



WORLD TOURISM ALLIANCE



Horwath HTL 浩華

April 2023

2023/H1

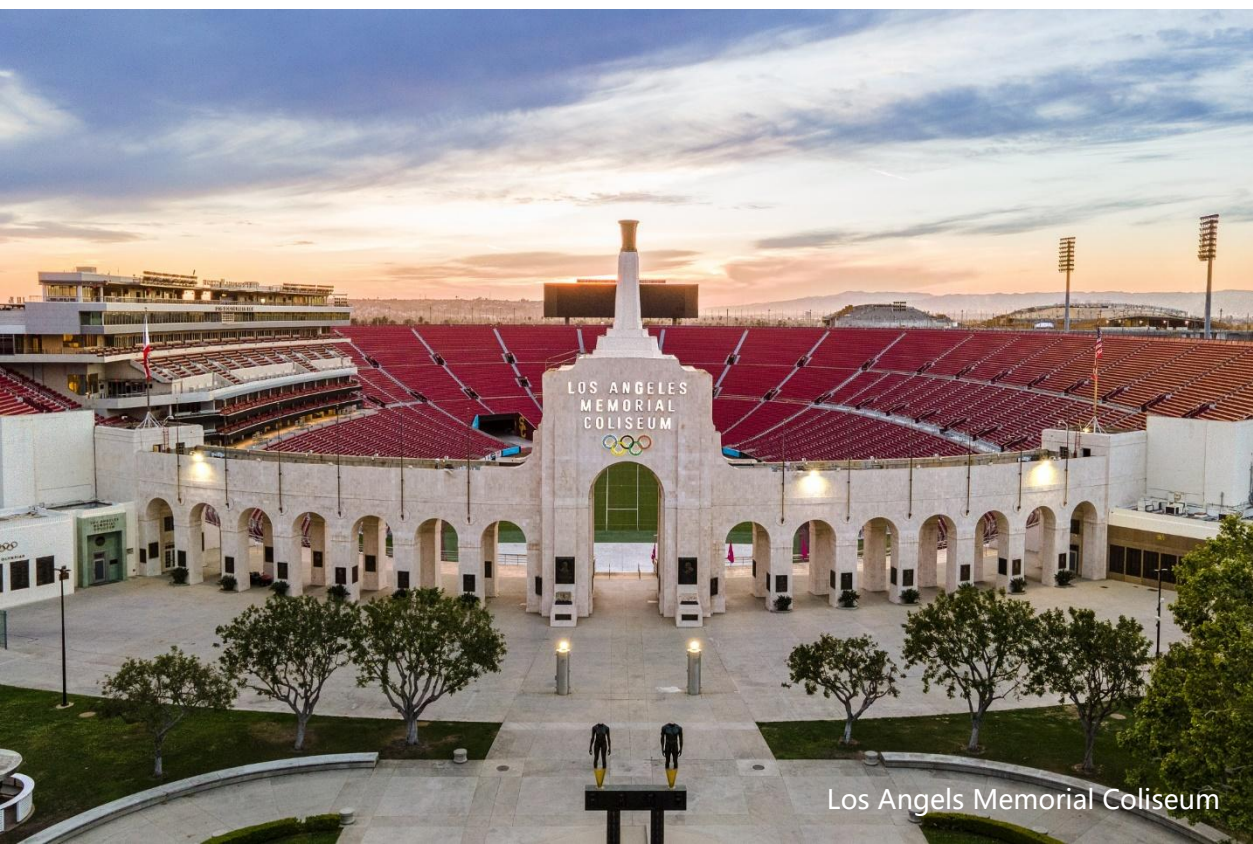
China Outbound Tourism Market Sentiment Report



Getty Center

Contents

Introduction	04
Background	05
Market Sentiment Analysis	06
Conclusion	14
Appendix	15
Disclaimer	17



Los Angeles Memorial Coliseum

Sincere Thanks to:



浙江省文化和旅游厅
Zhejiang Provincial Department of Culture and Tourism



甘肃省文化和旅游厅
Gansu Provincial Department of Culture and Tourism



中国旅游协会
China Tourism Association

中国航空运输协会
China Air Transport Association



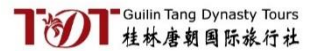
携程集团
Trip.com Group



穷游网
Qyer



中青旅控股股份有限公司
China CYTS Tours Holding Co., Ltd.



桂林唐朝国际旅行社有限责任公司
Guilin Tang Dynasty Tours Co., Ltd.



上海春秋国际旅行社（集团）有限公司
Shanghai Spring International Travel Service (Group) Co., Ltd.



浙江旅游职业学院
Tourism College of Zhejiang

Special Thanks To:

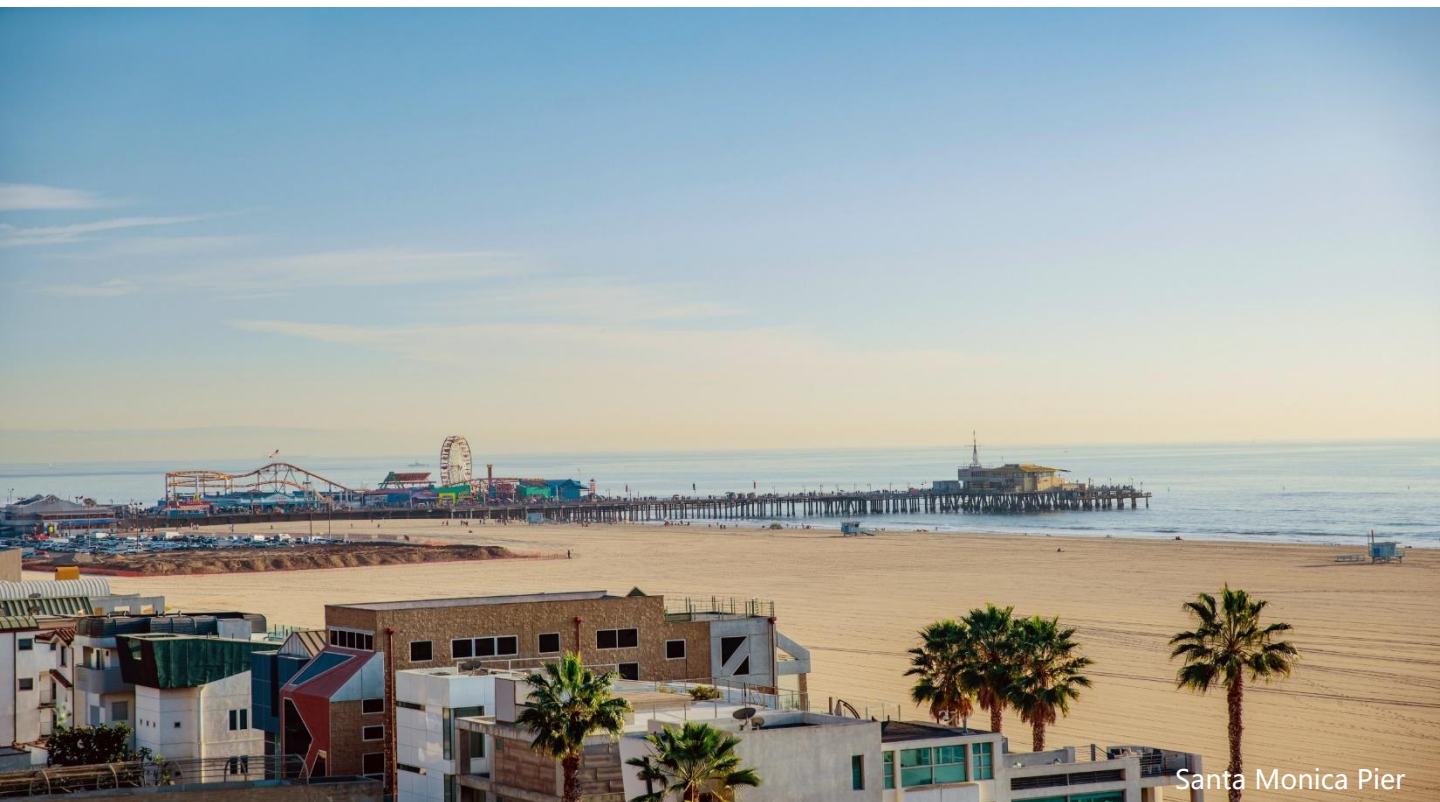


中青旅控股股份有限公司
China CYTS Tours Holding Co., Ltd.



洛杉矶会议及旅游局
Los Angeles Tourism & Convention Board





Santa Monica Pier

2023 H1 China Outbound Tourism Market Sentiment Report

On January 8th, 2023, China officially implemented the “Category B” policy for COVID-19, liberalized restrictions on cross-regional and cross-border immigration and lifted the “five-one” and seat-rate restrictions on the number of international flights, which means that the suspension of international flights for nearly three years has been restored. On January 20th and March 10th, the Ministry of Culture and Tourism released the first and second batches of pilot countries for outbound travel respectively, and the recovery of the cross-border tourism industry has been favorable. Since 2019, the World Tourism Alliance (WTA) has been partnering with Horwath HTL, a leading global hotel and tourism consulting company in conducting sentiment surveys of China’s outbound tourism. The fifth report of its kind, this survey is aimed at providing WTA members and global stakeholders with a better understanding of the key trends of this particular travel segment, the factors driving the market to enable them to make informed, fact-driven decisions.

Our special thanks go to Ministry of Culture and Tourism of People's Republic of China, Zhejiang Provincial Department of Culture and Tourism, Gansu Provincial Department of Culture and Tourism, China Tourism Association, China Air Transport Association, Trip.com Group, Qyer, China CYTS Tours Holding Co., Ltd., Guilin Tang Dynasty Tours Co., Ltd, Shanghai Spring International Travel Service (Group) Co., Ltd., Tourism College of Zhejiang, China National Tourist Office, Sydney, HCG Travel Group, Fantawild Holding Inc., NARADA. As well, our sincere thanks go to WTA member Los Angeles Tourism & Convention Board for providing us with the images used in this report.

Background

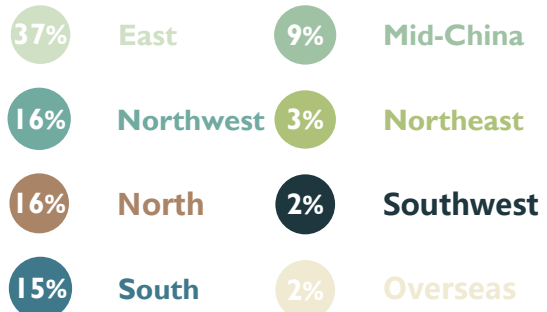
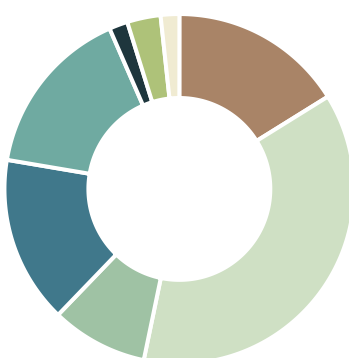
In 2019, Chinese outbound travelers reached 155 million, and the popular outbound tourism market took over a large amount of travel demand that had not been met by domestic travel products for the time being. Chinese people were increasingly noticed by travel markets around the world. However, at the beginning of 2020, the outbound tourism market was instantly pressed the pause button under the severe epidemic situation, kicking off a three-year-long stagnation period. Despite the overall relative stability of the domestic epidemic, strict cross-border control measures made outbound travel still difficult to achieve easily, and both the supply and demand sides were hit hard. China Outbound Tourism Market Sentiment Report was once suspended. Following the optimization of domestic immigration policies, Outbound Tourism Market Sentiment Report finally resumes in 2023 H1 after a 2-year absence. The survey is dedicated to the comparison of outbound tourism market sentiment before and after the epidemic and covers five aspects aimed at understanding the market's expectations for outbound tourism arrivals, per capita consumption and total income levels in 2023 H1.

