

# ASIA PACIFIC TRAVEL RECOVERY REPORT

Insights from the Industry Experts

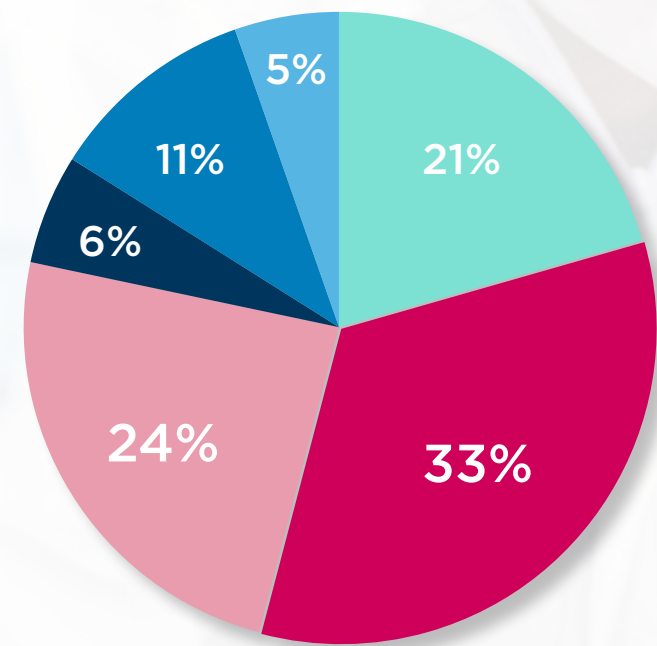
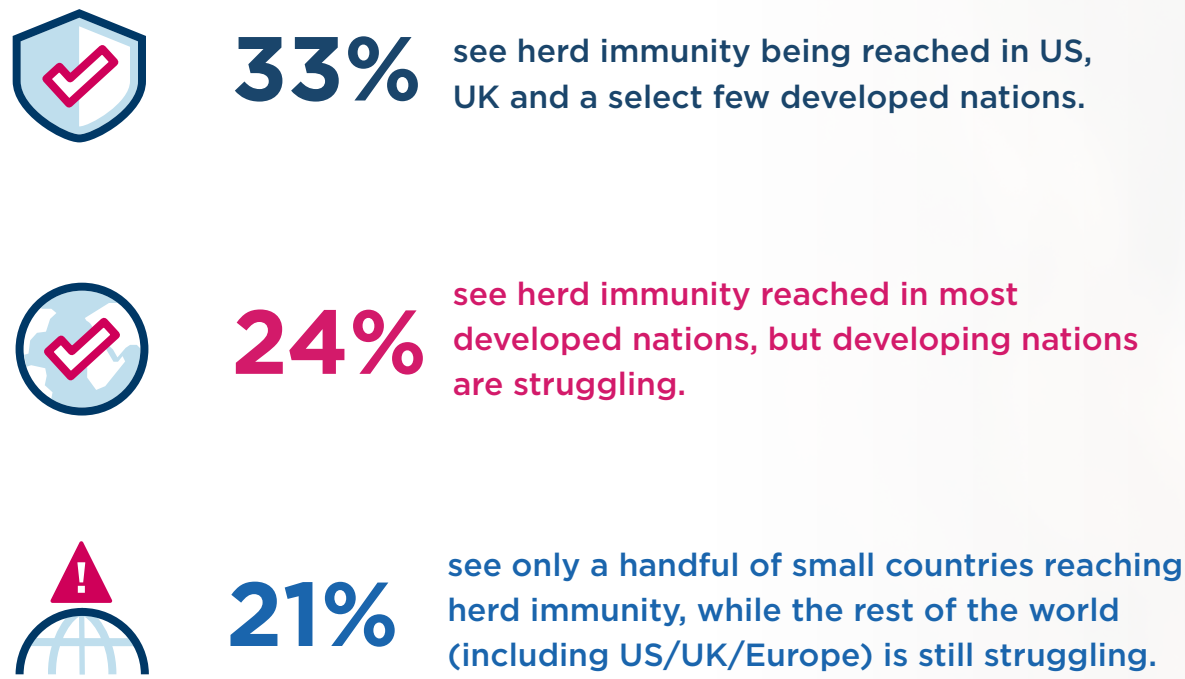


# GLOBAL HEALTH: PLAUSIBLE SCENARIOS AS WE END 2021 AND ENTER 2022

Earlier this year, CAPA – Centre for Aviation (CAPA) and Collinson, surveyed participants in the virtual monthly event series, CAPA Live. More than 330 responses from 64 countries were received from C-Suite and senior manager level aviation and travel experts from leading industry brands. This report analyses their opinions on the changing travel and aviation landscape post COVID-19 including airline activity and recovery, ancillary revenue, border control, COVID-19 testing, traveller passports, quarantine and traveller wellbeing.

