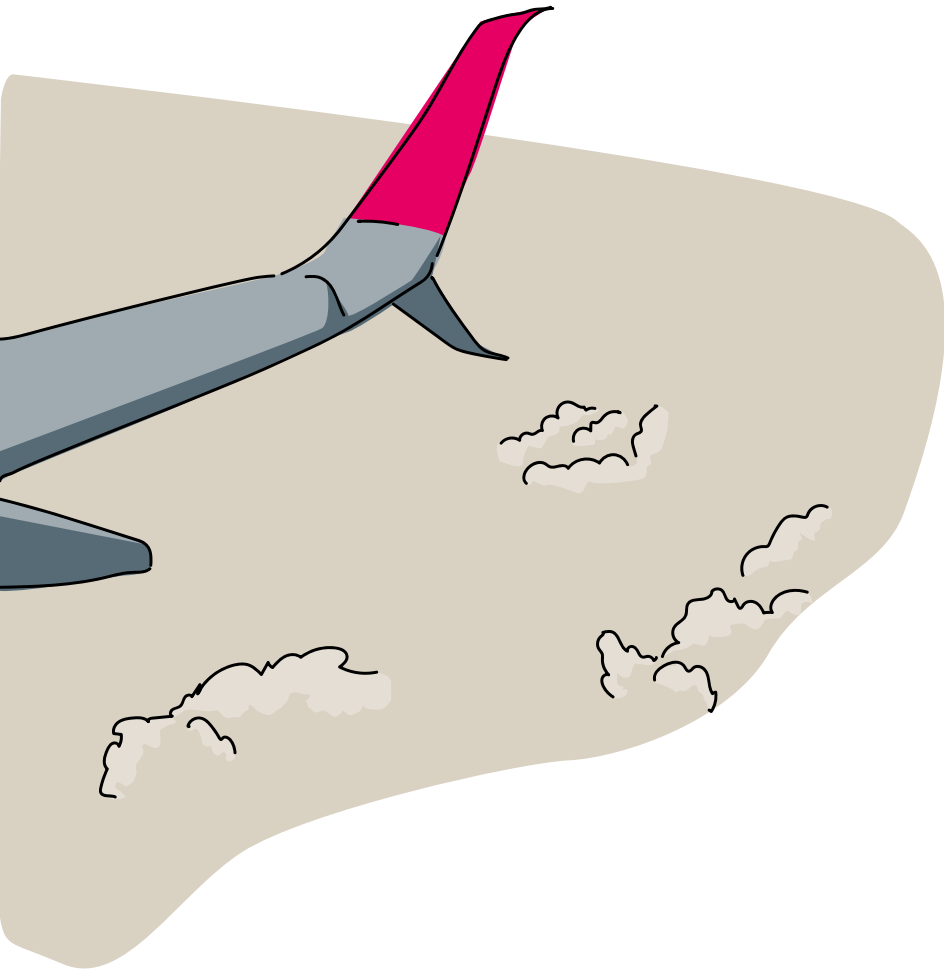




MARCH 2021

ASIA PACIFIC AND THE GLOBAL TRAVEL RECOVERY

The true value of APAC travel and how to influence
where that spend is headed.



3 INTRODUCTION

5 EXECUTIVE SUMMARY

6 APAC CONTRIBUTION TO THE GLOBAL LUXURY TRAVEL UNIVERSE

7 THE HIGH NET WORTH APAC LUXURY TRAVELLER

20 PASSIONS OF APAC'S WEALTHY

22 METHODOLOGY

24 REPORT AUTHORS

INTRODUCTION

Towards the end of 2020, Barton partnered with ILTM to give the luxury travel industry the latest insights into the APAC region amidst the pandemic. Despite the effects of COVID-19 persisting globally, many of the 55 countries that make up the APAC region have been considered excellent examples of resilience during a period that has upended the travel industry like never before.

With 2021 now underway, businesses everywhere are understandably looking for a jump-start in the industry, and it is in this that the APAC region continues to draw attention. APAC is the fastest-growing wealth region in the world, which was what identified it as a key location for the travel industry to expand into long before COVID-19 was known about. Despite the challenges faced globally since the pandemic began, the wealth-growth trend seen in APAC prior to the pandemic has only paused – and in some cases – even increased. The reasons for this buoyancy are manifold. After being the hardest hit 17 years ago by the SARS epidemic, APAC is much more used to pivoting in response to viral threats than the

western world. Moreover, there has always been a huge market for those based in APAC to travel within the region, which is fulfilling the still prevalent desire for travel among High Net Worth (HNW) individuals. It is also clear, of course, that this is not a standard recession, allowing for well-prepared wealthy APAC travellers to continue to accumulate their wealth in readiness for when the world's borders are fully open once more.

With the financial resource, desire and inherent ability to pivot during incredible disruption, APAC travellers should be seen as pioneers of the new luxury travel landscape, providing the much needed economic injection the industry has been waiting for. Utilising data that was collated and validated during the year of a pandemic, this report reveals a long-term view of the APAC region that provides a high degree of cautious optimism for 2021 and beyond.



THE REBIRTH OF APAC LUXURY TRAVEL

THE FACTS

The majority of the human inhabitants of the world live in the Asia Pacific (APAC) region. Of an estimated global population of 7.5bn, 4.3bn (60%) live in the 55 countries scattered around the Western Pacific Ocean.

APAC's population of HNW individuals may represent just 0.15% of this population (6.4m), well below the global average of 0.3%, but it is the fastest growing population of HNWs anywhere across the globe, with a Compound Annual Growth Rate (CAGR) of 7.6%. On this basis, the region will achieve a total HNW population of over 8m within the next few years. Four out of the top 10 countries for HNW populations are based in APAC, and many of the dynamic countries with the fastest growth in HNW population are based in the region. Vietnam, China, India & the Philippines have HNW population CAGRs of around 10%, far above the region's average of 7.6% and double the growth rate of Europe (5.0%). China alone has 32 of the fastest growing HNW cities on earth.

China's population makes up roughly one third of the APAC region, at 1.398bn people. Its giant economic contribution of \$13trn dwarfs that of other APAC countries, contributing around 45% of the region's GDP. The region's emerging powerhouse, India, has a similar population at 1.353bn, and a global top 5 GDP of around \$2.7trn.

The region's more established and developed wealthy nations with modern economies, represented by countries including Australia, Japan, New Zealand, Hong Kong, Singapore & South Korea have some of the highest living standards in the world, with an average GDP per capita (nominal) across these nations of around \$48,500 – comparable to highly developed European nations like Germany, France & the United Kingdom.

