

Chapter 6.6

ACCOMMODATION

OVERVIEW

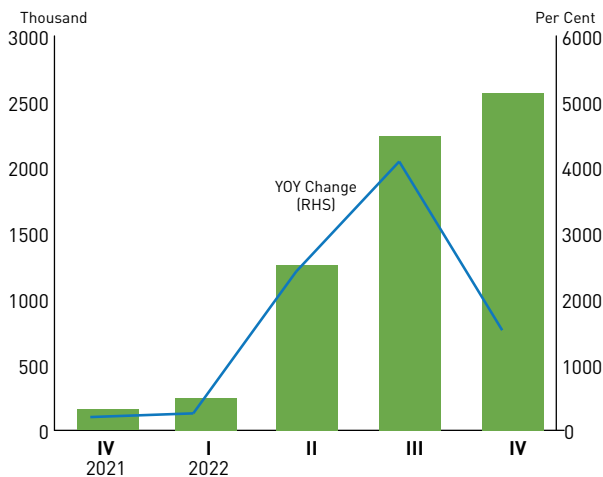
The accommodation sector grew by 7.8 per cent year-on-year in the fourth quarter of 2022, accelerating from the 1.6 per cent expansion in the previous quarter.

For the whole of 2022, the sector expanded by 0.5 per cent, a turnaround from the 9.1 per cent contraction in 2021.

VISITOR ARRIVALS

Singapore received around 2.6 million visitors in the fourth quarter, 1,523 per cent higher compared to the same period a year ago (Exhibit 6.14). The sharp increase in visitor arrivals was due to the relaxation of inbound travel restrictions relative to 2021 with the rollout of the Vaccinated Travel Framework (VTF) in April 2022. Compared to the same period in 2019, visitor arrivals remained 46.5 per cent lower. For the full year, visitor arrivals increased by 1,810 per cent, a significant turnaround from the 88.0 per cent decline recorded in 2021.

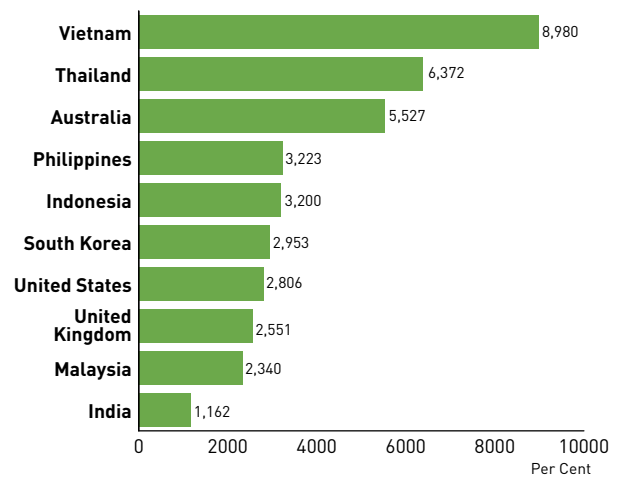
Exhibit 6.14: Visitor Arrivals



In terms of source markets, Singapore's top five visitor-generating markets in 2022 were Indonesia (1.1 million visitors), India (686,000 visitors), Malaysia (591,000 visitors), Australia (566,000 visitors) and the Philippines (382,000 visitors). Together, they accounted for 52.8 per cent of total visitor arrivals in 2022.

Among the top 10 visitor-generating markets, Vietnam (8,980 per cent), Thailand (6,372 per cent) and Australia (5,527 per cent) posted the strongest growth in visitor arrivals in 2022 (Exhibit 6.15).

Exhibit 6.15: Growth Rates of Top 10 Visitor-Generating Markets in 2022

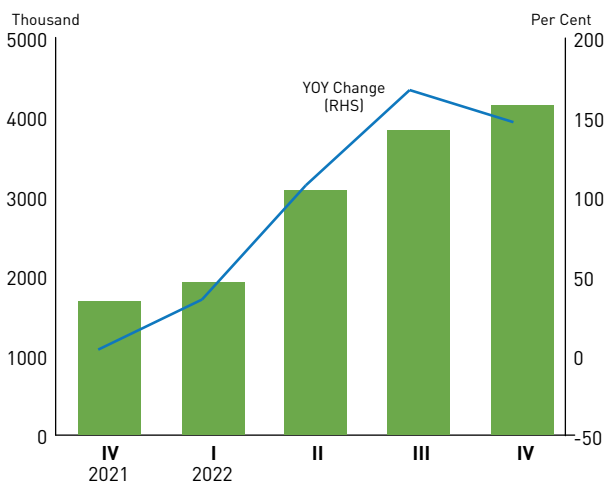


ACCOMMODATION

In tandem with the strong recovery in visitor arrivals, gross lettings of gazetted hotel rooms grew robustly by 147 per cent year-on-year in the fourth quarter, extending the 167 per cent growth in the previous quarter (Exhibit 6.16). Similarly, room revenue surged by 274 per cent year-on-year, extending the 363 per cent increase in the preceding quarter. Higher room revenue was accompanied by a rise in both the average occupancy rate of gazetted hotels and the average daily room rate. Specifically, the average occupancy rate rose by 11.2 percentage-points to 83.3 per cent, while the average daily room rate increased by 51.4 per cent to \$283 in the fourth quarter.

For 2022 as a whole, the accommodation sector grew by a modest 0.5 per cent, as the recovery in tourism demand was largely offset by a reduction in government bookings⁶. The overall room revenue of gazetted hotels climbed by 235 per cent to reach \$3.2 million in 2022, driven by a 116 per cent expansion in gross lettings and a 55.1 increase in the average daily room rate.

Exhibit 6.16: Gross Lettings



⁶ The gross lettings and room rates data do not include hotel rooms contracted by the Government to serve as government quarantine facilities (GQFs) or stay-home-notice dedicated facilities (SDFs).