China Inbound Tourism Development Report

WORLD TOURISM ALLIANCE

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Preface

Inbound tourism is a key yardstick of a country's international tourism competitiveness, the hallmark of a world-leading tourism country, and an important means for a country to present its image and promote its culture.

As the world's largest developing country, China holds unique resource and institutional advantages in the development of inbound tourism. Looking back to the evolution of China's tourism industry, inbound tourism was the very starting point of China's tourism development. Through the development of inbound tourism, China earned foreign exchange that was urgently needed for national development and construction. Inbound tourism also created an open and inclusive environment for China's socio-economic development, and paved the way for the building of a modern tourism industry. With the growing economic strength and rising international status of China, these advantages have become even more prominent. The *Opinions on Further Unlocking the Potential of Culture and Tourism Consumption* (Guo Ban Fa (2019) No.41) issued by the General Office of the State Council in 2019 incorporated inbound tourism into the national development strategy. Standing at a new historical starting point, the Ministry of Culture and Tourism adopted a work plan in 2021, pledging greater efforts to develop inbound tourism and promote a rebound in consumption. All these speak fully to the importance of inbound tourism.

Inbound tourism is an excellent vehicle for promoting Chinese culture, a natural choice in the opening-up to the outside world, an effective means to promote the high-quality development of China’s tourism industry, and an important way to address the deficit in service trade. The development of inbound tourism needs the support of effective matching policies, improved public services and special training programs for tourism professionals. It also raises higher requirement in the frequency of product development, marketing and promotion instruments, and quality of comprehensive services. It is both a large industrial system and a sophisticated systematic project.

Focusing on the key factors shaping the inbound tourism industry, including travel agencies, hotels, OTAs, aviation, telecom operators and consumers, and with reference to the analysis made by overseas Chinese tourism offices on the current situation of major tourist sources and the successful experiences of major inbound tourism destinations in China, the report provides insights on the direction of China’s inbound tourism development in the new era, in the hope of inspiring the future development of inbound tourism in China.

Given the limited source of data and information, the report is almost certain to have room for improvement, and the readers’ valuable opinions, critical or otherwise, will be most appreciated.

CONTENTS

Research Purpose and Methodology

This report is prepared for the purpose of gaining a deeper understanding of China's inbound tourism market. With a focus on travel agencies, hotels, OTAs, airlines, telecom operators and consumers, it aims to assess the impact of different links of the industrial chain on the inbound tourism market, analyze the progress and problems of inbound tourism in China, and provide informative suggestions on the orientation of inbound tourism development. The report is divided into a quantitative research section based on online surveys and a qualitative research section based on interviews.

The survey for the quantitative research section was conducted between June and August 2021 in the form of an online questionnaire to 185 travel agencies and 199 star-rated (three to five-star) hotels engaged in China's inbound tourism business. Based on the business type of the respondents, the questionnaire included four versions, i.e. overseas travel agencies, domestic tour operators, local travel agencies and hotels, each containing 57 single-choice (multiple-choice) questions. In addition, sample data provided by Ctrip Group, OAG, China Unicom, and China UnionPay were also used in the report.

The qualitative research was conducted between May and August 2021 through 26 telephone interviews. With the list provided by the World Tourism Alliance and the Inbound Tourism Branch of China Association of Travel Services, the research team contacted 14 travel agents with long-term experience in running China's inbound tourism business. They first sent the outlines to the interviewees, then conducted the interview on the phone at pre-arranged time. Some interviewees took multiple interviews.

- Chapter I -
Overview of Inbound Tourism in China

I. A brief history of inbound tourism development in China

After the founding of the People's Republic of China, the tourism industry had long been performing the function of receiving foreign visitors for the country. In 1978, Mr. Deng Xiaoping made a visionary call for the development of tourism industry, describing it as "an industry with great potential that must be promoted with extra and expedited efforts". He gave five important instructions on the development of the tourism industry, and encouraged the industry to take the lead in opening up. In 1981, the State Council held the first National Tourism Work Conference, which defined tourism as a comprehensive economic program, an integral part of the national economy, and an undertaking indispensable for national development and people's livelihood. Since then, the orientation of China's tourism industry had shifted from a diplomatic undertaking to an economic industry.

At the beginning of reform and opening up, China's domestic tourism market and outbound tourism market were yet to take shape. Inbound tourism thus became a synonym of China's tourism industry, and contributed foreign exchange generated by receiving foreign tourists to the national economy. At the same time, capital provided by foreign and overseas Chinese investors had been used to build tourism infrastructure, upgrade business operation and services, and improve the conditions for receiving inbound tourists. From 1978 to 1990, China's inbound tourist arrivals rose from 1.8 million to 27.46 million, and its international tourism revenue increased from US$263 million to US$2.845 billion.

In 1992, the government listed tourism as a priority in the development of tertiary industries. The decision paved the way for the growth of the tourism market and the development of all factors of production. China's tourism industry entered a new stage of rapid growth. In 1998, the Central Economic Work Conference identified tourism as a new growth engine for the national economy, marking a substantial step in tourism's transition from a diplomatic undertaking to an economic industry. During this period, inbound tourism maintained steady growth. In 1996, the target of "generating US$10 billion of foreign exchange by the end of the century" proposed by Mr. Deng Xiaoping in 1979 was achieved ahead of schedule. China's global rankings in inbound overnight tourists and foreign exchange earnings jumped respectively from 18th and 34th in 1980 to 5th and 7th in 1999.

The implementation of the two-day weekend system in 1995 created new conditions for tapping the huge potential of tourism demand, and the Golden Week system introduced in 1999 triggered an explosive growth of domestic tourism. In 1997, the *Interim Measures for Overseas Travels of Chinese Citizens at Their Own Expense* was promulgated, leading to a boom in outbound tourism. As China's comprehensive national strength continued to grow, people's income notably increased, and their demand for tourism, leisure, vacation also got stronger. As a result, the domestic and outbound tourism markets started to take shape and grow in China. In response to this development, the former China National Tourism Administration adopted a three-market policy, i.e. "vigorously developing inbound tourism market, actively developing domestic tourism market and moderately developing outbound tourism market".

In 2001, the State Council issued the *Notice on Further Accelerating the Development of the Tourism Industry*, which explicitly called for the establishment of a big tourism concept to better play the role of tourism as a new growth engine of the national economy. In 2003, China entered a new round of economic expansion. Driven by economic growth and upgraded consumption, the tourism industry also leaped into a golden period of development. The construction of tourism-related infrastructure such as high-speed rail, civil aviation, and expressways made rapid advances. The factors of production in the tourism industry were further integrated, the tourism industrial chain further strengthened, and new forms of tourism business kept emerging. In 2009, the State Council issued the *Opinions on*

Accelerating the Development of the Tourism Industry, which set out the goal of cultivating tourism into a strategic pillar industry of the national economy and a modern service industry to the satisfaction of the people. The combined effect of various factors resulted in a surge in domestic tourism. At the same time, as China deepened its interactions with the rest of the world, tourism diplomacy became one of the most active and effective means of diplomatic practice for China. As of the end of 2012, China had signed Approved Destination Status (ADS) agreements with 113 countries and regions, and the number of outbound tourism destinations for Chinese citizens had also increased. In 2007, China signed a memorandum of understanding with the US on the visit of Chinese tour groups, and in 2008, four cooperation agreements were signed between China's Mainland and Taiwan Region marking a new historical stage in the development of China's outbound tourism market.

With the deepening of reform and opening up, China's tourism industry expanded in scale, the industrial factors and system became more robust, and the pattern of synchronous development of inbound tourism, domestic tourism and outbound tourism markets was firmly established. The SARS outbreak in 2003 and the global financial crisis in 2008 had an adverse impact on the growth of inbound tourism in both tourist arrivals and tourism revenue. In 2003, inbound foreign tourist arrivals dropped by 15%. Starting from 2007, international tourism revenue went on a two-year decline, and only crossed the US$50 billion mark in 2012[Data source: public data of the former China National Tourism Administration]. All this changed the weight of the inbound tourism market in the tourism industry.

Since the 18th National Congress of the Communist Party of China (CPC) in 2012, General Secretary Xi Jinping has given a series of important instructions on tourism development, and the Party Central Committee has reaffirmed tourism's strategic orientation as a comprehensive industry, established the path of all-for-one tourism development and elevated all-for-one tourism to a national strategy. The promulgation and implementation of the *Tourism Law of the People's Republic of China* in 2013 laid the legal and institutional foundation for the long-term development of the tourism industry. During this period, domestic and outbound tourism markets both achieved notable growth, while the inbound tourism market went up and down. The domestic tourism market maintained an average annual increase of 10%, and the outbound tourism market, at one point, reached a record high of 18.40% in 2012. On the other hand, the inbound tourism market went through two consecutive years of decline in 2012 and 2013 before slowly recovering in 2014, and only returned to a 2.9% level of growth in 2019, in sharp contrast to the high-speed growth of domestic and outbound tourism.

The COVID-19 outbreak in 2020 has dealt a heavy blow to the global tourism industry, and strongly affected the slowly recovering inbound tourism sector.

II. Basic features of inbound tourism

1. Notable expansion in the scale of inbound tourism

Since the beginning of reform and opening up, China has made significant progress in the development of inbound tourism, with tourist arrivals growing from 1.809,2 million in 1978 to 145.307,8 million in 2019.

In terms of the structure of the tourist source markets (Figure 1-1), the increase of foreign tourist arrivals is relatively lower than that of the overall inbound tourist arrivals (foreign tourists, Hong Kong, Macao and Taiwan region tourists), rising from 12.69% in 1978 to 21.94% in 2019; the percentage of inbound overnight visitors also increased from 39.44% to 45.23%, which shows the growing appeal of tourism in China for foreign tourists.

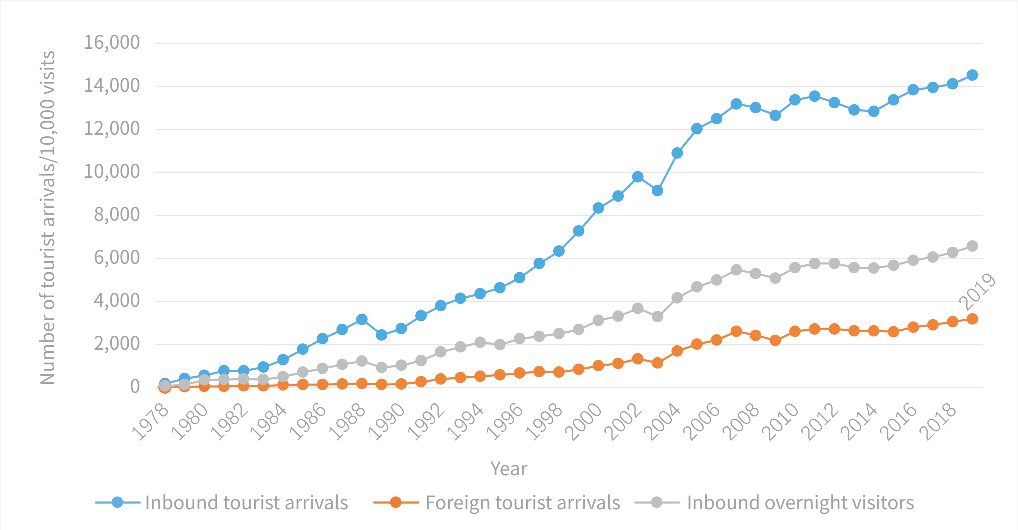


Figure 1-1 Growth trend of inbound tourist arrivals, foreign tourist arrivals, and inbound overnight visitors, 1978-2019 [Data source: National Bureau of Statistics]

In the meantime, the change in tourism revenue also confirms the development trend of inbound tourism as shown in Figure 1-2. Since 2015, the year when the scope of international tourism statistics was adjusted, China's inbound tourism revenue has increased from US$105.380 billion in 2014 to US$131.254 billion in 2019, up by a staggering 24.55%.

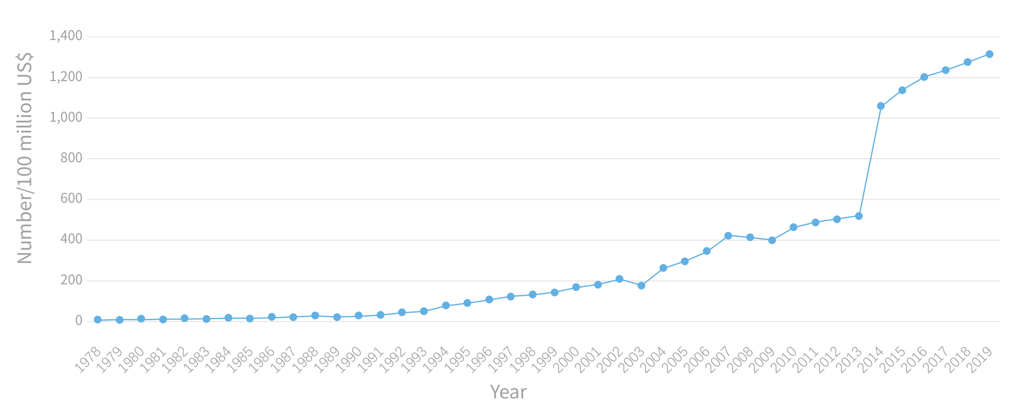


Figure 1-2 China's inbound tourism foreign exchange revenue, 1978-2019
[Data source: National Bureau of Statistics]

2. Stable structure of the tourist source market

After 2000, China further improved the statistics of its inbound tourism market. From 2001 to 2018, except for the strong growth in the Asian market, all the major source markets of China's inbound tourists, continent-wise, maintained relative stability as shown in Figure 1-3. The largest continental tourist markets for China were Asia, Europe and North America. Asia, contributing 62.60% of the tourists, was China's primary

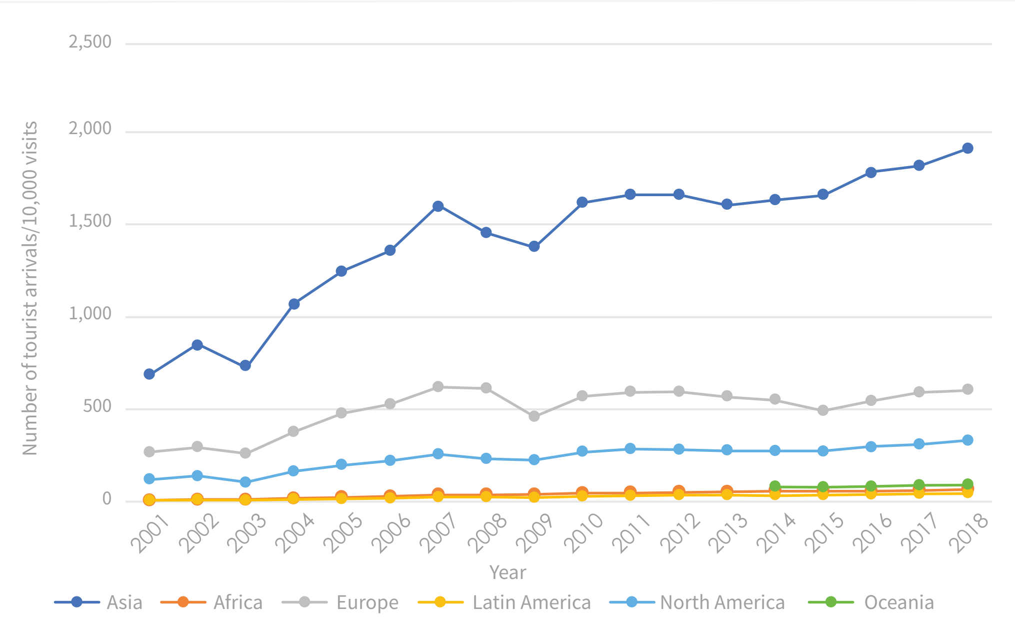


Figure 1-3 Growth trend of intercontinental tourist source markets, 2001-2018
[Data source: National Bureau of Statistics]

continental market, while tourists from Europe and North America respectively accounted for 20.00% and 11.00% of the total.

Country-wise, the ROK, Japan, the US, Russia and Mongolia top the list as shown in Figure 1-4. Except for the US, Russia and Canada, all the other spots on the top ten list of China's inbound tourist source countries for 2001-2018 were taken by Asian countries. In terms of growth trends, most European, American and Southeast Asian countries maintained long-term growth, the ROK and Russia experienced significant fluctuations, and Japan went on a decline after the peak in 2010.

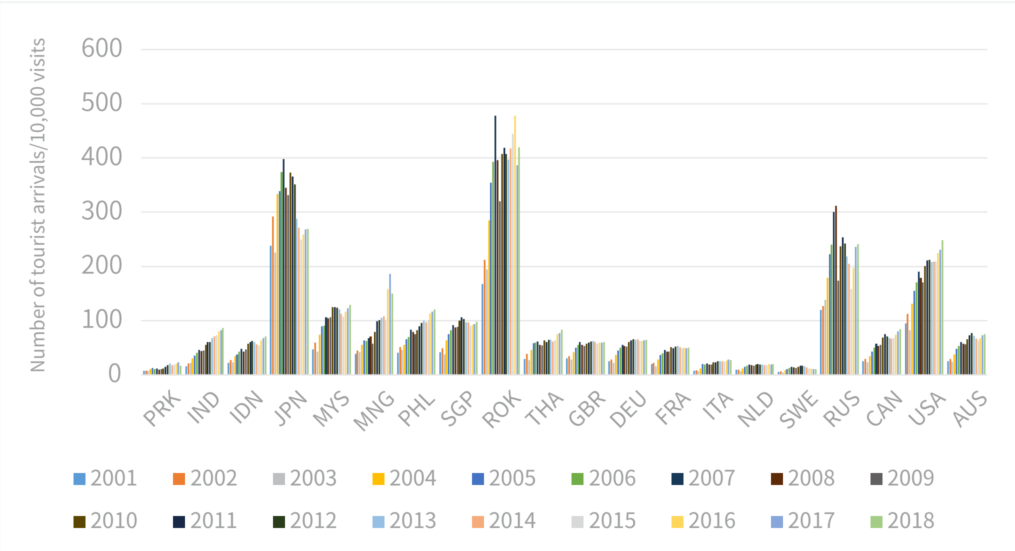


Figure 1-4 Source countries for inbound tourism 2001-2018
[Data source: National Bureau of Statistics]

3. More male tourists than female tourists, and a big increase in young tourists

Gender-wise (Figure 1-5), male tourists account for 59% of all inbound tourists, and females account for 41%, a balance that has remained stable since 2000. Age-wise (Figure 1-6), tourists aged 25-44 and 45-65 take up a larger share, and the number of visitors aged 15-24 has increased substantially since 2015, which shows the potential of China's inbound tourism for achieving sustainable growth.

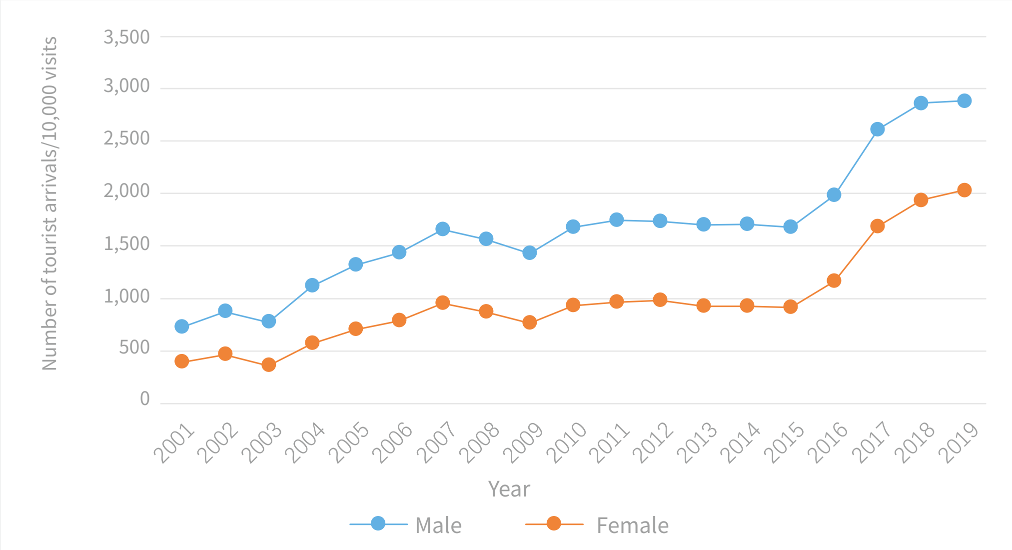


Figure 1-5 Gender-based analysis of tourists [Data source: National Bureau of Statistics]

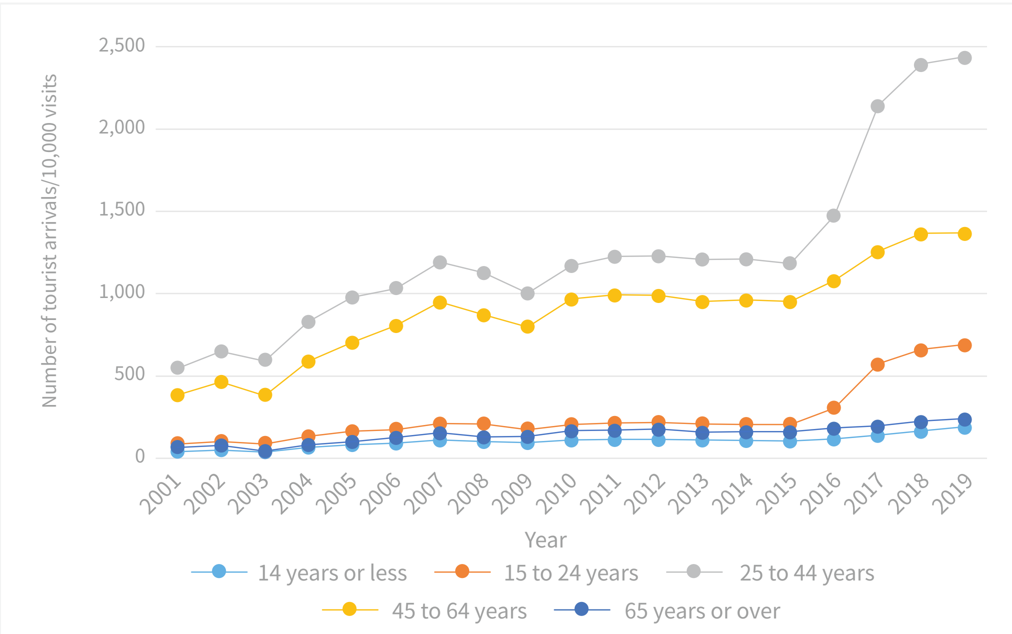


Figure 1-6 Age-based analysis of tourists [Data source: National Bureau of Statistics]

4. Stable structure of tourism revenue and rising proportion of shopping consumption

Since 2000, the composition of China's inbound tourism revenue has been relatively stable (Figure 1-7): transportation revenue takes up the highest share but is on a decline; the share of merchandise sales has increased; accommodation and catering are in the third and fourth place, with a slight upward trend; and the share of entertainment revenue is relatively small.

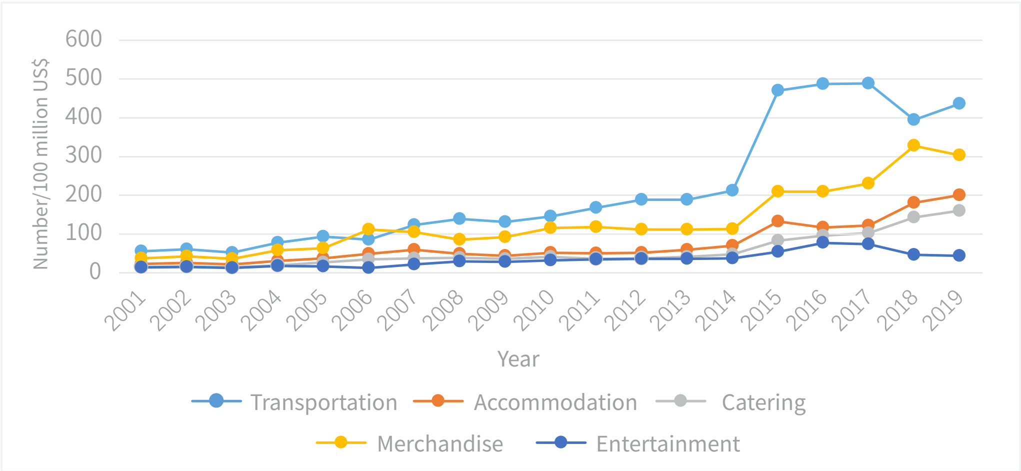


Figure 1- 7 Composition of inbound tourism foreign exchange revenue, 2001-2019
[Data source: National Bureau of Statistics]

- Chapter II -
Statistical Analysis of China's Inbound Tourism Market

The change of travel patterns in the era of big data brings new changes and trends to China's inbound tourism. This chapter provides an overview of China's inbound tourism from the angle of industrial factors, and makes reference to industry-specific information and data collected from travel agencies, hotels, airlines, OTAs and websites. It takes a multi-perspective approach in analyzing the progress of China's inbound tourism development and areas for improvement, and aims to provide reference for further attracting inbound tourists and improving the quality of China's inbound tourism. It should be noted that due to the differences in the statistical scope of the data provided by the respondents, the data corroboration between the samples may not be as solid as desired.

On the whole, the trend of independent and self-guided tours is increasingly evident among inbound tourists, and travel agencies are directing their business resources to the long-haul inbound tourism market; the young and middle-aged groups with higher income are taking up a bigger share in inbound tourists, and the consumption demands in accommodation, catering, transportation and entertainment are on the rise, indicating that the prices of China's inbound tourism products could continue to go up. Building on the basis of the five cities that inbound tourists often choose as point of entry (Beijing, Xi'an, Shanghai, Guilin and Guangzhou), an inbound tourism hub network underpinned by the central cities of major economic circles in China, i.e. Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta, Sichuan-Chongqing and Central China, has been formed, and cities with strong accessibility, rich cultural features and international outlook are more favored by inbound tourists; overseas destination marketing has gained more attention. Travel agencies and OTAs are putting more emphasis on the cultural and experiential features of their tourism products, enriching the form and content of tourism information, and exploring new ways to reach destination visitors and carry out word-of-mouth marketing; cities, as the pillars of the inbound tourism market, have actively participated in overseas marketing and contributed innovative ideas to the content and form of marketing. They have endeavored to make the travel more convenient and comfortable for tourists, and improved the transportation, network, payment and other public services in their cities; China's rich natural and cultural resources are a major advantage for attracting inbound tourists. However, shopping remains the weak link in China's inbound tourism, and the tourism consumption market is yet to be developed.

I. Travel agency data

This section takes the 165 member units of the Inbound Tourism Branch of China Association of Travel Services and 120 global travel agencies engaged in China's inbound tourism as the subject, and chooses the period of 2015-2019 as the timeframe for study. Questionnaires and telephone interviews have been used to obtain the data for analysis.

It is important to bear in mind that the presented data might deviate from those of common sense in the context of percentage. The reason for this is that multiple choices were required for the data gathering, among which are average unit price of the inbound tourists, size of groups, length of stay, time of travel, choice of destinations, motivation of travel, travel demand, promotion channel of travel agencies. The share of a given option is calculated by dividing the total number of the option through the number of effective questionnaires. As a result, the share of a single option might be correlated with other options leading to a value not equal to 100%. However, the multiple choices guarantee the reliability and integrity of the gathered data, wherewith the roles and functions of different agencies in the travel industry-chain (tour organizing agency, local travel agent' s and oversea corporate agency) are considered. Hence, the figures and tables shown in this chapter particularly highlight the change trend of the product and service provided by the travel agencies.

1. The market of group tours is contracting, and Europe and the US remain the dominant markets

The survey of the 10 business markets (North America, South America (Latin America), Europe, Australia & New Zealand, Japan & ROK, Southeast Asia, West Asia & Africa, Eastern Europe & Russia, Central Asia, and Hong Kong, Macao & Taiwan of China) shows that during the period of 2015-2019, the number of inbound tourists received by travel agencies went up first and then gradually declined as shown in Figure 2-1. After reaching the peak in 2016 with a year-on-year increase of 7.66%, the number of group tourists gradually declined and the market slowly contracted. The number of inbound tourists received by travel agencies in 2018-2019 were lower in all the ten markets than that in 2015, with a year-on-year drop of 0.23% in 2019.

Figure 2-1 Total number and growth rate of inbound group tourists
[Data source: questionnaires filled by travel agencies]

With the advent of the data era and changes in travel patterns, the traditional advantages of travel agencies are facing constant challenges. From a regional perspective (Figure 2-2), the North America and Europe markets have been leading far ahead in the number of inbound tourists, with the average number of inbound tourists exceeding 2,500 per agency per year for both markets, and 4,000 tourists per agency per year for Europe in particular. The average number of inbound tourists from the Hong Kong, Macao & Taiwan Region markets and the Southeast Asia market stands between 1,000 and 2,000 per agency per year. The performance in other source markets are slightly weaker, with South America (Latin America), Japan & ROK, Australia & New Zealand, and Eastern Europe & Russia markets all showing modest fluctuations; the Central Asia market and the West Asia & Africa market have the lowest number of inbound tourists and are in an extremely disadvantaged position in terms of market size.

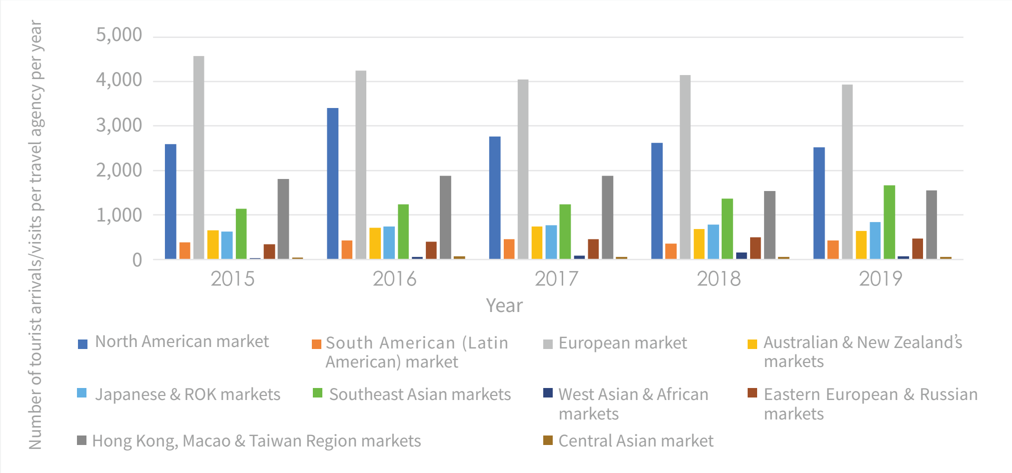


Figure 2-2 Size of inbound tourism groups by business market
[Data source: questionnaires filled by travel agencies]

During the period of 2015-2019, the total number of inbound group tourists from the top 20 countries and regions, such as the US, the UK, France, Japan, Hong Kong, Macao and Taiwan Regions, went through a wave-like decline (Figure 2-3). In 2015, the number of inbound tourists reached the highest level, exceeding 120,000, followed by two straight years of decline. Then, after a modest increase in 2018 (5.15%), it went on a sharp decline again in 2019 (-23.23%), indicating a tough situation in the market of inbound tourist groups.

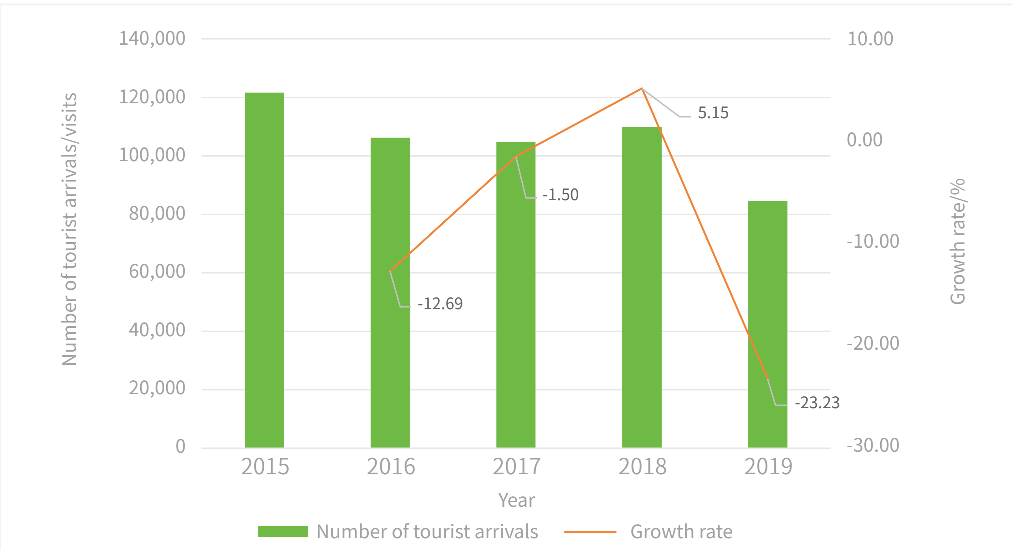


Figure 2-3 Total number and growth rate of inbound group tourists from the top 20 countries and regions
[Data source: questionnaires filled by travel agencies]

The 2015-2019 data provided by travel agencies in the questionnaire points to a “one strong, multiple weak” picture in the tourism market (Figure 2-4). The US is the only market with the number of inbound tourists exceeding 1,500 tourists per agency per year, and even topping 2,000 tourists per agency in 2015, 2017 and 2018. On the other hand, the average number of inbound tourists is no more than 1,000 tourists per agency per year in all the other countries (regions), with only Canada, the UK, France and Japan exceeding 500 tourists per agency. The number for Mexico, New Zealand, Singapore, Thailand, Malaysia and Macao is even below 100 tourists per agency per year.

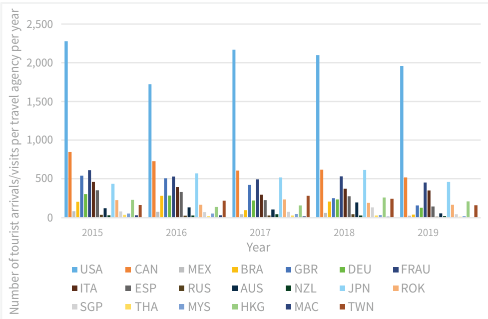


Figure 2-4 Size of inbound tourist groups of top 20 countries and regions
[Data source: questionnaires filled by travel agencies]

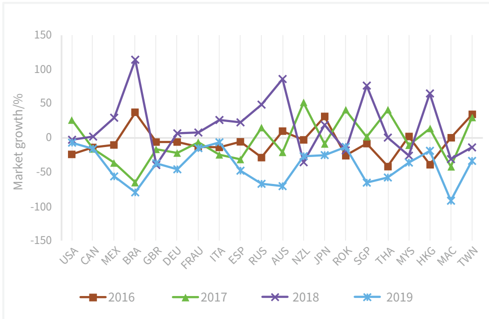


Figure 2-5 Trend of inbound tourism market fluctuation by country (region) and year
[Data source: questionnaires filled by travel agencies]

In terms of market growth (Figure 2-5), Brazil, Australia and Singapore experienced the most drastic changes, with the number of inbound tourists growing 114%, 86% and 76% in 2018, followed by a staggering decline of 80%, 71% and 66% respectively in 2019.

2. Average price of group tours goes through little fluctuation, and mid-range consumption is most favored

During the period of 2015-2019 (Figure 2-6), the average unit price of inbound tourist groups organized and received by travel agencies had not change much, mostly in the range of US$500-3,000. More than 50% of the groups have a unit price between US$1,000-2,000, and groups with the consumption of over US$3,000 occupy a visible market share. Overall, the price of inbound tourism groups is slowly going up.

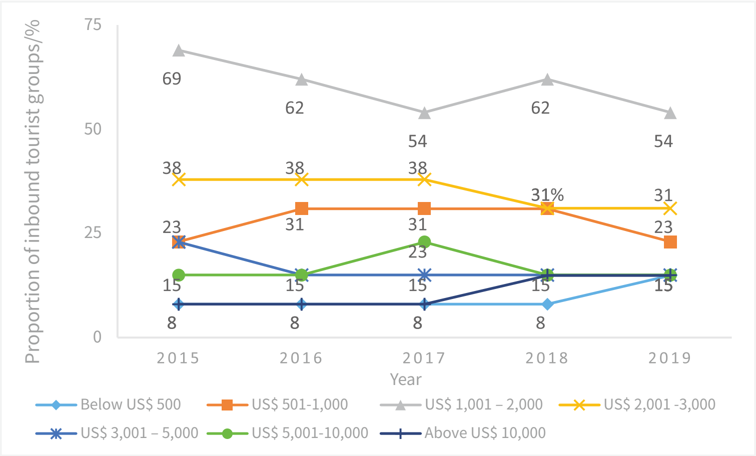


Figure 2-6 Average unit price of inbound tourist groups [Data source: questionnaires filled by travel agencies]

3. The inbound tourist groups are evenly distributed in sizes, but fragmented between countries

The survey shows that inbound tourist groups with different sizes are evenly distributed, but varied among countries (Figure 2-7). Country-wise, inbound tourist groups from 13 countries, including the US, Mexico, the UK, Australia, Japan and Russia, are more evenly distributed across different sizes, with individual tour groups of less than five people taking up the largest share. In the other 14 countries and regions, including India, Singapore, Egypt, Kazakhstan, and Hong Kong, tourist groups are evenly distributed across the ranges of under 5 persons, 11-20 persons and more than 20 persons.

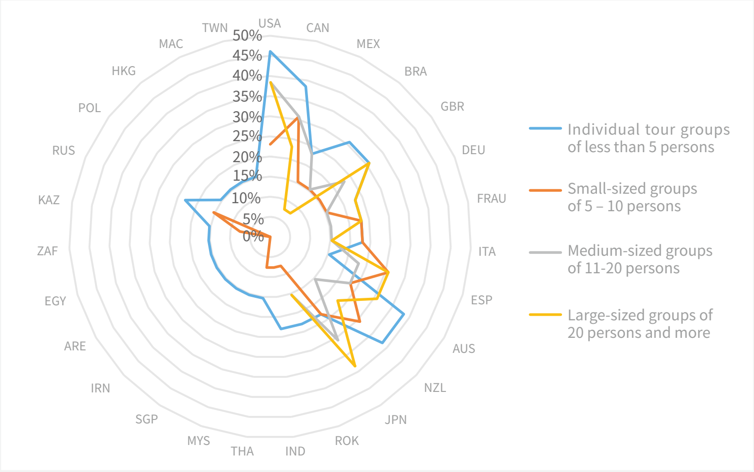
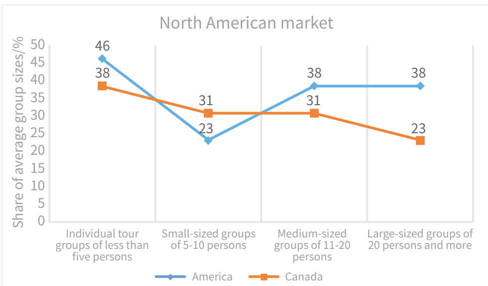


Figure 2-7 Distribution of average sizes of inbound tourist groups by market
[Data source: questionnaires filled by travel agencies]

Region-wise (Figure 2-8), inbound tourist groups from the North America market represented by the US and Canada, the South America market represented by Brazil, and the Australia & New Zealand market are mostly individual groups of less than five persons; in the South America (Latin American) market, the share of tourist groups of 20 or more persons is the smallest; in the Australia & New Zealand market, the share of medium-sized groups of 11-20 persons is the smallest. In the Europe market represented by the UK and France, inbound tourist groups are evenly distributed across different sizes; while in the Japan & ROK, Southeast Asia, Central Asia, West Asia & Africa, Eastern Europe & Russia, and Hong Kong, Macao & Taiwan Region markets, small tourist groups with 5-10 persons takes up the smallest share.



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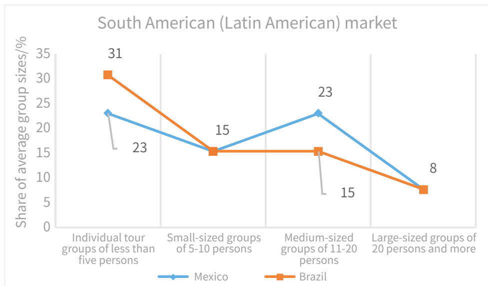

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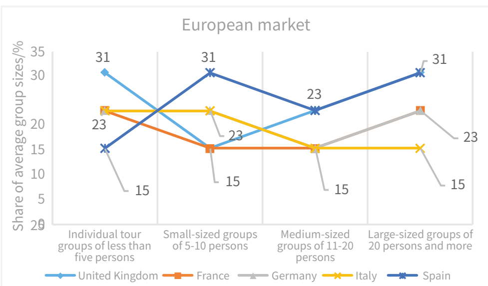

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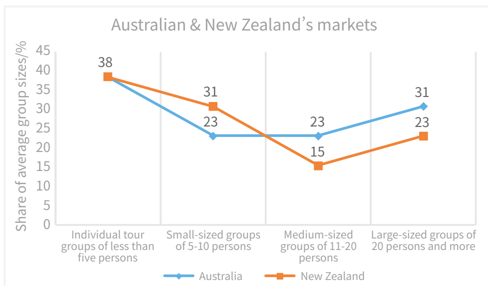

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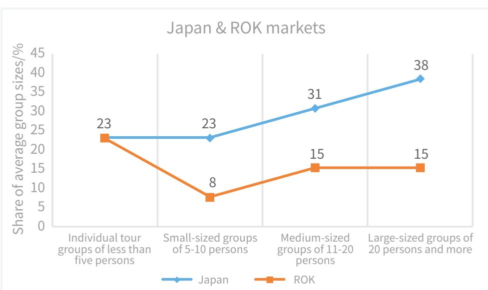

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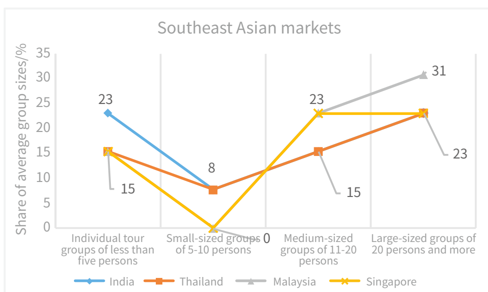

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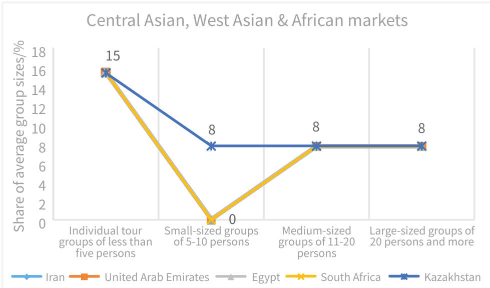

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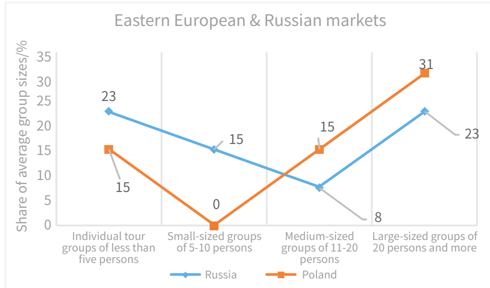

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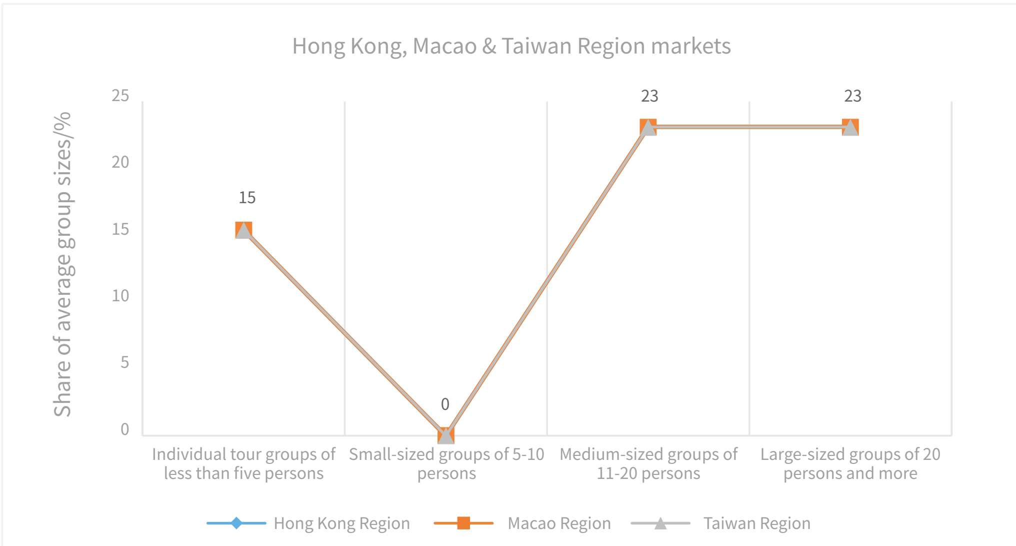


(i)

Figure 2-8 Distribution of average number of tourists in inbound tourist groups by market
[Data source: questionnaires filled by travel agencies]

Among the inbound tourist groups organized and received by travel agencies, small groups of 5-10 persons account for a relatively smaller proportion, showing that the organization of inbound tourist groups is going in both directions of “individual tours” and “large groups”.