EXECUTIVE SUMMARY

As COVID-19 lessens its grip on the world, the economies of the Asia Pacific region will likely be among the first to return.

As restrictions ease, in-region travel will be at the heart of the recovery - an estimated 57.5% of APAC traveller's outbound spend is spent within the region.

Encouraging APAC's luxury travellers to roam more widely will be key to making 2021 a successful one for global luxury travel as these travellers already contribute \$363bn to the Global Luxury Travel Universe (consisting of flights, lodgings and activities).

A huge contribution to this total is made by APAC's High Net Worth (HNW) population, which numbers 6.4m individuals. Despite only being 0.15% of the region's massive population, **they contribute almost half** of the region's total to the Global Luxury Travel Universe (48%).

APAC is the fastest growing region for wealth in terms of both population (number of HNWs) and total wealth. Given the very strong link between wealth and luxury travel spend from the region, this means very strong growth in the APAC contribution to the total spend on the Global Luxury Travel Universe.

Over the last decade, China has been the biggest success story in terms of wealth growth in the world, not just APAC. As a result, it makes a huge contribution to the total APAC spend related to travel. For instance, 49% of the whole region's spend on airfares and lodging, which equates to \$114bn, is made by travellers from China. Of this, over half (52%) is made by China's HNW population, which is around 29% of the total APAC HNW population.

However, the future of wealth in APAC is not a solely China story. Well-established wealthy markets such as Japan, Australia

and South Korea, along with fast-growing ones like Vietnam, India and the Philippines will all contribute to the creation of an ever bigger HNW population.

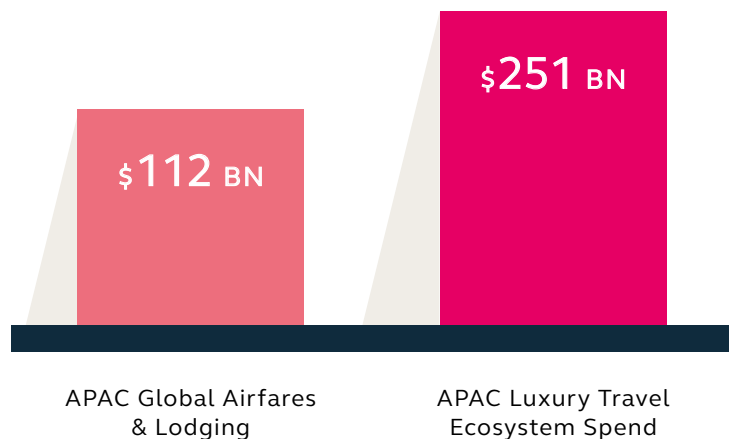
APAC travellers, Inbound & Outbound, contribute \$251bn to the \$1.54trn Global Luxury Travel Ecosystem of activities. Outbound APAC traveller spend is 28% of this, above the global average of 23%. This is reflective of the fact that many APAC HNW individuals must travel internationally to take part in some of the most favoured activities in the Luxury Travel Ecosystem, such as large scale sporting events.

APAC's HNW population contributes almost half of the region's Outbound global spend on Ecosystem activities at \$34.4bn (48%), demonstrating just how important the region's wealthy are to the global luxury travel experience economy.

APAC CONTRIBUTION TO THE GLOBAL LUXURY TRAVEL UNIVERSE

APAC TRAVELLERS SPEND \$363BN ON GLOBAL LUXURY TRAVEL UNIVERSE

Travellers based in the APAC region contribute \$363bn (17.8%) to the Global Luxury Travel Universe. This contribution is defined as the amount spent (\$112bn) on airfares and lodging annually by APAC HNW - those with \$1m+ in wealth - combined with the yearly spend by all APAC travellers (Outbound and Inbound) on the Global Luxury Travel Ecosystem of activities linked with travel.

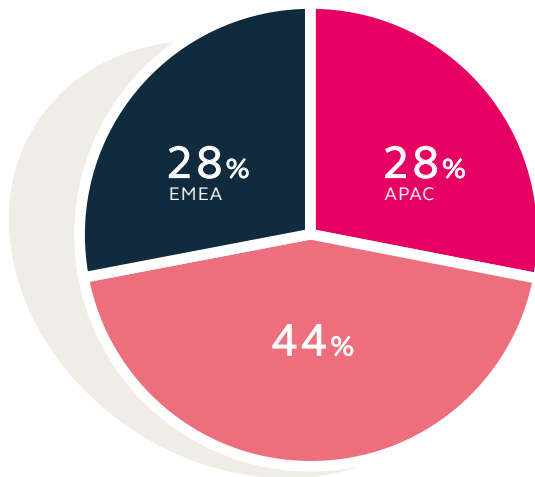


Already one fifth of the global total, the APAC contribution is likely to grow rapidly as the region is the fastest growing in terms of real wealth. In addition to rampant growth, HNW individuals are driving a huge proportion of the spend that

makes up the Global Luxury Travel Universe. As we will discover, this presents a massive opportunity for marketers needing to target their spend on a select and lucrative cohort of luxury consumers.

THE HIGH NET WORTH APAC LUXURY TRAVELLER

APAC, though it represents the largest region in terms of global population (around 4.3bn people, 60% of the total global population) has just 6.4m of the global HNWI individuals. These archetypal luxury travellers make up a tiny proportion (0.15%) of the region's giant population, but a huge proportion of its travellers – Inbound and Outbound.



Of the total global spend on airfares and lodging (\$1.41trn), 16.4% (\$231bn) is contributed by individuals from APAC. But almost half of this figure (\$112bn) is contributed by HNWI individuals, significantly more than the global average of 36%.

Country/Region	Airfares & Lodging spend (all) (Inbound & Outbound)	Airfares & Lodging spend HNWI (Inbound and Outbound)	HNWI as % contribution of spend
Global	\$1.41trn	\$507.6bn	36%
APAC	\$231.5bn	\$112bn	48%

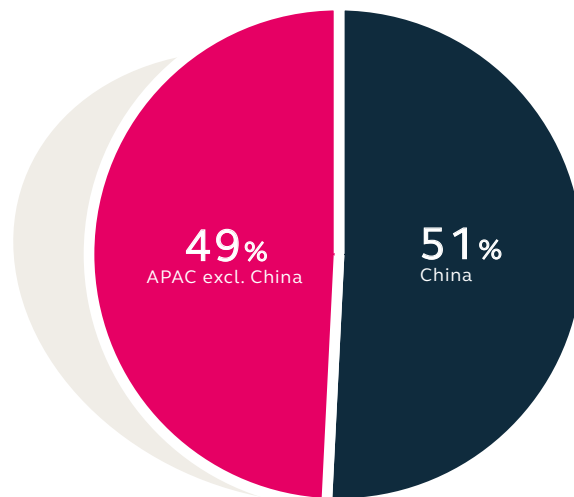
Source: Barton, 2020

This shows the enormous value of APAC's small but fast-growing HNWI population to luxury travel businesses. APAC's population is the fastest growing in the world, with a compound annual growth rate (CAGR) of 7.6%. Whilst the population of aspirational travellers from the region will also grow, the sheer size of the HNWI contribution *it's disproportionately direct link with travel demand*, and the speed of their population growth, commands attention.

