










Boosting the Vaccine Programme to Boost Tourism

Summary & recommendations

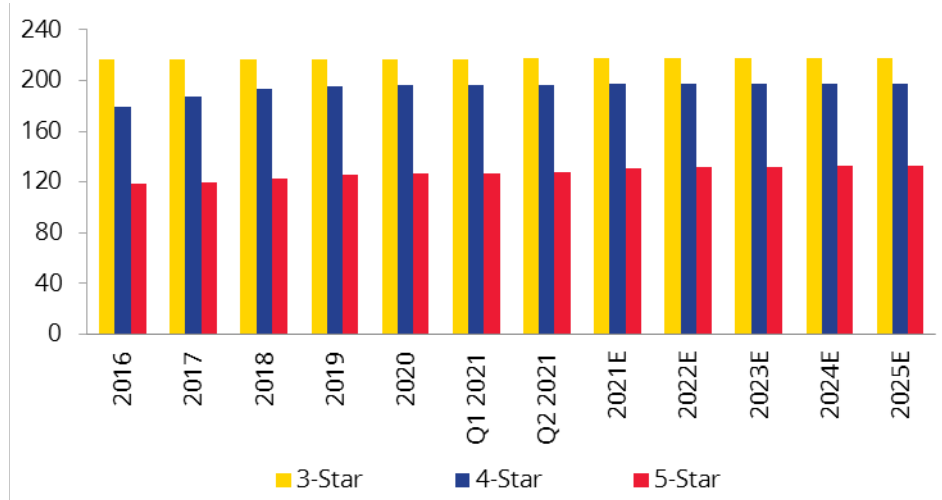
The trend of hotel performance in Bali is heading in a positive direction. However, there is still a long way to go before things get back to normal. Depending on domestic tourists alone cannot restore the situation to its previous condition. Innovation continues to be carried out in order to continue to generate revenue. The government is still running a vaccine programme to accelerate the recovery of Bali's economic and tourism conditions.

| | Q2 2021 | Full Year 2021 | 2021-24 Annual Average |
|---|---|---|---|
|  <p>Supply</p> <p>New supply will be limited, considering the condition is still unstable.</p> |  <p>285 rooms</p> |  <p>924 rooms</p> | 248 rooms |
|  <p>Occupancy</p> <p>Occupancy shows a positive trend, but the main key is controlling the pandemic because it will affect government policies, one of which is related to movement restrictions.</p> | <p>QOQ / End Q2 2021</p>  <p>1.7%</p> <p>12.9%</p> | <p>YOY / End 2021</p>  <p>-4.5%</p> <p>16%</p> | <p>Annual Average Growth 2021-24 /End 2024</p> <p>21.1%</p> |
|  <p>Room rates</p> <p>The room rates have also shown a positive trend, but the movement to return to normal will be incredibly challenging and takes time.</p> | <p>6.6%</p>  <p>USD64.2</p> | <p>-24%</p>  <p>USD66.2</p> | -1.1% |

Source: Colliers Indonesia
 Note: USD1 to IDR14,496 at the end of Q2 2021.

