

The State of Play of Travel Retail in Q2 and Beyond

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If we ask ChatGTP...

When will Chinese travel again outside of China?

It's **difficult to predict** exactly when Chinese travelers will be able to travel outside of China again in large numbers, as it depends on a variety of factors such as the global COVID-19 situation, travel restrictions imposed by other countries, and the Chinese government's policies on international travel.

That being said, as of my **knowledge cutoff in September 2021**, China had already resumed some international travel and had established travel bubbles with a few countries....

Where will they go this summer?

As an AI language model, **I don't have access to real-time information**, so I can't say for sure where Chinese travelers will go this summer. However, I can provide some insights based on past travel trends and current travel restrictions.

ForwardKeys – 13+ years of experience supporting travel related businesses globally



+95 employees

Headquarters
Valencia, Spain

Representation in
USA, China, France, UK, Brazil,
Italy, Dominican Republic, South-
Africa, the Netherlands,
Singapore and Australia

Topics



1. Global outlook - Ways to grow your business with new opportunities.



2. Asia Pacific – On the road to recovery.

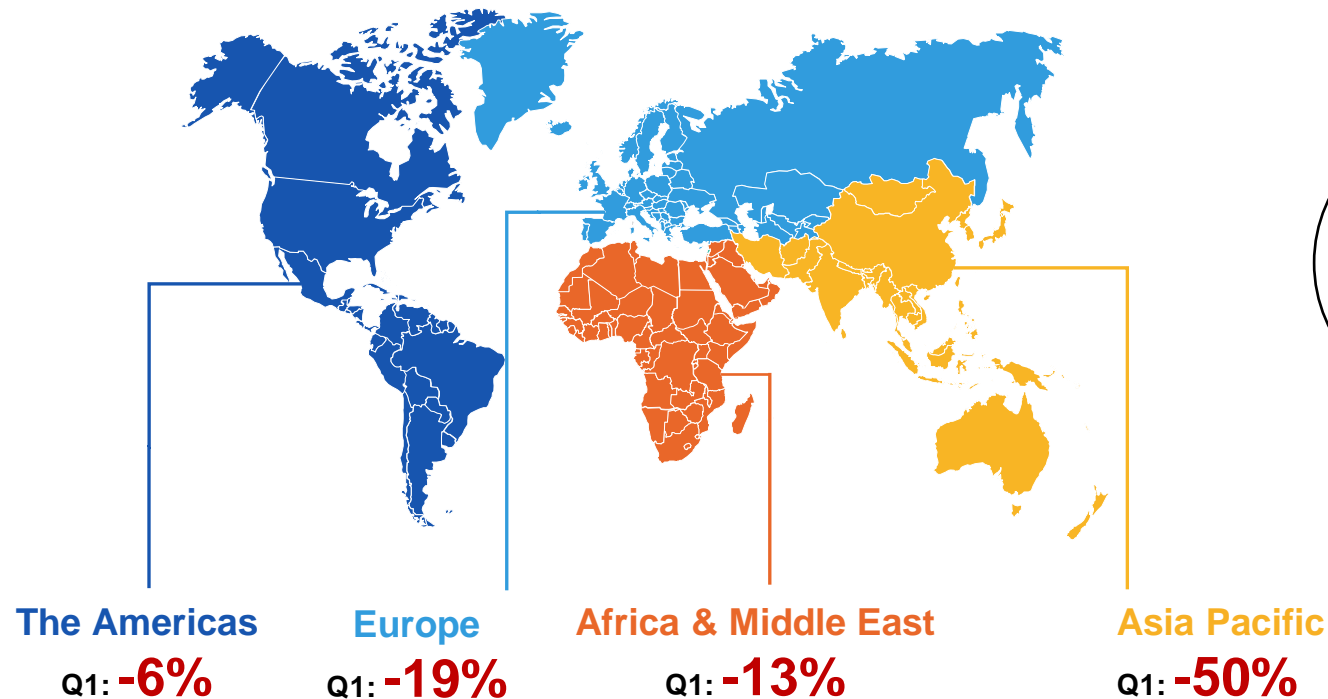


3. China - The might of travel reactivation.

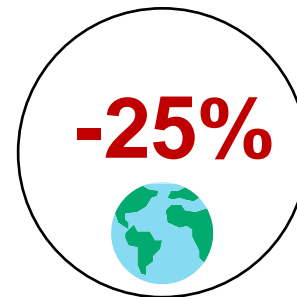
1. Global outlook - Ways to grow your business with new opportunities.

