The State of Play of Travel Retail in Q2 and Beyond

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VP – Brands, Retailers and Media

May 2023

ForwardKeys – 13+ years of experience supporting tourism boards 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.

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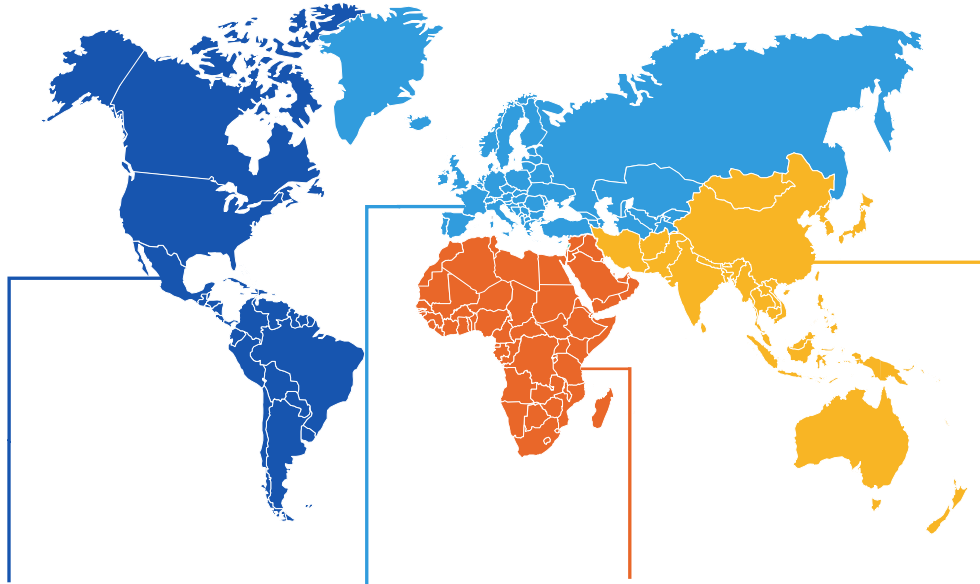
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2023 Q1: Global recovery reached 75%

International worldwide traffic in Q1 2022 vs 2019 levels

Total International Traffic Q1:

-25%

The Americas
Q1: **-6%**

Europe
Q1: **-19%**

Africa & Middle East
Q1: **-13%**

Asia Pacific
Q1: **-50%**

Source: ForwardKeys Actual Air Tickets Data.

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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%)

The Americas
Q2: **=0%**
(Q1: -6%)

Europe
Q2: **-14%**
(Q1 : -19%)

Africa & Middle East
Q2: **-16%**
(Q1 : -13%)

Asia Pacific
Q2: **-39%**
(Q1 : -50%)
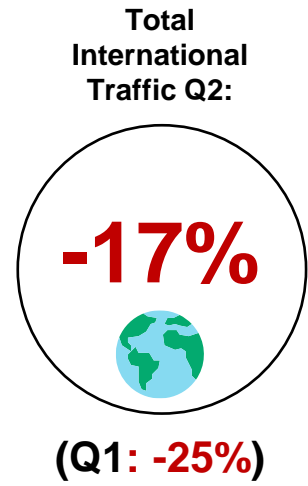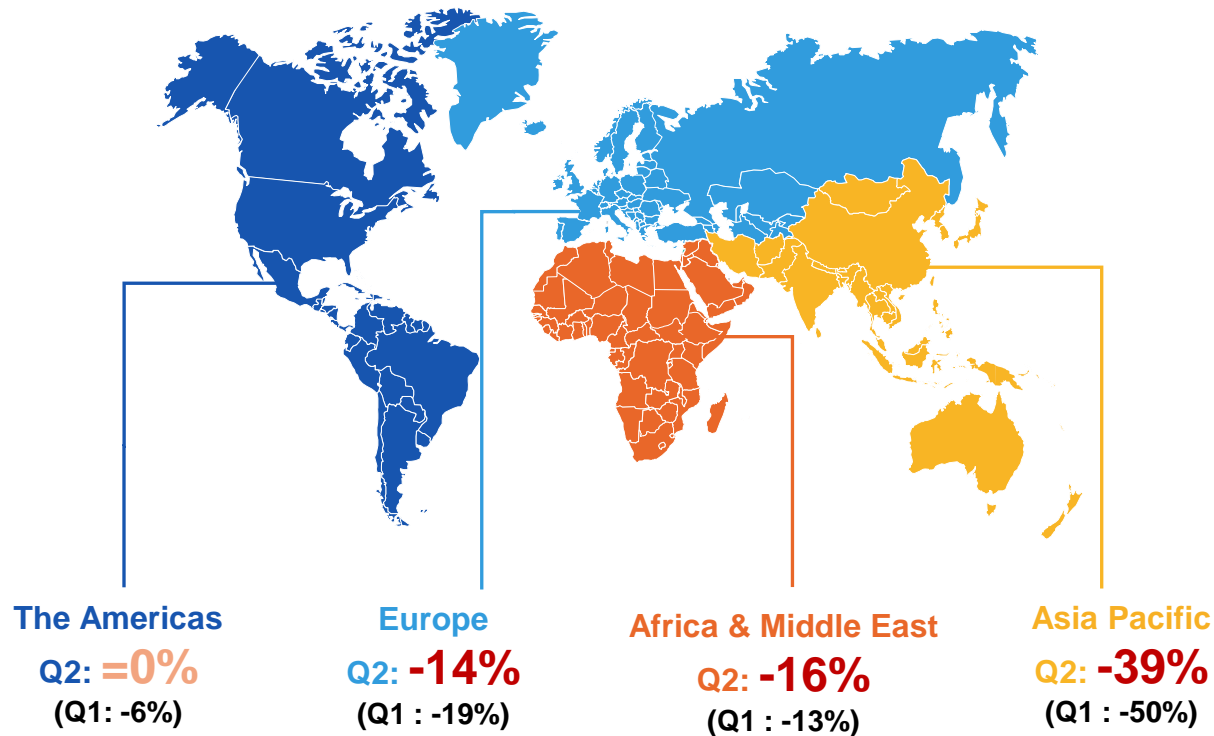
Source: ForwardKeys Actual Air Tickets Data.

