Skift
RESEARCH

Skift Travel Health Index
February 2023 Highlights

The Asia Pacific region, aided by the re-opening of China and the Lunar New Year is on the path to rapid recovery. While China gets ready to travel again, the global tourism industry needs to catch-up with the growing demand.

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Executive Summary

Globally, the travel industry witnessed month-on-month growth across all sectors. The Skift Travel Health Index rose up to 93 from 89 last month bringing full recovery closer. All sectors barring aviation achieved full recovery. The aviation index at 78, while weak, was at the highest it has been for a year now.
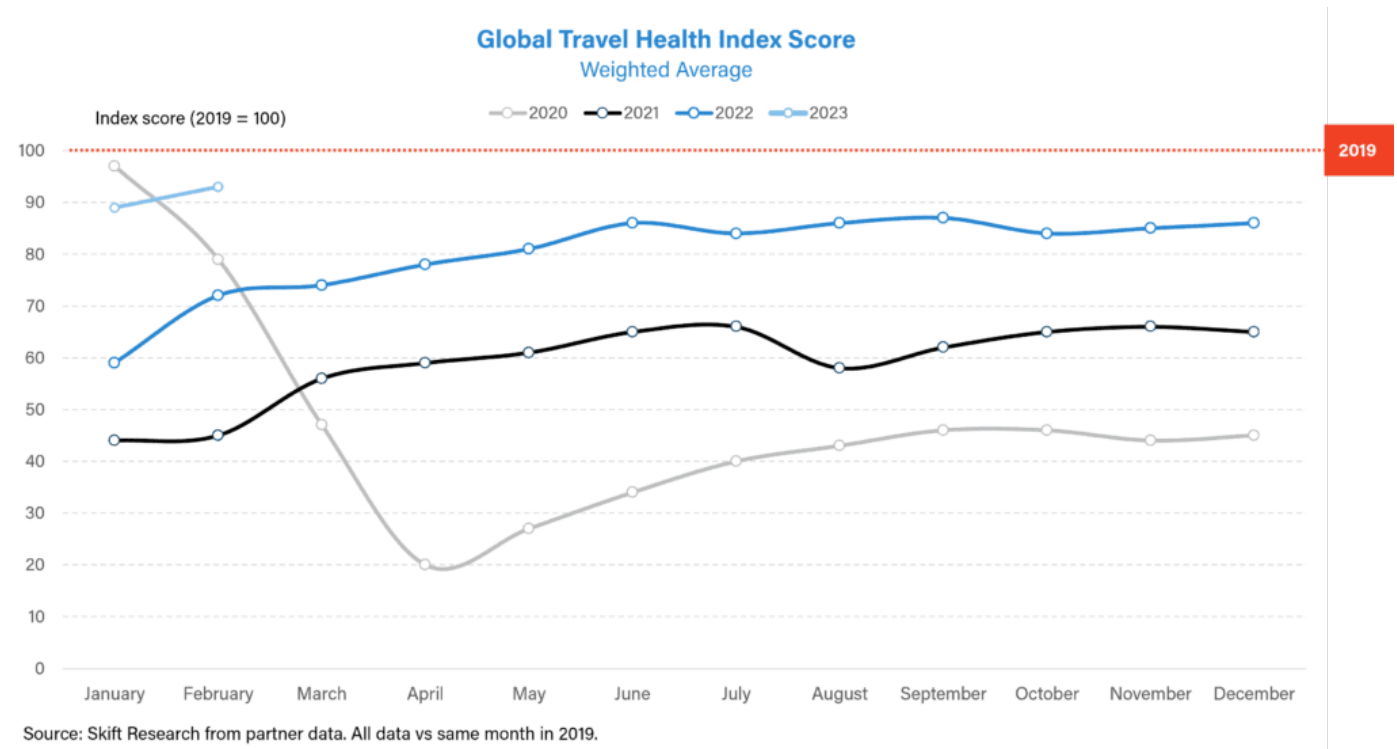
Latin America, the Middle East, and Africa (MEA) overtook pre-pandemic performance levels. North America is on its path to achieving 100% recovery. Travel performance in Europe was largely impacted by the earthquake crisis in Turkey, making the region the weakest-performing this month. The Lunar New Year pushed up performance across all sectors in the Asia Pacific region.

This report focuses on the Asia Pacific region which has been the "black sheep" for a while now but displayed rapid recovery, driving the index up this month.

The Global Travel Industry Has Almost Recovered

The global Travel Health Index which tracks travel recovery across 22 countries, observed continued growth in February 2023 too. Gaining four percentage points (pp) over the previous month, the Index now stands at 93. Full recovery does not seem too far for the travel industry.

Global Travel Health Index Score
Weighted Average

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

Growth in The Asia Pacific Region Boosts Index

Countries in the Asia Pacific region made it to the top of the table in February. The Ministry of Transport of China reported that trips made during the Lunar New Year in 2023 were 75.8% higher than in 2022 but still half of that in 2019. The re-opening of Chinese tourism helped boost travel performance in Southeast Asian countries.

The impact of the earthquakes in Turkey can be seen in the major decline in travel performance.

