

CHINA'S REOPENING DRIVES TOURISM GROWTH



Three main trends are driving the recovery of the tourism sector:

- The positive impact of China's reopening
- The growth of the experience economy
- The realignment of business and leisure travel bookings

According to the Travel Industry Trends 2023 study, we can gain exciting insights into the global travel sector and travelers' spending habits in over 30 countries from January to March 2023. The study also compares the current situation to the pre-pandemic context.

According to research, international flights for leisure and business travel continue to grow at the same rate, driven by the return to normality in many countries.

Leisure and business travel is growing at the same rate: although interest in leisure flights is confirmed in Europe, the most striking fact is that, from the second half of 2022, business flight bookings are catching up compared to consumer ones, driven by countries where there is a lower spread of distance working. The data reveals a strong interest in face-to-face business meetings, with the most significant growth in corporate travel and entertainment spending driven by Asia Pacific and Europe, increasing 64% and 42% between January and March 2023.

Among business flights, on the other hand, long-haul bookings increased, in particular, starting from December, following the reopening of China and the return to the office. The reopening of China has had a positive impact on European tourism. After the pandemic restrictions, the reopening of China rekindles the desire to travel and boosts the experiential economy. For example, looking at Italy, historically, Chinese tourists traveled to the country for luxury shopping, and today, they spend more on unforgettable experiences. This trend is confirmed in the central Italian tourist destinations - Naples, Rome, Milan, and Venice - where spending on experiences is the first place (with an average of 96% compared to 2019), followed by luxury shopping.

Research data shows that European travelers tend to prefer visiting nearby countries. Interestingly, the United States is the only non-EU country on the Top 10 list of favorite European destinations. Also, due to intense heat waves and the risk of fires in southern Europe, more Europeans are considering visiting tourist destinations in cooler regions like the UK, Scandinavia, the Netherlands, Switzerland, and Germany.

Inbound tourists continue to prefer experiences: the consolidation of the experience economy is confirmed as a trend globally and in Europe, significantly favoring the service sector. In addition, European travelers are motivated by cultural immersion, which leads them to seek out lesser-known destinations and sustainable travel experiences.

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