

CHINESE TOURISM: 264 MILLION INBOUND AND OUTBOUND TOURISTS EXPECTED IN 2024



In 2023, the Chinese tourism economy experienced a steady recovery; in 2024, it is expected to become even more successful. The China Tourism Academy, the Data Center of the Ministry of Culture and Tourism, has reviewed the performance of the tourism economy in 2023 and made predictions for 2024.

Although the cost of tourism is expected to decrease further in 2024 due to lower ticket prices and slow growth in transportation costs, **the Chinese tourism economy still faces some challenges.** However, with consumers' increasing demand for travel and the active participation of tourism enterprises, the tourism market is expected to grow more, and experts predict that the number of domestic tourists will exceed 6 billion in 2024.

The Tidal Effect of Passenger Flow Will Gradually Subside

Experts predict an optimistic trend in the Chinese tourism market in 2024. It is believed that 2024 will transition from the old to the new cycles of tourism economic development. The driving force behind the tourism economy will shift from consumption-led to consumption- and investment-led.

Moreover, it is expected that the focus of the tourism market in 2024 will shift from the recovery of scale to the recovery of the industrial chain. The recovery of the cash flow will shift to investment, and the recovery of the domestic market will shift to the recovery of the inbound and outbound markets. Additionally, experts note that competition for content in the tourism industry has intensified, making tourism another battleground for "grabbing people."

In 2023, the Chinese tourism market will continue to be characterized by a noticeable holiday agglomeration effect. Consumer travel demands during holidays, such as "May Day," summer vacation, and "National Day" Golden Week, will be too concentrated, resulting in short supply. However, in 2024, experts believe that passenger flow's "tidal effect" will gradually subside and the proportion of holiday passenger flow will decline. Furthermore, pan-tourism is becoming more prevalent, and the boundaries between tourists, resources, and service providers are blurred.

The Cost of the Travel Threshold Will Gradually Decrease

The tourism industry's recovery will take time, and positive and negative factors will be involved.

The Chinese tourism market will see further benefits in 2024. The Chinese economy will experience six positive aspects, including basic economic orientation, accelerated recovery of inbound and outbound tourism, ongoing advancement of urbanization, gradual expansion of the source market, increasing lifting of policies, and reduction of tourism threshold costs. This reduction includes a decrease in ticket prices, low or slow growth in transportation costs, and the substitution of high-speed rail for aviation.

Despite the gradual decrease in the cost of tourism thresholds, the development of the tourism

economy remains affected by multiple factors. Experts suggest that the industry chain is being reorganized and fragmented, with domestic tourism demand being the main driver for industry fragmentation. The international industry chain's dismantling impacts inbound and outbound business travel. Meanwhile, the income and wealth effects are structurally weakened, particularly for low- and middle-income people who have tourism demand and have a large income elasticity, reducing the number of trips.

The Number of Domestic Trips Will Exceed 6 Billion in 2024

Favorable policies are consistently being released, and the tourism supply chain has encouraging signs of growth.

It is estimated that by 2024, the number of domestic tourists and domestic tourism revenue will surpass 6 billion and 6 trillion yuan, respectively. Furthermore, the **number of inbound and outbound tourists is expected to exceed 264 million, with international tourism revenue reaching over 107 billion US dollars.**

As the Spring Festival holiday draws near, there has been a surge in consumers' travel demand, indicating the onset of the first peak in the tourism market for 2024. According to Ctrip's "2024 Spring Festival Tourism Market Forecast Report," there has been a significant increase in orders for domestic, outbound, and inbound travel during the Spring Festival holiday, which is scheduled to take place from February 9-17. This brings good news for the tourism industry, as it starts off the year 2024 positively.

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