

Box Article 2.1

RECENT PERFORMANCE OF TOURISM IN SINGAPORE

Tourism is a key pillar of Singapore's economy, contributing to the value-added of a range of sectors such as the accommodation, arts, entertainment & recreation, food & beverage (F&B) services, retail trade and transportation & storage sectors. In 2024, tourism is estimated to have contributed 6.0 per cent of Singapore's exports in services¹. Beyond its direct contribution to Singapore's economy, tourism also plays a critical role in strengthening Singapore's global connectivity and reputation as a premier destination for business and leisure, which in turn enhances our status as a key node in the flow of people and ideas.

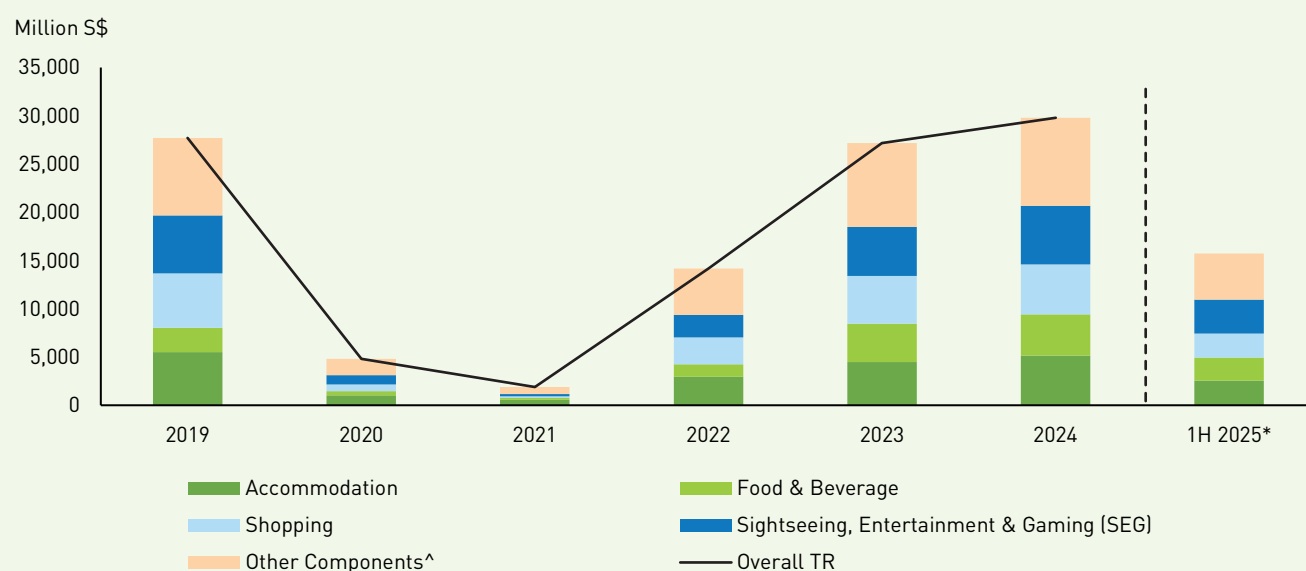
This article examines the recent performance of and outlook for international visitor arrivals (IVA) and tourism receipts (TR) in Singapore.

Singapore's IVA and TR plunged in 2020 and 2021 due to the COVID-19 pandemic before rebounding in 2022

The onset of the COVID-19 pandemic caused a sharp decline in tourism activity globally as stringent public health measures, including border closures, were implemented across the world to limit the spread of the virus. In Singapore, our TR (Exhibit 1) and IVA (Exhibit 2) likewise plummeted in 2020 and 2021. In particular, TR fell sharply to \$4.8 billion in 2020 from the \$27.7 billion posted in 2019, and contracted further to \$1.9 billion in 2021.² This came on the back of a slump in IVA from 19.1 million in 2019 to around 2.7 million and 330,000 in 2020 and 2021, respectively.

