Skift
RESEARCH

Skift Travel Health Index
August 2023 Highlights

Hong Kong is back in business. Travel performance boomed in August 2023, but talk of full recovery is still premature, as 2019 wasn't a particularly good year with widespread protests impacting travel demand in the country.

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Executive Summary

The Skift Travel Health Index maintained past trends this year, growing by 1 percentage point (pp) over July 2023 to stand at 103 this month.

This month, Hong Kong experienced a significant 23 pp increase, a first since we started tracking global travel recovery. While the country's travel industry is showing considerable improvement, the index in August 2023 is indexed to performance in August 2019. This period in 2019 was a month of softening travel demand in Hong Kong as a result of the protests. Therefore, while there is an uptick in travel performance in the country, it may not necessarily be back to the pre-pandemic average.

Travel Health Shows Positive Gains Over the Past Month

The Skift Travel Health Index gained 1 pp in August 2023 and now stands at 103.

Source: Skift Research from partner data. All data vs same month in 2019.
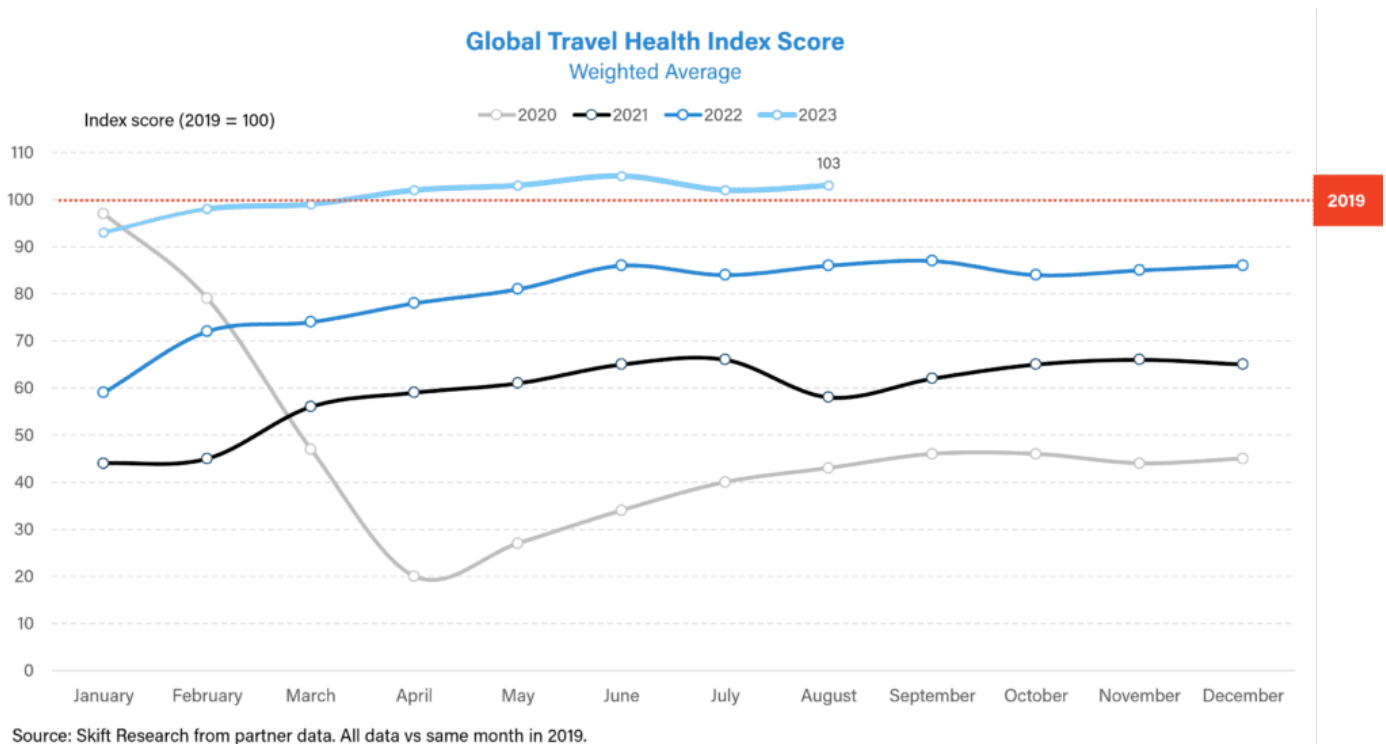
Travel performance in Hong Kong, which had taken a nosedive since the pandemic hit and has struggled to recover ever since witnessed a dramatic uptick in August 2023. For the first time since 2020, Hong Kong has almost made a complete recovery to 2019 levels and stands at 99.7 points.

The travel industry in Hong Kong is undoubtedly on a growth trajectory, but it is vital to note that August 2023's performance is indexed to that of August 2019. This was one of the months when protests and unrest in the country were at their peak. As a result, while tourism is rebounding, it has not entirely recovered to its pre-pandemic average.

Skift Travel Health Index Performance by Country

Country	Aug-23	Jul-23	MoM Growth (abs)	YoY Growth (abs)
Hong Kong, China	99.7	76.6	+23	+39
Turkey	120.3	108.3	+12	+19
United Arab Emirates	112.5	104.5	+8	+11
India	116.8	111.5	+5	+10
Indonesia	94.4	89.3	+5	+15
Japan	109.7	105.7	+4	+47
Brazil	109.8	107.5	+2	+7
Singapore	99	96.8	+2	+16
Mexico	114.5	112.4	+2	+1
France	108.1	106.7	+1	+8
United Kingdom	109.4	109.1	0	+10
Spain	103	103.2	0	+10
South Africa	90.9	91.2	0	+7
U.S.	107.3	107.9	-1	+7
Germany	90	91.7	-2	+9
Canada	104.9	107.1	-2	+11
China	95.5	97.7	-2	+33