Overall, survey respondents are mixed in their views on the outlook for global health as we enter 2022, reflecting the uncertainty of the pandemic, despite vaccine rollouts gaining pace in many markets around the world.

## The following scenarios were most favoured about herd immunity being reached:



- Only a handful of small countries reach herd immunity; rest of the world (including US/UK/Europe) still struggling
- Herd immunity is reached in US, UK and a select FEW developed nations
- Herd immunity is reached in MOST developed nations; developing nations struggling
- Herd immunity is reached in MOST developed AND developing nations
- No country has reached herd immunity; much of the world in grip of another Covid wave, including developed nations
- None of the above



A man in a grey suit, white shirt, and glasses is wearing a light blue surgical face mask. He is sitting and looking down at a device in his hands. The background is a blurred office or public space with warm lighting.

## Asia Pacific respondents have a slightly different view on herd immunity

Interestingly, while almost one-quarter (**24%**) of global respondents expect herd immunity to be reached in most developed nations and developing nations will continue to struggle, only **16%** of Asia Pacific respondents share this view.

More than one-quarter of respondents in Asia (**27%**) expect only a handful of small countries to reach herd immunity and the rest of the world (including US/UK/Europe) to still be struggling as we enter 2022, but a smaller proportion (**21%**) of global respondents held this view.

