



Chinese travellers abroad

Background information

In this module we will talk about...

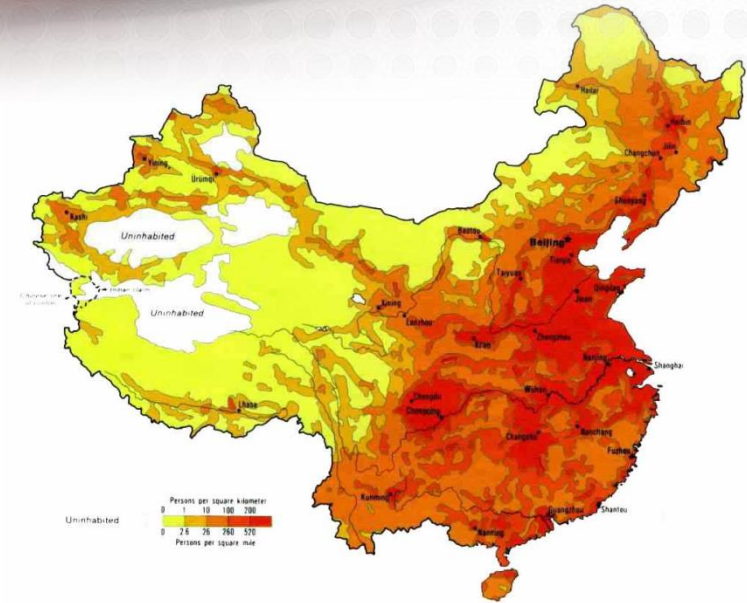
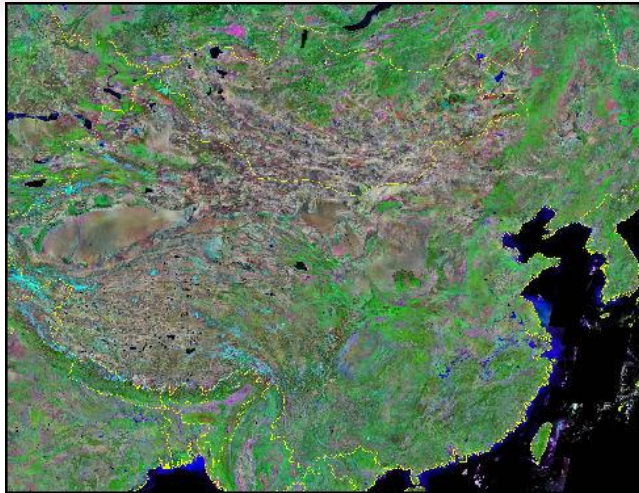


- **A general overview of China:** history, geography and culture
- The development of Chinese outbound tourism
- Different traveller groups with different travel purposes
- The spatial distribution of the travellers from China

Some useful information: Facts and figures about China



China: Population Density



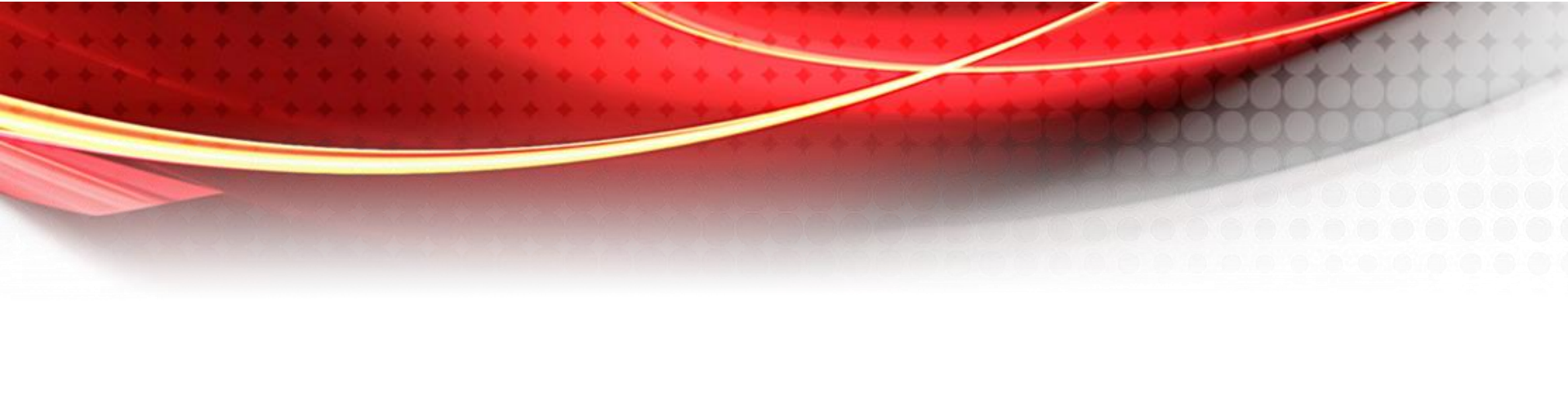
- The People's Republic of China is the most populous country in the world with almost 1.4 billion inhabitants in Mainland China (2015)
- Climate, geography, economy and habits differ greatly from North to South and from East to West – China is rather a continent than a country