CHINA'S GROWTH CONTINUES TO IMPRESS

A huge chunk of APAC's contribution of \$231.5bn towards global airfares and lodging (Outbound and Inbound) is made by individuals from China - around half (49%) of the total. China's unique success story in wealth growth is yielding the largest population of affluent individuals in the region, hungry for the experiences that travel can bring.

China contributes half of APAC's spend on airfares & lodging



The HNW factor is even more significant in China. Of APAC's 6.4m HNW population, just under a third (29%) come from China - which has the second highest concentration of HNWs in the world, after the USA. China's HNW contribution towards the country's massive spend of \$114bn annually on airfares & lodging is well over half (52%) at \$59.4bn

Country/Region	Airfares & Lodging spend (all) (Inbound & Outbound)	Airfares & Lodging spend HNW (Inbound and Outbound)	HNW as % contribution of spend
Global	\$1.41trn	\$507.6bn	36%
APAC	\$231.5bn	\$112bn	48%
China	\$114bn	\$59.4bn	52%
APAC excl. China	\$119bn	\$52.6bn	44%

Source: Barton, 2020

However, China is a part of a wider story in APAC that combines long-established, wealth centres with newer ones growing at a record pace.

Japan's HNW population is over 1.6m strong, third only behind China and the USA. South Korea and Australia each have HNW populations just below half a million (around 470k), and are well within the top 10 countries with the highest HNW populations.

Vietnam is not currently one of the top nations for HNW population size, but it is fourth overall for HNW population growth, with an annualised growth rate (CAGR) of 10.1%. The Philippines is not far behind with a rate of 9.4%

MAJORITY OF INTERNATIONAL TRAVEL IS WITHIN APAC

A huge amount of international travel occurs within the region itself. Outbound travel spend for all individuals from APAC is estimated to be around \$65bn annually. Of this, an estimated 57.5% (\$37.4bn) is spent within the region itself. The remainder (\$27.6bn) is spent across the world’s other regions.

Travellers from China contribute \$16.9bn out of this \$37.4bn spend within the region, 45% of the total, showing once more China’s dominance and value to other nations within APAC.

A big portion of the total in-region spend comes from the HNW population, who spend \$18.1bn out of the \$37.4bn total – almost half (48%). Chinese HNWs alone spend \$8.8bn, which is 23.5% of APAC’s total (all wealth levels) within region spend, and 48% of their own nation’s spend.

Country/Region	Airfares & Lodging spend (all) (Inbound & Outbound)	Airfares & Lodging spend HNW (Inbound and Outbound)	HNW as % contribution of spend
APAC	\$37.4bn	\$18.1bn	48%
China	\$16.9bn	\$8.8bn	48%
APAC excl. China	\$20.5bn	\$9.3bn	45%

Source: Barton, 2020

The airfares & lodging spend outside of the region is also dominated by the HNW population of APAC & China. Of the \$27.6bn spent by APAC travellers outside of APAC, \$13.3bn is contributed by its HNWs. Of this, \$4.2bn is contributed by China’s HNW population – 31.5% of the total APAC HNW spend.

Country/Region	Airfares & Lodging spend (all) (Inbound & Outbound)	Airfares & Lodging spend HNW (Inbound and Outbound)	HNW as % contribution of spend
APAC	\$27.6bn	\$13.3bn	48%
China	\$8.1bn	\$4.2bn	52%
APAC excl. China	\$19.5bn	\$9.1bn	47%

Source: Barton, 2020

APAC TRAVELLERS WITHIN THE APAC REGION

57.5%
is spent in countries within APAC region

APAC CONTRIBUTES \$251BN TO GLOBAL LUXURY TRAVEL ECOSYSTEM

The Global Luxury Travel Ecosystem is made up of the businesses that offer experiences to travellers, excluding airfares and lodgings. Globally, the luxury travel ecosystem is estimated to be worth \$1.54trn a year and of this APAC travellers contribute \$251bn (16%). Of the \$251bn they spend, around \$72bn is during international (Outbound) travel, both in the APAC region and beyond. The remainder (72%) is spent domestically.

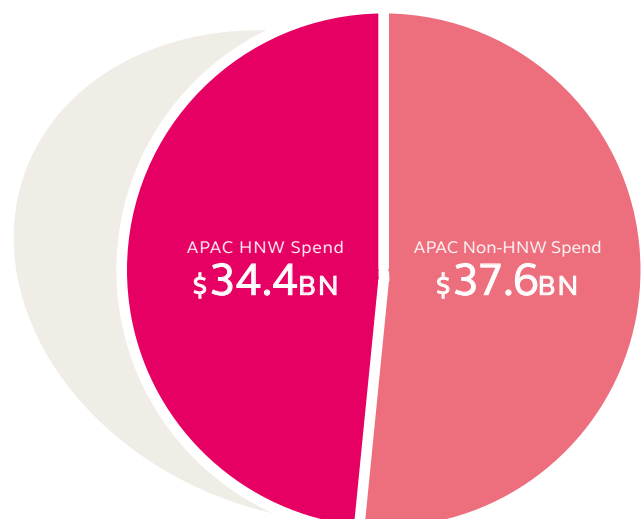
The APAC Outbound proportionate spend (28%) is greater than the global average, which is just 23%. This is partly due to the fact that many of the activities included in the Global Luxury Travel Ecosystem take place outside the APAC region.

HNW CONTRIBUTION

APAC's HNW population is a massive contributor to this Outbound spend. They contribute \$34.4bn out of the \$72bn – nearly half (48%) of the APAC total. They are also a significant part of the global HNW spend on Ecosystem activities during Outbound travel, contributing over a quarter (26%) of the \$130bn total.