Supply

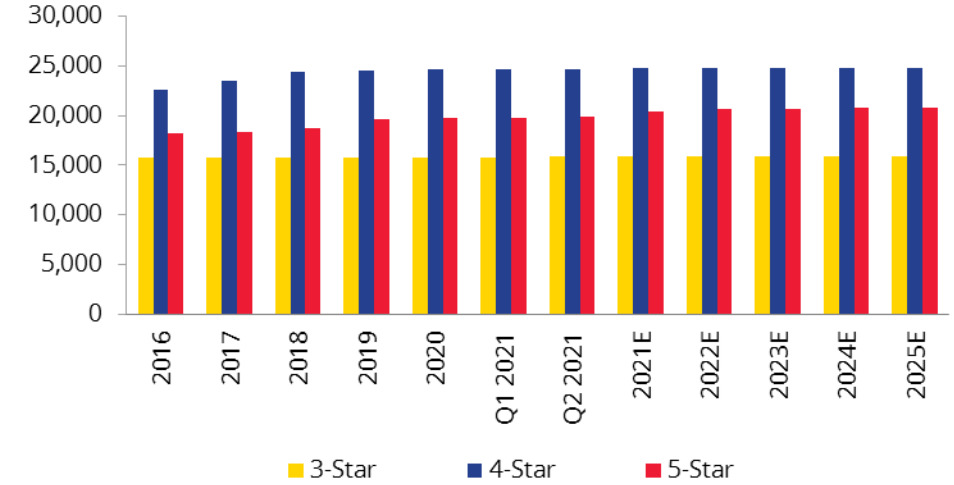
Cumulative hotel projects



Source: Colliers Indonesia

After a year without supply of new rooms, Bali has received supply of two new hotels with a total of 285 rooms; one three-star hotel with 140 rooms and one five-star hotel with 145 rooms. With the addition of the new hotels, Bali has a total of 60,447 rooms, with a total of 542 hotels.

Cumulative hotel rooms



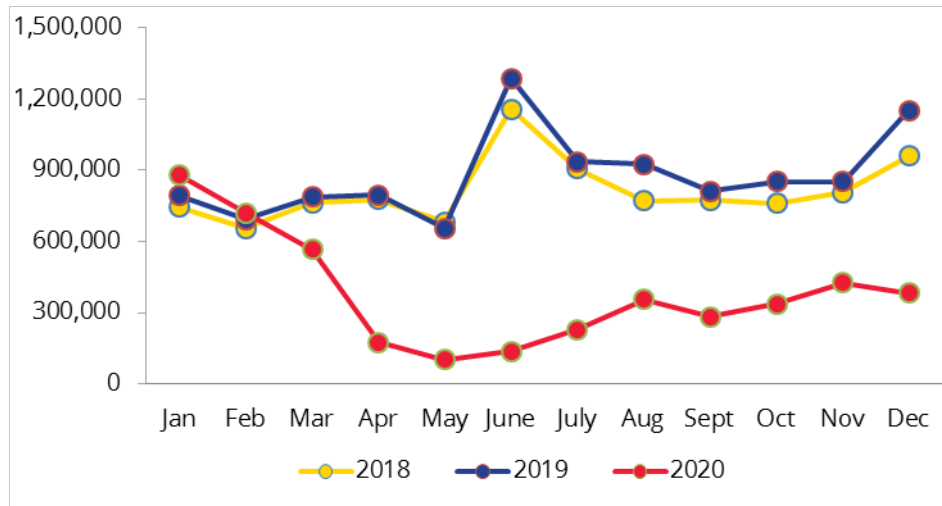
Source: Colliers Indonesia

Tourism

Until the end of 2020, according to BPS Bali data, the number of domestic tourists was recorded at 4,596,157, a decrease of 56.4% compared to 2019. Meanwhile, data on foreign tourist arrivals up to April 2021 was recorded at only 34 people.