Country	Aug-23	Jul-23	MoM Growth (abs)	YoY Growth (abs)
Italy	100.3	102.6	-2	-1
Russia	66.5	69.1	-3	+11
Australia	95.1	97.9	-3	+1
Argentina	101.3	104.4	-3	+4
Thailand	96.9	102.2	-5	+23

Hong Kong's Progress to Travel Recovery

Hong Kong registered more than 4 million tourist arrivals in August, a 13.6% increase over July 2023; however, they still remain below average pre-pandemic levels. Even during the period of unrest in the country in August 2019, the city welcomed 3.6 million visitors. This number, however, was close to 6 million back in August 2018.
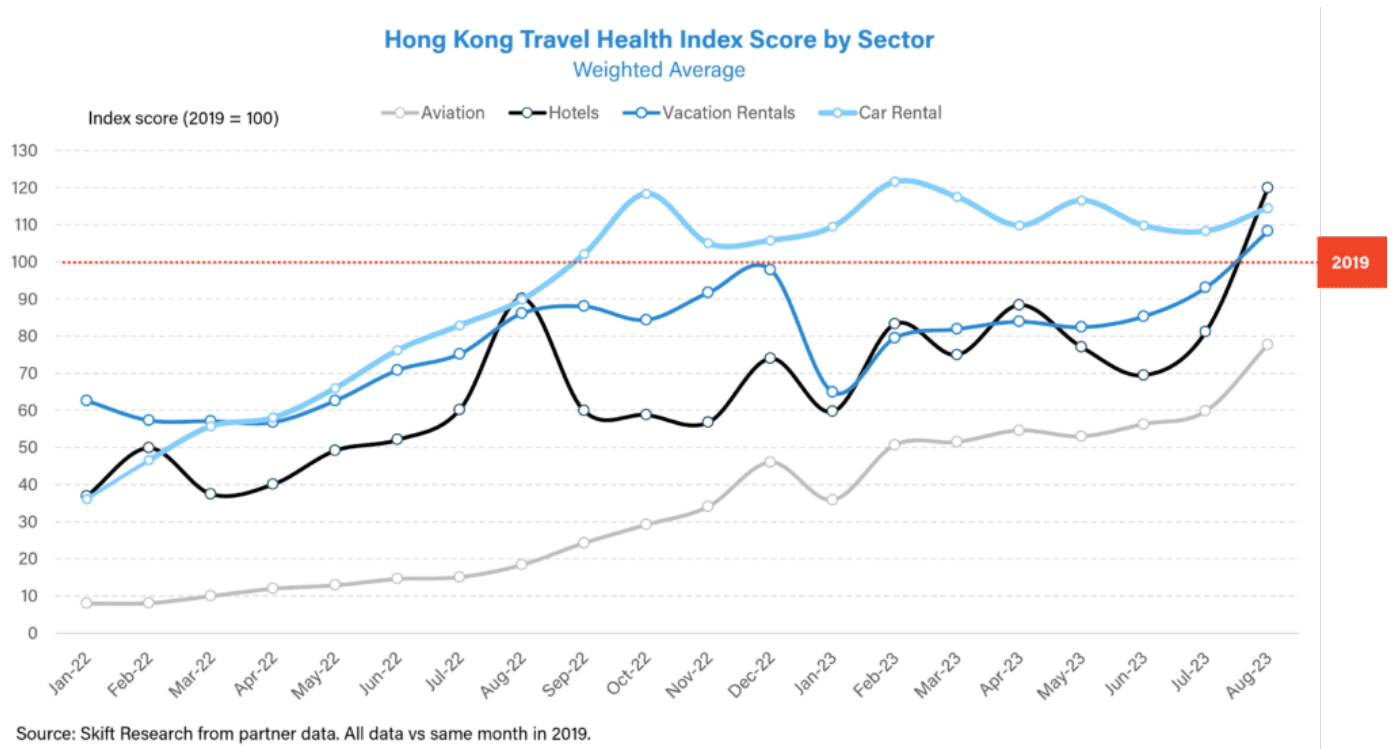
Tourism in the country continues to be largely dependent on travelers from Mainland China. The number of Chinese tourists traveling to Hong Kong has reached 84% of the pre-pandemic average from 2017 to 2019 as of August 2023.