2023 Q1: Global recovery reached 75%

International worldwide traffic in Q1 2022 vs 2019 levels



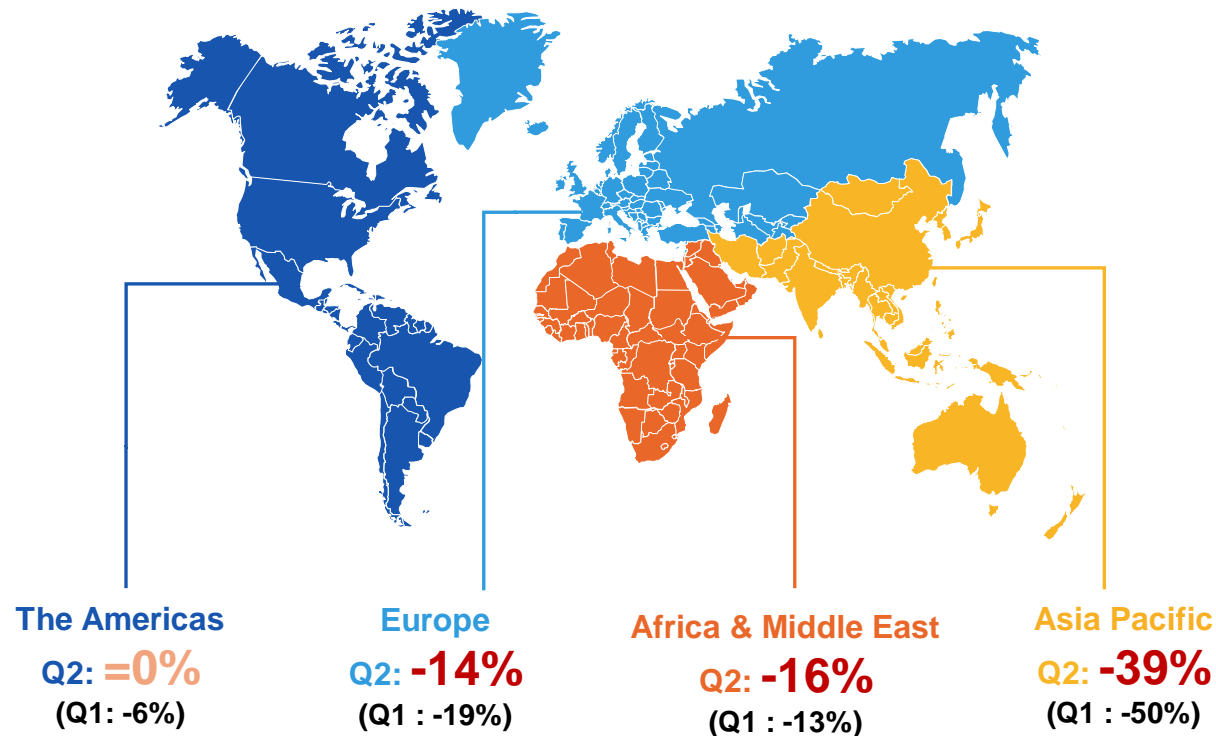
Total
International
Traffic Q1:



Source: ForwardKeys Actual Air Tickets Data.

Asia Pacific performance expected to improve significantly in Q2

International worldwide traffic in Q2 2023, as of 28 April 2023; vs 2019 levels



Total
International
Traffic Q2:

-17%



(Q1: -25%)

Source: ForwardKeys Actual Air Tickets Data.

The busiest airports worldwide: Dubai, Istanbul and Doha switch to growth

Forecasted international worldwide traffic in Q2 2023 vs 2019 levels

Change in rank vs 2019	Departing airport	Share	Var vs 2019
+2▲	1. Dubai Airport (DXB)	2.4%	+2%
-1▼	2. London Heathrow Airport (LHR)	2.4%	-2%
+2▲	3. Charles de Gaulle Airport (CDG)	2.0%	-14%
- -	4. Amsterdam Airport Schiphol (AMS)	1.9%	-17%
+2▲	5. Frankfurt Airport (FRA)	1.9%	-22%
+2▲	6. Changi International Airport (SIN)	1.6%	-22%
-1▼	7. Incheon International Airport (ICN)	1.5%	-32%
+8▲	8. Istanbul Airport (IST)	1.4%	+14%
+2▲	9. Adolfo Suarez Madrid-Barajas Airport (MAD)	1.3%	-14%
+7▲	10. Hamad International Airport (DOH)	1.2%	+3%
+1▲	11. London Gatwick Airport (LGW)	1.2%	-16%
+7▲	12. Dublin Airport (DUB)	1.1%	-2%
+5▲	13. John F. Kennedy International Airport (JFK)	1.1%	-5%
- -	14. Barcelona-El Prat Airport (BCN)	1.0%	-18%
-13▼	15. Hong Kong International Airport (HKG)	1.0%	-58%

Source: ForwardKeys Traveller Statistics forecast.

2. Asia Pacific – On the road to recovery

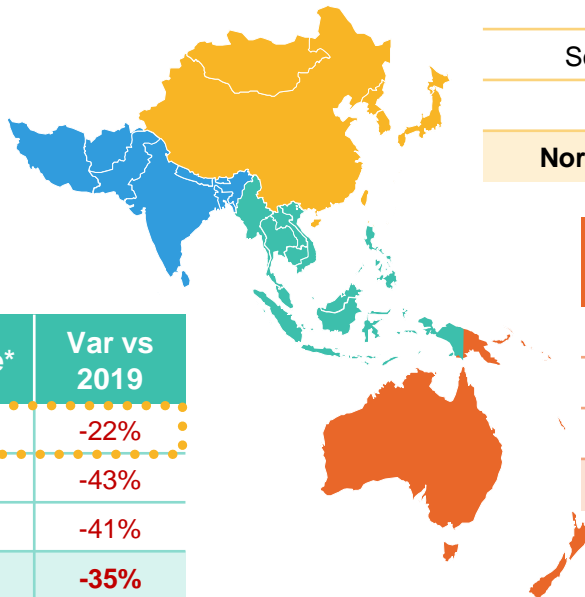


India leads the recovery in the region

Forecasted international traffic from airports in Asia Pacific in Q2 2023; vs 2019 levels

