

CAN INDIA DRIVE SOUTHEAST ASIA'S TOURISM RECOVERY?

JUL 2022



SUMMARY

- With China's borders still closed, Southeast Asian countries are searching for **new potential markets** to offset the loss
- **China accounted for 22%** of total arrivals in 2019 for Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam
- That figure has **dropped to just 2.6% in 2022 YTD**
- **India is being championed** by SE Asian countries as the next top source market, with its growing outbound market, high traveller confidence, rising interest in SE Asia and the continuously expanding direct air travel links with SE Asia
- **India is now among the top source markets for SEA countries in 2022**, accounting for 12.8% of total arrivals in Singapore, Thailand, and Indonesia, compared to just 5.4% in 2019
- Fully-vaccinated Indian tourists are currently permitted allowed to travel to SEA countries **quarantine-free**, and mostly **test-free**

"India is an important market to offset the loss of Chinese tourists"

- Thanet Phetsuwan, Deputy Governor of Marketing for Asia and South Pacific, Tourism Authority of Thailand

"India is definitely a very, very important market. [...] China, I'm not saying it's not, but at the current state, we have to work around what we have"

- Riad Asmat, CEO, AirAsia Malaysia

"India is obviously a very important [market] because it's going to be massive"

- Goh Choon Phong, CEO, Singapore Airlines

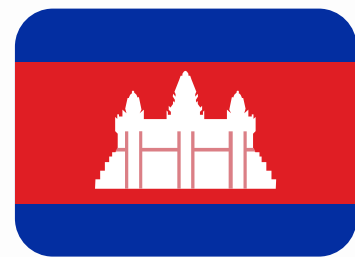
CAN INDIAN TOURISTS TRAVEL TO SOUTHEAST ASIA?

	PRE-DEPARTURE TESTING	ON-ARRIVAL TESTING
CAMBODIA	None	None
INDONESIA	None	None
LAOS	None	None
MALAYSIA	None	None
PHILIPPINES	RT-PCR within 48h or ART within 24h prior to departure for non-boosted travellers	None
SINGAPORE	None	None
THAILAND	None	None
VIETNAM	None	None

**for fully vaccinated adults travelling by air*

CAN INDIAN TOURISTS TRAVEL TO SOUTHEAST ASIA?

Visa on Arrival



US\$30.00

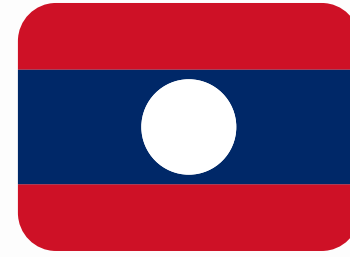


IDR 500,000
(US\$35.00)



THB 2,000
(US\$55.38)

e-Visa



USD \$50.00

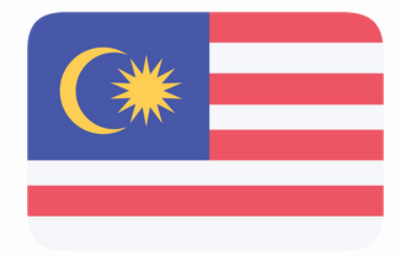


US\$25.00

Short-term Visit Visa



INR 3,160
(US\$39.72)

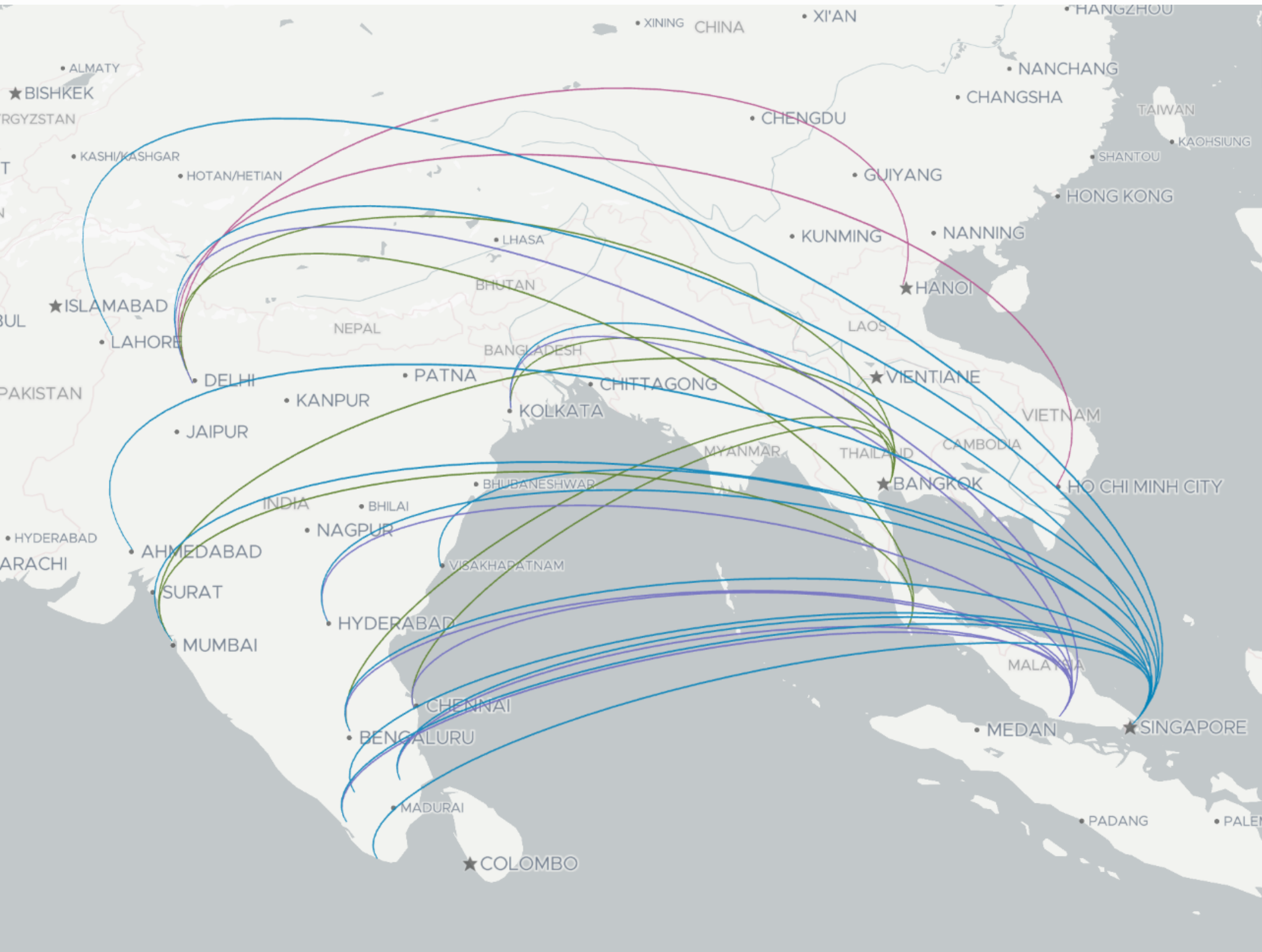


MYR 50.00
(US\$11.30)



SGD \$30.00
(US\$21.39)

DIRECT FLIGHT CONNECTIONS



SEA and India have 37 direct flight connections

Singapore <> Delhi, Mumbai, Ahmedabad,
Bangalore, Hyderabad, Kochi, Kolkata,
Amritsar, Coimbatore, Trivandrum,
Tiruchirappalli, Visakhapatnam

Kuala Lumpur <> Delhi, Bangalore, Chennai, Kolkata, Hyderabad, Kochi, Tiruchirappalli