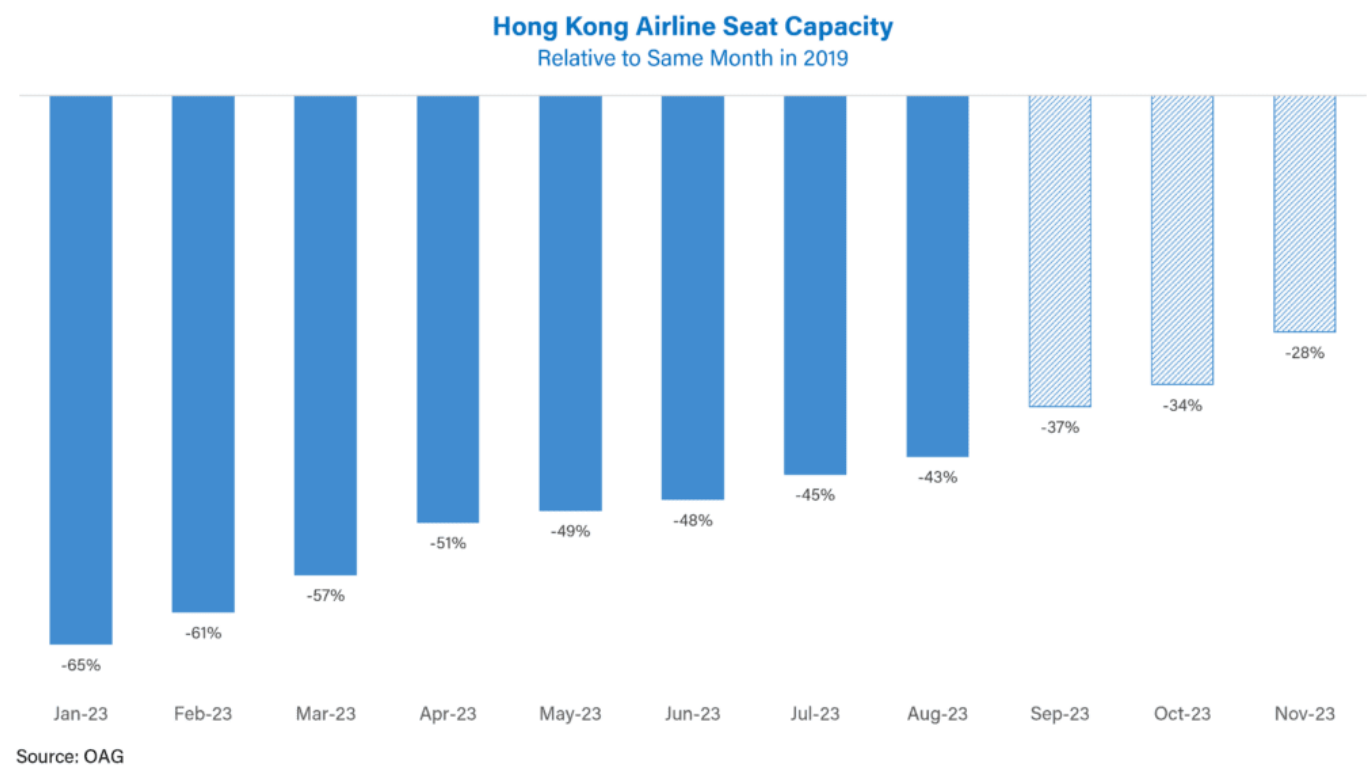| Origin of Arrivals	23-Aug	23-Jul	MoM Growth (%)
Mainland China	3,434,202	2,975,846	15.4%
Non-Mainland Short-Haul	312,810	306,477	2%
Non-Mainland Long-Haul	165,026	163,649	0.8%
Non-Mainland New Markets	30,111	28,623	5.2%
Total	**4,077,746**	**3,588,530**	**13.6%**

Note: Figures are provisional

Source: Hong Kong Tourism Board (HKTB)

Except for airlines, all sectors in Hong Kong have surpassed 2019 levels of travel performance this month.

Hong Kong Travel Health Index Score by Sector
Weighted Average

Index score (2019 = 100)

—○— Aviation —●— Hotels —○— Vacation Rentals —○— Car Rental

Source: Skift Research from partner data. All data vs same month in 2019.

The delayed recovery in airline seat capacity has slowed the sector's revival. In February this year, the country launched the "Hello Hong Kong" campaign, collaborating with local airlines to give away plane tickets to the country, which seems to have accelerated recovery. The gap seems to be shrinking in the coming months, but there are still issues like staffing shortages that have stalled recovery.

Hong Kong Airline Seat Capacity
Relative to Same Month in 2019

Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
-65%	-61%	-57%	-51%	-49%	-48%	-45%	-43%	-37%	-34%	-28%

Source: OAG

Hotel bookings were significantly higher than those in August 2019. Hotel published rates have also increased substantially. Given that hotels struggled with low demand during this period in 2019, these numbers may be the result of under-indexing.

Hong Kong Hotel Bookings and Published Rates Growth
Relative to 2019

- Hotel Bookings Growth
- Hotel Published Rates Growth

Jan-23: -58%, -52%
Feb-23: 6%, -23%
Mar-23: -35%, -19%
Apr-23: -4%, -13%
May-23: -6%, -46%
Jun-23: -49%, -22%
Jul-23: -37%, 78%
Aug-23: 55%, 143%

Source: Duetto, Hotelbeds, OTA Insight
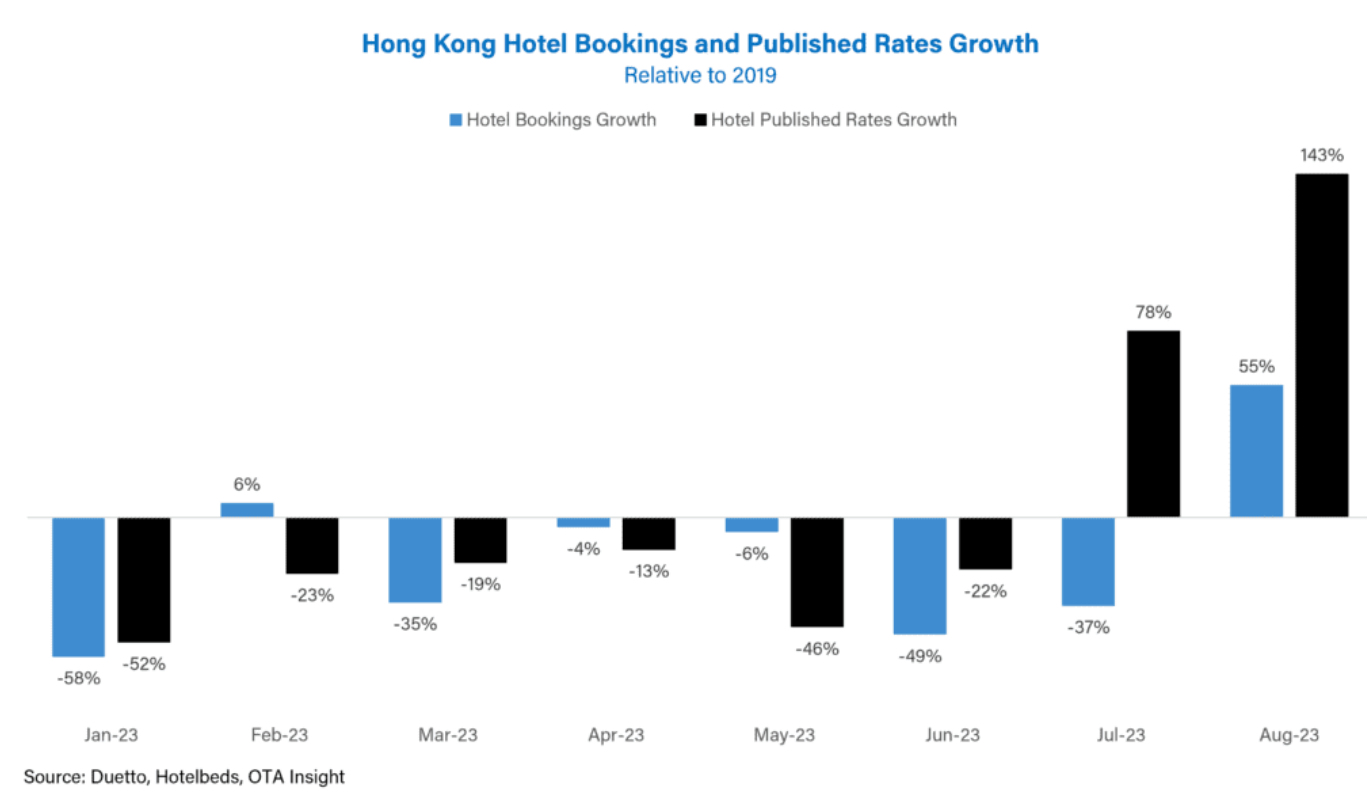
In order to promote tourism in the coming months, the Hong Kong Tourism Board (HKTB) plans to host underline flagship events such as the Hong Kong Wine & Dine Festival, Hong Kong WinterFest, and Hong Kong New Year Countdown Celebrations in the country. This should help further the resurgence of tourism.