4. Tourist travels have a highly seasonal pattern, mostly in April, September and October

Inbound tourists are concentrated in particular months, with vacation and climate being the most important influencing factors (Figure 2-9). October is the busiest month for inbound tourism, followed by April, July, August and September, all of which are months with favorable weather conditions. According to the survey, the following months (Table 2-1) are the busiest for inbound tourists from different countries (regions).

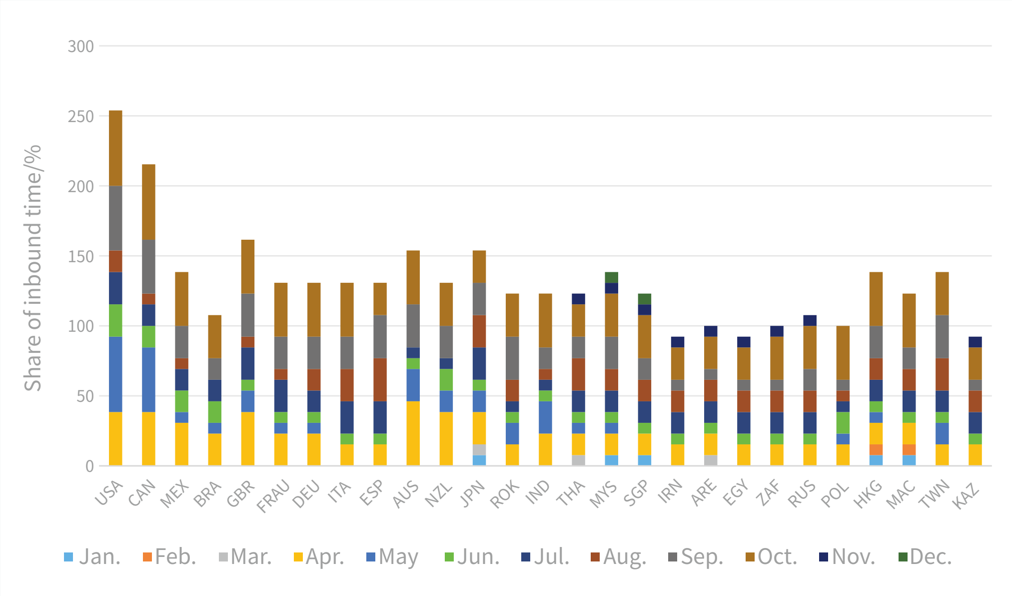


Figure 2-9 Monthly distribution of inbound tourist groups by country (region)
[Data source: questionnaires filled by travel agencies]

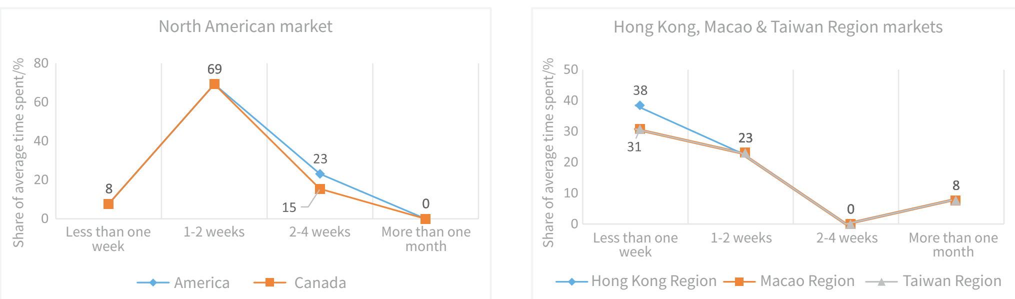
Table 2-1 Top3 busiest months for inbound tourism by country (region)
[Data source: questionnaires filled by travel agencies]

Country (Region)	No.1	No.2	No.3	Country (Region)	No.1	No.2	No.3
US	5/10	-	9	Thailand	8/10	-	4/7/9
Canada	5/10	-	4/9	Malaysia	10	9	4/7/8
Mexico	10	4	9	Singapore	10	4/7/8/9	-
Brazil	10	4	6/7/9	Iran	10	4/7/8	-
UK	4/10	-	9	Saudi Arabia	10	4/7/8	-
France	10	4/7/9	-	Egypt	10	4/7/8	-
Germany	10	4/9	-	South Africa	10	4/7/8	-
Italy	10	7/8/9	-	Russia	10	4/7/8/9	-
Spain	8/9	-	7/10	Poland	10	4/6	-
Australia	4	10	9	Hong Kong Region	10	9	4/7/8
New Zealand	4	10	9	Macao Region	10	4/7/8/9	-
Japan	4/7/8/9/10	-	-	Taiwan Region	10	8/9	-
ROK	9/10	-	4/5/8	Kazakhstan	10	4/7/8	-
India	10	-	4/5				

5. Geographic distance affects the length of stay, and most of the trips are of short-to-medium length

Overall (Figure 2-10), the average length of stay of inbound tourist groups is between one and two weeks. Due to factors such as distance, holidays and visas, the itineraries of inbound tourists from Europe, America (Figure 2-11) and Oceania are mostly between one and two weeks, while tourists from Hong Kong, Macao and Taiwan Regions (Figure 2-11) and Southeast Asia tend to travel for less than one week. As the survey shows, the percentage of trips lasting for two to four weeks or more than one month is relatively small, and the share of trips last over one month is less than 10%. Inbound tourists received by travel agencies are mostly signing up for short-to-medium trips.

Figure 2-10 Average length of stay of inbound tourist groups by country (region)
[Data source: questionnaires filled by travel agencies]



(a) (b)

Figure 2-11 Average time spent by inbound tourists from North America and Hong Kong, Macao & Taiwan Regions of China [Data source: questionnaires filled by travel agencies]

6. Accessibility affects the choice of destination, and Beijing and Shanghai hold incomparable advantage

Inbound tourists remain largely consistent in their preference for destination cities as shown in Figure 2-12. The most favored cities are Beijing, Shanghai and Xi'an, followed by Guangzhou, Shenzhen, Sanya, Nanjing, Chengdu, Chongqing and Tianjin. Over 75% of visitors from all markets choose Beijing as their first destination, and 100% of North American visitors choose Beijing as their first destination. Xi'an and Chengdu are popular in the North America, South America (Latin America), Europe and Australia & New Zealand markets. Inbound tourists tend to favor cities with high accessibility, international vision, and rich historical and cultural resources.

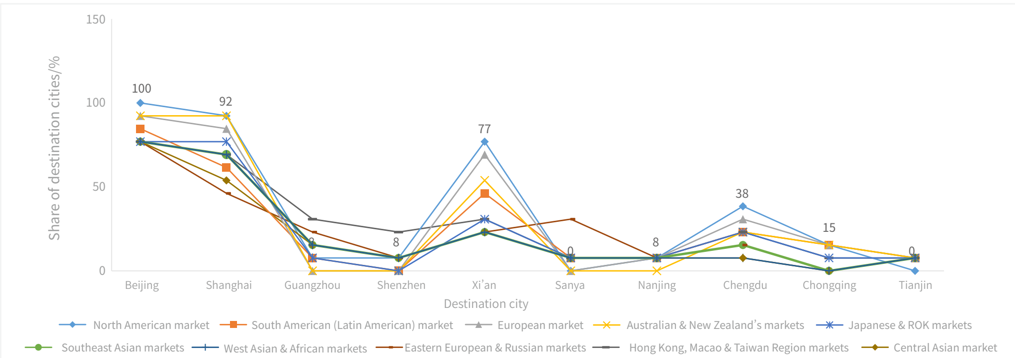


Figure 2-12 Choice of destination cities by market [Data source: questionnaires filled by travel agencies]

According to the survey results (Figure 2-13), the factors of destination cities that appeal to inbound tourists are, in descending order, transport accessibility, history, brand building or global influence, and level of economic development.

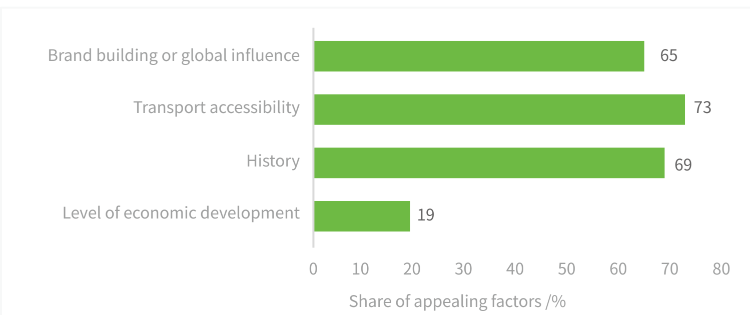


Figure 2-13 Factors that appeal to tourists in destination cities
[Data source: questionnaires filled by travel agencies]

As shown in Figure 2-14, 80% of the respondents hold the view that the lack of international flights is the main constraint of inbound tourism, while poor tourism environment and supporting service facilities, underdeveloped economy, lack of international visibility, inconvenient transportation/network/payment conditions, and poor environment or weather/climate are all negative factors that affect the development of inbound tourism.

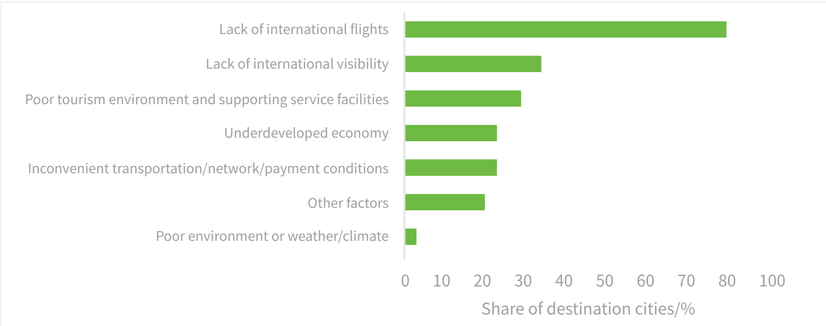


Figure 2-14 Negative factors affecting inbound tourism in destination cities
[Data source: questionnaires filled by travel agencies]T

7. Tourist profile

(1) Age: middle-aged and older tourists are more willing to choose group tours

The age distribution of inbound tourists received by travel agencies is as shown in Figure 2-15: 41% are aged 31-50, and 59% are aged 50 or above. Tourists aged 50 or above are more likely to choose group tours organized by travel agencies due to factors such as time, language and convenience of travel.

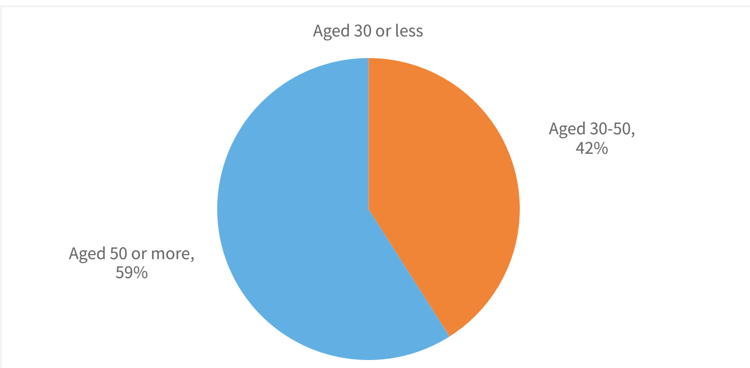


Figure 2-15 Distribution of inbound tourists by age[Data source: questionnaires filled by travel agencies]

(2) Occupation: inbound tourists work in different professions

The occupations of inbound tourists are evenly distributed across a wide range of sectors, and closely related to factors such as nature of occupation, working hours and economic status. Business people and corporate executives, employees and students respectively account for 43%, 32% and 25% of inbound tourists (Figure 2-16).

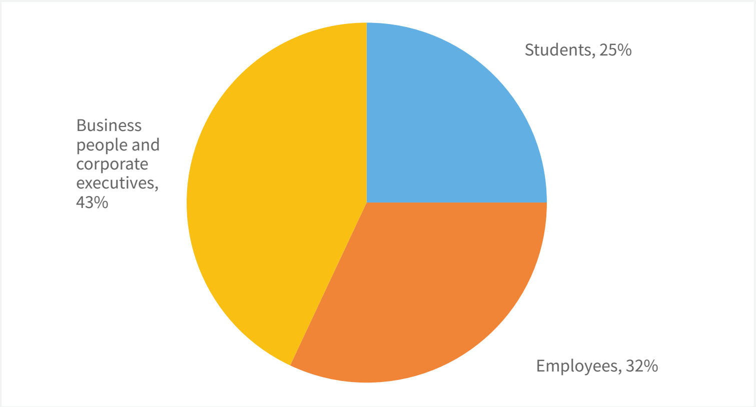


Figure 2-16 Distribution of inbound tourists by occupation
[Data source: questionnaires filled by travel agencies]

(3) Travel motivation: mostly leisure and vacation, not many tourists travel for shopping purposes

Of all the attractions for inbound tourism, history and culture rank the first, followed by natural landscape, local customs and special food, and fashion shopping comes at the bottom (Figure 2-17). This shows that China has not yet reached international standards in terms of product attractiveness and shopping convenience, and there is still room for improvement in developing a tourist shopping market.

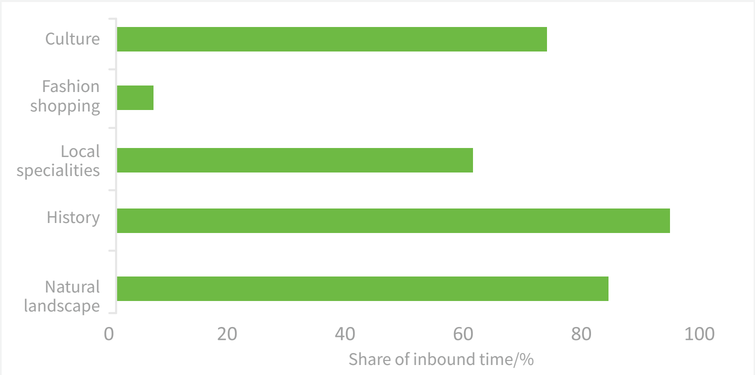


Figure 2-17 Main attractions for inbound tourism [Data source: questionnaires filled by travel agencies]

The survey finds that inbound tourists have diverse motivations for travel (Figure 2-18). Leisure and vacation rank the first, followed by understanding Chinese culture and business trip, and visiting friends and relatives comes at the bottom.

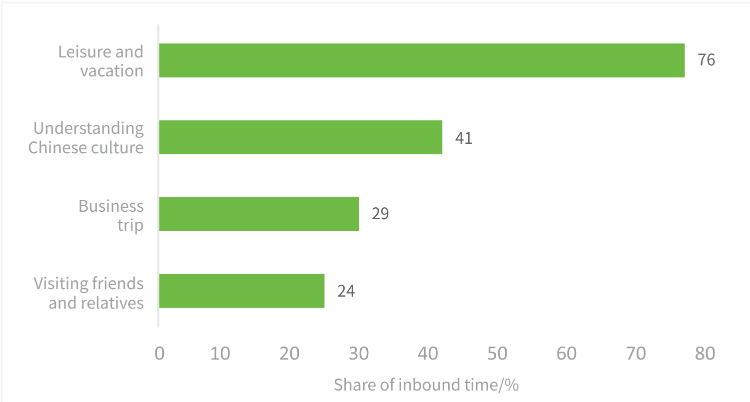


Figure 2-18 Travel motivation of inbound tourists [Data source: questionnaires filled by travel agencies]

(4) Tourist consumption demand

① Accommodation demand: high-end hotels are more popular among tourists.

On the whole, inbound tourists favor high-end hotels (Figure 2-19); more than 40% of the inbound tourists choose 4-star hotels; the proportion of

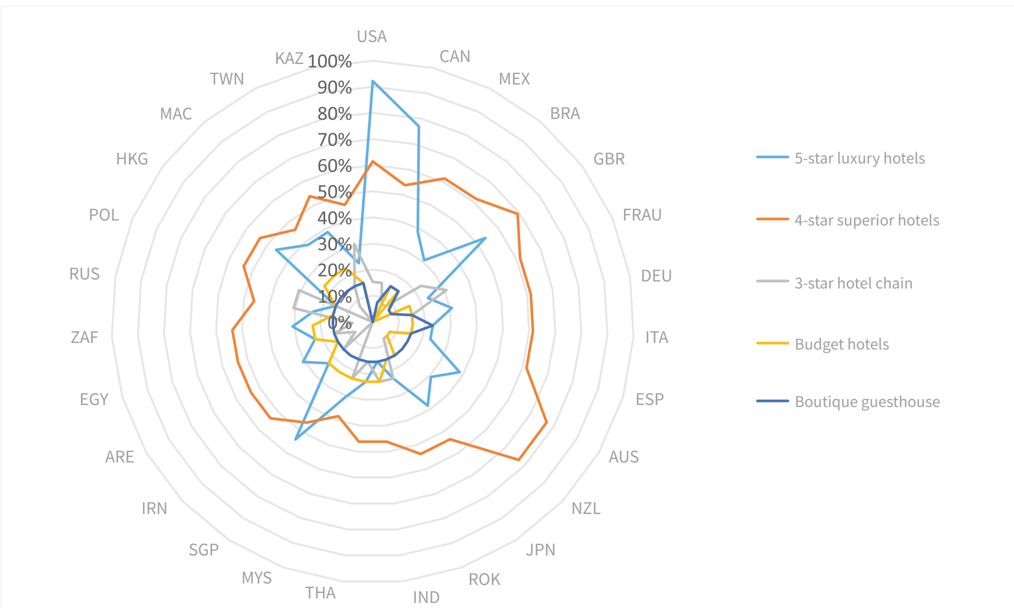


Figure 2-19 Accommodation requirements of inbound tourists by country (region) [Data source: questionnaires filled by travel agencies]

inbound tourists choosing 5-star luxury hotels is the highest for tourists from the US and Canada; the proportion of inbound tourists choosing 3-star chain hotels and budget hotels is relatively small.

Country-wise (Figure 2-20), inbound tourists from the North America market have the highest requirements for accommodation, the more upscale the hotels, the larger the proportion of tourists; while inbound tourists from Southeast Asia are evenly distributed across different ranges of accommodation.

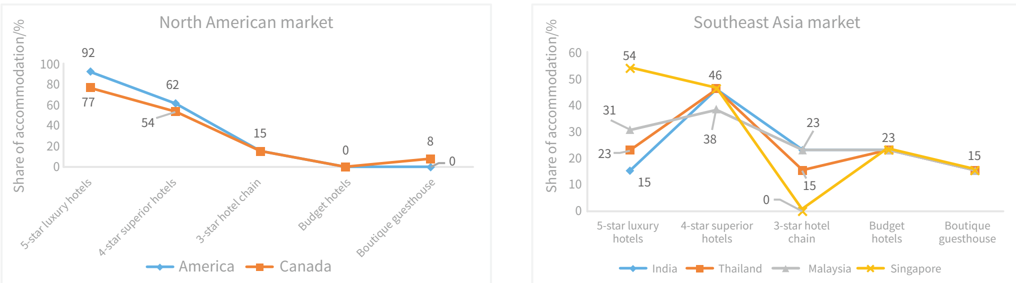


Figure 2-20 Accommodation requirements of inbound tourists from North America and Southeast Asia
[Data source: questionnaires filled by travel agencies]

② Catering demand: tourists prefer high-quality and medium- to high-priced catering options.

The inbound tourists' choice of catering services is concentrated in three price ranges, i.e. US$16-30, over US$50 and under US$15, accounting for 62%, 23% and 15% respectively (Figure 2-21), and the proportion of medium- to high-priced catering services is close to 85%. The ratio of

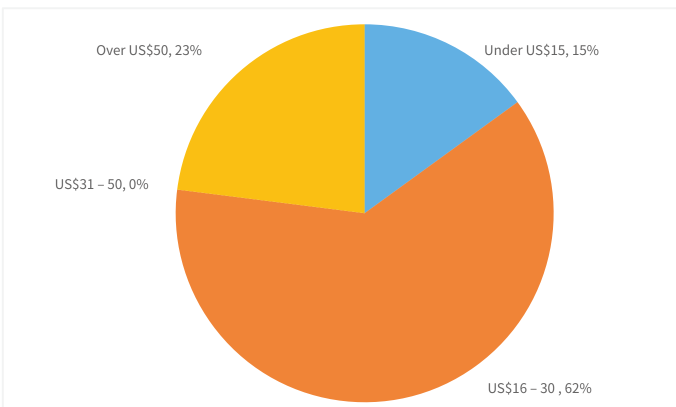
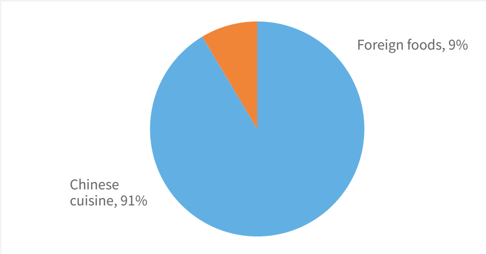


Figure 2-21 Price requirements of inbound tourists for catering services
[Data source: questionnaires filled by travel agencies]

tourists choosing Chinese and foreign foods is about 9:1 (Figure 2-22), and more than half (54%) of the inbound tourists will try local specialties.



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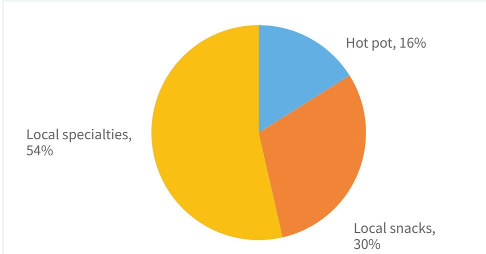


(b)

Figure 2-22 The most popular catering options in the itinerary of inbound tourists
[Data source: questionnaires filled by travel agencies]

③ Transportation demand: convenience and comfort are tourists' primary concerns.

When moving across different provinces in China, inbound tourists tend to choose airplanes, followed by high-speed trains and cars (Figure 2-23).

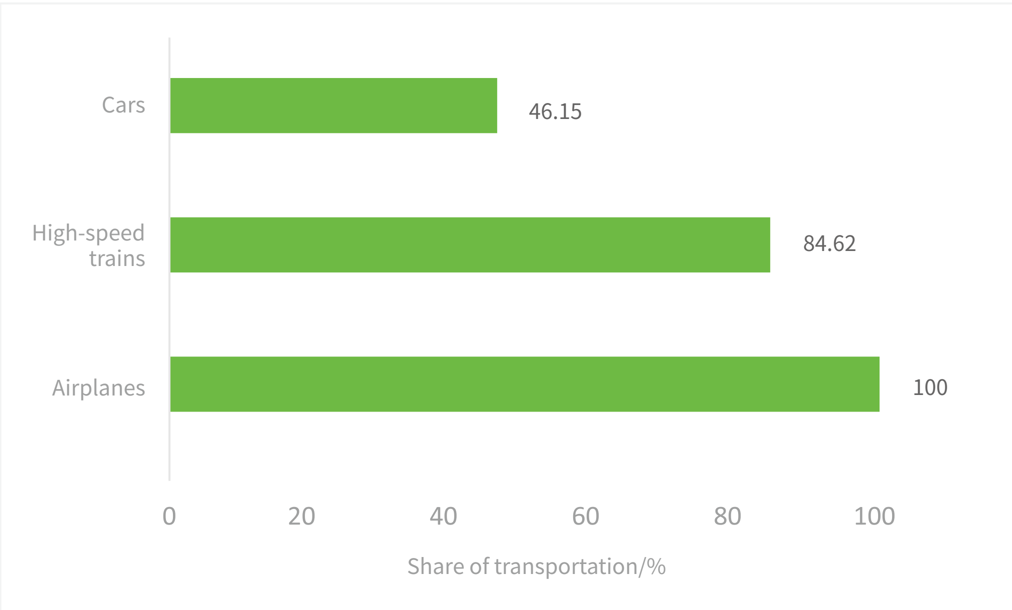


Figure 2-23 Inbound tourists' demand for inter-province transportation
[Data source: questionnaires filled by travel agencies]

④ Shopping demand: tourists like local specialties.

Eighty-six percent of the inbound tourists will choose to buy merchandise during their travel, and tourism products with regional features and souvenirs are most preferred (Figure 2-24).

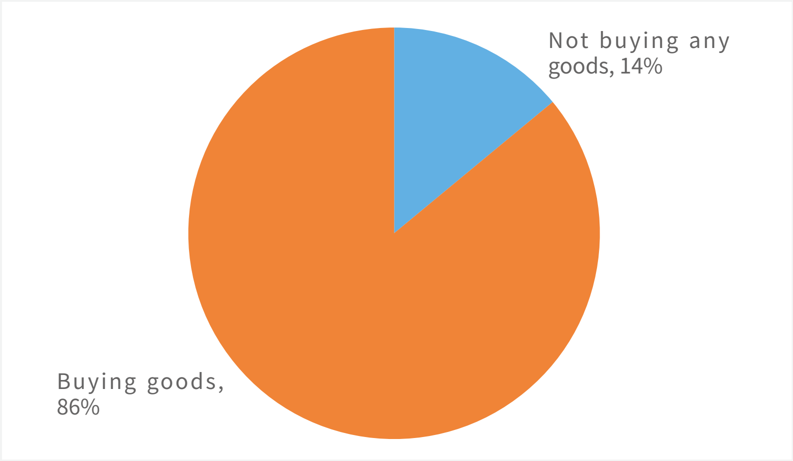


Figure 2-24 Shopping choices of inbound tourists
[Data source: questionnaires filled by travel agencies]

⑤ Purchase of performing arts products: products with interactive experience and rich content are more popular.

Programs with strong interactive experience such as live tourism shows and urban theaters are becoming increasingly popular among inbound tourists (Figure 2-25). Live tourism shows are more popular among tourists than traditional theme parks, indicating that tourists' preference is shifting from sightseeing to live experience and content output, which will have an impact on the development of performing arts products by scenic spots.

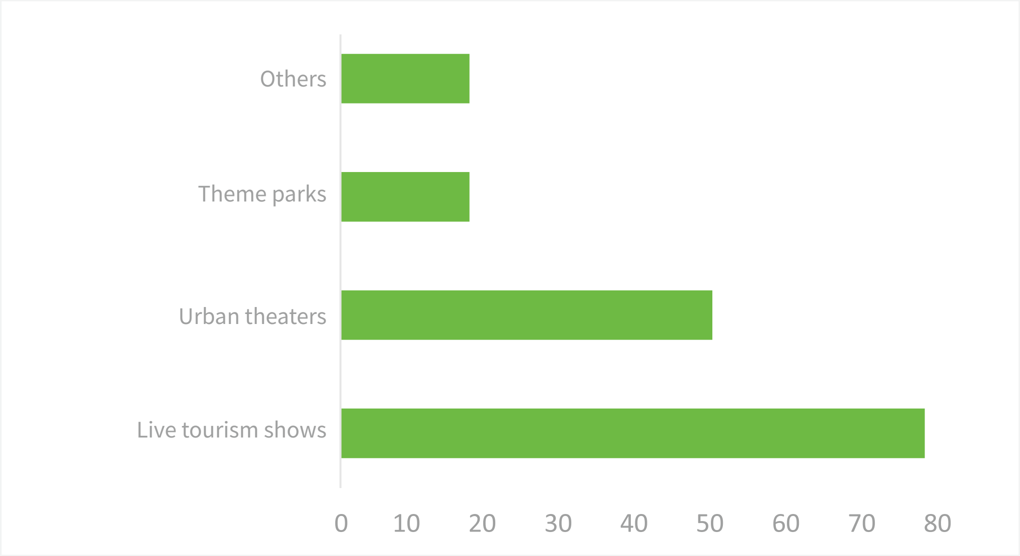
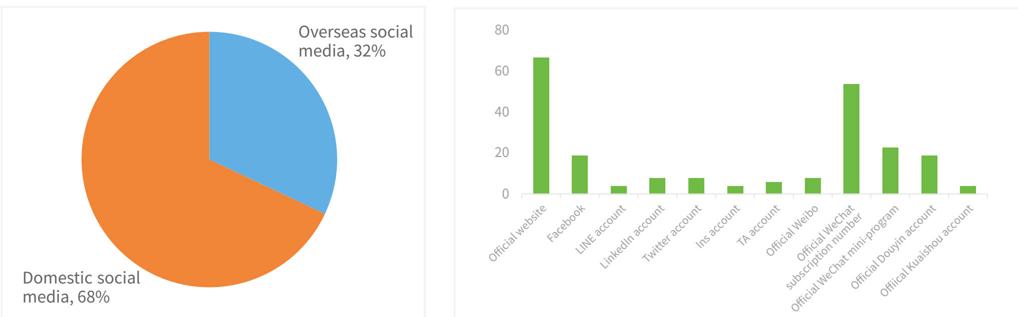


Figure 2-25 Inbound tourists' favorite performing arts programs
[Data source: questionnaires filled by travel agencies]

8. Tourism promotion by travel agencies

(1) Tourism promotion on social media takes diverse forms

With lower threshold, wider coverage and instant dissemination, social media is the most commonly used tourism promotion instrument for travel agencies. The ratio of travel agency accounts on domestic and overseas social media is about 7:3 (Figure 2-26). Overseas social media include Facebook, LINE, LinkedIn, Twitter, Instagram, TripAdvisor, among others, and Facebook is most often used by travel agencies; domestic social media include Weibo, WeChat subscription number, WeChat mini-program, Douyin and Kuaishou, among others, and WeChat subscription number, WeChat mini-program and Douyin are most often used by travel agencies to post graphics and short videos. WeChat mini-program, which allows tourists to quickly access tourism information, has become the main promotion channel for travel agencies.

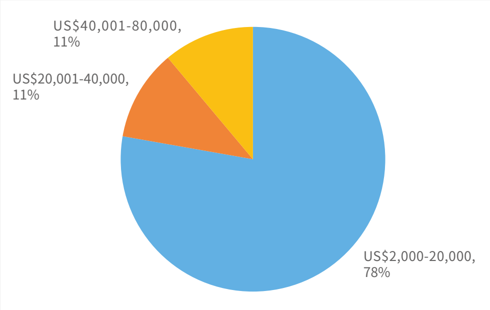


(a) (b)

Figure 2-26 Official websites and official accounts of travel agencies on domestic and overseas social media platforms [Data source: questionnaires filled by travel agencies]

(2) The model of paid operation is rapidly growing

Given its wide coverage, fast results, convenient and targeted search, SEM (Search Engine Marketing) is welcomed by more and more travel agencies. Travel agencies are willing to pay for marketing and promotion services on search engines, so that users can directly access tourism information, communicate with travel agencies and complete transactions. About 70% of the travel agencies have adopted SEM on websites or social media (Figure 2-27). During 2015-2019, 77.78% of the travel agencies had an average SEM spending of less than US$20,000 per year. SEM is useful, easy to operate and produces visible effect. However, due to limitations such as the business scale, revenue and promotion plans of travel agencies, the overall spending on SEM remains at a low level.



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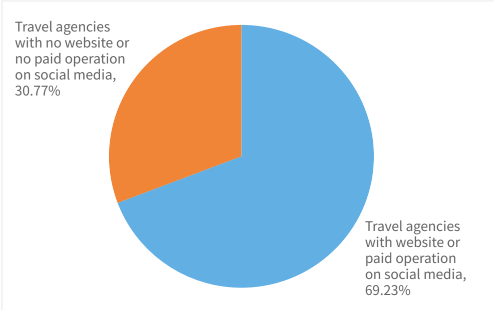


(b)

Figure 2-27 Travel agencies' spending on paid operation [Data source: questionnaires filled by travel agencies]

(3) Equal emphasis on online and offline promotion

① Online promotion channels.

The main online promotion channels for travel agencies (Figure 2-28) include OTAs, official websites and social media (Facebook, LinkedIn, Twitter, LINE, Instagram). We-media and SEO (Search Engine Optimization) are not often chosen by travel agencies, because of the heavy cost of paid promotion services.

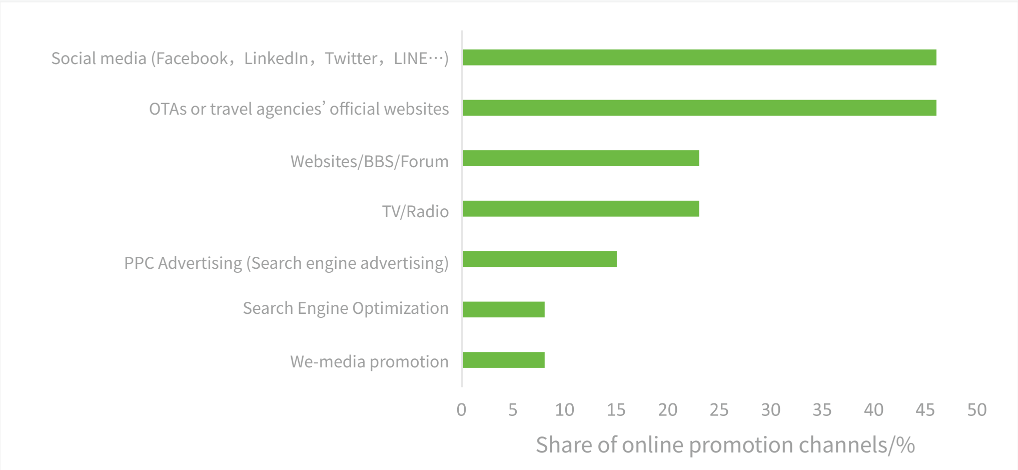


Figure 2-28 Online promotion channels for travel agencies
[Data source: questionnaires filled by travel agencies]

② Offline promotion channels.

The three main offline promotion channels for travel agencies include tourism conventions & exhibitions, tourism destination marketing, and tourism brochures/travel guides (Figure 2-29). Compared with visual promotion, traditional print media and advertising, offline promotion activities have the advantages in both content and format, and have thus become the key channels for offline customer acquisition.

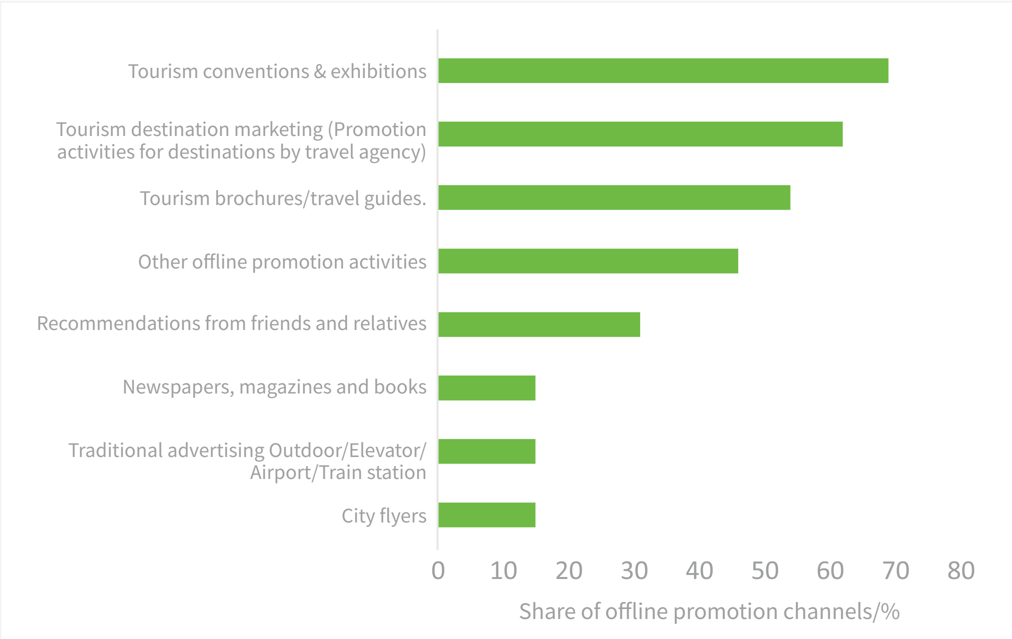


Figure 2-29 Offline promotion channels for travel agencies [Data source: questionnaires filled by travel agencies]

③ Channels for tourists to receive tourist information.

The main channels for inbound tourists to receive tourism information (Figure 2-30) include tourism promotion events (such as Chinese and foreign cultural festivals, tourism festivals and conventions & exhibitions), OTAs or travel agencies' official websites, newspapers, magazines and books, recommendations from friends and relatives, social media and other online and offline channels. Among them, tourism promotion events are the most effective channel for receiving tourism information. Catering to the information acquisition habits of tourists, travel agencies are more accustomed to communicating with tourists during their participation in promotion activities and on social media, while APP promotion and PPC advertising that are popular in China have not yet become the main channels of information acquisition for inbound tourists.

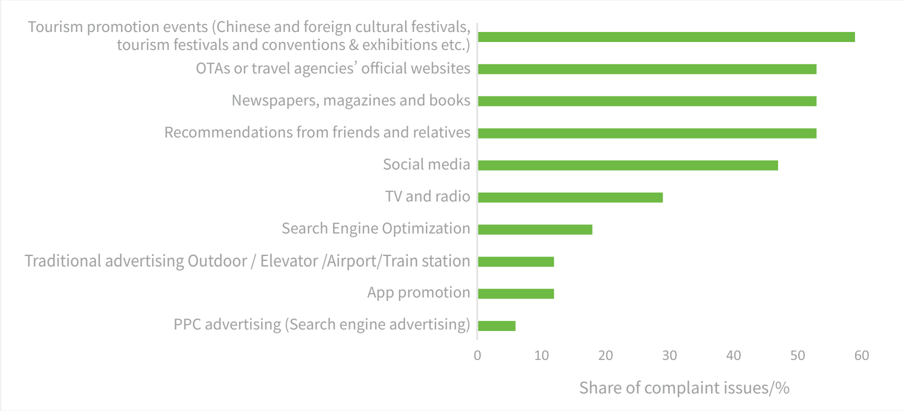


Figure 2-30 Channels for tourists to receive tourism information
[Data source: questionnaires filled by travel agencies]

9. Major concerns of inbound group tourists

(1)Public services is a main concern for inbound tourists

Inbound tourists complain most about public services, particularly toilet conditions, language barriers and payment inconvenience (Figure 2-31). Catering, transportation and over-collection of personal information also make tourists feel uncomfortable. The quality and standard of hotel accommodation, variety of catering options, food hygiene and safety, and transportation schedule and comfortableness are also elements of concern for inbound tourists.

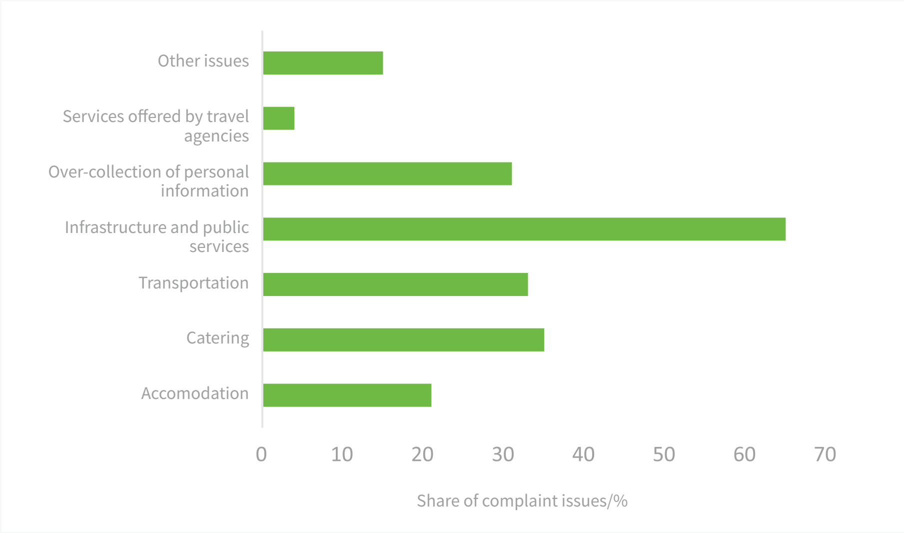


Figure 2-31 Issues that are most complained by inbound tourists in their itineraries
[Data source: questionnaires filled by travel agencies]

(2) Insufficient visa facilitation impedes the development of inbound tourism

As the survey results show (Figure 2-32), issues affecting group tourists are complex and diverse. Lack of visa facilitation is a common concern, and 77% of the travel agencies believe that improving visa facilitation could notably improve the situation of inbound tourism. Factors such as poor tourism environment and service facilities, crowd-out effect of surging domestic demand, declining comprehensive competitiveness of tourism products, and low reputation of destination countries or cities should not be ignored either.

