



## **The Chinese Outbound Tourism Market**

**New ETC/UNWTO study to be launched in March 2007**

China, with a population of roughly 1.3 billion people, is undergoing a sustained economic growth of 9% per year. This has transformed the world market for raw materials and the supply of consumer goods. With 20% of the world's population now becoming part of the global economy, tourism destinations have rushed to sign "Approved Destination Status" (ADS) agreements with the Chinese authorities that allow them to receive Chinese leisure tourist travel groups. In Japan, the tourists followed the export of manufactured goods throughout the sixties and seventies. The hope is that China will, in this respect, mimic Japan, but with twelve times as many people.

The European Travel Commission (ETC) and the World Tourism Organization (UNWTO) have commissioned a report from the European Tour Operators Association (ETOA) that explores the prospects for China as a source market. It will cover both background research into the market, and consumer surveys conducted in China during 2006.

### **Selected Background Findings**

It is easy to see why the Chinese market has become one of the great expectations of inbound tourist industries worldwide.

One of the most widely quoted statistics on China is UNWTO's forecast that China will produce 100 million outbound tourists by 2020. This outbound market has been growing extremely fast: it leapt from 20 million in 2003 to some 31 million in 2005.

This figure includes all outbound travel from the Chinese mainland, including trips to Hong Kong and Macau. In 2005, 71% of all Chinese outbound visitors were to these two areas. Following world trends of strong intraregional travel, a further 17% travelled to destinations within Asia. Roughly 5% went to Europe. If forecasts confirm, and the proportions hold around the same level, Europe may expect to receive at least 5 million Chinese visitors by 2020. This is the same number of Japanese travelling to Europe in the peak year of 2000.

The granting to European countries of Approved Destination Status was supposed to herald a boom in Chinese travel. Nonetheless, getting the best out of the market implies knowing it well. This is the aim of the ETC/UNWTO report on the Chinese

## Outbound Tourism Market.

Chinese outbound travellers spent a total of US\$ 21.8 billion abroad in 2005, up from US\$ 19.1 billion in 2004 (+14%). But, it might be a challenge to turn the Chinese outbound market into a profitable one. Price competition is fierce, driven in many cases by the short lead time (65% of all bookings are made in Europe 2-4 weeks prior to arrival). However, it is known that Chinese travellers spend a lot on shopping. France, Italy, UK and Germany are some of the destinations with the greatest appeal. Shopping, 'scenery' and customs are valued most as selling propositions. These are just some of the preliminary findings of the ETC/UNWTO report on the Chinese Outbound Tourism Market, due to be launched at ITB Berlin 2007.

*For more information:*

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