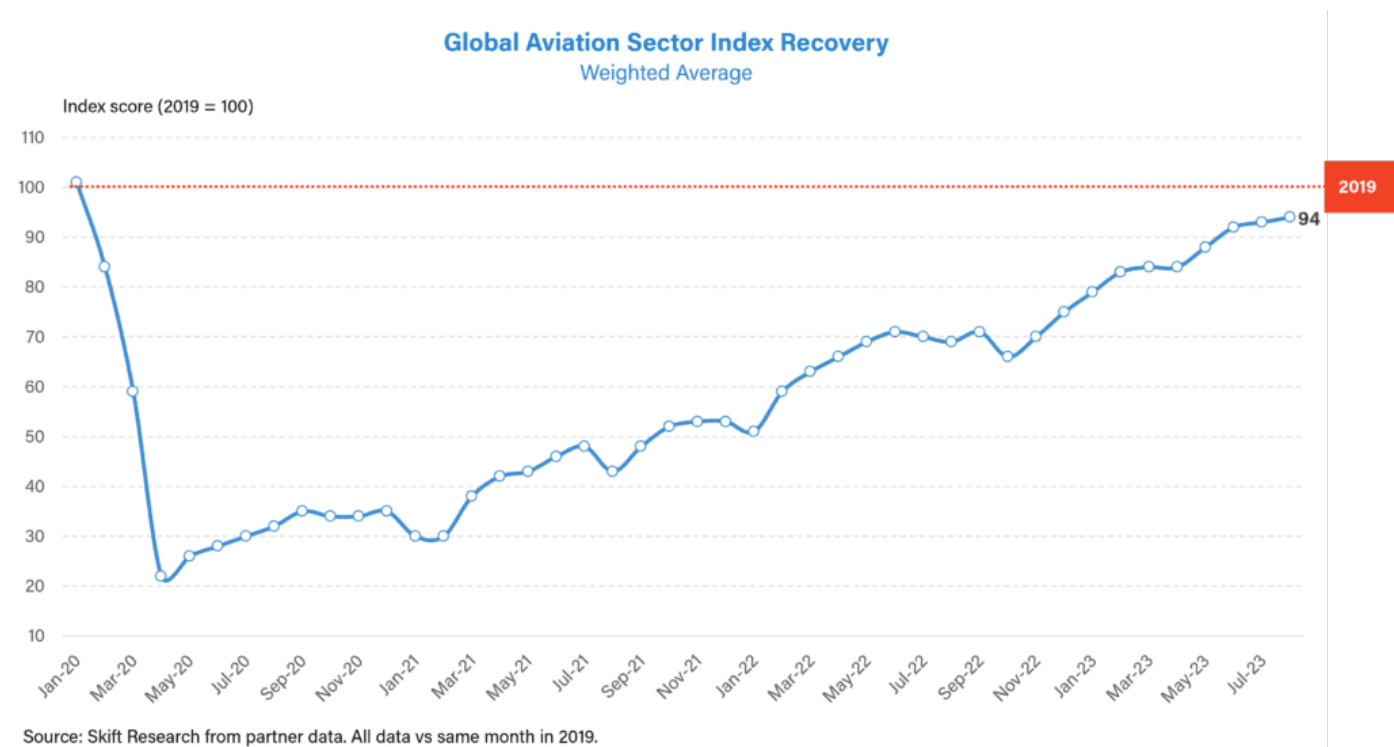# Regional Performance Maintains Established Trends

Similar to last year, all regions have either remained at the same level as July 2023 or witnessed slight performance gains. Except for Europe, which is just 1 pp short of 100, all regions show complete travel recovery. The global average growth is mainly driven by the 4 pp uptick in the Middle East and Africa.