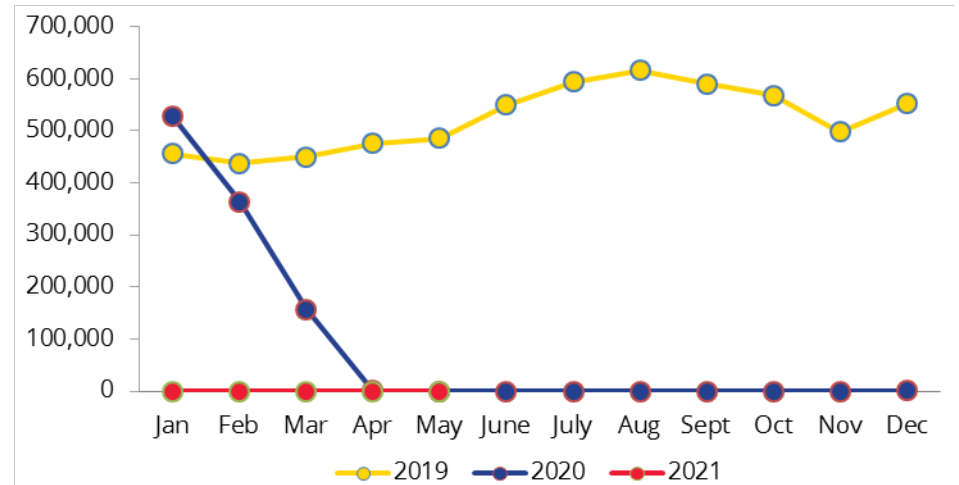
Since some time ago, the government through the Ministry of Tourism and Creative Economy has planned to open tourism doors for foreign tourists in July 2021. Several efforts made by the government to accelerate the realisation of the plan include the implementation of the vaccination process. According to the explanation from the Head of the Bali Provincial Health Office, the number of the population of Bali who have been vaccinated reached 1,325,407 (44.18%), while those who have been fully vaccinated (up to the second dose) is 636,639 (21.22%). To achieve immunity according to WHO standards, it is targeted that 3 million of the 4.3 million Balinese should be vaccinated against COVID-19.

Number of domestic visitors to Bali by month



Source: Bali Statistics

Number of foreign visitors to Bali by month



Source: Bali Provincial Tourism Office

Currently, the government is facing considerable challenges regarding the implementation of the plan to open Bali for foreign tourists in July. This is because at the end of June, there was a spike in cases of COVID-19 in Indonesia. Meanwhile, to optimise the number of domestic tourists, the government initiated Work From Bali, especially for the State Civil Apparatus.

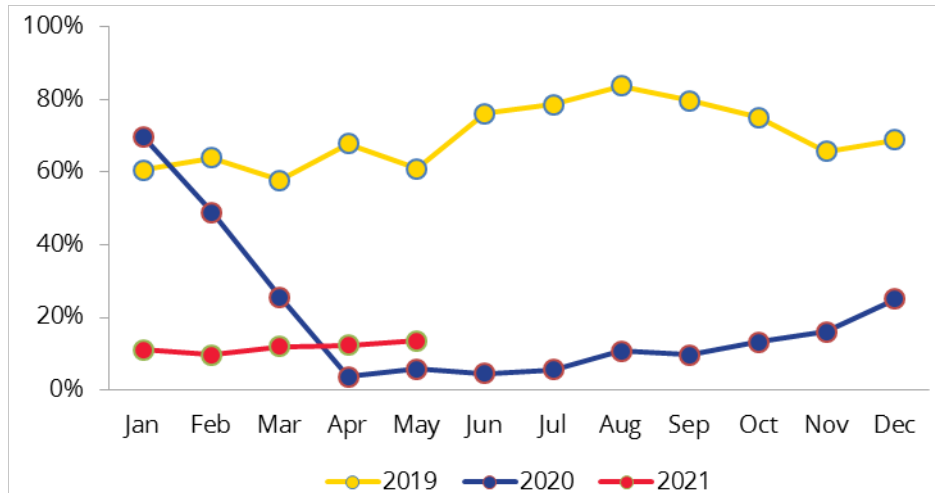
Bali is preparing three areas to pilot the implementation of the travel bubble, namely Nusa Dua, Ubud and Sanur, which have been designated as areas that will receive tourist visits. The government is also preparing everything before the travel bubble opens in Bali. In addition, the government has set certain requirements for tourists who will later enter Bali. For example, tourists must be free from COVID-19 as evidenced by the results of a PCR swab test. Upon arrival in Bali, foreign tourists are required to carry out repeated swab tests and quarantine at hotels that have been designated by the Port Health Office at their own expense.

Performance

The lack of domestic and international tourists visiting Bali greatly affects the performance of hotels in Bali. Stay packages and discounts are still being offered by hoteliers to attract tourists.