With the stabilisation of the COVID-19 situation domestically, Singapore launched the Vaccinated Travel Lanes in September 2021 and then transitioned to the Vaccinated Travel Framework in April 2022.³ In line with this, TR and IVA rebounded to \$14.2 billion and 6.3 million in 2022, or 51.2 per cent and 33.0 per cent of 2019 levels, respectively.

Exhibit 1: Tourism Receipts by Major Components, 2019 – 1H2025



Source: Singapore Tourism Board

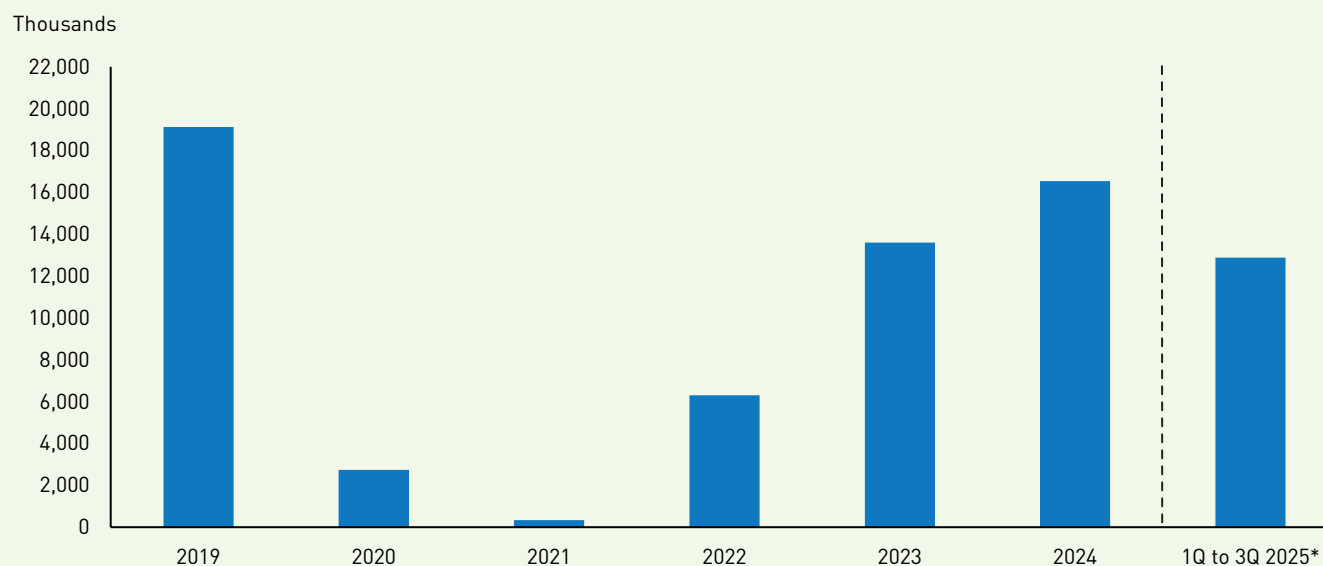
*TR data for 2025 is available up to the second quarter of 2025 at the time of publication.

^Other components include expenditure on airfares on Singapore-based carriers, port taxes, local transportation, business, medical, education, transit visitors and COVID-19 related costs.

1 This is the total value of exports of travel services as a share of Singapore's total value of exports of services in 2024. Travel services cover the range of goods and services consumed by travellers during their visits to Singapore for less than one year.

2 Singapore closed its borders on 23 March 2020 to short-term visitors and selected work pass holders. While the air travel pass and reciprocal green lanes were implemented for selected economies in late 2020, they were interrupted by stricter border measures from 1 May 2021 in response to the emergence of the Delta variant of the virus.