Bangkok <> Delhi, Mumbai, Chennai, Bangalore, Kolkata

Phuket <> Mumbai, Delhi

Ho Chi Minh City <> Delhi, Mumbai

Hanoi <> Delhi, Mumbai

Da Nang <> Delhi, Mumbai, Hyderabad, Ahmedabad, Bangalore

SOUTHEAST ASIAN CARRIERS ARE EXPANDING THEIR INDIAN NETWORK AND CAPACITY

- The number of seats for Vietnam-India direct flights increased **6-fold** in 2022 vs 2019
- **8 out of 10** largest Vietnam-India airport pairs in 2019 is now served **nonstop** in 2022
- Bengaluru-Vietnam passengers grew by **41%** in 2 years from 34,000 passengers in 2019, despite having no direct routes.
- Vietjet will launch more direct routes to Bengaluru, connecting it with Hanoi, HCMC, and Da Nang from Nov 2022. The Da Nang-Bengaluru route will be operated 4x weekly, and **will have more seats for sale in one week than passengers in all of 2019**
- Vietjet will also launch the HCMC-Mumbai and Hanoi-Mumbai routes, as well as Phu Quoc-Mumbai and Phu Quoc-New Delhi from Sep 2022

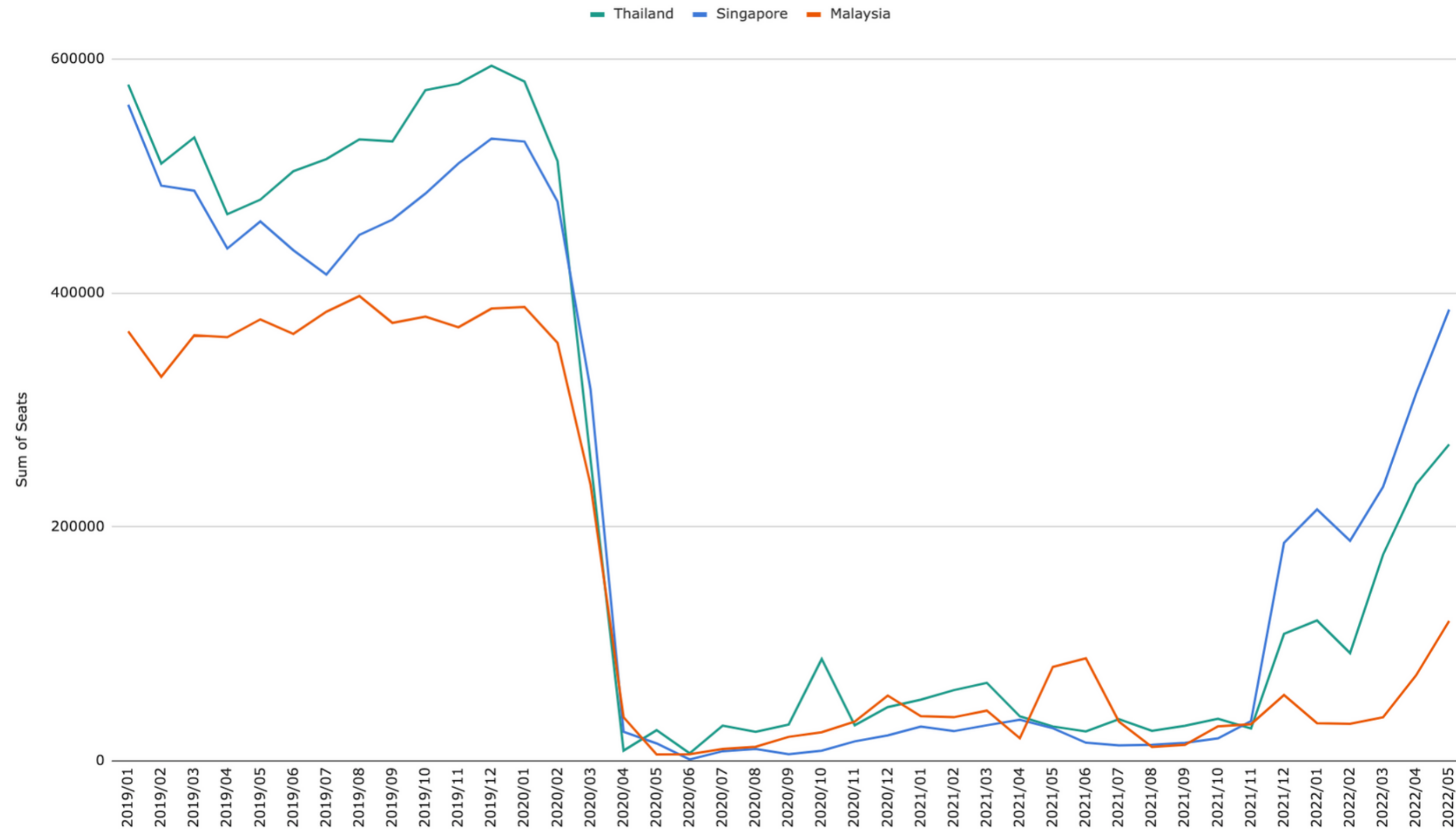
vietjet
All.com

SOUTHEAST ASIAN CARRIERS ARE EXPANDING THEIR INDIAN NETWORK AND CAPACITY

- Nok Air is considering opening routes to India, including Guwahati, Varanasi, Hyderabad and New Delhi
- Singapore Airlines plans to improve Vistara, SIA and Tata Sons' Indian full-service carrier. It also aims to almost fully restore its pre-pandemic Indian capacity by 30 Oct
- Malaysia Airlines aims to recover pre-pandemic Indian capacity by year-end



AIRLINE SEAT CAPACITY TO INDIA IS RECOVERING



Source:

OAG

MIDAS
AVIATION

Data accessed 11:20 (BST) on 31 May 2022.

INDIA IS NOW AMONG THE TOP 10 SOURCE MARKETS FOR MANY SE ASIAN COUNTRIES IN 2022



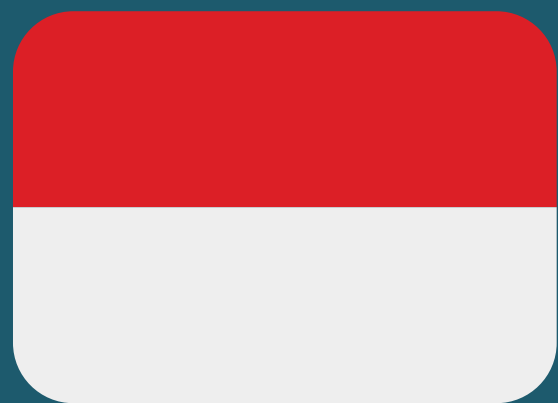
154,784

2nd largest source market
(Jan-May 2022)



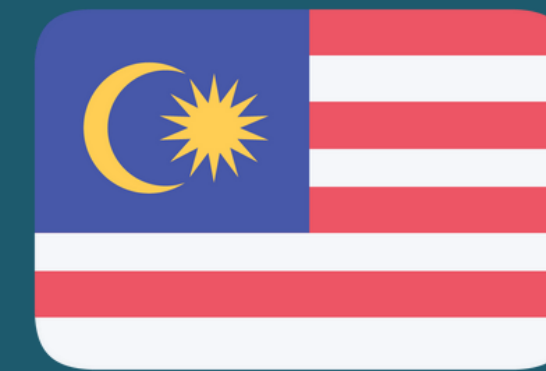
122,463

TOP source market
(Jan-May 2022)