In order to analyze and compare the outbound tourism market better by region and city, responses are quantified through a specific sentiment score model and presented in the form of scores to reflect the respondents' expectations on outbound tourism. The scores were measured and compared across China by different regions and cities.

A sentiment score is assigned to each question, with scores ranging from negative 150 points to positive 150 points. A negative 150 score indicates a state of absolute pessimism, a score of zero indicates unchanged expectations and a score of positive 150 indicates a highly optimistic sentiment. Respondents were asked to compare the market performance in 2023 H1 to the actual performance in 2019 H1. Further, they were asked to identify factors contributing to the variance and provide their insights on the tourism source markets and destination markets.

This is the fifth survey conducted by Horwath HTL and the World Tourism Alliance for the China outbound tourism market. This report summarizes the research results of the Outbound Tourism Market Sentiment Survey for the first half of 2023, which received **291** valid questionnaires from 28 provinces, municipalities and autonomous regions, as well as 7 overseas regions.

Samples by Region



Samples by Organization Type



Market Sentiment Analysis



2023 H1



2019 H1



2019 H2

Prior to 2020, outbound travel was leaving its rapid development to enter a steady upward phase, with an increasingly mature and diversified product system. However, the arrival of COVID-19 has put a pause on the development of China's outbound travel market, which has now finally been restarted. Cross-border travel demand that had been pent up for three years came at the right time to explode in January 2023 after the liberalization of epidemic prevention policies. Outbound visa reservations are overflowing, and outbound air tickets are hard to find, seemingly heralding a rapid rebound in the market, as if returning overnight to the prosperity of 2019. The sentiment score is 28, reaching the highest point since the survey of this sentiment report, compared with 2019 H1 rose by 21 points. This mainly indicates the strong confidence and full of energy of the various industry organizations and practitioners for the market recovery. However, we believe that in 2023 H1, it will be difficult for the outbound tourism market to recover to the performance level of 2019 H1 in just six months, mainly due to the following reasons.

International route adjustment approval process and capacity adjustment process are cumbersome and time-consuming

Prolonged industry stagnation and seriously fragmented supply chain take time to restructure

Outbound tour operators lost a lot of staff during the epidemic, making it difficult to recruit talent quickly

Complex and uncertain international situation and bilateral relations affect enthusiasm for outbound travel

Due to the strict cross-border flight control measures in the past three years, major airlines have gradually shifted their capacity allocation and closed some of their offices in China. Although China's control over cross-border flights has been liberalized, the resumption of routes involves complex approval processes and reconstruction of local logistical support capabilities. It is also affected by external factors such as visa approvals and other countries' immigration control policies on China, which cannot be achieved overnight. According to statistics from the Civil Aviation Administration of China, as of mid-February, the number of international passenger flights had only recovered to about 10% of the pre-epidemic level.

At the same time, three years of stagnant development have left the outbound travel industry chain in tatters. The past product system needs to be iterated to accommodate the changing needs after the epidemic. It will also take some time to rebuild the travel hospitality workforce and sustained market enthusiasm to boost the confidence of various practitioners to attract talent back. In addition, the outbound group travel business is in the pilot recovery stage and is still far from full recovery. The complex and volatile international political situation, coupled with some countries' anti-epidemic policies for Chinese travelers, also dampened the enthusiasm for outbound travel.

For the future, with the continued relaxation of cross-border travel policies and the continued rebound of the industry, we expect that in the short to medium term, China outbound travel will recover in a "U-shaped" orderly and gradual manner due to the rigid restrictions on the supply side, rather than a rapid bottoming out. In the long term, with the increasing diversification, personalization and high quality of Chinese people's travel needs, outbound travel still has a broad market potential, and the renewal and iteration of the product system is expected to stimulate the demand for outbound travel.

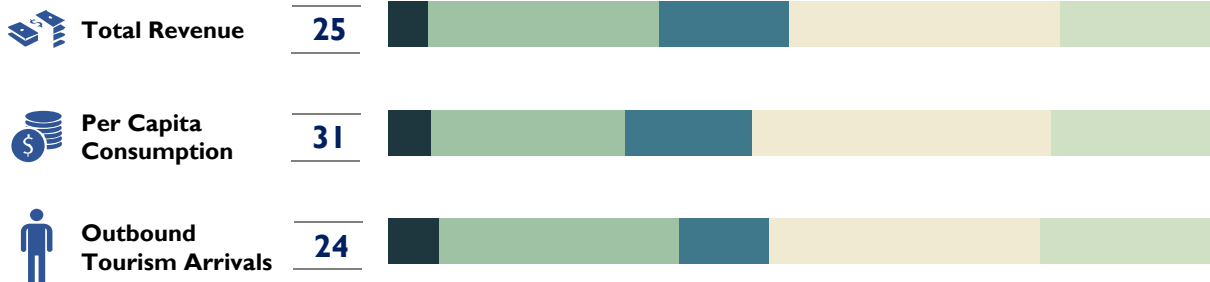
The industry has seen the dawn of a rebound, and respondents are confident in all indicators of market performance, with the most optimistic expectations for per capita consumption.