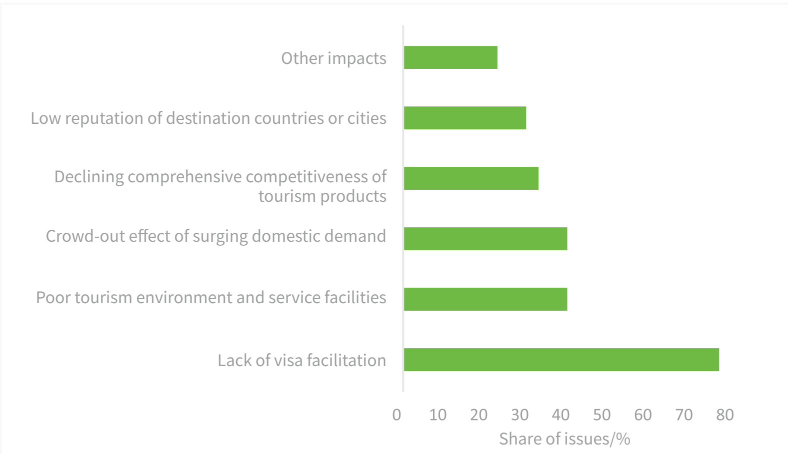


Figure 2-32 Issues affecting inbound group tourists [Data source: questionnaires filled by travel agencies]

II. Hotel data

This section takes the 199 star-rated hotels that are members of the China Tourism Association (79 five-star hotels, 76 four-star hotels and 44 three-star hotels and below) as the subject, and chooses the period of 2015-2019 as the timeframe for study. Questionnaires and telephone interviews have been used to obtain the data for analysis.

1. The number of received guests goes up year by year, but with a declining rate

During the period of 2015-2019, the total number of inbound overnight visitors received by the surveyed hotels has been increasing year by year, but with a declining growth rate (Figure 2-33). Taking 2015 as the base year, the number of received inbound overnight visitors had respectively increased by 5.78%, 3.93% and 2.66% year-on-year in 2016, 2017 and 2018, and dropped by a modest 0.69% in 2019.

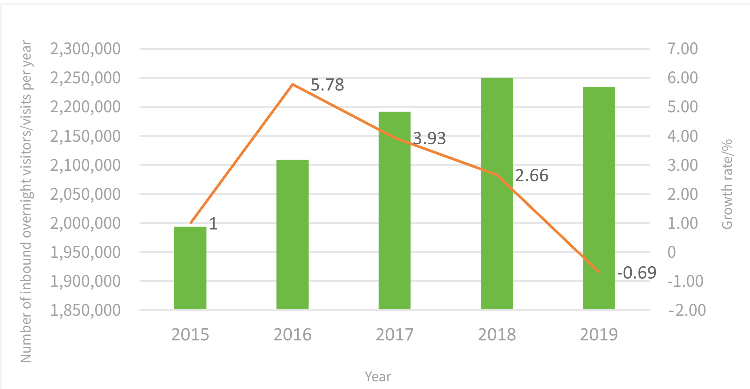


Figure 2-33 Total number and growth trend of received inbound overnight visitors, 2015-2019
[Data source: questionnaires filled by hotels]

2. The Southeast Asia market ranks first in the number of visitors, followed by Japan & ROK, North America, Europe, and Hong Kong, Macao & Taiwan Regions

Among the inbound overnight visitors received by hotels (Figure 2-34), the Southeast Asia market ranks first, followed by North America, Europe, Hong Kong, Macao & Taiwan Regions, Japan & ROK, Australia & New Zealand, Central Asia, South America (Latin America), Eastern Europe & Russia, and West Asia & Africa.

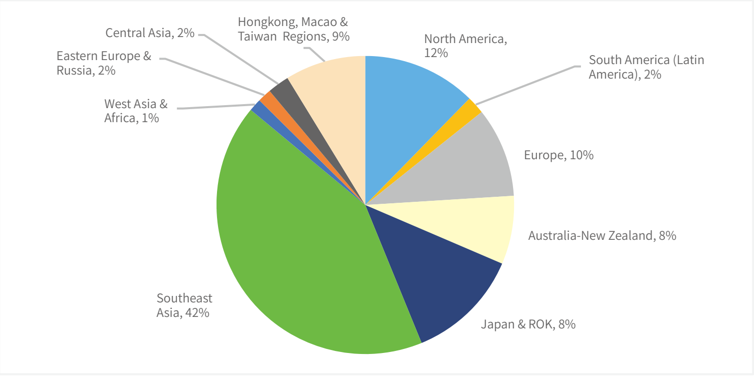


Figure 2-34 Distribution of received inbound overnight visitors by market [Data source: questionnaires filled by hotels]

3. Most of the tourists stay for 2-3 nights

Fifty-six percent of the inbound tourists stay in hotels for 2-3 nights (Figure 2-35), indicating that tourists move frequently after arrival.

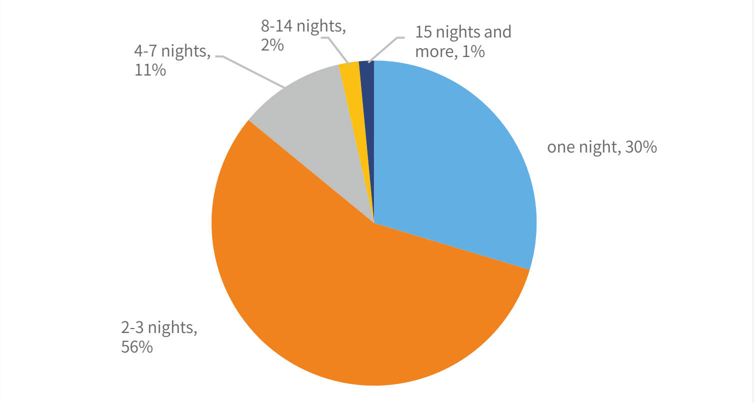


Figure 2-35 Length of stay for overnight visitors [Data source: questionnaires filled by hotels]

4. Bookings are mostly made through OTAs and travel agencies

Inbound overnight visitors mainly book hotels through OTAs, travel agencies and other third-party organizations, with as high as 78.39% of the visitors choosing these means. Other means of booking include, in order of frequency, in-store booking, telephone booking, booking on hotel website and email booking.

5. Tourists care most about hotel room facilities, catering and services

On a scale of 1 to 10 (1 being not interested, 10 being most interested, the higher the score, the higher the interest), room facilities are the top point of interest for tourists, with an average score of over 8 (Figure 2-36). The rest are, in descending order, variety of catering options, hotel services (e.g. foreign currency exchange service, taxi booking, airport shuttle service, travel booking service, etc.), and entertainment facilities (satellite TV programmes, multilingual magazines, etc.).

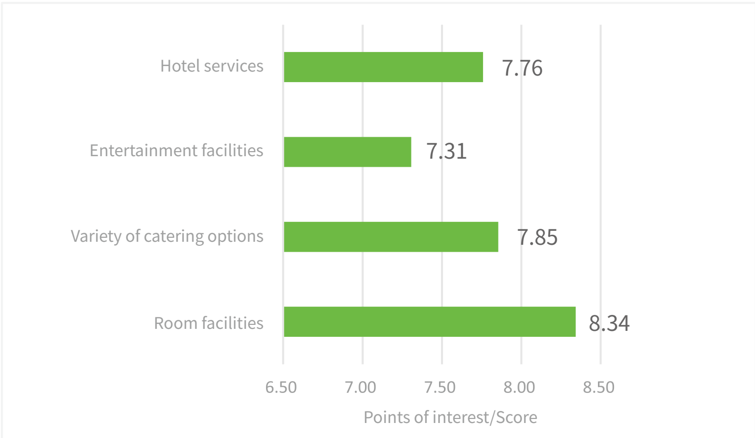


Figure 2-36 Inbound tourists' points of interest about hotels [Data source: questionnaires filled by hotels]

III. OTA data

This section analyzes the 2015-2019 data of Ctrip Group's overseas platform (Trip.com) and observes the current situation of inbound tourism from the OTA's perspective. Trip.com is a one-stop travel service platform for international users. It currently offers services in 20 languages in 27 countries and regions, and has call centers in Edinburgh, Tokyo and Seoul.

1. Inbound destination analysis

From the top 20 destinations by air ticket orders (Table 2-2) and the top 20 destinations by hotel orders (Table 2-3), super tier-one Chinese cities, i.e. Beijing, Shanghai, Guangzhou and Shenzhen, remain popular inbound destinations; new tier-one cities such as Chengdu, Hangzhou, Chongqing, Wuhan, Xi'an, Suzhou, Tianjin, Nanjing and Qingdao are also gaining popularity among inbound tourists.

Table 2-2 Top 20 destinations by air ticket orders, 2015-2019 [Data source: Ctrip]

Ranking	Destination	Ranking	Destination	Ranking	Destination	Ranking	Destination
1	Shanghai	6	Chengdu	11	Dalian	16	Wuhan
2	Beijing	7	Shenzhen	12	Chongqing	17	Xi'an
3	Guangzhou	8	Hangzhou	13	Kunming	18	Haikou
4	Qingdao	9	Fuzhou	14	Quanzhou	19	Shenyang
5	Xiamen	10	Nanjing	15	Tianjin	20	Yanji

Table 2-3 Top 20 destinations by hotel orders, 2015-2019 [Data source: Ctrip]

Ranking	Destination	Ranking	Destination	Ranking	Destination	Ranking	Destination
1	Shanghai	6	Hangzhou	11	Xi'an	16	Zhongshan
2	Shenzhen	7	Xiamen	12	Nanjing	17	Chongqing
3	Guangzhou	8	Chengdu	13	Foshan	18	Tianjin
4	Beijing	9	Dongguan	14	Suzhou	19	Yiwu
5	Zhuhai	10	Qingdao	15	Kunming	20	Ningbo

2. Analysis of destination searches

The number of flight and hotel searches, as a forward indicator, not only shows the popularity of tourism destinations, but also reveals the changes in the tourists' interest in the destinations and the potential of the local inbound tourism market.

In the 2018-2020 rankings of destinations by air ticket search (Table 2-4), Shanghai, Beijing, Guangzhou, Xiamen, Shenzhen and Chengdu sit firmly at the top, while cities such as Hangzhou and Qingdao are also gaining competitiveness.

Table 2-4 Top20 destinations by UV air ticket search, 2018-2020 [Data source: Ctrip]

	2018		2019		2020	
Ranking	City	Proportion/%	City	Proportion/%	City	Proportion/%
1	Shanghai	28.55	Shanghai	28.41	Shanghai	29.72
2	Beijing	16.00	Beijing	14.25	Beijing	15.27
3	Guangzhou	10.37	Guangzhou	10.49	Guangzhou	12.79
4	Xiamen	4.62	Shenzhen	5.03	Shenzhen	4.80
5	Shenzhen	4.52	Xiamen	4.64	Xiamen	4.47
6	Chengdu	4.50	Chengdu	4.31	Chengdu	4.15
7	Hangzhou	3.85	Qingdao	4.28	Qingdao	3.73
8	Qingdao	3.67	Hangzhou	3.50	Hangzhou	2.72
9	Kunming	2.68	Fuzhou	2.91	Wuhan	2.62
10	Xi'an	2.47	Kunming	2.75	Nanjing	2.30
11	Nanjing	2.40	Xi'an	2.48	Kunming	2.06
12	Chongqing	2.32	Chongqing	2.38	Chongqing	2.05
13	Fuzhou	2.18	Nanjing	2.24	Shenyang	1.96
14	Sanya	2.01	Sanya	2.04	Dalian	1.92
15	Wuhan	1.98	Wuhan	1.98	Fuzhou	1.91
16	Dalian	1.74	Dalian	1.90	Xi'an	1.87
17	Tianjin	1.62	Tianjin	1.63	Yanji	1.61
18	Harbin	1.54	Haikou	1.61	Tianjin	1.53
19	Haikou	1.50	Harbin	1.61	Harbin	1.33
20	Shenyang	1.48	Shenyang	1.56	Sanya	1.20

UV: Unique Visitor.

The 2018-2020 rankings of destinations by hotel search (Table 2-5) shows that inbound tourists remain enthusiastic about super tier-one cities but also displaying a growing interest in the new tier-one cities.

Table 2-5 Top 20 destinations by UV hotel search, 2018-2020 [Data source: Ctrip]

	2018		2019		2020	
Ranking	City	Proportion/%	City	Proportion/%	City	Proportion/%
1	Shanghai	28.55	Shanghai	22.50	Shanghai	25.75
2	Beijing	16.00	Shenzhen	14.20	Beijing	10.81
3	Guangzhou	10.37	Guangzhou	12.43	Guangzhou	9.41
4	Xiamen	4.62	Beijing	11.04	Shenzhen	8.73
5	Shenzhen	4.52	Zhuhai	8.09	Zhuhai	5.22
6	Chengdu	4.50	Hangzhou	3.36	Sanya	4.62
7	Hangzhou	3.85	Xiamen	3.36	Tianjin	4.02
8	Qingdao	3.67	Sanya	2.74	Chongqing	3.73
9	Kunming	2.68	Dongguan	2.55	Hangzhou	3.58
10	Xi’an	2.47	Chengdu	2.51	Chengdu	3.13
11	Nanjing	2.40	Foshan	2.20	Qingdao	2.93
12	Chongqing	2.32	Qingdao	2.16	Xiamen	2.64
13	Fuzhou	2.18	Xi’an	2.12	Nanjing	2.20
14	Sanya	2.01	Zhongshan	2.06	Suzhou	2.13
15	Wuhan	1.98	Suzhou	1.73	Xi’an	2.09
16	Dalian	1.74	Nanjing	1.68	Dalian	2.06
17	Tianjin	1.62	Chongqing	1.56	Harbin	1.95
18	Harbin	1.54	Kunming	1.31	Dongguan	1.76
19	Haikou	1.50	Tianjin	1.23	Foshan	1.67
20	Shenyang	1.48	Guilin	1.17	Kunming	1.57

UV: Unique Visitor.

3. Analysis of popular single-item tourism products

As can be seen from the products sold on Trip.com (Table 2-6), inbound tourists prefer three main types of tourism products: 1) products with global reputation and influence; 2) products with traditional Chinese cultural features; and 3) tour of landmark sites.

Table 2-6 List of popular single-item tourism products [Data source: Ctrip]

Ranking	Product name	Proportion/%
1	Shanghai Disney Resort Ticket	45.95
2	Forbidden City (Palace Museum) Admission Ticket	13.82
3	Huangpu River Cruise Ticket	6.11
4	Shanghai Tower Observation Deck Ticket	4.54
5	Mutianyu Great Wall Direct: MUBUS Daily Shuttle Bus with English-Speaking Staff Onboard	3.60
6	Oriental Pearl Tower Ticket	3.43
7	Mutianyu Great Wall Ticket	3.27
8	Giant Panda Breeding Research Base Chengdu Ticket	2.85
9	Humble Administrator’s Garden Ticket	2.61

4. Analysis of hotel ratings

On Trip.com, the average hotel rating is 4.3 (Figure 2-37). Most of the hotels have a score of 4 or above, and hotels scoring 4.6 are the largest in number, which shows that inbound overnight visitors are generally satisfied with their hotels.

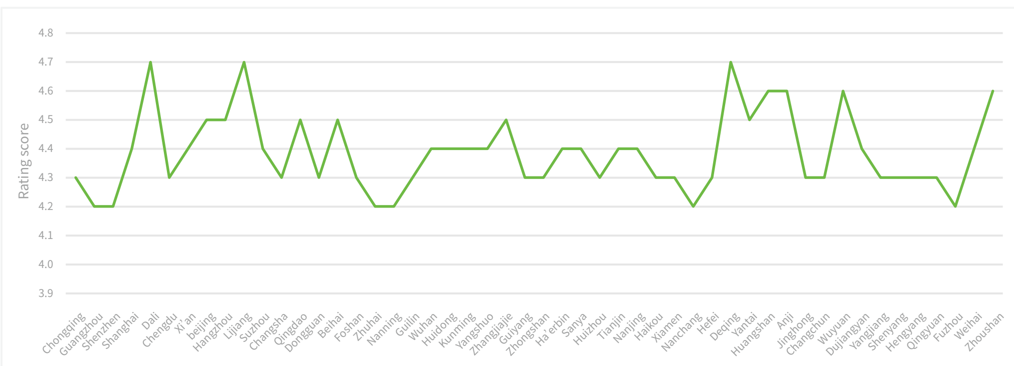


Figure 2-37 Hotel ratings [Data source: Ctrip]

5. Analysis of inbound tourists

(1) Gender

Gender-wise (Figure 2-38), the profiles of inbound tourists are the opposite of that in the domestic tourism market. Males account for a larger proportion of inbound tourists while females take up a smaller share, which is in line with official demographic statistics.

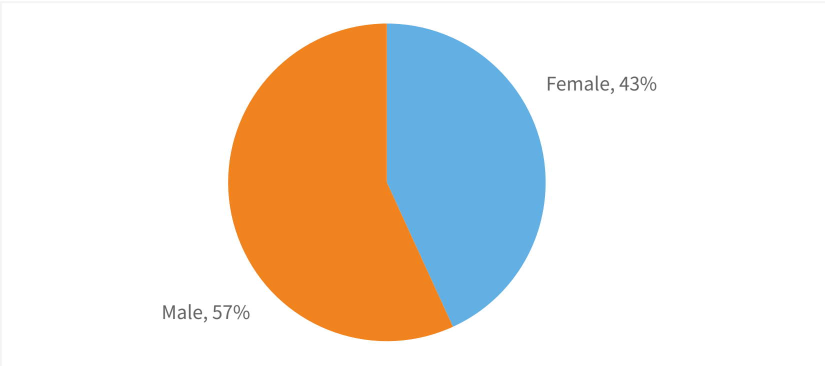


Figure 2-38 Distribution of inbound tourists by gender [Data source: Ctrip]

(2) Age

Most of the inbound tourists are young and middle-aged. Tourists aged 25-34 account for the largest share of 27%, those aged 35-44 account for 22% and the 45-54 age group accounts for 19% (Figure 2-39). These three age groups represent 68% of all inbound tourists. Tourists under 18 years old account for 5% of the total, the 18-24 age group accounts for 10%, the elder group (55-64 years) accounts for 12% and tourists over 65 years old account for 5%.

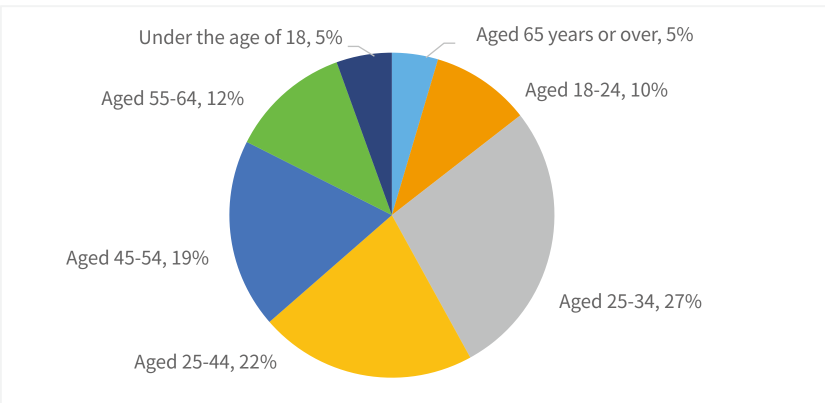


Figure 2-39 Distribution of inbound tourists by age [Data source: Ctrip]

(3) Length of stay

Trip.com's round-trip ticket booking data shows that 80% of the inbound tourists have stayed in China for an average of 9.2 days. The top 10 cities by length of stay are Guangzhou, Beijing, Nanjing, Fuzhou, Shanghai, Chengdu, Qingdao, Hangzhou, Shenzhen and Xiamen, all of which are international tourist cities or cities with advanced merchandise trade (Figure 2-40).

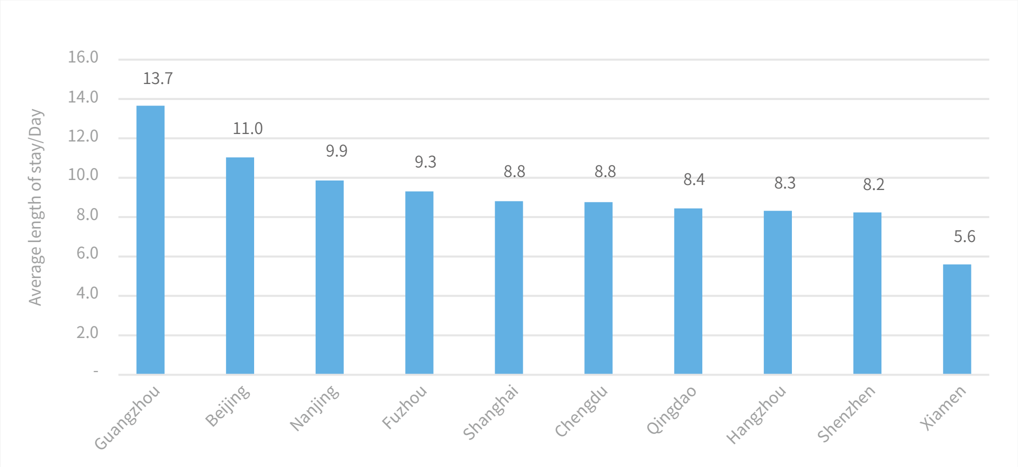


Figure 2-40 Average length of stay in the top 10 cities [Data source: Ctrip]

(4) Booking preference

In terms of time of booking, 80% of the air tickets are booked within 36 days, 80% of the hotels are booked within 14 days and 80% of the recreation products are booked within 11 days. The fact that tourists make advance booking for the three main types of inbound tourism products, i.e. transport, accommodation and recreation, shows the caution of inbound tourists about the tourism products.

In terms of choice of hotels (Figure 2-41), four-star and above hotels are most favored by inbound tourists, accounting for 55% of the total, i.e. 30% for four-star hotels and 25% for five-star hotels. On the other hand, two-star hotels account for 13%, three-star hotels account for 20% and other types of hotels account for 12%. This shows that inbound tourists have a higher requirements for hotel products.

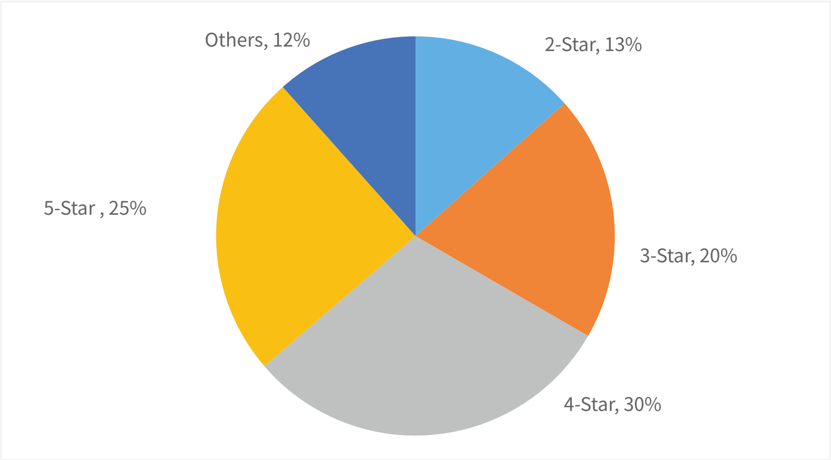


Figure 2-41 Inbound tourists' hotel choices [Data source: Ctrip]

(5) Tourist consumption

According to Trip.com's purchase data, on average, every inbound tourist spends RMB1,119 per flight segment on air tickets, RMB509 per night for hotels and RMB225 per ticket for recreation products.

IV. Airline data

The analysis in this section is based on the 2015-2019 statistics of Official Aviation Guide (OAG) on air passenger flows, with data sourced from the Marketing Information Data Tapes (MIDT) of the Global Distribution System (GDS) , i.e. ticket booking data.

1. Inbound tourist arrivals in the 20 aviation hubs (ports of entry) cities are on an upward trajectory

The inbound tourist arrivals in the 20 aviation hub (port of entry) cities were generally on an upward trajectory during 2015-2019 (Figure 2-42), but with visible disparities between cities. Beijing, Shanghai and Guangzhou have been on top for five consecutive years.

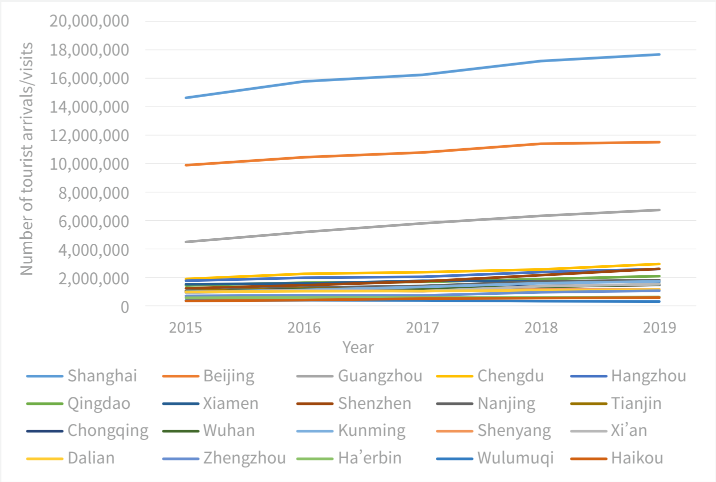


Figure 2-42 Changes of inbound tourist arrivals in the 20 aviation hub (port of entry) cities, 2015-2019
[Data source: OAG]

Due to the large volume of available data, Beijing, Shanghai, Guangzhou will be analyzed separately from the other 17 cities:

(1) Shanghai, Beijing and Guangzhou: the three major aviation hub (port of entry) cities

During 2015-2019, Shanghai was the aviation hub (port of entry) city with the highest number of inbound tourist arrivals, followed by Beijing and Guangzhou. All three cities received more inbound tourists year by year (Figure 2-43), but with a declining growth rate (Figure 2-44). The growth rate of Shanghai was consistently higher than that of Beijing and Guangzhou.

Figure 2-43 Inbound tourist arrivals in Shanghai, Beijing and Guangzhou, 2015-2019 [Data source: OAG]

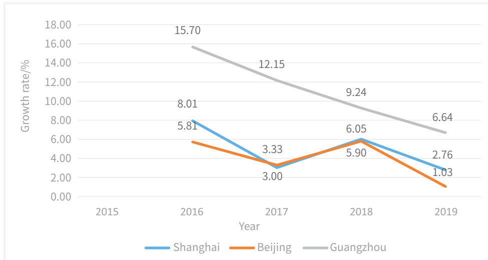


Figure 2-44 Growth rate of inbound tourists in Shanghai, Beijing and Guangzhou, 2015-2019 [Data source: OAG]

(2) The remaining 17 cities: Chengdu received the highest number of inbound tourists, while Shenzhen had the highest growth rate

In Chengdu, Hangzhou, Qingdao, Shenzhen, Nanjing, Wuhan, Dalian and Haikou, the number of inbound tourists went up year by year; In Tianjin, Chongqing, Shenyang, Kunming, Xi'an, Zhengzhou and Harbin, the number dropped during 2015-2017 but picked up again during 2017-2019, and on the whole displayed an upward trend; in Xiamen, the number increased year by year during 2015-2018 but dropped in 2019; and in Urumqi, the number went down year by year (Figure 2-45).

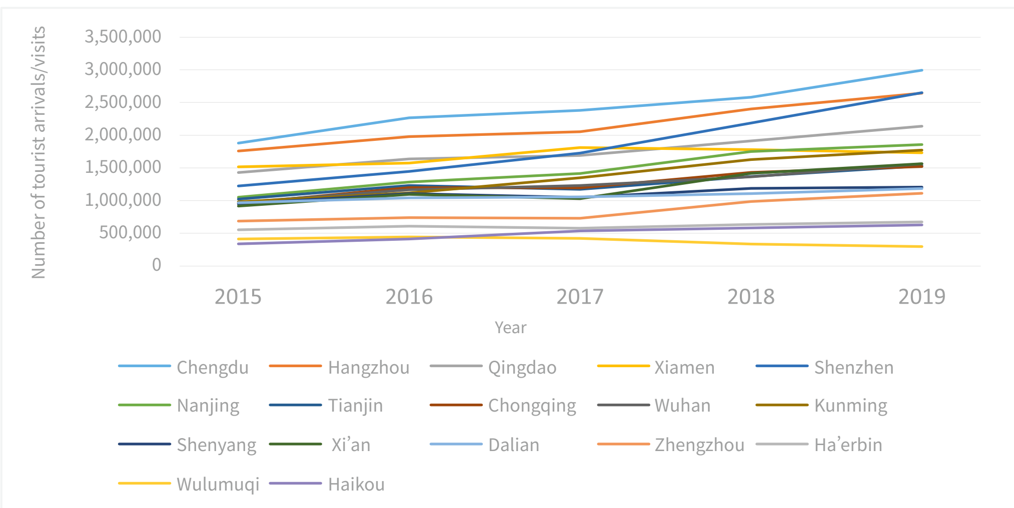


Figure 2-45 Number of inbound tourist arrivals in 17 aviation hub (port of cities) cities (excluding Beijing, Shanghai and Guangzhou), 2015-2019 [Data source: OAG]

2. Non-hub port of entry cities: on the whole in an upward trajectory, but with flattening curve

The top five non-hub port of entry cities in terms of inbound tourists, i.e. Fuzhou, Changsha, Nanning, Wenzhou and Ningbo, were taken as the subject of analysis (Figure 2-46).

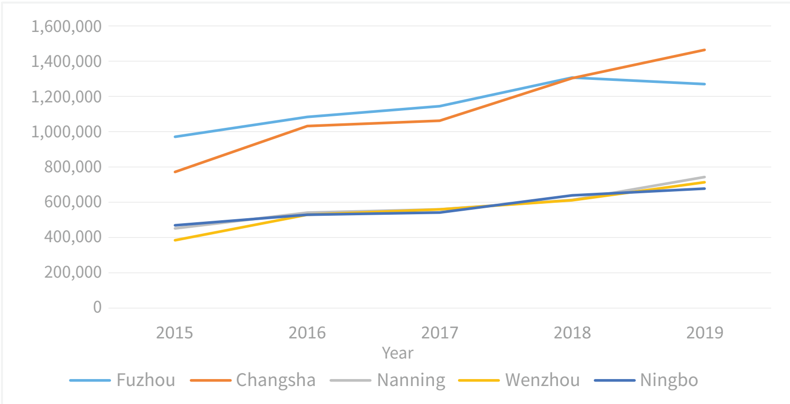


Figure 2-46 Inbound tourists' arrivals in the top five non-international port cities, 2015-2019 [Data source: OAG]

From 2015 to 2019, inbound tourist arrivals in Fuzhou, Changsha, Nanning and Wenzhou went up year by year, and Ningbo experienced negative growth in 2019. In Changsha, Wenzhou, Nanning and Ningbo, the number went up year by year; in Fuzhou, the number increased in 2015-2018 but decreased in 2018-2019. The growth rate of inbound tourists in Nanning and Wenzhou declined in 2015-2017 and picked up in 2017-2019; the growth rate of inbound tourists in Fuzhou, Changsha and Ningbo went through frequent fluctuations in 2017-2019 (Figure 2-47).

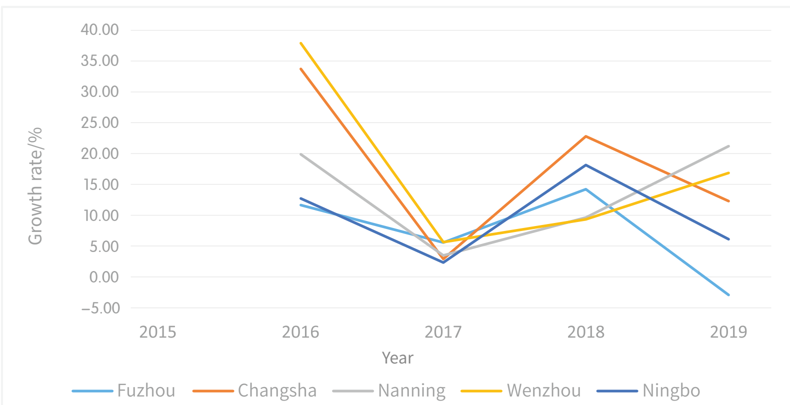


Figure 2-47 Growth rate of inbound tourists in the top five non-international port cities, 2015-2019 [Data source: OAG]

3. Analysis of source markets: the ROK and Japan ranked high on the table; Thailand started late but quickly moved to the front

According to airline data, the ROK topped the inbound source markets in both 2015 and 2016, while Thailand completed the overtake in 2017, recording the highest number of air arrivals in the year. During 2015-2019, Thailand, the ROK, Japan, Taiwan of China, Hong Kong of China, the US, Singapore and Malaysia consistently ranked in the Top 8. Among them, the positions of Hong Kong of China, the US, Singapore and Malaysia remained unchanged and by and large stable (Table 2-7).

Table 2-7 Top 10 source markets of inbound tourists, 2015-2019 [Data source: OAG]

Ranking	2015	2016	2017	2018	2019
1	ROK	ROK	Thailand	Thailand	Thailand
2	Taiwan, China	Japan	Japan	ROK	Japan
3	Japan	Thailand	ROK	Japan	ROK
4	Thailand	Taiwan, China	Taiwan, China	Taiwan, China	Taiwan, China
5	Hong Kong, China	Hong Kong, China	Hong Kong, China	Hong Kong, China	Hong Kong, China
6	US	US	US	US	US
7	Singapore	Singapore	Singapore	Singapore	Singapore
8	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia
9	Australia	Australia	Vietnam	Vietnam	Vietnam
10	Macao, China	Vietnam	Australia	Indonesia	Cambodia

Among the countries (regions) that consistently stayed in the Top 8 (Figure 2-48), the ROK experienced major fluctuations and went into a declining trend; inbound tourists from Taiwan and Hong Kong Regions declined year by year, but at a modest rate; tourists from Japan, Thailand, the US, Singapore and Malaysia increased year by year; and growth was particularly strong for inbound tourists from Thailand.

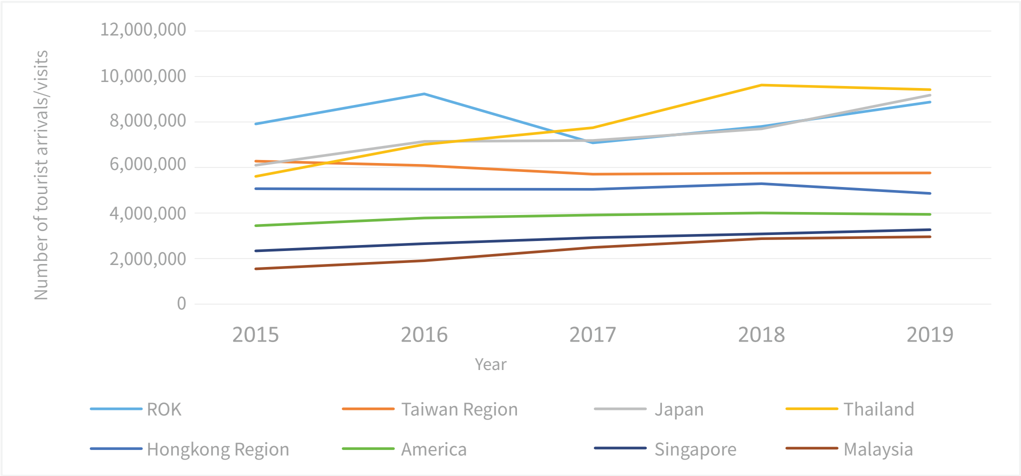


Figure2-48 Top 8 source markets of inbound tourists, 2015-2019 [Data source: OAG]

V. Data of telecom operators

The analysis in this section is based on data provided by China Unicom for the period from November 2018 to May 2021, with a different timeframe from other sections.

1. Distribution of regions receiving inbound visitors

Based on the data of China Unicom, the top ten provinces and municipalities by the number of inbound tourists received were Guangdong, Jiangsu, Shanghai, Yunnan, Henan, Shandong, Zhejiang, Beijing, Fujian and Tianjin (Figure 2-49). The list is somewhat different from the 2015-2019 rankings released by the National Bureau of Statistics, with Jiangsu, Henan and Tianjin replacing Guangxi, Shaanxi and Hubei in the top ten. The main reasons for the change may include the following: 1) different statistical scope of the data; 2) inconsistency in the timeframe of the statistics, with the number of inbound tourist arrivals in 2020 affected by the pandemic.

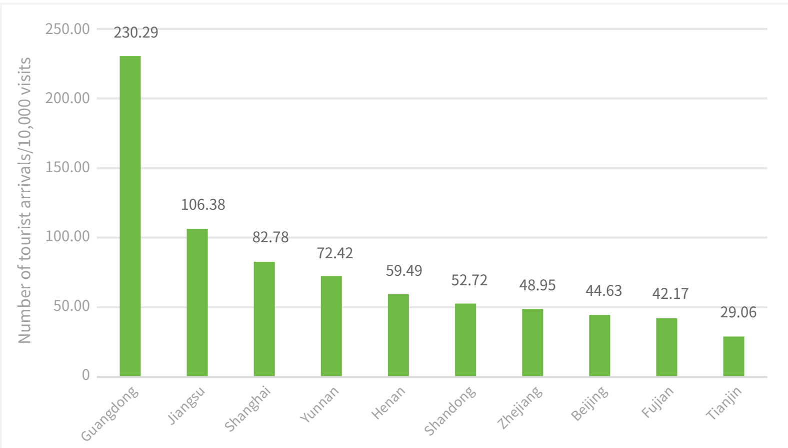


Figure 2-49 Total number of inbound tourists received by various provinces and municipalities, November 2018-May 2021 [Data source: China Unicom

Among the inbound tourists from Hong Kong, Macao and Taiwan Regions, Hong Kong had a higher number of visitors, accounting for about 72% of the total. Macao accounted for 15% and Taiwan 13% (Figure 2-50). During the data period, visitors from Hong Kong, Macao and Taiwan Regions accounted for 14.23% of all inbound tourists.

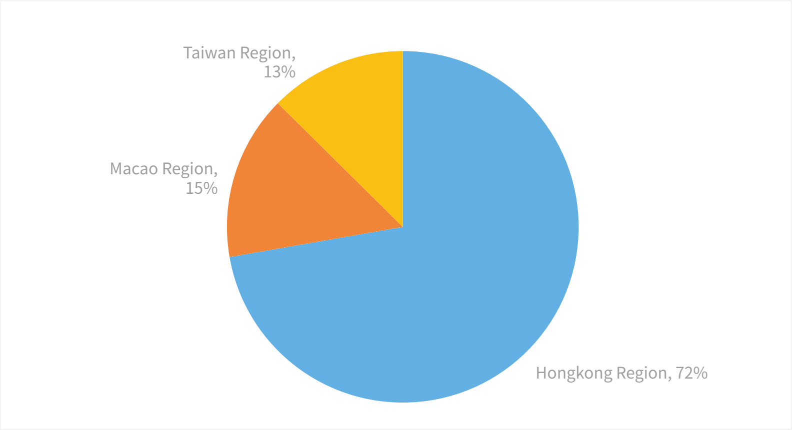


Figure 2-50 Inbound tourists from Hong Kong, Macao and Taiwan Regions [Data source: China Unicom]

2. Travel radius of tourists

During the statistical period, the average travel radius of tourists in China was 120.64 kilometers. Among the top ten provinces and municipalities, the average radius of tourist trips was 100.71 km. Tourists in Beijing and Yunnan had a larger travel radius than in other provinces and cities, but mostly took part in short- and medium-distance trips and tours of surrounding destinations (Figure 2-51).

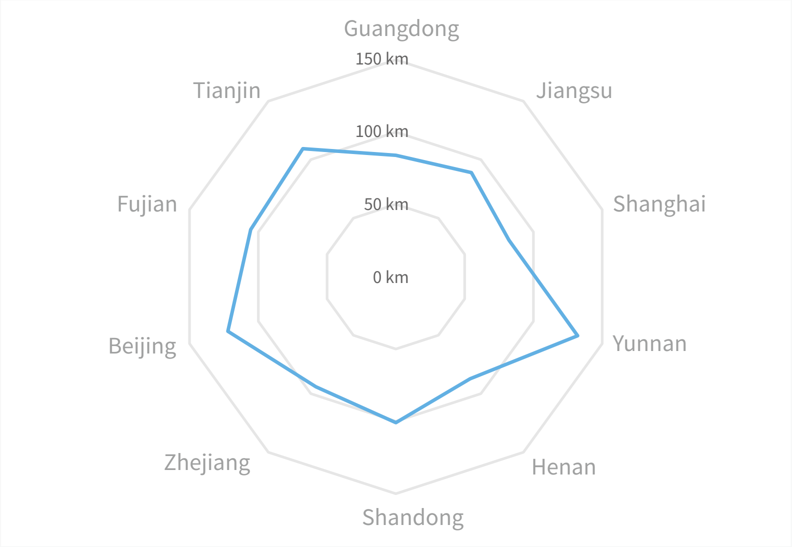


Figure 2-51 Average travel radius of tourists by city [Data source: China Unicom]

Nationwide, there were 11 cities where tourists had a travel radius of more than 300 km (Table 2-8). The reasons for this may include the following: 1) the land area of the cities and provinces. The cities with a travel radius greater than 300 km often have vast land, which are most typical in northwest China; 2) due to the pandemic, tourists are more inclined to choose long-haul destinations and expand their travel radius in these cities once they have the opportunity to travel.

Table 2-8 Cities with a travel radius greater than 300km [Data source: China Unicom]

Province	City	Radius /km
Chongqing Municipality	Chongqing Municipality	320.540
Inner Mongolia Autonomous Region	Hulunbuir City	442.410
Inner Mongolia Autonomous Region	Xilin Gol League	423.060
Hainan Province	Sansha City	421.115
Tibet Autonomous Region	Shigatse City	384.825
Tibet Autonomous Region	Naqu City	376.735
Tibet Autonomous Region	Ngari prefecture	393.205
Qinghai Province	Yushu Tibetan Autonomous Prefecture	312.010
Qinghai Province	Haixi Mongolian and Tibetan Autonomous Prefecture	518.030
Xinjiang Uygur Autonomous Region	Bayingolin Mongol Autonomous Prefecture	459.600
Xinjiang Uygur Autonomous Region	Hotan Prefecture	327.960

3. Length of stay of tourists

On average, inbound tourists stayed in China for 3.58 days (Figure 2-52). Among them, the average length of stay in Qinghai, Jiangsu, Shandong, Guizhou, Jilin, Gansu, Liaoning , Jiangxi and Tianjin was over 4 days.