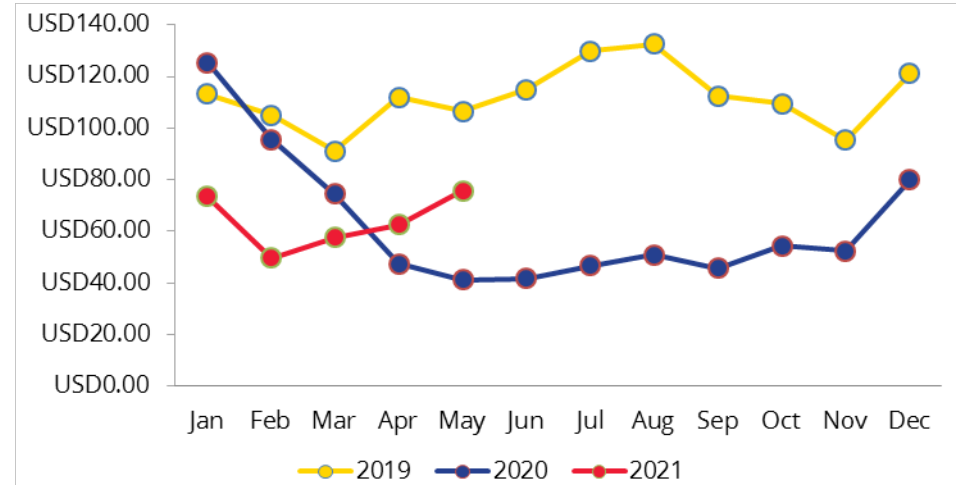
Although it is still far from the performance in 2019, the performance in 2021 has increased. In 2020, the AOR in April was only at 3.8% and in May 5.8%. In 2021, it increased in April to 12.4% (up 8.7%) and in May, it reached 13.6% (up 7.8%). On the ADR side, it also started to increase in April 2020, USD47.40, up 32.2% to USD62.65; while in May 2020, ADR was recorded at USD41.35, up 83% to USD75.66.

Monthly average occupancy rate (AOR)



Source: STR

Monthly average daily rate (ADR)



Source: STR

Maintaining this positive trend is particularly challenging, especially because the spread of the pandemic has not been controlled. This has become challenging with the increasing number of cases of COVID-19 in Indonesia in recent weeks. If there are restrictions on movement again, this will be burdensome for the Balinese economy. The same thing will happen if the opening of the international border is further delayed. However, in the current situation, the government must carefully consider the decisions that will be made.

Currently, there are many activities both for tourism and MICE in Bali. The existence of a health protocol that must be followed by all stakeholders makes hoteliers innovate for all their activities, including MICE. Currently, many activities are carried out on a hybrid basis, so that even though the volume is reduced, the activities still exist and still bring in revenue for hotels.

Appendix

Newly operating hotel in Q2 2021

| Hotel Name | STR Chain Scale Rate | Location | Region | #Rooms |
|-------------------------------|----------------------|------------------|--------|--------|
| 3-star | | | | |
| Yello Hotel Kuta Beach - Bali | Undefined | Jl. Pantai Kuta | Kuta | 138 |
| 5-star | | | | |
| Andaz Bali Hotel | Luxury Class | Danau Tamblingan | Sanur | 145 |

Source: Colliers Indonesia

New pipeline

| Hotel Name | STR Chain Scale Rate | Location | Region | #Rooms | Project Status | Completion Time |
|---|----------------------|-----------------------|---------------|--------|--------------------|-----------------|
| 4-star | | | | | | |
| Aloft Hotel Kuta Beach | Upscale Class | Jl. Pantai Kuta | Kuta | 200 | Under construction | 2021 |
| 5-star | | | | | | |
| Jumeirah | Luxury Class | Pecatu Indah Resort | Jimbaran | 104 | Under construction | 2021 |
| Kimpton Resort Nusa Dua | Upper Upscale Class | Jl. Nusa Dua | Nusa Dua | 50 | Under construction | 2021 |
| Lavaya Resort and Residence Tanjung Benoa | Undefined | Jl Telaga Waja No. 05 | Tanjung Benoa | 278 | Under construction | 2022 |

Source: Colliers Indonesia



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