Skift Travel Health Index Performance by Country
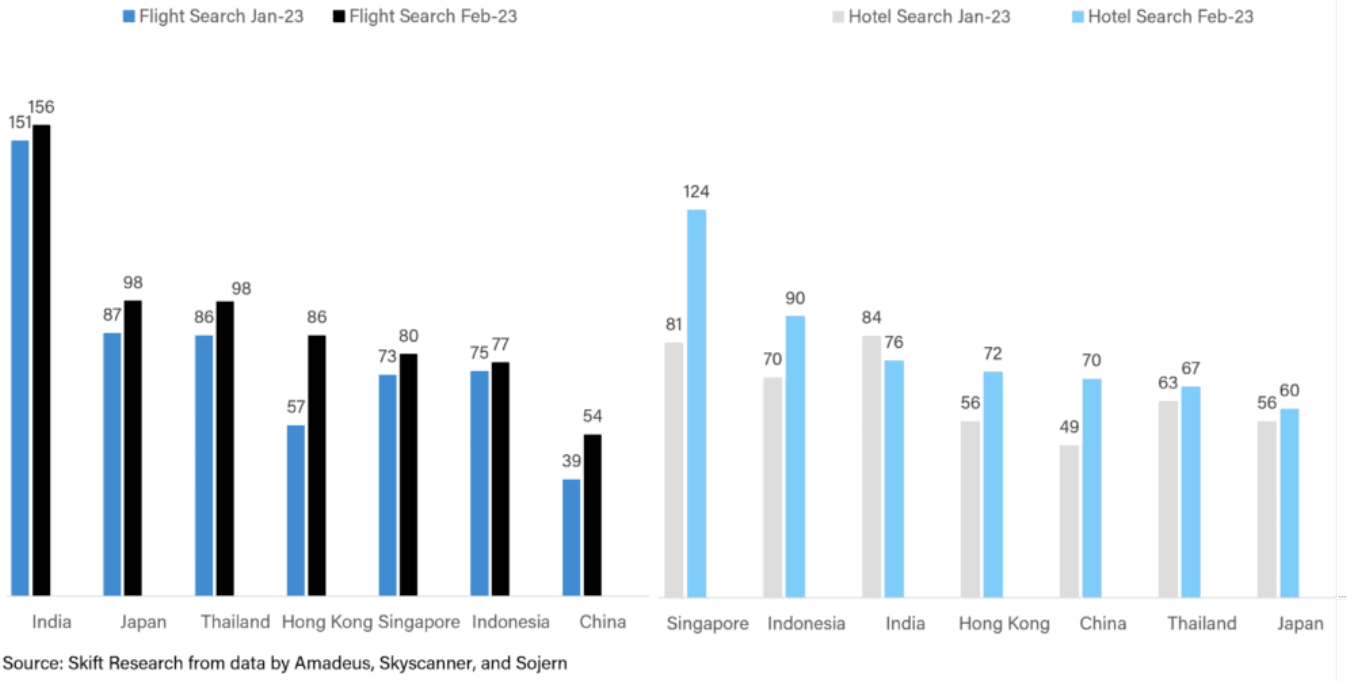
Country	Feb-23	Jan-23	MoM Growth (abs)	YoY Growth (abs)
Hong Kong, China	72	55	+17	+40
China	85	69	+17	+35
Singapore	91	85	+6	+34
India	105	99	+6	+29

Country	Feb-23	Jan-23	MoM Growth (abs)	YoY Growth (abs)
United Arab Emirates	108	103	+5	+9
Thailand	**95**	**91**	**+4**	**+45**
Canada	93	90	+3	+17
Indonesia	**93**	**90**	**+3**	**+42**
South Africa	93	91	+2	+21
Spain	97	97	0	+13
Japan	**96**	**96**	**0**	**+58**
U.S.	98	99	-1	+1
Argentina	95	96	-1	+18
Russia	67	68	-1	-8
Mexico	114	115	-2	+7
United Kingdom	97	99	-2	+10
Germany	80	82	-3	+12
Italy	92	95	-3	+15
Brazil	106	110	-3	+9
France	99	103	-4	+5
Australia	89	102	-13	+15
Turkey	88	113	-25	+5

Travel Intent In Asia Pacific Is Up

Flight and hotel search levels in the region are up for all countries over the last month, with the exception of India where hotel search levels observed a decline in February. Overall, travel intent still continues to be much lower than 2019 levels. Flight searches in India crossed 2019 levels in both January and February. Flight intent in Japan and Thailand too has almost recovered. Hotel searches in Singapore crossed pre-pandemic levels in February. Other countries still continue to recover.

Flight and Hotel Search Behavior
(Relative to 2019)

■ Flight Search Jan-23   ■ Flight Search Feb-23   ▨ Hotel Search Jan-23   ■ Hotel Search Feb-23

Source: Skift Research from data by Amadeus, Skyscanner, and Sojern

Hotel Bookings Overtook Pre-Pandemic Levels

Booking behavior of travelers in the Asia Pacific region observed month-on-month growth with the index for flight bookings growing by 15pp and hotel bookings by 7pp. Hotel bookings overtook pre-pandemic levels by 7pp in February. International flight booking growth was a major driver of growth in the region's flight booking index. Of countries tracked by the index, tour groups from mainland China restarted in Singapore and Hong Kong. Japan is yet to receive this category of Chinese tourists. With the exception of Hong Kong, all countries witnessed hotel bookings higher than February 2019 levels. Hong Kong hotels, however, witnessed maximum month-on-month growth in the region.

Flight and Hotel Booking Behavior
(Relative to 2019)

■ Flight Bookings Jan-23   ■ Flight Bookings Feb-23   ▦ Hotel Bookings Jan-23   ▦ Hotel Bookings Feb-23

