

6.6

ACCOMMODATION⁷

OVERVIEW

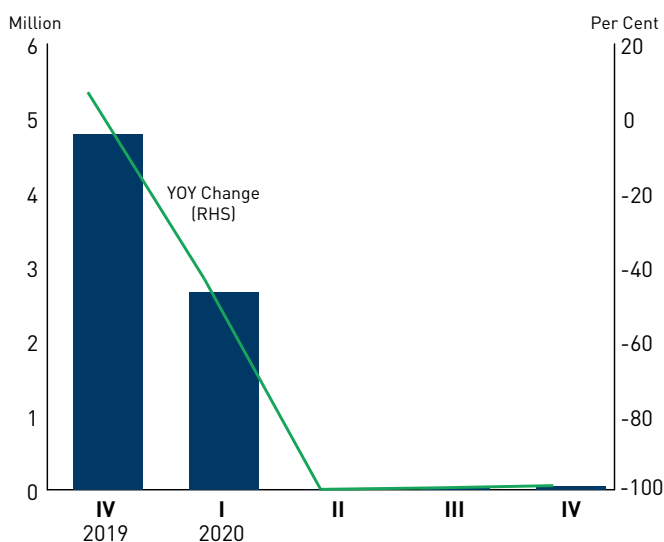
The accommodation sector contracted by 20 per cent year-on-year in the fourth quarter, unchanged from the 20 per cent contraction registered in the previous quarter.

For the whole of 2020, the sector shrank by 29 per cent, deteriorating from the 0.1 per cent growth in 2019.

VISITOR ARRIVALS

Singapore received around 52,000 visitors in the fourth quarter, 99 per cent lower compared to the same period a year ago (Exhibit 6.15). This came on the back of an across-the-board decline in visitor arrivals as a result of travel restrictions implemented in Singapore to curb the spread of COVID-19, as well as reduced global travel demand due to the COVID-19 pandemic.

Exhibit 6.15: Visitor Arrivals

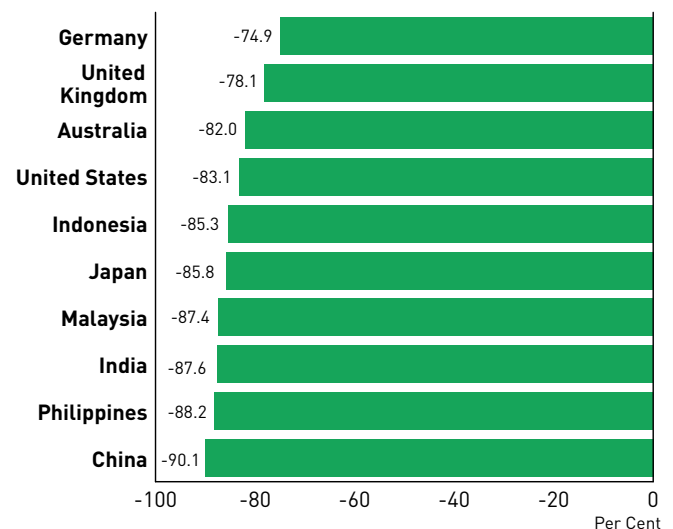


For the full year, visitor arrivals fell by 86 per cent, a sharp reversal from the 3.3 per cent growth recorded in 2019. In total, visitor arrivals reached 2.7 million in 2020, with most of the visitor arrivals (97 per cent) registered in the first quarter before major border restrictions were implemented in Singapore.⁸

In terms of source markets, Singapore's top five visitor-generating markets in 2020 were Indonesia (458,000 visitors), China (357,000 million), Australia (206,000), India (176,000) and Malaysia (153,000). Together, they accounted for 49 per cent of total visitor arrivals in 2020.

Among the top 10 visitor-generating markets, Germany (-75 per cent), United Kingdom (-78 per cent) and Australia (-82 per cent) posted the smallest contractions in visitor arrivals in 2020 (Exhibit 6.16).

Exhibit 6.16: Growth Rates of Top Ten Visitor Generating Markets in 2020



⁷ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Accommodation & Food Services sector will be disaggregated into their constituent Accommodation and Food & Beverage Services Trade sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

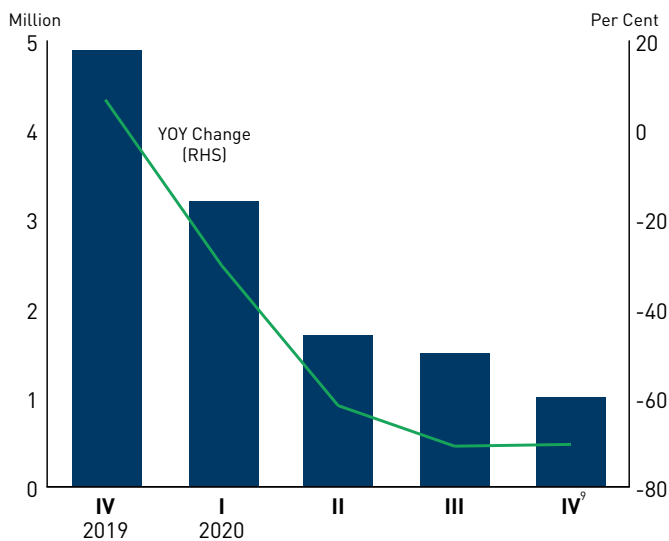
⁸ Singapore prohibited all short-term visitors from entering or transiting through Singapore on 24 March 2020.

ACCOMMODATION

In tandem with the slump in visitor arrivals, gross lettings of gazetted hotel rooms plummeted by 70 per cent year-on-year in the fourth quarter⁹, slightly better than the 71 per cent decline registered in the previous quarter (Exhibit 6.17). Similarly, room revenue plunged by 82 per cent year-on-year, improving from the 87 per cent decline in the preceding quarter. The decline in room revenue came on the back of a drop in both the average occupancy rate of gazetted hotels and the average daily room rate. Specifically, the average occupancy rate fell by 32 percentage-points to 56 per cent, while the average daily room rate decreased by 34 per cent to \$141 in the fourth quarter.

For the January to November 2020 period¹⁰, the performance of the accommodation sector was weak, weighed down by fallout from the COVID-19 pandemic and the associated measures taken to reduce COVID-19 transmissions (e.g., border restrictions). The overall room revenue of gazetted hotels fell by 71 per cent to reach \$1.1 billion over this period, driven by a 58 per cent decrease in gross lettings and a 31 per cent decline in the average daily room rate.

Exhibit 6.17: Gross Lettings



⁹ The statistics for the fourth quarter are estimated based on data for October and November, as data for December 2020 will only be ready at a later date.
¹⁰ Current figures for the hotel industry are up to November 2020. The hotels' full-year performance figures for 2020 will be ready at a later date.