



**MARKET  
IN  
MINUTES**

*Savills Research*

Hotel Market  
Snapshot June 2020

# Indonesia



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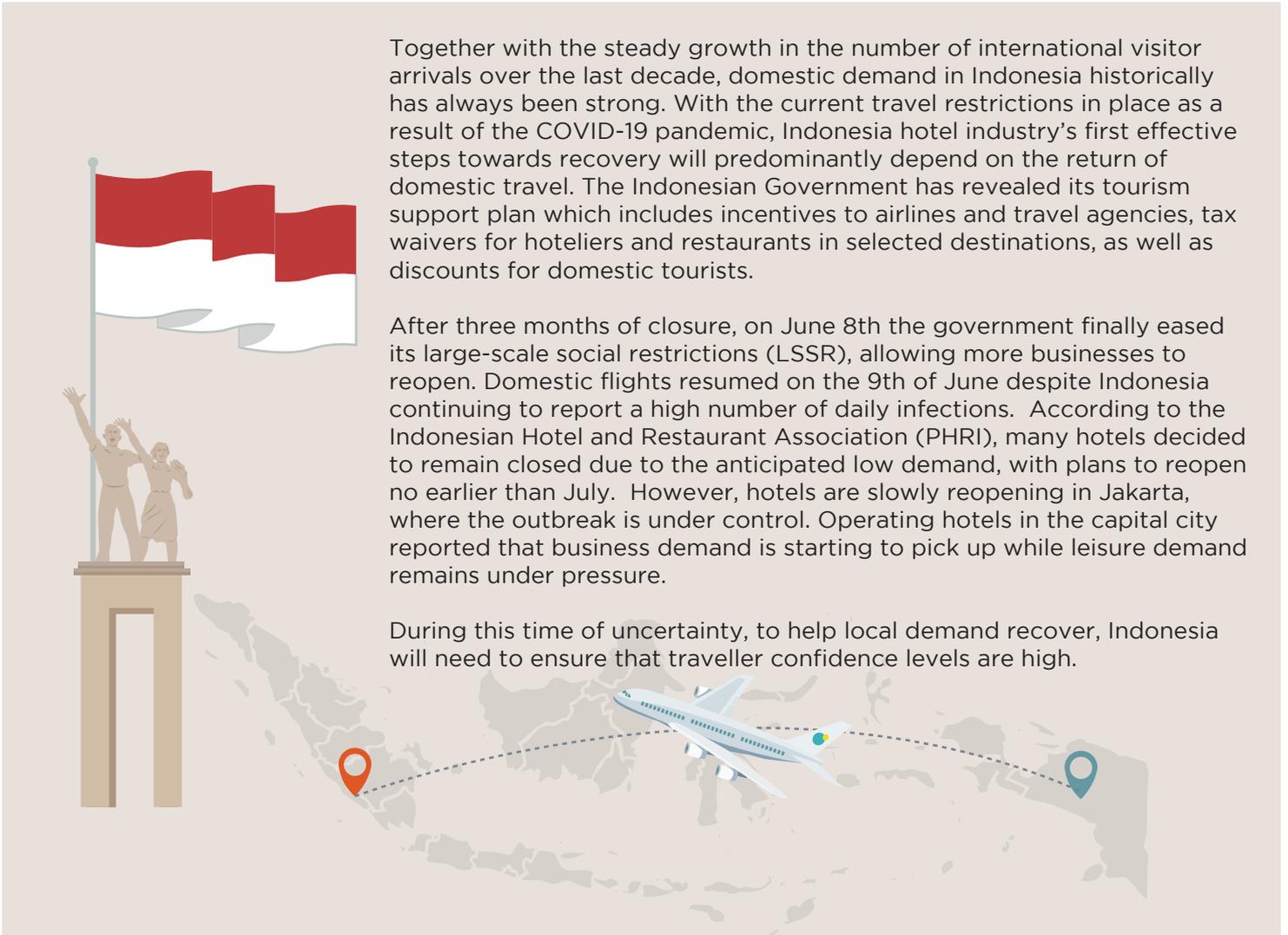
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# DOMESTIC TOURISM