Source: Skift Research from data by Criteo, ForwardKeys, Nium, Shiji, Duetto, Onyx, RateGain, Hotelbeds, Cendyn, and TravelgateX
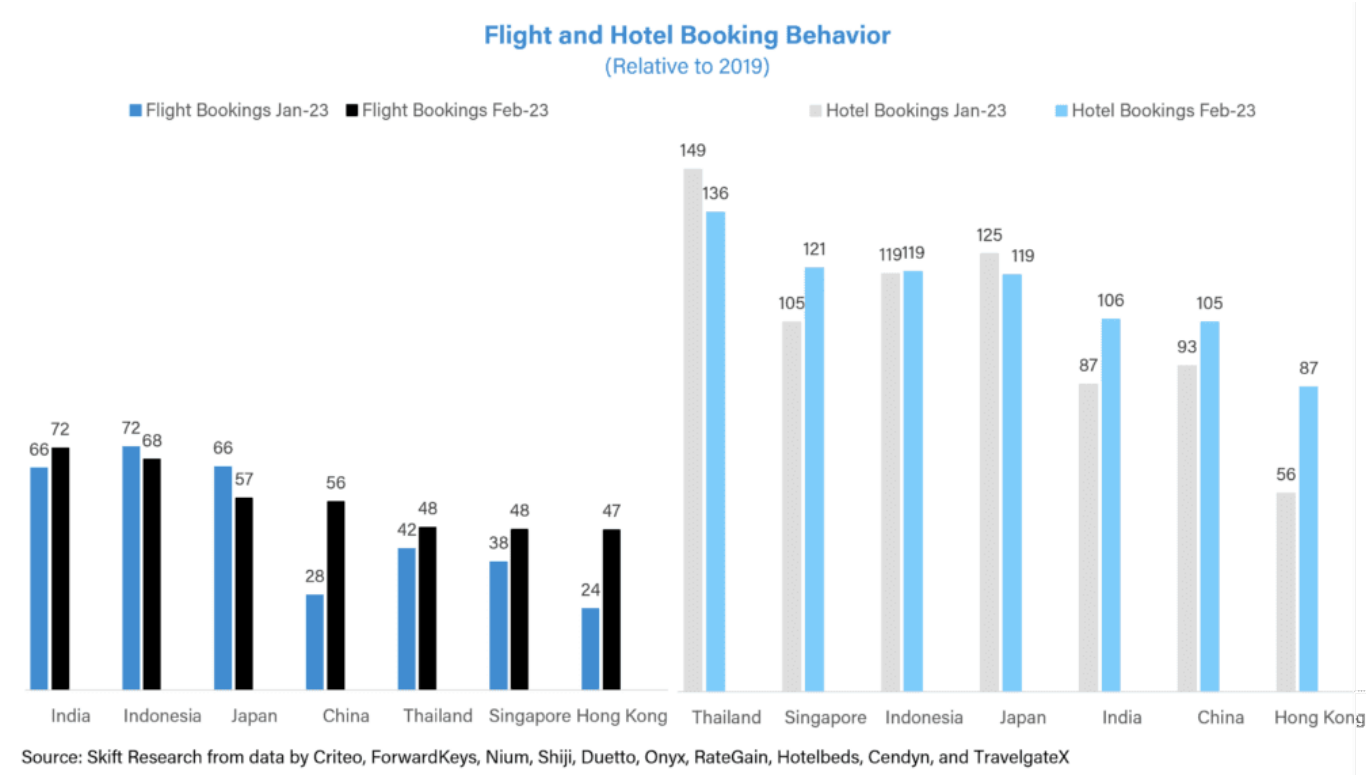
Hotel Rates Soared

Hotel rates in the Asia Pacific region have risen beyond pre-pandemic levels for all countries tracked, except Hong Kong, which still recorded a 120% growth over 2022. Destinations such as Thailand and Singapore observed growth from increased Chinese traveler demand. The reopening of Japan's international border along with the National Travel Support campaign, have helped boost Average Daily Rates.

Growth in Hotel Published Rates in February 2023 in Asia Pacific

■ Growth over 2019   ■ Growth over 2022

Source: OTA Insight
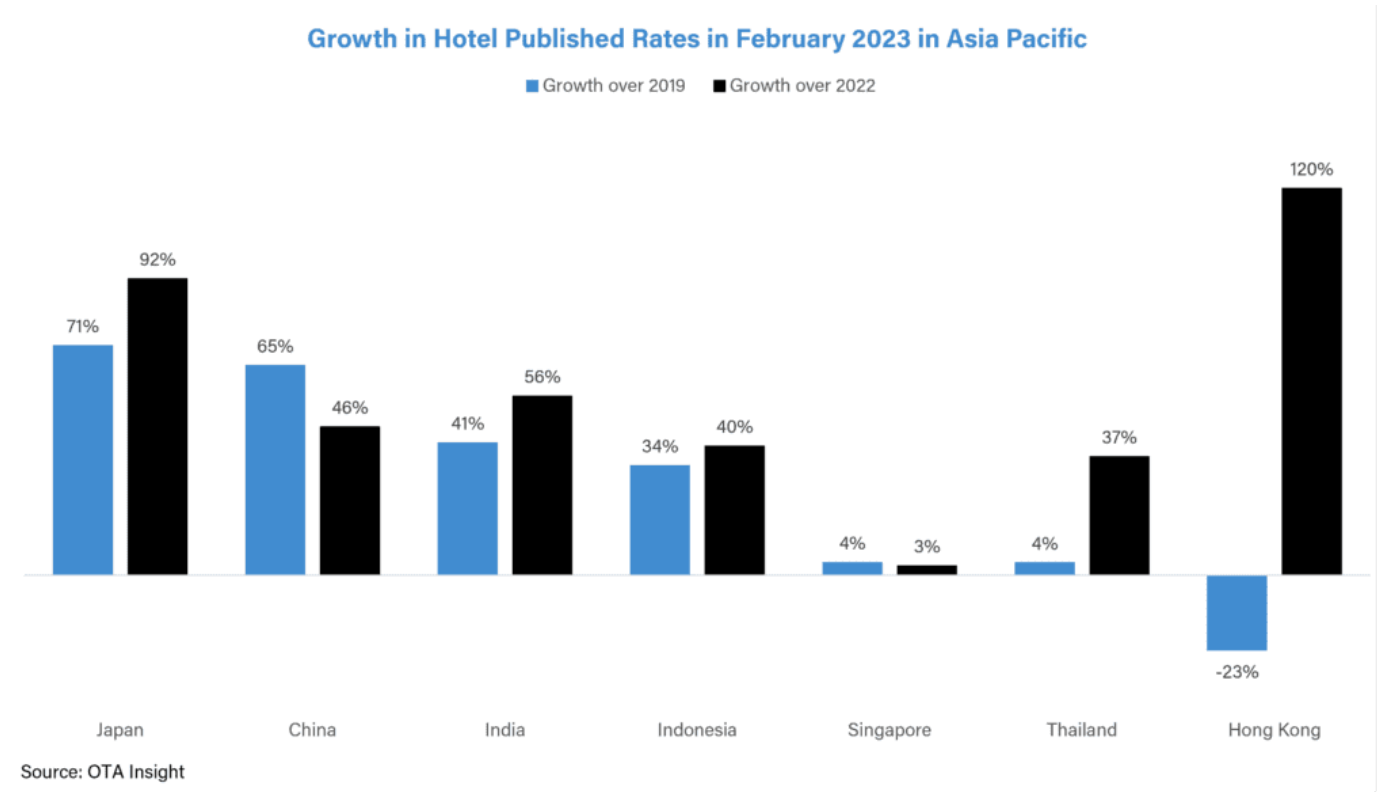
Cendyn data suggests that hotels in Japan recorded a 99% increase in actualized room revenue in February 2023 over February 2019. Rooms revenue for Singapore hotels grew 40% above 2019 levels.