The average length of stay in Tianjin was even up to 6.12 days. According to analysis, the reasons for this impressive result may include the following: 1) as a port city, Tianjin has frequent trade and commerce activities, and visitors stay for both leisure and business; 2) starting from 2019, Tianjin has held a number of large-scale international exhibitions and forums, including the 2019 China-Tianjin Investment and Trade Fair & PECC Expo, the 3rd World Intelligence Congress, the Conference on Overseas Chinese Pioneering and Developing in Tianjin China 2019, China Mining

Conference and Exhibition 2019, and the 5th China Helicopter Exposition; 3) as part of the COVID containment measures, starting from the end of March 2020, many inbound international flights have been diverted to Tianjin for managed isolation and observation.

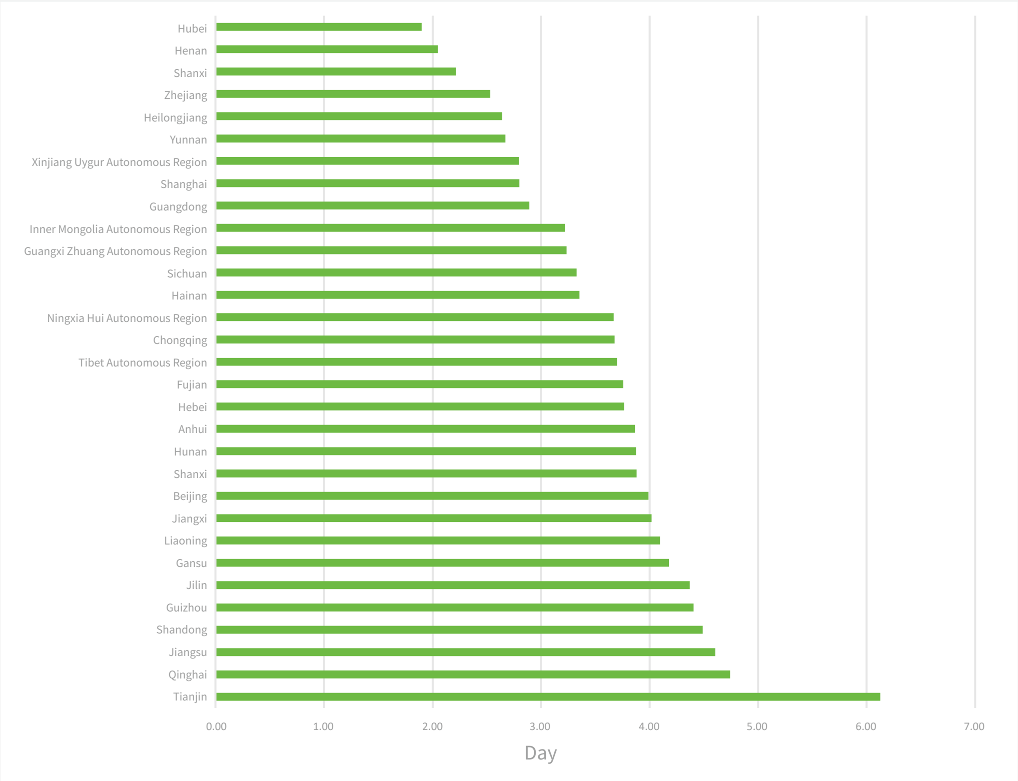


Figure 2-52 Average length of stay of tourists in different provinces and municipalities
[Data source: China Unicom]

On the other hand, Hubei and Henan, which were most seriously affected by the pandemic, had the shortest length of stay by inbound tourists, only 1.9 days in Hubei and 2.05 days in Henan.

VI. Consumption data

The analysis in this section is based on the 2017-2019 consumption data of inbound tourists provided by China UnionPay, with a different timeframe from other sections.

1. Analysis of card holding and payment options of inbound visitors

As of now, China UnionPay has issued more than 154 million UnionPay cards in 69 overseas countries and regions, covering all major sources of inbound tourists including Hong Kong of China, Macao of China, Japan, the ROK and Southeast Asia. Inbound visitors can use UnionPay cards to make purchase and withdraw cash in China. The UnionPay network now covers more than 23 million merchants and 1.2 million ATM terminals in China, which can well satisfy the payment needs of inbound tourists. In recent years, adapting to the trend of self-guided and experience-based tours, UnionPay has established partnership with well-known international airlines, OTAs, hotels and other major merchants. The three major Chinese airlines, Ctrip and Trip.com, Marriott Hotels Group, ClubMed and other merchants have all accepted UnionPay cards for online and offline payment.

2. Analysis of consumption by inbound visitors

According to data before the pandemic (2017-2019), UnionPay cardholders in Hong Kong and Macao Regions, the ROK, Singapore and Japan ranked among the highest in terms of UnionPay transactions in China (Figure 2-53).

Guangdong, Shanghai, Beijing, Zhejiang and Jiangsu are popular regions for the consumption of inbound tourists. Department stores, hotels, restaurants and supermarkets are the most common places for inbound tourists to spend. In recent years, tourists have paid more attention to travel experience, and increased their spending on entertainment and tickets.

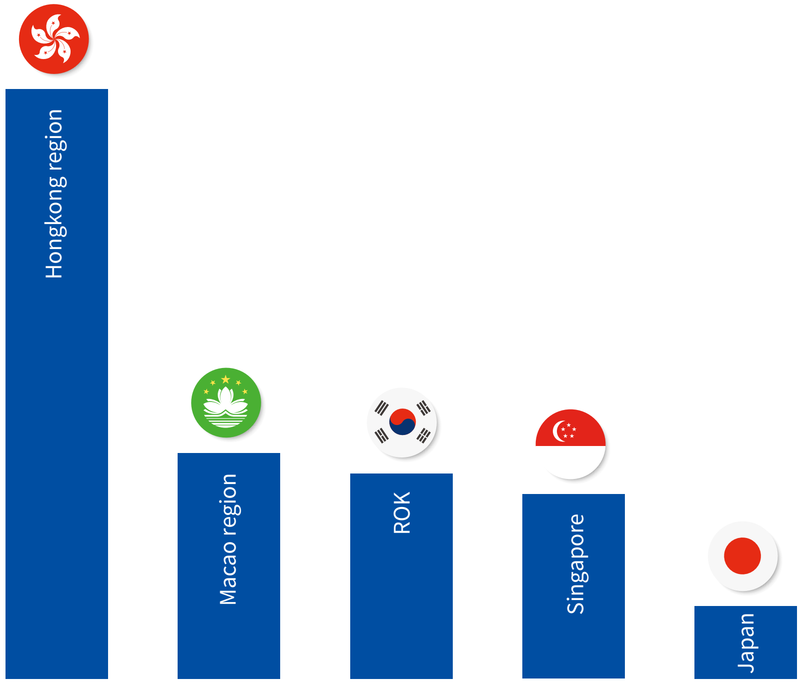


Figure 2-53 Rankings of the source markets of inbound tourists by UnionPay transactions
[Data source: China UnionPay]

3. Analysis of regional distribution of transactions

With the further integration of the Guangdong-Hong Kong-Macao Greater Bay Area, UnionPay cards issued in Hong Kong and Macao have been mainly used for spending in Guangdong. In addition to spending in Guangdong, Beijing and Shanghai, cardholders from the ROK are also active in Jiangsu and Shandong, which are close to their home country. In the case of Southeast Asia, Singaporean cardholders tend to spend more in Shanghai, Beijing and Zhejiang; and the transactions involving Lao cardholders have seen the fastest growth.

-Chapter III-
Analysis of the Current Status of Selected Tourist Source Markets

In order to keep track of the global tourism development and follow the tourism policies and dynamics of major source markets, the former China National Tourism Administration started setting up tourism offices in major source countries (regions) including the US, Japan, the ROK, France, Singapore, and Hong Kong in the 1980s. In 2018, the Chinese Ministry of Culture and Tourism was formed by merging the functions of the former Ministry of Culture and the former National Tourism Administration. Overseas tourism offices and overseas Chinese cultural centers, which are platforms established by the Chinese government to promote the country overseas, have undertaken the mission of promoting Chinese tourism and Chinese culture. Carrying the functions of "introducing China to the world, facilitating cultural dialogue, promoting tourism industry and tourism, and providing teaching, training and information services", they have focused their efforts on promoting tourism products, fostering tourism image and cultivating tourism environment, and continued to serve as a bridge connecting China to the world.

The contents of this chapter are based on the information about the Chinese tourism markets in the relevant countries (regions), which have been compiled by the local Chinese tourism offices under the leadership of the Chinese cultural centers. Twenty major source countries have been selected in the order of geographical distance. The analysis, which focuses on the status of socio-economic development, special features of outbound tourism and the trend of tourist visits to China, opens a new window for understanding the Chinese tourism markets in these countries.

I. Russia

1. Overview of the outbound tourism market

The World Bank analysis shows that due to factors such as falling international oil prices, Russia's GDP rose by 1.8% in real terms in 2019. Unemployment rate was kept at a low level, but inflationary pressure was running high, and there was no increase in the residents' real income, which affected the development of the country's outbound tourism. According to the Russian Federal Agency for Tourism, as of the first half of 2019, the number of outbound Russian tourists totaled 19.891 million. The top 10 destination countries for outbound trips are listed in Table 3-1.

Table 3-1 Top10 destination countries for Russian outbound tourists
[Data source: Russian Federal Agency for Tourism] (Unit: 1,000 visits)

No.	Country	January-March, 2019	First half, 2019
1	Turkey	341	2,649
2	Abkhazia	803	1,852
3	Finland	731	1,644
4	Kazakhstan	528	1,371
5	Finland	484	1,077
6	Ukraine	380	1,057
7	Estonia	389	847
8	Thailand	494	654
9	Georgia	208	630
10	Germany	307	628

2. Overview of the Chinese tourism market in Russia

(1) Overall situation

According to the statistics of the Russian Federal Agency for Tourism, the number of Russian tourists to China totaled 1.077 million in the first half of 2019, an increase of 18% year-on-year (Table 3-2). Due to the economic situation, the number of Russian tourists coming to China was much lower compared to previous years. Despite a brief recovery after the 2008-2009 financial crisis, the Chinese tourism market in Russia had two significant falls in 2011 and in 2012-2015. Though slowly climbing up after 2016, the market never managed to move beyond its historical peak of 3.1 million+ record in 2008.

Table 3-2 Statistics on Russian tourists to China, 2014 - H1 2019
[Data source: Russian Federal Agency for Tourism]

	2014	2015	2016	2017	H1 2018	H1 2019	Growth rate/%
Number of tourists/ visits	1,730,618	1,284,324	1,676,214	2,003,000	908,000	1,077,000	18

(2) Visa-free group travels to China

From January to September 2019, the number of Russian tourists coming to China through the visa-free channel totaled 288,841, an increase of 11% year-on-year (Table 3-3). Russian visitors to China mainly came from Primorsky Krai, Transbaikalsky Krai, Khabarovsk Krai, Amur Region, Novosibirsk Region, Moscow, and Irkutsk Region (Table 3-3, Table 3-4).

Table 3-3 Statistics of visa-free tourists from Russia to China
[Data source: Russian Federal Agency for Tourism]

Region	Visa-free tourists		
	anuary-September 2018	January-September 2019	Year-on-year/%
Moscow	2,608	1,886	-28
St. Petersburg	-	-	-
Sverdlovsk Oblast	225	176	-2
Chelyabinsk Oblast	-	-	-
Omskaya Oblast	107	-	-100
Novosibirsk Region	2,960	2,156	-27
Krasnoyarskiy Krai	411	382	-7
Irkutsk Region	692	1,555	+24
Republic of Buryatia	-	-	-
Transbaikalsky Krai	93,068	46,507	-50
Amur Region	13,880	14,192	+2
Jewish Autonomous Oblast	1,244	1,276	+2

Khabarovsk Krai	34,997	27,165	-23
Primorsky Krai	108,687	193,437	+78
The Sakha (Yakutia) Republic	311	-	-100
Sakhalin Oblast	147	109	-26
Kamchatskaya Krai	-	-	-
Total	**259,337**	**288,841**	**+11**

Table 3-4 Statistics of visa-free tourists from Russia's border regions to China [Data source: Russian Federal Agency for Tourism]

Region	Visa-free tourists		
	January-September2018	January-September2019	Year-on-year/%
Transbaikalsky Krai	93,068	46,507	-50
Amur Region	13,880	14,192	+2
Jewish Autonomous Oblast	1,244	1,276	+2
Khabarovsk Krai	34,997	27,165	-23
Primorsky Krai	108,687	193,437	+78
Total	**251,876**	**282,577**	**+12**

As can be seen from the statistics, Russian tourists visiting China through the visa-free channel are mainly from the border regions of Primorsky Krai, Transbaikalsky Krai, Khabarovsk Krai and Amur Region, but not many from economically developed and densely populated western regions, which shows a clear regional imbalance in the source of tourists. Geographic proximity, convenient transportation and frequent tourism and trade activities are the main reasons for the concentration of visa-free groups in the border regions. The number of visa-free tourist groups from the Moscow region to China fell by 28%, yet the proportion of self-guided tours steadily went up.

3. Interest and obstacles of travel to China

(1) Preference for travel products

① For climatic reasons, Russian tourists tend to choose seaside resorts as their main tourist destinations. When choosing tourism products, the most important factors for decision-making are tourism resources and product prices, such as the availability of seashores, beaches, mountains, etc. Currently, seven Russian cities have direct flights to Hainan, including Moscow, St Petersburg, Samara, Krasnodar, Perm, Yuzhno-Sakhalinsk and Rostov-on-Don. Russian tourists have high expectations of services. They expect correct and extensive information from their tour guides and rely on Russian-speaking tour guide services.

② Young people like tours on Chinese history and culture, middle-aged people like family-based leisure and cultural tours, and older people prefer cultural and medical tourism.

(2) Key factors discouraging tourists from coming to China

① Price.

On average, Russian residents have a modest personal income. Due to cost factors, compared to other popular destinations for Russian tourists such as Turkey and Thailand, tourism products in China are more expensive, thus limiting the growth of the Chinese tourism market in these countries. The residents of Russia's European part like to visit nearby destinations in Europe, Central Asia and West Asia.

② Flight route.

In recent years, as the passion for tourism exchange continues to rise, new international direct flights have been added between China and Russia. However, due to insufficient promotion and lack of effective communication between airlines and the tourism industry, travel agencies are not fully aware of the opening of new routes. Hainan Province is the most popular resort for Russian tourists. According to Russian travel agencies, Russian tourists are no longer content with direct flights to Beijing, Shanghai and other places. In addition, as chartered flights are often canceled and altered, the opening of regular direct flights between Russian cities and Hainan is all the more important.

③ Visa.

Since 2012, China and Russia have introduced the policy of mutual visa exemption for group tourists. Currently, China provides 144-hour visa-free transit for foreigners from 53 countries, including Russia. However, the problem of information asymmetry has affected its actual implementation. Some Russian operators of Chinese tourism itineraries do not have adequate knowledge about the visa policy and have doubts about the border inspection of visa exemption procedures for group tourists in Chinese cities that have just opened direct flights with Russia. In the meantime, the border control departments of some port of entry cities in China do not know about the visa-free policy for tourist groups, which causes the problems of prolonged clearance and cumbersome procedures for Russian group tourists entering China.

④ Tourism services.

In recent years, Russian tourists have moved their eyes from traditional resorts to emerging tourist destinations such as Sichuan, Yunnan, Gansu, Guangxi and Hunan, raising new requirements on the infrastructure development of tourist destinations, civility of local residents, quality of tourist services, interpretation performance of tour guides and training of foreign language professionals. Factors including cumbersome procedures for certifying international driving licenses and renting cars also have an impact on the travel decisions of Russian tourists, as well as the repurchase of Chinese tourism products.

4. Suggestions for promoting tourist visits to China

(1) Continue to make efforts in visa procedures, shopping tax refund, convenient application of certificates and licenses and cultivation of versatile professionals to create a more enabling policy environment for inbound tourism

(2) Actively explore innovative content and forms of overseas marketing and promotion

① In conducting promotion activities, it is important to strengthen communication with local tourism enterprises, airlines and other tourism businesses, and in the meantime present road shows and other forms of promotion to the public, expand the promotion of tourist travel to China, and organize advertising campaigns and photo exhibitions that are directly visible to the eyes in public gathering places like parks and central squares to reinforce the public's impression about tourism in China.

② The main source of tourism information for young and middle-aged people is the Internet and social media. To harness the power of online information dissemination, websites and new media should become an important venue for publicity and promotion.

(3) Make greater efforts on the development of inbound tourism products

Considering the distinctive conditions of the Russian market, tourism products suitable for consumers with different spending capacity could be developed. In addition to the traditional tourism products of seaside resorts, more efforts could be made on the promotion of World Heritage tours, cruise on the Three Gorges of Yangtze River, tours on theme of minority customs, trekking and mountaineering, museum tours, study tours, high-speed rail tours and other special tourism products.

(4) "Go out" but also "invite in"

Visits to China could be arranged for people in the travel and media industries to give them an opportunity to see China from a different perspective and get a deeper understanding of China's fine traditional culture and rich tourism resources.

(5) Forestall low-fare tours from the source and optimize the inbound tourism reception environment

"Free and incentive tours" result in the failure of market price signals, and in the long run, disrupt the brand image of the destination, and undermine the long-term interests of the healthy and sustainable development of the inbound tourism market.

II. Republic of Korea

1. Overview of the Chinese tourism market in the ROK

Since the establishment of diplomatic relations in 1992, tourism exchanges and cooperation between China and the ROK have strengthened, and the number of mutual tourist visits has been growing rapidly. As a result, the two countries have become each other's major tourism source market and tourist destination. In 2005, only 13 years after the establishment of diplomatic relations, the number of ROK visitors to China exceeded 3.5 million, making it the largest source country of foreign visitors for China. In 2015 and 2016, the number of ROK visitors to China reached 4.4 million and 4.78 million, representing a year-on-year increase of 6.3% and 7.2% respectively. Due to the THAAD incident and other factors, the number of ROK tourists dropped to 3.863 million in 2017, down by 19.1% year-on-year; and in 2018, 4.19 million ROK tourists came to China, up by 8.7% year-on-year (Table 3-5). From the beginning of 2020 to the present, the number of ROK visitors to China has dropped significantly due to the COVID-19 pandemic.

Table 3-5 Statistics of ROK tourists coming to China
[Data source: overseas Chinese tourism offices]

Period	Number of tourists/visits	Year-on-year growth/%
2015	4,400,000	6.3
2016	4,775,300	7.2
2017	3,863,800	-19.1
2018	4,193,500	8.7
January to June, 2019	2,802,486	29.1

2. Basic features of the ROK's outbound tourism

In recent years, the ROK has maintained relatively stable economic growth, with per capita GDP exceeding US$30,000, and the public is also paying closer attention to the importance of leisure, which has generated demand for the growth of outbound tourism. According to the Gallup statistics, the outbound travel of Korean nationals has the following three basic features.

① Growing preference for self-guided tours. Among the ROK's outbound travelers, 40.4% are self-guided travelers, 37.5% are group tourists, and 12.5% are semi self-guided travelers. In the 20-29 age group, 51.3% of the males and 65.3% of the females choose to travel on their own, which shows that self-guided tours is now the mainstream of outbound tourism in the ROK.

② Strong leisure demand. Among the ROK's outbound travelers, 80.8% choose "leisure/recreation/relaxation" as their main purpose, and the proportion of young people aged 20-30 taking leisure as their motive for tourism is as high as 82%-87%, which shows that leisure is the main purpose of tourism for ROK tourists.

③ Visible role for the Internet. According to relevant statistics, the most important channel for ROK tourists to obtain overseas travel information is online communities and blogs, accounting for 68.7%, followed by the websites of travel agencies, accounting for 40.8%, and friends and relatives, accounting for 40.7%.

III. Japan

Japan is the third largest economy in the world and a major tourist source country for China. Since 2012, due to the tension between the two countries, stagnation of the Japanese economy and other negative factors, the number of Japanese tourists visiting China has stayed at a low level for a long time, which is in stark contrast to the exponential growth in the number of Chinese tourists visiting Japan.

Chinese Premier Li Keqiang's visit to Japan in 2018 restarted the high-level exchanges between China and Japan. In June 2019, President Xi Jinping went to Osaka to attend the G20 Summit and reached a ten-point agreement with Japanese Prime Minister Shinzo Abe on the further development of China-Japan relations and people-to-people exchanges. Starting from the second half of 2019, the number of Japanese tourists visiting China picked up rapidly. According to the latest NHK statistics, China once again became the most favored destination for outbound Japanese tourists during the 2019-2020 New Year holidays after an eight-year gap.

1. Overview of outbound tourism

Japan went on a fast-track of economic growth after World War II, and the outbound tourism market also expanded as a result. In 1987, Japan's GDP surpassed that of the Soviet Union and became the second largest economy, only next to the US. The number of Japanese outbound travelers exceeded 15 million for the first time in 1995 (Figure 3-1), and then entered a period of steady growth, with fluctuations roughly in sync with the change in GDP. In 2003, due to the Iraq war and SARS, the number of outbound tourists plummeted to 13.3 million, but quickly recovered and crossed the 18 million mark in 2012. After 2012, due to the farce over the illegal purchase of the Diaoyu Islands by the Japanese government and the impact of economic stagnation, the number of outbound travelers had dropped for four consecutive years. In recent years, with the rebound of the Japanese economy, the number of outbound travelers has increased for three consecutive years, reaching a record high of 20 million in 2019.

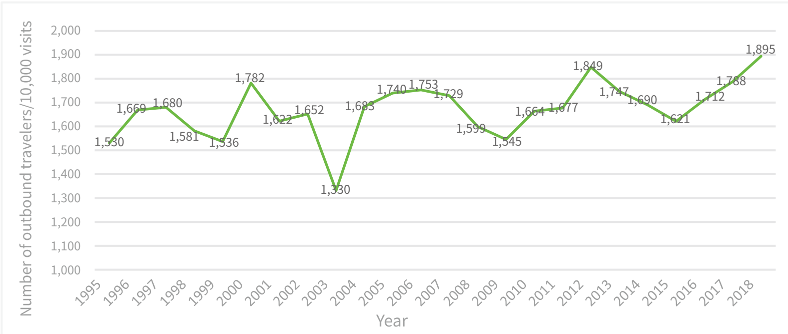


Figure 3-1 Number of outbound trips of Japanese tourists, 1995-2018
[Data source: overseas Chinese tourism offices]

2. Analysis of the Chinese tourism market in Japan

(1) China-Japan relations have a strong impact on tourist visits to China

Tourism exchanges between the two countries are deeply affected by bilateral relations. As shown by the number of Japanese tourists visiting China from 2000 to 2018 (Figure 3-2), the 2000-2007 period saw the fastest growth in the number of Japanese tourists, with significant increase through the period except for the drop in 2003 caused by SARS. In 2012, the farce over the illegal purchase of the Diaoyu Islands had a disastrous impact on China-Japan relations and people-to-people exchanges between the two countries, and the number of Japanese tourists to China dropped by nearly 30% in the subsequent three years till the end of 2015. In recent years, with the improvement of bilateral relations, the number of Japanese tourists to China has picked up again.

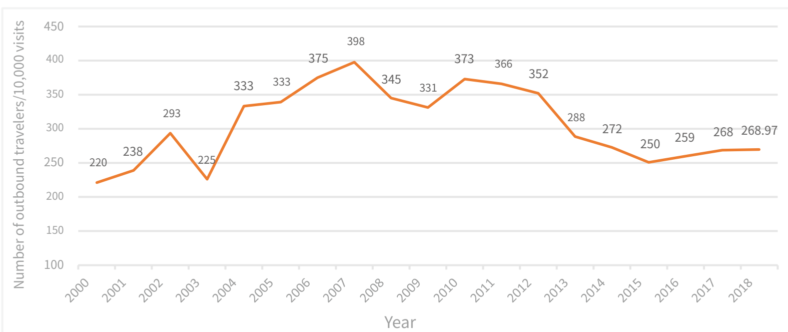


Figure 3-2 Number of Japanese tourists to China, 2000-2018 [Data source: overseas Chinese tourism offices]

Chapter III

(2) Zero-sum dynamic of the Chinese and Japanese tourism markets

There is a visible zero-sum dynamic in the Chinese and Japanese tourism markets, i.e., the explosive growth of the Japanese tourism market in China naturally hinders the development of the Chinese tourism market in Japan. As can be seen from the number of mutual tourist visits between China and Japan during the 2003-2018 period (Figure 3-3), the number of Japanese tourist visits to China has been on the whole stable, staying roughly above 2 million at all times; while the number of Chinese tourist visits to Japan went on an exponential growth starting from 2014, surpassing the number of Japanese visitors to China for the first time in 2015, and reached 8.38 million in 2018, more than three times the number of Japanese visitors to China that year. Driven by improving bilateral relations, the number of Chinese tourist visits to Japan hit a new record of 9.59 million in 2019.

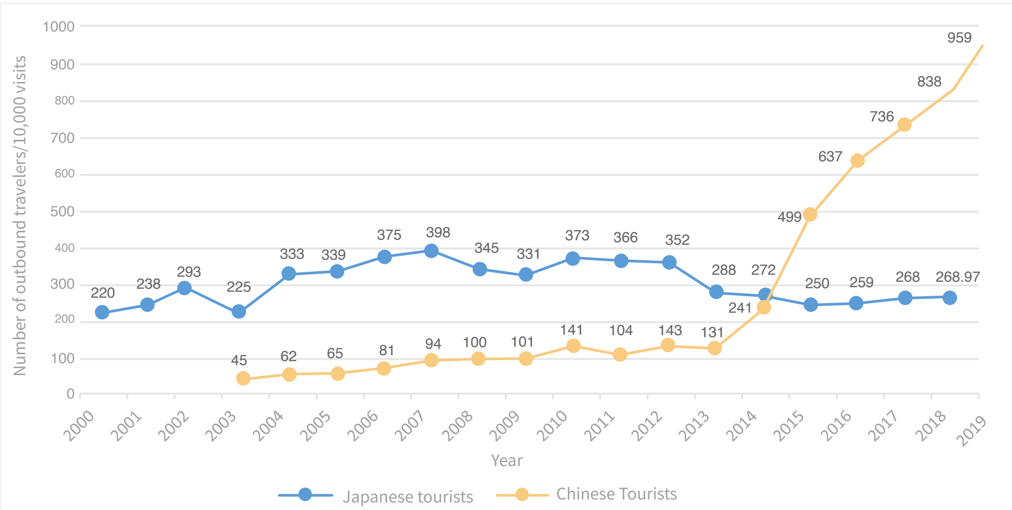


Figure 3-3 Number of mutual visits between China and Japan, 2003-2018
[Data source: overseas Chinese tourism offices]

Considering that the average spending of Chinese tourists in Japan is much higher than that of Japanese tourists in China, out of market interests, tourism enterprises of the two countries have both put more emphasis on the Chinese tourists visiting Japan and readjusted the structure of air tickets for tourists from the two countries. For example, All Nippon Airways (ANA) has adjusted the ratio of air tickets sold in China and Japan from 3:7 to 7:3, resulting in a short supply of tickets in Japan. Such a situation has dampened the confidence and incentive of Japanese outbound travel agencies in organizing tour groups, and caused an adverse impact on the Chinese tourism market in Japan.

(3) Price advantage of budget airlines

In recent years, the China-Japan air route has entered a period of rapid expansion due to the explosive growth of Chinese tourists visiting Japan. By the end of 2019, the number of flights between China and Japan had reached 1,500 per week, making it the busiest international route in the world. The contribution made by low-cost carriers (LCC), such as Spring Airlines, Juneyao Air and Peach Aviation, cannot be underestimated. Taking advantage of the low-cost airports in small and medium-sized Chinese and Japanese cities, these LCCs have explored market opportunities for outbound tourism in third and fourth-tier cities, generating sustained driving force for the development of tourism markets in both China and Japan.

The price factor is particularly important for the Chinese tourism market in Japan. Due to prolonged economic downturn, Japanese tourists are very sensitive to the price of outbound travel. According to the survey of JTB Tourism Research & Consulting, the largest tourism company in Japan, the No.1 factor considered by tourists when choosing tourism products is "because it is the cheapest". As more and more LCCs start to operate on the China-Japan air route, the cost of air travel keeps going down. Before the pandemic, the price of round-trip air ticket for the China-Japan route had dropped below 1,500 yuan during off-season, which was even lower than the ticket for domestic routes, attracting a large number of price-sensitive tourists from small and medium-sized Japanese cities to China.

(4) Distance advantage of the outbound travel of Japanese tourists

According to the survey of JTB Tourism Research & Consulting, in the past two years, the proportion of Japanese tourists traveling to China, the ROK, Southeast Asia and other short-haul destinations has increased, which shows the distance advantage of outbound travel. In particular, for young people who are not so economically well-off, neighboring countries and regions with lower prices are more appealing destinations for outbound trips.

In terms of the duration of the Chinese tourism products provided by Japanese travel agencies, three nights and four days or four nights and five days are the most popular. In terms of places, due to geographical advantages, Jiangsu, Zhejiang and Shanghai are the most favored destinations and subjects of tourism products. Meanwhile, with the implementation of the Belt and Road Initiative and the opening of direct flights to Japan from cities like Xi'an and Urumqi, tourism products on the theme of Silk Road are also quite popular in recent years. In terms of the channels for booking travel products, the top two are OTA (22%) and the official website of travel agencies (20.3%). Among them, 61.9% of the single-item bookings for hotels or air tickets have been made through OTAs; while 58.9% of the bookings for self-guided tours (air ticket + hotel) have been made in the physical stores of travel agencies.

Tourists in different age groups also have their own preferences for booking channels. Senior citizens over 60 years of age make about 30% of their bookings through the official website of travel agencies (male: 31.1%, female: 29.1%). Middle-aged tourists with more experience in self-guided tours tend to use OTAs more often (male: 28.6%, female: 29.6%).

On the whole, the share of OTAs in the Chinese tourism market in Japan has been increasing year by year, while the influence of traditional travel agencies is on the decline.

3. Suggestions for developing the Chinese tourism market in Japan

(1) Expand the airline market and replace zero-sum dynamic with win-win cooperation

In 2019, before the outbreak of the pandemic, the capacity of China-Japan air route was increased by about 28 flights per week, leading to a 30% drop in ticket price. The rapid growth of the number of Chinese tourists visiting Japan had a crowding-out effect on the number of seats available for Japanese tourists visiting China. If airlines can appropriately adjust the ratio of air ticket quotas, or open more direct flights to popular cities and routes, therefore making the travel more convenient and reducing the travel time, it will attract more Japanese tourists to China, turn the zero-sum dynamic in the tourism market into win-win cooperation, and ensure the balanced development of tourism exchanges between China and Japan.

(2) Improve product experience and strengthen the foundation of tourist services

Given the sluggish growth of the Chinese tourism market in Japan, and the boom of China's domestic tourism market, some major tourism cities, scenic spots, travel agencies in China are placing less importance on the international tourist market, and they have become less competent in receiving international tourists, especially Japanese tourists, compared to the past. At present, nearly 90% of China's domestic inbound travel agencies have closed their Japanese departments, and it is quite common for Japanese-speaking tour guides to quit or switch jobs, which has sacrificed service quality and also affected tourist experience.

(3) Understand the market demand and improve the effectiveness of promotion

First, China's tourism promotion toward Japan is mostly conducted by governments (provinces, autonomous regions and municipalities) and focused on culture and tourism resources, yet without any competitive theme or marketing, and no area of convergence for cooperation with Japan's tourism industry. Second, Japanese tourists pay a lot of attention to the details of their trips, i.e. safety, benefits and experience, while the promotion materials prepared by China are unproportionately focused on presenting the modern face of the country, but not so much on the interesting trivial of everyday life, and the effect of such promotion is limited. Our suggestion is to provide tourists with detailed "travel counseling", starting with self-guided tours, to help the promotion campaign achieve the desired results. Finally, the emphasis on traditional culture in tourism promotion works well for middle-aged and senior tourists that are interested in the Chinese culture; but the lack of content on pop culture makes it difficult to resonate with the new generations in Japan, and hardly appeals to the potential customers either. More could be done to make the character and power of a new China better known to the world.

IV. Thailand

1. Statistics of travel to China, 2013-2019

The number of Thai visitors to China is shown in Table 3-6.

Table 3-6 Number of Thai tourists to China, 2013-2019
[Data source: *Yearbook of China Tourism Statistics*]

Year	2013	2014	2015	2016	2017	2018	2019
Number of Thai tourists to China/10,000 visits	65.17	61.31	64.15	74.90	77.57	83.26	87.05

2. Demand for Chinese tourism products and services

The outbound tourists in Thailand are mostly in the age of 20-65. Most of them come from Bangkok, Chiang Mai and Phuket, and prefer products with a trip of four to six days. Products at the price range of 5,000-6,000 yuan are most popular. Thai tourists like exquisite handicrafts and spicy food, and are fond of posting photos on social media. Tour routes recommended by influencers have a big impact on the choice of young tourists. Due to the influence of religion, Thai tourists are more interested in famous Buddhist mountains and temples, and Beijing, Shanghai, Guangzhou, Chongqing, Chengdu, Kunming and Zhangjiajie are their popular destinations.

3. Senior tourists mostly travel in groups

Before the pandemic, according to Thai travel agencies, tourists in Thailand were in a wait-and-see attitude towards outbound travel and, because of the economic conditions, cautious about spending money. The Chinese tourism market in Thailand is relatively traditional, and senior tourists prefer to receive information and book travel products through the outlets of travel agencies, exhibition stands in travel shows, newspapers and magazines. Due to age and language barriers, most senior tourists come to China in groups, and only a few choose self-guided tours. The price strategy of traditional travel agencies has been influenced by OTAs, and outbound tour service providers remain active in major Thai cities.

4. Young tourists prefer self-guided tours

With the continuous advance of Internet technologies, young people in Thailand are increasingly inclined to travel on their own. They are used to buying travel products through websites, Expedia, Booking and Agoda being their favorite, and getting tourism information through social media like Facebook and LINE, and they look forward to receiving promotion materials in Thai from different channels; the means of payment in China, such as WeChat and Alipay, are not the same as in Thailand, which have some impact on the transportation, accommodation, shopping and other travel experience of young tourists. According to the statistics released by the Thai Ministry of Tourism and Sports, 209,000 Thai group tourists and 484,800 individual tourists visited China in 2019. The average length of stay of Thai tourist groups was 5.35 days with a per capita daily spending of 5,265.31 baht; the average length of stay of individual tourists was 6.76 days with a per capita daily spending of 4,521.7 baht. The data shows that the number of Thai citizens visiting China as individual tourists is significantly higher than those choosing group tours. They stay in China longer, but with lower per capita spending. More and more Thai tourists now prefer self-guided tours with more flexible destination choices, more flexible schedules and lower travel costs.

Figure 3-4 shows items and amount of spending by Thai tourists visiting China in 2019.

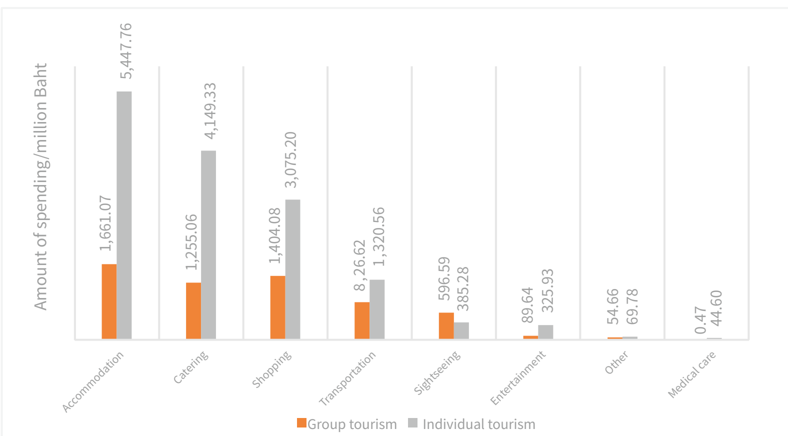


Figure 3-4 Items and amount of spending by Thai tourists visiting China in 2019
[Data source: Thai Ministry of Tourism and Sports]

5. Limited scale of travel agencies operating Chinese tourism products

The Thai Travel Agents Association is composed of outbound travel wholesalers, airline ticketing and travel agents, and has over 780 members. Among the members of the association, there are five wholesalers that deliver more than 10,000 tourists to China annually, including Go Holiday Tour, Public Holidays and Eastern Pearl, while the business scale of other tour operators is no more than 10,000 tourists.

6. Six factors affecting travel to China

According to the Thai travel industry, the main factors that keep Thai tourists from visiting China include: first, visa facilitation. Applying a Chinese visa through the visa center has grown more expensive each year (now at 1,650 baht per person). The experience of Japan and the ROK in providing visa facilitation for tourists could offer some inspirations; second, the high ticket prices of tourist attractions in China have increased the cost of group tours and weakened the promotion effect of travel agents, thus discouraging Thai tourists from coming to China; third, China has not released any statistics on the number of Thai tourists visiting China, which has affected the assessment and evaluation of the market by the Thai tourism industry; fourth, the older generation of Chinese descendants in Thailand are getting old, and their offspring mostly speak Thai and English. They are deeply influenced by the Western culture, and the Japanese and Korean culture, and therefore not as close to China as their fathers and grandfathers; fifth, while the quality of the key tourism services in China such as tourist attractions, hotels, transportation and restaurants is improving, media reports on the environment and air pollution are also increasing. Meanwhile, the lack of promotion materials in Thai language, limited number and quality of Thai-speaking tour guides, and the surge of China's domestic tourists during holidays have all affected the travel experience of Thai tourists; sixth, the increasing number of low-priced tour groups organized by Thai travel agencies and the shopping tours arranged by local travel agencies in China have ruined the image of Chinese destinations.

V. Singapore

According to the World Bank, Singapore has a land area of 719 square kilometers and a population of 5.704 million, with Chinese accounting for nearly 75% of the total population. Singapore has consistently stayed in the list of top 10 source countries for China's inbound tourism, and Singaporean nationals enjoy a 15-day visa-free travel to China. In 2018, Singapore's GDP reached US$37.2 billion, and the statistics for travel to China during the 2015-2019 period are as shown in Table 3-7:

Table 3-7 Number of Singapore tourists to China, 2015-2019
[Data source: *Yearbook of China Tourism Statistics*]

Year	2015	2016	2017	2018	2019
Number of Singapore tourists to China/10,000 visits	90.53	92.19	94.02	97.80	100.85

1. Steady increase in the number of tourists to China

According to the *Yearbook of China Tourism Statistics*, the number of Singaporean tourists visiting China grew from 905,300 in 2015 to 1,008,500 in 2019, maintaining a modest rate of growth on a yearly basis. Given Singapore's small population base, such growth is already quite promising. This is attributed to the ever stronger economic ties between the two countries, and China's effective tourism marketing in the Singapore market.

2. Growing business collaboration

China-Singapore exchanges and cooperation are going broader and deeper in the fields of diplomacy, economy, science and technology, culture, education and tourism. In 2019, China-Singapore trade totaled US$89.94 billion, up 8.7% year-on-year. Investment-wise, Chinese enterprises invested US$3.14 billion in Singapore in 2019, down 11.5% year-on-year. Singapore invested US$7.59 billion in China, up 45.7% year-on-year. In terms of engineering construction, in 2019, Chinese enterprises signed US$5.06 billion of new engineering contracts in Singapore, up 81.1% year-on-year, with a total business turnover of US$3.55 billion, up 37.5%. The upgrade of bilateral trade provides driving force for business travels.

3. Upgraded structure of the air route network

In 2019, to meet the growing demand for air travel, airline companies in Singapore added new flights to China. According to the latest 2018 statistics of Changi Airport, there are 390 flights from Singapore to China per week, with a total of 73 routes operated by various airlines. Singapore's airline companies have expanded their outreach in China from first-tier cities to second- and third-tier cities, making it easier for Singaporean travelers to visit various parts of China and widening the range of activities for Singaporean tourists. Singapore Airlines, which was flying only to Beijing, Shanghai and Guangzhou in China's mainland, has just gained the approval to operate seven flights between Singapore and Hangzhou on a weekly basis. Singapore Airlines' wholly-owned regional subsidiary, Silk Air, has launched a new service to Hangzhou and increased the direct flights to Shenzhen. Scoot, a budget airline now incorporated into Singapore Airlines, has made a major push in the market of second-tier Chinese cities by opening direct flights from Singapore to Wuhan, Changsha, Kunming and Fuzhou. China Eastern Airlines, China Southern Airlines, Air China and Xiamen Airlines have also opened direct flights from Xi'an and Changsha to Singapore.

4. Chinese visa for tourists

Currently, China provides a 15-day visa waiver for Singaporean citizens visiting China for tourism purposes. Tourist visas are required for trips longer than 15 days. Since most tourist trips can be completed within 15 days, the number of tourist visas issued to Singaporean tourists is not high. Between 2015 and 2019, the Chinese Embassy in Singapore issued about 100,000 tourist visas per year (including Singaporean citizens staying in China for more than 15 days, and people with other nationalities in Singapore).

VI. Philippines

There are many Philippine people coming to China, but mostly for business, not so much for sightseeing and vacation, and seafarers account for a high percentage. The Philippines has a large population and a sizeable middle class. It is a short- to medium-distance market for travel to China and has a high growth potential. The statistics for travel to China during the 2015-2019 period are as shown in Table 3-8.

Table 3-8 Number of Philippine visitors to China, 2015-2019
[Data source: *Yearbook of China Tourism Statistics*]

Year	2015	2016	2017	2018	2019
Number of Philippine visitors to China/10,000 visits	100.40	113.47	116.09	120.30	177.77

1. With improving economic cooperation and trade, the two countries have become each other's important source of tourists

The sustained growth of China-Philippines relations has given a boost to the development of the two-way tourism market. China is the Philippines' largest trading partner, the largest source of imports and top export destination, the largest foreign investor, and the second largest source of tourists.

According to the *Yearbook of China Tourism Statistics*, the number of Philippine tourists visiting China increased from 1,040,000 in 2015 to 1,777,700 in 2019. Most notably, during 2018-2019, the year-on-year increase reached 47.7%. Such an explosive growth is attributed to the good bilateral relations, the strengthening of economic and trade ties, and the continued improvement of tourism exchanges.

According to the statistics of the Philippine Department of Tourism, the Philippines received 8.26 million foreign tourists in 2019, surpassing the first annual target set under the new initiative for sustainable development. China's mainland ranked second in the number of foreign visitors to the Philippines, with a total of 1.74 million arrivals, up nearly 40% year-on-year. According to the Philippine Statistics Authority, in 2018, tourism contributed 12.7% to the Philippine economy, more than 1.25 million Chinese tourists visited the country during the year, and over 300 flights shuttled between China and the Philippines on a weekly basis.