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.

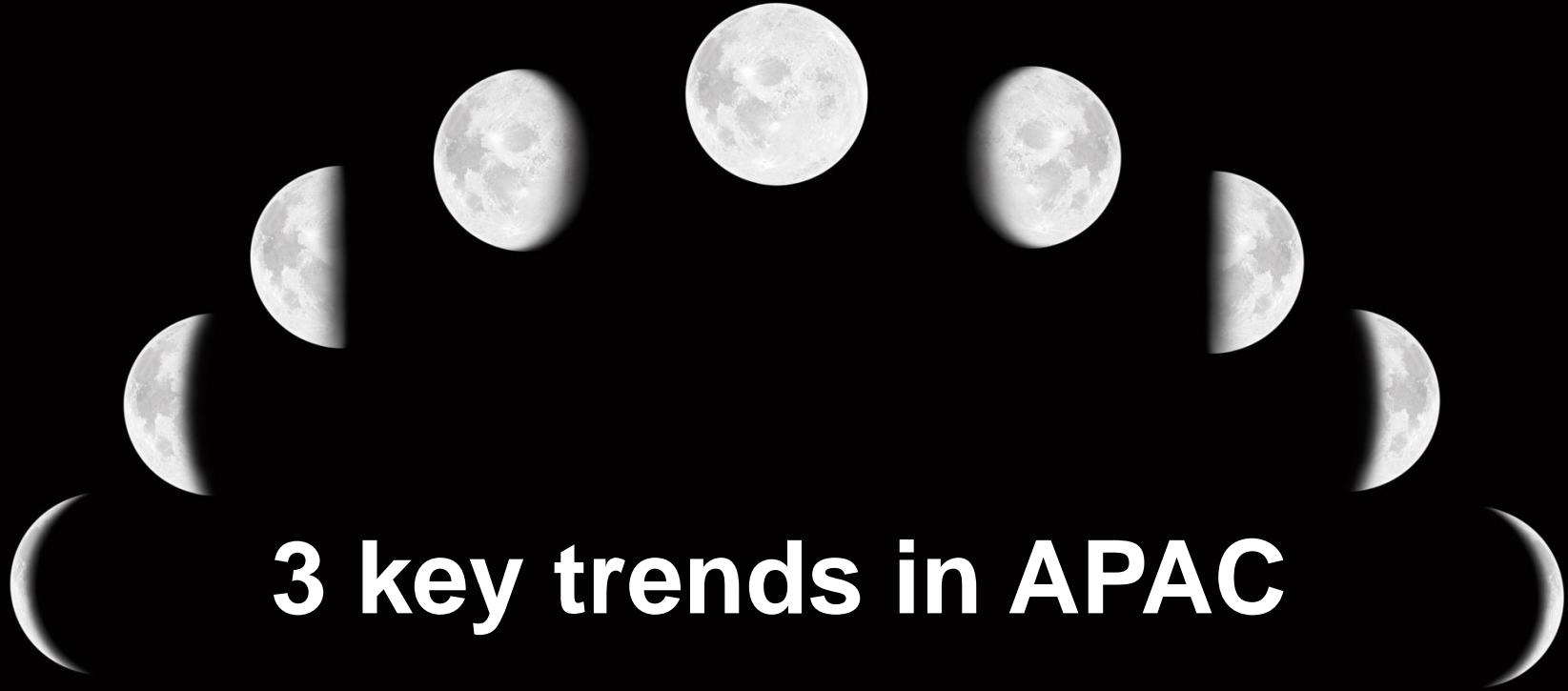# 2. Asia Pacific –
On the road to recovery
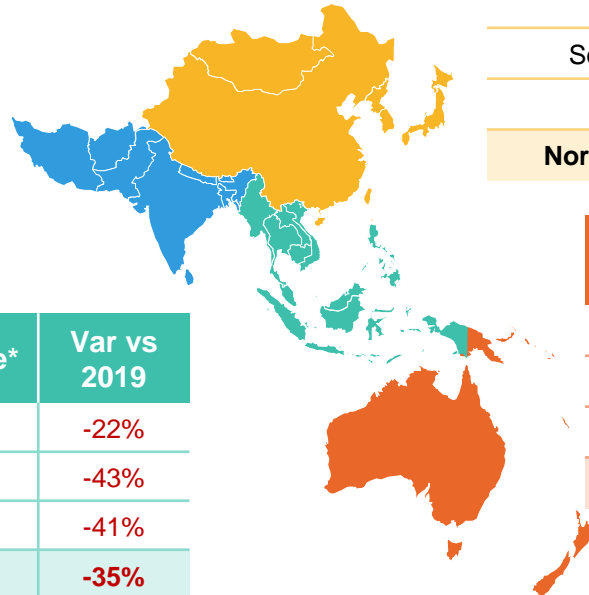
3 key trends in APAC