Departure country	Share*	Var vs 2019
India	10%	-8%
Pakistan	2%	-7%
Bangladesh	2%	+2%
South Asia	17%	-10%

Departure country	Share*	Var vs 2019
Singapore	9%	-22%
Thailand	8%	-43%
Malaysia	5%	-41%
South East Asia	36%	-35%



Departure country	Share*	Var vs 2019
Japan	10%	-45%
South Korea	9%	-36%
China	8%	-73%
North East Asia	39%	-54%

Departure country	Share*	Var vs 2019
Australia	5%	-27%
New Zealand	2%	-30%
Fiji	0.5%	-5%
Oceania	8%	-27%

*out of all international traffic from Asia Pacific

Source: ForwardKeys
Traveller Statistics forecast.

India will benefit from stronger air capacity recovery

Capacity for intraregional and extraregional departures from Asia Pacific in Q2 2023, as scheduled on 1 May 2023; vs 2019











TOTAL INTERNATIONAL CAPACITY TO ASIA PACIFIC	
Q1	Q2
-41%	-28%



CAPACITY TO INDIA	Q2 vs 2019
Intraregional	+5%
Extraregional	+19%

South Korea and India are expected to be the top nationalities in Q2

Forecasted international traffic from airports in Asia Pacific in Q2 2023 vs 2019 levels

Change in rank vs 2019	Nationality	Share	Var vs 2019
+1 ▲	 1. South Korea	10%	-35%
+3 ▲	 2. India	7%	-27%
+5 ▲	 3. Australia	7%	-11%
-3 ▼	 4. China (Mainland)	7%	-66%
+7 ▲	 5. USA	6%	+12%
	 6. Japan	5%	-64%
	 7. Taiwan	5%	-50%
	 8. Thailand	5%	-48%
	 9. Hong Kong	4%	-53%
	 10. Malaysia	4%	-44%

Source: ForwardKeys
Traveller Statistics forecast.

Where are Indian travellers expected?

Forecasted international traffic on airports in APAC for trips originating from India in Q2; vs 2019 levels



Departing airport in Asia Pacific	Share	Q2 2023 vs 2019
Changi International Airport (SIN)	33%	+26%
Kuala Lumpur International Airport (KUL)	13%	-29%
Suvarnabhumi Airport (BKK)	12%	-27%
Colombo Metropolitan Area (CMB)	7%	-53%
Hong Kong International Airport (HKG)	6%	-64%
TOTAL ASIA PACIFIC	100%	-27%



Source: ForwardKeys
Traveller Statistics forecast.

Key facts for airports in APAC

Busiest airports in Asia Pacific: Delhi is getting back to 2019 levels

Forecasted international traffic from airports in Asia Pacific in Q2 2023 vs 2019 levels

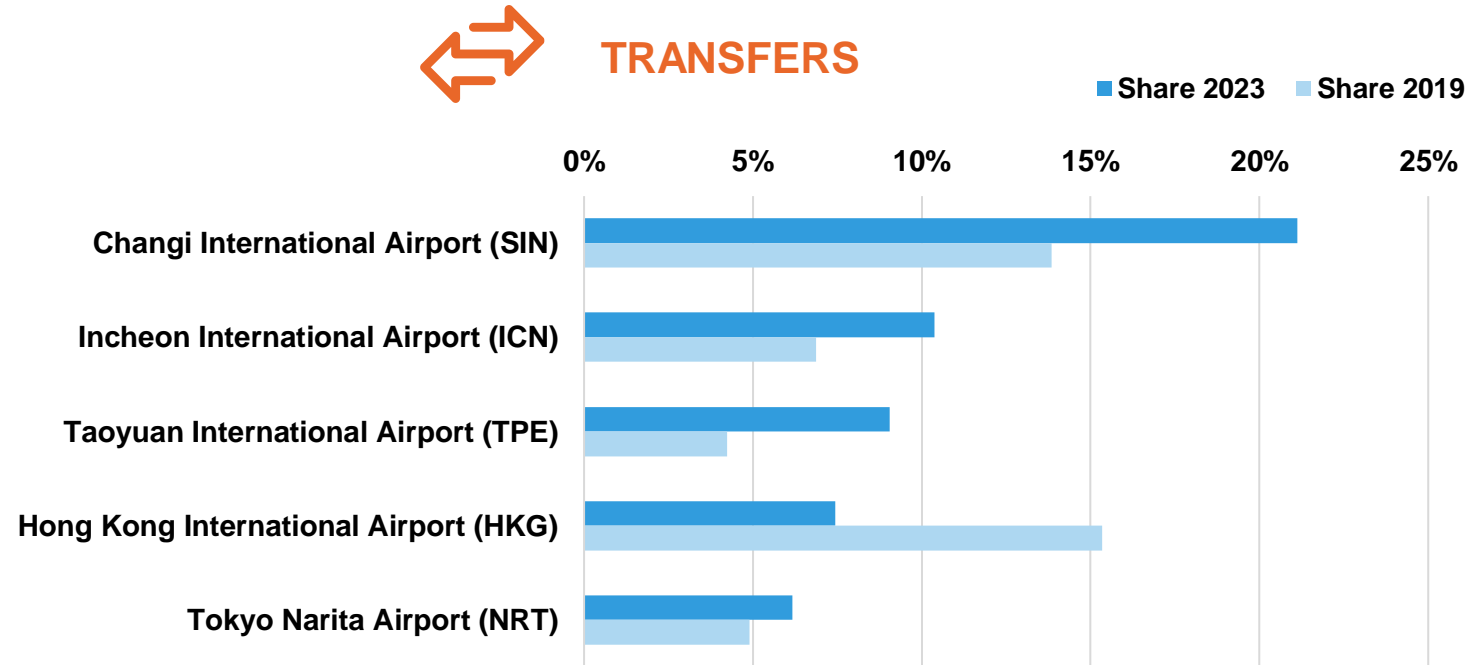
Departure airports	Share	Var vs 2019
1. Changi International Airport (SIN)	8%	-22%
2. Incheon International Airport (ICN)	8%	-32%
3. Hong Kong International Airport (HKG)	5%	-57%
4. Suvarnabhumi Airport (BKK)	5%	-38%
5. Taiwan Taoyuan International Airport (TPE)	5%	-39%
6. Kuala Lumpur International Airport (KUL)	4%	-40%
7. Narita International Airport (NRT)	3%	-44%
8. Ninoy Aquino International Airport (MNL)	3%	-25%
9. Indira Gandhi International Airport (DEL)	3%	-3%
10. Haneda Airport (HND)	2%	-16%