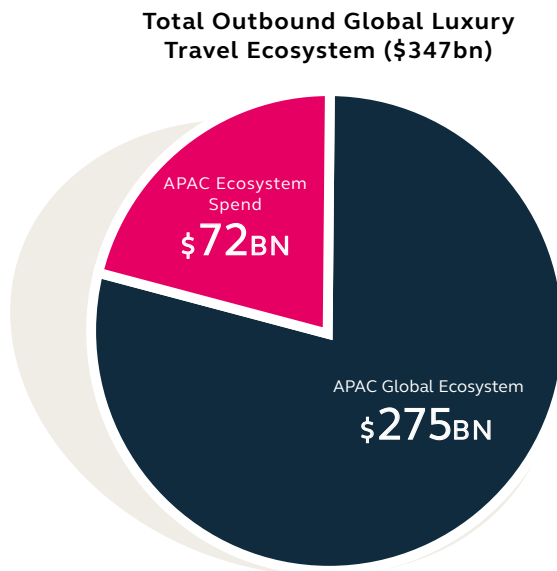
Given that the global average HNW contribution towards global luxury ecosystem spend is 37%, the APAC HNWs' contribution highlights how important this group is to regional and global luxury ecosystem activity spending. This is despite many ecosystem activities and experiences that are core to global luxury travel – such as major sporting events – taking place far away from the APAC region. Understanding and using these passions will be key to drawing this market back out to the rest of the world.

APAC HNW spend on ecosystem activities is 48% of total spend



PEAKING APAC’S INTEREST IN INTERNATIONAL TRAVEL

The Global Luxury Travel Ecosystem is a defined set of activities linked to travel that are particularly attractive to luxury travellers. The overall global Outbound Luxury Travel Ecosystem is worth over \$347bn. Of this, APAC traveller’s spend \$72bn – one fifth of the total.



They are not necessarily ‘luxury’ activities themselves, however they are select. For some categories, these activities often take place outside of the APAC region, such as the elite sporting events, whereas others are more universal.

FOOD & DRINK

Food & Drink is the most significant category of the Global Luxury Travel Ecosystem, and its most universal. Within the region, APAC is known for its enormous variety of cuisines and massive range of eating establishments, from simple street food stalls where locals and tourists mix to the elegant, world-leading Michelin-rated restaurants of Singapore, Tokyo & Hong Kong.

When they travel internationally, whether within the region or beyond, APAC’s luxury travellers are particularly keen on formal dining experiences, contributing around 30% of the global visitor revenue to Formal Dining. To Casual Dining (cafes, fast food) global revenue, they contribute just 12% and to drinks in bars, just 11%

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
Formal Dining	\$161bn	\$48.8bn	\$106.5bn	\$28.8bn
Casual Dining	\$22bn	\$2.6bn	\$1.6bn	\$412.9m
Bars	\$77.4bn	\$8.7bn	\$5.6bn	\$1.4bn
TOTAL	\$261.4bn	\$60.1bn	\$113.7bn	\$34.3bn

Figures are total global spend in US\$

Food & drink Outbound spend by APAC’s HNW luxury travellers is an estimated \$34.3bn a year, 57% of the total spent by international travellers from APAC. Their proportionate spend on more expensive formal dining (restaurants) is far higher than their proportionate spend on cheaper casual dining (cafes, fast food). Of the latter, APAC’s HNWs contribute just 16% of the APAC total; of the former it is 59%. APAC HNW Outbound travellers are however significantly above the global HNW average for spend in cocktail bars. Whereas global HNWs contribute just 7.2% of the total global visitor spend, APAC HNWs represent 16% of all APAC’s spend.

Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
Formal Dining	\$48.8bn	\$18.6bn	\$28.8bn	\$11.3bn
Casual Dining	\$2.6bn	\$863.5m	\$412.9m	\$115.2m
Bars	\$8.7bn	\$2.9bn	\$1.4bn	\$388m
TOTAL	\$60.1bn	\$22.3bn	\$34.3bn	\$11.8bn

Figures are total global spend in US\$



China’s population contributes 38% of the APAC total on Formal Dining restaurants at \$18.6bn, of which a huge 61% (\$11.3bn) is spent by China’s HNW travellers. Chinese travellers contribute a slightly lower proportion to Casual Dining and Bars at \$863.5 and \$2.9bn respectively (both 33%). And for both, just 13% of this is spent by China’s HNWs.

CULTURAL ACTIVITIES

APAC travellers contribute just over one-tenth (10.5%) of the global total spent on cultural activities from museums and galleries to zoos, theme parks and historical landmarks. Many of these activities – particularly museums & galleries - are in Europe & North America, and so require long-haul trips out of the

APAC region. However, other categories – such as Amusement Parks – are actually growing fastest in the APAC region with China now the largest theme park market in the world, though this is mainly domestic tourism spend. Outbound APAC tourism yields a total of \$1.95bn for the industry.

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
Museums & Galleries	\$3.4bn	\$344m	\$248.4m	\$55.5m
Historical Landmarks	\$187m	\$19.7m	\$13.6m	\$3.2m
Zoos & Wildlife Centres	\$9.1bn	\$967.9m	\$690m	\$156m
Amusement Parks	\$18.4bn	\$1.95bn	\$1.3bn	\$314.7m
TOTAL	\$31.1bn	\$3.28bn	\$2.3bn	\$529.4m

Figures are total global spend in US\$

HNW APAC travellers spend \$529.4m on cultural activities when they travel internationally. This represents around 23% of the total spend from HNW Global travellers and 16% of the total spent by APAC visitors. This is significantly higher than the contribution made by HNW Global travellers (7.3%) and illustrates the hunger amongst wealthy APAC travellers for cultural experiences in overseas locations.

Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
Museums & Galleries	\$344m	\$116.4m	\$55.5m	\$16.4m
Historical Landmarks	\$19.7m	\$6.7m	\$3.2m	\$1m
Zoos & Wildlife Centres	\$967.9m	\$325.6m	\$156m	\$44.5m
Amusement Parks	\$1.95bn	\$657.2m	\$314.7m	\$89.7m
TOTAL	\$3.28bn	\$1.1bn	\$529.4m	\$151.6m

Figures are total global spend in US\$

China's international travellers spend \$1.1bn on cultural activities when abroad – 33.5% of the APAC total spend. The majority is spent on zoos and wildlife centres & amusement parks. China's HNW population spends over \$150m in total, around 29% of the APAC HNW spend.