2. With China-Philippines relations entering a period of sound development, inter-governmental cooperation continues to strengthen

The Chinese and Philippine governments have reached a series of important common understandings on cooperative development, and advanced cooperation in four priority areas, i.e. Belt and Road, people-people exchanges, maritime dialogue and regional integration. In 2017, China held the opening ceremony of the China-ASEAN Year of Tourism Cooperation in the Philippines. Then Chinese Vice Premier Wang Yang attended and addressed the event, paving the way for closer tourism cooperation between China and ASEAN countries, the Philippines in particular. In 2020, China and the Philippines celebrated the 45th anniversary of the establishment of diplomatic relations, marking a crucial moment in aligning the Belt and Road Initiative with the "Build, Build, Build" program of the Philippines, as well as the ASEAN Vision 2025 and the Master Plan on ASEAN Connectivity, and a major opportunity for enhancing cooperation and promoting common development. In recent years, cooperation between the two sides has been deepening in various fields, and close inter-governmental cooperation and robust economic cooperation and trade have injected strong impetus into the development of tourism on both sides.

3. Statistics of Chinese tourist visas

Statistics of Chinese visas issued to Philippine tourists in 2015-2019 are shown in Table 3-9.

Table 3-9 Statistics of Chinese visas issued to Philippine tourists, 2015-2019
[Data source: Chinese Embassy in the Philippines]

Year	2015	2016	2017	2018	2019
Number of tourist visas	62,552	64,024	72,783	76,606	87,923

VII. Six Central and Eastern European countries

1. Country profile

The six Central and Eastern European (CEE) countries (Hungary, the Czech Republic, Slovakia, Poland, Croatia and Slovenia) are located in the central and eastern part of Europe, with a total area of about 610,000 square kilometers and a combined population of about 70 million, accounting for 0.9% of the global population and 9.4% of the European population. The six countries have a combined GDP of US$0.9 trillion, accounting for 1.1% of total global GDP, and a per capita GDP of US$17,000. In 2019, the annual GDP growth of the six countries was significantly higher than the average growth of 1.3% in the European region (Hungary 4.6%, the Czech Republic 2.3%, Slovakia 2.3%, Poland 4.5%, Croatia 2.9% and Slovenia 3.2%), and the whole region was in relatively fast growth. All six countries are EU members, and except Croatia, the other five are all Schengen countries. Slovenia and Slovakia have joined the Eurozone.

2. Overview of tourist visits to China

(1) Steady increase year by year

From 2015 to 2019, the number of tourists from the six CEE countries to China rose from 155,000 to 209,000, with a cumulative growth of 34.51% and an average annual growth of 7.69%. On the whole, the number of tourists

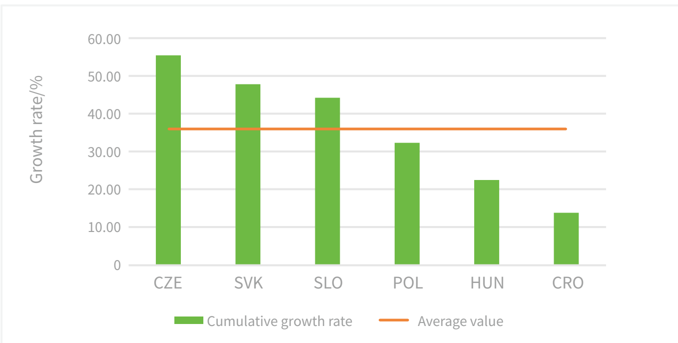


Figure 3-5 Cumulative growth of the number of tourists from the six CEE countries to China, 2015-2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

from the six countries to China has been steadily increasing year by year (Figure 3-5).

(2) Poland, the Czech Republic and Hungary lead in the number of tourists to China

From 2015 to 2019, Poland, the Czech Republic and Hungary ranked the top three in terms of the number of tourists to China. In 2019, the number of tourists to China from the three countries were respectively 99,000, 38,400 and 24,100, accounting for 47%, 18% and 12% of the total, taking up a combined share of 77% (Figure 3-6).

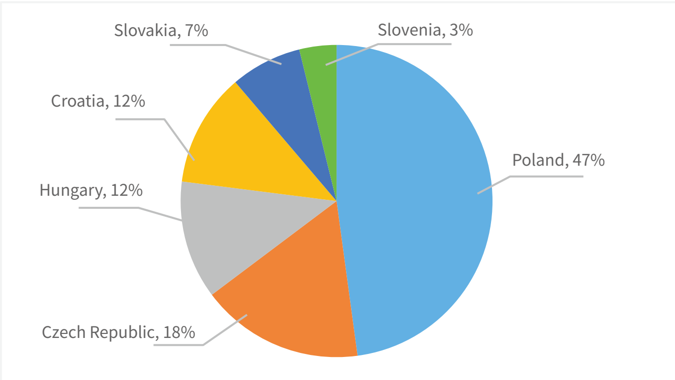


Figure 3-6 Share of the six CEE countries in the number of tourists to China in 2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

(3) Slovakia, Czech Republic and Slovenia have shown strong growth

In 2019, the number of tourists to China from the six CEE countries totaled 209,200 (Figure 3-7), an increase of 6.03% year-on-year, with

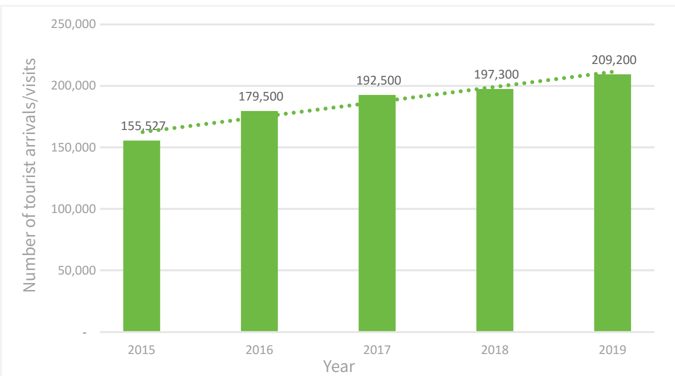


Figure 3-7 Total number of tourists from the six CEE countries to China, 2015-2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

Slovakia, the Czech Republic and Slovenia ranking among the top three in growth rate (Figure 3-8).

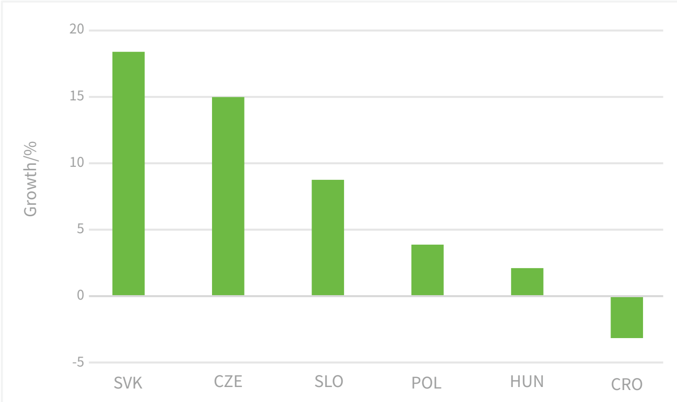


Figure 3-8 Total number of tourists from the six CEE countries to China, 2015-2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

3. Analysis of the fundamentals of tourist visits to China

In 2019, there were 24,100 tourists from Hungary to China (up 2.12%), 99,000 tourists from Poland (up 3.88%), 38,400 tourists from the Czech Republic (up 14.97%), 21,600 tourists from Croatia (down 3.14%), 17,400 tourists from Slovakia (up 18.37%), and 0.96 million tourists from Slovenia (up 9.60%).

The above six countries have a relatively mature market, sound economic conditions and great potential for tourist travel. Among them, Hungary has endorsed the Belt and Road Initiative, and bilateral relations are running at a high level. The Hungarian government attaches great importance to tourism development. Budapest is currently served by direct flights to Beijing, Shanghai, Chongqing, Xi'an and Chengdu. The Czech Republic is the most industrialized country in the CEE region and a country with a developed financial industry. It is equipped with a full range of tourism infrastructure, and well-known in China. Poland has the largest territory, the largest population and largest market in the CEE region, and its economy has been growing for more than 20 years. In recent years, Poland has consistently held the position of China's largest trading partner in the CEE region, and the largest market for travel to China among the six CEE countries. Slovakia is a member of the EU, as well as a Eurozone country and a Schengen country. Croatia has emerged as a “dark horse” in recent years, and hosted the eighth China-CEEC Summit in 2019; Slovenia is a EU member state, and also a Eurozone country and a Schengen country, with the best economic conditions per capita in the six countries.

Table 3-10 shows the number of tourists from the six CEE countries to China in 2015-2019.

Table 3-10 Number of tourists from the six CEE countries to China, 2015-2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

Year	Number of tourists to China
2015	155,527
2016	179,500
2017	192,500
2018	197,300
2019	209,200
(2019-2018)/2018 (%)	**6.03%**
Annual growth (%)	7.69%

VIII. Germany

1. Overview of outbound tourism

Germany is a country with a strong economic foundation. With 30 days of legal vacation each year, holiday travel has become a necessity for every German. In 2018, 64% of the Germans traveled on vacation for more than five days, up 4% year-on-year. However, for the first time in five years, the average length of stay of outbound German tourists dropped to 13 days, which are mainly for the following reasons: first, the terrorist attacks and political events that have happened in some resort destinations in recent years have a negative impact on local tourism demand; and second, the intensified promotion of local tourism products by many state governments in Germany has increased the proportion of domestic trips.

The top outbound destination for Germans is Spain, followed by Italy and Austria. In 2018, Germany topped the world in per capita tourist consumption, with an average spending of €1,250 per person, up nearly €300 compared to ten years ago. There are two main types of German travelers: those who care only about "sunshine and sand beach" and don't care about the destination itself, and those who want to get a special experience from the destination they are traveling to. The most popular type of vacation product is sand beach/sunbathing tour, followed by leisure tour. In terms of long-term trends, sunbathing tour, family travel and sightseeing trips are on the rise, while leisure and wellness trips are on the decline.

Currently, group tour is the dominant form of long-haul outbound travel for German tourists. In terms of booking channels, German tourists are more dependent on traditional retail agents, especially among middle-aged and older tourists, while younger people are more inclined to book tailor-made private tours through portal websites.

2. Overview of the Chinese tourism market in Germany

Germany is China's largest inbound tourism source market in Europe. Before the pandemic, the Chinese tourism market was steadily growing in Germany, keeping at a level of over 600,000 trips per year (Table 3-11). Starting from 2019, due to the combined impact of various negative factors, from the surge of trade protectionism to never-ending trade frictions and disputes, from the slowdown of world economic growth to the tightening of China's visa policy toward Germany, the outlook of the market has not been encouraging. Statistics of the China Tourism Academy show that from January to June 2019, German tourists made 320,900 trips to China, down 1.1% year-on-year.

Table 3-11 Statistics of the trips made by German tourists to China, 2015-2018
[Data source: China Tourism Academy]

Year	2015	2016	2017	2018
Number of tourists/ 10,000 visits	62.34	62.27	63.41	64.31
Year-on-year growth/%	-5.9	-0.1	1.8	1.4

According to the results of a sample survey conducted by the German Travel Association (DRV), the most preferred form of travel to China for German tourists is self-guided tours, accounting for nearly 70% of the total, and all-inclusive tours come the second. High-income groups and returning visitors prefer to choose self-guided tours, while low-income groups and first-time visitors are more likely to choose group tours. Among the German tourists to China, the proportion of males choosing self-guided tours is significantly higher than that of women. German tourists to China are mostly residents of Western Germany, 20% of whom come from North Rhine-Westphalia. Tourists that travel to China are relatively well educated and belong to the high-net-worth group. In contrast, few tourists are from Eastern Germany, which is mainly due to the poor economic conditions and serious population loss in the eastern region.

3. Satisfaction of Chinese tourism products and product channels

According to the survey conducted by the relevant German tourism institution on the satisfaction of tourism in China, German tourists have given relatively high ratings on tourism information and tourist attractions, with close to 90% of the respondents saying they are "satisfied"; while the ratings for tourism entertainment, tourism cost & performance, catering, and communication with local residents are relatively low. On the whole, 72.2% of the respondents are satisfied with the tourism experience in China, with a score of 79 points on a percentage scale.

The vast majority of German tourists access travel information from multiple sources to plan their trips, such as information provided by travel agencies and information available both online and offline. The most popular sources of information include the leaflets, brochures and recommendations given by travel agencies, the websites of tourism destinations, and the websites of accommodation providers. Websites have become an important means for promotion, while offline channels, i.e. in-store services, are still most preferred by middle-aged and older travelers.

4. Negative factors affecting tourist visits to China

(1) Sluggish economic growth

According to the economic forecast report released by the German Federal Ministry of Economics and Energy, the growth rate of the German economy will be much lower than 1.8% in the next two years. Currently, global growth is contracting and confidence in growth remains weak. The German economy, which relies heavily on exports, is deeply affected by the functioning of the world economy, and the economic slowdown will dampen the public's confidence in tourism consumption.

(2) Visa policy

The new visa policy introduced by the Chinese embassies and consulates in Germany has caused a stir in the German tourism industry. The main complaints are on the following three points: first, the new visa form does not make a distinction between ordinary tourists and those who apply for work-study and other residence permits, and the content of the form is too complicated, which has increased the time cost of tourists and travel agencies. Many elderly Germans are not familiar with the use of Internet and computers and therefore have great difficulties in filling the forms; second, China has five visa centers in Germany, i.e. Berlin, Hamburg, Frankfurt (Table 3-12), Düsseldorf and Munich, and German people living outside the five cities need to make a special trip to the visa centers to leave their fingerprints, which has increased the time and financial cost; third, German passport holders enjoy visa-free access in more than 100 countries, and China's main competing destinations in Asia, such as Japan, the ROK and Southeast Asia, have all introduced visa-free or visa-on-arrival arrangements for German tourists. The existing visa requirements and a minimum visa fee of 125 euro/person has already put the Chinese tourism products at a disadvantage. Now, with higher threshold of visa application, tourists that are interested in traveling to China may be further discouraged and pushed toward other destinations, which will negatively affect the Chinese tourism market in Germany.

Table 3-12 Number of tourist visas issued by the Chinese Consulate General in Frankfurt, 2015-2019[Data source: Chinese Consulate-General in Frankfurt]

Year	2015	2016	2017	2018	2019
Number of tourist visas	32,631	33,938	29,675	28,748	25,339

(3) Product price

In recent years, China's rapid economic development, rising labor costs and consumer prices, and the continued depreciation of euro against yuan have weakened the competitiveness of Chinese tourism products. Because of this, German tourists are more willing to travel within the Eurozone, or to less expensive destinations in Southeast Asian countries such as Thailand and Vietnam.

(4) Market environment

Through over 40 years of reform and opening up, China has achieved rapid economic development, with rising living standards and disposable household income. Travel and tourism have already become a fixture of life. Among the three major tourism markets, domestic tourism and outbound tourism hold absolute advantages. As Chinese tourists become increasingly affluent and start to "compete" with inbound tourists for tourism resources in the country, the tourism industry is more willing to receive domestic tourists as they can accept higher prices. Meanwhile, the tourism products in China are seriously homogeneous and lack distinctive local features; the catering services for tourist groups are declining in quality; the tickets of some 5A tourist attractions are too expensive, sometimes even higher than that of the Swiss snow mountains; and repeated ticket charges in tourist attractions are complained a lot by German tourists traveling to China.

At the same time, as China's outbound tourism market continues to boom, tour leaders and tour guides of outbound trips are earning more than their inbound counterparts, and young German-speaking tour guides are turning to the outbound tourism market, resulting in the lack of sustained supply of German-speaking tour guides for inbound services.

The Germans also have great concerns about air pollution (especially haze). In particular, as tourists get more sensitive about the environment, the adverse impact of "environmental pollution" has been further amplified. Although the German media is becoming more objective and diversified, they still keep the habit of selective reporting on China, which has wrongfully shaped the German people's impression about China.

IX. Italy

1. Overview of outbound tourism and tourist visits to China

Before the pandemic, the Italian economy was recovering and the people were also more willing to travel. The Chinese tourism market in Italy was on the whole stable and slowly growing. The two countries have maintained frequent high-level political visits, and hosted major events such as the China-Europe Tourism Year and the China-Italy Cultural Cooperation Mechanism Conference. With the expanded air capacity between the two countries, Italian tourists are now paying more attention to tourism in China. According to Italian tourism statistics, the number of trips made by Italian tourists in 2017 was notably higher than in 2013-2015, totaling 66 million trips both within and outside the country, equivalent to one trip per person. Despite the strong growth, Italy still ranked the bottom three among all EU countries in tourist visits. Italian tourists stayed in their destinations for a total of 380 million nights, making 32.36 million trips on long holidays (>4 days), up 8.1% year-on-year, and 28 million short-term trips, largely unchanged from previous years. In terms of travel destinations, the number of outbound trips accounted for 18.2% of the total, with an average length of stay of 7.2 nights, and the EU countries were the main destinations for Italian tourists in outbound travels. In terms of the months of travel, trips in July-September and April-June accounted for 41.4% and 23.8% respectively of all trips made during the year. As for the purpose of travel, 67.6% of the trips were for leisure and recreation, and 29.5% were for visiting friends and relatives. In terms of the means of travel, group tours accounted for 6.6% of the total, lower than that of self-guided tours.

According to the statistics of the Bank of Italy, during 2017-2019, around 600,000 Italian tourists came to China every year. And a 2019 survey conducted by China's Tourism Office in Rome shows that the number of Italian visitors to China is at around 220,000-270,000 per year. Most of them are on business trips, and those who come for tourism purposes are most vulnerable to economic fluctuations.

2. Overall assessment of tourism in China and main channels for purchasing products

The Italian people on the whole have a positive perception about tourism in China, and Chinese food, giant pandas, the Great Wall and Terracotta Warriors are the icons of Chinese tourism. Italian tourists purchase tourism products in a relatively traditional way. When they travel to a faraway and unfamiliar destination like China, they would usually prepare for a long time and consult with travel agencies or relevant institutions. Italian travel agencies will prepare beautiful yearbooks on their products for tourists, and tourists will also obtain tourism information by attending travel fairs. In recent years, online sales have become popular in Italy, and more and more young tourists are shopping for tourism products online, but on the whole, most tourists still make inquiries through traditional travel agencies.

3. Tourism products and services preferred by tourists

As for the travel pattern of Italian tourists, classic tourism products and historical and cultural heritage products are among the most popular. Italians prefer personalized and recreational tourism products, and do not like products with tight itineraries and high spending.

Chapter III

X. France

1. Profile of French tourists coming to China

As shown in Figure 3-9, there are more male than female French visitors to China, and the middle-aged group (50-64) takes up the largest share. The occupations of French tourists are mostly corporate executives and freelancers, and the proportion of the retired group and the overall income level of tourists visiting China are higher than that of the average tourists to Asia.

Gender/%	Population composition of France	Long-haul destination	Travel to Asia	Travel to China
Male	48	49	43	54
Female	52	51	57	46
Age				
Under the age of 35	28	29	25	22
Aged 35-49	24	21	19	25
Aged 50-64	24	27	27	31
Aged 65 or over	24	22	30	22

(a)

Occupation/%	Population composition of France	Long-haul destination	Travel to Asia	Travel to China
Farmer, entrepreneur, craftsman, cooperation manager	4	3	3	1
Corporate executives & freelancers	10	25	29	28
Agency business, employer	13	16	10	19
Employee, service personnel	15	12	14	8
Worker	11	3	3	1
Retiree	26	25	30	33
Student	11	12	7	9
Unemployed	10	4	4	1

(b)

Family structure/%	Population composition of France	Long-haul destination	Travel to Asia	Travel to China
1 person	19	21	28	25
2 persons	34	42	46	48
3 persons	18	16	12	17
4 persons and more	29	21	14	11
Family with children	32	22	13	18

(c)

Monthly income per household (after tax)/%	Population composition of France	Long-haul destination	Travel to Asia	Travel to China
1,500 Euro and less	16	6	6	1
1,501-2,300 Euro	22	13	17	12
2,301-3,000 Euro	21	15	15	19
3,001-5,300 Euro	33	43	43	48
5,300 Euro and more	7	23	19	19

(d)

(g)

Figure 3-9 Profile of French tourists to China [Data source: overseas Chinese tourism offices]

2. Timing of visit

For French tourists who have never visited China, the expected timing of their visit to China often coincides with French holidays and school vacations (Figure 3-10).

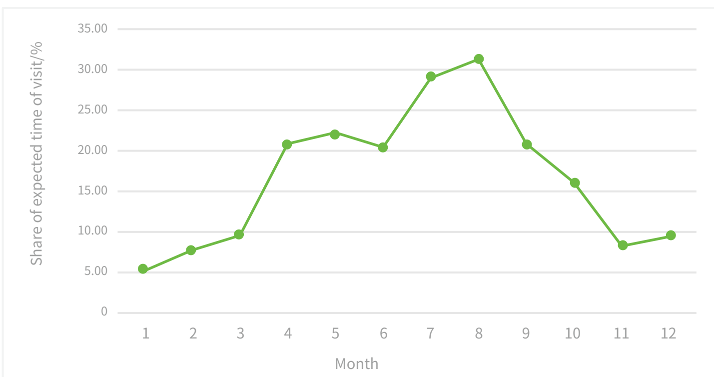


Figure 3-10 Expected time of visit of French tourists [Data source: overseas Chinese tourism offices]

French tourists who have visited China before tend to visit China in April, May, July, August and October, mostly in spring and autumn (Figure 3-11).

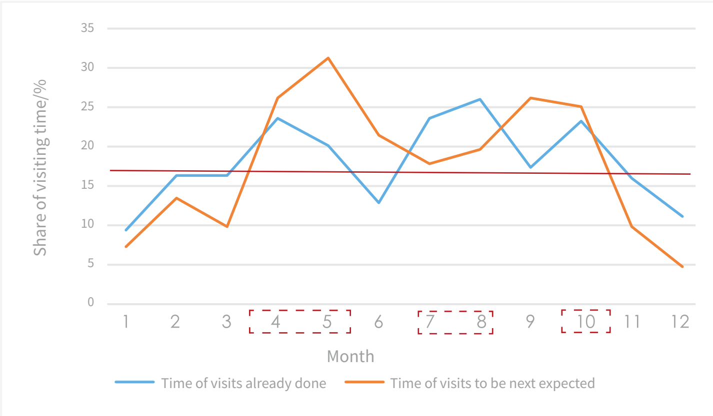


Figure 3-11 Seasonal preference of French tourists [Data source: overseas Chinese tourism offices]

3. Booking of Chinese tourism products

For long-haul destinations (Asia, America), autumn and winter are important seasons for bookings by French tourists. For Chinese tourism products, December, January and February are the peak months for bookings (Figure 3-12).

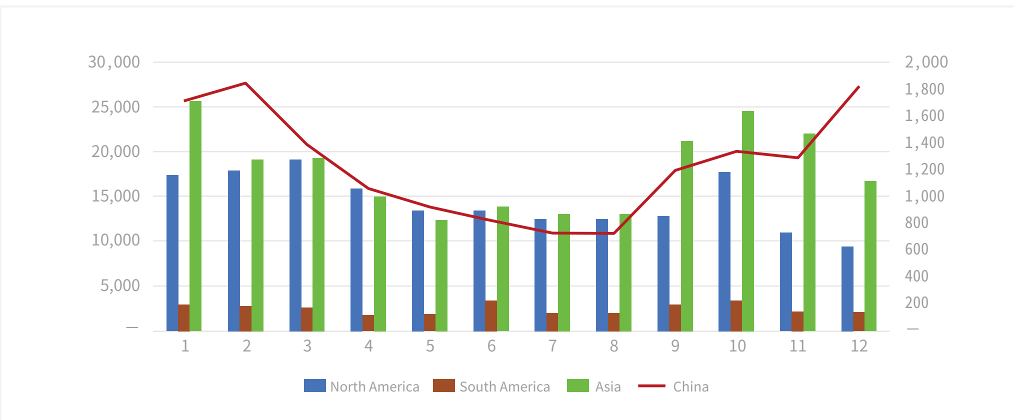


Figure 3-12 Timing of bookings for French tourists [Data source: overseas Chinese tourism offices]

French tourists coming to China in summer start booking about half a year in advance, with February and March being the first peak. There are also many bookings made in the month of departure or 1-2 months in advance.

4. Motivation for travel to China

According to the survey conducted by Kantar TNS, French tourists travel to long-haul destinations and Asia mostly for personal reasons, accounting for 87% of the total. Among them, 78% are motivated by vacation and leisure demand, and business travel only accounts for 14% of the total (Figure 3-13).

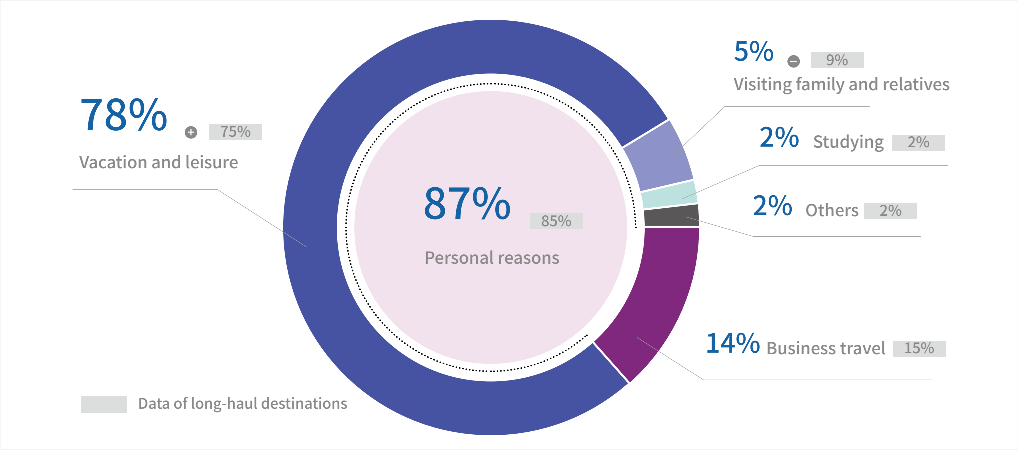


Figure 3-13 Motivations of French tourists traveling to long-haul destinations and Asia [Data source: overseas Chinese tourism offices]

The key motivation for French tourists to visit China is culture and leisure (Figure 3-14), and experiencing the Chinese culture is a common choice made by over 70% of the French tourists.

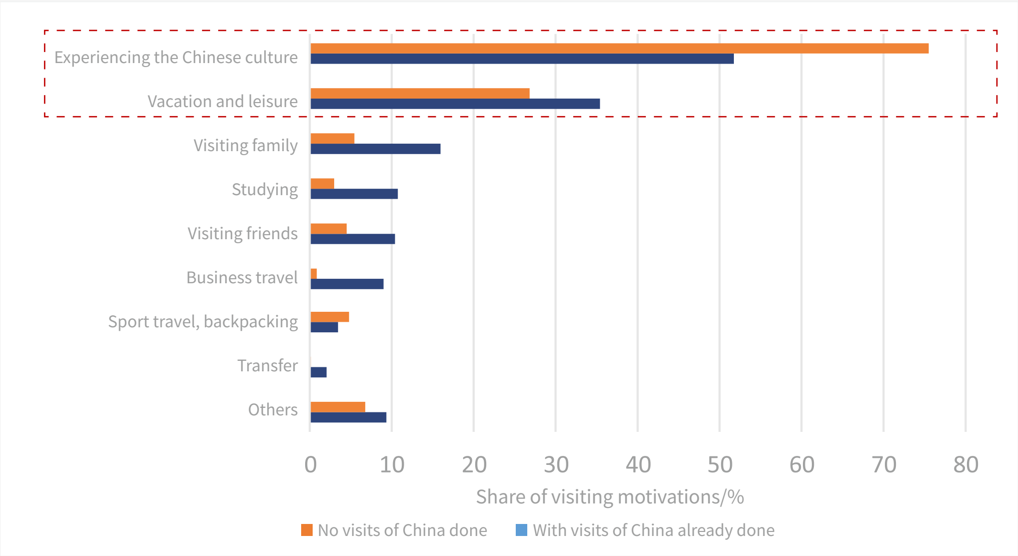


Figure 3-14 Key motivations of French tourists visiting China [Data source: overseas Chinese tourism offices]

5. Preference of travel products

Ten percent of the French tourists prefer to choose packaged products, and the percentage increases significantly to 45% for long-haul destinations. For tourists coming to China, 46% will choose packaged products (Figure 3-15). Given the unfamiliar environment and language barriers of long-haul destinations, packaged products are most effective in addressing the difficulties in booking single-item tourism products. They also help tourists learn about local history, culture, natural scenery and customs.

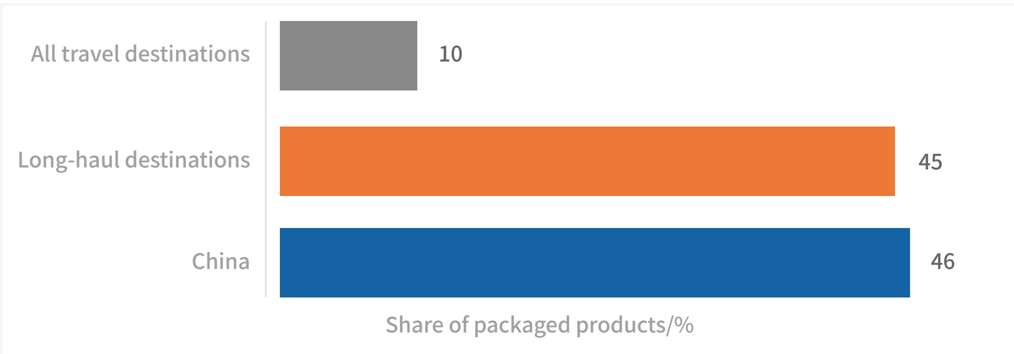


Figure 3-15 Proportion of French tourists choosing packaged products for their trips [Data source: overseas Chinese tourism offices]

Further study shows that nearly half of the first-time visitors to China eventually choose to travel with a tourist group, which is roughly the same proportion as self-guided tours (Figure 3-16). According to survey results, although some tourists initially planned to choose self-guided or customized tours, they have switched to group tours with less expense and lower threshold in the end due to factors such as the difficulty and cost of

Type of travel	People never visiting China (visit to be expected)/%	First-time visitors (visit already done)/%	Second-time visitors (visit to be expected)/%
Group tour	26	47	21
Customized tour	44	12	28
Self-guided tour	47	43	43

Figure 3-16 Analysis of French tourists' choice of China-bound travel products [Data source: overseas Chinese tourism offices]

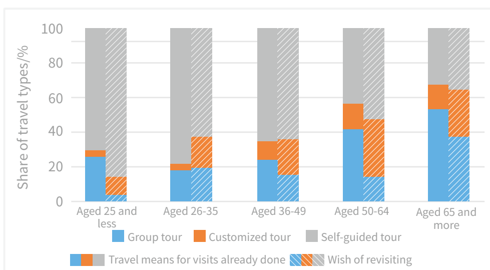


Figure 3-17 Means of travel to China for French tourists in different age groups [Data source: overseas Chinese tourism offices]

travel. It is worth noting that for French tourists who have been to China before, the willingness to choose customized tours significantly increases on subsequent trips.

The types of travel chosen by tourists also vary between different age groups (Figure 3-17). On the whole, the older the tourists are, the more they favor traveling to China through travel agencies; for tourists under 35 years old, self-guided tours account for more than 70% of the total; it is worth noting that the proportion of tourists choosing self-guided tours on their second trip is close to 90% in the under 25-year-old group.

Occupation also has an impact on the means of travel (Figure 3-18). The proportion of tourists visiting China on self-guided tours is the highest for businessmen, craftsmen and entrepreneurs, accounting for 87% of the total, followed by students, corporate executives and intellectuals; group tours are the most preferred means of travel for retirees (67%) and also favored by people in the agency business and office staff; customized tours are most popular among the agency business (17%) and corporate executives and intellectuals (16%), and also with a certain percentage for retirees, businessmen, craftsmen, and entrepreneurs.

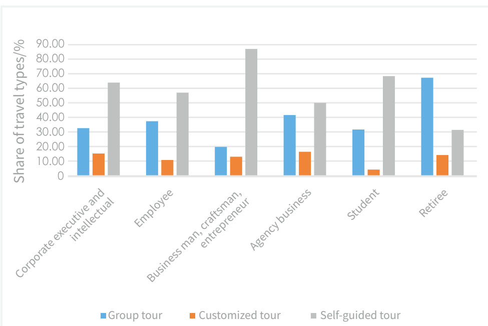


Figure 3-18 Means of travel to China chosen by people in different professions
[Data source: overseas Chinese tourism offices]

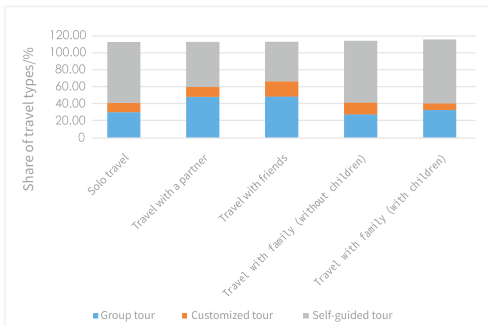


Figure 3-19 Means of travel chosen by tourists with different companions
[Data source: overseas Chinese tourism offices]

In addition, the travel companions also affect the choice of travel mode (Figure 3-19). More than 70% of the lone travelers choose self-guided tours; people traveling with a partner or friend take up the largest share in both group tours (48%) and customized tours (18%).

The proportion of families choosing to travel with tourist groups is relatively low (Figure 3-20). For families that have never traveled to China before, most of them had wished to choose customized and self-guided tours before making the trip. However, for those that have completed their trips, the expectations for customized tours are often not fully satisfied, and self-guided tours often end up being their actual choice. The reason for this may be that customized tour products for this particular group are under-supplied or over-priced.

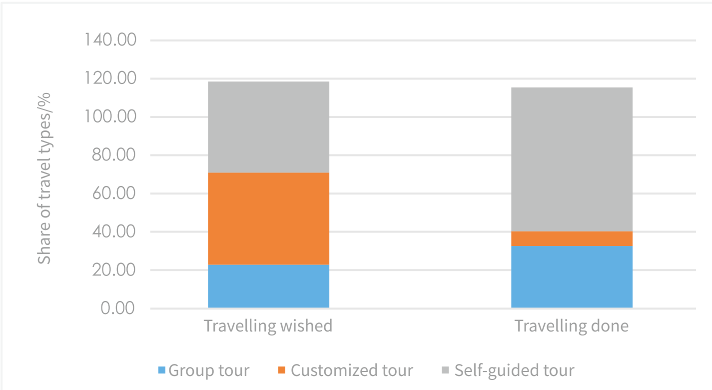


Figure 3-20 Means of travel preferred by parents and children
[Data source: overseas Chinese tourism offices]

Another factor affecting the means of travel is the number of trips to China (Figure 3-21). The proportion of those who choose group tours goes down as the number of trips goes up, the proportion of customized tours grows steadily as the number of trips increases, and the proportion of self-guided tours grows significantly as the number of trips to China increases.

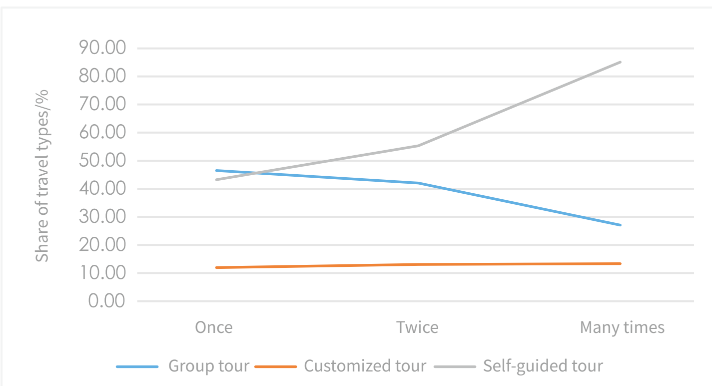


Figure 3-21 Impact of the number of trips to China on the means of travel
[Data source: overseas Chinese tourism offices]

6. Analysis of the types of tourist activities

When visiting long-haul destinations, Asia and China, 96% of the French tourists would participate in at least one activity, with cultural activities being the most popular (Figure 3-22). Participation in cultural activities in China is higher than the average for Asia and long-haul destinations, which shows that culture is China's key appeal for French tourists. Participation in nature exploration, sports, and recreational activities, on the other hand, are all lower than the average for Asia and long-haul destinations.

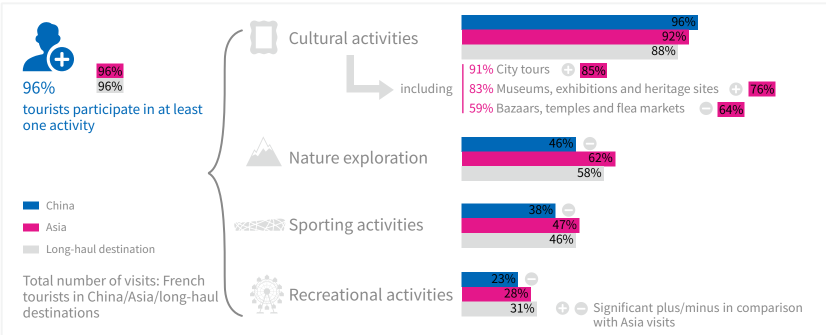


Figure 3-22 Types of activities participated by French tourists in China/Asia/long-haul destinations
[Data source: overseas Chinese tourism offices]

In terms of the participation in single activities, the item with the highest participation for French visitors to China is city tours (91%), followed by museums, exhibitions and heritage sites (80%+), which is higher than the average for Asian and long-haul destinations. These popular activities

	Long-haul destination /%	Asia as destination /%	China as destination /%
Cultural activities	88	92	+ 96
City tours	80	85	+ 91
Museums, exhibitions and heritage sites	63	76	+ 83
Bazaars, temples and flea markets	43	64	− 59
Culture events such as festivals, concerts, theaters	21	26	+ 37
Chinese cuisine and wine tours (visiting wine cellar and wine tasting)	14	18	16
Factory production experiencing	9	15	+ 30

Total number of visits: French tourists in China/Asia/long-haul destinations

	Long-haul destination /%	Asia as destination /%	China as destination /%
Nature exploration	58	62	− 46
Visiting nature reserve	49	51	− 46
Observing flora and fauna	39	37	− 20
Entertainment	31	28	− 23
Schwimming pool and water park	16	15	− 17
Amusement park and zoo	16	14	− 13
Film, bowling and ice rink	6	7	− 6

Significant plus/minus in comparison with Asia visits + −

Figure 3-23 Participation of French tourists in cultural and nature activities in China/Asia/long-haul destinations
[Data source: overseas Chinese tourism offices]

mainly take place in venues built for tourists and with tourism as a core function. The proportion of visits to places where locals meet, such as bazaars, temples and flea markets, is declining compared to other Asian destinations (Figure 3-23).

7. Analysis of the attractions of Chinese tourism

Chinese culture, natural scenery, traditional customs and heritage are the four major attractions of Chinese tourism (Figure 3-24).

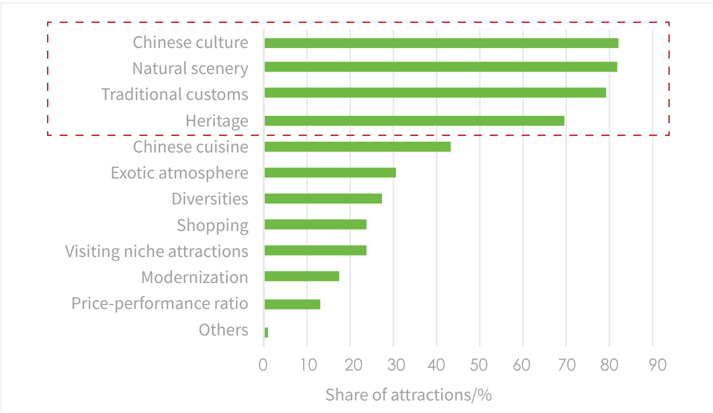


Figure 3-24 China's tourism attractions
[Data source: overseas Chinese tourism offices]

It is worth noting that for returning visitors, China's gastronomy and diversity are gaining growing appeal, which shows French tourists' recognition of Chinese cuisine and their expectation for more diverse tourism products (Figure 3-25).

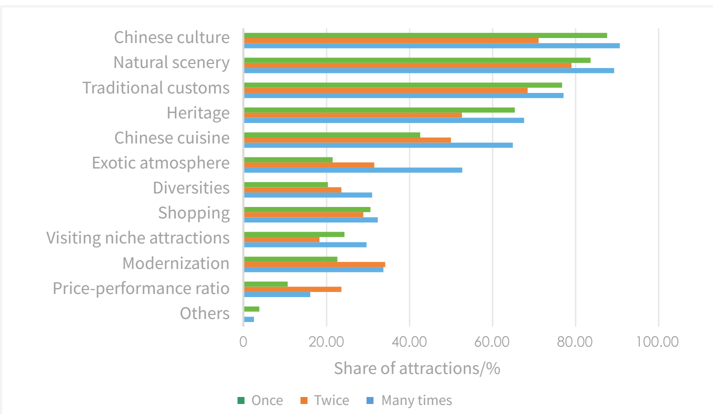


Figure 3-25 Impact of the number of trips on China's tourism attractions
[Data source: overseas Chinese tourism offices]

8. Analysis of the channels for receiving information on tourism about China

According to a survey conducted by Kantar TNS on 50,000 French citizens over 18 years old, national TV, local media and national radio are the main channels for French people to receive information (Figure 3-26).

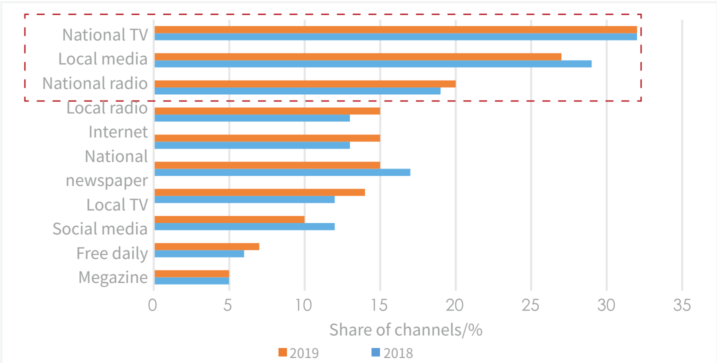


Figure 3-26 Main channels through which French people receive daily information
[Data source: overseas Chinese tourism offices]

Despite the wide coverage of national media, their influence on the public is weakening because of the flooding of advertisements. In the meantime, the content of social media is also becoming increasingly advertising-oriented. As people care more about the quality rather than the quantity of information, more and more French people are now returning to traditional media. In a survey conducted in 2019 on the most advertising-worthy media, local media led the poll by a big margin, while social media performed much worse compared to 2018. Local media is rooted in the local community and close to people's life. They performed well in the 2019 survey, with recognition like most trusted media by the French

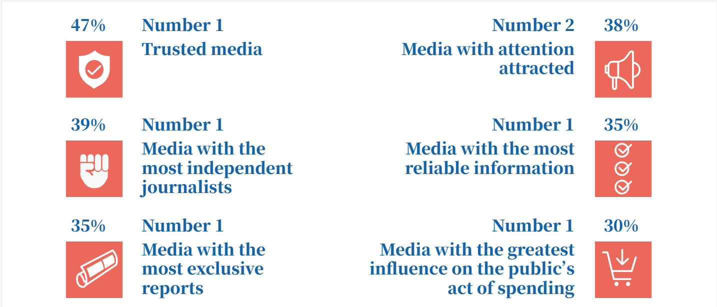


Figure 3-27 Local media are mostly trusted by French public
[Data source: overseas Chinese tourism offices]

France

people, and media with the most independent journalists, the most reliable information, the most exclusive reports and the greatest influence on the public's act of spending (Figure 3-27).