Q1. How do you expect the overall performance of outbound tourism market in 2023 H1 vs. 2019 H1?

Sentiment Score

26

■ Much Worse ■ Worse ■ Same ■ Better ■ Much Better



A three-year backlog of rigid travel demand for outbound travel for family visits, study and business has recently exploded, driving the sentiment index up. In terms of expectations for the overall performance of China's outbound tourism market in 2023 H1, more than 50% of respondents believe it will exceed the same period in 2019 on total revenue, per capita consumption and outbound tourism arrivals, with the sentiment scores all exceeding the levels of 2019 H1. These figures show the respondents' high confidence and vision for continued policy optimization and the rebound of market.

However, the high epidemic prevention and control policy turned abruptly, and it was difficult for the upstream and downstream of the outbound travel industry to react quickly for a while. Moreover, on the supply side, the three-year backlog of outbound visa applications will take time to process, and the recovery of outbound tourism in a short period of time is limited by many external rigid factors. On the demand side, the outbound tourism market had already started to slow down before the epidemic, and the country's overall economic growth slowed down and needed to be revitalized. The three years of the epidemic have had a significant impact on national employment income, which will affect the income expectations and risk aversion appetite of the public clientele, and thus is not conducive to stimulating the enthusiasm and consumption potential of the public for outbound travel. In addition, a large part of outbound tours in the past were Hong Kong and Macau tours, including a large number of low-cost tours mainly for middle-aged and elderly groups. Middle-aged and elderly people will be more cautious about cross-border travel due to concerns about the health effects of the new coronavirus. It is expected that in the short term, the outbound traveler base will mainly consist of younger, high-end tour groups, which is expected to result in **higher per capita consumption**. However, **in terms of total revenue and outbound tourism arrivals, as mentioned above are limited by many factors and are less likely to return to 2019 levels in the short term.**

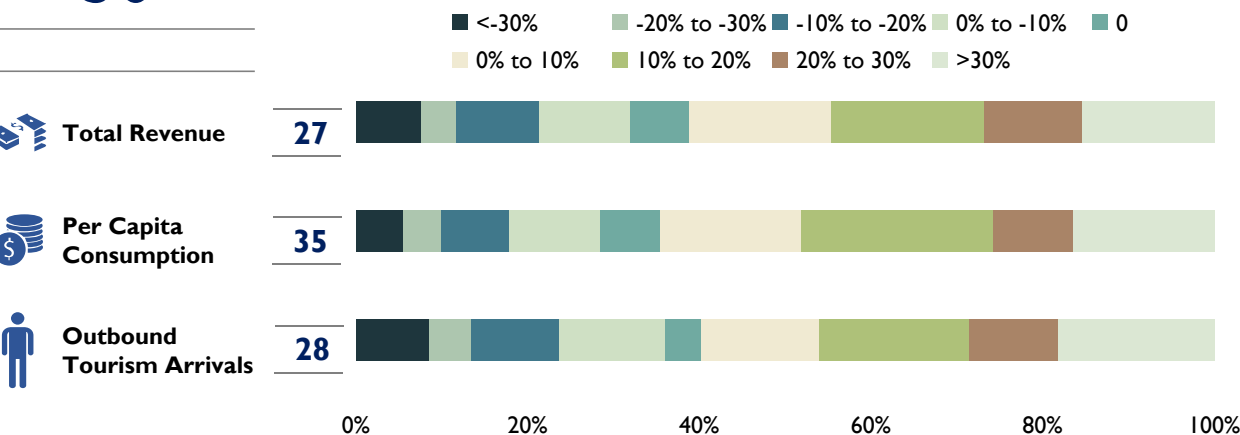
Of the three indicators, respondents have the highest positive expectations for outbound travel per capita consumption. With 56% of respondents believing that per capita consumption will exceed that of the same period in 2019, its sentiment score rose by **31** index points. The tourists who choose to travel outbound at the early stage of board opening are bound to have stronger willingness to travel and pay, and the proportion of demand for low-priced group tours is expected to be smaller. At the same time, the national travel demand has gradually transformed from the traditional form of sightseeing to in-depth local cultural tours and special tours, and the products that can meet these needs are scarce and thus can achieve higher premiums.

Respondents were generally optimistic about their organization's first-half performance expectations and cited per capita consumption as the leading factor driving total revenue gains.

Q2. For your business, what is your year-on-year expectation for the growth/decline in 2023 H1 vs. 2019 H1?

Sentiment Score

30



The institutional sentiment index is up 16 points compared to the same period in 2019 and is slightly higher than the market sentiment index. This indicates that respondents are generally optimistic about the recovery of their organization's/region's outbound travel performance and believe it may exceed the general rise in the market. Such optimistic expectations correlate with the regional markets in which the respondents are located, with 53% of respondents coming from the East and South China regions. These regions have developed economies, more open and advanced consumer attitudes, stronger spending power and a solid foundation for cross-border travel demand, so they are naturally expected to take the lead in this outbound tourism market recovery. At the same time, in response to the concentrated outbound travel demand explosion, agencies have been doing their best to set up service teams and strengthen product promotion in order to seize the first opportunity of market recovery. The results of the above-mentioned agency sentiment indices reflect respondents' confidence in the capabilities and strategies of their agencies.

In terms of the rise in the sentiment score of the three indicators, the per capita consumption sentiment index rose by 24 points compared with the same period in 2019, much higher than the rise in the sentiment index of total revenue and outbound travel arrivals. Despite the many external restrictions on the number of outbound trips, respondents are generally optimistic about the spending power and willingness of outbound travelers in the early stages of the country's doors opening and expect the rising per capita consumption to drive total income back up.