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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
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%**

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

*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 24 April 2023; vs 2019

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

Most resilient markets (intraregional connectivity)	Var vs 2019
Vietnam	-10%
India	**-11%**
New Zealand	-11%
Australia	-12%
Singapore	-16%
TOTAL INTRAREGIONAL	**-31%**

Most resilient markets (extraregional connectivity)	Var vs 2019
India	**+19%**
Pakistan	+16%
Indonesia	+11%
Philippines	+1%
Taiwan	+1%
TOTAL EXTRAREGIONAL	**-16%**

Source: ForwardKeys
Seat Capacity Data

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

Nationality	Share	Var vs 2019
1.South Korea	10%	-35%
2. India	7%	-27%
3. Australia	7%	-11%
4. China (Mainland)	7%	-66%
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.

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.

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.

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Profiles of Indian travellers in Asia Pacific

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

Share of
business travel

Share of
premium travel

10%

15%

(**13%** outside
Asia Pacific)

(**12%** outside
Asia Pacific)

Source: ForwardKeys Actual Air Ticket Data.

Many regional airports should expect higher volumes of affluent Indian travellers

Booked departures from APAC, originating from India in Q2 2023, as of 21 Apr 2023; vs 2019 levels

Departing airport in Asia Pacific	Share	Var vs 2019
1. Haneda Airport (HND)	5%	+1085%
2. Tribhuvan International Airport (KTM)	3%	+967%
3. Tan Son Nh International Airport (SGN)	1%	+322%
4. Velana International Airport (MLE)	1%	+236%
5. Ngurah Rai International Airport (DPS)	3%	+183%
6. Melbourne Tullamarine Airport (MEL)	3%	+87%
7. Changi International Airport (SIN)	**46%**	**+83%**
8. Sydney Kingsford Smith Airport (SYD)	3%	+49%
9. Suvarnabhumi Airport (BKK)	7%	+24%
10. Incheon International Airport (ICN)	1%	-3%
TOTAL TRAVEL ON PREMIUM CLASSES	**100%**	**+17%**