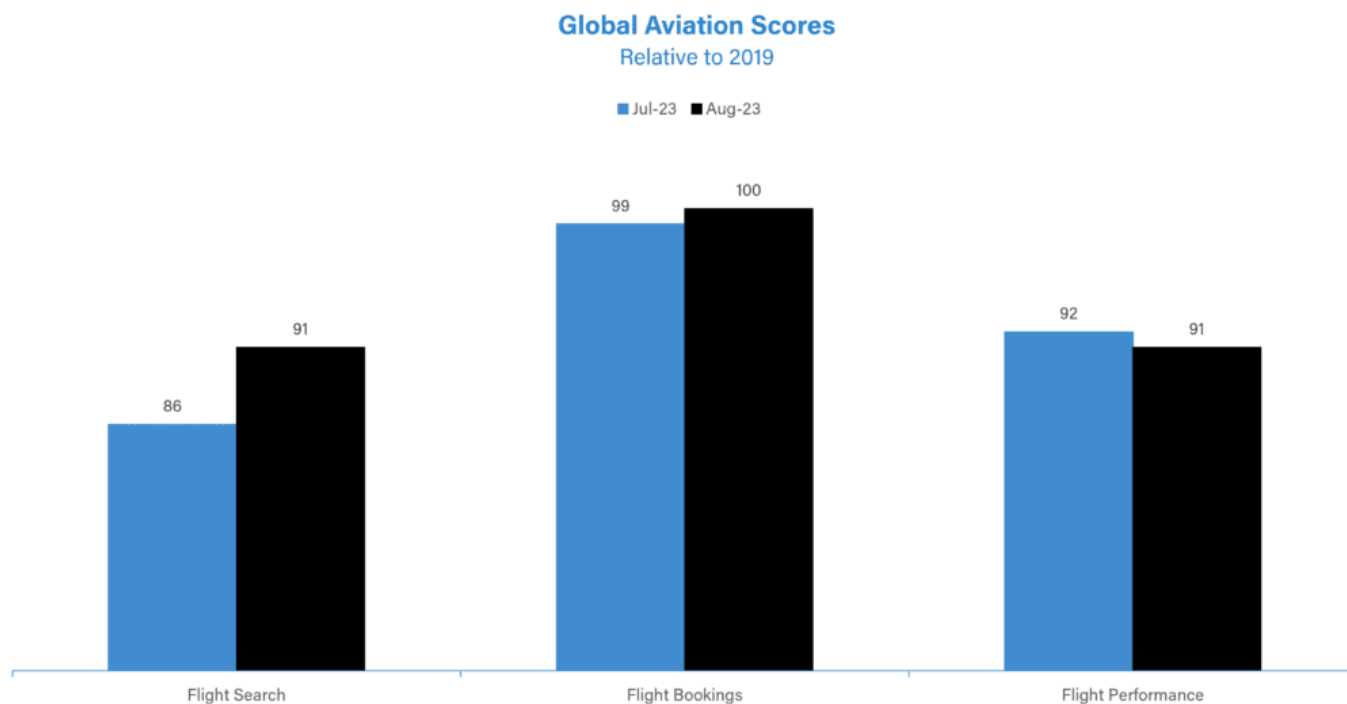**Skift Travel Health Index Performance by Region**

Regions	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Jul-Aug
Asia Pacific	100	102	103	103	100	101	+1
Europe	99	101	103	102	99	99	0
Latin America	111	113	109	110	108	108	0
Middle East and Africa	100	102	110	104	99	103	+4
North America	98	99	103	109	107	107	0

Global Aviation Recovery Appears to be on the Horizon

When looking at travel performance by sector, we note that although the aviation industry has had trouble fully recovering to levels seen in 2019, it has seen steady growth over the years. In August 2023, the sector index stands at 94 compared to a baseline of 100 in August 2019, bringing it closer to a complete recovery.

Global Aviation Sector Index Recovery
Weighted Average

Index score (2019 = 100)

Source: Skift Research from partner data. All data vs same month in 2019.

The improvement in the aviation index mainly comes from the uptick in global flight searches and the global average of flight bookings, indicating a full recovery in August 2023.

Global Aviation Scores
Relative to 2019

■ Jul-23   ■ Aug-23

	Flight Search	Flight Bookings	Flight Performance
Jul-23	86	99	92
Aug-23	91	100	91

Source: Amadeus, Aviasales, Skyscanner, Sojern, ForwardKeys Nium, OAG, and Collinson

Looking at performance by region, we see that aviation performance in the Americas has surpassed pre-pandemic levels, boosting the global average. Asia Pacific, however, still remains the weakest region, with an 81% recovery.

Aviation Index Performance by Region

Regions	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Jul-Aug
Asia Pacific	74	75	78	81	80	81	+1
Europe	97	97	100	98	99	99	0
Latin America	102	107	105	104	104	106	+2
Middle East and Africa	87	87	97	90	88	91	+3
North America	90	91	96	108	112	114	+2

Regions	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Jul-Aug
Global Average	84	84	88	92	93	94	+1

It is not just China that is holding the region back; travel arrivals to all countries in the Asia Pacific are on average 39% below 2019 levels this year. Thailand is taking steps such as granting temporary visa exemptions to tourists from China and Kazakhstan from September 25, 2023, to February 29, 2024. This should help boost tourist arrivals in the country.

