

Business Travel in Singapore...

John Thornton, Business Development Manager with Global Travel Pte, one of our Tier 1 Partner's in Singapore has kindly provided an overview of 'Business Travel in Singapore'.

When I first moved from Japan to Singapore 7 years ago, I had a few conversations with some of my more geographically-impaired friends in the U.S. that went something like this:

"Oh, you're living in Singapore. What country is that?"

"Singapore"

"Yes, I know but what country is that?"

"Singapore"

.....and so on.



A little bit about Singapore...

Frankly, I think some of them still don't get it but, in their defence, Singapore is indeed quite unique. Singapore is one of only three truly sovereign city-states in the world. It is both one city and one country, so there are no domestic flights in Singapore as you can drive from one end to another in a little over an hour. It is less than half the size of London and is home to around 5.7 million people. The majority of Singaporean residents are of Chinese descent. The rest are of Malaysian or Indian descent but there is also a significant number of foreigners and expats like myself living there.

Singapore is, frankly, one of the amazing success stories of the 20th century having gone from a third world country to one of the richest and most prosperous in the world in a relatively short time. Per capita income increased one hundred-fold in less than 50 years and it has become one of the most modern and dynamic cities in the world. From its very humble beginnings, Singapore now lays claim to the following:

- #1 City for Digital Competitiveness**
 - #1 for Ease of Doing Business**
 - #1 in Education**
 - #1 Most Powerful Global Passport**
 - #1 Investment Destination in Asia**
 - #1 Least Corrupt Country in Asia**
 - #1 Country for Start-up Businesses**
 - #1 Fastest Peak Internet Speed**
 - #1 in Quality of Living for Expats**
 - #3 Most Competitive Economy Globally**
- That's all the really good stuff but here is some of the not-so-good:
- #2 Most Expensive City to Live in Asia (Hong Kong is now #1)**
 - #1 Longest Work Hours in Asia (has now surpassed Japan)**
 - #2 in work-related Stress in Asia**
 - #2 in Lowest Libido globally**
 - #1 for Lowest Fertility Rate globally (0.83 per female)**

In the last few years, Asia has been described as "the engine of growth" in our industry. Asia is the world's biggest market for business travel, accounting for 38 percent of the US \$1.2 trillion in annual spending and, in the next few years, its importance will continue to grow as the market is expected to expand four times as quickly as the North American market and more than twice as fast as the European market. This creates an interesting dynamic as the vast majority of MNC headquarters are still located in the U.S. or Europe. The decision making is still done in the West but the real growth is in Asia.

Challenges are mounting for TMCs here in Asia. Corporate clients are asking for:

- More documented proof of Data Privacy and Security Compliance
- More robust Duty of Care solutions
- More sophisticated data reporting, especially as it pertains to cost-savings.

NOTE: They want and expect all of these things for free.

- Tend to lose long-standing, satisfied clients due to global consolidation and there is nothing the local TMC's can do as travel programme decisions are generally made in the U.S. or Europe.
- The world may be getting smaller, but global travel managers in the West still do not fully understand how things are truly different in Asia. We have so many different systems, languages, GDS, levels of tech sophistication, cultures and ways of doing business and thus it's difficult to provide one Regional solution for ASPAC.

Singapore business travel is still dominated by its legacy carrier - Singapore Airlines. At Global Travel, over 60% of our total air volume is on SQ. Loyalty here to SQ is unquestionable and, despite cost saving initiatives by corporates, it still rules in Singapore.

However, competition from Low Cost Carriers such as Scoot and Jetstar continues to grow. The introduction of long-haul routes by LCCs has given Legacy Carriers cause for concern, as they are slowly seeing fewer ways in which they can differentiate themselves. Our market share with LCCs is growing every year and is now over 20% of our total air volume.

Singapore Airlines has recognised the potential of long-haul budget flights, and now has regularly scheduled flights on their Low-Cost subsidiary, Scoot, to Athens and Berlin and more routes are under consideration for next year. Other LCCs are also considering long haul routes and these will no doubt put additional pressure on the Legacy Carriers to maintain their market share.

Traditional TMCs continue to struggle against OTAs as more and more Singaporeans source, compare and book their travel online on Expedia, Skyscanner, Agoda, Trivago, etc. Traditional TMCs and corporate OBTs have not really captured the attention of younger Singaporeans, who generally go online and then compare prices with traditional TMCs - a difficult situation for TMCs in a cost driven market. Despite all its modernity, Singapore is still a very traditional, high-touch market and use of corporate online booking tools, unless mandated by headquarters, remains relatively low.

So that's a little snapshot of our business travel market in Singapore. There's so much more I could tell you about but let's save that for another time.

I would, however, be remiss if I did not mention one thing about Singapore that is truly outstanding. Our Changi Airport is the world's #1 airport and is unlike any airport in the world.

Along with the usual shopping and great places to eat it includes:

- Plenty of green spaces to unwind in between flights
- Indoor playgrounds
- Singapore's tallest slide
- Two movie theatres - Free of Charge
- A butterfly garden
- A hedge maze
- A spectacular waterfall with almost 70,000 trees, palms and shrubs



The list goes on and on but you need to experience it once if you can. Come visit us in Singapore. We would love to welcome you here!