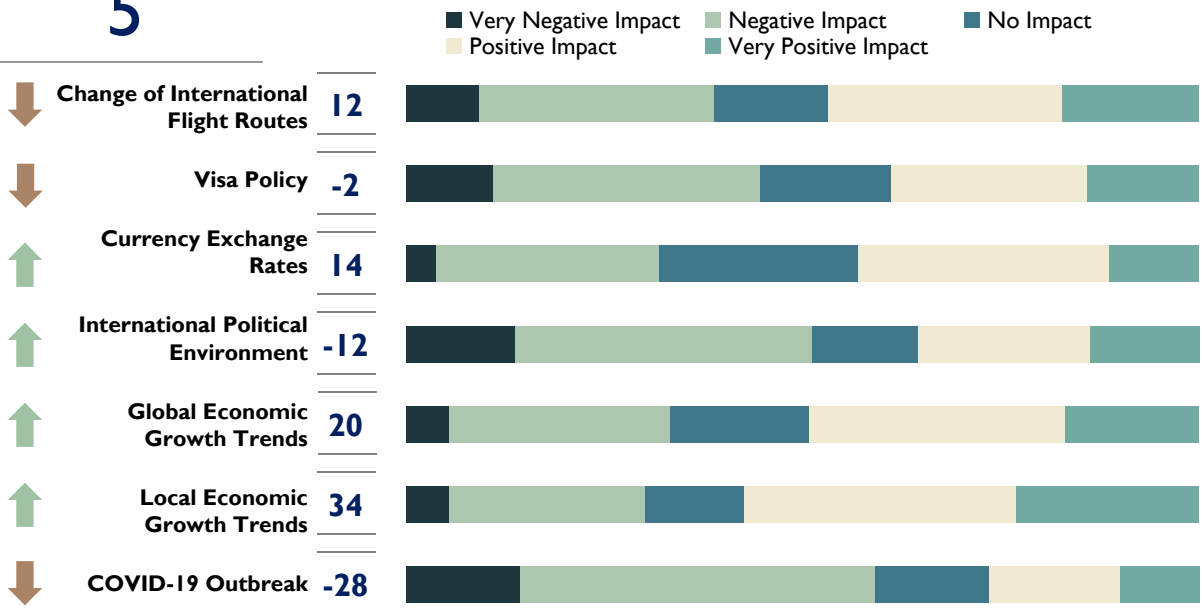
Across all key indicators, nearly 60% of respondents are confident that the first half of the year will outperform the same period in 2019. We believe that it will be difficult to achieve expectations of outperforming the same period in 2019 in terms of all realistic factors. We analyze the following reasons for the positive expectations presented by the respondents. The respondents are all “survivors” who have gone through a lot of tests in the past three years and have retained a certain organizational and personnel base. Compared with their counterparts who entered the industry completely rebuilt after the epidemic, they were able to organize resources to improve their hospitality capacity more quickly, thus taking the lead in capturing the explosive outbound travel demand at the early stage of country's doors opening. Meanwhile, this result also indicates the respondents' confidence in the recovery on the demand side and the outbound travel business prospect.

Respondents identified the economic growth trend as the main positive factor driving outbound travel recovery, while COVID-19 outbreak and the international political environment were the main negative factors.

Q3. How do you expect each factor below to influence China outbound tourism market 2023 H1 vs. 2019 H1?

Sentiment Score

5



Respondents generally hold more positive expectations about all factors. After the liberalization of epidemic prevention and control, the engine of economic development will start to turn faster, and active economic and cultural exchange activities will drive up the demand for cross-regional travel. At the same time, the higher Chinese Yuan exchange rate enhances the purchasing power of Chinese people abroad, which is conducive to boosting overseas consumption.

However, because of the complicated approval process and capacity adjustment of international routes, it takes time. It is difficult to respond to changes in market demand immediately and there is a certain lag. Therefore, the positive bias of the boom index for international route changes is relatively weak, with a total of 47% of respondents believing that international route changes will have a positive impact, but 30% of respondents believe that the positive impact is limited.



COVID-19 infection is the factor respondents believe most likely to have a negative impact on the recovery of the China outbound tourism market. Despite the widespread global liberalization of COVID-19 controls, the uncontrollable nature of its mutation and transmission has led domestic travelers to have some health concerns about outbound travel and fear of repeated infections. 59% of respondents believe that COVID-19 will have a negative impact on the market recovery, but most believe the negative impact will be more limited.

In addition, the complex and volatile international political environment has made people more cautious in choosing their destinations, or even choose to wait and see and switch to domestic or short-haul outbound travel. 51% of respondents believe that the international political environment will have a negative impact on the recovery of the outbound travel market.

Most outbound travel destinations show positive expectations, with Southeast Asia's market performance expected to be significantly stronger than other regions, followed by traditionally popular destinations such as East Asia and Western Europe.

Q4. What is the performance expectation for each outbound travel destination market below in 2023 H1 vs. 2019 H1?