Growth in Airline Arrivals by Destination (Jan 2023 – Aug 2023)
Relative to 2019

Hong Kong	China	Thailand	Singapore	Indonesia	Japan	India	Australia
-59%	-47%	-46%	-44%	-41%	-40%	-17%	-17%
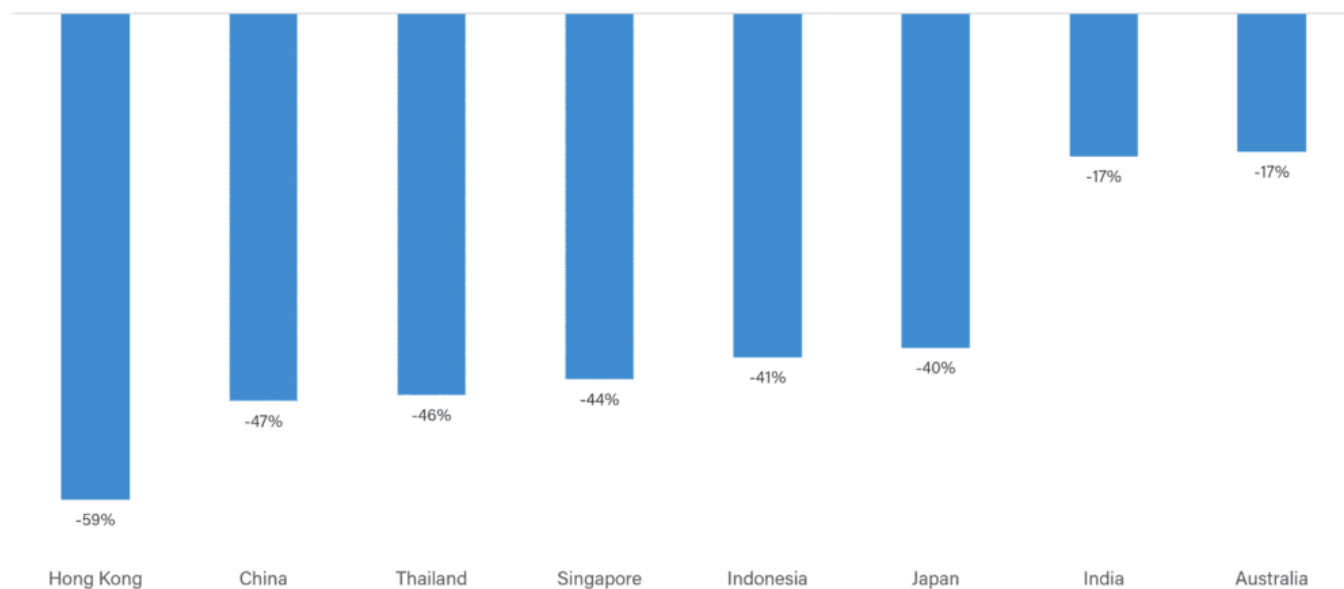
Source: ForwardKeys

Conclusion

The strugglers on our index, namely, aviation among the industries tracked and Hong Kong among the countries covered, both showed improving travel performance this month.

Hong Kong's dramatic rise is a result of the indexing of performance this month to that in August 2019, a period of unrest and low demand in the country. Although the travel industry has performed much better than that in the last few years, it will still be

a while before it recovers to its pre-pandemic average.

The aviation sector is only 6 pp short of making a complete recovery and is making slow progress towards the same. The Americas are providing the required boost to the sector, but Asia Pacific remains the black sheep holding back the sector's performance.
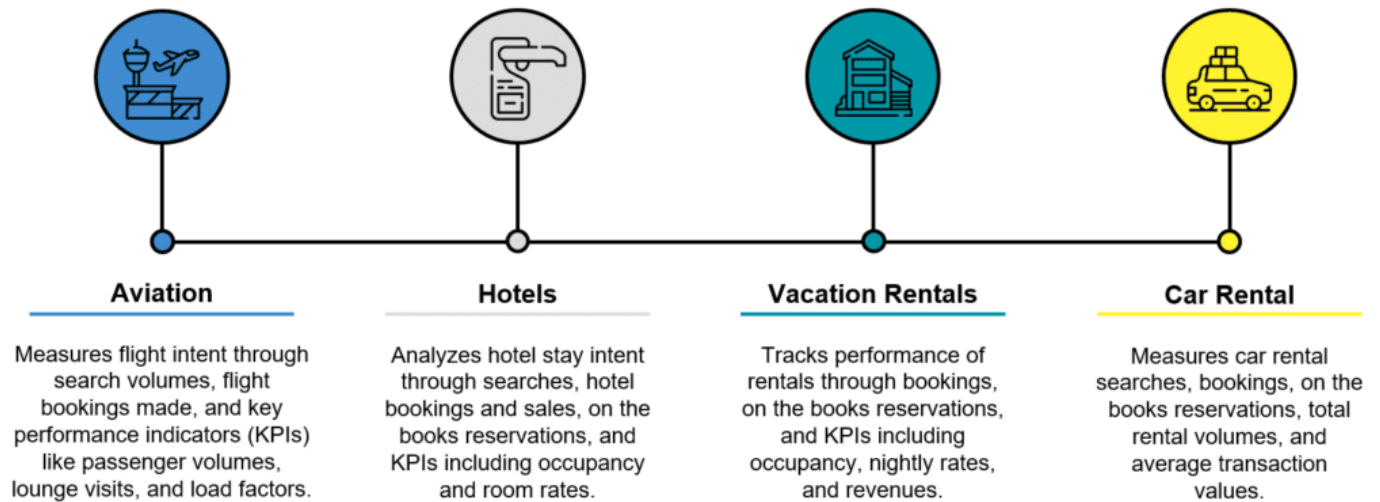
Methodology

Data Partners

Skift Research collects and analyzes data from 22 different data partners, to provide the most comprehensive view of the travel industry's performance.

Aviation	Hotels	Vacation Rentals	Car Rental
aMaDEUS	CENDYN	BEYOND	CarTrawler
aviasales	duetto	KEYDATA	
COLLINSON	hotelbeds	Transparent	
CRITEO	onyx		
ForwardKeys	OTA INSIGHT		
OAG	RateGain®		
NIUM	Shiji		
Skyscanner	TRAVELGATE X		
SOJERN	TRUSTYOU		

Index Design

The Index tracks 84 indicators per country to assess the health of the travel industry in each country. These indicators are aggregated into performance categories and sub-categories. The top level of division is by travel vertical, and each vertical is further divided by intent indicators, booking indicators, and key performance indicators.

The Index covers the following travel sectors:

Aviation

Measures flight intent through search volumes, flight bookings made, and key performance indicators (KPIs) like passenger volumes, lounge visits, and load factors.