Source: ForwardKeys
Traveller Statistics forecast.

Top transit airports in the region

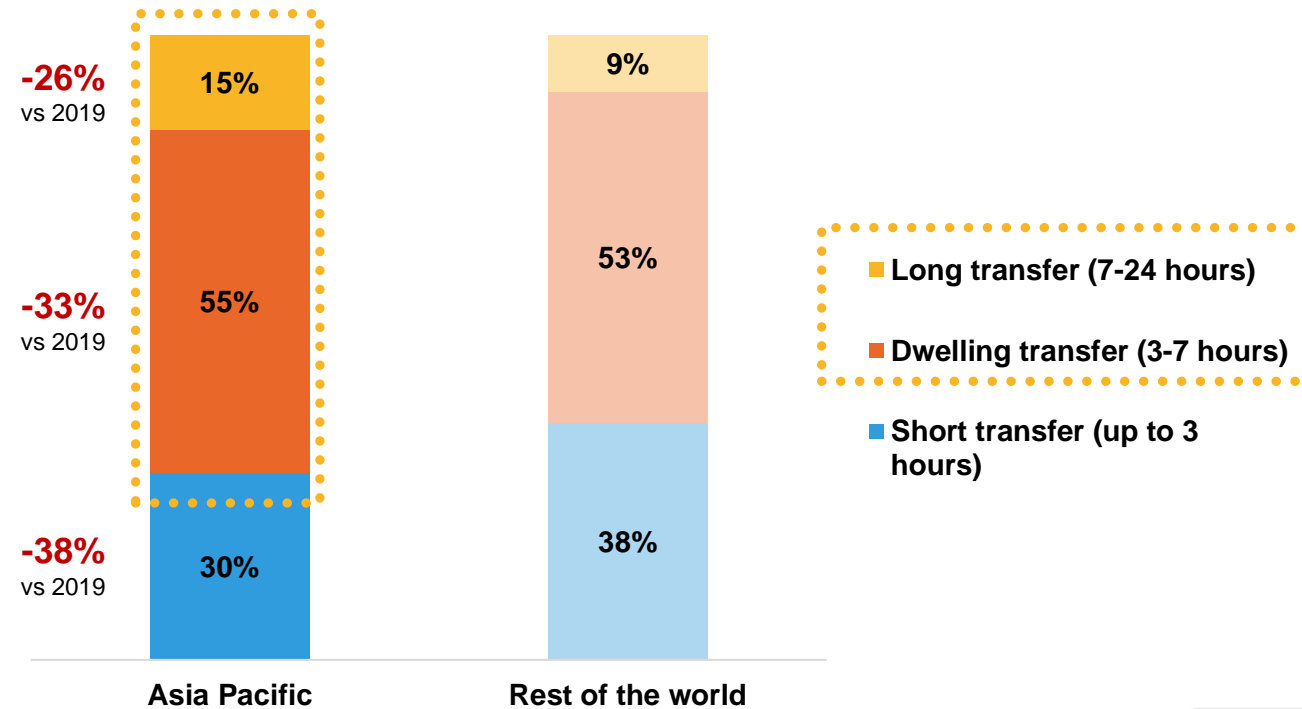
Transfers in Asia Pacific airports in H1 2023, as of 21 April 2023; vs 2019



 Source: ForwardKeys Actual Air Tickets Data.