While overall hotel rates have flourished, there is still room for growth. TravelgateX data shows that hotel sales prices for the group segment from China used to be 20% above the global average pre-pandemic. As of February 2023, the global average for groups has surpassed 2019 levels, but China still lags behind by 16%.
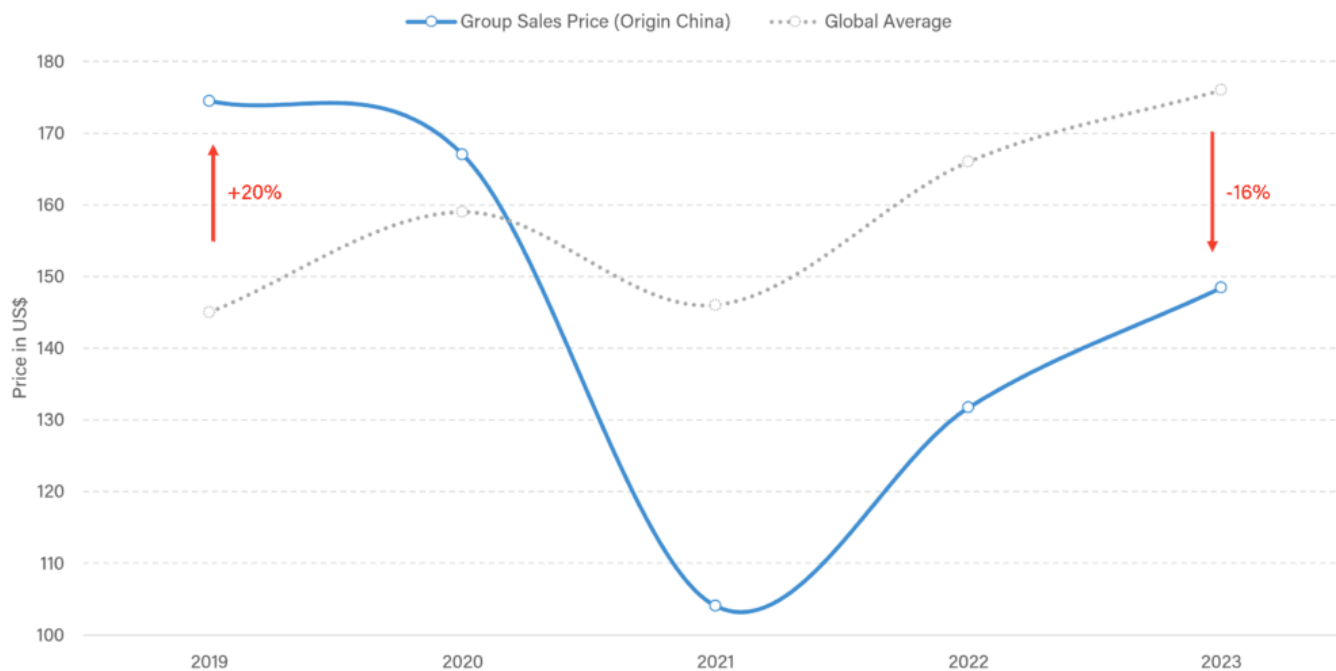
Source: TravelgateX

Aviation Sector Observes Growth and Other Sectors Achieve Full Recovery

Diving into the different sectors that reflect the health of the travel industry, we see that the aviation sector grew to the highest it has been in the last year. It has been the weakest performing sector, being hard hit by the pandemic, and has been struggling with closing borders and capacity shortages ever since. The re-opening of China boosted the recovery of the sector, driven by the Asia Pacific region.

The hotel sector, after just falling short of full recovery last month, made it to pre-pandemic levels in February 2023.

Car rentals overtook 2019 levels of performance along with vacation rentals that have long surpassed pre-pandemic times.