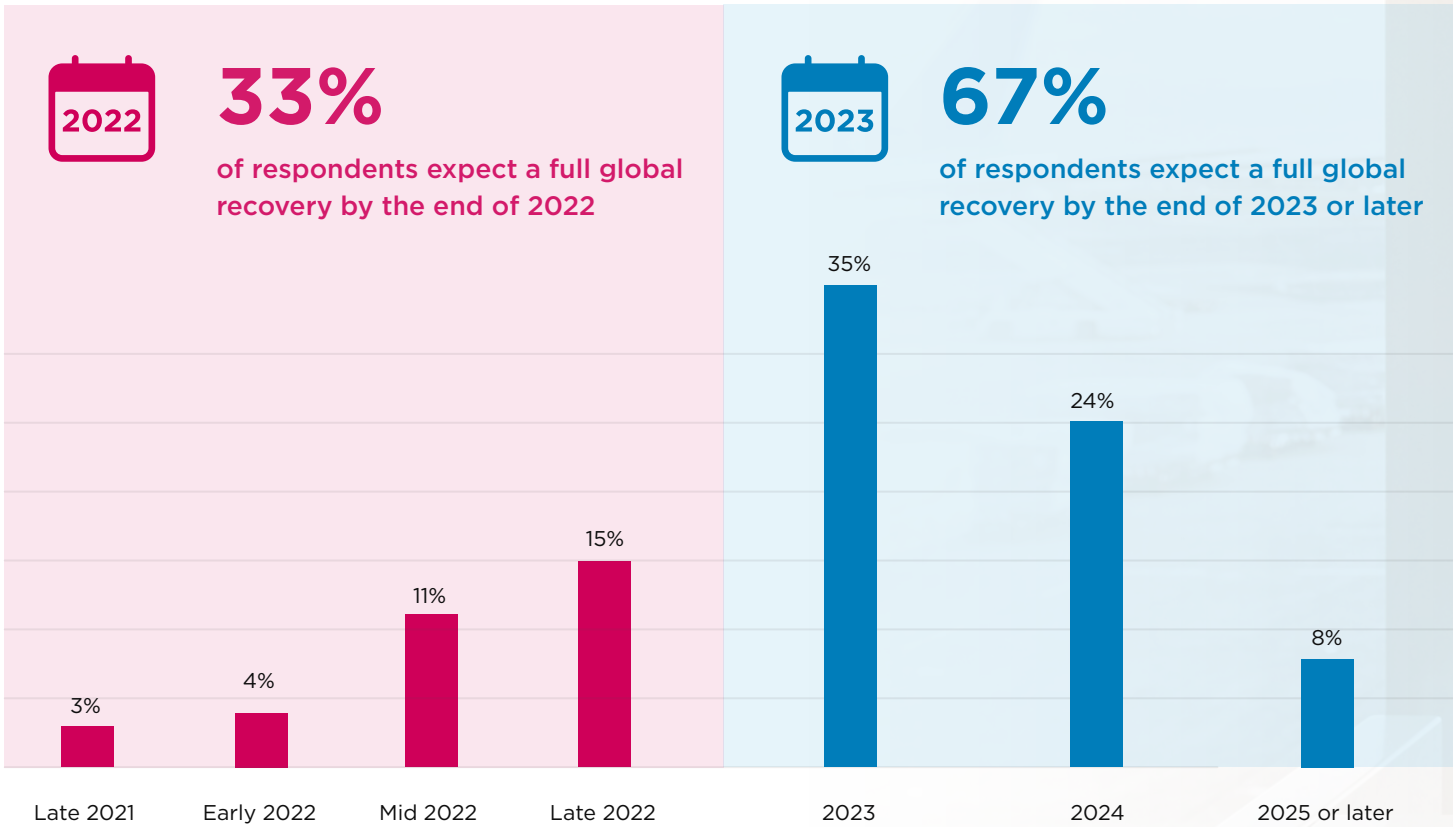


# AVIATION/TRAVEL ACTIVITY

## - RETURN TO 2019 LEVELS

As a result, travel will continue to be impacted, and quite severely. Overall, survey respondents expect a delay in the resumption of "normal" worldwide aviation/travel activity (2019 levels of activity).

- **One-third** of respondents expect a full global recovery by the end of 2022
- **35%** believe a full global recovery will occur in 2023, **24%** said 2024 and **8%** believe the full recovery will not come until 2025 or later







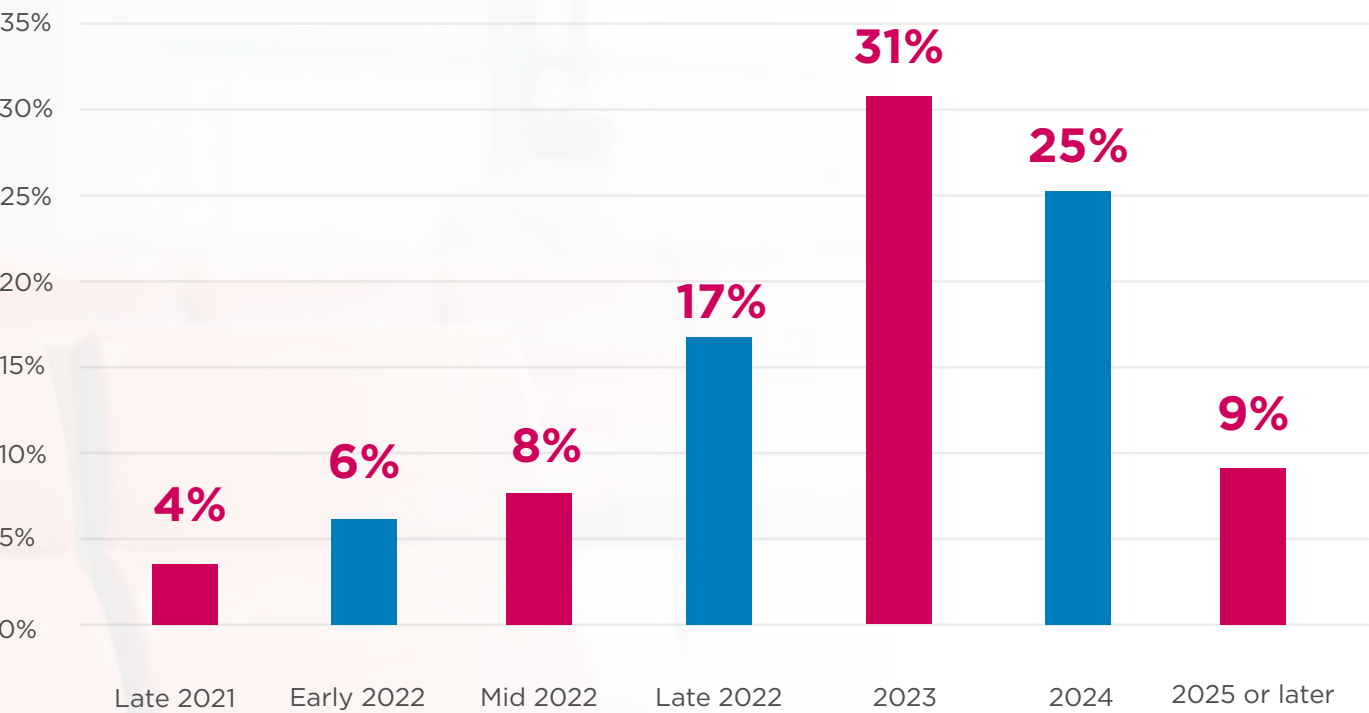
# ASIA PACIFIC RESPONDENTS ALSO EXPECT SLOW RECOVERY

Asia Pacific respondents were equally as gloomy, with **65%** expecting recovery in 2023 or later, including **9%** not expecting a full recovery until 2025 or later. Overall, only **4%** of Asia Pacific respondents expect activity to return to 2019 levels this year (vs **3%** globally) and **31%** expect the full return next year (vs **30%** globally).



Asia Pacific respondents on Aviation/Travel Activity - Return to 2019 levels

**31%** expect the full recovery in 2023





# LEISURE/VISITING FRIENDS & FAMILY

Some segments of the market will do better than others. Short-haul will recover faster than long-haul and leisure/visiting Friends & Family (VFR) should outperform business/corporate travel.