Airport shops could benefit from longer dwelling times

International transfers in worldwide airports in Q2 2023, as of 21 Apr 2023; vs 2019 levels



 Source: ForwardKeys Actual Air Tickets Data.

3. China - The might of travel reactivation.



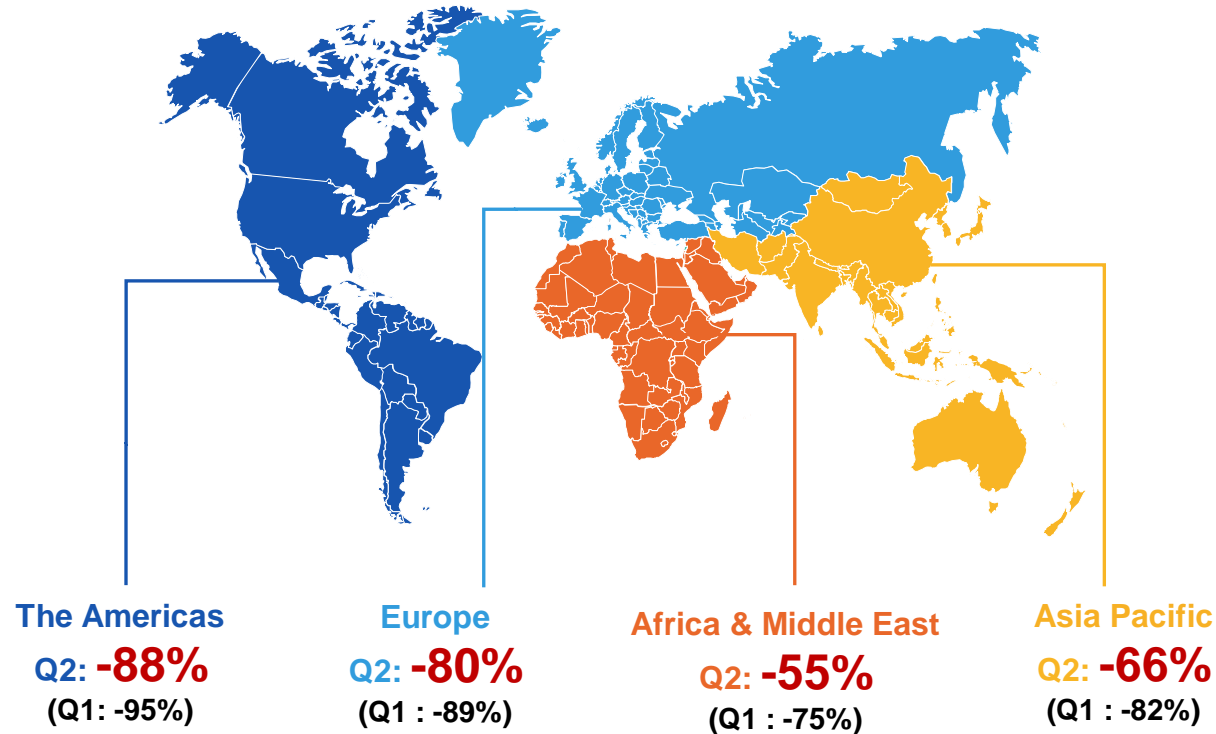
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Chinese travel set to reach 32% of prepandemic levels in Q2

International traffic from worldwide airports, originating from China in Q2 2023, as of 28 April 2023; vs 2019 levels




Total
International
Traffic Q2:

- 68%

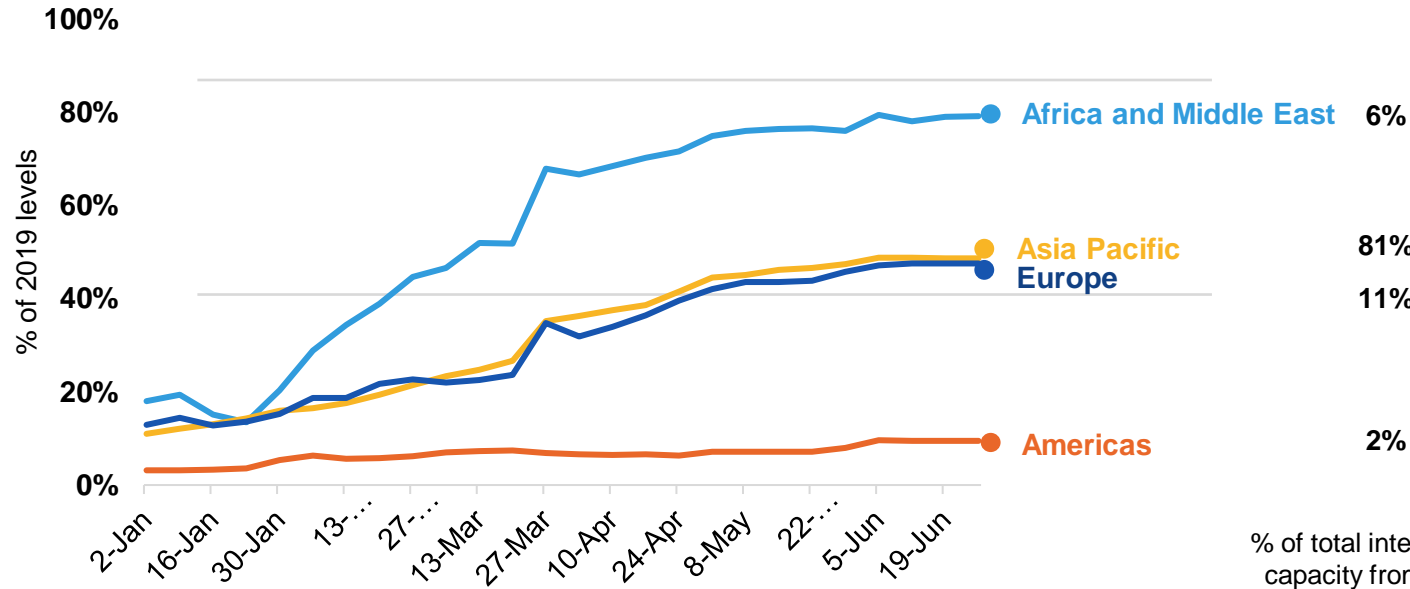


(Q1: -83%)

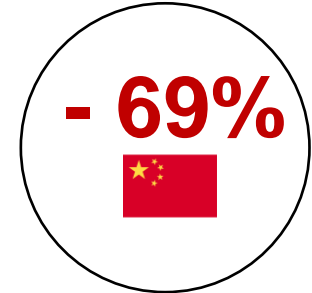
 Source: ForwardKeys Actual Air Tickets Data.

Increased seats in H1 for China Outbound travel

Capacity for international departures from China between Jan and Jun 2023, as of 17 Apr 2023; vs 2019 levels



Total
International
Capacity H1
Vs 2019:

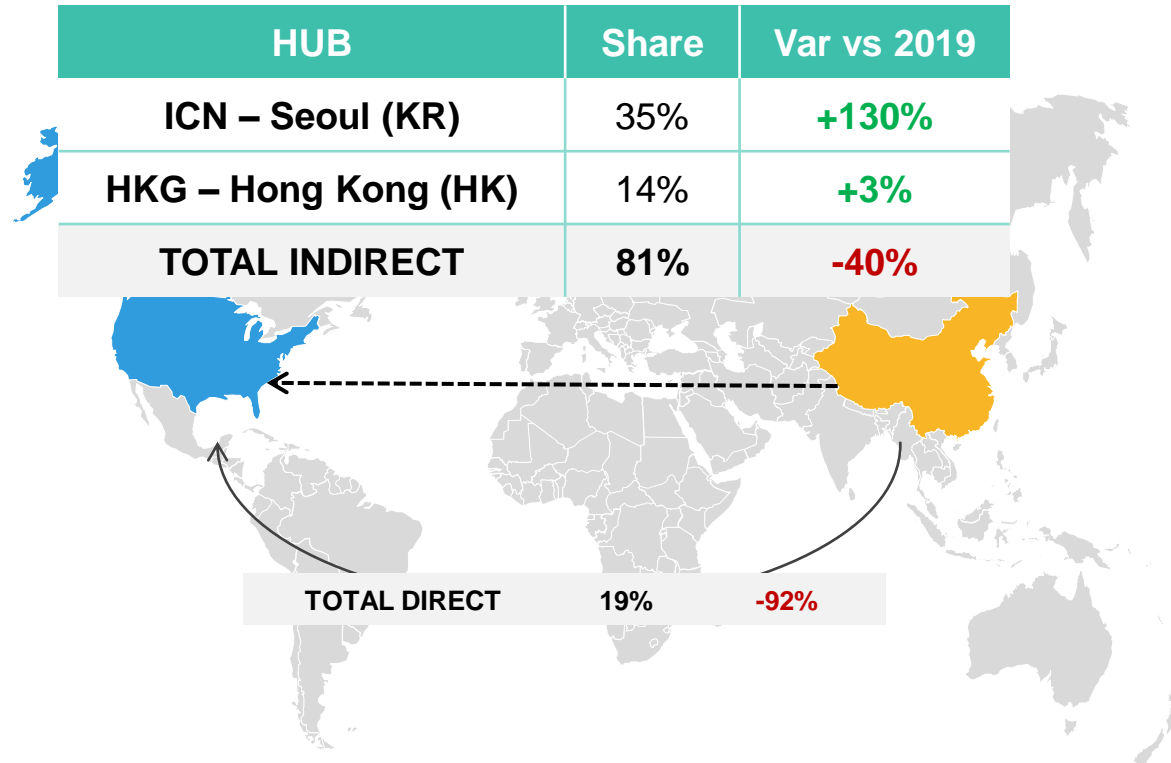


% of total international
capacity from China

Source: ForwardKeys Seat Capacity Data.

