

CHINA'S HOTEL INDUSTRY FINALLY REPORTS INCREASED BOOKINGS



As the world battles to gain a semblance of stability from the Coronavirus pandemic, China is on its way to achieving normalcy. Of all the industries in the country that are already reopening and starting a business, China's hotel industry has experienced an increase in bookings and reservations from March 30th.

Between March 30th and April 6th, 2020, hotel reservations have seen a 24% increase week-on-week, especially in **provinces like Chengdu, Guangzhou, Shanghai, Shenzhen, and Hangzhou where the highest number of bookings were registered.**

Data from Qunar– an online travel service platform – shows that Chongqing, Hangzhou, and Zhenzhou have recorded the fastest growth so far.

In the first quarter of this year, the data revealed that the average price of four-star ranking hotels (and above) was 774 yuan (US\$110) in January, 593 yuan (US\$84) in February and 529 yuan (US\$75) in March with February showing a 30% decline, while the trend slowed down in March.

On average, the country's hotel rooms are let out at 374 yuan (US\$53) per night in January, 306 yuan (US\$43) in February and 255 yuan (US\$36) in March

Interpretation of these statistics showed a V shape recovery, pointing to the fact that a large number of people were going after the safety standards and better services high-star hotels. In March, however, there was an 87% plunge in the number of customers who sought after 4-star hotels, only to pick up again in March as the market slowly recovers.

According to the vice president of Qunar, Gou Zhipeng, many price-conscious customers are becoming safety-conscious because of COVID-19 and this has affected the travel patterns.

Transportation within China has also witnessed a trend similar to hotels with higher numbers of business and first-class travelers in January, a decline in February, as well as a 46% increase in March. According to data from Qunar, there was also a 34% growth from economy class in February.

In the area of tourism, soon after the long holiday notice was released, searches for DIY and package tours saw a 300% surge month on month as noticed on April 9th according to an online travel agency Ctrip's data.

With the data available to Ctrip, it is expected that the number of tourists will be twice as high as the

number recorded at the Qingming Festival this year. If the numbers reach a recent high as expected, Ctrip believes that the tourism industry might reach its first peak this year.

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