71%

of survey respondents globally expect short-haul leisure travel to return to 2019 levels in 2022

## Short Haul

### Global respondents

Focusing on next year, 2022, some **71%** of survey respondents expect a solid recovery of 2019 levels of short-haul Leisure/VFR travel:

- **35%** see 61-80% of 2019 levels next year
- **36%** see 81%+ of 2019 levels next year

Some 18% of respondents said they expect a more muted recovery (41-60% of short-haul leisure/VFR activity next year) and 11% expect less than 40% recovery.

### Asia Pacific respondents

Respondents in Asia Pacific were generally slightly less bullish, with only **57%** of survey respondents in Asia expecting a solid recovery of 2019 levels of Leisure/VFR travel:

- **31%** see 61-80% of 2019 levels next year
- **26%** see 81%+ of 2019 levels next year

Almost one quarter of Asia Pacific respondents (24%) said they expect a more muted recovery (41-60% of leisure/VFR activity next year) and one in five expect less than 40% recovery.

## Long Haul

### Global respondents

Focusing on long-haul Leisure/VFR travel, the results were more mixed, with one-third of respondents expecting **41-60%** recovery of 2019 levels next year and:

- A further **34%** expecting a 61% or greater recovery.
- Only **11%** expected a recovery of more than 80% of 2019 levels.

Just over one-in-five respondents (**21%**) said they expect just a 20-40% recovery of long-haul leisure/VFR demand and one-in-ten expect less than 20% of 2019 demand in this segment next year.

### Asia Pacific respondents

Asia Pacific respondents were also more pessimistic on long-haul, with half of survey respondents in Asia expecting a weak recovery of 2019 levels of long-haul Leisure/VFR travel:

- **22%** see <20% of 2019 levels next year
- **28%** see 20-40% of 2019 levels next year

Just over one quarter of Asia Pacific respondents (**27%**) said they expect a slightly better outlook in 2022 (41-60% of long-haul leisure/VFR recovery) and a combined **23%** expect 61% or greater recovery of 2019 demand.



# BUSINESS/CORPORATE TRAVEL

Focusing on next year, 2022, the outlook for business/corporate travel markets is weaker than leisure/VFR. However, short-haul will recover faster than long-haul.



82%

of respondents globally believe long-haul business travel will recover to 60% of 2019 levels in 2022

## Short Haul

### Global respondents

Focusing on next year, 2022, the outlook for business/corporate travel markets is weaker than leisure/VFR.

- Some **34%** of survey respondents expect a 41-60% recovery of short-haul business travel;
- **28%** see 61-80% of 2019 levels next year;
- **20%** see 20-40% of 2019 levels next year;
- **11%** see 80%+ of 2019 levels next year, while at the other end of the spectrum, 9% see <20% of 2019 levels next year.

### Asia Pacific respondents

Respondents in Asia had a similar outlook for business/corporate travel markets compared to the global average.

Around 35% of survey respondents in Asia expect a solid recovery (61%+ of 2019 levels) of short-haul business travel, while:

- **31%** see 41-60% of 2019 levels next year
- **24%** see 20-40% of 2019 levels next year
- **9%** see <20% of 2019 levels next year

## Long Haul

### Global respondents

The outlook for long-haul business/corporate travel markets is even weaker for 2022. According to 82% of respondents, less than 60% of the long-haul business/corporate travel market will be back next year. Of the remainder:

- **14%** expect to see 61-80% of 2019 levels next year;
- **4%** expect to see 81%+ of 2019 levels next year.

### Asia Pacific respondents

The outlook for long-haul business/corporate travel markets is even weaker amongst Asia Pacific respondents.

- **23%** expect to see 41-60% of 2019 levels
- **12%** expect to see 61-80% of 2019 levels
- **8%** expect to see 81%+ of 2019 levels





As vaccine programmes continue to be rolled out and more travel bubbles are established, businesses must look to evolve existing meeting and travel protocols – both to ensure that their people feel protected and comfortable, and to meet corporate duty of care requirements outlined in the soon to publish ISO 31030 travel risk standard.

It's recommended to speak with experts like Collinson, who can support with your holistic Travel Risk Management and Duty of Care requirements, through to tailored, easily implemented COVID Business Solutions that help to protect your employees' wellbeing on a day-to-day basis.



# BORDER CONTROLS

Most respondents (56%) expect aviation market access arrangements by governments to evolve at different rates, depending on the region/market through 2021.

Just under one quarter (23%) expect aviation market access arrangement by governments to ‘remain the same until at least 2022’.

Just 2% expect access arrangements to ‘substantially ease’ or even just ‘start to ease’ as we go through 2021.