WELLNESS

Wellness activities are a global phenomenon and APAC travellers are keen participants in spending on the various activities in this category from fitness classes to health and beauty treatments. The APAC spend of \$5.1bn is around 21.5% of the global total. APAC travellers spend

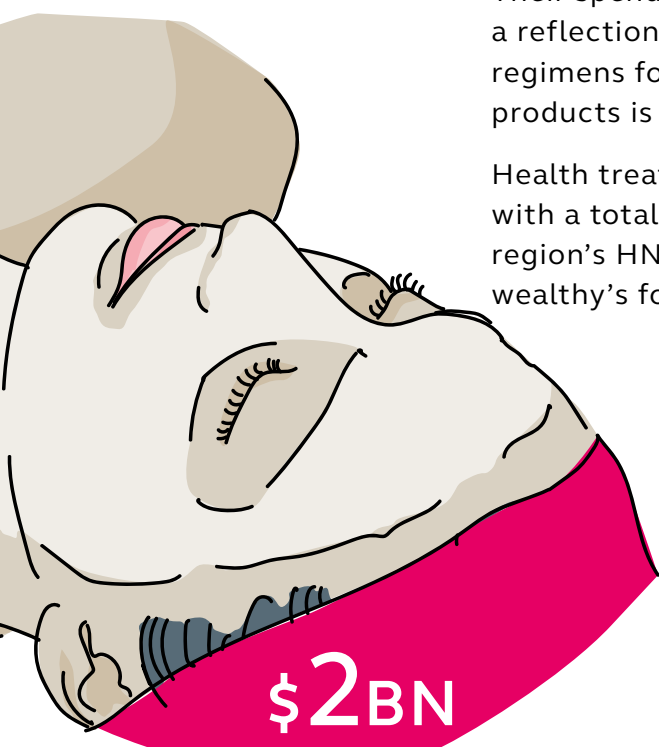
over this average however in health and beauty treatments, both each contributing around 29% of the total global spend. Diet Management spend (11.4%) and Fitness Classes & Yoga spend (12.7%) are relatively lower by comparison.

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
Fitness Classes & Yoga	\$843m	\$107.4m	\$74.2m	\$17.4m
Health Treatments	\$1.3bn	\$382.6m	\$872.3m	\$225.7m
Beauty Treatments	\$11.9bn	\$3.4bn	\$7.8bn	\$2bn
Diet Management	\$8.7bn	\$1bn	\$767m	\$177.6m
Stress Relief & Meditation	\$1bn	\$137.2m	\$95.8m	\$22.2m
TOTAL	\$23.7bn	\$5.1bn	\$9.6bn	\$2.4bn

Figures are total global spend in US\$

HNW APAC travellers spend \$2.4bn on Wellness pursuits whilst travelling – around 47% of the total spent by all APAC travellers. Their spend on beauty treatments of \$2bn is 59% of the APAC total, a reflection of the huge trend in the APAC region for luxury beauty regimens for wealthy individuals, where growth in luxury beauty products is outpacing that in other wealth markets.

Health treatments are also a huge trend for the region’s wealthy, with a total spend of \$225.7m (59% of the APAC total) by the region’s HNWs, a reflection of the truly global nature of the wealthy’s focus on looking after themselves.



Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
Fitness Classes & Yoga	\$107.4m	\$34.8m	\$17.4m	\$3.7m
Health Treatments	\$382.6m	\$132.6m	\$225.7m	\$75.2m
Beauty Treatments	\$3.4bn	\$1.2bn	\$2bn	\$678m
Diet Management	\$1bn	\$356m	\$177.6m	\$37.5m
Stress Relief & Meditation	\$137.2m	\$44.5m	\$22.2m	\$4.7m
TOTAL	\$5.1bn	\$1.7bn	\$2.4bn	\$799m

Figures are total global spend in US\$

China international travellers spend approximately \$1.7bn annually on wellness activities. This is 33% of the APAC total spend. China’s HNW Outbound spend is 47% of China’s total spend and a third of the spend of HNW visitors from all of APAC.

SPORTING EVENTS

Many of the sporting events that attract luxury travellers are outside of the APAC region. For example, all of the top-flight soccer matches, most of the tennis and golf tournaments and all of the American sports matches are outside the region. Despite this, APAC travellers go far and wide for these experiences. The total spend by APAC visitors is

around \$610.4m – 13% of the global total. However, spend by APAC travellers on attending top-flight golf and tennis events around the world is particularly high – 29% and 30% of the global totals, respectively. Formula One Grand Prix spend is also considerable, at 28% of the global total.

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
Top-flight soccer matches	\$2.4bn	\$274.3m	\$192.8m	\$44.1m
American sports matches	\$1.7bn	\$169m	\$135.6m	\$27.2m
Top-flight tennis tournaments	\$224m	\$66.3m	\$149m	\$39.1m
Top-flight golf tournaments	\$137.4m	\$39.8m	\$91m	\$23.4m
Formula One Grand Prix	\$151.7m	\$43.6m	\$100m	\$25.7m
Top-flight horse racing	\$64.1m	\$17.4m	\$42.4m	\$10.2m
TOTAL	\$4.7bn	\$610.4m	\$710.8m	\$169.7m

Figures are total global spend in US\$

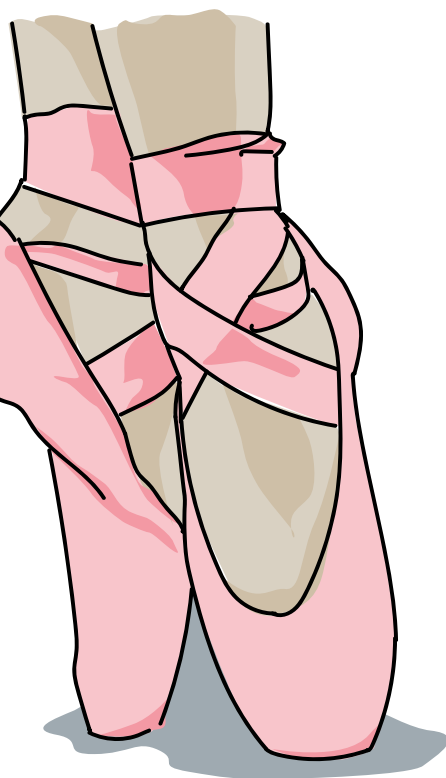
Around 28% of the annual APAC spend on attending sporting events is contributed by HNW individuals, which amounts to \$169.7m. This proportionate contribution is almost double the global HNW average of 15%, reflecting the fact that Sports are the number one interest for HNW individuals based in the APAC region. Travelling APAC HNWs contribute well over half of the APAC international attendance revenue (59%) at top-flight tennis and golf tournaments such as Wimbledon or the Masters. HNWs also contribute the lion’s share (58%) of APAC travellers’ spend at horse racing events around the world such as Royal Ascot as well as Formula One Grand Prix races.



Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
Top-flight soccer matches	\$274.3m	\$91m	\$44.1m	\$11.2m
American sports matches	\$169m	\$56m	\$27.2m	\$6.9m
Top-flight tennis tournaments	\$66.3m	\$24.6m	\$39.1m	\$14.6m
Top-flight golf tournaments	\$39.8m	\$14.7m	\$23.4m	\$8.7m
Formula One Grand Prix	\$43.6m	\$15.8m	\$25.7m	\$9.2m
Top-flight horse racing	\$17.4m	\$6.3m	\$10.2m	\$3.7m
TOTAL	\$610.4m	\$208.4m	\$169.7m	\$54.3m

Figures are total global spend in US\$

China international travellers spend \$208.4m on attending major sporting events around the world, representing 34% of the APAC total. China’s HNW travellers represent around a quarter (26%) of the total China spend but 32% of the APAC HNW total.



\$1BN

PERFORMANCE ARTS

APAC Outbound travellers spend just under \$1bn (\$976.2m) on performance arts activities and events each year. This is 14.5% of the global total. Of particular interest to travellers from the region are operatic performances (spend is 24% of the global total) and Dance & Ballet (25%), reflecting the keen interest in classical music amongst a number of APAC countries.

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
Top 100 live music tours	\$1.8bn	\$196m	\$155.5m	\$31.4m
Musicals	\$732.7m	\$78.8m	\$62.5m	\$12.6m
Theatre	\$173.3m	\$18.6m	\$14.8m	\$3m
Comedy	\$243.7m	\$26.2m	\$20.8m	\$4.2m
Magic	\$60.9m	\$6.5m	\$5.1m	\$1m
Dance & Ballet	\$304.6m	\$77.2m	\$201.5m	\$45.1m
Opera	\$1.5bn	\$363.9m	\$843.9m	\$212.9m
Nightclubs	\$1.9bn	\$208.9m	\$165.8m	\$33.5m
TOTAL	\$6.7bn	\$976.2m	\$1.4bn	\$343.8m

Figures are total global spend in US\$

APAC's HNW individuals contribute \$343.8m (35%) of the spend of APAC international travellers towards attending performance arts events. Their contribution to the spend on opera and dance and ballet is well over half that of the APAC total (58% each). There is comparatively lower spend in activities such as Comedy and Magic (16% of the total APAC spend).

Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
Top 100 live music tours	\$196m	\$65.3m	\$31.4m	\$8.3m
Musicals	\$78.8m	\$26.2m	\$12.6m	\$3.3m
Theatre	\$18.6m	\$6.2m	\$3m	\$0.8m
Comedy	\$26.2m	\$8.7m	\$4.2m	\$1.1m
Magic	\$6.5m	\$2.2m	\$1m	\$0.3m
Dance & Ballet	\$77.2m	\$28.6m	\$45.1m	\$16.8m
Opera	\$363.9m	\$134.7m	\$212.9m	\$79.4m
Nightclubs	\$208.9m	\$69.6m	\$33.5m	\$8.8m
TOTAL	\$976.2m	\$341.5m	\$343.8m	\$118.9m

Figures are total global spend in US\$

China’s outbound travellers spend \$341.5m (35%) of the global total, with Opera and Dance & Ballet registering a higher contribution of 37% each. China’s wealthy HNW travellers contribute around 35% of both China’s total and APAC’s HNW total.

“ My team and i have helped each other through the low and tough moments which has made us stronger and even more determined to push forward. Most of our clients have asked us to re-arrange their existing trips which has proven to be invaluable for them as well as us, and I’m happy to say that we are now moving forward in a positive way. They may be ‘baby steps’ forward but they are in the right direction!

Kathryn Davies, Hong Kong

OUTDOOR PURSUITS

including water sports, winter sports, tours, boating, shooting & fishing, climbing, etc.

APAC travellers contribute around 10% (\$1.9bn) of the global spend on the huge variety of outdoor pursuits in the world. This is a relatively modest contribution given the size of the population of the region, but is a reflection of the diversity of interest that exists in global travellers, and a reflection of the fact that many of these are a product of traditions originating in old wealth markets such as Europe and North America.

Type of activity	Annual revenue from all Global visitors	Annual revenue from all APAC visitors	Annual revenue from HNW Global visitors	Annual revenue from HNW APAC visitors
All outdoor pursuits	\$18.9bn	\$1.9bn	\$2.2bn	\$306m