NEW CONNECTION

INCREASED NUMBER OF PREMIUM CLASS SEATS

NEW CONNECTION

INCREASED NUMBER OF PREMIUM CLASS SEATS

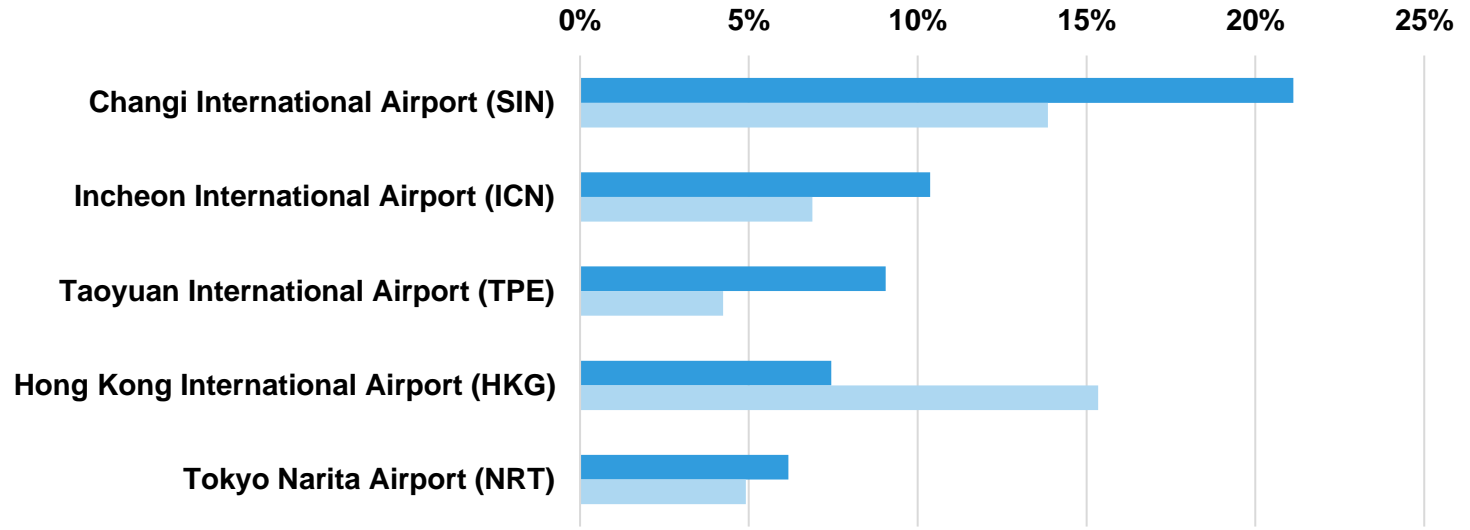Source: ForwardKeys Actual Air Tickets Data

Top transit airports in the region

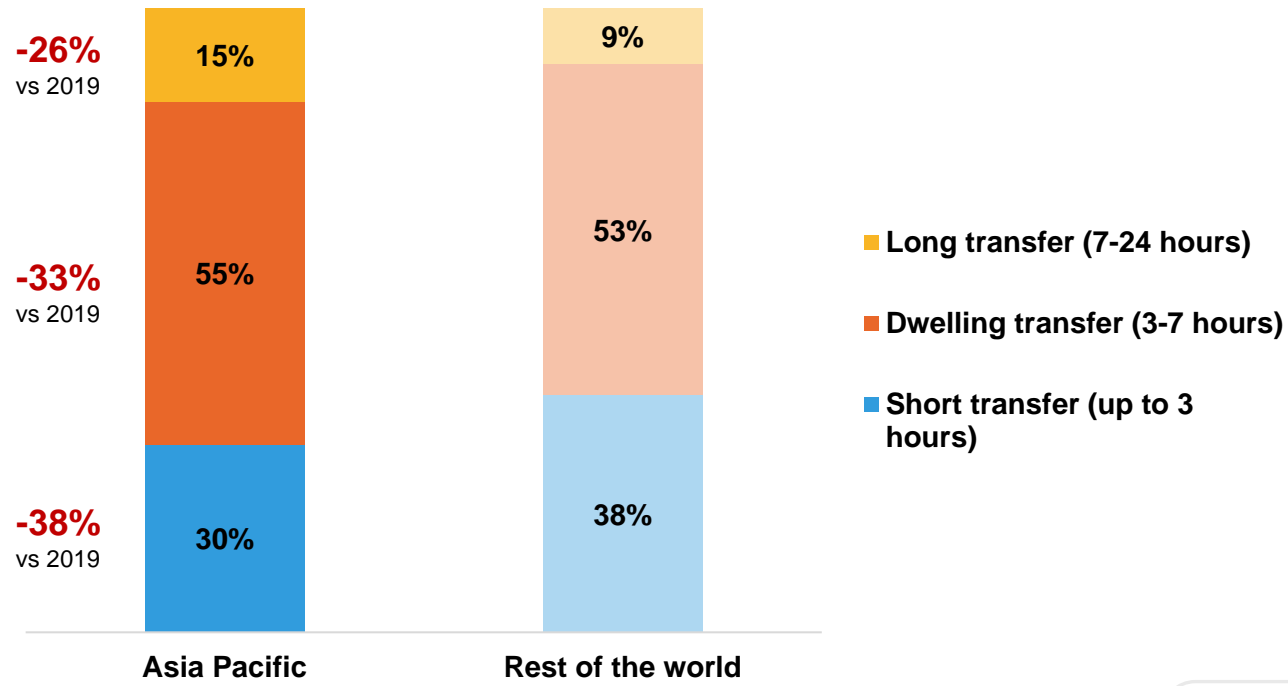Transfers in Asia Pacific airports in H1 2023, as of 21 April 2023; vs 2019