Hotels

Analyzes hotel stay intent through searches, hotel bookings and sales, on the books reservations, and KPIs including occupancy and room rates.

Vacation Rentals

Tracks performance of rentals through bookings, on the books reservations, and KPIs including occupancy, nightly rates, and revenues.

Car Rental

Measures car rental searches, bookings, on the books reservations, total rental volumes, and average transaction values.

Country Coverage

The Index focuses on the travel performance in 22 of the largest tourism economies, combined accounting for 62% of inbound tourism receipts, 67% of outbound tourism expenditure, and 78% of global 2019 GDP.

- Argentina

- Australia

- Brazil

- Canada

- China

- France

- Germany

- Hong Kong, China

- India

- Indonesia

- Italy

- Japan

- Mexico

- Russia

- Singapore

- South Africa

- Spain

- Thailand

- Turkey

- U.S.

- United Arab Emirates

- United Kingdom

Index Score Calculation

The Index is designed to provide an easy overview of the health of the travel industry. We have tracked the industry since the beginning of 2020. For 2020, 2021, 2022, and 2023 data, the performance of each indicator is compared to the same time in 2019. The Index provides a score relative to a baseline reading of 100 for the same month in 2019.

The full methodology can be found on our website.

Data Tables

Total Skift Travel Health Index Scores by Country

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Argentina	96.6	95.0	103.1	109.7	100.7	106.1	104.4	101.3
Australia	109.5	100.2	100.5	97.0	95.0	100.3	97.9	95.1

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Brazil	111.2	107.9	110.5	112.3	111.4	109.9	107.5	109.8
Canada	94.5	98.8	98.6	101.6	105.7	110.4	107.1	104.9
China	74.2	92.2	96.7	101.9	101.9	100.4	97.7	95.5
France	111.0	108.0	105.3	112.6	113.4	111.3	106.7	108.1
Germany	90.2	89.9	91.8	95.1	94.4	96.5	91.7	90.0
Hong Kong, China	56.8	74.3	71.3	76.3	73.9	70.5	76.6	99.7
India	100.1	106.0	110.9	110.6	110.6	113.2	111.5	116.8
Indonesia	91.0	93.6	88.5	90.6	93.9	104.3	89.3	94.4
Italy	102.4	100.9	104.8	102.5	109.0	106.2	102.6	100.3
Japan	101.6	103.4	108.7	106.6	109.8	108.2	105.7	109.7
Mexico	121.2	120.5	120.7	117.5	115.6	117.4	112.4	114.5
Russia	69.3	67.6	66.7	64.3	65.9	69.0	69.1	66.5
Singapore	90.9	94.4	102.8	102.2	101.4	104.2	96.8	99.0
South Africa	91.0	93.5	93.2	91.3	93.2	93.8	91.2	90.9
Spain	103.9	105.0	106.9	107.4	104.5	102.6	103.2	103.0
Thailand	97.0	99.0	99.4	103.9	103.0	104.4	102.2	96.9
Turkey	113.9	89.7	104.6	107.9	118.8	120.7	108.3	120.3
U.S.	102.6	102.0	98.5	99.7	103.3	109.3	107.9	107.3
United Arab Emirates	103.5	109.1	105.3	109.2	121.6	110.8	104.5	112.5
United Kingdom	103.1	102.7	103.9	105.4	110.5	108.8	109.1	109.4

Aviation Scores by Country

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Argentina	83.2	82.1	87.3	98.5	84.4	95.7	94.6	92.5
Australia	92.8	101.8	103.6	94.5	93.3	99.6	101.2	104.7
Brazil	104.4	100.3	104.1	110.4	113.2	106.8	105.1	108.6
Canada	76.1	89.4	89.6	88.1	89.5	95.2	99.9	102.5
China	42.0	57.0	58.5	61.2	63.0	64.5	66.9	64.0
France	99.0	96.9	98.3	105.7	99.4	96.1	95.6	98.1
Germany	90.8	87.8	90.3	92.1	90.2	94.1	93.7	93.1
Hong Kong, China	35.9	50.7	51.5	54.6	53.0	56.3	59.8	77.7
India	101.7	103.2	105.5	104.1	110.3	112.9	109.9	112.2
Indonesia	67.9	67.9	62.1	64.8	68.0	83.7	65.0	71.9
Italy	113.8	106.0	110.2	100.3	117.0	110.8	109.7	109.7
Japan	86.8	87.8	94.2	89.5	95.7	95.7	95.7	105.2
Mexico	107.9	111.3	111.7	111.4	109.6	109.8	113.4	114.9
Russia	80.2	74.3	74.0	70.7	73.9	80.0	79.1	72.1
Singapore	71.7	77.1	75.3	76.2	75.8	86.1	83.8	82.1
South Africa	78.6	75.7	73.6	73.6	75.0	71.5	72.4	71.0
Spain	116.2	115.6	113.9	111.3	109.3	107.0	108.1	108.2
Thailand	80.5	82.1	79.5	83.9	81.6	91.2	88.5	91.0
Turkey	106.6	94.2	92.9	104.5	114.1	114.0	108.4	114.3
U.S.	94.1	94.9	90.8	92.0	97.3	108.8	112.9	114.7
United Arab Emirates	96.9	101.7	97.3	96.0	112.6	102.4	99.7	104.5
United Kingdom	90.5	91.3	93.9	92.4	99.7	95.2	100.3	103.9

Aviation contributes 40% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.