3 Under Vaccinated Travel Lanes (VTL), fully-vaccinated travellers from selected countries were allowed to enter Singapore without quarantine, subject to testing and other health safeguards. The Vaccinated Travel Framework (VTF) replaced the VTL and came into effect on 1 April 2022. The VTF allowed all fully vaccinated travellers (and children aged 12 and below) to enter Singapore without quarantine, subject to a pre departure COVID 19 test, provided they had not visited any country on the "Restricted" list in the past seven days.

Exhibit 2: International Visitor Arrivals, 2019 – 3Q2025

Source: Singapore Tourism Board

*IVA data for 2025 is available up to the third quarter at the time of publication.

TR continued to grow in the next two years, and by 2024, had surpassed its pre-pandemic level

Post-pandemic, TR continued to recover steadily. In 2023 and 2024, TR grew by 91.5 per cent and 9.7 per cent, respectively. By 2024, TR reached \$29.8 billion, surpassing its level in 2019 by 7.6 per cent.

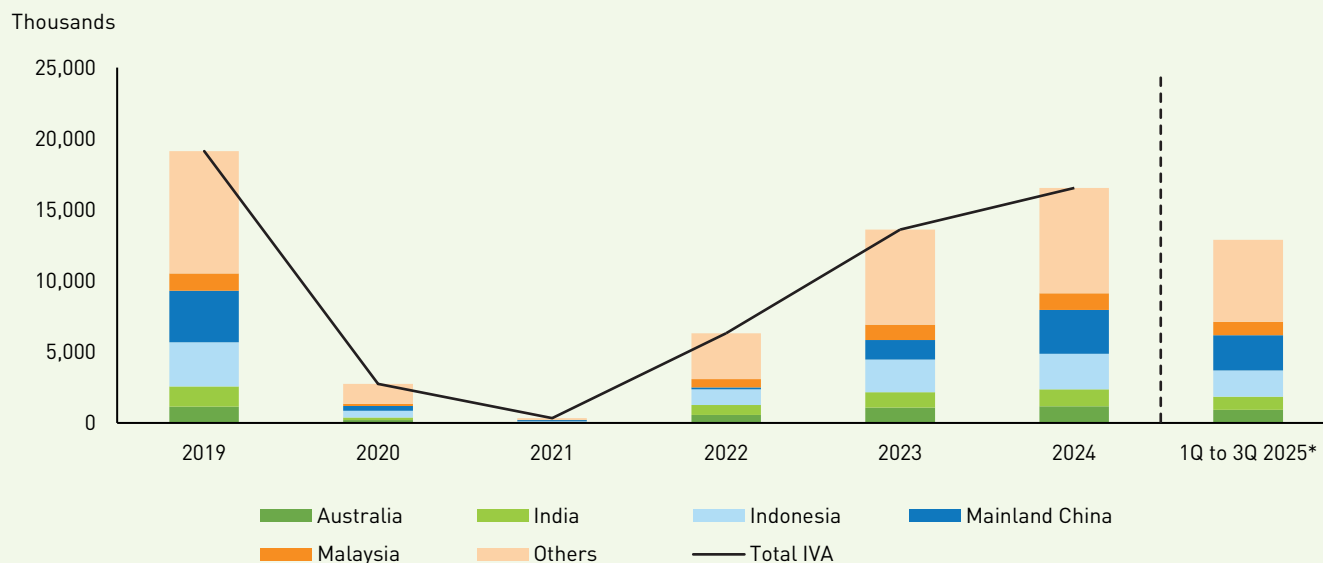
The increase in TR in 2024, compared to 2023, was driven by robust growth in major spending components, including sightseeing, entertainment & gaming (SEG) (19.8 per cent growth) and accommodation (15.0 per cent growth). This surge in spending was supported largely by a strong line-up of events (e.g., concerts and marquee leisure events) during the year. Compared to 2019 levels, TR in F&B and SEG in 2024 were 71.0 per cent and 1.2 per cent higher respectively, even though TR in accommodation and shopping remained 7.0 per cent and 7.8 per cent lower respectively.