TRANSFERS

■ Share 2023   ■ Share 2019

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Airport shops could benefit from longer dwelling times

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

-26%
vs 2019

15%

-33%
vs 2019

55%

-38%
vs 2019

30%

9%

53%

38%

Asia Pacific

Rest of the world

■ **Long transfer (7-24 hours)**

■ **Dwelling transfer (3-7 hours)**

■ **Short transfer (up to 3 hours)**

Source: ForwardKeys Actual Air Tickets Data.

3. China - The might of travel reactivation.

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
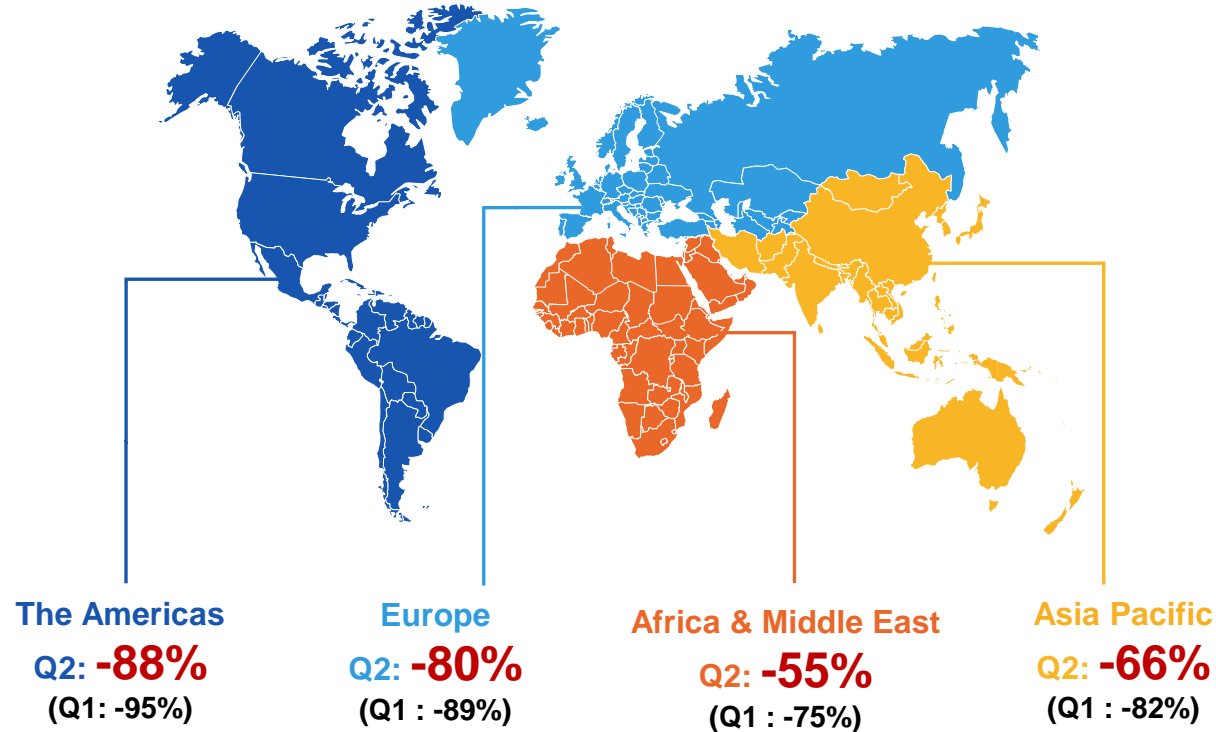
Total International Traffic Q2:

-68%

(Q1: -83%)

The Americas
Q2: **-88%**
(Q1: -95%)

Europe
Q2: **-80%**
(Q1 : -89%)

