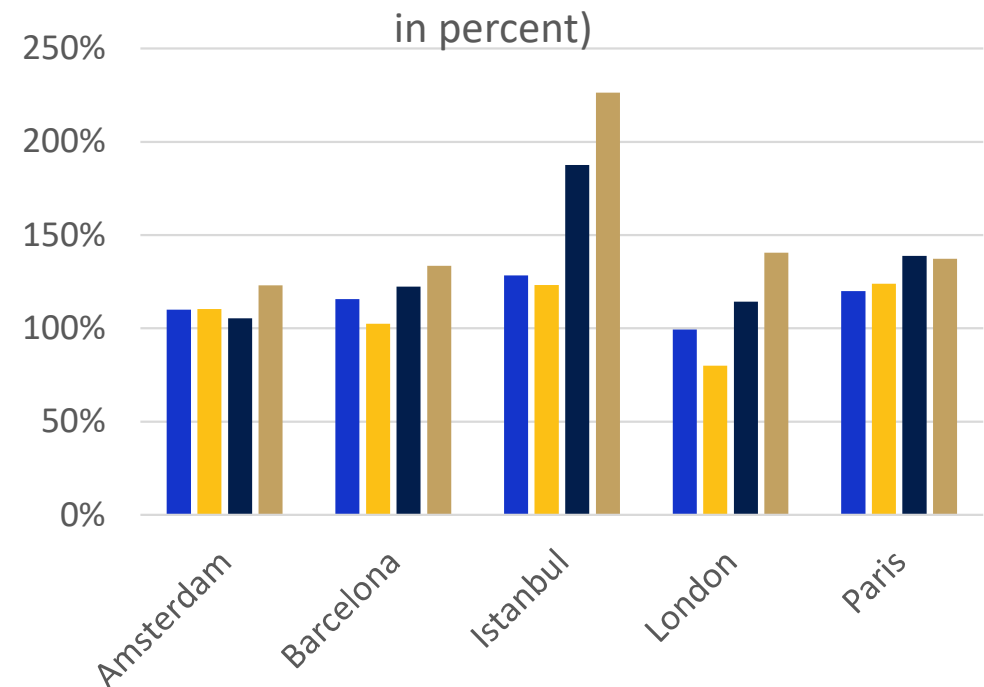
Using Visa-branded credentials in popular cities, recovery in tourism spend was rather fast

Tourism spend on restaurants was generally comparable or higher than retail spend in these cities in part due to higher food inflation and demand for experiences

Tourism spend in top cities in Asia Pacific
(Share of spend in 2022 relative to 2019)

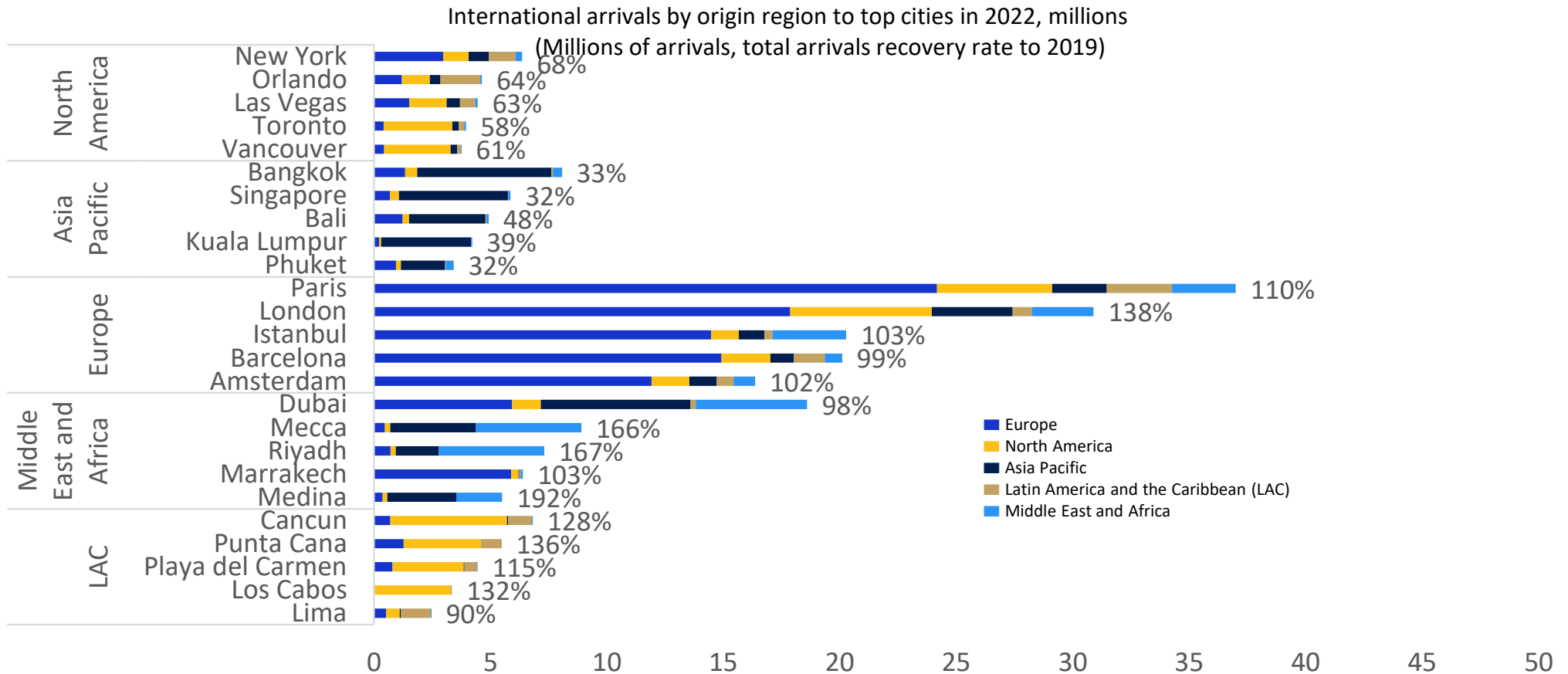


Tourism spend in top cities in Europe
(Share of spend in 2022 relative to 2019)



Reshuffling of travel destinations is underway

Tokyo, which ranked as the ninth most popular destination globally in 2019, saw its global rank fall to 93 and recovered only 16 percent of its 2019 visitor volumes



And are travelling to destinations inspired by...

The Bridgerton inspired travel recovery to Bath

The intersection of commerce and content

Key Takeaways

1

Asian economies are still holding up

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1

Asian economies are still holding up

2

Pent-up demand for travel is still strong

Key Takeaways

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2

Pent-up demand for travel is still strong

3

Travel preferences are changing post-pandemic

Thank you

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Rise
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