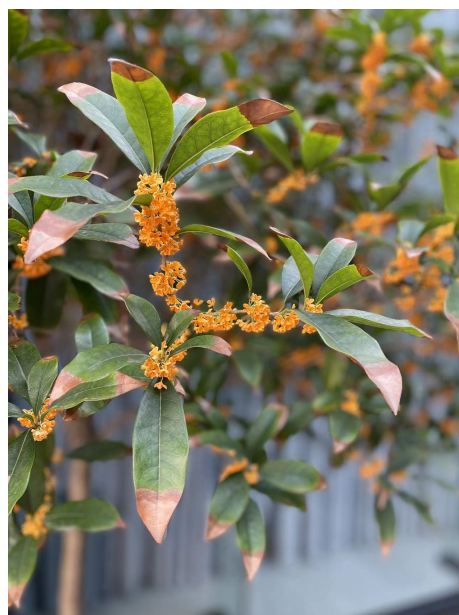


October 2023

China Outbound Tour Operator Update

A highlight of feedback from leading China outbound tour operators (wholesale, retail and tailor made) and online travel agencies (OTA) following meetings with their leadership in Shanghai, October 2023.



Shanghai Metro and Osmanthus in bloom in Shanghai.

Safety + Ease of Visa = Chinese Tourists

While this has always been the basic formula for Chinese outbound tourism, recent global volatility have strengthened this formula. Leading TO's and OTA's point to the fact that currently the most popular destinations for Chinese tourists this season include 1) South East Asia; 2) United Arab Emirates; and, 3) New Zealand.

Despite Russia being the biggest country on earth (double the size of the USA or China, 70 times the size of the UK) and despite having a “no limits” relationship with China, because of the war with Ukraine (limited to the far South Western border area) Chinese tourists are simply not traveling to Russia for leisure purposes due to safety concerns.

The war in Israel has also obviously put a halt to all Chinese outbound tourism to their destination. Growing in popularity destination Iran has also been affected by

the war in Israel due to the geopolitical connection in the conflict. Egypt, one of the biggest winners of Chinese tourism since the pandemic ended has also been affected by the war, and even super popular destination UAE is being negatively impacted by the war, albeit at lower levels.

European destinations have not been selling well at all due to the difficulty of obtaining Schengen Visa's. When Schengen Visa's become easier to obtain, the Chinese tourists will be back.

Africa Rising

East African destinations Kenya and Tanzania are very popular for Chinese tourism at the moment. Pre-pandemic times Africa was viewed as "expensive" but since incredible inflation across the globe African products are now viewed as reasonably priced. But that's not all, with super convenient visa arrangements for Chinese tourists Kenya and Tanzania are raking in the Chinese tourist dollars. Compared with South Africa where visa applications remain cumbersome, timely, or simply impossible at times, despite having world class tourism products, it is losing sorely out. Botswana and Namibia visa's are easier to obtain, while Zimbabwe and Zambia have the easiest with visa on arrival / visa free.

South America on Track

Chinese tourism to South America is recovering and on track to normalisation. Chinese leisure travelers are already the leading source of Asian tourists (including India, Japan, Korea etc) to several South American destinations and the trend is clear. The most popular trips to South America currently are four (4) country packages ranging from 16-25 days including destinations Peru, Brazil, Chile and Argentina (in January - February period Bolivia is sometimes added on). The greatest challenge remains air connectivity and air tickets prices, pre-pandemic Chinese TO's would rely on cheaper US airlines, now all using UAE based airlines. FIT independent Chinese tourism travel to South America is negligible at the moment.

Polar Opposites

Chinese outbound tourism to Antarctica remains popular, and will increase with popularity into 2024. Expeditions to the North Pole are also growing in popularity with one TO highlighting a 60%/40% split between Antarctica and North Pole sales. The Chinese tourists age profiles range between 50-75 years old.

Cool Grandma & Grandpa

With Chinese pensioners making up the vast majority of long haul Chinese outbound tourists (especially Africa & South America) it remains important to know how leading TO's target this segment. Well, grandma and grandpa, not to different from their grandchildren, love short videos as well. Douyin (China's Tik-Tok) is the marketing platform of choice. Naturally Wechat and Xiaohongshu also remain important.

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