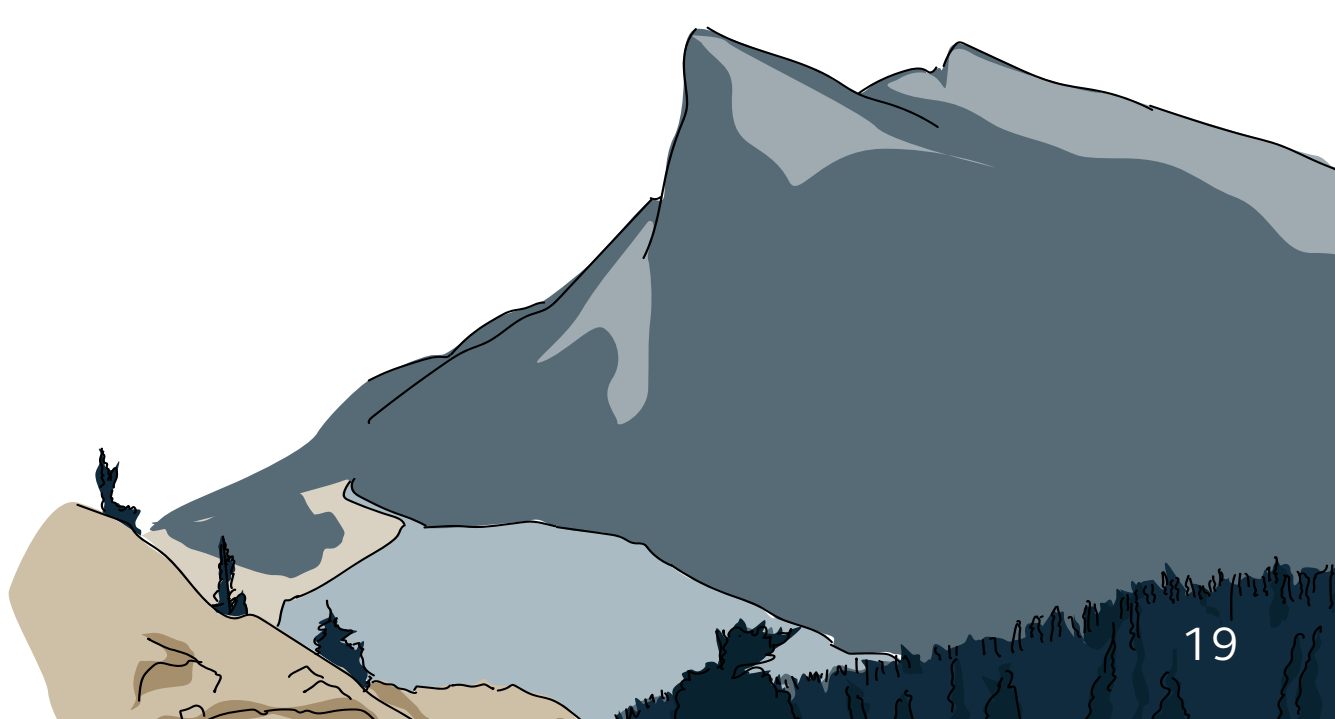
Figures are total global spend in US\$

APAC’s wealthy population of HNWs spend around \$306m on outdoor pursuits when travelling, around 14% of the global HNW total and 16% of the APAC total. The wealthy’s greater interaction with many of these activities on their extensive travels for business and leisure and amongst their international network are some of the reasons for their greater contribution.

Type of activity	Annual revenue from all APAC visitors	Annual revenue from all China visitors	Annual revenue from HNW APAC visitors	Annual revenue from HNW China visitors
All outdoor pursuits	\$1.9bn	\$647.6m	\$306m	\$87.4m

Figures are total global spend in US\$

China’s international travellers spend \$647.6m, around 34% of the APAC total, on outdoor pursuits. The HNW population contribute just 13% of their country’s spend, but 28.5% of the HNW APAC spend.



PASSIONS OF APAC'S WEALTHY

THE HIGH NET WORTH APAC LUXURY TRAVELLER

The 6.4m strong HNW population of Asia Pacific share many passions with HNWs from other regions but the number one shared passion of all the wealthy from this region is sport. The spectating of - and taking part in - sports all around the world is the single greatest interest for APAC's HNWs. Along with keen interests in football, golf and tennis – shared with the wealthy from other regions – other sports such as badminton, basketball and table tennis also rank highly.

Travel itself is a top 5 interest for the HNWs of the region, ranking above philanthropy, real estate and politics. Whilst APAC more broadly is commonly associated in luxury with the acquisition of goods, its HNW population's keen interest in travel indicates an experiential leaning. And a relatively strong passion for travel shows just how important this fast-growing group is to the industry.

Art ranks higher for APAC's HNW individuals than it does in any other region, but this love of art is not just about the explosive growth in the fine art market in the Asia region over the last decade. Art appreciation is rising, which brings with it interest in pursuing opportunities when and where they arise, particularly when travelling. Art is a broad church, from ancient cultural assets to performance, and a high appreciation means a high demand.

Food is another top passion for APAC's HNWs, and this is a central experience to international luxury travel. From fine restaurants to street food, culinary exploration is one of the most exciting parts of visiting countries within the region and beyond.

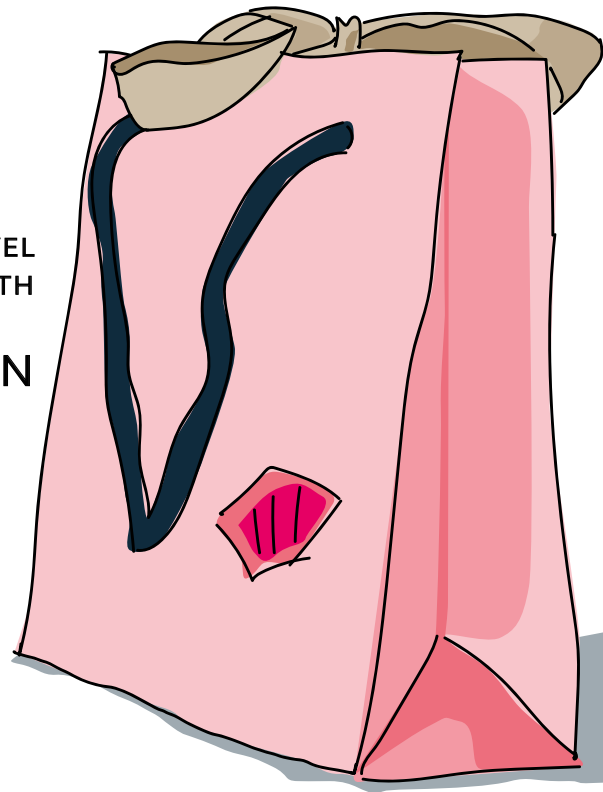


Asia-Pacific – Top IPH of HNW population

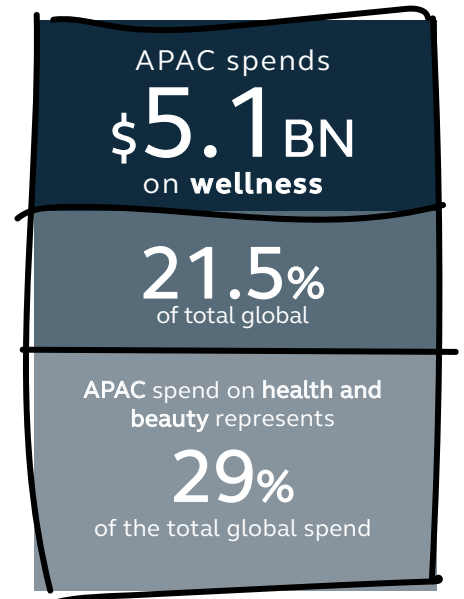
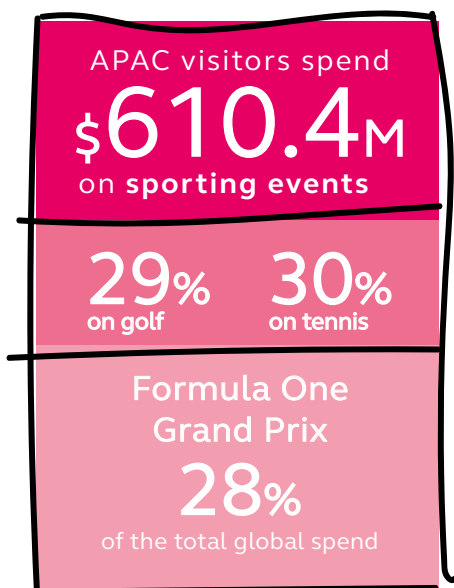
- 1 Sports
- 2 Public Speaking
- 3 Technology
- 4 Education
- 5 Travel
- 6 Engineering
- 7 Philanthropy
- 8 Politics
- 9 Real Estate
- 10 Economics
- 11 Writing
- 12 Art
- 13 Science
- 14 Languages
- 15 Food