Africa & Middle East
Q2: **-55%**
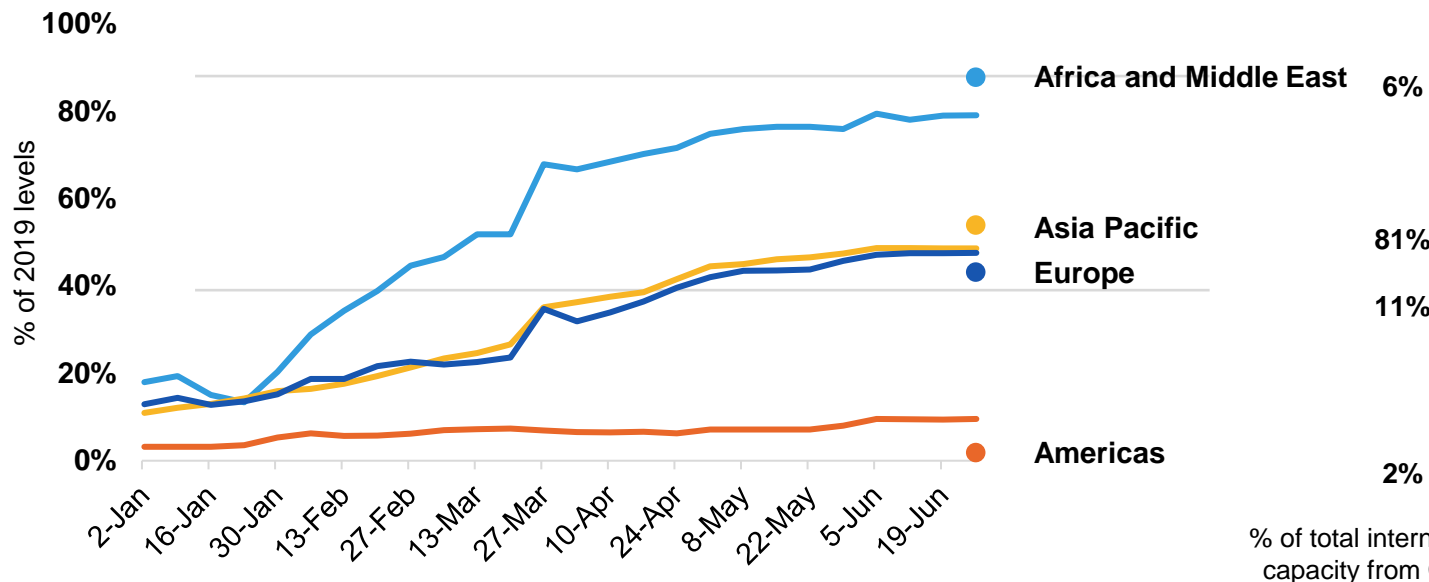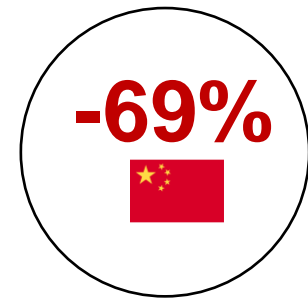(Q1 : -75%)

Asia Pacific
Q2: **-66%**
(Q1: -82%)

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

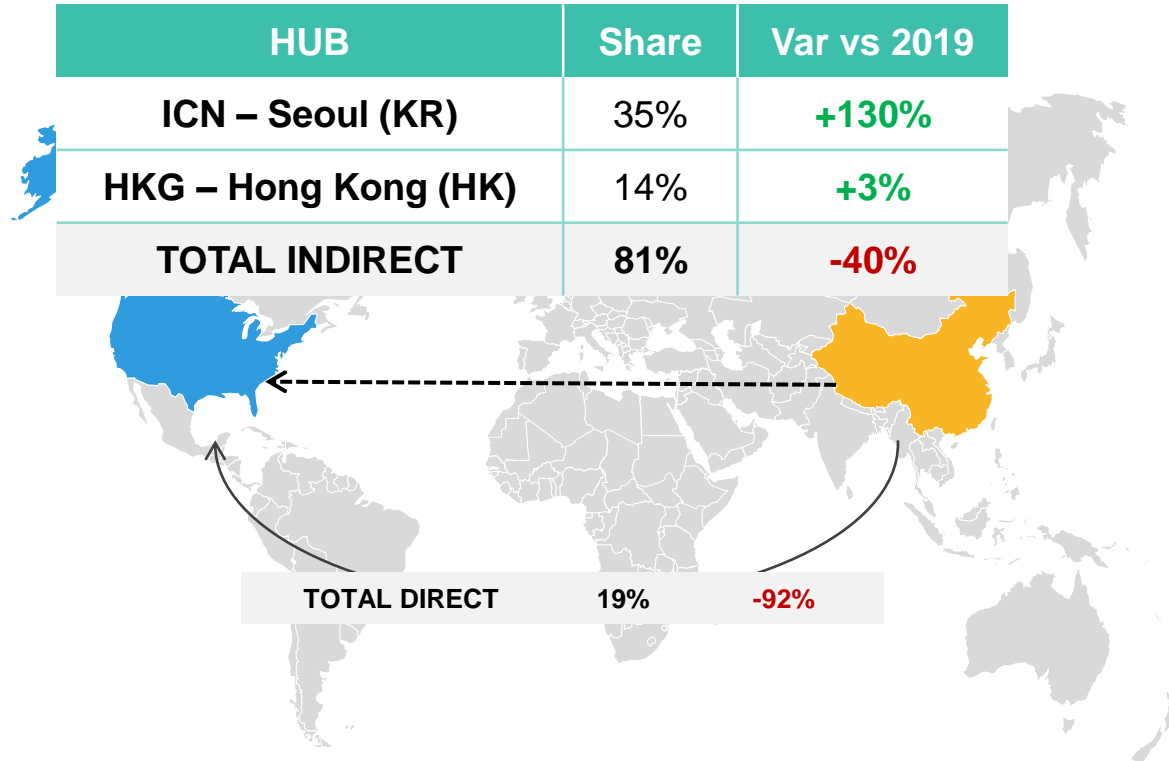**Total International Capacity H1 Vs 2019:**