27,239

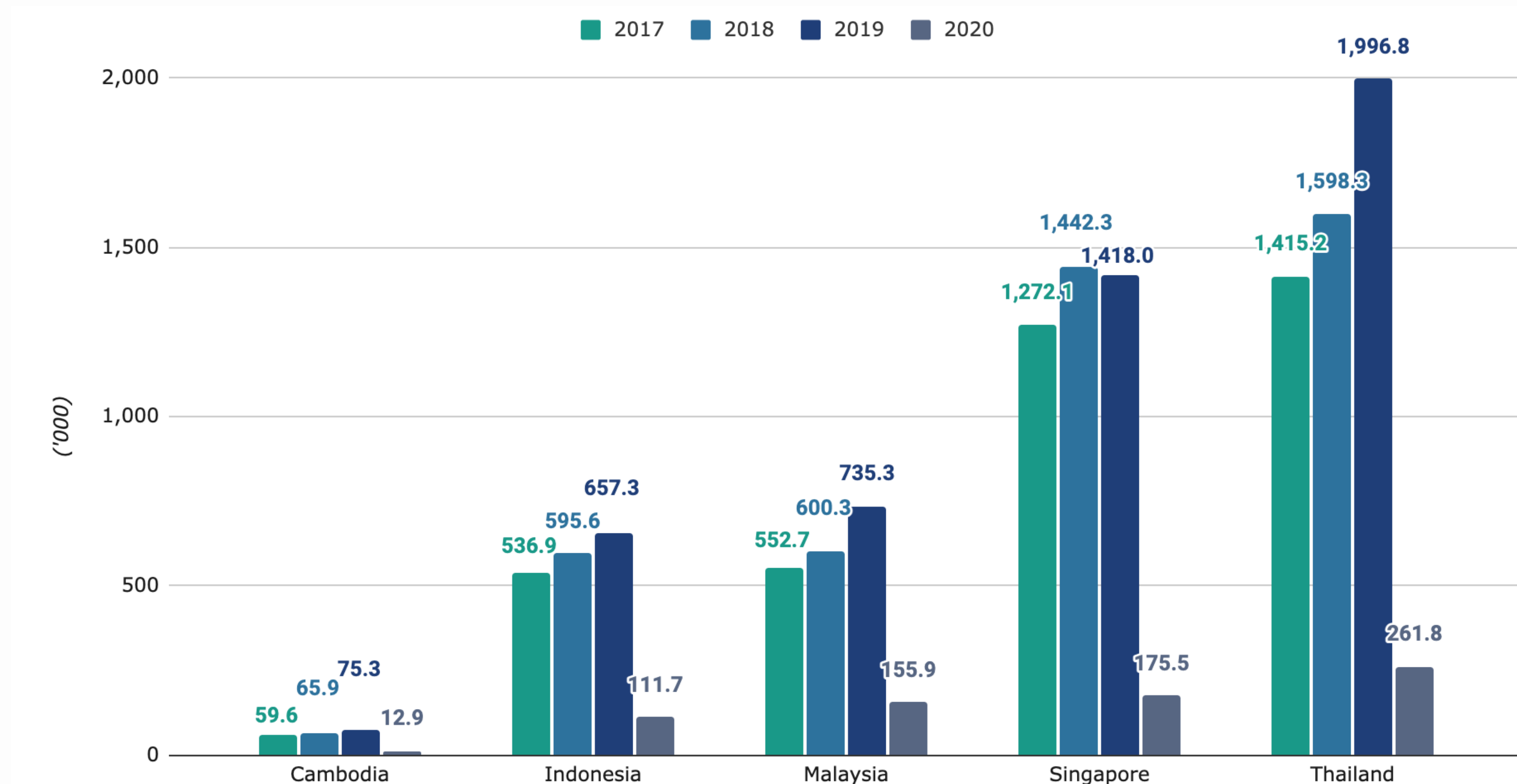
5th largest source market
(Jan-May 2022)



2,477

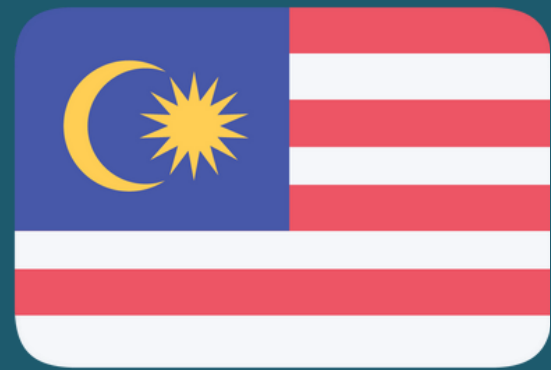
4th biggest source market
(1-4 Apr 2022, first 4 days of
Malaysia's border reopening)

INDIAN ARRIVALS IN SEA COUNTRIES WERE INCREASING IN THE YEARS LEADING UP TO THE PANDEMIC



Source: MoT Cambodia, Statistics Indonesia, Tourism Malaysia, Singapore Tourism Analytics Network, MoTS Thailand

WITH CHINA'S BORDERS STILL CLOSED, SE ASIAN COUNTRIES ARE TARGETING THE INDIAN MARKET



100,000

Indian travellers in 2022

1 million

Indian travellers by 2024



500,000

Indian travellers in 2022

24 billion THB

expected spend by Indian
travellers in 2022

COMPETITION IS HOTTING UP AS SEA COUNTRIES STEP UP EFFORTS TO ATTRACT INDIAN TRAVELLERS



Malaysia

- The Penang Convention and Exhibition Bureau held its 5th roadshow in India, with virtual B2B sessions targeting Kochi, Chennai, New Delhi and Mumbai

Singapore

- Singapore has launched its SingapoReimagine Reopening campaign in India

SINGAPOREIMAGINE^{SG}

COMPETITION IS HEATING UP AS SEA COUNTRIES STEP UP EFFORTS TO ATTRACT INDIAN TRAVELLERS

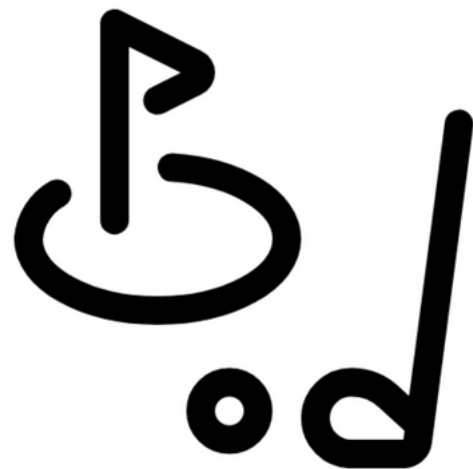
Many Southeast Asian Tourism Organisations participated in SATTE (South Asia's Travel & Tourism Exchange) 2022 in New Delhi from 18-20 May, including:



- Malaysia Tourism Promotion Board
- Ministry of Tourism of the Republic of Indonesia
- Singapore Tourism Board
- Tourism Authority of Thailand



**Weddings &
Honeymoons**



Golf

**SOUTHEAST ASIA'S
TARGET MARKETS**



**Digital
Nomads**



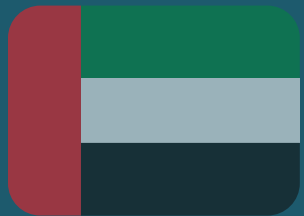
Families

INDIA RANKED FIRST IN BOOKING.COM'S APAC TRAVEL CONFIDENCE INDEX 2022, SHOWING THE MOST CONFIDENCE ABOUT TRAVEL DURING THE PANDEMIC

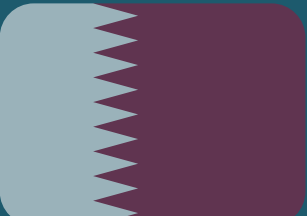
- 86% of Indian travellers intend to travel in the next 12 months
- 70% of Indian travellers accept that their tour may get disrupted due to various restrictions
- **78% believes that leisure is extremely important** while keeping overall health and safety in mind
- Major deterrents to travel include border regulations (35%), travel cost (38%), and fear of mandatory quarantine (37%)
- 89% were fine with postponing their trips due to COVID-19 cases