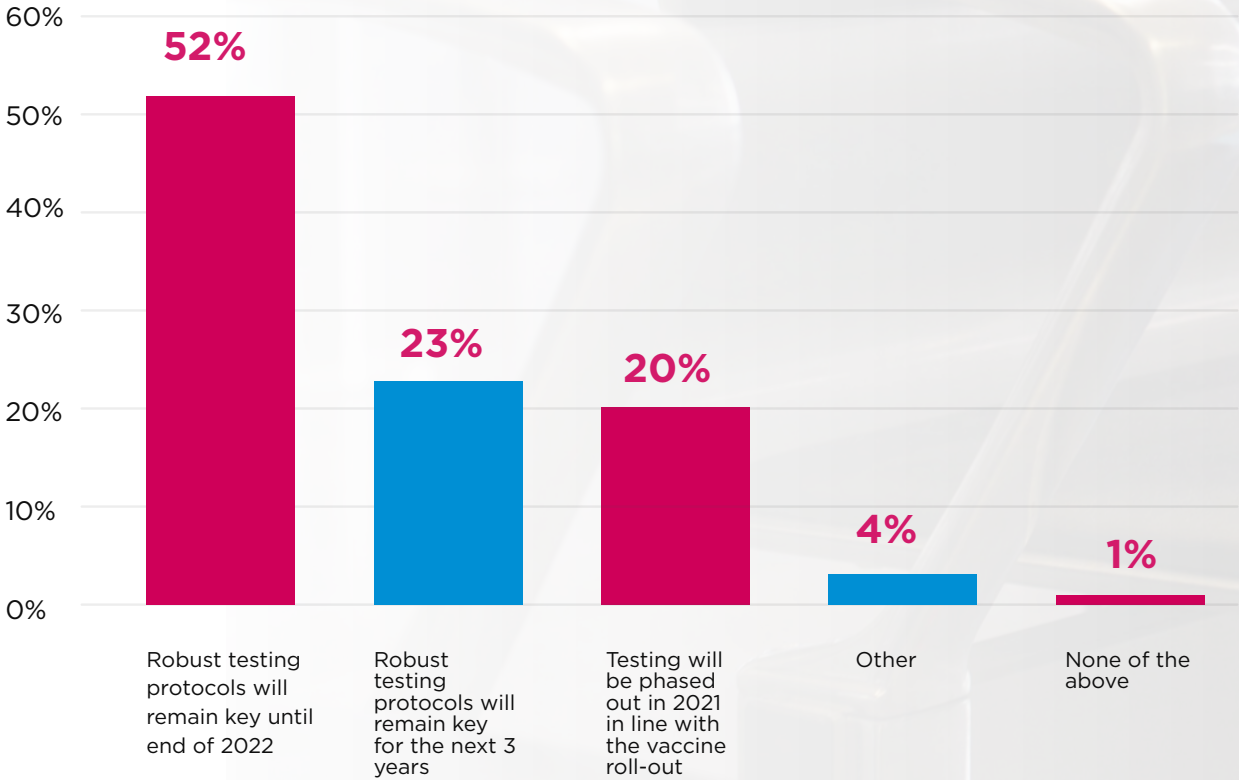
2%

of respondents expect COVID-related border controls to ‘substantially ease’ in 2021

# REOPENING BORDERS: COVID-19 TESTING PROTOCOLS - DURATION

Similarly, most respondents (52%) expect that robust testing protocols will remain key to reopening global borders until end of 2022. Almost one-quarter (23%) of respondents believe robust testing protocols will remain key for the next 3 years and one-in-five expect testing will be phased out in 2021 in line with the vaccine roll-out.

With testing expected to remain a key element to safely reopening skies for years to come, many organisations in the travel ecosystem are working with leading COVID-19 testing providers such as Collinson to help make testing more easily available for their passengers.



## TRAVELLER PASSPORTS

Two-thirds of respondents (**67%**) shared the view that traveller passports were of 'vital importance', as governments won't re-open borders without them. One-quarter (**25%**) said they were 'not important', as some governments will allow access regardless of digital health documents, while a further **8%** said traveller passports were 'not relevant' as other issues, such as delayed mutual recognition of vaccines will override these initiatives.