Source: Wealth-X, 2020

APAC LUXURY TRAVEL
UNIVERSE WORTH
\$363BN



APAC travellers contribute with
\$72BN
to experience economy during international travel
(1/4 of global total)



METHODOLOGY

HNW POPULATION

To size the High Net Worth population and its combined wealth, Wealth-X use a proprietary Wealth and Investable Assets Model. This model produces statistically significant estimates for total private wealth and estimates the size of the population by level of wealth and investable assets for the world, and for each of the top 75 economies, which account for 98% of the world GDP.

Wealth-X use a two-step process. First, to estimate total private wealth, they use econometric techniques that incorporate a large number of national variables such as stock market values, GDP, tax rates, income levels and savings from sources such as the World Bank, International Monetary Fund, Organization for Economic Cooperation and Development (OECD), and national statistics authorities. Second, they estimate wealth distribution across each country's population. Due to a lack of wealth distribution data, most wealth models estimate wealth distribution patterns using income distribution data. However, Wealth-X's proprietary database of more than 540,000 records of HNWI individuals across the globe enables them to construct wealth distribution patterns using real, rather than implied, wealth distributions, making the model more reliable. Wealth-X then use the resulting Lorenz curves to distribute the net wealth in a country across its population. The database is also used to construct investable asset distribution patterns across each country's population. The model uses residency as the determinant of an individual's location.

To profile the HNWI population in greater depth, Wealth-X use their unique and proprietary Wealth-X Database, the world's most extensive collection of curated research and intelligence on wealthy individuals. The database provides insights into their financial profile, career history, known associates, affiliations, family background, education, philanthropic endeavours, passions, hobbies, interests, and much more. The Wealth-X proprietary valuation model (as defined by net worth) assesses all asset holdings, including privately and publicly held businesses and investable assets.

THE GLOBAL LUXURY TRAVEL ECOSYSTEM+ THE GLOBAL LUXURY TRAVEL UNIVERSE

To size the Global Luxury Travel Ecosystem, Barton used a combination of proprietary data on wealthy individuals from Wealth-X (population, wealth, and interests, passions & hobbies) as well as statistical insight from industry sources on ecosystem activities.

The first requirement was to define the Ecosystem by specifying the qualifying activities connected with luxury travellers. These were selected based on consultancy with lifestyle advisors to HNW individuals and identifying the top interests, passions and hobbies (IPH) of HNW, VHNW and UHNW individuals around the globe, connecting these to activities possible through travel.

The activities themselves were sized by sourcing industry data on annual revenue and statistics on international inbound tourism in the top 50 most visited countries in the world. Using secondary data on tourism contributions to these economies, we were able to estimate the contribution to these activities made by international tourists. Using the Wealth-X data, we were then able to estimate the likely contribution made by the global 22.8m individuals, including the 6.4m individuals in APAC, worth more than \$1m.

The Global Luxury Travel Universe is a combination of the estimated annual spend (Inbound & Outbound) of HNW individuals on global airfares & lodging and the size of the Global Luxury Travel Ecosystem (Inbound & Outbound).



ABOUT ILTM

ILTM is a global collection of invitation-only events that bring together leading international buyers to meet and discover the most luxurious travel experiences. Each event introduces an unrivalled selection of luxury travel brands to ILTM's extensive network of hand-picked luxury travel advisors, through bespoke appointment programmes and networking sessions. Alongside the global flagship events in Cannes and Asia Pacific, ILTM has four core local events; ILTM Arabia, ILTM China, ILTM Latin America and ILTM North America, as well as one specialist event; ILTM Africa.

www.iltm.com

ABOUT BARTON

Barton is focused on consulting businesses in the luxury and prestige sectors, combining evidence and guidance to help these organisations and brands grow and thrive. Whether for business strategy, brand assessment, communication, trend analysis or thought leadership, Barton knows that businesses need to have confidence in their decisions. Barton offers cross-sector knowledge in a responsive, agile way, combining creativity with pragmatism, providing the perspective needed to make informed choices.

www.barton-consulting.co.uk

ABOUT WEALTH-X

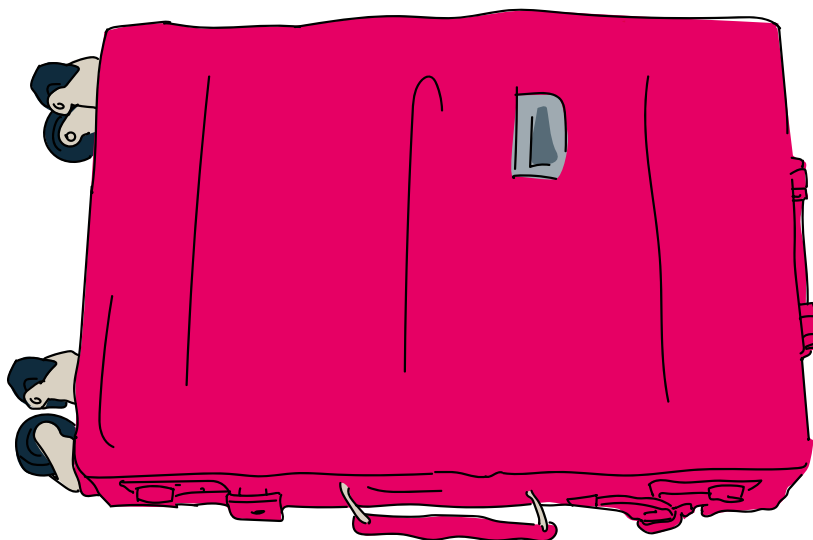
The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world's most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand, and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a growing roster of more than 500 clients worldwide.

www.wealthx.com

MEDIA ENQUIRIES

ILTMPR@SPOTLIGHTCOMS.COM

+44 (0) 20 8334 4008



In collaboration with

Barton