TOP 10 DESTINATIONS FOR INDIAN OUTBOUND TRAVELLERS

2019



UAE
6.4M



QATAR
1.1M



SAUDI ARABIA
2.9M



KUWAIT
985K



US
1.9M



OMAN
941M



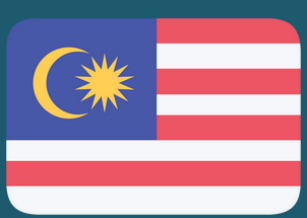
THAILAND
1.7M



UK
826K



SINGAPORE
1.6M

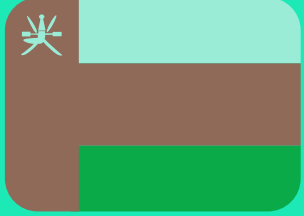


MALAYSIA
775K

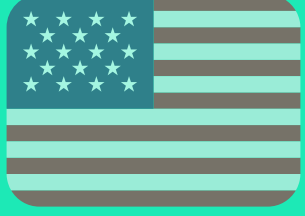
2020



UAE
2.5 M



OMAN
281K



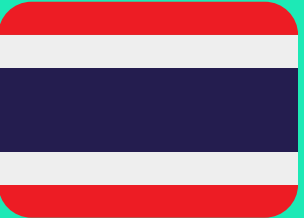
US
593K



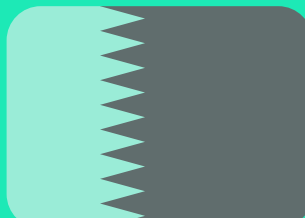
UK
259K



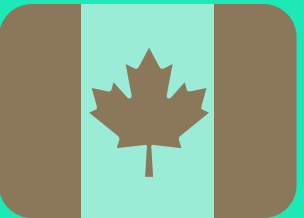
SAUDI ARABIA
550K



THAILAND
236K



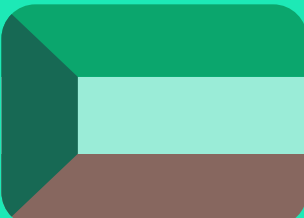
QATAR
305K



CANADA
227K

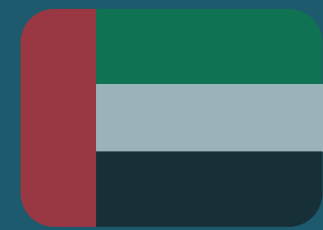


SINGAPORE
289K

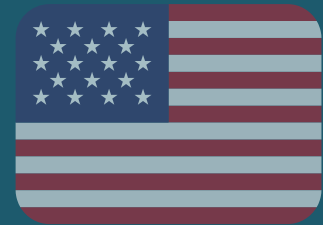


KUWAIT
191K

SOUTHEAST ASIA WAS NOT AMONG THE MOST POPULAR CHOICES FOR INDIAN OUTBOUND TRAVELLERS IN Q1 2022...



UAE
#1



US
#2



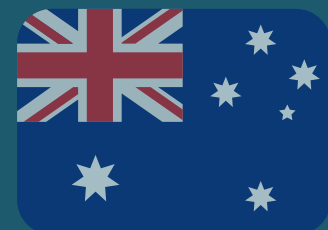
CANADA
#3



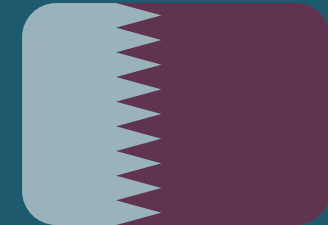
UK
#4



SAUDI ARABIA
#5



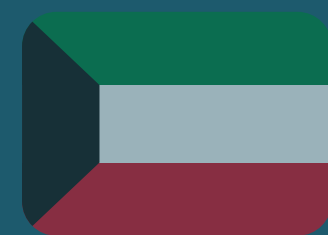
AUSTRALIA
#6



QATAR
#7



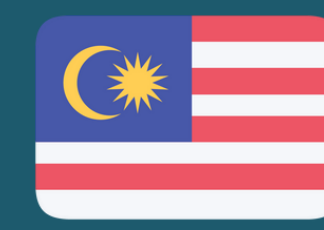
SINGAPORE
#8



KUWAIT
#9



BANGLADESH
#10



MALAYSIA
#16



THAILAND
#21



PHILIPPINES
#31



INDONESIA
#33

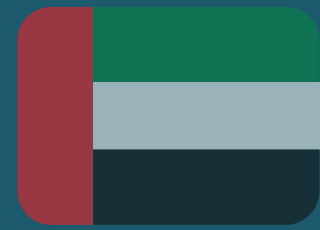


VIETNAM
#49

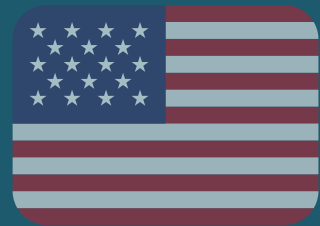
... BUT STARTED TO GAIN MORE INTEREST FROM PEAR ANDERSON