Hotel Scores by Country

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Argentina	114.6	113.7	125.1	124.8	124.4	128.5	120.0	118.0
Australia	126.2	94.2	93.0	89.0	88.6	97.1	89.6	83.4
Brazil	126.6	129.2	140.6	132.6	129.1	135.7	127.7	130.9
Canada	103.7	102.0	103.7	112.1	125.7	133.8	118.1	109.3
China	89.6	105.9	107.5	112.5	114.3	112.9	108.2	109.2
France	119.7	114.8	114.7	116.6	124.7	129.4	119.3	117.7
Germany	91.0	96.0	102.4	104.4	103.9	110.2	98.5	96.2
Hong Kong, China	59.7	83.3	75.0	88.4	77.1	69.5	81.2	119.9
India	95.6	104.9	117.3	118.5	111.1	116.4	113.9	124.4
Indonesia	111.1	113.6	108.2	111.8	115.9	127.8	104.3	110.1
Italy	97.1	101.2	104.6	108.8	108.2	106.5	100.5	93.0
Japan	124.1	120.5	123.4	123.3	123.8	124.9	125.5	127.9
Mexico	134.2	130.7	133.9	129.3	127.9	132.7	116.1	124.1
Russia	49.8	51.6	52.5	48.0	47.2	46.6	46.6	46.1
Singapore	99.6	108.5	127.9	131.6	128.7	122.4	106.3	111.7
South Africa	101.1	114.3	114.7	112.5	112.7	117.7	110.7	113.4
Spain	91.3	97.0	105.6	109.9	106.1	102.6	101.1	99.1
Thailand	117.7	109.8	123.6	134.4	124.3	124.4	117.4	107.5
Turkey	130.7	86.7	120.1	113.5	136.2	141.8	109.8	134.6
U.S.	103.9	105.8	105.1	107.3	114.3	117.7	111.9	104.6

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
United Arab Emirates	98.9	105.2	102.5	113.9	127.8	110.7	97.4	106.9
United Kingdom	107.1	108.4	110.8	116.5	123.1	124.6	123.3	118.4

Hotels contributes 35% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.

Vacation Rental Scores by Country

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Argentina	144.9	144.4	142.8	147.3	147.1	149.2	155.7	156.1
Australia	139.3	132.4	134.4	138.2	131.0	135.4	133.9	127.7
Brazil	130.2	131.3	122.2	129.5	125.6	125.6	130.9	129.1
Canada	122.6	122.1	129.2	133.1	131.4	132.7	137.8	135.8
China	165.2	180.0	180.0	178.1	175.4	154.4	149.0	146.0
France	130.8	131.5	130.4	135.4	136.8	135.0	132.5	130.5
Germany	114.4	116.2	110.6	112.7	105.7	101.0	100.1	100.2
Hong Kong, China	64.9	79.5	81.9	83.9	82.4	85.3	93.1	108.3
India	106.6	111.8	108.3	112.4	113.9	119.5	124.7	128.0
Indonesia	96.6	98.1	89.4	92.9	99.8	107.3	115.9	115.7
Italy	125.8	128.8	138.2	134.1	138.2	132.5	131.7	135.6
Japan	117.6	119.0	129.2	128.6	132.2	123.6	121.1	125.7
Mexico	143.1	137.9	132.2	128.0	126.7	127.0	119.5	131.6
Russia	113.0	113.7	101.8	107.5	113.3	121.7	126.4	130.1
Singapore	112.1	119.2	117.4	117.9	120.3	121.7	125.7	131.6

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
South Africa	97.8	97.7	95.7	97.9	103.3	101.7	107.8	104.6
Spain	134.5	130.4	129.7	125.7	124.3	125.2	123.5	129.2
Thailand	123.3	136.8	126.6	118.3	109.4	108.1	115.7	115.3
Turkey	117.8	110.0	115.5	117.7	122.1	126.0	130.9	132.0
U.S.	129.8	127.8	124.7	125.6	120.9	123.7	123.2	120.0
United Arab Emirates	140.3	147.1	140.0	140.1	144.9	140.0	149.3	154.0
United Kingdom	135.4	130.0	133.0	129.5	126.9	128.0	126.2	121.0

Vacation Rentals contributes 10% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level. 2021 VR data for Argentina missing.

Car Rental Scores by Country

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Argentina	94.1	88.9	85.9	97.5	93.7	88.9	77.9	85.3
Australia	110.3	106.3	105.5	107.1	105.6	101.5	99.6	90.3
Brazil	98.8	98.8	94.3	98.7	100.9	96.8	96.2	91.2
Canada	129.1	126.2	119.4	118.3	116.5	110.4	107.2	106.8
China	63.4	101.4	124.0	135.0	128.0	131.1	121.3	119.7
France	133.6	129.9	115.5	121.4	123.9	109.3	101.4	103.4
Germany	85.6	84.7	85.7	85.0	88.1	82.8	80.0	72.3
Hong Kong, China	109.5	121.6	117.5	109.8	116.6	109.8	108.3	114.5
India	110.9	121.3	121.2	117.3	116.7	111.3	110.4	112.7

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023
Indonesia	110.9	121.3	121.2	117.3	116.7	111.3	110.4	112.7
Italy	80.8	79.7	83.7	84.4	85.2	87.8	84.2	77.4
Japan	114.1	113.1	117.6	116.7	117.7	110.4	111.6	104.7
Mexico	129.8	124.0	120.5	113.4	110.0	109.9	107.2	94.1
Russia	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Singapore	119.6	127.0	120.0	116.2	111.3	110.0	101.9	110.8
South Africa	107.6	107.9	105.5	103.0	101.6	104.0	96.5	88.3
Spain	89.3	87.6	87.9	88.1	89.9	84.8	87.6	83.8
Thailand	102.1	107.3	100.5	98.7	110.6	104.0	103.0	88.9
Turkey	109.9	95.3	104.3	109.2	94.2	103.6	95.3	95.3
U.S.	116.1	107.0	98.2	97.1	93.6	96.6	89.8	97.3
United Arab Emirates	115.9	121.2	114.4	121.5	124.5	123.1	112.7	123.8
United Kingdom	117.7	113.3	110.2	107.2	108.0	104.6	100.4	101.1

Car Rental contributes 15% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.