ICN and HKG are vital for connecting China with the US

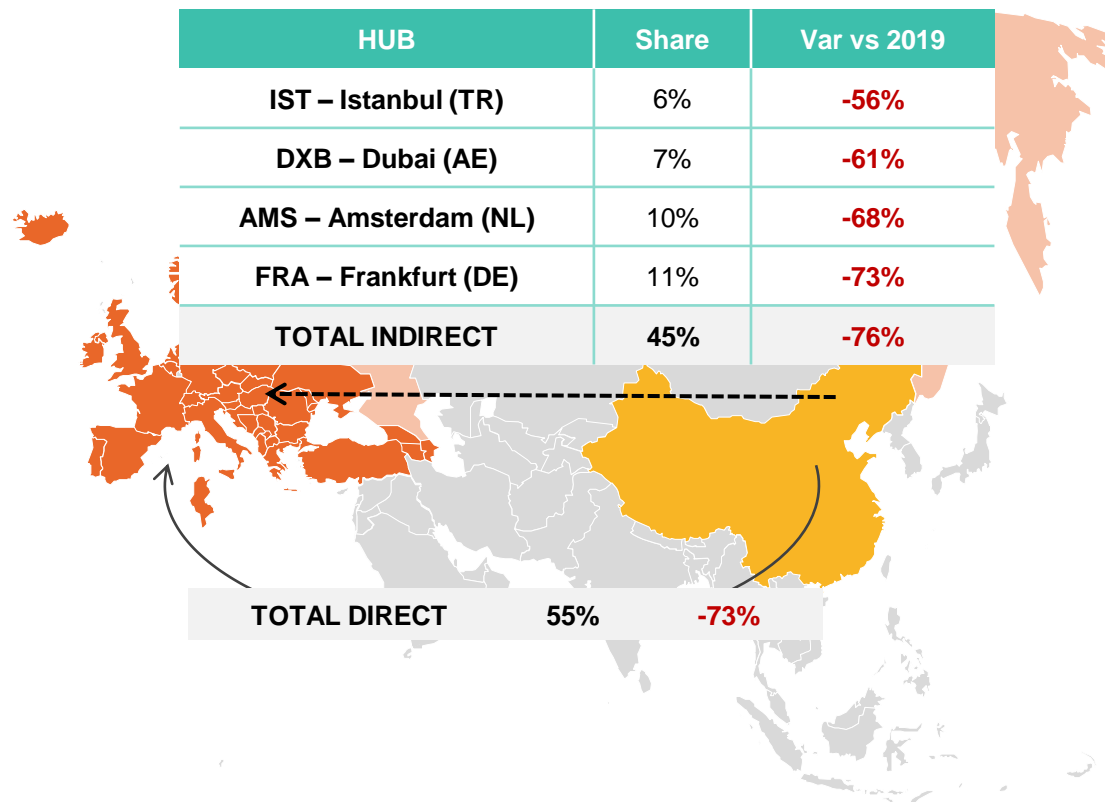
Departures from China to the US in H1 2023, as of 13 Apr 2023; vs same period in 2019



Source: ForwardKeys Actual Air Ticket Data

Top airport hubs for Chinese travellers going to Europe

Departures from China to Europe in H1 2023, as of 13 Apr 2023; vs same period in 2019



Source: ForwardKeys Actual Air Ticket Data

In APAC, Macau airport should prepare for strong comeback of Chinese travellers

Forecasted international traffic on airports in APAC for trips originating from China in Q2; vs 2019 levels

Departing airports in Asia Pacific	Share	Var vs 2019
Hong Kong International Airport (HKG)	14%	-75%
Macau International Airport (MFM)	11%	-14%
Incheon International Airport (ICN)	8%	-73%
Don Mueang International Airport (DMK)	8%	-22%
Suvarnabhumi Airport (BKK)	7%	-80%



Source: ForwardKeys
Traveller Statistics forecast.

Wealthy and business travellers are the first to reactivate travel

Forecasted international traffic on airports in APAC for trips originating from China in Q2; vs 2019 levels

Premium travel



Var. vs pre-pandemic

-53%
(vs. -77%
global)