6%

-69%

81%

11%

2%

% 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

HUB	Share	Var vs 2019
ICN – Seoul (KR)	35%	+130%
HKG – Hong Kong (HK)	14%	+3%
TOTAL INDIRECT	81%	-40%

TOTAL DIRECT	19%	-92%

Source: ForwardKeys Actual Air Ticket Data

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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

HUB	Share	Var vs 2019
IST – Istanbul (TR)	6%	-56%
DXB – Dubai (AE)	7%	-61%
AMS – Amsterdam (NL)	10%	-68%
FRA – Frankfurt (DE)	11%	-73%
TOTAL INDIRECT	45%	-76%

TOTAL DIRECT   55%   -73%
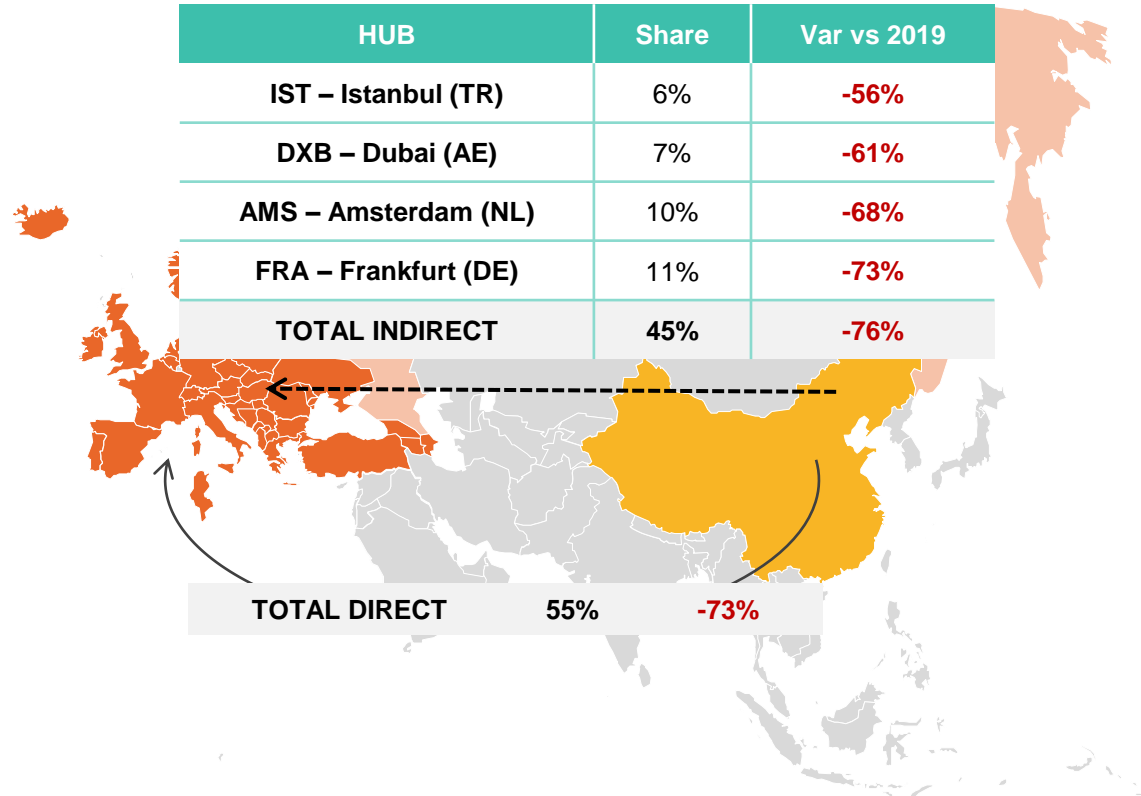
Source: ForwardKeys Actual Air Ticket Data