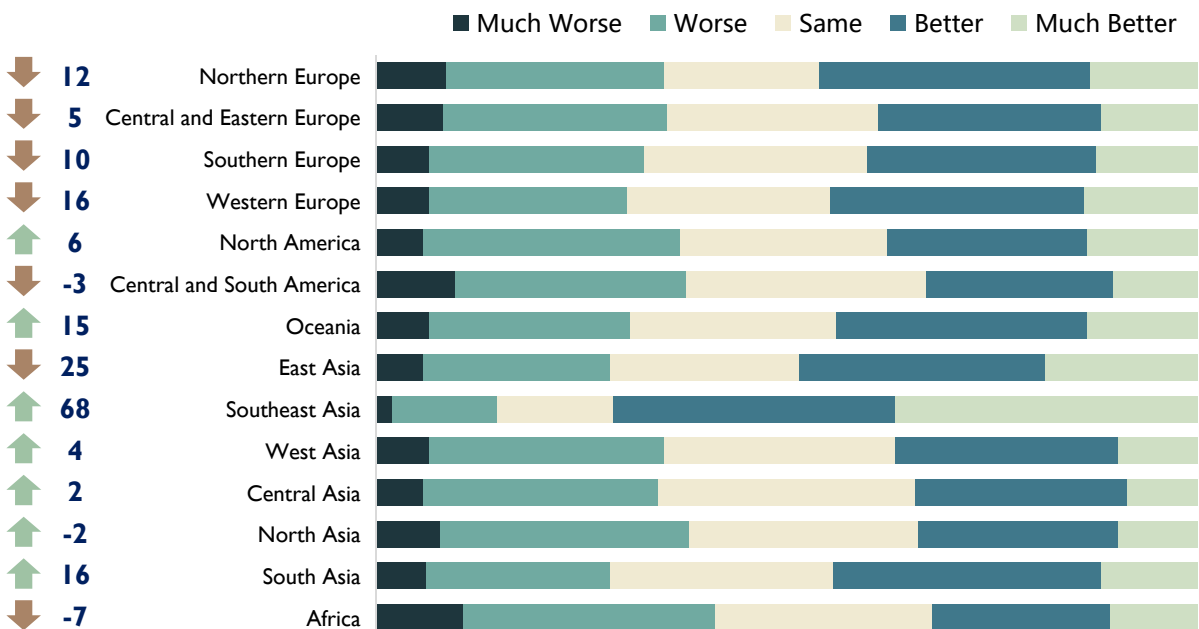
The majority of outbound destinations achieved positive sentiment indices, representing respondents' expectations for a full and global recovery of the outbound travel market. Western Europe, Oceania, East Asia, Southeast Asia and South Asia, with their long-established reputation for human and natural tourism resources, achieved higher sentiment than the overall average. Among them, Southeast Asia and East Asia, as short-haul destinations, are the most favored by the respondents in the previous outbound travel sentiment index surveys, and the sentiment index advantage is even more obvious. According to expert interviews, outbound travelers after the epidemic have a higher pursuit of quality and experience, which will push the destination product system to build further subdivision. Destinations with the following categories are likely to see significant growth opportunities after the epidemic.

- **"China-friendly" destinations:** During COVID-19, countries that showed strong signals of friendship towards China gained unprecedented exposure on the Internet, and their national image and visibility in China increased significantly. Serbia, for example, stood out among a range of traditional European tourism countries as one of the most popular destinations in the second batch of pilot countries for outbound travel agency operations by the Ministry of Culture and Tourism.
- **Wellness destinations:** After the pandemic, consumers are more concerned about physical and spiritual health and related healing and wellness products and are willing to pay a premium for high quality products and unique vacation experiences.
- **Niche top luxury destinations:** Niche unique and high travel threshold destinations such as Antarctica are attracting affluent Chinese who are looking for in-depth experiences and a sense of novelty.

Sentiment Score

12

Practitioners show positive expectations for the overall outbound travel destination market, with the sentiment score largely unchanged from the same period in 2019. Short-haul destinations such as Southeast Asia and East Asia are expected to perform brightly.



Expectations for short-haul destinations in Asia are better than for long-haul destinations such as Western Europe, Oceania and North America due to factors such as pilot policies, airlines and bilateral relations.

Q4. What is the performance expectation for each outbound travel destination market below in 2023 H1 vs. 2019 H1?

Asia has many traditional popular short-haul outbound destinations, such as Southeast Asia, Japan and South Korea, which have been at the top of the list of national outbound destinations by virtue of their superior tourism resources, rich tourism products and relatively low travel costs. 7 of the first 20 pilot countries for outbound travel released by the Ministry of Culture and Tourism on Jan. 20, 2023, are Southeast Asian countries. The favorable policy further pushed up respondents' expectations for the performance of Southeast Asia's outbound travel market, with the sentiment index reproducing growth based on the high level of the same period in 2019. Japan and South Korea's turbulent bilateral relations with China in recent years and the recent negative news about the "double standard" entry requirements for Chinese tourists have affected consumers' preference for Japan and South Korea as outbound destinations. As a result, the sentiment in East Asia was slightly lower than the same period in 2019. Destinations in South Asia were mainly the Maldives and Sri Lanka, where high-quality tropical island resources have attracted market attention, and the Maldives' visa-free policy also pushed up the sentiment index.

Europe achieved a positive sentiment index, but it was significantly lower than the results of 2019 H1 and did not significantly exceed the overall average index value for each destination. On one hand, during the early stages of the country's doors opening, there was a huge backlog of visa approval demand, as well as more cumbersome adjustments to long-haul shipping, with fewer and more expensive flights. Therefore, compared to short-haul destinations such as Southeast Asia where visa-on-arrival is implemented, the upstream and downstream of the supply chain for European outbound tours need more time to recover to take up market demand. On the other hand, the first batch of outbound pilot countries in Europe only include Switzerland and Hungary, and travel agencies are unable to launch multi-country tandem tour routes. The second batch of outbound tour pilot countries list covers France, Italy, Spain and other traditional well-known destinations, I believe the European outbound tour market is expected to speed up the rebound, but also still subject to the supply side repair progress.

Oceania sentiment index in 2023 H1 showed a slight increase compared to 2019 H1. With their natural beauty, wildlife and unique folklore, New Zealand and Australia are the main destinations for Chinese tourists visiting Oceania. The recovery of airline capacity remains a hard constraint to the recovery of outbound travel in Oceania, with flights between China and Australia only recovering to around 30% of their pre-epidemic levels at the time of writing. As a result, only 13% of respondents believe the Oceania outbound tourism market will perform well in 2023 H1.