Business travel



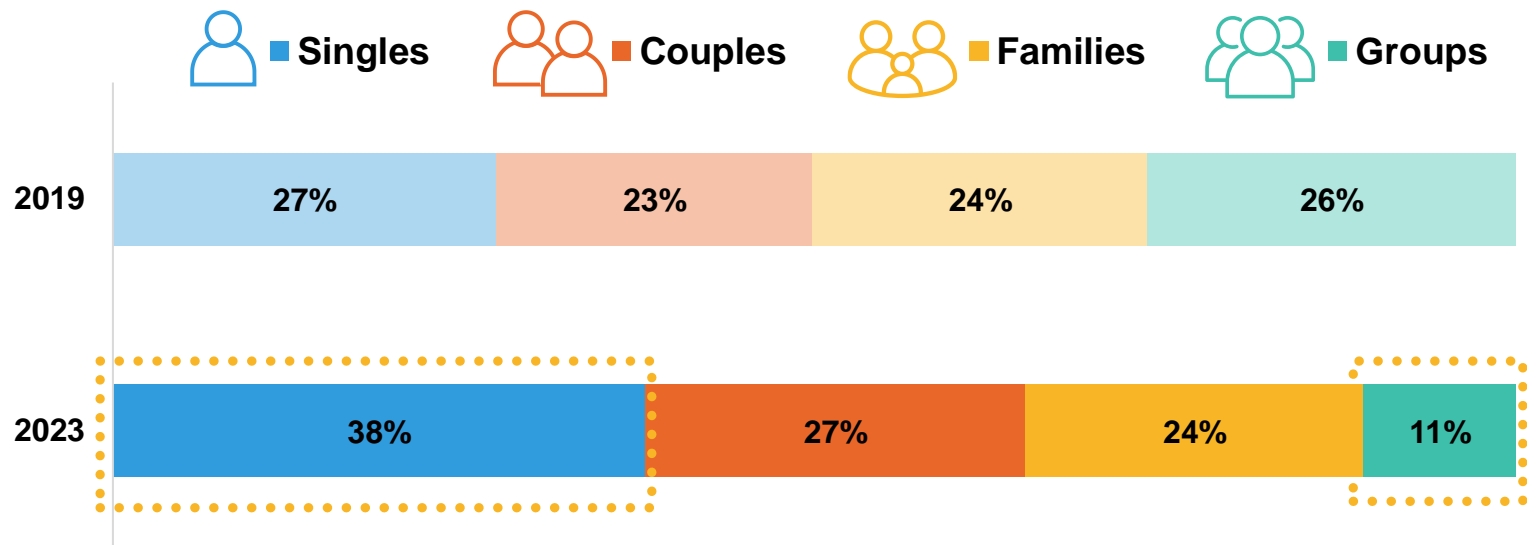
Var. vs pre-pandemic

-57%
(vs. -77%
global)

Source: ForwardKeys Actual Air Ticket Data.

Individuals and couples are the first to reactivate travel

International departures from China in H1 2023, as of 13 Apr 2023; vs same period in 2019



Source: ForwardKeys Actual Air Ticket Data

凡人微光 汇聚成炬 中国力量 未来希望

China Labour Day



China Labour Day domestic travel is set to surpass 2019 levels

Departures from China between 17 April and 7 May 2023, as of 27 Apr 2023; var% vs. 2019

Most resilient domestic destinations	Share	Var vs 2019
Chengdu	6%	+46%
Haikou	2%	+27%
Hangzhou	3%	+11%
Chongqing	3%	+11%
Wuhan	2%	+6%
Shenzhen	4%	+2%
Beijing	9%	+2%
Nanjing	2%	+1%
Xi An	4%	-3%
Qingdao	2%	-5%
TOTAL DOMESTIC	100%	+3%

Most resilient int'l destinations*	Share	Var vs 2019
Addis Ababa (ET)	2%	-13%
Macau (MO)	7%	-19%
Dubai (AE)	5%	-41%
Amsterdam (NL)	2%	-55%
Hong Kong (HK)	12%	-61%
Singapore (SG)	5%	-63%
Phuket (TH)	3%	-63%
Seoul (KR)	8%	-69%
Frankfurt (DE)	3%	-70%
Tokyo (JP)	6%	-75%
TOTAL INTERNATIONAL	100%	-74%

* Market share > 2%

Domestic Travel: 96%

International Travel: 4%

Take-Aways

1

APAC is now **the most dynamic region**, set to reach 61% of 2019 levels in Q2.

You might have to reconsider your retail strategy according to a new nationality mix and new touch points.

Take-Aways

2 Indians are expected to be the **second nationality** in APAC in Q2, supported by a stellar reactivation of connectivity.

Take-Aways

3 Chinese travel is set to reach **32%** of pre-pandemic levels in Q2.

Recovery is uneven and expected to accelerate in H2, conditioned by connectivity, consumer confidence and traveller profiles.



PERIOD & PERIMETERS

- Historical Q1 (January to March); 2023 vs 2019
- Forecast Q2 (April to June); 2023 vs 2019
- "Europe" and other regions are defined as per UNWTO geographic distribution.



DATA INCLUDED IN THE REPORT

ACTUAL AIR TICKETS

Actual Air Tickets provides insight into a destination's performance over the past and coming months based on tickets booked with a travel date in the future (on-the-book data).

FORECASTS

For monthly forecasts, ForwardKeys Total Air Market algorithm uses information of the latest ticketing data, scheduled capacity, pre-pandemic passenger traffic data in each route in combination of the weighted load factors and nationality shares to compute future daily traffic over the next 90 days and monthly traffic over the next 12 months.

SEAT CAPACITY

Provided by OAG and enriched by ForwardKeys, Seat Capacity allows Destination Gateway users to analyse the available seats on direct commercial flights scheduled from/to your destination.

Find these and more data smarts in ForwardKeys' **Traveller Statistics**



**Traveller
Statistics**



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GLOSSARY

Nationality: Point of origin of the flight itinerary.

Departures: Number of airline passengers departing from the destination within a specific time frame

Arrivals: Number of airline passengers arriving at the destination within a specific time frame

Domestic / International: Flight type categorization, labeled based on whether flight origin and destination airport are in the same country or not

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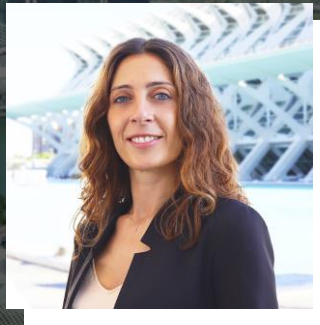
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