The proportion of French tourists getting information on Chinese tourism through search engines is the highest, accounting for over 60% of the total. Travel guides continue to play an important role, accounting for nearly 50%, and social media comes in the third place (Figure 3-28).

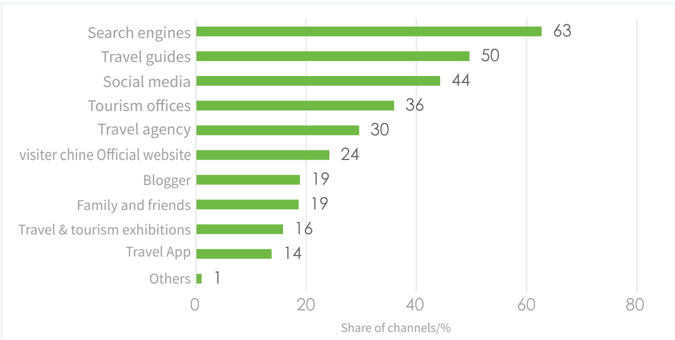


Figure 3-28 Channels for gathering information on travel to China
[Data source: overseas Chinese tourism offices]

According to a survey of 862 French tourists conducted by the Alliance France Tourisme, about 40% of the tourists would use the official website of the destination's tourism authorities to obtain travel information and plan their trips (Figure 3-29). This result reveals the habits of French tourists in searching information and their trust in official travel recommendations.

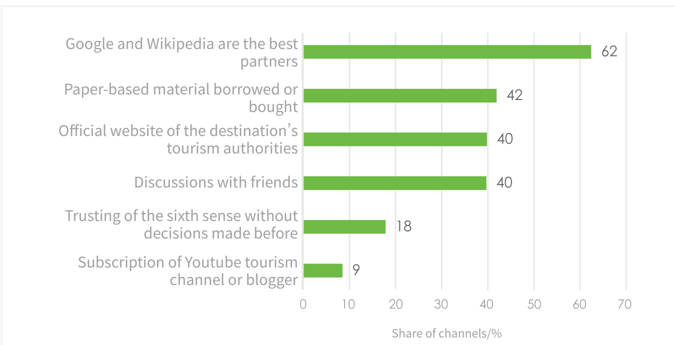


Figure 3-29 Channels for gathering travel information before departure
[Data source: overseas Chinese tourism offices]

In addition to the official website, OTAs are also highly capable of gathering resources and turning an intention of travel into an act of purchase. According to a year-long monitoring conducted by Voyage

Détective on the visits of major French travel websites in 2017, the most visited travel website was French Railways (SNCF, totaling over 300 million visits), followed by TripAdvisor, with 266 million visits. The third and fourth places went to online accommodation booking websites Booking and Airbnb (Figure 3-30).

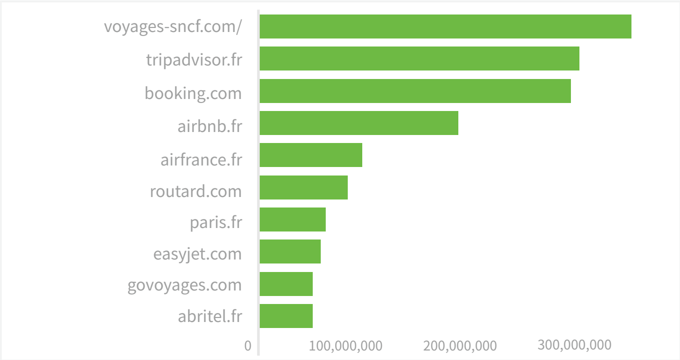


Figure 3-30 Top 10 travel websites visited in France in 2017 [Data source: overseas Chinese tourism offices]

9. Analysis of inbound tourism destinations in China

(1) Statistics of French overnight visitors received by different regions in China

The provinces that received more than 100,000 French overnight visitors in 2017 are Hubei, Shanghai, Guangdong, Yunnan, Beijing, Shaanxi and Sichuan. Among them, Hubei accounted for 12% of the total and was the province with the highest number of French overnight visitors. France has the biggest investment in Hubei among all Chinese provinces. The two sides have maintained in-depth cooperation in a range of fields including trade, economy, ecology, scientific research and culture.

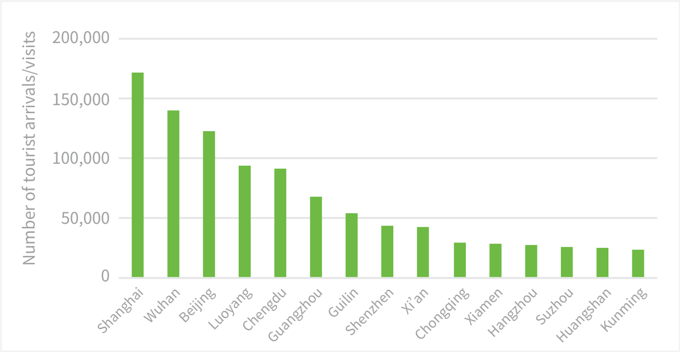


Figure 3-31 Major cities receiving French overnight visitors [Data source: overseas Chinese tourism offices]

The top five cities receiving French overnight visitors are Shanghai, Wuhan, Beijing, Luoyang and Chengdu (Figure 3-31).

(2) Popularity of destinations

As the survey on 14 Chinese destinations and travel routes shows (Figure 3-32), for French tourists with the experience of travel to China, Beijing, Xi'an and Shanghai are the most popular, followed by Hong Kong, Guilin, Sichuan and Yunnan. For tourists who have never visited China before, Beijing remains the face and gateway of China, followed by Shanghai and Hong Kong. It is worth noting that French tourists with no experience of travel to China are open to other destinations, with the Silk Road, Zhangjiajie, and Tibet slightly more attractive than others.

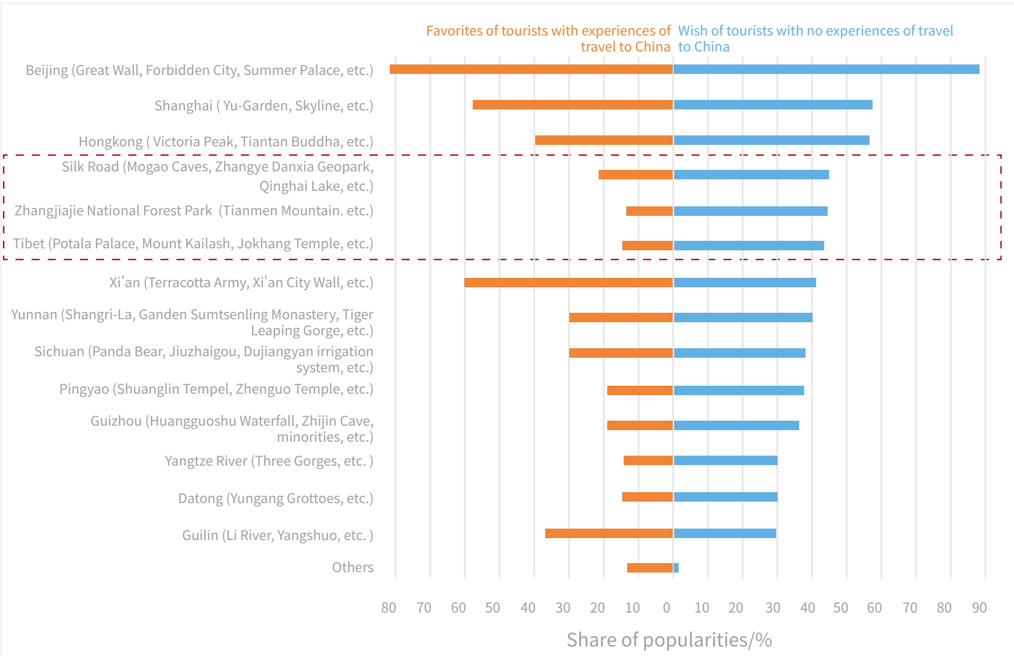


Figure 3-32 Popularity of Chinese destinations among French tourists
[Data source: overseas Chinese tourism offices]

(3) Analysis of destination routes

According to the product catalogs of French agencies offering Chinese tourism products (Table 3-13), the main travel routes in China include: 1) primary destinations: combination of Beijing, Xi'an, Shanghai, Guilin and Guangzhou; 2) secondary destinations: Yunnan, Sichuan, Chongqing, Guizhou, Fujian, Hunan, Silk Road, Tibet, etc.

Table 3-13 Analysis of travel routes of French tourists in China
[Data source: overseas Chinese tourism offices]

Type	Itinerary	Number of days	Target group	Pros*	Cons*
Classic routes	Beijing - Xi'an - Shanghai	12	First-time visitor	1, 2, 3, 4, 5, 6, 7	
	Beijing - Xi'an - Shanghai - Suzhou - Guilin - Hong Kong	15	First-time visitor	1, 2, 3, 4, 5, 6, 7	
	Beijing - Pingyao - Xi'an - Guilin - Shanghai	14	First-time visitor	1, 2, 3, 4, 5, 6, 7	
	Yunnan route: Kunming - Shilin - Jianshui - Lijiang - Dali - Kunming	10-14	Returning visitor, in-depth travel	1, 2, 3, 4, 5, 6, 7	
	Sichuan-Tibet route: Chengdu - Sanxingdui - Lhasa - Shigatse - Chengdu	13	Returning visitor, in-depth travel	6	1, 3, 7, 8
	Silk Road route: Beijing - Urumqi - Turpan - Dunhuang - Jiayuguan - Zhangye - Xiahe - Lanzhou - Xi'an	16	Returning visitor, in-depth travel	1, 2, 4, 6	3, 5, 7, 8
Other routes	Shanghai - Changsha - Zhang jiajie - Yuanjiajie -Fenghuang - Zhaoxing - Congjiang - Guiyang	16	Returning visitor, in-depth travel	4, 6	1, 3, 5, 7
	Xi'an - Chengdu - Chongqing - Three Gorges Cruise - Yichang - Shanghai - Guilin - Yangshuo - Guangzhou - Hong Kong	17	Returning visitor, in-depth travel	1, 2, 4, 6	5, 7
	Sichuan route: Chengdu - Sanxingdui - Dujiangyan - Emei Mountain - Leshan Mountain - Yibin - Zigong - Dazu - Chengdu	15	Returning visitor, in-depth travel	1, 2, 4, 6	5
	Ice and snow route: Beijing - Harbin - Beijing	7	Returning visitor, in-depth travel	2, 7	3, 5
	Shanghai - Wuyuan - Tunxi - Huangshan - Hongcun - Xiamen Nanjing Tulou - Hukeng - Xia men- Guangzhou	14	Returning visitor, in-depth travel	1, 4, 6, 7	2, 3, 5

* 1. convenient transportation; 2. reception facilities; 3. French-speaking guides; 4. hotel resources; 5. adequate tourist advice; 6. scenery/culture/heritage; 7. prices; 8. other reasons (age and physical limitations, documentation requirements)

France

XI. United Kingdom

As shown in Table 3-14, according to the UK Office for National Statistics, UK residents made 71.733 million overseas trips in 2018, including nearly 427,000 trips to China (excluding HongKong, Maocao and Taiwan Regions). Sixty percent of these trips were made for the purpose of visiting friends and family, 24% were business trips, 14% were for vacations and 2% were for other reasons. The number of UK tourists to China has increased over the past decade, but on the whole, China still ranks low among the destinations for outbound UK visitors. Only around 0.6% of the UK tourists choose China as the destination, taking up a share of about 0.1% of the UK vacation market.

Table 3-14 Statistics of overseas travels by UK residents, 2018
[Data source: UK Office for National Statistics]

Country (region)	Number of tourists/visits
China (excluding Hong Kong, Macao & Taiwan Regions)	427,000
Hong Kong	225,000
India	980,000
Japan	146,000
Pakistan	572,000
Sri Lanka	140,000
Thailand	386,000
Other Asian countries	849,000
Total	71,733,000

XII. Spain

The overall economic situation in Spain improved in 2019, and the long-haul outbound tourism market gradually recovered. As an ancient Oriental civilization and one of the world's major tourist destinations, China holds strong appeal for Spanish tourists.

According to the statistics provided by the Data Center of the Ministry of Culture and Tourism (Table 3-15), the number of Spanish tourists to China totaled 166,000 in 2019, down 1.2% year-on-year. The reason for the decline is that in 2018, Spain emerged from the shadow of the economic crisis and achieved rapid economic recovery. As a result, the number of visitors to China soared in 2018, up by a staggering 8% year-on-year, but in 2019, growth returned to the normal range, and the number of visitors was slightly lower than the 2018 level.

Table 3-15 Statistics of Spanish tourists to China, 2015-2019
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

Year	Number of tourists/10,000 visits	Year-on-year growth/%
2015	13.63	-3.3
2016	14.96	9.8
2017	15.56	4.0
2018	16.80	8.0
2019	16.60	-1.2

In 2019, there were six airlines serving direct flights between China and Spain, covering seven destination cities in China, including Air China (Madrid to Beijing, Barcelona to Beijing, and Barcelona to Shanghai), China Eastern Airlines (Madrid to Shanghai, and Madrid to Xi'an), Capital Airlines (Madrid to Chengdu), Hainan Airlines (Madrid to Shenzhen), Cathay Pacific (Madrid to Hong Kong) and Iberia (Madrid to Shanghai).

In addition to the increased market demand for travel to China and reduced travel costs enabled by the expanded flight capacity, Spain's rapid economic recovery, rebound in tourism demand and other favorable factors have all broadened the prospect of the Chinese tourism market in Japan. However, due to factors such as exchange rate changes and rising costs of domestic travel agencies, the market price of Chinese tourism products has been growing; application for Chinese visa is becoming more expensive, while visa procedures remain cumbersome; the loss of high-quality Spanish-speaking tour guides in China has also seriously affected the quality of hospitality services; and neighboring countries in Southeast Asia have grown more competitive. All these negative factors have added to the uncertainties in the future of the Chinese tourism market in Spain.

XIII. Australia

1. Overview of the Chinese tourism market in Australia

The statistics of Australian tourists to China during the period 2014-2019 are shown in Table 3-16:

Table 3-16 Statistics of Australian tourists to China
[Data source: Data Center of the Chinese Ministry of Culture and Tourism]

Year	Number of tourists/10,000 visits	Year-on-year growth/%
2019	73.45	-2.3
2018	75.19	2.5
2017	73.37	9.0
2016	67.32	5.6
2015	63.73	-5.2
2014	67.21	-7.1

2. Special features of Australia's outbound tourism market

As of 2019, the growth rate of the Australian economy has remained stable. Nearly 30 years of sustained growth has made it the country with the longest sustained economic growth in the world. According to the 2020 data of the Australian Bureau of Statistics, the country has a total population of about 25.687 million. Australia has a developed economy and high household income, with a per capita GDP of around US$52,825 in 2020.

The tourist travel of Australians has the following four special features: first, the outbound tourism market is very mature and traveling abroad has become a part of life for the Australians. The total population of Australia is more than 25 million, and the average number of outbound trips is about 11 million per year, which is nearly half of the population; second, the key motivations for travel include vacation, visiting friends and relatives and business; third, the timing of travel has a clear seasonal pattern, and most of the trips fall upon school holidays; fourth, Australians love outdoor activities and vacation. Due to the country's climate and natural conditions, people in Australia are fond of visiting parks and beaches and taking part in outdoor activities. Whenever there is a holiday, people will go out for vacation through all types of transportation, and travel has become a habit and culture for the Australians.

On the whole, Australia has a mature outbound travel market, and its people have strong desire to travel, and tend to stay longer and spend more in destinations, which makes it a highly valuable and primary long-haul source market for China. Australia's major outbound destinations include New Zealand, the UK, the US, Japan and China. In recent years, the Australian tourists' interest has become more diversified and differentiated, and focused more on long-haul destinations. As a result, destinations with widely different and complementary resource endowments and rich cultural and historical resources have become the new choice for Australian outbound tourists, and their market share is also steadily increasing.

Table 3-17 shows the monthly tourism import data of Australia, i.e., spending on goods and services by outbound Australian tourists, from May 2019 to March 2020, including both original and seasonally adjusted data.

Table 3-17 Monthly tourism import data of Australia, May 2019-March 2020 [Data source: Australian Bureau of Statistics]

Period	Seasonally Adjusted/$m	Original/$m
19 - May	4,348	3,907
19 - Jun	4,289	4,562
19 - Jul	4,284	4,716
19 - Aug	4,325	4,403
19 - Sep	4,380	4,922
19 - Oct	4,336	4,537
19 - Nov	4,332	3,669
19 - Dec	4,430	5,060
20 - Jan	4,199	4,798
20 - Feb	3,845	3,107

20 - Mar	2,151	1,886
20 - Apr	41	39
20 - May	38	35

As can be seen from the above table, Australia's outbound tourism market was on the whole stable and prosperous before the spread of the coronavirus in 2020. Due to the outbreak of the pandemic in February, escalation in March, and the travel ban issued by the federal government, outbound tourism has basically come to a halt, with only a very small amount of travels taking place on humanitarian and other special grounds.

3. Special features of the Chinese tourism market in Australia

The Chinese tourism market in Australia maintained positive growth between 2016 and 2018, totaling 751,900 trips in 2018. In 2019, the market saw a slight decline, but stayed at a high level, with a total of 734,500 trips. Australia is China's third largest long-haul source market, and people-to-people interaction is a key pillar supporting the growth of China-Australia relations. Before the pandemic, China and Australia were each other's popular tourist destination, and over two million visits were exchanged between the two countries each year.

4. Positive factors affecting the Chinese tourism market in Australia

(1) China's growing comprehensive national strength and rising international influence

High-speed railways, new airports, WeChat payment, sharing economy and modern architecture offer brand new tourism experience for Australian tourists. The integration of culture and tourism has created more and better opportunities for the two countries to strengthen cultural and people-to-people exchanges. China's natural scenery, world heritage, folk customs, intangible cultural heritage and contemporary arts have also opened new frontiers for the Chinese tourism market in Australia.

(2) Australia's immigration background

Australia is an immigrant country shaped by cultural diversity, with 57.3% of the annual population increase coming from overseas immigrants. While encouraging the local Australians to visit China, it is also important to attend to the needs of the 1.2 million+ Chinese Australians who have both close business ties with China and a strong desire to visit their homeland. The cultural and tourism exchanges between China and Australia have a solid foundation, great potential and bright prospects.

(3) China's rich and unique tourism and culture resources

China's tourism and culture resources are vastly different from and complementary to those of Australia. The popularity and attractiveness of Chinese tourism is increasing day by day in the Australian market, and its reputation among tourists is also growing. China's long and profound history and culture, stable and orderly society, rich, diverse and distinctive culture and tourism resources, personalized, diversified and differentiated tour products, and improved tourism services will all increase its attractiveness to Australian tourists.

5. Negative factors affecting the Chinese tourism market in Australia

(1) Deeper estrangement, less mutual understanding

China-Australia relations have been going downhill since 2020, and not yet hit the bottom, casting a shadow on tourism and people-to-people exchanges between the two countries.

(2) Increasing competition among international tourism destinations takes tourists away from the China market

In addition to traditional holiday destinations such as Fiji, Vanuatu, Bali and Phuket, Vietnam and Cambodia are growing into new popular Asian destinations for Australian tourists. At the same time, Japan has cultivated a "destination with quality" image and displayed stronger appeal to young Australians. Before the pandemic, traditional outbound destinations such as New Zealand, Europe, the US and Canada had also stepped up promotion campaigns in Australia. It is foreseeable that the competition in Australia's outbound travel market will only become more intense after the re-opening of international travel in the future.

(3) Rising cost of travel to China caused by the substantial reduction in flights

As a long-haul tourism destination, China was served by more than 100 flights per week to Australia before the pandemic, but now the number has dropped to just over ten. With the resumption of international travel, the number of flights is expected to slowly go up, but will take years to return to pre-pandemic levels, which means that the prices of air tickets will not come down significantly any time soon. This will push up the cost of travel to China and discourage Australian tourists from visiting China.

XIV. United States

1. Analysis of the Chinese tourism market in the US

(1) Overview of tourist visits to China

According to the 2016-2019 data released by the China Tourism Academy (Table 3-18), the number of US visitors to China in January-October 2019 dropped by 2.40% year-on-year, totaling 2.034 million.

Table 3-18 Statistics of US market for travel to China, 2016-2019
[Data source: China Tourism Academy]

Period	US tourists to China//10,000 visits	Year-on-year growth/%
January-October, 2019	203.4	-2.40
2018	248.36	7.50
2017	230.93	2.70
2016	224.78	7.80

Two-way tourism between China and the US has remained relatively stable in recent years, with China and the US being each other's fifth largest source market in 2018. Official US data shows that Americans made 6.25 million trips to Asia in 2018, and according to Chinese data, about 2.48 million Americans came to China in 2018, i.e., 40% of the Americans visiting Asia came to China. The same figure can be found in the official website of the National Travel and Tourism Office of the US Department of Commerce, proving that China is the number one destination for US tourists in Asia. According to the *Report on China's Inbound Tourism Development 2019* released by the China Tourism Academy in November 2019, the top 10 source countries for China are, in descending order, Myanmar, Vietnam, the ROK, Japan, the US, Russia, Mongolia, Malaysia, the Philippines and Singapore. The US is not only China's fifth largest source market, but also the largest long-haul source country, accounting for nearly 10% of the Chinese market of overnight inbound tourists, with considerable market volume and potential.

(2) Motivation of visiting China

The recreational activities that are of interest to US travelers to China mainly include the following five categories in Figure 3-33:

Figure 3-33 Recreational activities that are of interest to US travelers to China [Data source: overseas Chines tourism offices]

The top three motivations for US respondents with the intention to visit China are Chinese culture (15%), Chinese food (12.2%) and Chinese history (9.6%) (Figure 3-34). Food, culture and history are what the respondents have the most direct impression about China's mainland.

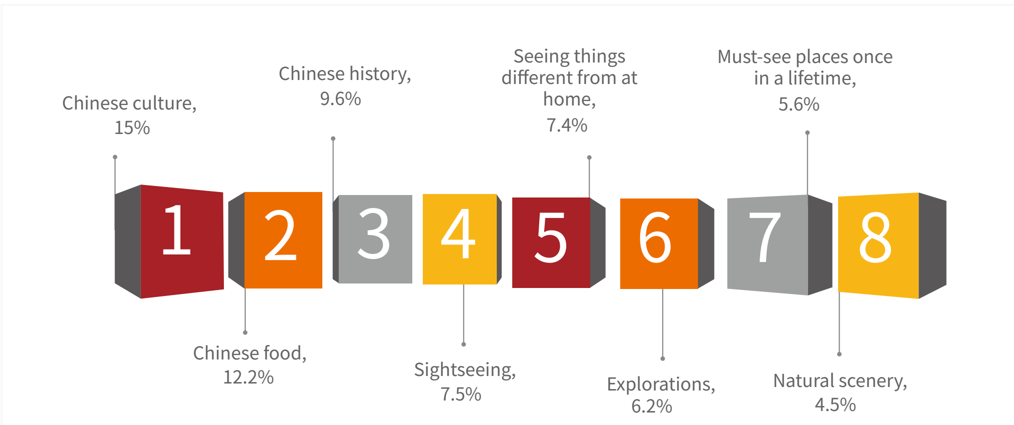


Figure 3-34 The most direct impressions about China's mainland among respondents with the intention to travel to China [Data source: overseas Chines tourism offices]

The analysis of all the reviews (2,985 pieces) of the 157 Cultural & Theme Tours in China on TripAdvisor shows that the number of reviews has been going up year by year. Most notably, the number of reviews about China's cultural attractions has increased substantially since 2016, and the average ratings have been on the whole going higher despite some fluctuations, which shows a healthy growth trend of China's inbound tourism (Figure 3-35).

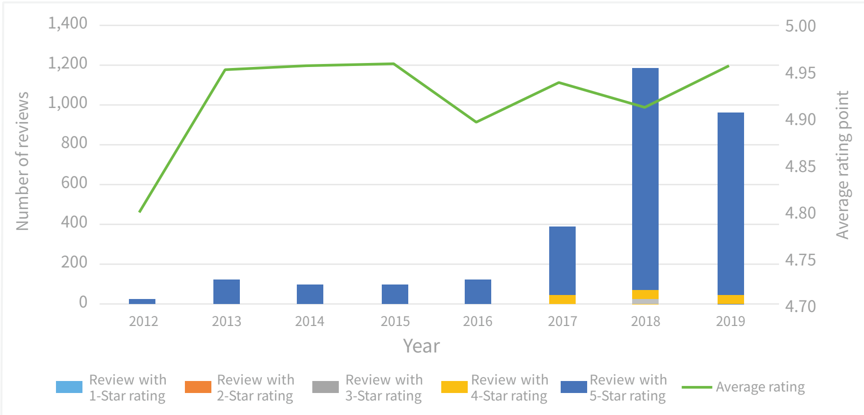


Figure 3-35 Trend analysis of the distribution of starred reviews of Chinese cultural attractions year by year [Data source: overseas Chines tourism offices]

Judged by the ratings for the four main cultural categories, i.e. history and culture, natural scenery, ethnic features, and transportation and architecture, US tourists are generally satisfied with tourism in China, with the highest satisfaction rate for history and culture, followed by transportation and architecture (Figure 3-36).

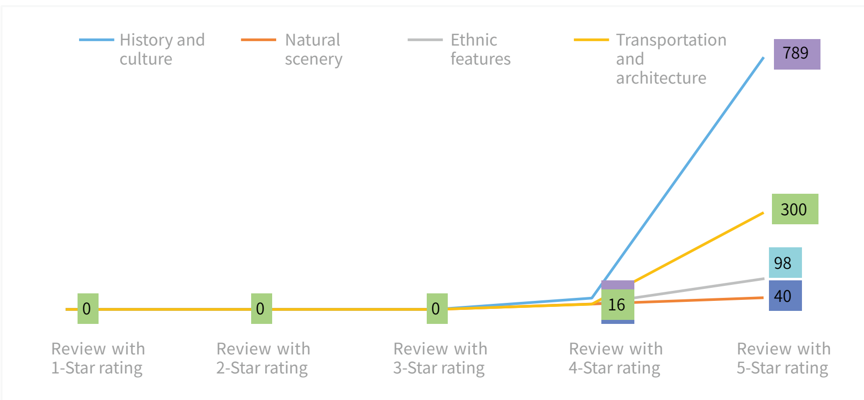


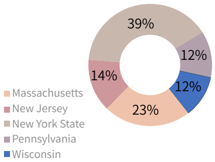
Figure 3-36 Analysis of the distribution of reviews among different types of Chinese cultural attractions [Data source: overseas Chines tourism offices]

The preferred cultural categories of different US regions and the typical itineraries and attractions in these cultural categories can be identified based on the ratings. The features of the Chinese cultural icons and inbound tourism products favored by different US regions (Northeast, Central, South and West) are as shown in Figure 3-37:

Elements of Chinese culture and products of inbound tourism: **focus on the Eastern American market**

Tourists from the Eastern America are mostly from New York State, Massachusetts, New Jersey, and Pennsylvania. They have higher ratings for the attractions of history and culture, modernization and Ethnic features. Different regular routes are offered to every category.

Share of states of the Eastern America by number of reviews



History and culture

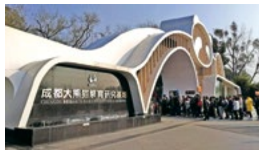
Customized 2-Day tour: Beijing Temple of Heaven, Tian'anmen Square, Forbidden City
Chengdu customized one-day tour: Chengdu Research Base of Giant Panda Breeding, Jinsha site

Modernization

Shanghai private guided one-day tour – Xitang river cruises (boat, Shanghai skyline)

Ethnic features —— Delicacies

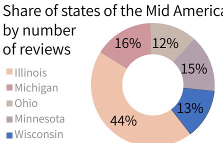
Xi'an classic 1-day tour (Xi'an delicacies)
Private Hongkong (culinary experience)



Elements of Chinese culture and products of inbound tourism: **focus on the Mid American market**

The most reviews in the Mid America are from Illinois, Michigan, Ohio, Minnesota and Wisconsin. The tourists from these states have not only higher ratings for the attractions of history and culture, modernization and Ethnic features, but also have interest of natural scenery.

Share of states of the Mid America by number of reviews



History and culture

4-hour tour in the Forbidden City
Private 2-day tour: Beijing Temple of Heaven, Tian'anmen Square, Forbidden City
Warlords in the 1920s

Modernization

Shanghai private guided one-day tour – Xitang river cruises (boat, Shanghai skyline)

Ethnic features —— Delicacies

Xi'an classic 1-day tour (Xi'an delicacies)
Private Hongkong Kowloon half-day walking tour (Hongkong delicacies)
Chengdu private tour, Shanghai night tour (Sichuan, Shanghai delicacies)

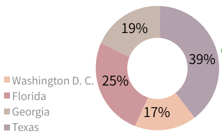
Natural flair

1-day tour in mini group: Trekking from Simatai to Jingshanling (Great Wall's landscape)

Elements of Chinese culture and products of inbound tourism: **focus on the Southern States' market**

Most reviews in the America South are from Texas, Washington D. C., Florida, and Georgia. Similar to the America Northeast, higher ratings are for history and culture, modernization and ethnic features.

Share of states of the America South by number of reviews



History and culture

Private 2-day tour: Beijing Temple of Heaven, Tian'anmen Square, Forbidden City

Modernization

Shanghai private guided one-day tour – Xitang river cruises (boat, Shanghai skyline)

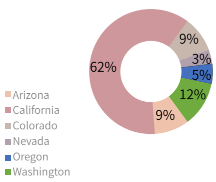
Ethnic features —— Delicacies

Xi'an classic 1-day tour (Xi'an delicacies)
Private Hongkong Kowloon half-day walking tour (Hongkong delicacies)
Chengdu private tour, Shanghai night tour (Sichuan, Shanghai delicacies)

Elements of Chinese culture and products of inbound tourism: **focus on the America West's market**

In the end, the most reviews in the America West are from California, Washington, Arizona, Colorado, Oregon and Nevada.

Share of states of the America West by number of reviews



History and culture

Private 2-day tour: Forbidden City, Temple of Heaven, Great Wall at Mutianyu
1-Day Great Wall at Mutianyu without shopping
4-hour tour in the Forbidden City
4-day tour Xinjiang Kashgar
Private tour Beijing warlords in the 1920s

Modernization

Shanghai private guided one-day tour – Xitang river cruises (boat, Shanghai skyline)
14-day route in small group: Beijing – Xi'an – Chengdu – Yangtze cruise – Chongqing – Shanghai

Ethnic features —— Delicacies

Xi'an classic 1-day tour (Xi'an delicacies)
Private Hongkong Kowloon half-day walking tour (Hongkong delicacies)
3-hour tour in small group: exploring old town Shanghai and street delicacies

Natural flair

Private one-day tour: Mutianyu Great Wall (Great Wall's landscape)
1-day tour in mini group: Trekking from Simatai to Jingshanling (Great Wall's landscape)

Figure 3-37 Overview of elements of Chinese culture and products of inbound tourism
[Data source: overseas Chines tourism offices]

(3) Factors affecting the travel of US tourists to China

In addition to China-US relations, the main factors affecting the Chinese tourism market in the US include the following:

① China's more open and convenient entry policy.

China has opened up wider to the outside world and adopted a series of policies to support the development of inbound tourism. The implementation of tourism facilitation initiatives concerning visa, customs clearance, duty-free arrangement, tax refund and freedom of the air has raised the level of facilitation of China's inbound tourism and improved the attractiveness of Chinese tourism to US tourists. According to a press release of China's National Immigration Administration on October 23, 2019, visitors from 53 countries can now enjoy 144-hour or 72-hour visa-free transit in 30 ports of entry in 23 cities of 18 Chinese provinces (autonomous regions and municipalities).

② Growing comprehensive strength of China's tourism industry.

According to the latest *Travel & Tourism Competitiveness Report 2019*, the overall competitiveness of China's tourism industry has gone up year by year, now ranking 13th in the world. As of July 6, 2019, there were 55 UNESCO World Heritage sites in China (including 14 natural heritage sites, 37 cultural heritage sites and 4 dual heritage sites, including 1 transnational heritage), ranking first in the world in number, together with Italy. However, China's development is still uneven and unbalanced, especially between eastern and western regions, between urban and rural areas, and between domestic and international standards. The tourism industry is already embracing international standards in first- and second-tier cities, but in the rest of China, particularly in the central and western regions or in the countryside, the tourism hardware and services are still at a relatively low level.

③ Optimization of the China-US tourism transportation system.

China has ranked second in the world in civil aviation turnover for 14 consecutive years, contributing 21% to the world's civil aviation transportation. According to the forecast of authoritative international agencies, in five to ten years, China will surpass the US to become the world's top country in civil aviation. Due to the frequent economic, trade and people-to-people exchanges between China and the US and the relaxation of visa policies, the air capacity of the China-US route will continue to be expanded and optimized.

④ Continuous innovation in culture and tourism integration and construction of the tourism promotion system.

With the official establishment of China's Ministry of Culture and Tourism, the integration of culture and tourism has injected new impetus into the development of inbound tourism products and destination marketing. Special tourism routes such as World Heritage Tour, Historical Town Tour and Beautiful Countryside Tour are beginning to attract the attention of American tourists.

XV. Canada

1. Overview of outbound tourism

According to the UN World Tourism Organization, Canada is the 7th largest international tourist source country in the world. Due geographic proximity, the Canadian economy is deeply integrated with the US economy and maintains steady growth. The unemployment rate and inflation are both within a manageable range. Canada's geographical, language, cultural and resource advantages have laid a solid foundation for outbound tourism, and the Canadian people also have a strong willingness to travel.

The data of Statistics Canada shows that the number of Canadian outbound tourists has been growing year by year since 1992 (despite a slight drop in 2002 due to the 9/11 incident), with 33.10 million outbound trips made in 2017 and a total spending of 42.9 billion Canadian dollars; 38 million trips made in 2018, an average of one trip per person (Canada's total population is 38 million), with a total spending of 38.2 billion Canadian dollars, slightly lower than the previous year. From January to June 2019, Canadians made 19.172 million outbound trips. The structure of outbound tourism destinations is as follows:

(1) United States

Due to its geographic proximity, the US is the most preferred destination for Canadian outbound travelers. In 2018, Canadians made 27.7 million trips to the US, accounting for 72.9% of all outbound travels, and tourist spending totaled 20.2 billion Canadian dollars. From January to June 2019, Canadians made 13.287 million overnight trips to the US, accounting for 69.3% of all outbound travels.

(2) Other destinations

In 2018, Canadian tourists made 10.3 million trips to destinations outside the US, spending 18 billion Canadian dollars. The top destinations include, in descending order, Mexico (1.694 million), Cuba (895,000), the

UK (748,000), Dominican Republic (585,000), China (580,000, note: Canada and China use a different statistical scope, hence the discrepancy in data), followed by Italy, Spain, Germany, Jamaica, Portugal, the Netherlands and Japan.

From January to June 2019, Canadians made 5.885 million overnight trips to destinations outside the US. The most visited destinations include, in descending order, Mexico (1,218,000), Cuba (643,000), China (434,000; note: Canada and China use a different statistical scope, hence the discrepancy in data), and the UK (349,000).

2. Overview of the Chinese tourism market in Canada

China is Canada's second largest trading partner and source country for inbound tourism. In recent years, the two countries have maintained good relations, with close people-to-people contacts and frequent trade and business exchanges. The number of mutual visits has been steadily increasing. Data shows that China is one of the most popular Asian destinations for Canadian tourists, and the number of Canadian tourists visiting China has been steadily going up in the past five years.

In 2019, two-way tourist visits between China and Canada went on a decline. According to Chinese statistics, from January to June 2019, Canadian tourists made 404,000 trips to China, down by 6.3% year-on-year. From January to August 2019, Chinese tourist made 500,000 trips to Canada, down by 0.7% year-on-year. The main reasons are as follows:

(1) The worsening bilateral relationship has an adverse impact on tourism

The Meng Wanzhou incident plunged China-Canada relations to an all-time low. The official engagements, business activities and people-to-people exchanges between the two countries have all been affected. The Canadian government issued a warning on the travel of Canadian tourists to China, and the government's tourism department stopped all promotion activities in China and banned official personnel from visiting China.

(2) The implementation of China's new visa policy has weakened the competitiveness of Chinese tourist destinations

According to the relevant Chinese laws and regulations and the principle of reciprocity, starting from January 1, 2019, all applicants holding Canadian passports must go to the Chinese visa centers in the four cities of Ottawa, Toronto, Vancouver and Calgary in person to leave their fingerprints. Given the large landmass of Canada, only having four visa centers is hardly enough. This new policy creates significant inconvenience for applicants who live more than two hour's drive away, and increases the cost and difficulty of transportation, accommodation and loss of working time. Currently, there are 185 countries in the world that provide visa waiver or visa-on-arrival to Canadian passport holders. Canadians are used to "traveling on a whim", and therefore very sensitive to the convenience of visa application. The cumbersome procedures for applying Chinese visas have discouraged potential visitors, and increased the competitiveness of Asian countries that do not require visas or offer visa-on-arrival options to Canadian tourists.

(3) Federal elections, exchange rates and other factors also affect people's interest in travel

During the preparations for the Canadian federal election, many Canadians will not consider traveling abroad. In addition, the 10% depreciation of the Canadian dollar against the US dollar over the past year also affects people's interest in traveling.

3. Negative factors affecting the Chinese tourism market in Canada

(1) The impact of the new visa policy still takes time to absorb

According to a survey, while Canadian business travelers have basically accepted the new visa policy, the impact of the policy on self-guided and group tourists is still quite significant. In addition, starting from December 1, 2019, 30 ports of entry in 23 cities of 18 Chinese provinces (autonomous regions and municipalities) have implemented the 144-hour or 72-hour visa-free transit policy for visitors from some foreign countries (including

Canada), but many Canadians are still unaware of this arrangement, and the answers given by visa centers and airlines are not always consistent.

(2) China's tourism environment and tourist reception services still need improvement

The tourist attractions and scenic spots in China are often over-crowded; some tourism professionals lack competencies, professional skills and dedication; the quality of catering services is on a decline; and the level of convenience for foreign tourists is relatively low (lack of accessible facilities for the disabled, too many stairs and no elevators at stations, etc.). For tourists from developed countries that pursue quality of life, a bad experience may greatly compromise the quality of travel and make it difficult for travel agencies to attract returning customers. Problems regarding air pollution, disease, traffic congestion and food safety in China have been over-exaggerated on the media, damaging China's international image and discouraging Canadian tourists from going to China.

(3) Tourism products need to be updated

The typical Chinese tourism products now sold in the Canadian market are still the traditional sightseeing tours of places like Beijing, Shanghai, Silk Road, Yangtze River Three Gorges and Jiangnan Canal Towns, which are suitable for customers with older age. On the other hand, the millennials prefer to travel on their own. They like to travel to places like remote tourist destinations and ethnic minority regions to experience traditional Chinese folk customs, and challenge themselves by taking part in hiking, biking, running and rafting activities. Therefore, it is necessary to launch outdoor, adventure, food and snow & ice tourism products to cater to their needs.

-Chapter IV- Reflections on China's Inbound Tourism Development in the New Era

Over the past four decades, the overall share of inbound tourism in China's tourism industry has taken a "roller coaster" ride. In-depth analysis of the causes of such changes provides insights and inspirations for China's inbound tourism development in the new era.

I. Changes in China's inbound tourism in different contexts

1. Changes in China's inbound tourism in the context of economic development

With over 40 years of reform and opening up, China's GDP has grown from US$149.5 billion in 1978 to more than US$14 trillion in 2019; China's share in the world economy has grown from 1.8% in 1978 to over 17% in 2020, ranking second in the world; China's per capita GDP, which was only US$156 in 1978, exceeded US$10,000 for the first time in 2019, and the per capita disposable income of urban residents has increased from 343.3 yuan in 1978 to 42,359 yuan in 2019 [Data source: National Bureau of Statistics]. Against such a background, the number of domestic and outbound tourists surged, and the tourist sources completed the transition from relative concentration to wide distribution in a short period of time. On the other hand, growth in inbound tourism has been relatively slow compared to the other two segments of the tourism market. From being the only tourism segment in 1978 (when only inbound tourism statistics were available, but no statistics on domestic or outbound tourism) to accounting for only 2.42% of the overall tourism market in 2019, the declining weight of outbound tourism is more of the result of the rapid expansion in domestic and outbound tourism, not so much of the slow growth of inbound tourism per se.

2. Changes in China's inbound tourism in the context of international relations

With the further opening-up of the tourism industry after China's accession to the World Trade Organization, the world has turned its eyes to China's outbound tourism market. According to statistics, between 2000 and 2008 alone, China signed ADS agreements with nearly 100 countries and regions, opening the channels for Chinese citizens to travel around the world. During this period, tourism, especially outbound tourism, served as an effective tool for facilitating international negotiations and balancing the deficit in service trade, complemented the efforts of the diplomatic and commerce departments, and made huge contributions to the country. The boom of outbound tourism enabled by favorable government policies has inevitably come at the expense of inbound tourism. The evolution of China's outbound tourism market, which was literally built from scratch, has absorbed substantial resources from the inbound tourism market and prompted the movement of high-end talents from the inbound tourism market to the outbound tourism market. With its unique advantages, inbound tourism has advanced the country's interests in its own way.