INDIAN OUTBOUND TRAVELLERS IN APR-JUN 2022

AS BORDERS REOPENED



UAE
#1



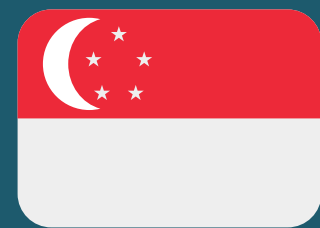
US
#2



CANADA
#3



UK
#4



SINGAPORE
#5 ↑



THAILAND
#6 ↑



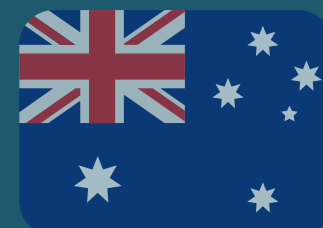
MALDIVES
#7



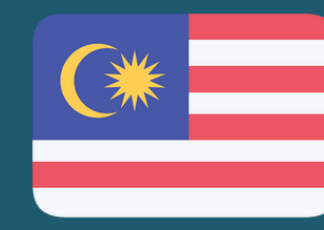
NEPAL
#8



INDONESIA
#9 ↑



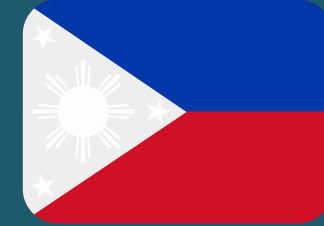
AUSTRALIA
#10



MALAYSIA
#23 ↓



VIETNAM
#27 ↑



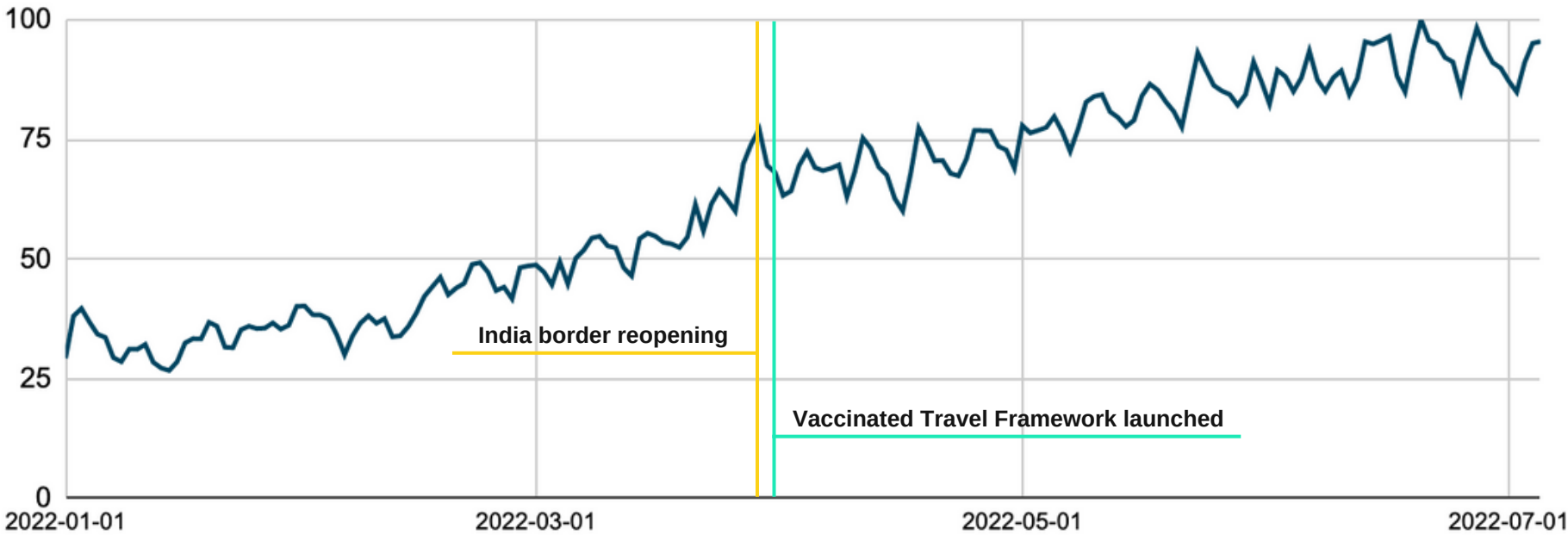
PHILIPPINES
#29 ↑



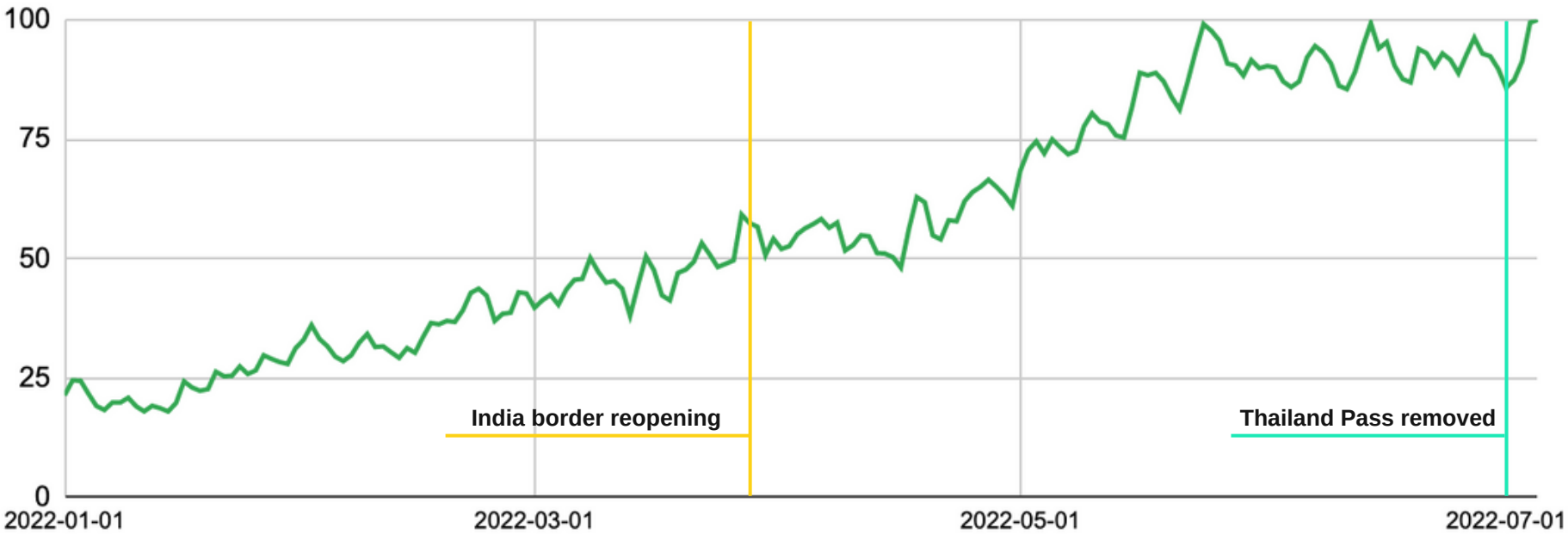
CAMBODIA
#31 ↑

TRAVEL INTEREST FROM INDIA TO SE ASIAN COUNTRIES IS RISING

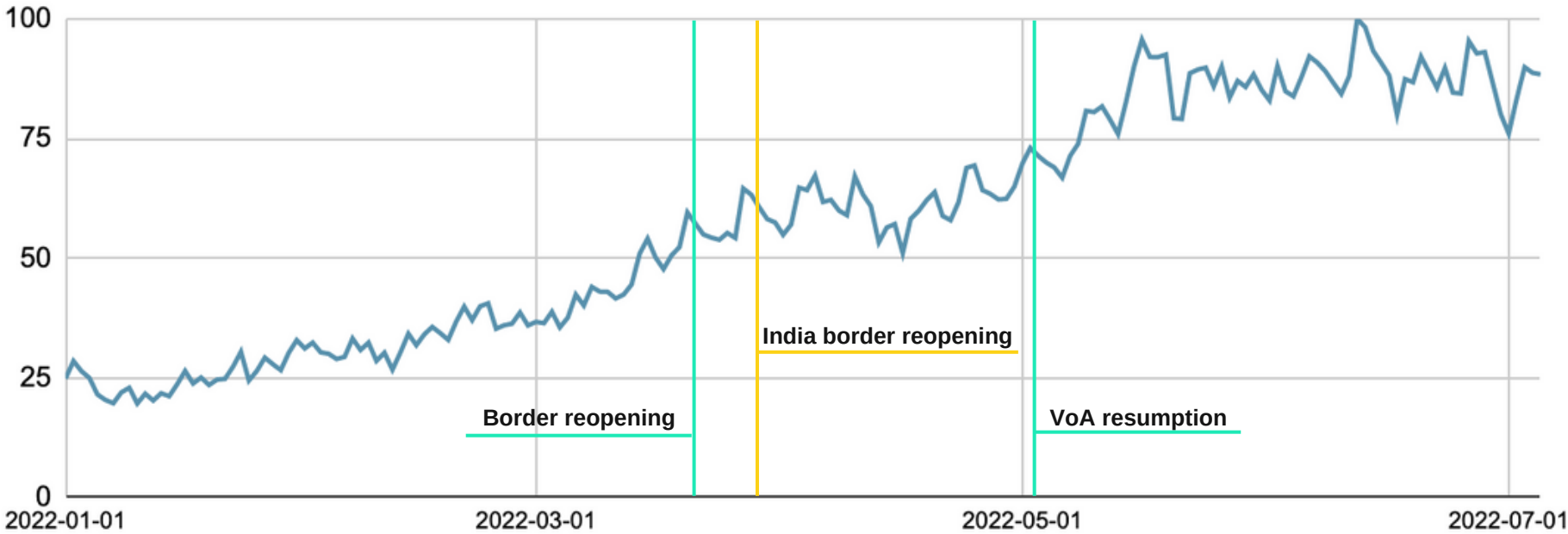
Air Travel Searches from India to Singapore



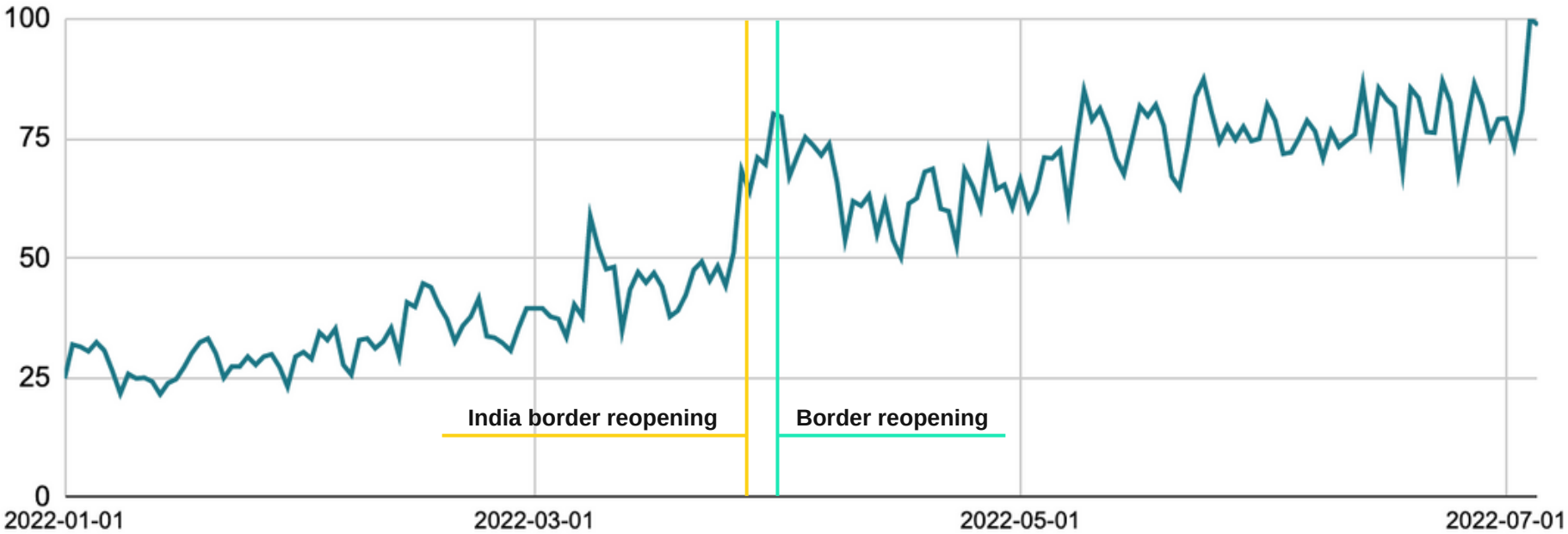
Air Travel Searches from India to Thailand