In APAC, Macau airport should prepare for strong comeback of Chinese travellers
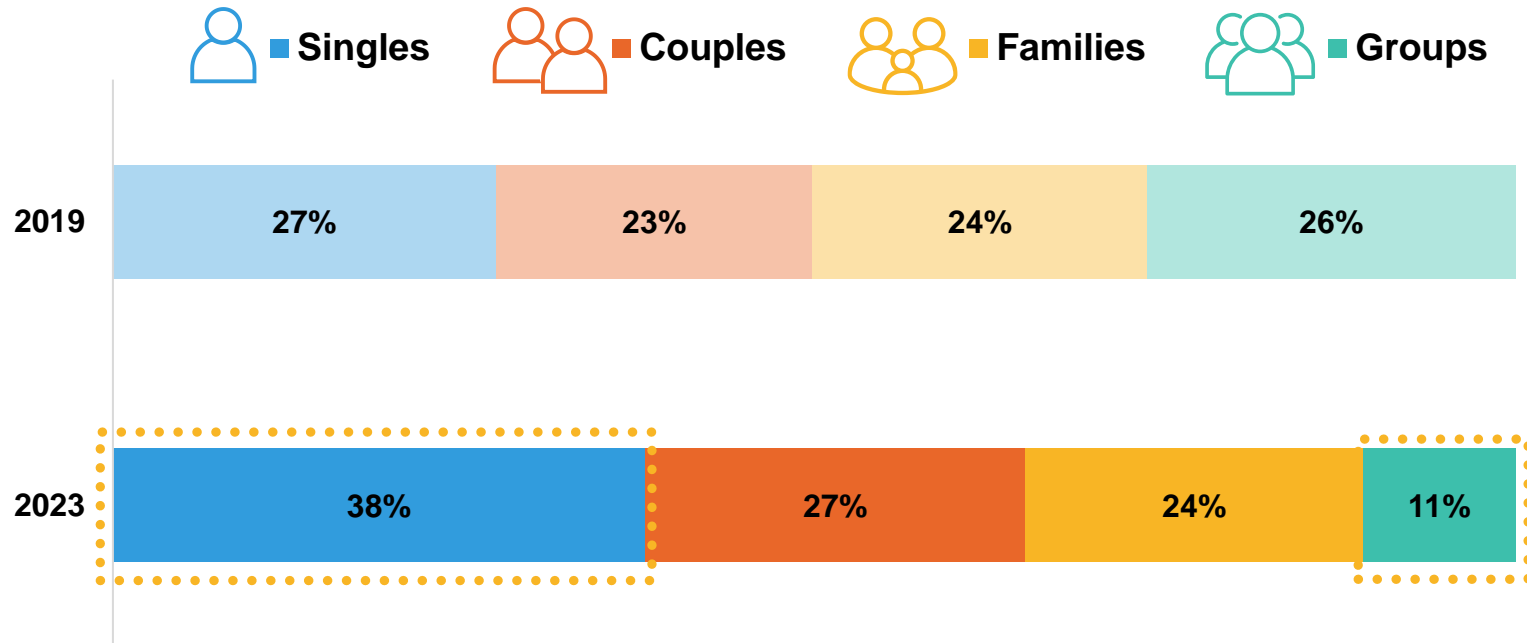
Forecasted international traffic on airports in APAC for trips originating from China in Q2; vs 2019 levels

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.

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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

■ Singles   ■ Couples   ■ Families   ■ Groups

	Singles	Couples	Families	Groups
2019	27%	23%	24%	26%
2023	38%	27%	24%	11%

Source: ForwardKeys Actual Air Ticket Data

China Labour Day

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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 becoming **the most dynamic region**, set to reach 61% of 2019 levels in Q2.
Get ready to welcome a new nationality mix at the busiest *postpandemic* touch points.

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Take-Aways

3 **Chinese** travel is set to reach **32%** of pre-pandemic levels in Q2. **Recovery is uneven**, conditioned by connectivity, consumer confidence and traveller profiles.
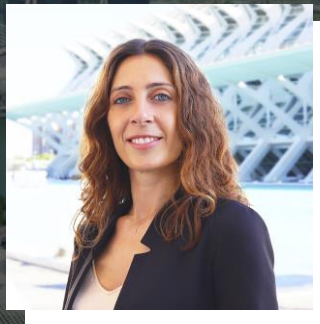
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