

CHINESE OUTBOUND TRAVEL REPORT - MORE TOURISTS WITH GREATER EXPENDITURES



A new report by the InterContinental Hotels Group (IHG), one of the largest hotel chains, and Oxford Economics, provides comprehensive data about China's outbound travel market. According to the report, the dynamics of Chinese travel patterns are shifting, and with this change comes enhanced benefits from the increased scale of the opportunity for various travel destinations across the world. Some of the expected key beneficiaries of this boom include New York, London, Los Angeles, Tokyo and Sydney.

Titled "The Future of Chinese Travel", the report reveals how favorable trends in both the economy and demographics continue to shape the Chinese travel market, and how **over the next 10 years this is expected to fuel a massive increase in demand for international travel**. Also exhibited are the opportunities that will be brought about by this growth, as Chinese travelers move towards preferences for long-haul, leisure-driven international travel. Leisure and retail spending is also projected to go up, meaning that Chinese travelers will have a larger impact on local economies.

Key Findings

By 2023, Chinese arrivals are expected to be around 97 million per year (an annual increase of 5%). By the same year, up to 88 million households in China will be capable of traveling abroad. This transformation has been mostly fueled by significant increases in family income. Over 60 million households in China will in the next 10 years cross the \$35,000 income threshold per annum, making international travel more affordable to them.

Over the next decade, three key patterns are expected in Chinese travel:

1. Massive growth is projected on demand for long-haul travel. By 2020, China will surpass the US, the UK and Germany to become the new biggest source for long-haul travelers. With the continued maturation of Chinese tourism demand, people will spend more on longer-haul travels.
2. More tourists from China will mix business travel with leisure. There is going to be a major shift in travel purpose by Chinese travelers by the year 2023. Rather than the current lean on business travel, almost two thirds (62%) of the total outbound travel from China will be leisure-driven.
3. More expenditure is expected from Chinese travelers during trips abroad. **By 2023, per-trip expenditure will grow by almost 75% in nominal terms**. The shift towards preferring upscale shopping and more expensive accommodation that is currently ongoing will continue.

Global city destinations are set to benefit most from the growth. Primarily, more than 85% of Chinese outbound travelers head for major cities across the globe, with almost 95% of total spending going to them. Nearly 50% of total Chinese visitors to each nation among the top destinations head for major cities.

The key factor to attracting tourists from China is easy access to a destination. This includes

simplified visa policies. Rates of arrival have been noted to be 20% higher than historical trends in destinations that impacted key reforms affecting Chinese travel.

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<http://www.tourism-review.com/report-amount-of-chinese-travelers-to-grow-even-further-news4467>