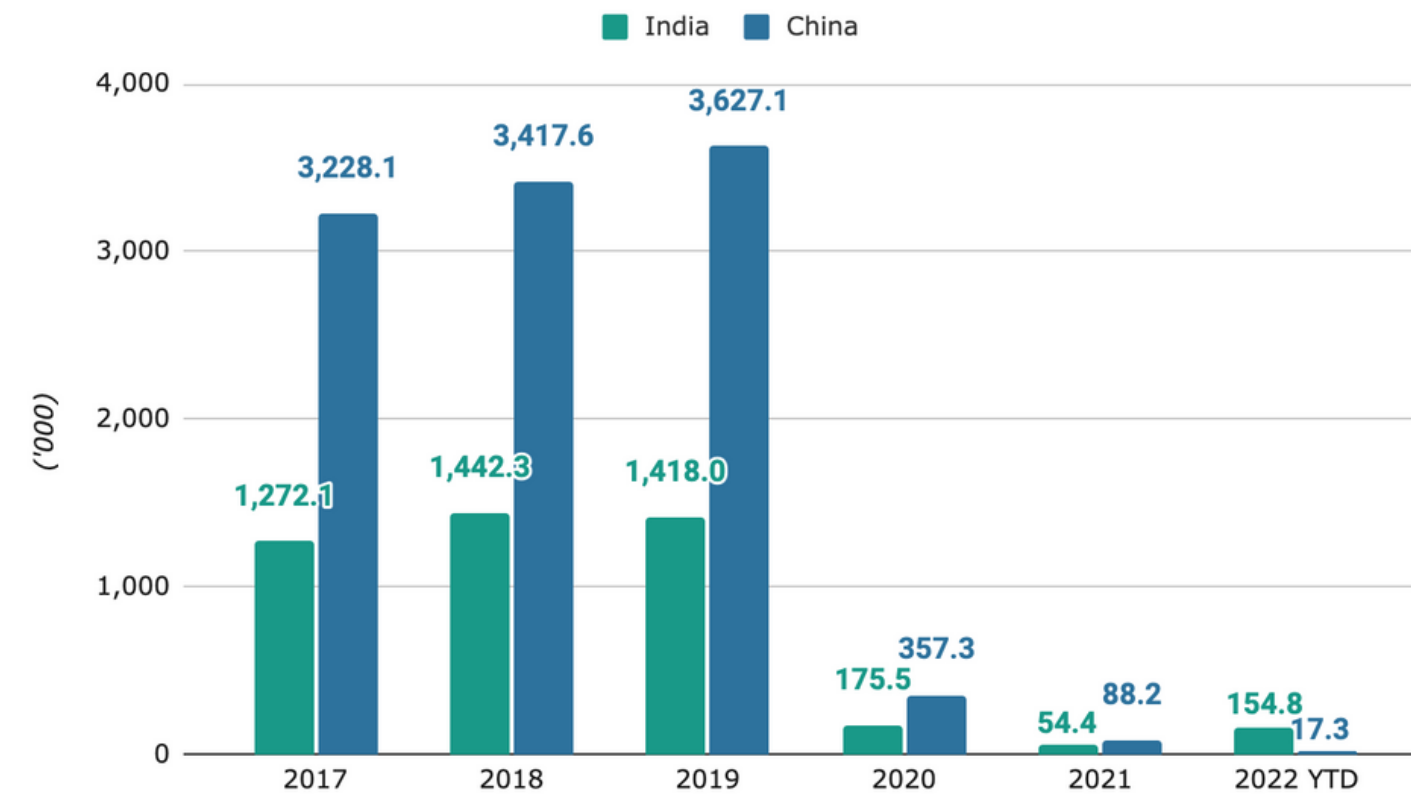
Air Travel Searches from India to Indonesia



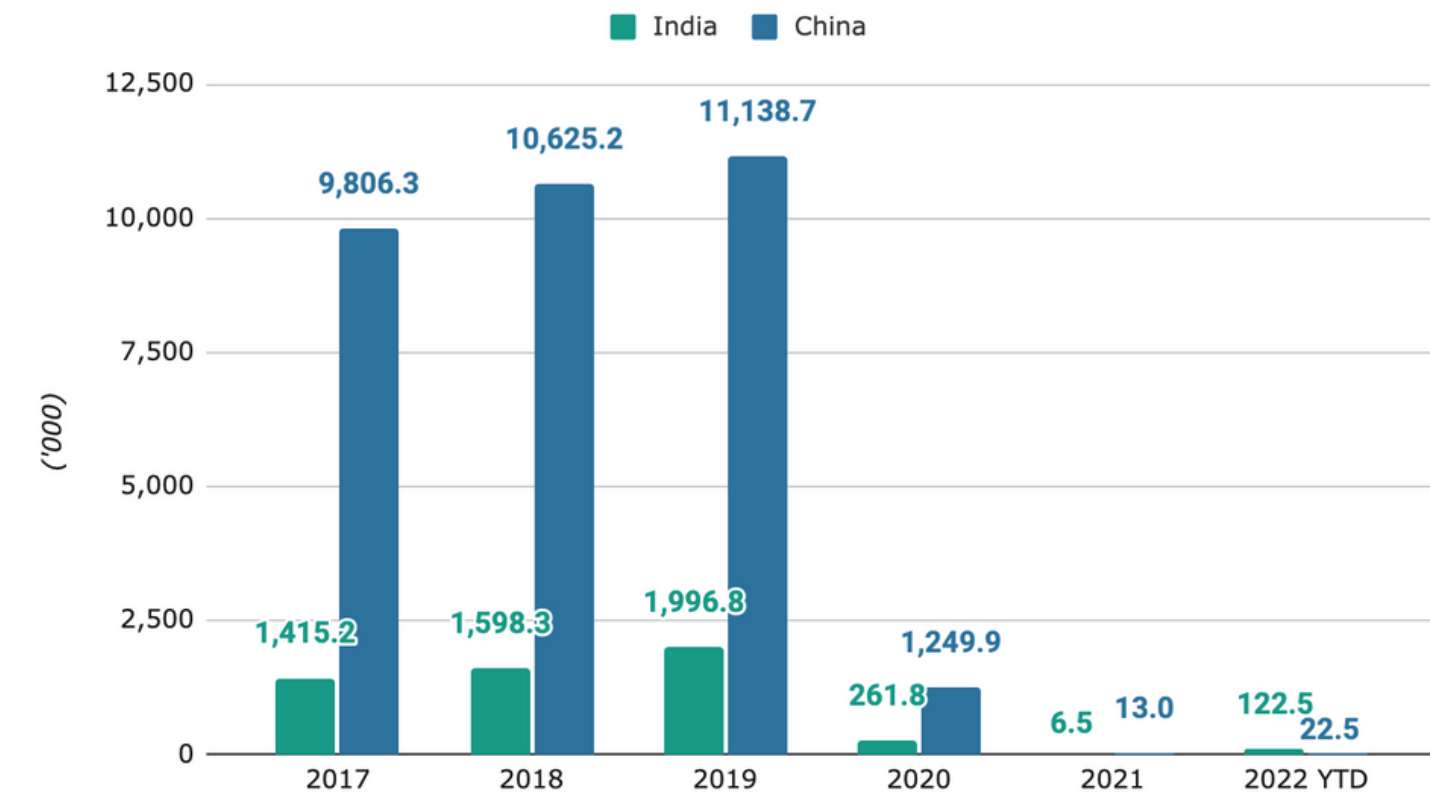
Air Travel Searches from India to Malaysia