3. Changes in China's inbound tourism in the context of industrial factors

China's inbound tourism started from the reception of foreign visitors and has long been aimed at generating foreign exchange and income. Inbound tourism has the advantages of higher starting point and better trained professionals; in the meantime, from the perspective of industrial chain, inbound tourism operates on a model similar to "processing with imported materials" and sits at the end of the industrial chain. Compared to the booming domestic tourism sector, its influence over industrial factors such as tourism resources, tourism facilities and tourism services is relatively limited. Despite decades of development, the gap between the inbound tourism services and the demand of international tourists has not narrowed, but widened. On the other hand, the licenses for running domestic and outbound tourism businesses are no longer monopolized but open to all; and through market regulation, a complete wholesale and retail system has been established for outbound tourism. A correct understanding of the current status of inbound tourism is important for making an accurate analysis of the composition and allocation of the factors shaping the inbound tourism industry. In the long run, it is also conducive to the reboot of the inbound tourism market.

II. Reflections on the development of China's inbound tourism

Inbound tourism is an important mark of a country's international tourism competitiveness, and the development of inbound tourism is a long-term national policy followed by most countries in their tourism development. Inbound tourism has the double attributes of cultural communication and economic industry. At the national level, the role of inbound tourism in communicating China's image and promoting the Chinese narrative should be recognized. In the 1970s and 1980s, inbound tourism opened a window for foreign tourists to explore the wonders of China. Through the services provided by the tour guides of travel agencies and the working staff of hotels and scenic spots, the veil of myth around China was removed. Today, inbound tourism opens the door for the world to understand China. As foreign tourists travel to China more frequently and in more diverse forms, their expectation for the trip has shifted from an itinerary-based tour or "seeing the must-sees" to an in-depth experience of "living like the locals". The positive life attitude and everyday life of the 1.4 billion Chinese people have become a new tourist attraction for foreign visitors. Together with basic tourism services, i.e. "food, accommodation, travel, shopping and entertainment", they have shaped China's cultural appeal, presented a friendly image to the world, and answered the four interconnected questions that are essential for telling a good China story, i.e. "what to communicate", "communicate to whom", "communicated by whom" and "how to communicate".

Given the double attributes of inbound tourism, the local government has paid more attention to its economic contribution in consumption and employment. The *14th Five-Year Plan for Culture and Tourism Development* of the Ministry of Culture and Tourism also points out that China's cultural tourism development is still in an important period of strategic opportunities, but with new developments and changes in both opportunities and challenges. Cultural tourism is not only an important vehicle for driving domestic demand, revitalizing the market, creating jobs, and ensuring unimpeded domestic circulation, but also an important bridge and bond connecting domestic and international circulations. It must be cultivated by leveraging both domestic and international markets and resources. Developing the inbound tourism market, giving full scope to the pioneering and strategic role of inbound tourism, promoting high-quality development based on international standards, and meeting people's aspiration for better tourism in the era of tourism for all—this is important for deepening the structural reform of China's culture and tourism sector on the supply side. Due to China's vast landmass and uneven infrastructure conditions across the country, every region has its rich but very different customs, culture and tourism resources. As a result, tourism destinations could hardly find ready examples to follow in their inbound tourism development, yet they all face similar dilemmas in areas like target markets, working methods and assessment indicators. Based on the successful practices and experience of inbound tourism development home and abroad, we suggest exploring the development of inbound tourism along the following directions.

1. Confirming the double attributes of inbound tourism as both an instrument of cultural communication and an economic industry

At the beginning, inbound tourism in China carried the mission of generating foreign exchanges and supporting economic development. After the rapid expansion in the first 20 years, its share in the industry quickly dropped due to the rise of domestic and outbound tourism, and its economic benefits also went on a decline. In contrast to the earlier glories, inbound tourism now faces an awkward situation in its capacity as an economic industry. Because of this, governments at all levels, from central to level, have failed to establish a correct perception about its status.

In 2018, as part of the institutional reform initiated by the State Council, the former Ministry of Culture and the former China National Tourism

Administration were merged into a new Ministry of Culture and Tourism. This restructuring created new opportunities for the development of inbound tourism: first, the integration of culture and tourism leads to the integration of a public undertaking and an economic industry, and adds new dimensions and values to both sectors; second, building China's cultural soft power requires more flexible and effective means, and also more colorful contents, and inbound tourism is the most compatible with this requirement among the three major segments of the tourism market. This year, General Secretary Xi Jinping stressed in a meeting on China's communication with the world that telling a good Chinese story, making China's voice heard, and showing the world a real, multi-dimensional and comprehensive picture of China is an important task for building China's international communication capacity. We should keep to the right tone, being both open and confident as well as humble and modest, and strive to foster a credible, lovable and respectable image of China.

As shown by the results of the survey on travel motivation conducted with travel agencies (Figure 2-8) and the rankings of OTA searches for popular tourism products (Table 2-6), China's history and culture are the main factors that attract inbound tourists, no matter they come in groups or as individuals. Through direct people-to-people interactions, inbound tourism gives foreign tourists an opportunity to see the real China based on their own experience, and helps remove misunderstanding and enhance friendship. Presenting China's cultural appeal and development achievements with a more flexible and easily accepted discourse system, inbound tourism is also more effective in building China's soft power.

Therefore, the first step of inbound tourism development is to re-establish its position at the national level. In addition to leveraging the economic functions of inbound tourism in creating jobs, boosting consumption, and promoting international and domestic circulations, it is also imperative to recognize its function as a "public undertaking", particularly in areas such as promoting people-to-people exchanges and heart-to-heart communication with other countries, presenting a colorful, vivid and multi-dimensional image of China, telling a good Chinese story, and advocating multilateralism, in order to set a clear direction for China's inbound tourism development at the policy level.

2. Building a systematic and professional work mechanism for inbound tourism

In the former China National Tourism Administration, the Department of International Market Development and the Department of Tourism Promotion and International Liaison had, at different times, undertaken the duty of promoting China's inbound tourism, responsible for promoting China's tourism image in the world and attracting foreign tourists to China. At the same time, the overseas tourism offices set up in major source countries (regions) formed a global marketing network, and played an irreplaceable and important role in following the tourism policies, market trends and folk customs of the local countries (regions). This tourism work mechanism, with the national tourism departments responsible for promoting the country's image, local tourism departments responsible for promoting resources, tourism enterprises responsible for creating products, and overseas tourism offices responsible for communication and coordination, has laid a solid foundation for the development of China's inbound tourism.

At present, the promotion of tourism destinations, especially inbound tourism, has raised higher requirements on the systematic, scientific and professional management of relevant factors. The world's major tourism destinations have all established an integrated system with both coordination and implementation capabilities based on the "Government + Destination Marketing Organization (DMO)" or DMO model, in order to maintain market sensitivity, increase destination visibility, and make their national tourism brands more recognizable in the competitive global tourism market (Table 4-1).

Table 4-1 List of countries and regions adopting the "Government + DMO" model

Government+DMO	
ROK	Government (Ministry of Culture, Sports and Tourism) + Agency (Korea Tourism Organization (KTO))
Japan	Government (Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Tourism Agency) + Agency (Japan National Tourism Organization (JNTO))
Germany	Government (Federal Ministry for Economic Affairs) + Agency (German National Tourist Board)
Government+DMO	
Hong Kong SAR, China	Government (Tourism Commission) + Agency (Hong Kong Tourism Board (HKTB))
Shanghai, China	Government (Shanghai Municipal Culture and Tourism Bureau) + Agency (Shanghai International Conference Management Organization)
Sanya, China	Government (Sanya Tourism and Culture, Radio, Film, Television and Sports Bureau) + Agency (Sanya Tourism Promotion Board)
DMO	
UK	Visit Britain
France	Atout France
Thailand	Tourism Authority of Thailand (TAT)
Los Angeles, US	Los Angeles Tourism & Convention Board (LATCB)

Therefore, we recommend the establishment of a professional tourism promotion mechanism based on the goals of China's inbound tourism development. Under the guidance of the culture and tourism departments, the work mechanism shall consist of the representatives of the culture and tourism sectors including accommodation businesses, travel agencies, scenic spots, restaurants, transportation service providers, convention and exhibition organizers, non-intangible cultural heritage sites, museums and OTAs, with government funding and membership fees as operating funds, and tourism promotion, publicity and marketing, industry research, and operation of overseas agencies as its duties. The mechanism shall have clear objectives and performance standards: first, developing innovative tourism products based on local resources, exploring the distinctive features of tourism in different regions, and assisting members in conducting tourism promotion to the public, industry and media at home and abroad; second, establishing a global promotion network, cultivating the image of Chinese tourist destinations, and working closely with overseas agencies to exchange and share tourism information on a regular basis; third, studying and analyzing the tourism market, providing members with comprehensive and detailed market data, and making accurate assessment of the development trend of China's tourism industry and inbound tourism market.

3. Establishing a comprehensive coordination mechanism to overcome the bottlenecks of inbound tourism development

Tourism is a long-chain industry, and multi-department and inter-agency coordination is essential for the development of inbound tourism. During the period of the former National Tourism Administration, the State Council had also set up tourism coordination mechanisms such as the inter-ministry meeting on tourism work and tourism working group. The experience of inbound tourism development in other countries and regions also underscores the important role of inter-agency cooperation in promoting inbound tourism. Take air transportation as an example, triggered by the "diminishing role of travel agencies" and growing demand for "personalized products" among the young post-80s tourists in outbound travels, low-cost carriers (LCC) came into existence after the millennium. The most well-known ones include Spring Airlines in China (2004), Peach Aviation in Japan (2011), HK Express in Hong Kong (2004), Jeju Air in the ROK (2005), Tiger Airways in Singapore (2003), AirAsia in Malaysia (2001), IndiGo Air in India (2006) and Scoot in Singapore (2011). With flexible take-off and landing times, personalized services, and airfares 30%-40% lower than the market average, the LCCs have created convenient transportation conditions for inbound tourism in their countries (regions). In the development of LCCs, all these countries (regions) have adopted a systematic working mechanism under the coordination of the government, with the civil aviation department assisting in the negotiation of air rights, the foreign affairs and immigration departments coordinating post-landing services, and the tourism department helping with product promotion. In the competition for inbound tourists, visa has always been a facility that produces the fastest results (Table 4-2). At the end of 2014, the US extended the duration of business and tourism visas (B1 and B2) for Chinese citizens from one year to ten years, while keeping “visa eligibility and document requirements”, “visa prices” and “duration of single stay” all unchanged, which substantially lowered the threshold for travel to the US. According to the statistics of the US Department of Commerce, the number of Chinese tourists visiting the US increased by 53% in 2015. Statistics of the local tourism authorities in New York, Los Angeles and San Francisco show that the number of Chinese tourists visiting their cities has been growing at double digits in every single year from 2015 to 2019. After signing the ADS agreement with China in 2005, Japan lowered the threshold of individual tourist visa three times in 2010, 2016 and 2018, and the number of Chinese tourists visiting Japan crossed the five million and eight million mark respectively in 2016 and 2018. According to the 2019 statistics of the Ministry of Foreign Affairs of Japan, of all the tourist visas issued by Japanese embassies and consulates abroad, the number of visas issued to Chinese tourists was the highest, accounting for 78% of the total. To cope with the surging demand for visas and shortage of visa papers, the Japanese Consulate General in Shanghai even had to use blank paper with the consulate seal pasted on the passport to serve as tourist visa.

Table 4-2 Summary of visa fees of selected countries (regions)
[All local currencies have been converted into RMB based on the official foreign exchange rates as of November 1, 2021]

<table>
<tr><th></th><th>China</th><th>Japan</th><th>ROK</th><th>Thailand</th><th>India*1</th><th>Hong Kong, China</th><th>Macao, China</th></tr>
<tr><td>US</td><td>956</td><td>Visa free</td><td rowspan="7">64 (visa free, but requires payment for electronic travel authorization (K-ETA))</td><td rowspan="7">Visa on arrival, approximately 390 yuan; application for single-entry tourist visa in home country, approximately 195 yuan; 6-month, multiple-entry tourist visa, approximately 975 yuan*2</td><td rowspan="6">64 (April to June) 160 (July to March)</td><td rowspan="7">192 (flat fee, regardless of number of visas) 64 (flat fee, regardless of number of entries)</td><td rowspan="7">192 (flat fee, regardless of number of visas)</td></tr>
<tr><td>Australia</td><td>371</td><td>Visa free</td></tr>
<tr><td>UK</td><td>827</td><td>Visa free</td></tr>
<tr><td>Germany</td><td>264</td><td>Visa free</td></tr>
<tr><td>France</td><td>361</td><td>Visa free</td></tr>
<tr><td>Russia</td><td>393</td><td>169</td></tr>
<tr><td>Japan</td><td>223</td><td>/</td><td>64 (April to June) 224 (July to March)</td></tr>
</table>

ROK	245	Visa free	/	Visa free	64 (April to June) 160 (July to March)	192 (flat fee, regardless of number of visas) 64 (flat fee, regardless of number of entries)	192 (flat fee, regardless of number of visas)
India	400	169	256	同 *[2]	/		
Singapore	125	Visa free	64 (visa free, but requires payment for electronic travel authorization (K-ETA))	Visa free	64 (April to June) 224 (July to March)		
*[1] tourist visa processing fee (224) will be added to all visa fees							

Starting from the end of 2019, 30 ports of entry in 23 cities of 18 Chinese provinces (autonomous regions and municipalities) have implemented the 144-hour or 72-hour visa-free transit policy for visitors from 53 countries (Table 4-3).

Table 4-3 Visa-free policies for foreign visitors in selected cities

Area		Countries
144-hour visa-free transit	Beijing, Tianjin, Shijiazhuang, Qinhuangdao, Shanghai, Hangzhou, Nanjing, Shenyang, Dalian, Qingdao, Chengdu, Xiamen, Kunming, Wuhan, Guangzhou, Shenzhen, Jieyang, Chongqing, Xi'an, Ningbo (20 cities, 27 ports of entries)	Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Monaco, Russia, the UK, Ireland, Cyprus, Bulgaria, Romania, Ukraine, Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, Albania, Belarus, the US, Canada, Brazil, Mexico, Argentina, Chile, Australia, New Zealand, the ROK, Japan, Singapore, Brunei, UAE, Qatar
72-hour visa-free transit	Changsha, Guilin, Harbin (3 cities, 3 ports of entries)	
30-day visa-free transit	Hainan	Russia, the UK, France, Germany, Norway, Ukraine, Italy, Austria, Finland, Netherlands, Denmark, Switzerland, Sweden, Spain, Belgium, Czech Republic, Estonia, Greece, Hungary, Iceland, Latvia, Lithuania, Luxembourg, Malta,

		Poland, Portugal, Slovakia, Slovenia, Ireland, Cyprus, Bulgaria, Romania, Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia, Albania, the US, Canada, Brazil, Mexico, Argentina, Chile, Australia, New Zealand, the ROK, Japan, Singapore, Malaysia, Thailand, Kazakhstan, Philippines, Indonesia, Brunei, UAE, Qatar, Monaco, Belarus

From the adjustment of air capacity to the change of visa policy, all the forward factors affecting inbound tourism have an impact on the conduct of diplomacy and people's livelihood, and fall within the scope of several related departments. There are a lot of practical difficulties to overcome if we just rely on the efforts of a single department or the local government. Therefore, it is necessary to establish an inter-agency coordination mechanism led by the culture and tourism department at the national level to break the bottlenecks in the development of inbound tourism.

4. Scientific data collection and analysis

Data collection, collation and analysis are the foundation of the work on inbound tourism, and an important basis for establishing the priorities of target markets, making promotion decisions, and allocating budgets. The analysis of tourism data provides detailed and comprehensive market forecast for the country and the industry, and establishes a clear picture of the development trend of the national and local tourism industries and the inbound tourism market. For a long time, due to the difference in statistical scopes and other reasons, the inbound tourism statistics of different localities often cannot be added up with historical data and cannot be compared with other localities either. During the preparation of this report, we also went through great difficulties in connecting the data of travel agencies, hotels, airlines and OTAs.

Data collection, research and collation should be taken as the foundation of inbound tourism work. To start with, we need to determine the statistical scales and standards for inbound tourism data. Factors like direct consumption, employment opportunities and tax revenue should be included as reference indicators for measuring the impact of inbound tourism on the local economies, while tourist measurement indicators (e.g. inbound tourist arrivals, number of inbound overnight visitors, per capita consumption, etc.) and industry measurement indicators (e.g. hotel room occupancy rate, average room rate, room revenue, etc.) should be established as the target goals for policy formulation, so as to calculate the investment/return ratio between the promotion activities and the actual results. This will enable us to focus on the advantageous resources that are of interest to the customers, and achieve the best investment results.

Meanwhile, we should strengthen the research on the development of the international source market; conduct surveys on the inbound tourism market with the help of professional institutions, and carry out special research on tourist satisfaction, demand pattern of the source market, public image of the tourist destination, and the consumption behavior of tourists on a regular basis; build a monitoring and evaluation index system for inbound tourism centered on qualitative indicators such as international tourism (foreign exchange) revenue, overnight stays of inbound tourists and the composition of per capita spending; establish an inbound tourism marketing information system, and share tourism statistics, market research data, special research reports, tourism promotion materials, tourism maps and other literature and data with the key players in the inbound tourism industry.

5. Improving the quality of tourism supply

Russian tourists are fond of Hainan, tourists of ROK love Zhangjiajie, Japanese tourists like travelling to Shanghai, European and American tourists have a special affection for Beijing and Xi'an; the attraction of tourist destinations to the source countries (regions) is a combined result of natural resource endowment, cultural appeal, traffic accessibility, level of internationalization and other factors. After more than 30 years of development, China's inbound tourism products are beginning to show signs of "fatigue", which is reflected in the lack of product variety, outdated tourism forms, high proportion of tour products based on natural and cultural landscapes, and insufficient development of products offering in-depth tourist experience. With the rapid advance of online media and the rise of Generation Z, self-guided tours, business tours, family tours and theme tours have flourished, putting an end to the dominance of group tours in the tourism market. To meet personalized tourism demands, tourism destinations need to provide products with greater varieties.

Therefore, we need to respect the market law of inbound tourism, and improve the quality of inbound tourism supply, starting with the cycle of tourism products, access to tourism information, and changes in the customer structure, to create tourism products catered to the consumption habits of inbound tourists. We should also enrich and reinforce the international features of tourism products, with a focus on exploring the unique culture of the destination and presenting the life of the locals. We should change the traditional mindset of tourism product development, and adopt the model of "government setting the promotion theme and the industry creating tourism products" for different segments of the local tourism market. We should allocate special funds for tours with different themes, and organize research teams to make forecast on market prospects. We should let travel agencies and OTAs take the responsibility of product development, improve tourism routes and the allocation of fragmented products, and design a multi-tiered, differentiated portfolio of sightseeing, vacation, entertainment, business and experience-based tourism products. We should improve the preparation and distribution of materials such as travel guides, brochures, videos and pictures based on the travel demands and thinking patterns of international tourists, and refine the information of each and every key attraction and tourist facility to improve the accessibility for both group and individual tourists.

6. Creating a consumer-friendly environment

As the result of the survey in Chapter II of this report shows, 50% of the inbound tourist groups have a per capita spending in the range of US$1,000-2,000, and those who choose upscale accommodation (4-star and above) and high-end catering (US$16-50/person/day) account for more than half of the total. The data of OTAs also shows the same spending pattern of self-guided tourists, with 65% of the tourists choosing 4-star (and above) hotels, and the per capita spending on air tickets and amusement products exceeds US$203 (per person). All this points to the strong spending power of inbound tourists to China. At the same time, compared with history, culture, natural landscape, folk customs and gourmet, shopping remains a weak link in the whole tourism process, which shows that China is still falling short of the demand of international tourists in terms of product attraction and shopping convenience.

To encourage Chinese tourists to spend more, foreign tourist destinations have invariably prioritized the convenience and scope of mobile payment. In addition to increasing the varieties of tourism goods on the supply side and stimulating tourists' desire of shopping, we also need to make a comprehensive analysis of the consumption environment in China. With more than ten years of high-speed development of the Internet, the 1.4 billion Chinese people have by and large accepted electronic payment, but the other six billion people on the planet are still used to paying with cash and credit card. China's paperless payment environment enabled by face or fingerprint recognition and other proof of identity has caused a lot of inconveniences to foreign tourists, especially self-guided tourists.

We need to make the payment system for inbound tourists more convenient, create a consumer-friendly environment, and improve the financial services for inbound tourists. We should improve the convenience in the use of bank cards in cultural and tourist sites where inbound tourists gather, and provide better mobile payment solutions for inbound tourists. For Visa, Master and other international mainstream credit and debit cards, we must guarantee full coverage of card payment at major tourist attractions, hotels and merchandise vendors, and allow direct RMB cash withdrawals in ATMs at major tourist attractions, hotels and gathering sites. We should also improve the convenience of foreign currency exchange, and add the number of non-bank service points for buying and selling foreign currencies, especially at airports, railway stations, bus stations, ports, hotels and shopping malls.

7. Cultivating inbound tourism professionals

According to the statistics of China Association of Travel Service, as of the first half of 2021, 650,000 tour guides had applied and received the new edition of tour guide certificate. Less than 50,000 of them are foreign language tour guides, while non-English speaking tour guides account for no more than 15%. This means that except for tourists from Hong Kong, Macao and Taiwan Regions, the 30 million foreign tourists visiting China each year are served by only some 40,000 foreign language tour guides. In Chapter III, the analysis made by overseas Chinese tourism offices on the current status of the source markets also points out that the widening shortfall of tour guides for non-English languages such as French, Russian, Spanish and Thai has directly affected the expansion of inbound tourism. The situation of the tour guide business is only a microcosm of the talent shortage in the inbound tourism industry.

Greater efforts are needed to promote the training of inbound tourism professionals. We need to include the cultivation of inbound tourism professionals into the talent training support programs at all levels, implement the inbound tourism talent workshop program, and arrange study or internship opportunities for excellent tourism marketing professionals in government tourism departments, tourism enterprises, and Chinese and foreign higher learning institutions. We need to make the best use of the talent cultivation projects, programs and key disciplines at all levels to bring up inbound tourism experts with global vision, strong academic background and academic rigor. We need to accelerate the training of competent, versatile and international-minded tourism professionals that are urgently needed in scenic spots, travel agencies, and hotels. We need to expand the reserve of foreign professionals in areas like tourism business management, creative planning and marketing, focus on training and attracting talents in international marketing, international exhibition, non-English language tour guide, translation and interpretation and other fields, increase the value of tour guide licence and certificate, explore the possibility of setting up a short-term tour guide certificate system and allow foreigners to apply for the tour guide licence.

8. Improving the tourism service system

In addition to the traditional tourism attractions, the tourists' overall impression of the tourism service system, including customer services, is also an important means of word-of-mouth communication for attracting returning visitors. Therefore, tourist satisfaction surveys have always been widely recognized as an important criteria for measuring inbound tourism. The survey of travel agencies in the earlier section also shows that tourists have the strongest opinions about the public services they received during their trips (Figure 2-31). Toilet, language and mobility are among the top concerns of tourists.

It is imperative to establish a public service support system that meets the requirements of inbound tourists and raise the services of the tourism industry up to international standards. We need to help the front-line tourism workers to improve their foreign language skills, encourage catering service providers to provide multilingual menus, and improve the hospitality services of specialty food and beverage outlets. We need to put up signage in the languages of major source countries (regions) in public places such as airports, stations, shopping malls, museums, hotels and scenic spots, improve the system of tourism information service centers, and provide supporting services for international tourists on their travels. We need to improve the facilitation of international telecom services, provide customized mobile communication packages for foreign tourists in transportation hubs and tourist gathering areas, and create a free, safe and reliable Wi-Fi network with stable system and convenient authentication process in cities and scenic spots. We need to establish and improve the system for settling the expenses of medical services between hospitals receiving foreign patients and international medical insurance institutions, build the international SOS system, and improve the functioning of the international medical emergency transfer system.

9. Creating stronger synergy for marketing and promotion

How to choose the means of marketing and promotion, how to calculate the effect of the promotion campaign on market growth, and what role should the government and enterprises each play— these questions have long been troubling people working on inbound tourism marketing and promotion. At present, a tourism marketing system with the government pointing the direction, the tourism industry taking the main responsibilities, and marketing agencies playing a complementary role has been established in all localities. As the survey on the tourism industry in the earlier section shows, with tourists being able to access information through diverse channels, travel agencies have moved their marketing priorities from traditional offline promotion (reaching tourists through the wholesale and retail system, participating in tourism conventions and local promotion activities, etc.) to online customer acquisition. However, due to the constraints of scale and budget, their investment in social media and search engines is still quite limited (nearly 77.78% of the travel agencies invest less than US$20,000 per year). The overseas Chinese tourism offices, which serve as a bridge between domestic tourism agencies and overseas markets, also found in their study that the government's tourism promotion efforts are not fully in touch with the market, with too much emphasis on resources while paying little attention to products.

To address this situation, we wish to make the following suggestions: establishing the target markets of inbound tourism, setting clear directions for the B-side (industry) and C-side (public), working out the distribution strategy, pricing strategy and promotion strategy based on the target of marketing, and calculating the ratio between the marketing investment and actual results to seek the best return on investment; keeping in mind that marketing should always be at the service of the market, and giving balancing the efforts of promoting products and building image. Fully activating the role of industry associations, travel agencies and OTAs, and setting up special funds or projects to support the independent marketing efforts of enterprises on the forefront of inbound tourism; establishing professional working models of tourism promotion combining "online + offline", "travel agent + media", and "invite in + go out" (Table 4-4) to form stronger synergy for marketing and promotion.

Table 4-4 Models of inbound tourism promotion

Marketing & Promotion Strategy	Audience	Partners	Promotion Channels	Promotion Objectives
Online promotion of tourism destinations	Public (B2C)	Culture and tourism agencies of governments at all levels	Media matrix (official website, own media platform)	Find signature "tags" to make the destination more visible and recognizable
Working with online distributors (OTAs)	Subscribers of related platforms (B2C)	Culture and tourism agencies of governments at all levels	Destination promotion through OTAs	Increase destination popularity and visibility
Arrange visits for tourism media (traditional media, we-media)	Audience and fans of media and influencers (B2C)	Culture and tourism agencies of governments at all levels	Destination promotion through media channels	Increase destination visibility, develop theme tour products and niche tourism routes
Customized destination and corporate brochures	Public (B2C)	Culture and tourism agencies of governments at all levels, local tourism businesses	Produce promotion materials, introduce tourism products and distribute brochures to tourists through travel agencies and overseas offices	Increase destination popularity and reach out to potential visitors
Arrange visits for travel agencies along the travel route in the destination	Travel agencies running the inbound tourism business (B2B)	Culture and tourism agencies of governments at all levels, local tourism businesses, airlines	Travel agents briefings, seminars, etc.	Increase destination popularity and visibility

Participate in or organize thematic tourism exhibitions and trade fairs	Travel agencies running the inbound tourism business, tourism-related enterprises, tourism media (B2B)	Culture and tourism agencies of governments at all levels, local tourism businesses	Thematic lectures, workshops, training sessions, etc.	Build a platform for Chinese tourism enterprises to present themselves, and promote cooperation between Chinese and foreign tourism enterprises
Open up new markets in the source countries	Travel agents and media in second-tier cities of the source country (region) (B2B)	Culture and tourism agencies of governments at all levels, local tourism businesses	Visits to local travel agencies in the form of courtesy calls, meetings and seminars	Go deep into second-tier cities to explore a bigger source marke
Organize online training for professionals in the tourism industry	Travel agencies running the inbound tourism business (B2B)	Culture and tourism agencies of governments at all levels, local tourism businesses	Promote local tourism products to overseas travel agencies in an online form	Increase destination popularity and visibility

-Appendix-
Best Practices of Inbound Tourism Development

I. Beijing

During his inspection tour of Beijing in February 2014, General Secretary Xi Jinping defined the core functions of Beijing as the country's political center, cultural center, international communication center, and sci-tech innovation center, and called for efforts to build Beijing into a world-class city with a harmonious and livable environment. As Beijing reshapes its urban structure, the cultural tourism industry is playing an increasingly prominent role in the city's effort to build an international communication center and cultural center.

In recent years, while improving online and offline marketing and promotion toward the overseas public, the Beijing Municipal Bureau of Culture and Tourism has launched cooperation, training and exchange programs for overseas travel agents and tourism workers in light of the special features of the wholesale and retail system of the overseas tourism industry, and developed the city's culture and tourism resources with professional operation and brand building through piloting and replication. The following are Beijing's experience in promoting inbound tourism through overseas travel agents and other B2B forms.

1. Beijing Tourism Global Distribution Partnership program

In order to promote Beijing's tourism in overseas markets, attract the attention of overseas travel agents and travel media, and strengthen the global strategic partnerships with overseas travel agents and tourism businesses, the Beijing Municipal Bureau of Culture and Tourism launched the "Beijing Tourism Global Distribution Partnership" program in 2018 (Figure Appx.-1). With the resources of overseas partners, the program has expanded the overseas channels for promoting Beijing's culture and tourism resources and products, attracted more international tourists to visit Beijing, and contributed to Beijing's efforts to build an international communication center by "combining the tourism platform with cultural content".

As of 2019, the program had been held for two consecutive years, attracting a total of 60 global partners. The outcomes of the activities are as follows:

Figure Appx.-1 Thirty enterprises awarded the title of Beijing Tourism Global Distribution Partner in 2019

(1) Establishing official partnerships with internationally renowned tourism companies

The Beijing Municipal Bureau of Culture and Tourism shares platform data with its overseas partners and jointly conducts market analysis; provides partners with free multilingual tourism promotion materials and videos; supports overseas travel agents in organizing technical visits to Beijing's tourism resources and updating the tourism products and routes of Beijing. The overseas partners, on their part, shares their offline stores, online platforms, product brochures and other resources with Beijing to help it raise the quality and quantity of inbound tourism.

(2) Setting up incentive funds to increase the motivation of overseas tour operators at the source

In order to learn about the needs and suggestions of overseas tour operators on the development of Beijing's inbound tourism, the city communicates with all the enterprises six months before the event, and asks them to offer proposals for promoting Beijing's cultural tourism based on the conditions of the local market and travel patterns of local tourists. In 2019, five travel agents from the US, Europe, Asia, and Australia, including IE (US), TUI (Spain), HANATOUR (ROK), KNT (Japan) and IGNITE

(Spain), were each awarded US$50,000 for implementing their proposals on Beijing's tourism promotion (Figure Appx.-2).

Figure Appx.-2 Five partners were awarded for contributing "Outstanding Proposals on Overseas Promotion of Beijing Tourism" in 2019

(3) Gathering first-hand information from major source countries

"We have seen dramatic changes in the American tourists travelling to China. They are eager to get a more localized experience and they want to go deep into communities and neighborhoods to learn what kind of music, food, and art the locals like." Terry Dale, President of the United States Tour Operators Association (USTOA), one of the participants of the conference, said, "Most of the itineraries and products for travel to China in the US market are still relatively traditional, designed primarily around classic destinations such as the Great Wall and the Forbidden City. But people's needs have changed, and it is truly necessary to tap into the culture and tourism resources at a deeper level so that people don't just see Beijing as a place for a once-in-a-lifetime visit, but are willing to come back again and again."

2. Beijing Tourism Expert program

Inbound tourism companies play an important role in product design, sales, and service organization. Building on the cultural tourism resources accumulated over the years, the Beijing Municipal Bureau of Culture and Tourism launched the Beijing Tourism Expert program in 2020-2021 to give in-depth information of Beijing's culture and tourism resources to the product and sales teams of overseas partners, travel agencies and tourism organizations engaged in the Chinese tourism business, and help overseas enterprises pack, sell and promote Beijing's inbound tourism products tailored to the needs of different customer groups. From August 2020 to August 2021, the Beijing Tourism Expert program launched 16 multilingual online courses (Figure Appx.-3). As the first of its kind in China, the program has accumulated the following experience in the course of implementation:

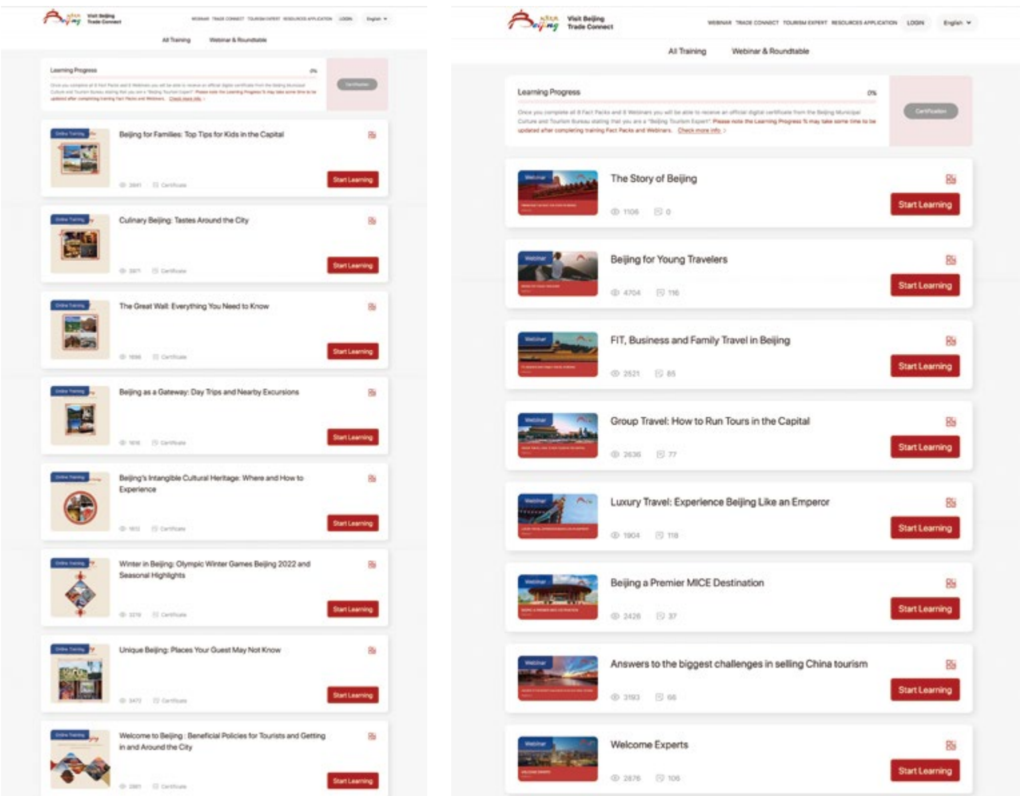


Figure Appx.-3 List of selected courses of the Beijing Tourism Expert program

(1) Content and format of courses

The online courses of the Beijing Tourism Expert program are provided in both multimedia and graphic-text forms, and can be accessed at any time on mobile phones and computers. In order to facilitate the registration and log-in by overseas subscribers, the system provides multiple log-in options, such as email, Facebook account, LINE account and WeChat.

The contents of the courses are designed on the basis of Beijing's tourism resources. The program offers 16 courses, each focusing on a different customer group, including "Answers to the Biggest Challenges in Selling China Tourism", "Beijing a Premier MICE Destination", "Luxury Travel: Experience Beijing Like an Emperor", "FIT, Business and Family Travel in Beijing", "Beijing for Young Travelers" and "The Story of Beijing". With its practical content, the program helps overseas inbound tour operators improve their skills for planning and selling Beijing's tourism products (Figure Appx.-4).

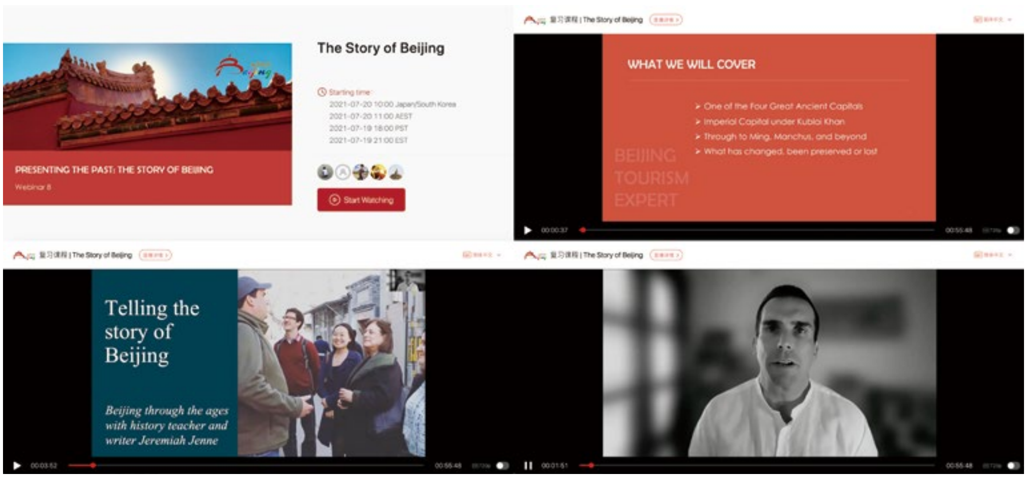


Figure Appx.-4 Screenshot of some course contents

(2) Channels for course promotion

First, the courses are promoted to more than 3,000 overseas travel agencies by email based on the information gathered over the years; second, Beijing has maintained close contact with domestic and overseas travel agencies, international tourism organizations and industry associations engaged in the Chinese tourism business, and sought their assistance in promoting the courses, through their own partners, to overseas tourism professionals; third, guest speakers attending the courses have been invited to promote the courses in their field; fourth, overseas tourism professionals with influence in the travel industry have been appointed as Ambassadors of the Beijing Tourism Experts Program, and they will get rewarded with bonus points for sharing the content together with the web links; fifth, the courses are also promoted in the travel industry through the accounts of the Beijing Municipal Bureau of Culture and Tourism on overseas social media sites such as LinkedIn.

(3) Outcomes of the program

① Certification of overseas tourism professionals as ambassadors of Beijing tourism. After one year of operation, 1,946 global travel agencies engaged in the Chinese tourism business and 5,300 users have studied the courses. Seventy percent of them are overseas subscribers, coming from 30 countries. In September 2021, all courses were made available online, and by the end of October, nearly 100 users had completed all 16 courses. They became the first group of Beijing Tourism Experts, and received electronic and paper certificates and souvenirs from the Beijing Municipal Bureau of Culture and Tourism. These tourism professionals have been included in the database of overseas partners of the Cultural and Tourism Bureau, and the city will maintain long-term relations and continue to communicate with them in the future (Figure Appx.-5).

Figure Appx.-5 Part of the paper certificates and the list of the first group of Beijing Tourism Experts

② Accumulation of practical materials for tourism promotion within the industry. The training courses can be used for a long time and its impact will be long-lasting. It will be an important reserve of promotion resources for Beijing and give the city more options of promotion once inbound tourism is recovered.

3. Visit Beijing, Trade Connect program

To cope with the challenges the industry faces during the pandemic, such as the plummeting number of domestic and foreign tourism enterprises, substantial job losses of foreign tourism workers, and a large number of domestic inbound tourism workers switching to new jobs, and based on the demands reported by tourism businesses in the earlier survey of overseas partners, and the need to maintain close contact with peers in the domestic and overseas tourism industry in the new environment, the Beijing Municipal Bureau of Culture and Tourism constructed an official inbound B2B platform, Visit Beijing, Trade Connect, in 2021 (Figure Appx.-6).

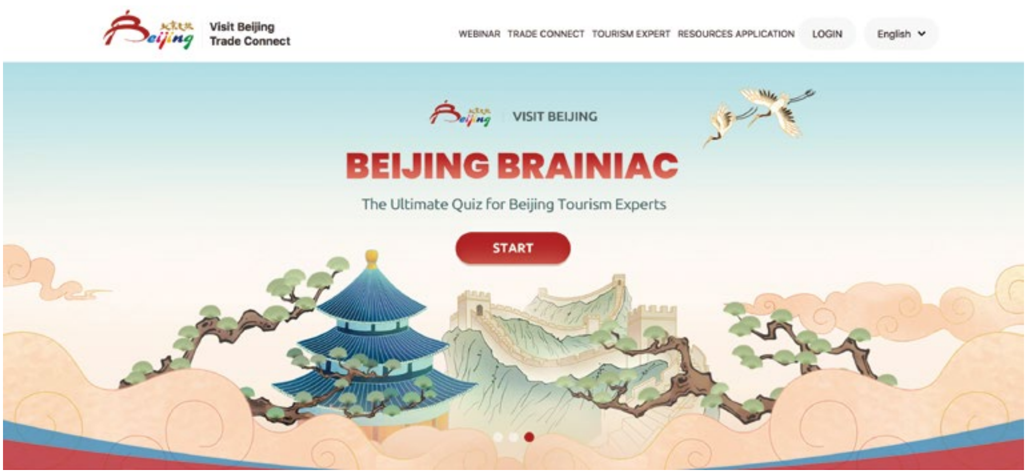


Figure Appx.-6 Home page of Visit Beijing, Trade Connect

Through the Internet, a series of activities have been organized under the program, including training, display of culture and tourism resources, thematic webinars and online fairs, to give Chinese and foreign partners more information about Beijing's culture and tourism resources and facilitate in-depth communication between the resource owners and the product buyers. The program provides timely update on the operation of international travel agencies, and enables Chinese travel agencies to strengthen communication and exchange with overseas tour operators and prepare in advance for the resumption of cross-border tourism business.

Up to now, the platform has attracted nearly 100,000 visits; a total of 5,400 people have registered for learning and studying the courses on the platform; 12 promotion emails have been sent, reaching more than 20,000 overseas users in the travel industry.

The platform provides the following main functions:

(1) Information release and sharing for communication among global partners

Through the communication, promotion and exhibition functions, the platform allows the users to share information, and hold online promotions, webinars, livestream or recorded events, online training and online exhibitions at any time, and ensures timely release of the latest policy and product information of the Beijing Municipal Bureau of Culture and Tourism.

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Topic	Language	Form	Status
Introduction to the B2B platform, Visit Beijing, Trade Connect	English	Online promotion	Finished
Productization of MICE resources in Beijing	English	Online panel discussion	Finished
Promotion of traditional Chinese medicine and wellness tourism	English	Online promotion	Finished
Online discussion of traditional Chinese medicine and wellness tourism	English	Online panel discussion	Finished
Shougang Winter Olympic Games Park live	English	Online promotion	Finished
Discussions of tourism product after Winter Olympic Games (Wellington-Beijing special event)	English	Online panel discussion	Finished
Introduction to tourism resources with Winter Olympic Games related	Japanese	Online promotion	Finished
Discussions of tourism product after Winter Olympic Games	Japanese	Online panel discussion	Finished
Introduction to Beijing intangible cultural heritage	Spanish	Online promotion	Under preparation
Integration of intangible cultural heritage and tourism product	Spanish	Online panel discussion	Under preparation
Introduction to Beijing culture and art resource	Korean	Online promotion	Under preparation
Perspective on combinations of Beijing culture and art resources with tourism products	Korean	Online panel discussion	Under preparation

Figure Appx.-7 List of online events organized or under preparation

(2) Multilingual cloud platform for the display and promotion of Beijing's culture and tourism resources

Through the digital platform, Beijing's culture and tourism resources are presented on the cloud to the city's partners (Figure Appx.-8). These resources, which mainly include five categories, i.e. accommodation, attraction, local tour operator, tour guide and itinerary theme, will be displayed in the form of pictures and texts, with detailed introduction and contact information attached to every single item. As of now, nearly 230 culture and tourism resources have been put online.