The strong momentum in TR growth carried into the first half of 2025, with overall TR growing by 5.3 per cent year-on-year to reach \$15.7 billion. This continued growth reflected Singapore's diversified tourism offerings, as higher spending on F&B (16.0 per cent), SEG (5.0 per cent) and accommodation (4.8 per cent) more than offset a decline in spending on shopping (-2.5 per cent).

The robust recovery in TR came on the back of IVA growth amidst a vibrant line-up of entertainment and business events

The robust recovery in TR in 2024 came on the back of continued growth in IVA of 21.5 per cent over the same period. The latter brought IVA in 2024 to 16.5 million, or 86.5 per cent of 2019's level. In turn, the sharp increase in IVA in 2024 was supported by a vibrant line-up of entertainment and business events, including concerts by Coldplay and Taylor Swift, as well as Meetings, Incentives, Conferences & Exhibitions (MICE) events such as the Rotary International Convention, the Forum of Young Global Leaders and CeMAT Southeast Asia.

The pickup in IVA continued into 2025, albeit at a more moderate pace. In the first three quarters of the year, IVA grew by 2.3 per cent year-on-year to reach 12.9 million (or 89.9 per cent of 2019's level over the same period), spurred by continued growth in visitor arrivals from our key source markets. For instance, IVA from our key source markets of Australia, India, Mainland China and Malaysia grew by 7.1 per cent, 2.8 per cent, 0.8 per cent and 6.5 per cent year-on-year respectively over this period (Exhibit 3).

Exhibit 3: IVA by Key Source Markets, 2019 – 3Q2025

Source: Singapore Tourism Board

*IVA data for 2025 is available up to the third quarter at the time of publication.

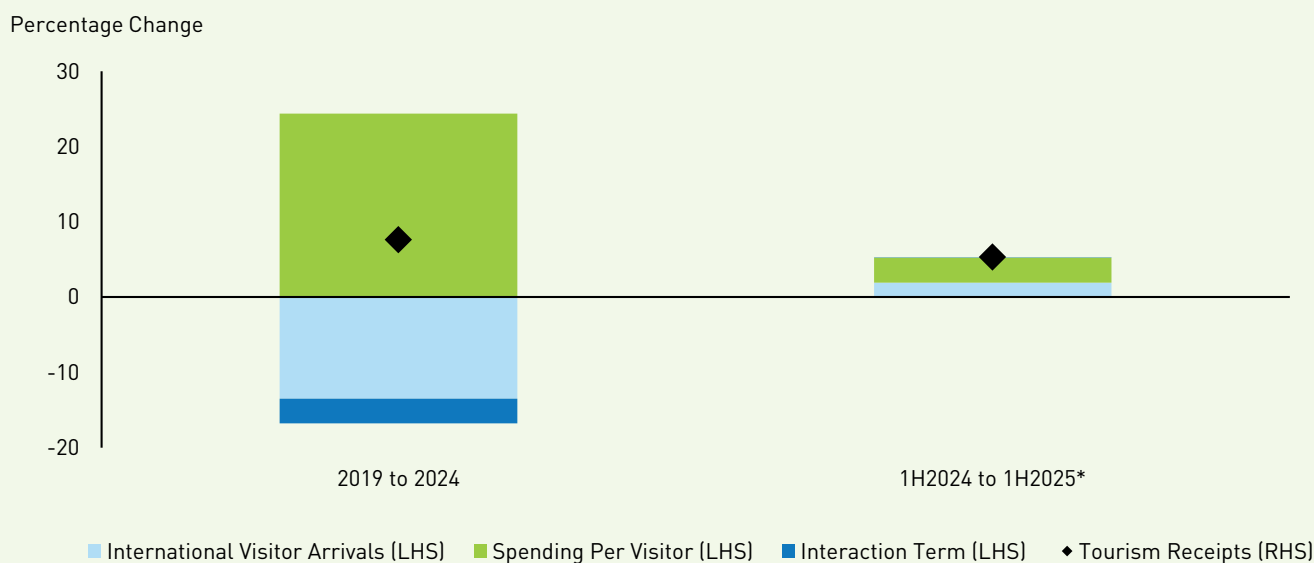
It should be noted that while Singapore's overall IVA has yet to recover to 2019's level, its recovery trend is broadly in line with that of key tourism destinations in the Asia-Pacific region⁴ (APAC). On aggregate, the IVA of all 14 APAC destinations (including Singapore) in 2024 reached 89.7 per cent of its level in 2019. Singapore has also maintained its market share of total IVA to these destinations at around 6.0 per cent since 2019.