**67%**

Of vital importance – governments won't re-open without them



**25%**

Not important – some governments will allow access regardless of digital health documents

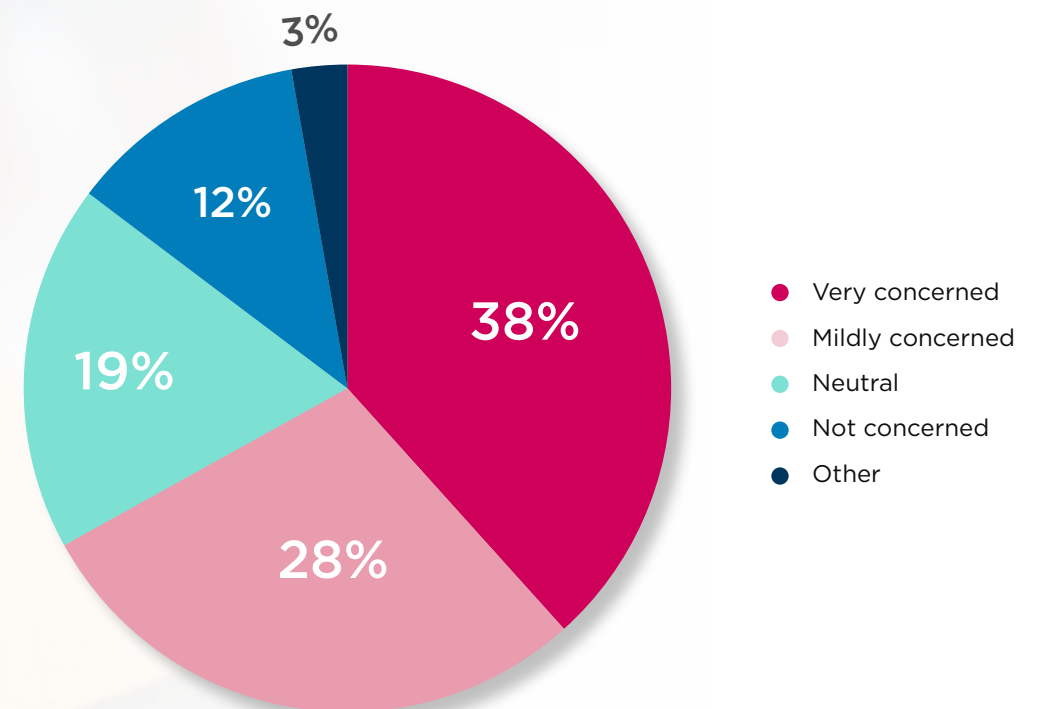


**8%**

Not relevant – other issues, such as delayed mutual recognition of vaccines will override these initiatives

## FRAUDULENT COVID-19 TEST RESULTS AND VACCINATION PASSPORTS

Similarly, two-thirds (**66%**) of respondents are 'very' or 'mildly' concerned by reports of fraudulent COVID-19 test results and vaccination passports surfacing. **12%** were not concerned.

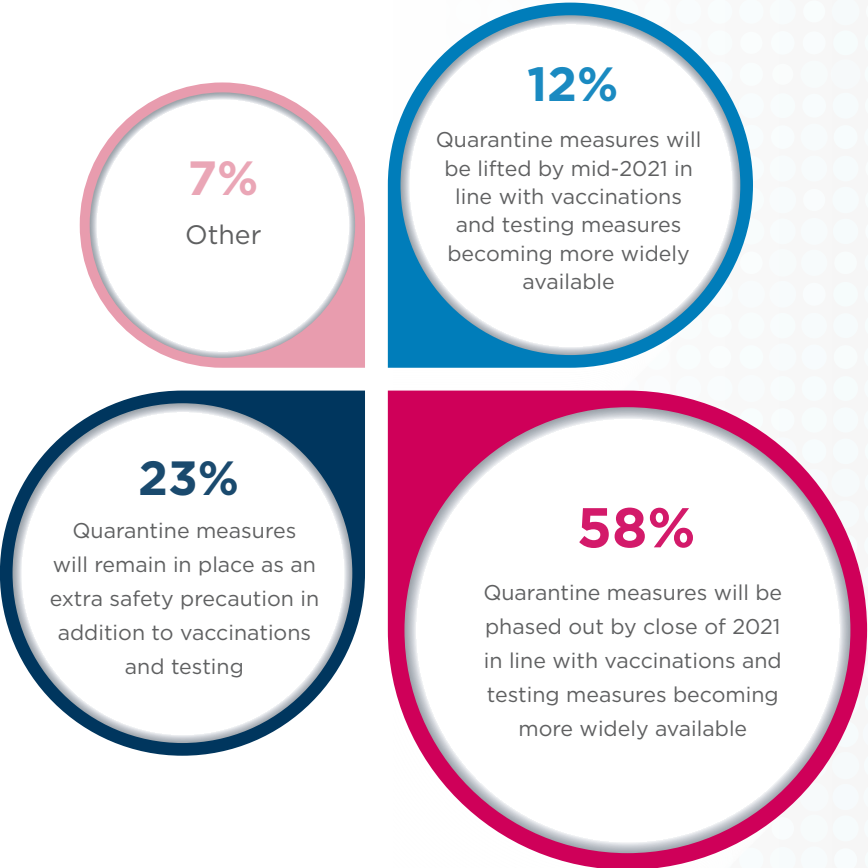


With a massive two-thirds of industry experts concerned by reports of fraudulent COVID-19 test results and vaccination passports, Collinson is proud to be working alongside partners such as IATA, VeriFLY and CommonPass to support the implementation and availability of accredited testing services and digital health passports.



