

CHINESE TOURISM IN 2010: WORTH TO INVEST?



The financial crisis has had a major effect on the tourism industry, though some areas seem to have improved. While domestic tourism in China had not been significant in the past, numbers speak clearly and it is on the rise. The power of online booking seems to be growing as well.

China has long been attracting millions of tourists each year. Local cultural and historical specifics are too tempting to resist and tourism has become crucial from the financial point of view. Even though 2009 was a very tough year for traveling in general, **China recorded 126 million of foreign visitors, which presents a 3% decrease compared to 2008.** Interestingly enough, domestic tourism recorded an 11% increase in 2009.

2010 predictions of China Tourism Academy expect a 13% increase in tourism revenues reaching US\$205 billion. The topic number one however appears to be the status of online bookings specifically. Travel is likely to expand to a \$65 billion industry and within a few years, estimated online market share is 20%. Even though there is great potential in this area, local market has its specifics which are not easy to navigate around. Recent China Travel Distribution Summit explored the topic of online booking and so far, there has not been a completely successful online venture.

Foreign companies simply struggle and need to acquire local expertise. What works great on the Western market will simply not do here. Creating strong bonds and local partnerships is undoubtedly the ideal step to establishing a successful venture. Another promising area which has not been fully explored is corporate travel. It is fresh and companies do appreciate saving money and preventing employee fraud.

2010 is likely to be a promising year for Chinese tourism industry, though foreign investors need to carefully consider local conditions and specifics in order to find their place on the vast market. The possibilities are endless and only efficient partnerships with local experts will save the day.

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