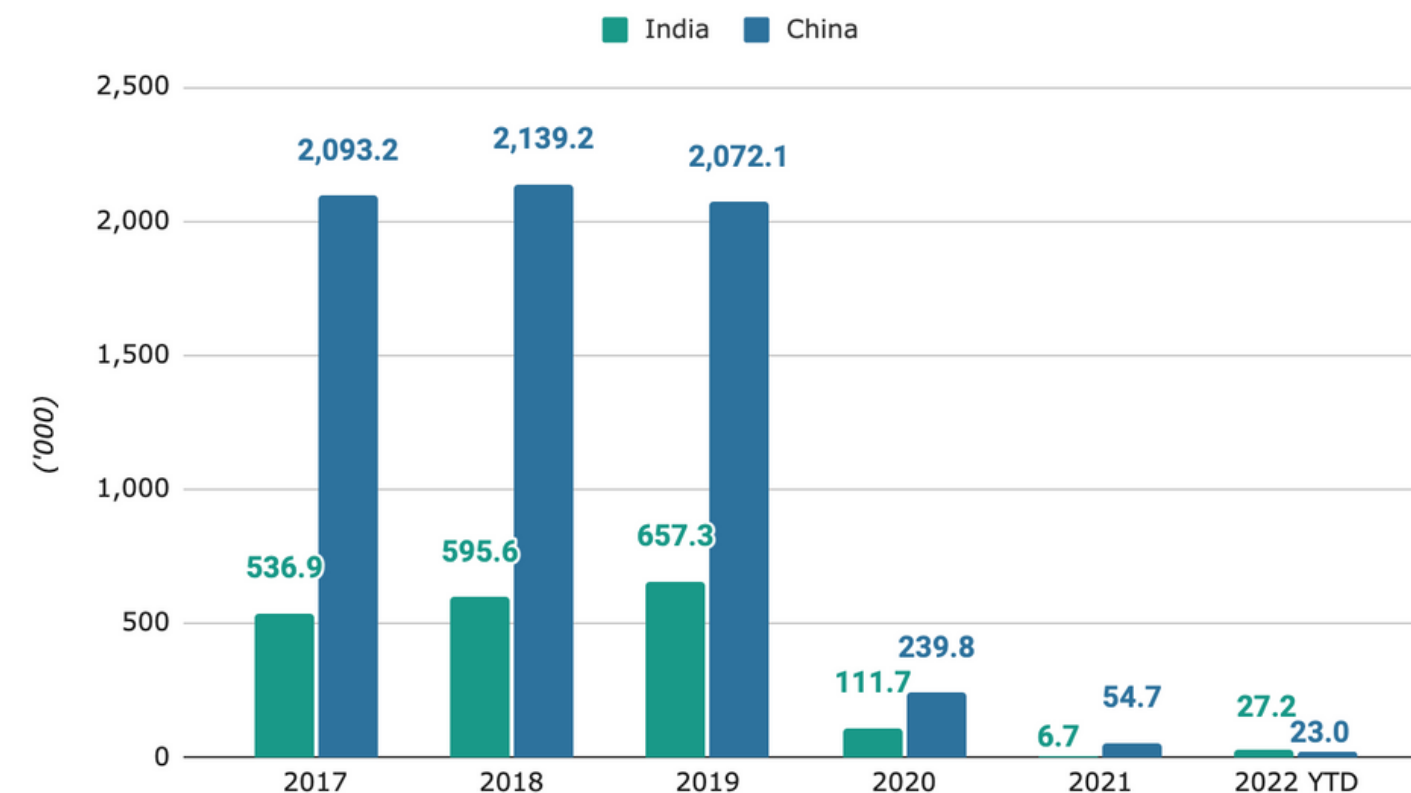
Arrivals to Singapore: India vs China



Arrivals to Thailand: India vs China

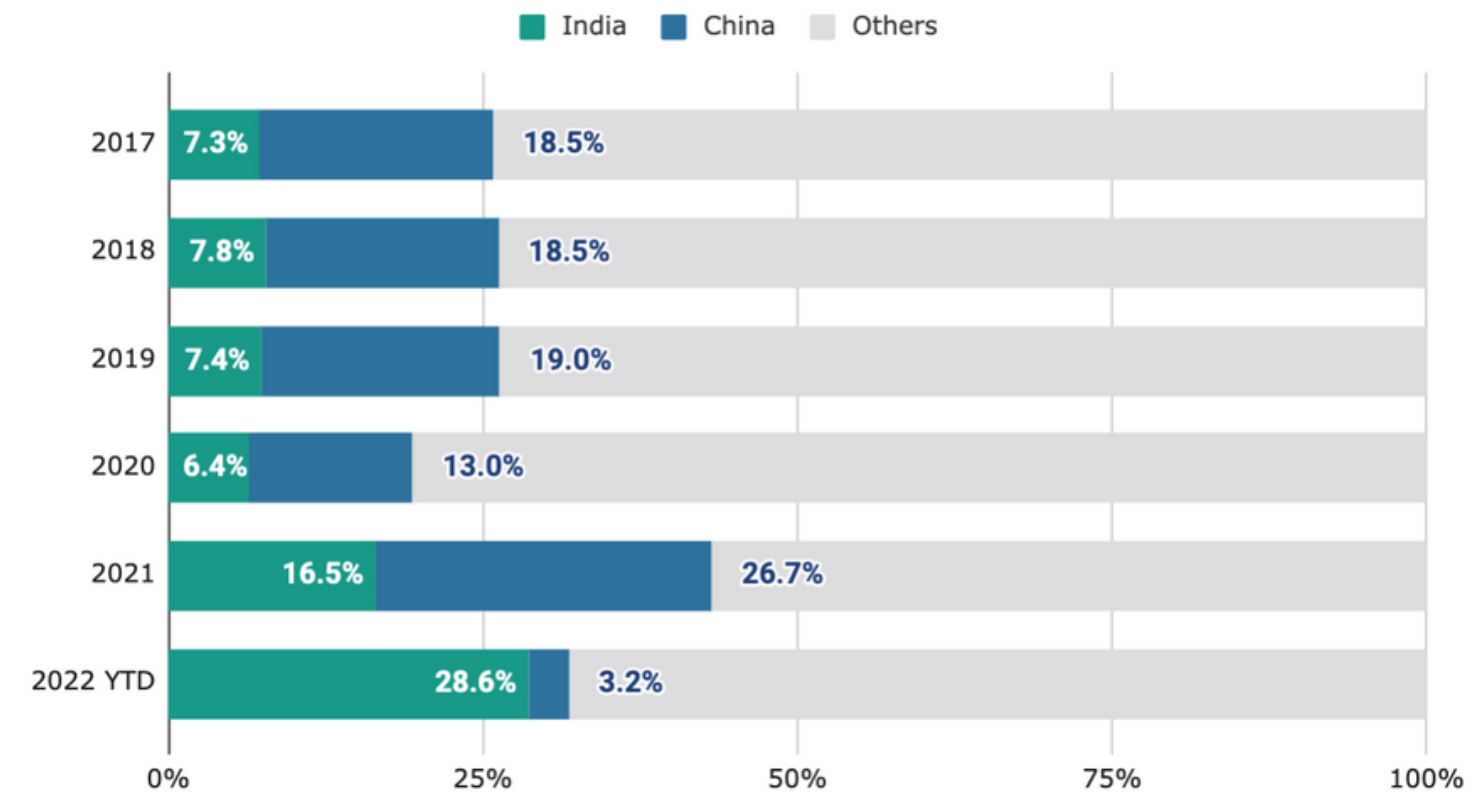


Arrivals to Indonesia: India vs China

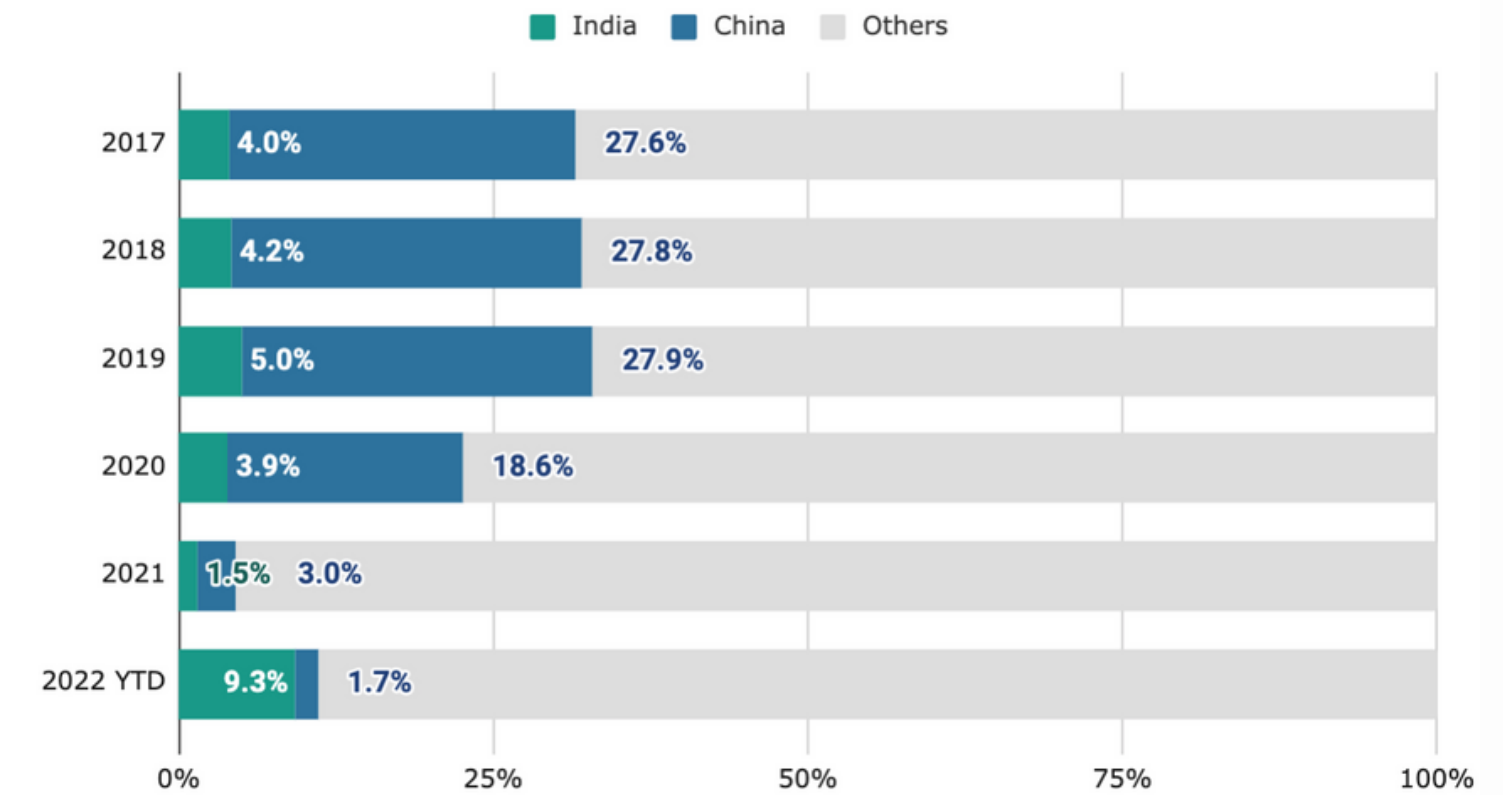


**ARRIVALS FROM INDIA IN 2022
ARE NOW SURPASSING THOSE
FROM CHINA, ONE OF THE TOP
SOURCE MARKETS PRE-
PANDEMIC**

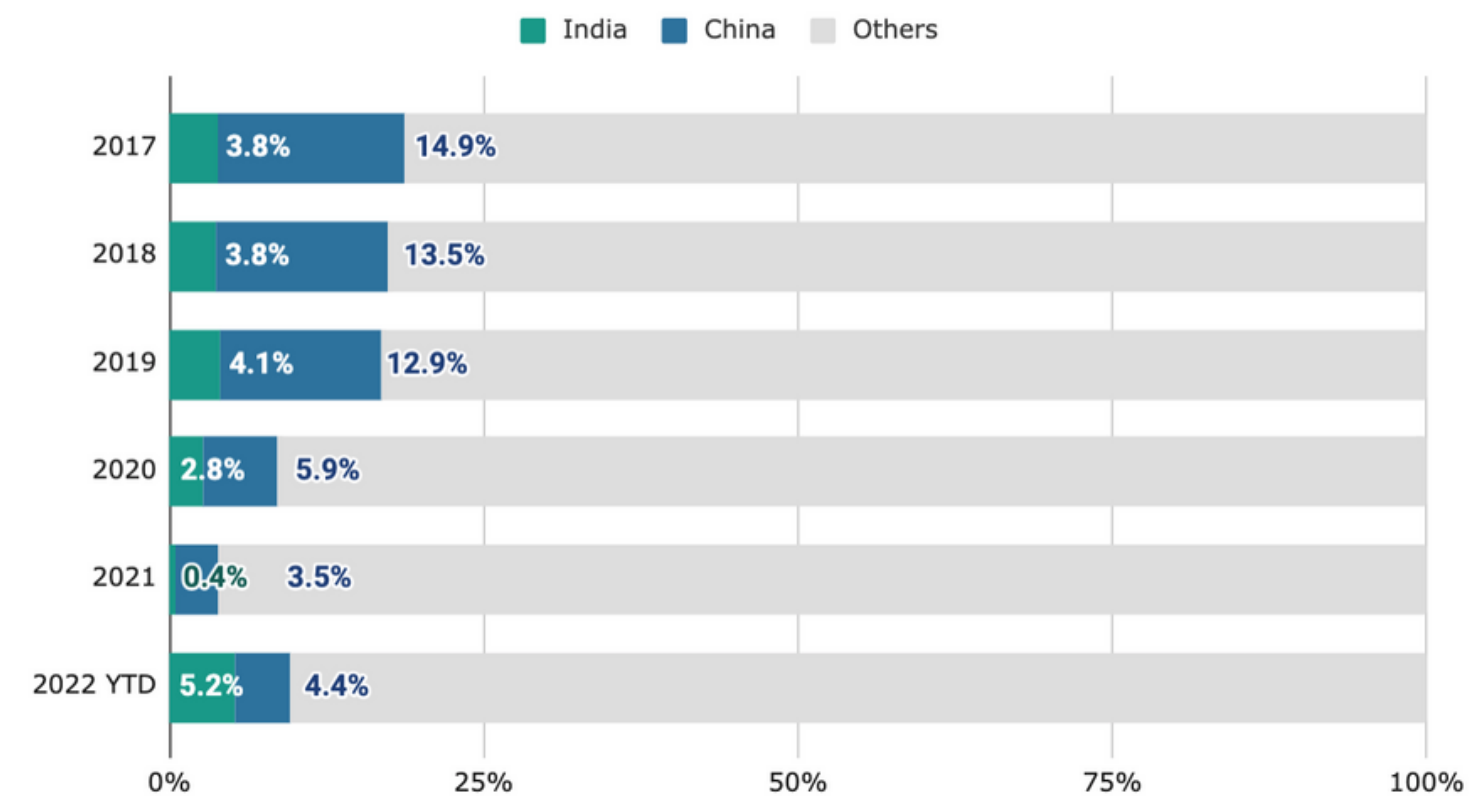
Market Share Singapore: India vs China



Market Share Thailand: India vs China



Market Share Indonesia: India vs China



**INDIA IS ALSO OCCUPYING
A LARGER MARKET SHARE
IN 2022 COMPARED TO
PRE-PANDEMIC**

CAN INDIAN TRAVELLERS DRIVE SOUTHEAST ASIA'S TOURISM RECOVERY?

- Right now, **Indian travellers are driving recovery**, with other top pre-pandemic source markets like China and Japan facing tight border restrictions
- However, the number of Indian arrivals, and the total arrivals to SEA countries, **are still only a fraction of pre-pandemic figures**
- SE Asia needs time to recover to pre-pandemic levels - and needs not just Indian travellers, but also **the return of travellers from other previous top source markets**
- Nurturing new markets take time, even with strengthened efforts including opening new air routes, participating in travel fairs, and launching attractive campaigns
- SE Asia will likely not see a significant shift in Indian travellers' preferences in the short-term, but rather **might see it in the medium-term**, which would still allow it to diversify its source markets

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<https://www.pearanderson.com/coronavirus/>

Sign up to be added to our weekly mailing list sent out every Sunday:

<https://insights.pearanderson.com/sea-covid-summary>



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