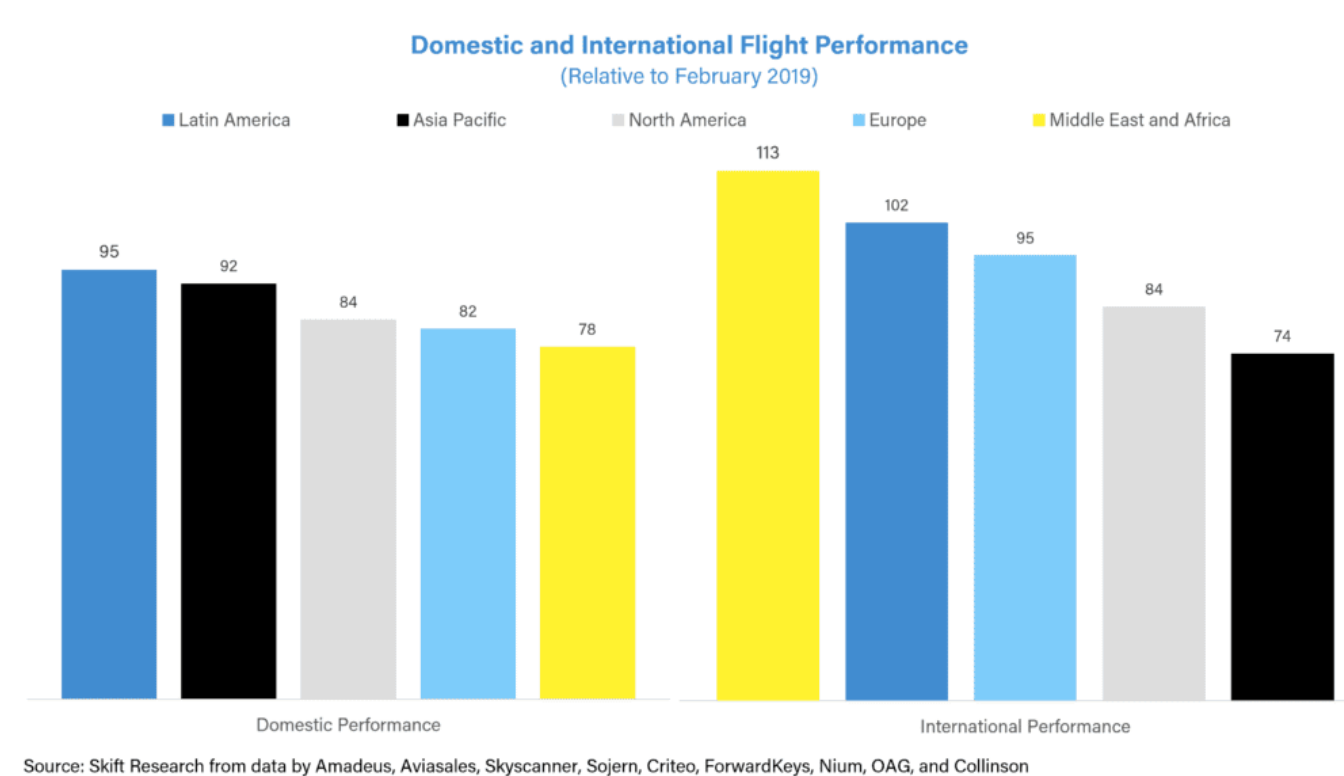**Skift Travel Health Index Performance by Sector**

Sector	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	MoM Growth (abs)

Sector	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	MoM Growth (abs)
Aviation	70	69	71	66	70	75	74	78	+4
Hotels	99	97	97	88	86	84	97	100	+3
Vacation Rentals	107	112	107	108	109	115	121	122	+1
Car Rentals	88	93	96	104	103	98	98	106	+8

Domestic and International Flight Performance

Upon splitting the indicators of aviation performance into international and domestic, we see that domestic performance is still lagging behind across all regions. Latin America is the best-performing region, with international performance having surpassed recovery and domestic performance only falling a few points short. The MEA region on the other hand displayed exceptional international performance owing to the United Arab Emirates (UAE). However, the region still continues to have the weakest domestic performance. International performance in North America is on par with domestic performance. Asia Pacific is only 8pp short of domestic performance recovery. International performance too improved by 6pp over the last month, but there is still a major gap to fill.

Domestic and International Flight Performance
(Relative to February 2019)

■ Latin America   ■ Asia Pacific   ■ North America   ■ Europe   ■ Middle East and Africa

Domestic Performance: Latin America 95, Asia Pacific 92, North America 84, Europe 82, Middle East and Africa 78

International Performance: Middle East and Africa 113, Latin America 102, Europe 95, North America 84, Asia Pacific 74

Source: Skift Research from data by Amadeus, Aviasales, Skyscanner, Sojern, Criteo, ForwardKeys, Nium, OAG, and Collinson
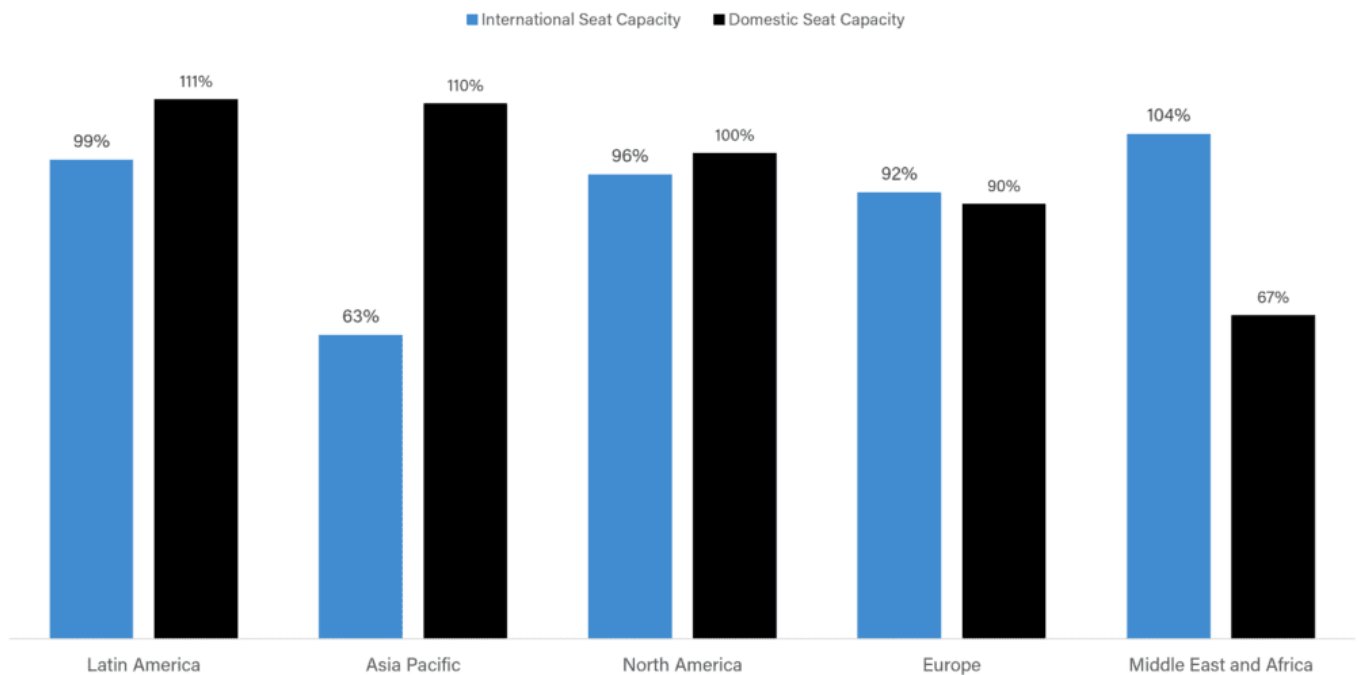
OAG data on seat capacity for the next 3 months relative to the same months in 2019

shows that domestic seat capacity in the MEA region is only at 67% of pre-pandemic levels, followed by Europe at 90% of 2019 capacity. The other regions have recovered in terms of domestic seat capacity.