North America sentiment index turned negative to positive but remains at a low level. Views on expectations for the North American market in 2023 H1 are clearly divided, with the proportion of respondents with positive and negative attitudes remaining flat, both at 38%. Factors such as the trade war between China and the U.S. and geopolitics make the domestic public have a more negative impression of the U.S., leading to a diversion of demand for outbound travel to other long-haul destinations such as Europe and Oceania.

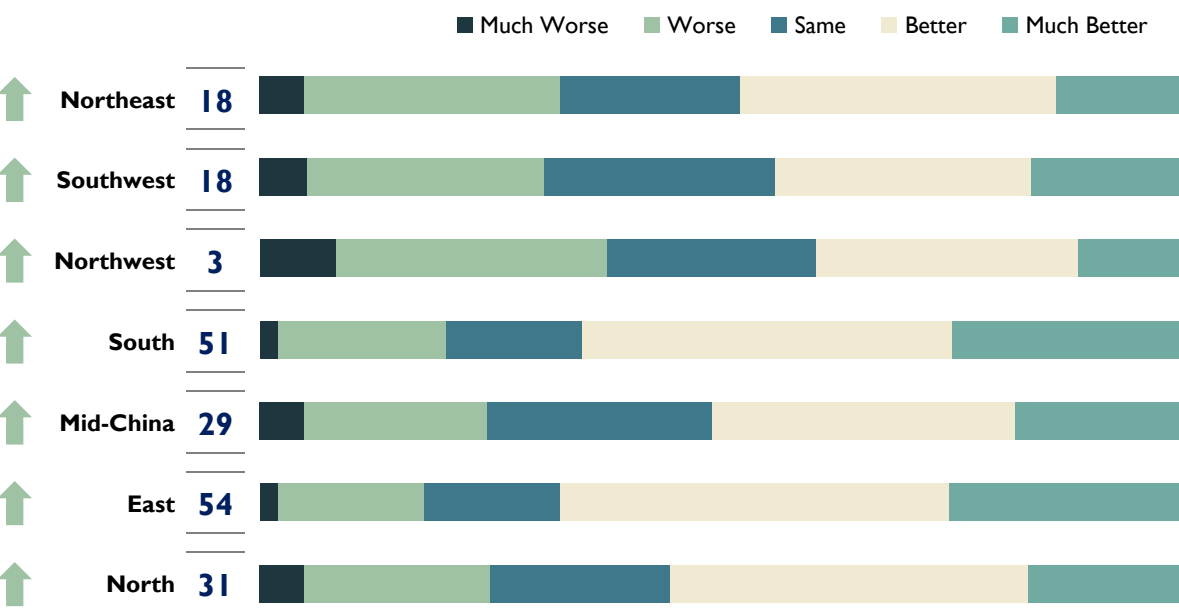
Africa and Central and South America both show declining sentiment compared to 2019 H1, and overall respondents have negative expectations for market performance. Approximately 70% of respondents do not believe these two regional markets will outperform the same period in 2019. Despite warming relations and frequent exchanges between China and Africa in recent years, Africa's pending infrastructure and sanitary conditions as well as the recent African swine fever and horse fever outbreaks have made travelers more cautious about visiting Africa. Similarly, South America is not a major outbound destination for China, despite its unique cultural appeal. It is expected that outbound travel demand in the early stages of recovery will be led by the traditional major offshore destinations, which have a more mature ground source base and can respond more quickly to market demand.

All domestic regions showed positive and rising market expectations as the source market of outbound tourism, indicating the industry's confidence in the full recovery of the outbound travel business.

Q5. How do you expect each outbound travel source market below to perform in 2023 H1 vs. 2019 H1?

Sentiment Score
29

The sentiment index of each region in China as the source market of outbound tourism showed significant growth compared to 2019 H1. East and South China, as the agglomeration of economically developed cities, achieve the most optimistic market expectations. South China experience the most significant rise in the sentiment index. Northwest and Northeast China turned negative to positive, showing positive index expectations.



The market base of source markets of outbound tourism is inextricably linked to the level of local economic development, population base and spending power, and the convenience of outbound tourism. Therefore, the demand for outbound travel is mainly from first-tier and new first-tier cities, such as Beijing, Guangzhou, Wuhan, Changsha, etc. With people's income along with pursuit of quality of life improving day by day, the outbound tourism market showed a positive trend as the number of outbound tourists from second and third tier cities increased before the epidemic. With people's income along with pursuit of quality of life improving day by day, the outbound tourism market showed a positive trend as the number of outbound tourists from second and third tier cities increased before the epidemic.

In the early stages of cross-border travel recovery, airlines are taking the lead in resuming outbound flights to first-tier and new first-tier cities. The current high airfares and limited departure sites have raised the threshold for cross-border travel for residents of second- and third-tier cities. Therefore, East China and South China, which are densely populated with first-tier and new first-tier cities and have convenient cross-border transportation, lead the country in the sentiment index.

East China and South China markets have the most positive sentiment indices as outbound tourism source markets, while that of Northwest is expected to be the lowest.

Q5. How do you expect each outbound tourism source market below to perform in 2023 H1 vs. 2019 H1?

East China has Shanghai, an international metropolis, as well as Jiangsu and Zhejiang, two strong economic provinces. Developed private economic development and frequent international exchanges make the people generally have high consumption ability and advanced consumption concept. Outbound travel is increasingly becoming a regular lifestyle of the people in the Yangtze River Delta (YRD) for leisure and vacation. Therefore, the respondents have full confidence in the recovery of East China, with 67% of them believing that the performance of East China will exceed that of the same period in 2019.