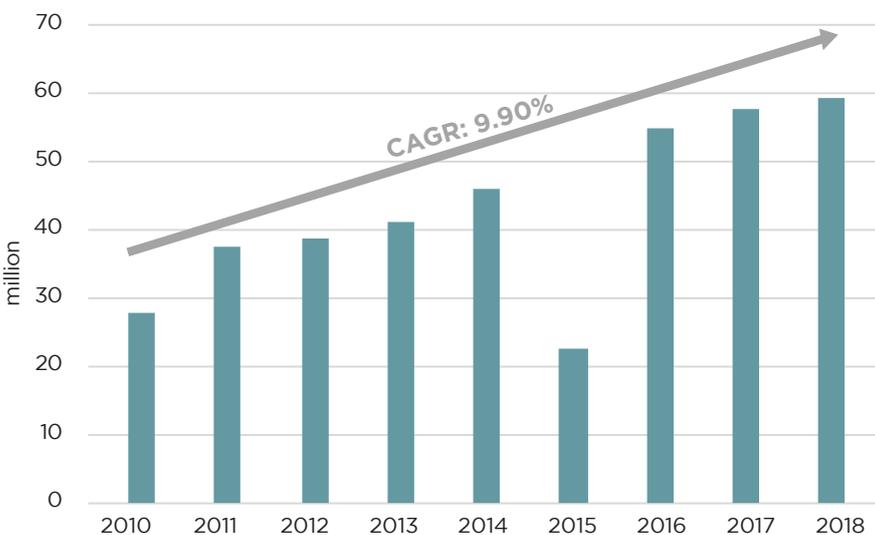
Together with the steady growth in the number of international visitor arrivals over the last decade, domestic demand in Indonesia historically has always been strong. With the current travel restrictions in place as a result of the COVID-19 pandemic, Indonesia hotel industry's first effective steps towards recovery will predominantly depend on the return of domestic travel. The Indonesian Government has revealed its tourism support plan which includes incentives to airlines and travel agencies, tax waivers for hoteliers and restaurants in selected destinations, as well as discounts for domestic tourists.

After three months of closure, on June 8th the government finally eased its large-scale social restrictions (LSSR), allowing more businesses to reopen. Domestic flights resumed on the 9th of June despite Indonesia continuing to report a high number of daily infections. According to the Indonesian Hotel and Restaurant Association (PHRI), many hotels decided to remain closed due to the anticipated low demand, with plans to reopen no earlier than July. However, hotels are slowly reopening in Jakarta, where the outbreak is under control. Operating hotels in the capital city reported that business demand is starting to pick up while leisure demand remains under pressure.

During this time of uncertainty, to help local demand recover, Indonesia will need to ensure that traveller confidence levels are high.



## Domestic Guests In Classified and Non-Classified Hotels



Source: BPS - Statistics Indonesia, Savills Hotels

Note:

\*Classified hotel: is an establishment which uses a building or part of building especially prepared to any person to stay, eat and obtain service as well as other facilities against payment, and it has fulfilled the requirements as a star hotel.

\*\*Non-classified hotel: is an establishment which uses a building or part of building especially prepared to any person to stay, eat and obtain service as well as other facilities against payment, and it has not fulfilled the requirements as a star hotel, but it has fulfilled as a non star hotel.

Domestic guest numbers in Classified and Non-Classified\*\* hotels were reported to be

**17.4x**

more than the number of international guests



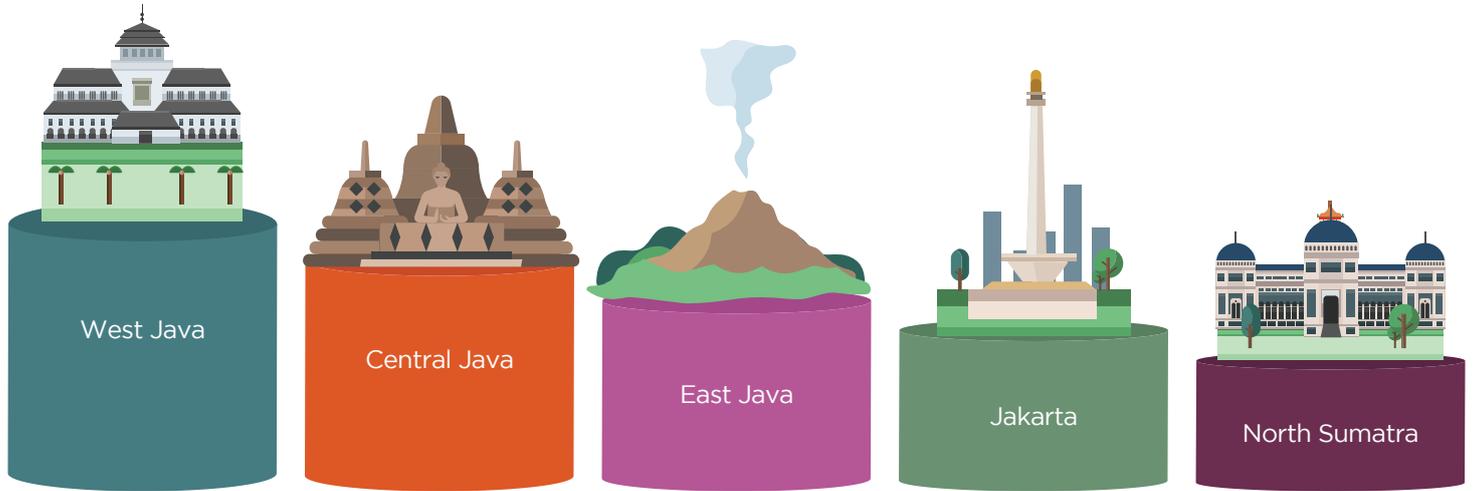
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Ratio of Domestic vs. International guests in Classified and Non-Classified hotels