- Information in the CTW Training programme refers to those citizens of the “People’s Republic of China” living in “Mainland China” (*Dalu*), not including the PRC Special Administrative Regions Hong Kong and Macau and the island of Taiwan or Overseas Chinese born outside of China



- Since the start of the “reform and opening” process in China in 1978 living standards have risen for all Chinese, but also a fast growing income gap between the more developed coastal provinces and the less developed inland regions can be observed. The Gini coefficient value, measuring inequality in income distribution, has not been published since 2000 by the Chinese government, but is estimated at 0.61, one of the highest levels of inequality in income distribution in the world.



The People's Republic of China has been developing rapidly in the last three decades. Considering its geographical size, population figure, ethnical diversity and big differences between city and countryside and rich and poor, it should be considered as a continent rather than a single country with fast changes in the economy and society.

Unknown freedom:

The Political background of Chinese outbound tourism

- Outbound tourism was considered unwelcomed or even dangerous by the government before the 1990s
- 1997 the “Provisional Regulation on the Management of Outbound Travel by Chinese Citizens at their own Expense” acknowledge for the first time the demand of Chinese citizens for leisure travel
- In 2013 China finally got a Tourism Law, setting standards for minimum levels of quality



- Today Chinese citizen can get visa for visits to almost all countries in the world, with a growing number of smaller countries offering visa-free or visa-on-arrival entry (2015: about 50 countries). Big countries like USA, Australia, South Korea and the Schengen countries in Europe introduced multiple-entry visa valid for three, five or even ten years
- The Chinese government started to actively support outbound tourism in 2009, considering tourism including outbound travel by now as a “pillar industry” for China and as a “soft power” instrument



Affluent Chinese people **can visit almost every country in the world.**

Outbound tourism is no longer restricted by the Chinese government and to a decreasing degree by the restrictive visa policies of host countries.

Who is travelling?

The growth of Chinese outbound tourism and the social background of tourists

- ➔ Over the last decade, China has developed into the most important source market for international tourism.
- ➔ In 2012 China overtook the USA and Germany and is now both in number of border crossings and in amount spent the most important tourism source market in the world, contributing in 2014 11.5% to the international tourism worldwide (2008: 5%).



- Outbound tourism is a minority phenomenon in China; **less than 10%** of the Mainland Chinese ever crossed a border or hold a passport, only **about 5%** of the Chinese are affluent enough to travel intercontinentally.
- Remember: The 116 million border crossings in 2014 were not done by 116 million different persons.
- Most Chinese outbound travellers are below the age of 50 and still working, but age structure is spreading.

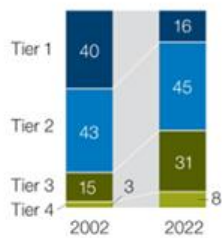


Outbound travellers from China are mainly younger and **middle-aged people** with **good education and high income**, rich pensioners just start to join the market in China.

The geographical distribution of Chinese outbound travellers in China

→ The three most prosperous economic regions in today's China, along the Southeast and South coast (Guangdong, Fujian, Shenzhen), the East coast (Shanghai, Zhejiang, Jiangsu), and the Northern area around Beijing are also the main outbound tourism source markets.