Growth in international seat capacity still looks slow in Asia Pacific. Other regions are on their path to full capacity. While China rushes to travel internationally again, the global tourism industry hasn't been keeping up with the growing demand.

Future International and Domestic Seat Capacity by Region as a % of 2019 (March to May)

■ International Seat Capacity   ■ Domestic Seat Capacity

Region	International	Domestic
Latin America	99%	111%
Asia Pacific	63%	110%
North America	96%	100%
Europe	92%	90%
Middle East and Africa	104%	67%

Source: Skift Research from data by OAG

A recent report by Cowen and Company shows that as of February 2023, annual scheduled flights to and from China are expected to grow up to 5.5 million, higher than 2019 levels. This growth is expected to push aviation performance in the Asia Pacific region.

Annual Scheduled Passenger Flights To/From China as a % of 2019 Flights
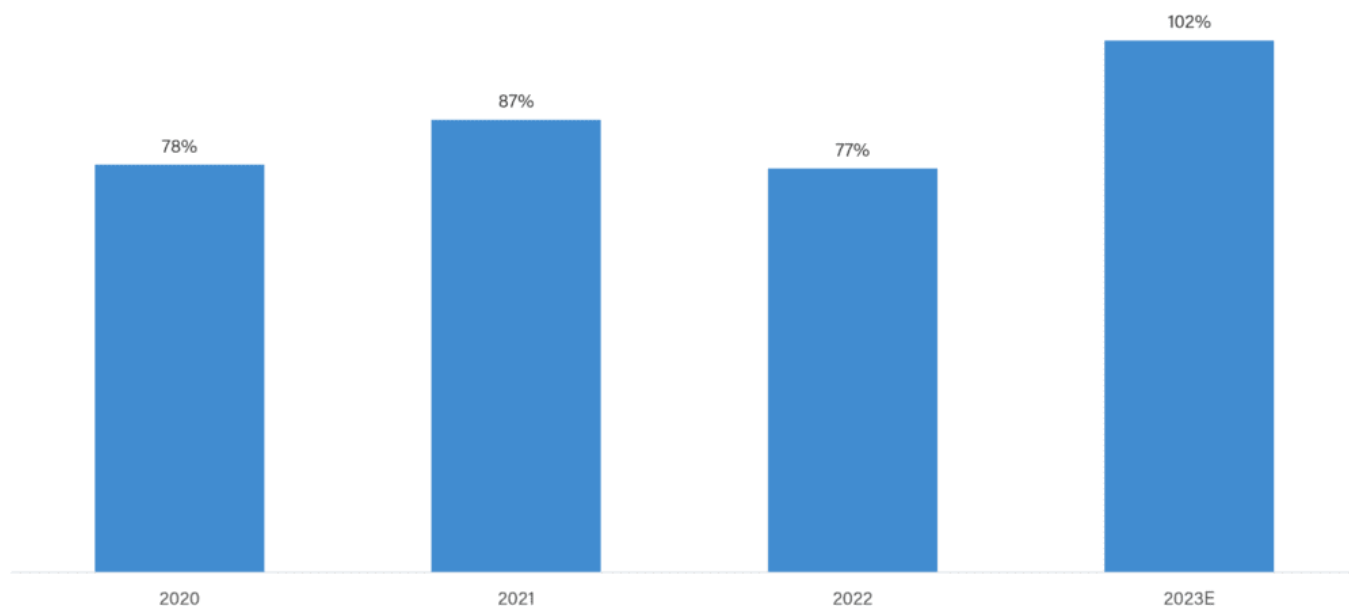
Source: Cowen and Company with data from Cirium
Note: Based on Cirium schedules as of 20th February, 2023

Data from Nium on average transaction values of flights shows that average flight transaction values in North America are still much lower than 2019 levels.