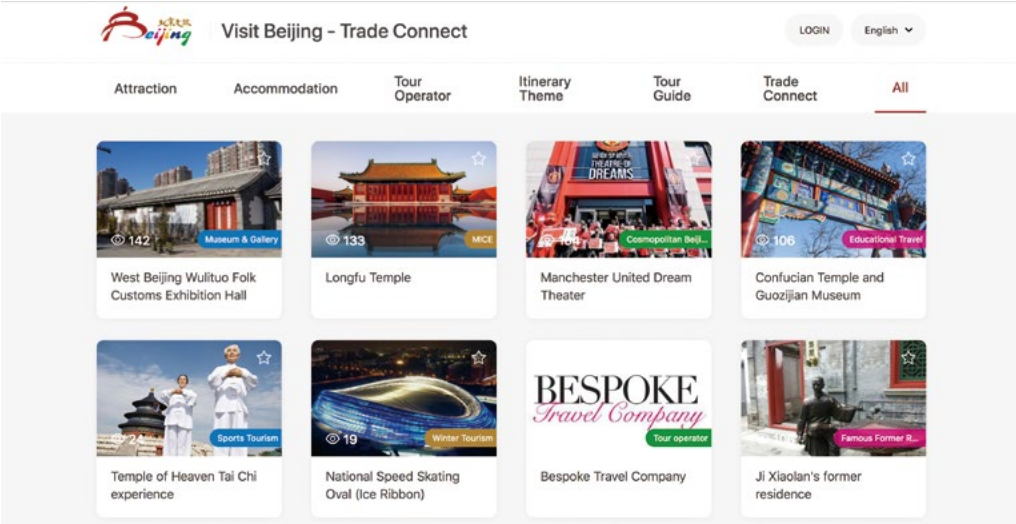

Figure Appx.-8 Beijing's cultural tourism resources displayed in different categories

(3) Online platform for business negotiations on Beijing's cultural tourism resources

In order to give Beijing's cultural tourism enterprises more opportunities to communicate with overseas travel agency partners and seize the opportunity of the post-COVID reshuffling in the industry to establish direct contacts with overseas tour operators and sales channels, the Trade Connect function has been added to the online platform. With this function, registered culture and tourism resource owners can upload multilingual text and video materials to the platform, and set the date and time slots for receiving appointments from overseas tour operators for online business negotiations conducted in the forms of text, video and voice messaging.

The tourism promotion programs targeted at overseas tourism professionals, represented by the Beijing Tourism Global Distribution Partnership program, the Beijing Tourism Expert program and the Visit Beijing, Trade Connect program, provide overseas travel agents with a databank of Beijing's cultural tourism information, helping them to rediscover Beijing from new angles and perspectives. With the display of Beijing's culture and tourism resources, products and services, update on the latest policies and measures, and the functions of communication and information exchange, the platform has given strong support to overseas travel agents.

Telling a good Chinese story, making China's voice heard, and presenting a real, multi-dimensional and comprehensive picture of China are important tasks in building China's international communication capacity. It is necessary to adopt targeted means of communication that are close to the realities of different regions, countries and audiences, promote globalized yet region-specific and audience-based expression of Chinese stories and messages, and make international communication more friendly and effective.

In particular, given the new pattern of cross-border tourism after the pandemic, the Beijing Municipal Bureau of Culture and Tourism has strengthened communication with overseas travel agents with the focus on B2B marketing, adopted the B2B marketing strategy to build platforms and cultivate the ecosystem, generated big data for cultural tourism marketing, explored new direction for Beijing's inbound tourism development using digital means, and contributed to Beijing's efforts in building an international communication center, an international consumption center, and a world-class city with a harmonious and livable environment.

II. Shanghai

1. Overview of Shanghai's inbound tourism

As an international city with global reputation, Shanghai is not only China's economic, financial, trade, shipping, and sci-tech innovation center, but also an international tourist city. In recent years, building on its robust industrial and economic foundation, effective management practices and unique culture, Shanghai has developed a wide variety of tourism products, including modern urban landscape, historical districts, cultural creativity, shopping, entertainment, countryside vacation, river cruise and city parks. Through these efforts, the city has not only gained growing visibility and popularity at home and abroad, but also developed a tourist destination widely recognized by world travelers.

Inbound tourism is an important part of the city's efforts to promote high-quality tourism development and build a world-renowned tourism city, and is also one of the key indicators of Shanghai's attractiveness and influence as a leading global city. The 14th Five-Year Plan period is the first five-year period as China starts a new journey towards fully building a modern socialist country and marches towards the second centenary goal. In recent years, Shanghai's inbound tourism has maintained steady growth. According to statistics, international tourist arrivals in Shanghai increased from 8,175,700 in 2011 to 8,972,300 in 2019, up by 9.7%; inbound tourism revenue expanded from US$5.835 billion in 2011 to US$8.376 billion in 2019, up by 43.5%. Although the outbreak of COVID-19 in 2020 has a huge impact on inbound tourism, Shanghai continues to make advances towards the goal of building an international "cultural studio" and "destination of choice" for people near and far.

2. The "Shanghai Conference Ambassador" system

(1) Foreword

The conference tourism market has always been seen as a high-end tourism market, and it is also a consumer market with both economic and social benefits in the modern service industry. A successful conference not only takes the city to the global frontier of the discipline under discussion, but also generates lucrative economic benefits and high market attention to the host city. In this sense, conference provides a wonderful platform for tourism marketing. Meanwhile, attracting and hosting international conferences also increases the number of inbound tourists, drives inbound tourism consumption, and gives a strong boost to the development of the inbound tourism market.

As China's international stature continues to rise, Shanghai has successfully hosted a growing number of international conferences. Building an "international city of conventions and exhibitions" has always been an important goal for Shanghai. In recent years, more and more high-level, international and professional conferences have been held in Shanghai, such as China International Import Expo (CIIE), China (Shanghai) International Technology Fair (CSITF), Shanghai International Automobile Industry Exhibition (Auto Shanghai), China International Industry Fair (CIIF), China International Pharmaceutical Industry Exhibition (China-Pharm), and East China Fair (ECF). In particular, the success of CIIE has enhanced Shanghai's influence as an internationally renowned city of exhibitions, and also contributed to the inbound tourism development of the city.

The growing number of international conferences held in Shanghai is closely associated with the "Shanghai Conference Ambassador" system. The "Shanghai Conference Ambassador" system, initiated by the former Shanghai Municipal Administration of Tourism (now Shanghai Municipal Administration of Culture and Tourism) in 2006 by drawing upon international experience and leveraging the city's indigenous strengths and local features, is the first MICE tourism promotion system in China. It has played an important role in Shanghai's efforts to promote inbound tourism, develop conference tourism, build the brand of the city, and present the city's tourism image.

(2) Introduction of "Shanghai Conference Ambassador"

① Background of the "Shanghai Conference Ambassador" system.

Shanghai has been committed to building an international city of conventions and exhibitions, and strives to hold more important international conferences to boost the city's competitiveness and influence. Holding conferences also drives the development of tourism, service and other related industries, and promotes exchanges in the academic, cultural, scientific and technological, industrial and other fields.

According to the experience of world-renowned conference cities, the appointment of conference ambassadors normally falls within the duty of the tourism and conference bureau of the city. It works with the representatives of the city's competitive sectors or representatives affiliated with international associations to attract and encourage the holding of domestic and international conferences in the city. In 2006, to promote the development of MICE tourism in Shanghai and strengthen the integration of tourism with other industries, the Shanghai Municipal Administration of Tourism (now Shanghai Municipal Administration of Culture and Tourism) launched the "Shanghai Conference Ambassadors" program, the first of its kind in China. The ambassadors are all leading academic and industrial figures in the medical, sci-tech and other fields, and command strong influence in international exchanges.

② Purpose and significance of the "Shanghai Conference Ambassadors".

The purpose of appointing the conference ambassadors is to help Shanghai build itself into an emerging destination of conference tourism. With the influence in their areas of expertise both home and abroad, the ambassadors make efforts to bring domestic and international conferences to Shanghai when the required conditions are in place. The Shanghai Municipal Administration of Culture and Tourism, on its part, provides information, consulting and promotion services for the ambassadors, support them in bidding for the right to host conferences on the international arena, and provide logistical services to ensure the success of the international conferences that are set to be held in Shanghai, in order to boost the city's image and popularity, and build Shanghai into a world famous tourism city.

③ History of the "Shanghai Conference Ambassadors".

Shanghai started the preparatory work for launching the "Shanghai Conference Ambassadors" in October 2005, and presented certificates to the first seven ambassadors at an appointment ceremony on April 13, 2006. There is no limit on the nationality, region, age and gender of the "Shanghai Conference Ambassadors" (Figure Appx.-9). Many of them are deputies to the National People's Congress, members of the National Committee of the Chinese People's Political Consultative Conference and academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering. Most of the ambassadors are from Shanghai, and some are from Beijing, Hangzhou, Nanjing and other cities. Since the appointment of the first seven ambassadors in 2006, new ambassadors have been appointed on a yearly basis, and with no limit to the number of new appointments. As of 2020, the Shanghai Municipal Administration of Culture and Tourism had successfully appointed 116 experts, scholars and industry leaders (in 12 groups) from various industries as conference ambassadors. The ambassadors, coming from over 20 academic fields, including medicine, urban architecture, information, electronics, semi-conductors, physics

Figure Appx.-9 "Shanghai Conference Ambassador" appointment ceremony in 2018 and biology, as well as hospitality, travel media, convention and exhibition, business travel and other industries, are all leading figures in their respective academic fields and industries, with accomplishments in both theory and practice, and great influence in international exchange activities.

④ Support for "Shanghai Conference Ambassadors" in their bid for hosting conferences.

The Shanghai Municipal Administration of Culture and Tourism actively and closely cooperates with the conference ambassadors in their bid for hosting international conference, and maintains close contact with the ambassadors and their employers to keep track of their work, communicate matters related to the conferences, and learn about and address their needs in a timely manner. The administration has set up a special team to provide professional consulting and services for the ambassadors during the organization of the conferences, maintain daily communication and coordination with the ambassadors, and compile and update information about the conference ambassadors. Aiming at the criteria of first-class international exhibitions and conferences, the administration also helps the ambassadors refine their proposals for the bidding and organization of conferences, and undertakes its duties of integrating resources of tourism promotion, making plans that can best present the city's distinctive features, and stepping up inter-agency coordination, in order to support the conference ambassadors in advancing and winning the bid for hosting international conferences.

(3) Marketing results of the "Shanghai Conference Ambassador" system

① Attracting international conferences to Shanghai and raising the international stature of Shanghai's convention and exhibition industry.

To speed up efforts for the upgrade of the convention and exhibition industry is an important measure for Shanghai to build a world-renowned tourism city, foster new growth drivers, strengthen the brand of the city, and enhance international influence. Since 2006, with the implementation of the "Shanghai Conference Ambassador" system and the efforts of competent government departments, industry associations, convention and exhibition enterprises, as well as the conference ambassadors and all stakeholders in the society, over 100 important conferences with global influence have been successfully held in Shanghai. According to statistics, during the 2006-2021 period, the conference ambassadors brought over 450 international conferences to Shanghai, attracting more than 200,000 participants, with an average stay of three days per person, and making a huge contribution to the MICE and inbound tourism development in Shanghai.

According to the statistics of the Publicity and Promotion Division of the Shanghai Municipal Administration of Culture and Tourism, the city hosted 748 international conferences in 2019, with a total of 281,124 participants, including 27,763 from overseas, which underscores the global orientation of the conferences. In terms of participation, 50 were large-scale conferences with more than 1,000 participants, accounting for 6.7% of the total, and 76 conferences were in the range of 500 to 999 participants. Type-wise, 172 were corporate conferences, 242 were association conferences, 278 were seminars and forums, and 56 were other conferences (including government conferences). These conferences have provided multi-level, high-frequency and all-round exposure of Shanghai in the international arena of conferences and exhibitions.

② Generating significant economic and social benefits.

Through the efforts of the "Shanghai Conference Ambassadors", hundreds of international conferences have been held in Shanghai (Figure Appx.-10). The hosting of these conferences has not only demonstrated China's research capabilities in these fields, but also created more opportunities for international academic exchanges, and given a boost to the growth of consumer business, hospitality and other conference-related industries. In 2017, the International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (ISAKOS) Congress was successfully held in Shanghai with nearly 5,000 participants, generating huge economic benefits for the local hospitality industry, including tens of millions of yuan worth of revenue in accommodation charges alone. Cloud Connect China 2018, a three-day conference, attracted the participation of nearly 3,000 people. With its focus on the progress and trends of the cloud technology industry, and the ecosystem of the technology sector, the conference also contributed to the upgrade of Shanghai's urban function and core competitiveness. The conferences have provided an important platform to showcase Shanghai's culture and city image to the world and produced positive social benefits (Table Appx.-1).

Figure Appx.-10 8th International Symposium on Middle Ear Mechanics in Research and Otology (MEMRO 2018)

Table Appx.-1 Tourism revenue contribution of some larger-scale conferences held in recent years

Conference	Ambassador	Participation/tourism revenue
2007: 8th International Congress on SLE (systemic lupus erythematosus)	Chen Shunle	1,500 Chinese and foreign academic experts
2013: World Congress of Gastroenterology	Li Zhaoshen	Nearly 10,000 people attended the conference, and the five-day conference contributed more than 35,000 room nights and tens of millions of yuan worth of accommodation revenue to Shanghai
2013: 10th IEEE International Conference and Workshops on Automatic Face and Gesture Recognition (FG)	Lv Baoliang	The delegates came from 25 countries and regions, more than two-thirds of them were foreign delegates

2013: Queenstown Molecular Biology Meetings in Shanghai & National Forum on New Technologies in Drug Discovery	Wang Mingwei	Held annually in Shanghai, and the number of participants increased to more than 600, including over 100 foreign delegates
2016: 12th China Interventional Therapeutics	Ge Junbo	The four-day conference attracted nearly 8,000 participants and generated tens of millions of yuan worth of accommodation revenue
2017: Cloud Connect China	Leland Lai	The conference attracted nearly 67,500 participants from 104 countries and regions, up 27% over the 2016 level
2017: International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (ISAKOS) Congress	Chen Shiyi	The six-day conference attracted nearly 5,000 participants, and generated tens of millions of yuan worth of revenue in accommodation charges alone for Shanghai
2020: Retina China	Xu Xun	Over 5,000 people attended the conference

③ Helping Shanghai build a world-renowned tourism city.

In recent years, Shanghai has actively integrated tourism development into the city's overall development. Tourism supply has been further enriched and optimized, and the tourism industry features expanded scale and higher quality and efficiency. The Shanghai Master Plan (2017-2035) set the goal of building Shanghai into a world-renowned tourism city. Shanghai is striving to enhance its image as a tourism destination, optimize the tourism business environment, make the Shanghai brand known to the world, and become a leader and pioneer of tourism development in the new era. In recent years, Shanghai has consistently topped authoritative rankings of global tourism cities, and won the "World Travel Awards — Asia's Leading Festival & Event Destination 2017" (issued by the World Travel Awards Organizing Committee), the "MasterCard Global Destinations Cities Index 2017—Most Popular City for Foreign Tourists in Mainland China" (released by MasterCard) and other honorary titles.

High-level international conferences held in Shanghai will surely attract a large number of professional international visitors to attend the conference and visit the city. It will also boost Shanghai's international popularity and the city's image. According to the ICCA statistical report, Shanghai ranked 27th in the world in the number of international conferences held in 2019. The large number of participants attending hundreds of international conferences have generated strong driving force for the development of conference tourism and the overall inbound tourism market. In 2019, Shanghai received 8,972,300 inbound tourists, generating US$8.376 billion of tourism revenue, up by 13.63% year-on-year. In this process, the “Shanghai Conference Ambassadors” have created business opportunities and fresh energy for Shanghai, enhanced the city’s global influence and competitiveness, and made an important contribution to the sustainable tourism development and the building of a world-renowned tourism city in Shanghai.

The conference ambassadors’ bid for hosting international conferences is also a process that makes Shanghai better known to the world. The team of the Shanghai Municipal Administration of Culture and Tourism for the conference ambassador program has provided a full range of information and promotion services to facilitate the work of the ambassadors, such as promotion films with contents on Shanghai’s culture, history and heritage to present the city’s rich tourism resources to the world. In addition, the holding of large-scale, high-level and professional international conferences also captures the attention of international media, increases the city’s exposure and visibility, and attracts more international tourists, all of which will help Shanghai build a world-renowned tourist destination.

(4) The impact of “Shanghai Conference Ambassador” on the development of inbound tourism

Since the establishment of the “Shanghai Conference Ambassador” system, Shanghai has won the bid for hundreds of international conferences, and gained considerable economic and social values. The international conferences have also had a significant impact on Shanghai’s inbound tourism. With a successful conference, the participants will all become the city’s potential visitors. They may bring their friends and family, or business opportunities to Shanghai. “I have seen many people who bring their families to Shanghai for tourism after attending the conference here, which is actually very good advertising, something we may not be able to achieve even by spending tens of millions of yuan on hard advertising. It is also a process for the city to gradually build popularity," said Chen Ping, Director of the Publicity and Promotion Division of the Shanghai Municipal Administration of Culture and Tourism.

The conference ambassadors are the city's advocates and business cards. They have played an invaluable part in telling a better Shanghai story, communicating Shanghai's voice and presenting Shanghai to the world. The program is also helpful in promoting the conference industry and conference tourism in Shanghai, enhancing the city's tourism popularity and image, and generating stronger momentum for inbound tourism development.

3. Suggestions on inbound tourism development

Cross-sector innovation by integrating tourism with different industries improves the effectiveness of tourism activities and products, and boosts the competitiveness of the tourism industry. The "Shanghai Conference Ambassador" program, for example, is developed on the basis of "tourism + MICE". As conference and exhibition participants generally have high consumption capacity, strong willingness to travel and rich cultural needs, the industrial chain can be extended based on the "tourism +" model. With their identity transformed from participants of international conventions and exhibitions into inbound tourists, the can also engage in activities in accommodation, catering, tourism, retail and other fields, which will contribute to the city's brand building and open up new tourism possibilities for the city.

There are also other areas where tourism can be integrated with other industries, such as TV & film tourism, study tourism, health tourism, and cruise tourism, all of which can inspire innovations in product design and tourism promotion. The "cultural tourism + technology" integration and the ecological chain connecting the government, enterprises and users improve the quality of tourism and tourism services. The cross-sector integration of “cultural tourism + recreation” is in line with the new trend of tourism demands, i.e. the transition from sight-seeing-based tourism content to leisure, experience, health-based vacations. Integration is the future of tourism, and “tourism +” will empower city-based destinations in building competitiveness in inbound tourism and creating world-class tourism cities.

III. Guangzhou

1. Overview of inbound tourism in 2018 and 2019

Guangzhou received 9.063 million inbound overnight tourists in 2018, an increase of 0.02% year-on-year. Among all the inbound overnight visitors, 3.401,3 million were from foreign countries, 4.419 million were from Hong Kong Region, 549,600 were from Macao Region and 630,600 were from Taiwan Region, up by a modest margin over the 2017 level. Among the foreign visitors to Guangzhou in 2018, Asia remained the largest continental source of foreign tourists for Guangzhou, accounting for 48.76% of the total, which was slightly lower than the 2017 figure of 49.26%, but still ranked first among all continents. Europe came in the second place, accounting for 18.32% of the total, followed by Africa, with a share of 16.84%.

2019 was a year of volatility on the international political and economic landscape, marked by rising unilateralism and protectionism and lasting trade disputes. The trade war between China and the US and the political tension in Hong Kong both had an impact on Guangzhou's inbound tourism. Despite the fluid global dynamics, China delivered an impressive performance on all fronts. As the second largest economy in the world, China maintained strong economic vibrancy, which ensured the stability of Guangzhou's inbound tourism market. In 2019, Guangzhou received 8,994,300 inbound overnight tourists, roughly the same as in 2018. Among them, 3,462,800 were from foreign countries, 4,275,800 were from Hong Kong Region, 574,200 were from Macao Region and 681,600 were from Taiwan Region. **Except for the number of Hong Kong tourists, which dropped by 3.24% year-on-year, inbound tourists from other regions all increased, though by different margins.**As for the continents where the overseas visitors came from, Asia remained the largest tourist source for Guangzhou in 2019, accounting for 47.35% of the total, which was slightly lower than the 2018 figure of 48.76%, but still ranked first among all continents. Europe came in the second place, accounting for 19.28% of the total, up 0.96 percentage points over the previous year, followed by Africa, with a share of 17.77%, up 0.97 percentage points year-on-year. Visitors from the Americas and Oceania respectively accounted for 12.95% and 2.66% of the total.

2. Successful practices of inbound tourism development

(1) Setting up overseas promotion centers to promote Guangzhou to the world and explore the overseas tourism markets

In order to promote Guangzhou's tourism to the world, attract more international tourists, and boost Guangzhou's international influence and popularity, the city has worked with China Southern Airlines, leveraging its advantages in capital, network, technology and talent resources, to set up 20 tourism promotion centers in the world's major tourist sources in two years.

To serve the city's overall development strategy, Guangzhou has deepened exchanges and cooperation with its sister cities in friendly countries and seized the opportunity of the Belt and Road Initiative to advance tourism cooperation. With the application of big data, Guangzhou studied the origins of tourists visiting the city in recent years, and selected a number of key cities in major countries around the world to cultivate the local market. In October 2017, the Guangzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism (formerly Guangzhou Municipal Tourism Bureau) signed a strategic cooperation agreement with China Southern Airlines to build tourism promotion centers through the airlines' overseas offices. In 2017 and 2018, Guangzhou had set up ten promotion centers each year in the world's major tourist sources. The first group of overseas promotion centers were launched in Los Angeles, Vancouver, Mexico City, New York, Sydney, Auckland, Paris, Moscow, Dubai and Nairobi in October 2017, and the second group in Toronto, San Francisco, Delhi, Amsterdam, London, Tokyo, Kuala Lumpur, Bangkok, Singapore and

Rome in July 2018, covering 17 countries in five continents, including 6 in Asia, 3 in the Americas, 5 in Europe, 2 in Oceania and 1 in Africa.

Through the participation in exhibitions and conventions, special promotion campaigns, festival marketing and other means, the overseas promotion centers have made sustained efforts to increase the visibility and influence of Guangzhou tourism: **first, leveraging the platforms of exhibitions and conferences.**The promotion centers in New York, Mexico City, Moscow, Dubai, Los Angeles and Paris have respectively attended the PATA Annual Summit, the "Belt and Road, China-Mexico Business Summit" and the fifth plenary meeting of the Mexico-China Entrepreneurs High-Level Working Group, the sixth China-Russia Tourism Forum, the Arabian Travel Market, CNTO Tourism Exhibition, the Silk Road American Forum & Innovative Brand Expo, the Brussels Travel Expo, Le Monde à Paris and other world-renowned tourism exhibitions, to promote Guangzhou's tourism and approached leading travel agencies for follow-up cooperation; **second, organizing promotion within the industry.**The promotion centers in Los Angeles, Paris, Vancouver, Sydney, Nairobi, Moscow, Mexico City, Bangkok, Toronto and Tokyo have held presentations targeting at the industry, inviting local government officials, business leaders, celebrities, government-sponsored tourism organizations and travel agencies, hotels, media and the partners of China Southern Airlines to promote Guangzhou's history, culture and tourism resources; **third, combining large outdoor advertising with media communication.** The promotion centers in Sydney, Los Angeles and Moscow have placed outdoor advertising of Guangzhou tourism in railway stations, bus stations, office buildings, city tour buses and airports in their respective cities. They have also combined the communication on social media with visits arranged for targeted tour operators to promote the city to the locals; **fourth, taking full advantage of festival marketing.** The promotion centers in Auckland and New York have set up display points during celebrations of the "Lantern Festival", "Mid-Autumn Festival" and "Chinese New Year" in the local communities to introduce the traditional Chinese culture and

Guangzhou's tourism resources.

"Tourism + airline" is a new form of cross-sector integration for the tourism industry. Both the Canton Route and Guangzhou International Tourism Destination programs are aimed at promoting Guangzhou to the world. By strengthening cooperation with famous local travel agencies, tourism organizations, famous international travel agents, mainstream media and other professional organizations, making full use of the Internet and other new technologies and expanding cooperation with social networks and we-media, the overseas promotion centers have launched an intensive marketing campaign on Guangzhou's tourism resources and the Canton Route, which is beginning to produce visible results. In 2018, the China Tourism Academy hosted a symposium on inbound tourism in Beijing and cited the assessment of Guangzhou's performance in international destination marketing, which concluded that Guangzhou's scores (rankings) in inbound tourism marketing, from overseas media monitoring, media exposure, and scope of coverage, to government commitment and satisfaction in public services, were substantially higher than the nationwide average. Most notably, Guangzhou's scores for government commitment (Guangzhou 62.3, nationwide average 27.9) and satisfaction in public services (Guangzhou 75.9, nationwide average 34.0) were more than twice the nationwide average.

(2) Marketing on the theme of Chinese New Year to build global reputation for Guangzhou's tourism

Guangzhou designated 2018 as the year for boosting international image and building international brand. In order to increase the tourism promotion in the world, cultivate the city's "Flower City" brand, and bring more tourists to Guangzhou, the Guangzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism (formerly Guangzhou Municipal Tourism Bureau), seized the opportunity of the establishment of overseas promotion centers with China Southern Airlines in organizing the five-day "Tour of the Flower City by International Celebrities" during the Spring

Festival in 2018 and 2019.

Launched in 2018, the "Tour of the Flower City by International Celebrities" has invited families of prominent international figures from 20 key tourist source cities in different countries to celebrate the Chinese New Year in Guangzhou, including the family of the former Vice Mayor of Athens, the family of the Belarusian Ambassador to China, the family of the former Vice President of ABC TV Network (personal advisor to former US President Jimmy Carter), the family of the Marketing Director of Real Espanyol Football Club, the family of the head of Fellowship Travel in New York, the families of media opinion leaders in Los Angeles, the families of the heads of travel websites in Vancouver, the family of the President of Fantasy Cruises Holidays in Toronto, the family of the Key Account Manager of AL Rais Travel in Dubai, the families of travel blog opinion leaders in Sydney, the families of the journalists of *NZ Herald*, the largest media in New Zealand, and the families of the managers of local travel agencies in New Zealand. The tour included visits to the city's main tourist attractions and the traditional flower market as well as the opportunity to experience the special Lingnan food and the traditional dinner served on the Chinese New Year's Eve. The key local attractions covered by the tour include the Five Sheep Statue in Yuexiu Park, Zhenhai Tower (Guangzhou Museum), City God Temple, Nanyue King Museum, Chime-Long International Circus, Cantonese Opera Art Museum, Yongqing Square, Chen Clan Ancestral Hall, Litchi Bay, Pearl River Night Cruise, Flower City Square and Guangzhou Tower. The whole itinerary is focused on "flowers" and "Chines New Year", from the "flower appreciation" tour of Beijing Road and Yuexiu Flower Market, the "gourmet" tour of traditional New Year's Eve dinner and authentic Lingnan snacks, and the "history" tour of the Five Sheep Statue, Chen Clan Ancestral Hall, Nanyue King Museum, Zhenhai Tower and City God Temple, to the "fashion" tour of Guangzhou Tower, Pearl River Night Cruise and Flower City Square, and the "theme" tour of Chime-Long Resort, Cantonese Opera Art Museum, Yongqing Square and Traditional Chinese Medicine Museum. Covering all kinds of tourist attractions from city landmarks and natural scenery to theme parks and Lingnan culture, the tour allows the participants to fully experience Guangzhou's rich cultural heritage and its beauty as an international city, and shapes a memorable global "reputation" for Guangzhou's tourism.

Packing the core of traditional culture in the shell of new activities has produced multiple results: **first, the applause of the invited guests.** The five-day, four-night tour of Guangzhou city has left a memorable experience for the 40-plus participating families. They are all very satisfied and appreciative of the organizer's thoughtful arrangements, and giving a thumbs up to this cultural and historical city. "Wonderful Guangzhou, Magic Guangzhou", the guests interviewed all said that they will introduce the charming Guangzhou to more friends, and "will come back to Guangzhou again"; **second, although the program is "small" in scale, its voice is "big":** to date, only some 100 guests have participated in the program, but all of them are international celebrities with considerable influence, including many travel gurus and media personnel with a big fan base. To ensure the desired communication effect, the Guangzhou Tourism Bureau attached high importance to the publicity of the program. With the assistance of the Publicity Department of the Party Committee, over 40 journalist from local and central media had been invited to cover the tour program. According to incomplete statistics, more than 20 media organizations joined the coverage of the program, involving over 40 reporters, and producing dozens of news reports in headline sections. Among them, Guangzhou Daily, Yangcheng Evening News, Nanfang Daily and Information Times provided substantial coverage of the program, CNTV (China Network Television) and others ran special programs on the tour activities, and online media such as Toutiao and Guangzhou Reference also reported on the tour, producing over 244,000 reports and reposts on the Internet. This model of communication, which is based on the collaboration between traditional and new media, is timely, interactive and immersive, and generates maximum publicity effect.

(3) Utilizing visa facilitation policy to develop itineraries with "one trip, multiple destinations" for inbound tourists

① Making good use of the 72-hour/144-hour visa-free transit policy for foreigners.

In order to fully leverage the positive impact of visa-free transit in driving Guangzhou's economic and tourism development, better promote Guangzhou's image to the world, and give the foreign tourists in transit a chance to learn more about Guangzhou within their limited transit time, the city has set up a gathering point at the Baiyun Airport to provide free one-day tour for transit passengers.

Since the launch of the "72-hour visa-free transit" policy on August 1, 2013, Guangzhou has been actively advancing the related tourism work:

i. Putting up advertisements and promotion video in the hub airports of major international source markets connected by direct flights to Guangzhou: an advertising campaign on "72-hour visa-free transit" has been launched in international airline hubs with direct flights to the Baiyun International Airport and served by China Southern Airlines (including Paris, London, Moscow, Frankfurt and Vancouver) for targeted promotion of the transit policy and Guangzhou's tourism image in key tourist source markets.

ii. Launching tourism products and routes with the theme of "visa-free transit": the Guangzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism (formerly Guangzhou Municipal Tourism Bureau) supported China Southern Airlines in working with the city's leading tourism enterprises to develop diversified tourism products and print out promotion materials for visa-free transit passengers: regular tourists are provided with multiple options of one-day tour, with recommended visits to famous local attractions including the Chen Clan Ancestral Hall, Litchi Bay and Guangzhou Tower; while for business travelers, hotel+tourism products are also available to facilitate their travels. Promoted through the English websites of relevant tourism enterprises and the official website of

China Southern Airlines, the “72-hour visa-free transit” policy and products are popular among tourists transferring in Guangzhou. After the upgrade of the policy to “144-hour visa-free transit”, five new tourism itineraries have been added, including the Culture Tour of Guangzhou, Foshan and Kaiping, Business Tour of Guangzhou and Shunde, Leisure Tour of Guangzhou and Shenzhen, B&B Tour of Guangzhou, Zhongshan and Zhuhai, and Theme Tour of the Guangdong-Hong Kong-Macao Greater Bay Area.

iii. Holding maiden tour ceremony for the first group of “visa-free transit” passengers to attract attention to the policy: the maiden tour ceremony was held by the Guangzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism at the Baiyun Airport, with the support of China Southern Airlines, the Baiyun Airport and Guangzhou International Travel Agency (COZL). Foreign tourists traveling from Sydney, Melbourne, Auckland, Los Angeles and Paris on China Southern Airlines flights were invited to experience a free tour in Guangzhou.

iv. Providing free one-day tour for visa-free transit passengers: to give the foreign tourists in transit a chance to learn more about Guangzhou within their limited transit time, a gathering point was set up at the Baiyun Airport from November 2015 to February 2020 (suspended due to the pandemic) to provide free one-day city tours for transit passengers. With the focus on Guangzhou’s history, culture and city landscape, the one-day tour provides a key instrument for promoting Guangzhou and its tourism image, and attracts more inbound tourists to visit and shop in Guangzhou through the word-of-mouth recommendation of transit passengers.

② Making the best use of the 144-hour visa-free transit policy by tapping into the proximity to Hong Kong and Macao.

In order to further develop Guangzhou’s inbound tourism, and give full scope to the positive role of the 144-hour visa-free transit, Guangzhou is encouraging travel agencies to use this facilitation measure to attract foreign visitors from Hong Kong and Macao to the city. The main efforts in this regard include:

i. Promoting the "144-hour visa-free transit" policy in Hong Kong and Macao, cooperating with Hong Kong and Macao to jointly promote the tourism products of "one trip, multiple destinations", and organizing seminars involving tourism organizations of the three cities to launch better package products.

ii. Promoting the policy and relevant tourism products and routes in the Guangzhou East Railway Station, Hong Kong Hung Hom Station and the on-board magazines of the Guangzhou-Hong Kong Through Train.

iii. The Guangzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism and the Hong Kong Tourism Board signed the *Guangzhou-Hong Kong Tourism Cooperation Framework Agreement*, which provides for substantive cooperation on the tourism promotion of the two cities, promotion of the 144-hour visa-free transit policy and improvement of "one trip, multi-destination" tourism routes, with a focus on promoting "144-hour transit facilitation and related tourism products", to bring more foreign visitors to Hong Kong and Guangzhou.

iv. Organizing a tourism seminar in Hong Kong and Macao to seek the opinions and suggestions of the participants on the progress and problems in the implementation of the 144-hour transit policy, and issues concerning the packaging and integration of tourism products.

v. Using the platforms of tourism exhibitions and promotion activities held in Hong Kong and Macao to promote the 144-hour transit policy, distribute pamphlets on the facilitation measure to major local travel agencies, and introduce to them the benefits of the policy, i.e. lower threshold (minimum number of group members reduced to two), efficient information platform, and streamlined procedures (visitors entering and exiting from Guangzhou only need to fill in a triplicate form, instead of a quintuple form required by other ports of entry in the province).

The one-day city tour provided for international transit passengers in the Guangzhou Baiyun Airport is the first of its kind and also the only such program in China. By embracing the practice of well-known international hub airports, the program has boosted Guangzhou's visibility in the world. The number of visitors enjoying the transit tour services and the number of their home countries have both increased, unlocking the huge market of inbound transit passengers and generating returning visitors. The participating tourists have all spoken highly of the transit tour service and said they would recommend it to their friends and relatives. Such a word-of-mouth communication is more effective in promoting Guangzhou and greatly enhances its potential as an inbound tourism destination. The promotion of the 144-hour transit policy and the matching products has played an invaluable role in presenting Guangzhou's image to the world.

(4) Launching promotion campaigns on international social media

Guangzhou has selected a number of mainstream international social media to post tweets, pictures and videos in six major categories, i.e. food, accommodation, transportation, sightseeing, shopping and entertainment, to introduce Guangzhou's tourism products and routes, Lingnan culture, Cantonese culture and food culture to the world. Through year-round promotion, Guangzhou has increased the visibility of its culture and tourism and expanded its global influence as a cultural and tourism city.

Guangzhou runs its global social media promotion program on the four leading social networks, i.e. Facebook, Twitter, Pinterest and YouTube, plus two major real-time sharing platforms, i.e. WordPress and Instagram, for added values. The program, with contents on Guangzhou's culture and tourism in the forms of texts, pictures, videos, Q&As, polls and hashtags, provides international tourists with easier access to Guangzhou's cultural tourism products and services, and creates a platform for Guangzhou's cultural tourism sector to communicate with global tourists and expand its influence. As of now, the program has been running on the four social networks for more than 70 months, and on Facebook, the program is running simultaneously in eight languages: English, Traditional Chinese, French, Spanish, Japanese, Korean, Russian and Arabic.

Following the outbreak of the pandemic, Guangzhou has shifted the focus of its social media program from organizing activities to sharing culture and history knowledge. By exploring the underlying values of the Lingnan culture and introducing the Lingnan culture and Chinese culture to the world, the program continues to create popular contents that resonate with the public, maintain the level of interest and attention of the target audience, and use diverse means to increase Guangzhou's exposure as a tourist destination, thus laying a solid foundation for reopening the inbound tourism market in the future. As of June 30, 2021, a total of 9,200 tweets had been posted on the four major social networks, including 93 videos, attracting 23.85 million reads and over 870,000 new follows. The followers of Guangzhou on social media now cover 45 countries and 38 languages.

IV. Suzhou

1. Approach to inbound tourism development

Building the image of an international tourist city under the brand of "Suzhou, China with Style" through the channels of international new media.

In 2019, Suzhou received 1.74 million overnight visitors and earned US$2.513 billion of revenue in inbound tourism, accounting for 44% and 53% respectively of the total in Jiangsu Province. The international tourism marketing campaign and the cultivation of the "Suzhou, China with Style" brand have both played a critical role in building Suzhou into a top-class tourism destination in the province, in the country and in the world.

2. Global vision and innovative path of inbound tourism development

Since 2014, Suzhou has been actively developing the international tourism market, studying the changes in international market demands and exploring its own tourism features. By working with the international tourism industry, presenting and developing new tourism products, maintaining public relations, constructing tourism websites, and conducting online marketing and destination management, Suzhou has successfully increased its visibility and cultivated the image of "Suzhou, China with Style" on the global stage.

According to incomplete statistics, over the past six years, Suzhou has generated about two billion posts on international new media platforms, added more than 300 new tourism products, produced 292 articles and won many international marketing awards. In 2016, Suzhou became the only Chinese city to be named the world's 50 Best Places to Travel in 2017 by the famous travel magazine *Travel + Leisure*; it also won the 2016 Pinchain Inbound Tourism Contribution Award, and the 2017 Travel Weekly

Magellan Gold Award for Destination Marketing and Silver Award for Asia Outdoor Destination. Between 2017 and 2021, Suzhou was named Top 10 China Destinations by TripAdvisor, the world's most influential travel platform, for several times.

3. Using the platform of international new media to enhance Suzhou's city image

The Suzhou Municipal Bureau of Culture, Radio, Film, Television and Tourism has opened accounts on four international new media platforms, i.e. Facebook, Twitter, Instagram and YouTube, with contents updated more than once a day. Four offline events and one or two offline promotions are organized on a yearly basis. As of July 31, 2021, the four international new media platforms (@visitsuzhou) had a total of 1.1 million followers, including about 200,000 on Twitter, nearly 870,000 on Facebook, and about 28,600 on Instagram. Suzhou now ranks top three among all Chinese cities in the number of followers on the three social networks. In particular, it has been holding the first place on Twitter for several years in a row.

Over the years, Suzhou has hosted a number of events in major cities including New York, Los Angeles, Portland, Washington, D.C. and San Francisco. In September 2017, Suzhou silk made a special appearance at the 69th Emmy Awards in Los Angeles, the highest rostrum of American TV. All the award-winners received a silk robe made by Xiu Niang Silk, a local company in Suzhou, and a coupon provided by Hyatt Regency Suzhou. The "presentation" of the Suzhou gift at the Emmy Awards was followed and reported by many TV channels, online and print media in North America, reaching 17,000 households on REELZ alone. The media campaign triggered 1.79 million social media posts and 4,624 cross-platform engagements. In addition, Suzhou has also stepped up communication on traditional media to increase the city's international exposure. More than 100 positive articles about Suzhou's tourism get published every year, covering over 500 million readers worldwide.

4. Stepping up promotion in the tourism industry and accelerating the transformation of tourism marketing results

Currently, Suzhou has maintained cooperative relationships with 200 international travel agents selling Chinese tourism products, offering some 500 products containing the tourism itineraries of Suzhou, many of which include overnight stays in Suzhou's four-star or above hotels. Suzhou has focused its efforts in the following areas: first, developing and maintaining a database of travel dealers, travel agencies and media. As of December 31, 2019, the top 23 travel wholesalers in North America were offering 247 itineraries containing Suzhou; second, participating in professional international travel shows to promote and sell Suzhou tourism products, and, in particular, giving presentations, making follow-up phone calls and promoting face-to-face at conferences and events attended by travel businesses and travel dealers (including the USTOA Annual Conference, the New York Times Travel Show, the Educational Tourism Conference, the Washington DC Travel & Adventure Show, the Los Angeles Travel and Adventure Show); third, giving presentations to people in the tourism industry. In October 2015, Suzhou hosted a luncheon of tourism leaders at the Metropolitan Museum of Art in New York, introducing Suzhou's culture, history, well-known attractions and other tourism information to a group of over 50 travel agency representatives and travel dealers; fourth, providing education and training for local travel dealers in Suzhou to help them get a more comprehensive and deeper understanding of international tourists, better serve the development of inbound tourism, and improve the quality and reputation of Suzhou's tourism hospitality services; fifth, organizing and receiving technical visits. Over the past six years, Suzhou has invited over 115 representatives of leading international travel wholesalers, travel agencies and domestic tour operators for North American tourists to visit the city. Through these technical visits, the top 20 travel dealers in North America have developed new routes for individual and group tourists, and sent many high-quality tourist groups to Suzhou. In 2016 and 2017, Suzhou hosted two major events of China-US tourism cooperation, i.e. the "China-US Tourism Year — 1,000 American Tourists Visit Suzhou" and the technical visit and business talks of Chinese and American tour operators.

Suzhou has also been sending bi-monthly e-newsletters on the latest tourism information about the city to the global tourism industry, and displaying the Suzhou tourism products offered and sold by US suppliers on its official tourism website TraveltoSuzhou.com.

5. Navigating through the challenging times by developing the tourism market of foreigners living in China

Noting the restart of the inbound tourism market under the pandemic, Suzhou has made timely adjustment to its marketing strategy, and organized a series of international marketing activities under the “Suzhou, China with Style” brand, with a focus on foreign nationals living in China. In June 2021, Suzhou held the “Jiangnan Culture” (Beijing) Suzhou Promotion Week in Beijing’s 798 Art Zone to introduce Suzhou’s cultural tourism to foreigners living in China. About 200 foreign friends based in Beijing, foreign diplomats in China, Chinese and foreign media, and tourism experts were invited to the opening event of the promotion week and enjoyed a feast of Suzhou’s cultural and art heritage and rich tourism resources, including Kunqu, Song brocade, kernel carvings, and imperial kiln golden bricks. Among them, the Kunqu experience event held at the Beijing Language and Cultural Center for Diplomatic Missions on June 20 attracted some 150 diplomats from over 20 countries. From online to offline, from promoting the city’s image to selling tourism products and itineraries, from cultural and art heritage to creative products, and from China to the world, Suzhou has presented an impressive show of history and culture, with the same elegance as its “double-sided embroidery”, at 798 Beijing, the center of modern art in China.

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