

RETURN OF CHINESE TOURISTS AND ITS IMPACT WORLDWIDE



The return of Asian tourists is taking shape, but one crucial piece is still missing: Chinese tourists. China, the country that spends the most on travel in the world, is still in full recovery and will soon regain its leading role in world tourism.

Before the pandemic, Chinese tourists had become the structural backbone of the global tourism sector, with spending in all countries rising share from 8% in 2010 to 16% in 2019.

The positive impact of China is therefore significant, especially for economies highly depending on tourism.

In the latest report, Natixis analyzes the potential increase in Chinese tourists by the market following a full recovery to the pre-pandemic level.

Outbound tourism in China is up 640 percent in early 2023 compared to last year.

According to statistics, during the Spring Festival (the literal name of the Chinese New Year, from January 21 to 27 this year), the number of border crossings in the whole country amounted to 2,870,000, an average of 410,000 people a day, up 120.5% from last year's Spring Festival. Chinese tourists' total overseas travel bookings are up 640% year-over-year, and cross-border air travel bookings are up more than four times.

Foreign tourism receipts from China were calculated in each source market based on their share of tourist arrivals or accommodation occupancy. These figures then were adjusted based on existing balance of payments data and differences in the tourism behavior of Chinese travelers in each market.

Globally, the United States is the top destination for international travel, followed by Spain and France. In the East, Australia, Japan and Thailand are some of the countries with the highest tourism revenues. However, this does not mean they have the same exposure to China.

According to these estimates, the world is ready to receive an additional \$160 billion in annual tourism spending when international travel from China returns to normal.

Asia will capture 64% of this spending, or \$103 billion, equivalent to 0.65% of GDP. North America and Europe will attract \$34 billion and \$21 billion respectively, but these figures only represent 0.13% and 0.09% of each region's GDP.

In terms of countries, although the United States will generate the largest amount of tourism revenues, it will not have a significant impact on its economy. For traditional European tourist destinations such as France and Spain, flows will only represent about 0.2% of GDP due to the diversification of the source of tourists.

Hong Kong is the real winner, with \$22 billion in spending, equivalent to 5.9% of its GDP. For the

rest, Australia, Japan and Thailand will attract close to \$15 billion respectively, although Thailand will experience a greater impact.

To sum up, the return of international travel from China represents a significant opportunity for the global economy, especially for countries and regions that depend on tourism. Asia will be the main beneficiary of these revenues, while North America and Europe will also attract a significant amount of tourists and spending. **Hong Kong will be the big winner, but there will also be a boost to Macau's economy.**

Asia's importance is steadily growing, so positive tourist spending flows from China are likely to spread around the world in the near future. However, China may be cautious in managing its tourism flows due to government pressure to boost growth and domestic consumption, so this will also be a risk to be carefully considered.

Date: 2023-02-20

Article link:

<https://www.tourism-review.com/chinese-tourists-are-eagerly-awaited-everywhere-news12945>