Growth in Average Transaction Value of Flights in February 2023 by Region

Source: Skift Research from data by Nium
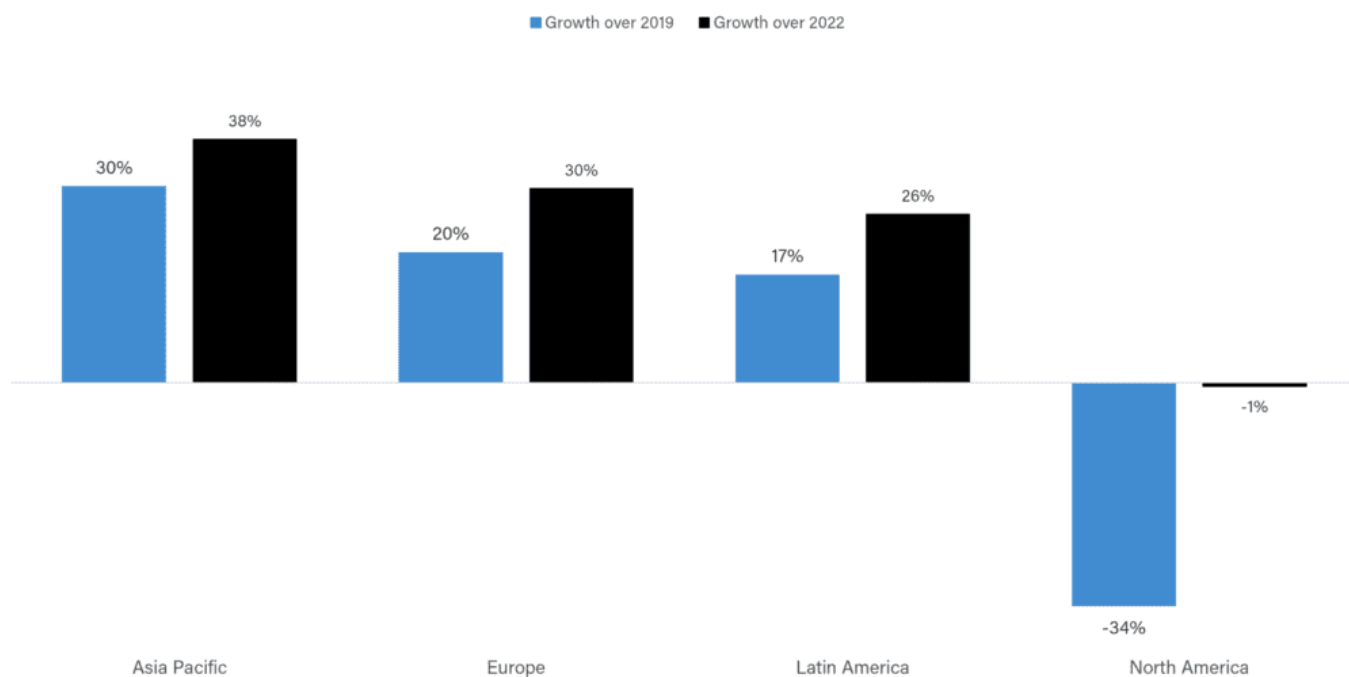Note: Only provides data for 12 countries

February 2023 displayed growth across all sectors of the travel industry. Europe's performance was impacted mainly due to the crises in Turkey. However, the growth in Asia Pacific pushed the global average.

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	TRAVELGATEX		
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

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Argentina	95.5	96.9	110.5	94.9	90.5	92.4	95.5	94.6
Australia	93.0	94.2	98.1	94.4	93.1	99.4	101.6	88.7

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Brazil	99.3	102.4	100.5	97.2	103.5	104.4	109.6	106.3
Canada	92.2	94.1	99.1	97.1	95.4	96.7	90.1	93.2
China	66.5	62.4	55.9	55.4	57.0	55.9	68.9	85.4
France	96.2	100.1	97.1	94.0	95.9	99.9	102.7	98.7
Germany	78.4	81.4	86.7	80.8	82.6	85.4	82.0	79.5
Hong Kong, China	45.7	61.0	53.4	55.6	55.6	68.5	55.1	71.7
India	101.8	106.6	106.5	96.9	98.2	100.4	99.2	104.8
Indonesia	75.9	79.8	80.2	81.5	80.6	82.2	90.3	92.8
Italy	98.5	100.8	100.7	95.7	94.8	102.9	94.8	91.9
Japan	61.4	63.1	71.2	77.5	73.2	78.8	95.9	96.1
Mexico	109.8	113.6	114.1	111.0	114.3	119.0	115.3	113.5
Russia	52.9	55.5	57.5	52.4	51.1	54.1	67.8	66.5
Singapore	79.2	83.5	88.6	85.1	87.1	83.2	85.0	90.9
South Africa	77.3	84.1	86.9	80.2	81.9	77.3	90.6	92.8
Spain	89.7	93.2	94.2	94.9	99.2	103.9	97.0	97.4
Thailand	76.5	73.9	79.2	77.9	79.2	90.1	91.4	95.0
Turkey	98.1	101.8	112.2	113.8	108.8	103.4	112.9	88.3
U.S.	100.4	100.7	104.5	102.7	104.4	103.9	98.6	97.7
United Arab Emirates	96.6	101.8	104.8	107.8	102.9	104.7	102.9	107.8
United Kingdom	95.7	99.0	98.4	97.6	97.8	98.5	99.3	97.3

Aviation Scores by Country

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Argentina	75.5	81.9	85.1	80.2	78.8	83.7	82.8	81.8
Australia	81.8	84.5	88.6	89.9	90.4	94	79.0	81.3
Brazil	90.4	93.9	90.7	89.2	93.5	92.2	103.2	99.0
Canada	78	79.8	83.1	83.7	84.8	87.2	68.5	80.6
China	37.2	30.4	30.3	28.2	36.1	45	41.8	56.5
France	86.2	85	82.9	82.2	83.9	86.4	85.1	82.4
Germany	71.8	72.8	72.8	71.3	71.1	76.6	75.2	70.2
Hong Kong, China	15.1	18.4	24.3	29.2	34.1	46	35.2	50.1
India	98	98.6	98	92.7	104.4	111	101.3	103.4
Indonesia	46.4	51.3	55.9	54.9	55.1	57.6	67.8	67.5
Italy	102.4	101.1	100.4	98.5	95	108.3	102.0	94.0
Japan	44.9	46.5	57.3	61.7	65.6	73.6	73.4	71.9
Mexico	99.9	100.9	101.9	101.6	102.8	105.5	97.2	97.3
Russia	76	73.4	77.9	65.3	67.7	67.2	77.6	73.6
Singapore	55.2	56.8	63.6	58.8	60	61.1	60.0	66.7
South Africa	74.4	73	72.5	62.2	61.6	64.2	77.0	73.9
Spain	93.3	94	95.3	83.2	90.3	87.1	104.7	104.4
Thailand	58.1	61	67	66.6	71	76	67.0	72.9
Turkey	97.9	110.4	108	86.5	89.3	87.8	106.3	93.7
U.S.	90.7	91.5	96.3	85.1	85.4	86.2	87.6	89.6
United Arab Emirates	94.2	85.3	89.4	84.6	80.8	84.3	96.6	101.6
United Kingdom	85.9	86.7	84.2	73.2	76.4	77.8	85.2	84.3

