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OUTLOOK 2019

Geopolitical tensions are not enough to put a damper on inbound business events to the region, while Asian bookers are demanding more personalisation and smarter use of their event budget

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high quality and inexpensive shopping.

Leung believes that industry sectors specialising in new technology and finance will contribute the most business events bookings to Japan and Scandinavian countries, while Corporate Travel Management Hong Kong's CEO Larry Lo expects banks, investment agencies and insurance companies to shine the brightest for his company.

Lo also noted a "growing trend for personalisation" among clients.

He said: "Hong Kong corporates are demanding for more innovative and unique venues, staff wellness and experiential learning opportunities, culinary experiences and a safe environment. And with an eye on cost efficiency, corporates are preferring to conduct a single, big event to consolidate activities and obtain bulk savings on transportation and accommodation." – **Prudence Lui**

Indonesia

Indonesia corporates are hungry for business events both on home ground and outside of the country, noted industry players.

Multi-level marketing, automotive and heavy equipment companies are picking up in activity levels after a few sluggish years, observed industry players, while insurance companies are expanding their attendee numbers. Financial institutions are also organising more business events in and outside of Indonesia.

Rudiana, sales and marketing manager of WITA Tour said multi-level marketing, automotive, pharmaceutical and consumer goods companies "have put thousands of their members in our listing from year to year". However, he cautioned that the rupiah's poor performance and the resulting decline in consumers' buying power might shift demand for longhaul destinations to shorter ones.

Simon Lomas, general manager of JI EXPO Convention Centre and Theatre Jakarta, credited the country's "impressive economic growth over the past decade" for the strong corporate appetite for business events.

Jona Convexindo is seeing bigger exhibitions and awards events being planned for 2019 compared to 2018, noted director John Nainggolan.

With the country's general and presidential election scheduled for April 17, 2019, business



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Rosli Seth
Managing director,
Feel Japan, Malaysia

events demand and movement will likely slow down in the lead-up.

Destination wise, events specialists opined that Japan and South Korea will remain hot favourites for Indonesian incentive groups, due to easy visa processes and strong reach of digital destination marketing efforts.

Bali remains the top domestic destination option, as poor access and pricey airfares to other parts of Indonesia continue to make other local options less appealing. – **Ade Siregar**

Malaysia

While Malaysian companies are still incentivising their staff, travel spend on incentives have not improved much, mainly due to a weakened ringgit which isn't showing signs of strong recovery in the near future.

Rosli Seth, managing director of Feel Japan with K, said: "Companies are requesting for more half-board packages, where one or two times during the entire stay dinner is not provided for. They say it is to give delegates a chance to explore on their own, rather than to reduce expenditure. But that is also how companies are managing their costs.

"Also, to catch the Sakura season, companies are opting to travel to Kawazu in the Izu Peninsula, where blooms happen from early February. This way, they save about 30 to 35 per cent on hotel rates as compared with a stay in Tokyo during the Cherry Blossom Festival (in peak March or April)."

Also pained by the weak ringgit, Abdul Rahman Mohamed, general manager at Mayflower Holidays, expects clients to turn away from longhaul destinations in favour of the more affordable regional ones.

Regional favourites among small and medium enterprises are Bali, Bangkok, Pattaya, Chiang Mai and Ho Chi Minh City, according to Nanda Kumar, managing director, Hidden Asia Travel & Tours. Malaysian clients are also favouring their own backyard for corporate incentives and teambuilding programmes, such as Langkawi, Penang and Pangkor Island.

– **S Puvanewary**

Philippines

The higher cost of travelling abroad due to the Philippine peso's steep depreciation has not marred the appetite for foreign incentive trips, which remain the fastest-growing outbound business events segment.

Industry sources agreed that Europe remains high on the list for top-level corporate champions and it helps that Turkish Airlines and Middle Eastern carriers offer affordable airfares to the continent.

Bella Calleja, JTB's manager for Corporate Team 2, MICE, said big corporations continue to reward their top sellers and dealers with their preferred European destinations although they will reduce the duration from say, 10 to eight days, and cut the number of countries featured in the itinerary.

For those on the lower rung of the ladder, Calleja said they are rewarded with Asian countries such as Taiwan, Thailand and Singapore.

Feliz Axalan, general manager, Tradewings Tours and Travel Corp. is "worried" about the impact on business events of the peso's depreciation combined with the fuel surcharge that two Philippine airlines have imposed in 2018 due to rising fuel prices. She hoped to continue getting good rates with their airline partners to Europe.

Marlene Jante, president, Philippine Travel Agencies Association, noted that corporations will still send their top achievers to foreign trips all the more to reward and incentivise them, while meetings and conventions abroad still have to be attended for networking. – **Rosa Ocampo**

Singapore

The volatile global political climate is expected to dent appetite for corporate travel to traditional longhaul business hubs from Singapore.

Geopolitical tension arising from the US-China trade war and Brexit has had a "dampening effect" on planners' confidence in travel to the US and the UK, observed Crystal Sim, president & CEO, Albatross World.

Instead, longhaul incentives are heading elsewhere, to more exotic European destinations like Croatia, Portugal and Spain. Sim explained: "There will always be clients who will travel high-end. As long as there is no major economic malaise, people will travel, and we will continue to focus on luxury tours."

Regional business cities are also gaining favour. According to a September study by YouGov, business travellers in Singapore rated Tokyo, Bangkok and Hong Kong as their top destinations. Tokyo was the top choice for respondents aged between 35 and 44, and those over 45 preferred Bangkok.

"Japan will be a hot destination in the next two years as it hosts the Rugby World Cup tournament next year and the 2020 Tokyo Olympics," said Kerry Healy, vice president of sales Asia Pacific, AccorHotels. Singapore's interest in Japan will be amplified by the partnership between the Singapore Rugby Union and JTB to promote rugby tourism to Japan and Singapore. To capture this crowd, AccorHotels last year opened the Pullman Tokyo Tamachi, featuring three banquet and meeting rooms.

– **Pamela Chow**



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Larry Lo
CEO, Corporate Travel
Management Hong Kong

