

DOMESTIC TOURISM IN CHINA SUFFERS STAGGERING LOSSES



The Covid-19 pandemic has had a staggering impact on the tourism industry all over the world. This includes China, the country where the pandemic started. Tourism in the Asian country is suffering greatly and while the biggest losses are evident in international tourism, domestic tourism is not doing so well either this year.

As reported by the China Tourism Academy, the revenues from domestic tourism in China will be less than 3 trillion yuan (\$ 394 billion) in 2020. **This is 52% less than in 2019 and represents a big blow to the industry.** At the same time, the number of Chinese travelling around their home country will fall by 43%, to 3.4 billion people.

Although the country coped with the pandemic relatively successfully, they could not avoid the devastating consequences, that came from the strict travel restrictions imposed as well as the measures to contain the spread of the disease.

Secondly, it is important to note than the Chinese economy and, therefore, the paying capacity of its population suffered greatly. Thirdly, the Chinese still fear the disease and for this reason, they are not too enthusiastic about travelling. Especially by air.

Aviation and International Tourism

And this can be seen in the numbers. Chinese airline revenues in the first half of 2020 decreased by 77% compared to 2019. Meanwhile, the number of domestic tourists buying air tickets fell by 62%. In July, the decline continued, but it was already 34% and in August - 26%, according to the Civil Aviation Administration of China.

The second half of the year will be more successful for domestic tourism in China and will lead to a slight recovery, especially for three companies that offer tours in the southern part of the country. This will be facilitated by what has been called “self-rescue” of domestic tourism in China: the development of suburban tour packages and the launch of advertising campaigns for travel near the place of residence.

Meanwhile, international tourism is an even bigger problem. Large markets (such as the USA) are in no hurry to recommend travel to China for their citizens. Although the US Department of State has improved its understanding of China as a safe holiday destination from Level 4 (“no travel”) to Level 3, it still urges Americans to refrain from any travel to the country. American Airlines will resume flights to the country after October 2020.

But China itself is in no hurry to issue entry visas, fearing a second wave of the pandemic. At this point, only citizens of about 30 countries can book a trip to the country and, for example, Russia is not among them, with Russians unlikely to be able to travel to China before April 2021.

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