Share of middle class,¹ by type of city,² %

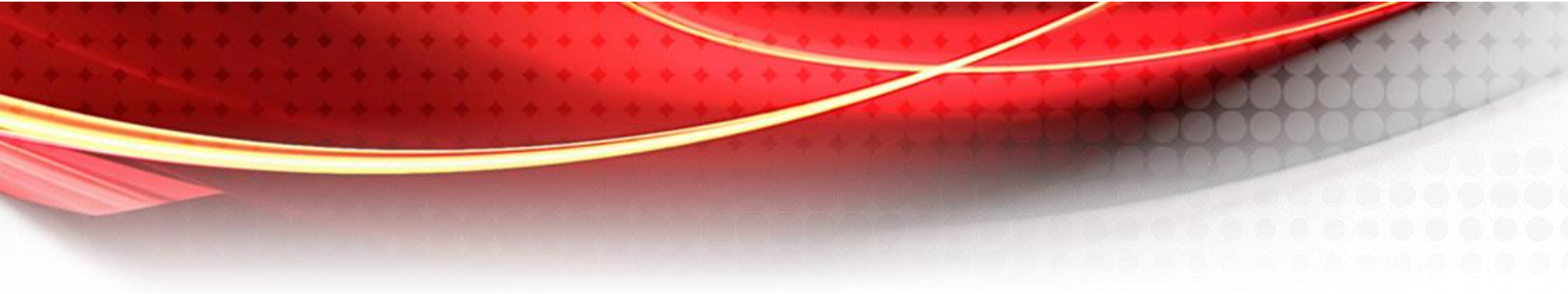


Especially for mass market tourism within the Asia-Pacific region, inhabitants of second and third tier cities like Chengdu, Xian, Wuhan etc. are now also entering the outbound market.



People from different regions in China differ in destination preferences and behaviour, for instance:

- Southern Chinese travel more often but for shorter periods as they can easily reach Hong Kong, Macau, Taiwan and Southeast Asian countries
- Northern Chinese on average spend more on international travelling per trip as they include more Central government officials and sunshine seekers and travel for longer periods



More than half of all outbound travellers reside in China's first tier cities Beijing, Shanghai, Guangzhou or Shenzhen, having the most travel experience. Second and third tier citizens are catching up in the last few years, typically starting outbound travel by package tour.

Socio-demographic segmentation of Chinese outbound travellers

Chinese outbound tourism has developed fast in the last 15 years. **“The” Chinese outbound tourists does not exist** (anymore).

The four most important groups can be named as:

- a. Mass-market package tour participants, often first-time traveller, from second/third tier cities, interested in cheap trips, sightseeing and shopping
- b. More affluent and more experienced self-organised travellers, interested in value for money, intensive short experiences and lifestyle affirmation, “money-rich but time-poor”
- c. Business/official travellers, interested in luxury and conspicuous consumption
- d. Chinese temporarily living in the destination (Chinese expats, students), travelling themselves and receiving guests

Chinese outbound tourism to your region: Read the statistics carefully

- Statistics for Chinese outbound travellers are often misleading as the Chinese figures put together short-distance trips to Hong Kong and Macau and long-distance trips to other destinations.

Example:

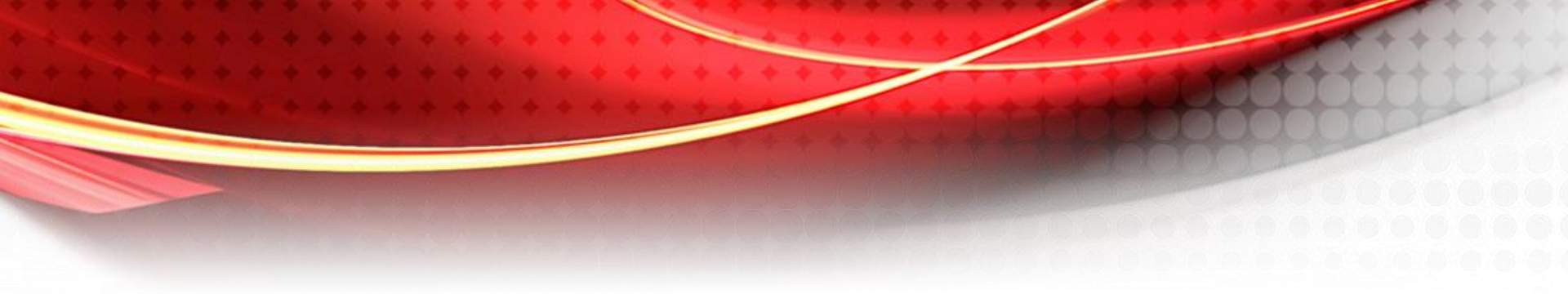
Gender distribution for all trips: 52:48 Female-Male