# QUARANTINE MEASURES

Over half (**58%**) of respondents believe that quarantine measures will be phased out by close of 2021 in line with vaccinations and testing measures becoming more widely available with a further 12% expecting quarantine measures will be lifted by mid-2021. Almost one-quarter (**23%**) however believe that quarantine measures will remain in place beyond 2021 as an extra safety precaution in addition to vaccinations and testing.



# AIRLINE LOYALTY PROGRAMMES AND EARN/REDEMPTION PLATFORMS

Loyalty programmes and earn/redemption platforms rated highly in the toolkits for airlines in the recovery process this year and next. Two-thirds of respondents (**66%**) agree that loyalty and earn/redemption programmes are ‘very’ or ‘quite’ significant in keeping brands front of mind while customers are grounded and a further **3%** said they are the ‘most important factor’.

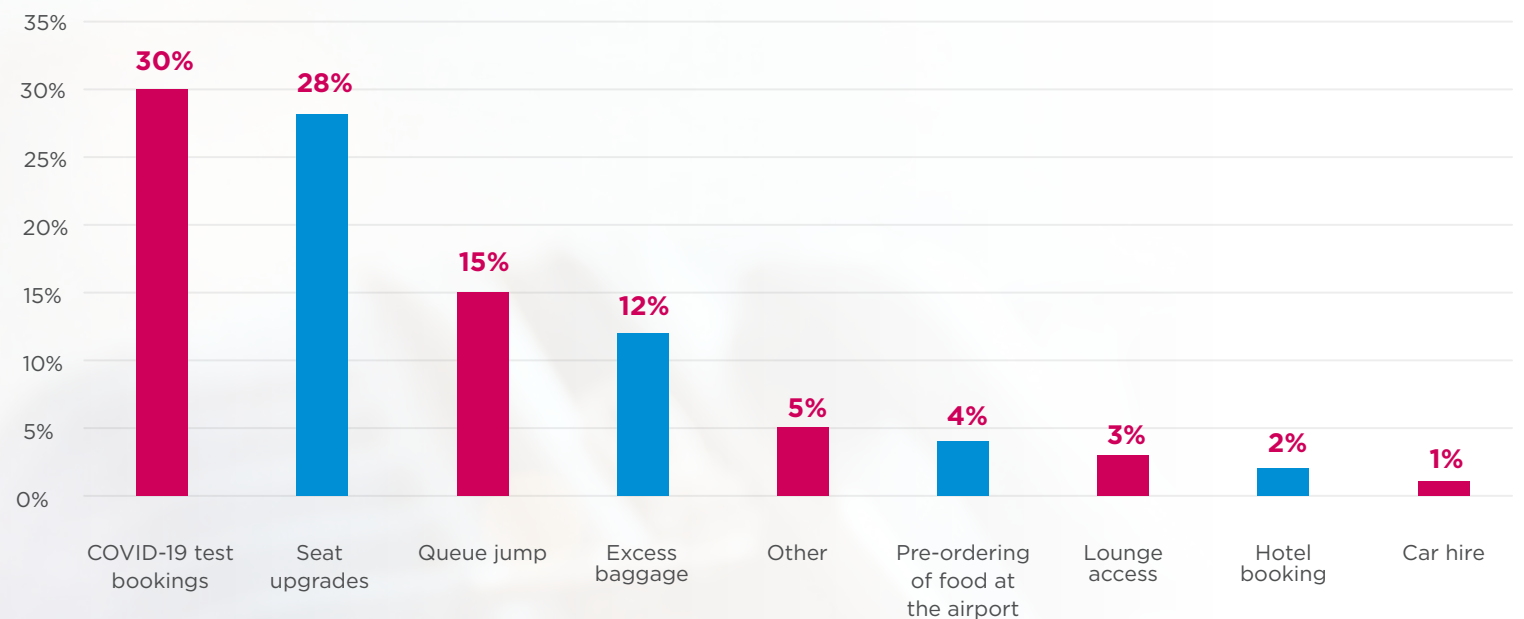


## KEY ANCILLARY PRIORITIES POST-COVID

Several ancillary revenue items caught the attention of respondents in the post-COVID world, namely COVID-19 test bookings (**30%**), seat upgrades (**28%**) and queue jump options (**15%**). Other items of similar importance (**3-5%**) were the pre-ordering of food at the airport, excess baggage and lounge access.