The increase in TR in 2024, compared to 2019, was led by growth in spending per tourist

Growth in TR can be decomposed into (i) growth in IVA, (ii) growth in spending per IVA, and (iii) the interaction between (i) and (ii) – see equation (1) below. Between 2019 and 2024, the cumulative growth in TR (7.6 per cent) was supported by an increase in spending per IVA (24.4 per cent), which more than offset the decline in IVA (-13.5 per cent) (Exhibit 4). In the first half of 2025, growth in spending per IVA (3.3 per cent year-on-year) continued to contribute to the growth in TR (5.3 per cent year-on-year), while growth in IVA (1.9 per cent year-on-year) over the same period also contributed to the TR growth.

$$TR = IVA \times Spending \text{ per IVA}$$

$$\Rightarrow \% \Delta TR = \% \Delta IVA + \% \Delta Spending \text{ per IVA} + \text{Interaction Term [Equation 1]}$$

Exhibit 4: Decomposition of Tourism Receipts Growth, 2019 to 2024 and 1H2024 to 1H2025

Source: Singapore Tourism Board, MTI Staff Estimates

*TR data for 2025 is available up to the second quarter of 2025 at the time of publication.

⁴ Based on 14 markets identified as key tourism destinations: Australia, Hong Kong, Indonesia, India, Japan, Macau, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. The data is extracted from various National Tourism Organisations' websites.

Looking ahead, the long-term prospects of Singapore's tourism industry remain favourable, even as near-term headwinds may pose a drag on its growth

For 2025, the Singapore Tourism Board (STB) has projected that TR will hit \$29.0 to \$30.5 billion, while IVA will reach between 17.0 million and 18.5 million,⁵ supported by a steady pipeline of events and experiences that will bolster tourism demand in Singapore. There is, however, a risk that elevated global economic uncertainty and ongoing trade frictions could weigh on consumer confidence and dampen tourism demand in the near term. Other factors that could weigh on visitor arrivals to Singapore include the continued strength of the Singapore dollar, visa liberation policies by competitor destinations,⁶ as well as initiatives to boost domestic tourism in our key source markets such as Mainland China.⁷

In the longer term, under STB's Tourism 2040 roadmap, TR is expected to grow to \$47.0 billion to \$50.0 billion by 2040. As part of this roadmap, STB will focus on driving Singapore's next bound of quality tourism growth with strategies to attract higher-yield visitors and enhance Singapore's appeal as a premier destination for both leisure and business travel. Working closely with industry partners, STB will continue to strengthen Singapore's offerings in areas such as events, lifestyle and experiential tourism, while building industry capabilities and accelerating digital transformation to future-proof the tourism industry. These efforts will ensure that our tourism industry remains competitive and a key driver of Singapore's economic growth in the years to come.

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⁵ These are based on STB's forecasts released in February 2025.

⁶ For instance, Malaysia and the Philippines have made visa-free travel available to travellers from India.

⁷ According to China's Ministry of Culture and Tourism, domestic trips in China grew by 18 per cent year-on-year in the first three quarters of 2025 to reach around 5.0 billion, with spending by domestic tourists rising by 11.5 per cent to reach 4.85 trillion RMB. This was likely supported by the government's active promotion of domestic tourism, including digital coupons and entrance ticket discounts. Additionally, the expansion of the high-speed rail system and the rise of online travel applications have made domestic travel within China more accessible and convenient.