Gender distribution without visits to Hong Kong /

Macau: 48:52 Female-Male



- Chinese figures given for the destinations of Chinese outbound travellers often differ from the numbers of the destination reports, mainly because Chinese customs statistics only report the first port of call and do not distinguish between day trippers and overnight stays.



Get hold of Chinese tourism statistics for your region or country but be careful to read the “small print” to understand who is counted and who is not.

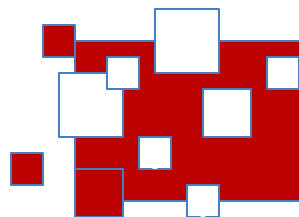
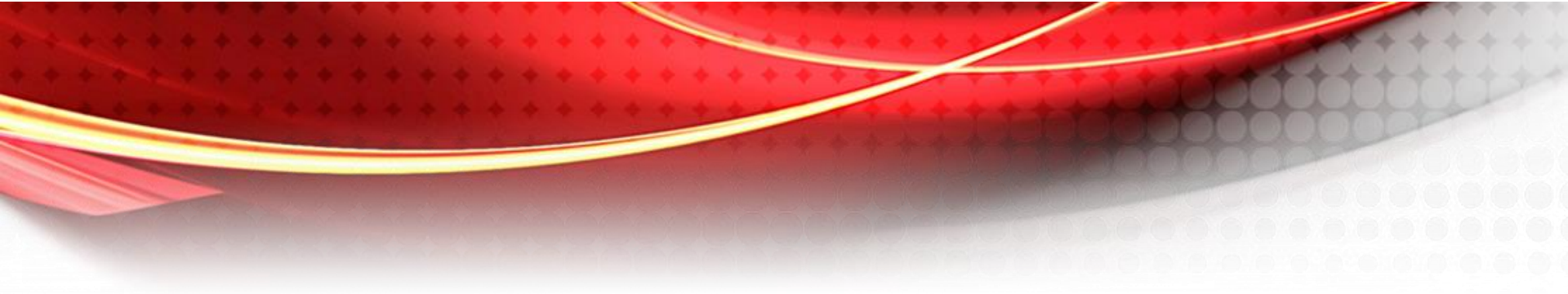
What's going to happen?

The future development of Chinese outbound tourism

- Chinese travellers will continue to go abroad to learn and to confirm their status as important members of the Chinese society, relaxation is not their main motivation, especially for long-distance trips
- The main destinations of the Chinese will remain the surrounding regions and countries, but the share of trips beyond Greater China will go beyond 50%
- The number and percentage of self-organised travellers will further increase with time and experience; package tours will remain the typical travel form for most travellers *entering* the market

To sum up....

- During the past decades **China** has seen an enormous **economic growth**
- However, still only **a small percentage** of all Chinese are **able to afford especially intercontinental travel**
- **More and more Chinese visit foreign countries** for different purposes (visit relatives and friends, gain prestige, study, get in contact with foreign cultures...)
- **The neighbouring regions are the preferred destinations for Chinese tourists** because of familiarity, low cost and effort to reach and simple visa procedures but affluent travellers look for new destinations



Group Activities

Activity 1

Read the following dialogue between Mrs. Li and Mr. Smith and discuss with your group about this situation.

Have you ever experienced something similar in your home country?

What will you do in order to satisfy the needs of the Chinese customers?

Mrs. Li

When I landed at the airport yesterday, information offered to me was in English, French, Spanish and Japanese but not in Chinese, although there were a lot of Chinese tourists arriving. Are Chinese people less welcomed than the others?

Mr. Smith

Of course not! Many countries are still not used to receiving them. But with the growing number of Chinese tourists certainly more measures will be taken to receive them appropriately. Companies, hotels and tour operators are improving their services.