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

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Argentina	119.7	114.1	146.1	112	100.2	102.5	111.8	112.1
Australia	94.8	95.9	103.6	91.6	96.9	95.7	118.2	83.4
Brazil	110.9	119.9	118.8	111.1	121.9	123.1	123.3	125.8
Canada	110.2	112.3	124.2	109.8	111.3	107.6	96.3	91.8
China	91.4	82.8	72.8	58.5	55.3	47.8	90.6	103.6
France	107.2	113.6	114.2	103.7	106.6	115.1	111.2	104.9
Germany	90.5	95.1	105.9	91.7	94.2	89.4	85.1	87.4
Hong Kong, China	60.2	90.2	59.9	58.8	56.8	74	56.8	79.4
India	112.7	123.8	122.8	97.3	89.9	89.8	94.6	103.1
Indonesia	102.9	105.3	98	98.4	95.9	100.2	109.3	110.4
Italy	103.7	104.7	109.8	101.3	98.9	96.4	88.7	89.8
Japan	75.9	76.3	90.8	94.2	81.6	82.6	123.4	118.3
Mexico	121	126.4	128.1	125.4	130.1	135.4	129.7	125.6
Russia	11.9	20.5	19.3	19.1	12.6	21.8	48.9	49.8
Singapore	93.8	100	104.8	96.8	109.2	86	103.0	113.9
South Africa	77.2	94	98.2	87.6	91.2	72.5	100.6	112.2
Spain	91.5	94.3	93.9	94.6	96.1	98.2	83.5	86.8
Thailand	90.6	80.5	87	87.5	86	106.4	116.2	107.0
Turkey	104.6	94.4	131.8	137.1	118.6	101.3	128.7	84.4
U.S.	112	106.7	108.9	104	107	103.8	98.4	97.8

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
United Arab Emirates	90.1	112.5	114.7	122.1	113.8	114.1	97.6	102.0
United Kingdom	104.8	103.1	105.5	103.8	104.7	100.3	102.3	101.3

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

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Argentina	137.9	137.2	139.1	144.1	143.8	139.1	146.0	147.3
Australia	135.5	134.0	138.2	137.4	103.0	141.0	139.2	133.4
Brazil	114.4	117.0	117.7	115.1	114.3	113.2	130.6	132.4
Canada	119.6	109.3	101.8	113.4	93.7	115.9	127.9	129.5
China	112.7	129.6	107.8	108.3	109.0	112.3	118.1	122.1
France	125.3	124.2	122.4	122.4	125.3	122.8	132.8	131.7
Germany	95.0	95.0	96.4	99.0	104.5	110.0	115.3	113.1
Hong Kong, China	75.2	86.1	88.0	84.4	91.7	97.9	60.6	69.9
India	100.7	98.9	96.5	99.7	100.2	105.2	102.7	105.3
Indonesia	82.6	85.0	89.0	94.0	99.6	100.5	96.4	103.0
Italy	116.6	126.1	117.8	116.8	116.1	126.4	126.4	127.4
Japan	64.0	68.5	72.0	79.2	98.3	112.6	116.7	116.1
Mexico	121.3	129.4	133.1	124.5	135.6	142.3	143.2	142.0
Russia	99.7	106.5	112.9	112.9	112.8	112.5	111.4	111.0
Singapore	96.7	103.6	108.2	108.1	103.2	100.6	106.1	107.4

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
South Africa	85.9	82.2	82.3	84.0	83.4	86.7	102.7	104.4
Spain	108.4	112.6	114.5	116.6	119.3	131.8	138.8	134.7
Thailand	90.8	90.6	93.4	94.8	102.3	102.2	126.9	143.0
Turkey	105.8	112.4	124.1	137.8	146.3	137.8	115.2	105.3
U.S.	111.7	111.8	112.7	112.3	110.3	120.3	130.4	129.1
United Arab Emirates	119.9	121.0	126.5	130.7	128.6	126.6	140.2	146.2
United Kingdom	129.6	128.0	132.3	129.3	125.0	126.7	135.2	129.7

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

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Argentina	102.5	108.4	114.3	99.5	82.9	79.6	94.1	88.9
Australia	109.6	109.1	106.1	106.5	103.7	110.7	110.3	106.3
Brazil	105.1	98.3	96.4	93.4	89.6	91.9	98.8	98.8
Canada	108.3	114.0	117.6	122.7	122.0	117.5	129.1	126.2
China	56.1	55.5	56.7	85.4	82.5	66.2	63.4	101.4
France	97.3	108.7	104.0	103.3	102.6	101.0	133.6	129.9
Germany	78.8	82.1	85.7	84.5	84.1	95.6	85.6	84.7
Hong Kong, China	82.9	89.8	102.1	118.4	105.0	105.8	109.5	121.6
India	96.6	102.4	107.3	114.6	109.6	103.1	110.9	121.3

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Indonesia	96.6	102.4	107.3	114.6	109.6	103.1	110.9	121.3
Italy	79.7	87.1	81.4	76.9	83.3	100.9	80.8	79.7
Japan	88.9	92.3	100.2	98.7	95.1	99.4	114.1	113.1
Mexico	114.2	118.3	116.3	112.9	109.2	112.7	129.8	124.0
Russia	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Singapore	116.5	121.8	123.7	118.8	114.4	111.3	119.6	127.0
South Africa	98.9	104.2	102.1	103.8	103.0	100.8	107.6	107.9
Spain	82.4	88.5	88.2	88.3	94.0	106.9	89.3	87.6
Thailand	97.7	100.7	103.0	98.3	93.7	95.8	102.1	107.3
Turkey	91.3	95.4	88.8	102.4	99.9	99.3	109.9	95.3
U.S.	110.8	120.0	127.0	127.3	128.8	124.4	116.1	107.0
United Arab Emirates	111.8	117.8	117.9	114.9	113.1	110.4	115.9	121.2
United Kingdom	100.2	112.2	113.2	115.1	108.7	108.1	117.7	113.3

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.