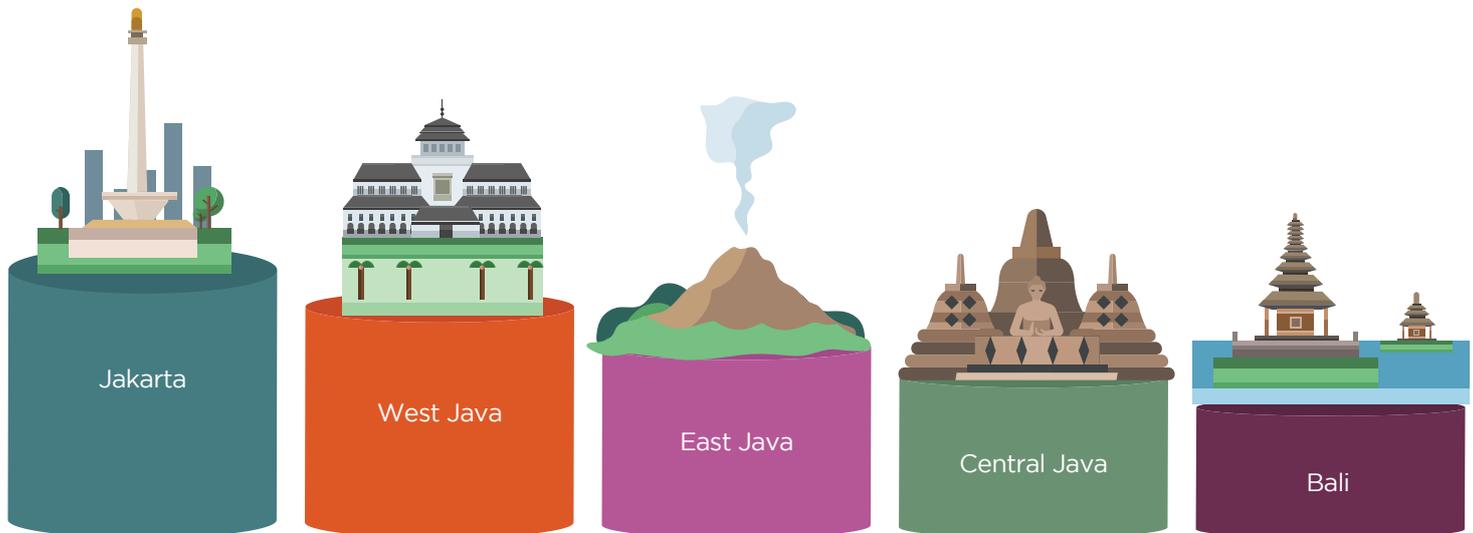
# TOP POPULAR PROVINCES BY DOMESTIC DEMAND

By Number of Domestic Guests in 2018 (latest data available)

## CLASSIFIED HOTELS



## NON-CLASSIFIED HOTELS



By Average Length of Stay in 2018



# OUTBOUND TOURISM



# 7.6 MILLION

Indonesians travelled to the top five neighbouring markets in Southeast Asia

As the economy in Indonesia continues to grow, so does its outbound tourism, demonstrating a significant appetite for travel abroad. This also demonstrates a considerable capacity for a growth in domestic tourism, especially at a time where international travel is restricted. In 2019, a total of 7.6 million Indonesians travelled to the top five neighbouring markets in Southeast Asia. With the current travel ban in place, a proportion of this demand certainly can be diverted locally.

## Indonesian Outbound in Top Five Southeast Asia markets in 2019