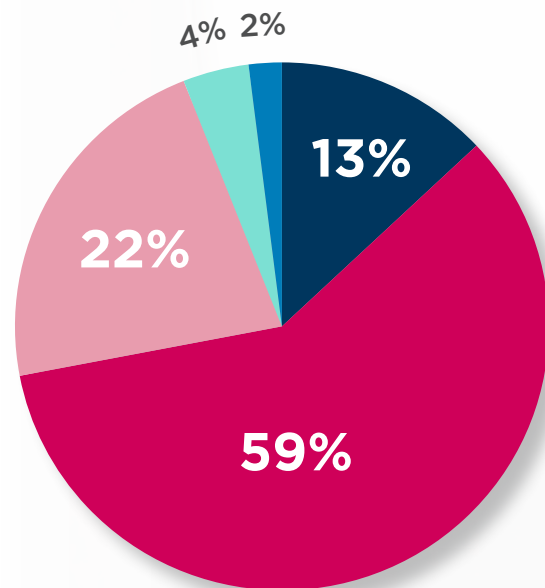
**30%** of respondents think COVID-19 test bookings will be key ancillary options





## TRAVELLER WELLBEING (PHYSICAL)

Over half (**59%**) of respondents believe it is 'extremely safe' to travel if everyone adheres to preventative solutions (e.g. mask wearing, social distancing). A further **13%** said it was 'extremely safe' regardless of preventative solutions. Some **22%** believe it is 'quite safe' to travel and only **4%** said it was 'not safe' to travel.



- Extremely safe regardless of preventative solutions e.g. mask wearing, social distancing
- Extremely safe if everyone adheres to preventative solutions
- Quite safe
- Not safe
- Not sure







## TRAVELLER WELLBEING (MENTAL)

Seven-out-of-ten respondents believe travel will feel ‘more stressful’ than before the pandemic and a further **26%** expect it to be ‘equally as stressful’ as before the pandemic. Just 4% expect travel will be less stressful than before the pandemic.

These findings directly align with Collinson’s recent The Return Journey research, which found that whilst generally the desire to travel is high amongst frequent travellers, there’s a new underlying mental health issue that travelling may cause, manifesting itself in the stress associated with ‘new travel.’ As such, a large proportion (**87%**) of global travellers specifically said they wanted access to socially-distanced spaces in which to ‘de-stress’ and ‘relax away from the crowds’; with **89%** of travellers in Singapore and **90%** in China citing socially-distanced spaces – such as airport lounges – to relax in as a key factor to their airport experience.



- 70%** Travel will feel more stressful than before the pandemic
- 26%** Travel will be equally as stressful than before the pandemic
- 4%** Travel will be less stressful than before the pandemic



# ASIA PACIFIC TRAVEL RECOVERY REPORT

From 7 to 30 April 2021, CAPA surveyed participants in its virtual monthly event series, CAPA Live, receiving 331 survey responses (n=331) from 64 locations with the majority coming from Korea, Taiwan, Vietnam, Bangladesh, Fiji, Indonesia, New Caledonia, Sri Lanka, Myanmar, China, Japan, Philippines, Hong Kong, Cambodia, Malaysia, New Zealand, Australia, India, Singapore, Thailand and Brunei. Respondents were a mix of C-Suite, executives and senior level managers from airlines, airports and aviation suppliers.

## About Collinson

Collinson is a global leader in the provision of traveller experiences including airport lounge access and medical and security assistance and travel medical services. Collinson's traveller experiences include the world's leading airport lounge and experiences programme, Priority Pass, as well as travel insurance, identity assistance, flight delay, international health and travel risk management solutions. Collinson has over 2,000 employees operating out of 17 locations globally, all working to deliver a broad range of traveller experiences that ensure the safety, welfare and comfort of 55 million people as they travel for business and leisure around the world. Its travel medical and security assistance business unit has more than 55 years' experience in the delivery of international medical assistance and emergency care, including the handling of pandemics such as Ebola, Zika and the coronavirus. Last year alone, Collinson responded to over 95,000 emergency calls, managed over 40,000 medical cases and conducted over 3,000 aero-medical evacuations across the 170 countries it serves. We work with clients including: American Express, Cathay Pacific, CBA, Mastercard, UnionPay and Visa

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## About CAPA – Centre for Aviation

CAPA - Centre for Aviation (CAPA), part of Aviation Week Network, is the leading provider of independent aviation market intelligence, analysis and data services covering worldwide developments. Established in 1990, CAPA's platforms help the aviation sector and supplier businesses stay informed, remain connected to industry leaders and fuel inspiration to drive change. CAPA's global C-level and corporate travel in-person and virtual Summits and Masterclasses attract executive level speakers, attendees and leading stakeholders of the global commercial aviation industry. Understanding aviation markets is our great strength and passion, along with providing CAPA members, clients and partners with an unparalleled level of expertise and insight. For more information and details on membership and events, please visit [centreforaviation.com](http://centreforaviation.com).

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