South China is dominated by the Pearl River Delta (PRD) as the source of tourists. Since the PRD has a well-developed export-oriented economy, Chinese cultural characteristics, and the geographical location adjacent to Hong Kong and Macau, the PRD people's demand for outbound family visits, education and tourism has always been active. In addition, the Greater Bay Area currently has three large international airports, including Guangzhou Baiyun, Shenzhen Baoan and Hong Kong International Airport, with intensive air routes. The dense integrated transportation network in the Greater Bay Area enhances the overall transportation efficiency of the region and expands the radiation range of the airport, which is conducive to the overall service of the outbound tourism market in South China.

North China's main source market is Beijing. Beijing has a well-developed international airline network, a large residential population in the surrounding area, and well-developed transportation around Beijing makes it easy for residents of neighboring cities to travel to Beijing for international flight connections. The dual airport configuration of Daxing Airport and Capital Airport has significantly increased Beijing's transportation capacity for cross-border demand. However, there are few developed cities in North China and the overall economic development level is average, so the prosperity index of North China is lower than that of East and South China, and 55% of the respondents are optimistic about the development of the North China market.

Southwest China has seen the construction of the Chengdu-Chongqing twin-city economic circle and the development opportunities of "One Belt, One Road", and the level of regional economic development has improved in recent years. The official commissioning of Chengdu Tianfu International Airport at the end of March and the opening of new routes will strengthen Chengdu's international aviation hub function and promote the recovery of outbound travel business in the southwest.

Mid-China has no shortage of national transportation hubs such as Wuhan and Zhengzhou, with convenient transportation and dense population between the regions. Coupled with the increasing willingness of residents in second- and third-tier cities to travel in recent years, respondents have a positive attitude toward the demand for outbound travel in Mid-China. 50% of respondents believe that its outbound tourism market will perform better than the same period in 2019.

Northwest China, with its low level of economic development, limited international route network development and sparse population distribution, is not the first option for major carriers to resume international flights in the early stages of recovery. Therefore, although the outbound travel sentiment index of Northwest China has increased compared to 2019 H1, it is at the lowest level within the regions of the country.

Northeast China's outbound travel recovery is expected to be dominated by demand for Russia-related travel. Russia, as one of the first pilot countries for outbound tourism, has both Eurasian culture and flavor. At a time when the cost of travel is high and tickets are hard to come by, the Northeast's Russian-Chinese border tourism product is a relatively low-cost form of outbound travel. However, due to the lack of economic development in the Northeast in recent years, people's willingness to spend is not high, so the demand for high-end outbound tourism in the Northeast is limited.

Conclusion

At the beginning of 2023, the outbound tourism market, which had been stagnant for three years, has seen the light of day again. Expensive yet still hard-to-find cross-country air tickets, visa applications with overflowing reservation queues and popular travel agency business inquiries show that the demand side is rapidly adjusting to policy and enthusiastically embracing the recovery of outbound tourism. However, the supply side of outbound tourism cannot respond to the market as instantly as the demand side, or the domestic tourism business, and needs to gradually rebuild the product and service system. In addition to air tickets, visas, ground transportation resources, destination marketing and other factors, the full recovery of the outbound tourism business also requires the synergy of multi-sectoral policies such as foreign affairs, foreign exchange, aviation and immigration. **Therefore, the outbound tourism market recovery needs a longer blood-back period and teething period to ensure an orderly recovery of high quality, and the overall market is still expected to be in the transition preparation stage in the first half of 2023.**

In terms of **overall market and agency performance indicator expectations**, thanks to relevant policy support and positive reactions from all sectors, respondents are optimistic about the recovery prospects of the outbound tourism market and their agencies' first-half performance expectations and believe that per capita consumption is the leading factor driving the rise in total revenue. Looking at the **influencing factors**, respondents generally believe that economic growth trend is the main positive factor driving the recovery of outbound tourism, while the COVID-19 outbreak, and international political environment are the main negative factors. As far as respondents' expectations for outbound destination markets are concerned, most outbound destination sentiment scores show positive expectations. Southeast Asia's market performance is expected to be significantly stronger than other regions, followed by traditionally popular destinations such as East Asia and Western Europe. Influenced by multiple factors such as pilot policies, aviation and bilateral relations, market expectations for short-haul destinations in Asia are generally better than those for long-haul destinations such as Western Europe, Oceania and North America. From the perspective of the **source markets**, all domestic sources showed positive and rising market expectations, indicating the industry's confidence in the full recovery of outbound travel business. East and South China, which have a high level of economic development, convenient outbound transportation and a large potential customer base, have a significantly higher sentiment score than other regions.

Based on the results of the above sentiment index, respondents are confident and expectant about the outbound tourism market and are working hard to connect with resources from all sectors in the hope of an early return to hospitality standards. We also note that after a three-year absence from outbound travel, the travel needs of domestic travelers have been deeply iterated and segmented compared to those before the epidemic. Younger groups are gradually becoming the mainstay of outbound travel demand, with a higher willingness to pay and more diverse needs, looking forward to two-way cultural exchange and in-depth experiences during their travels. As a result, the past clockwork travel style can hardly meet the changing trend of demand and needs to be upgraded. In the long run, China, as the world's largest source of outbound travelers, has huge market potential. **With the normalization of international airlines and visa approval, along with further clarification of relevant policies, it is believed that more Chinese tourists will go abroad. New niche destinations and special products such as customized boutique tours and theme tours will also further enter the public's view to promote the recovery of the outbound tourism market.**



Appendix

About World Tourism Alliance

On Sept. 11, 2017, the World Tourism Alliance (WTA)—the world’s global, comprehensive, non-government, nonprofit tourism organization founded in China—was inaugurated in Chengdu, Sichuan Province, China.

Upholding the vision of “Better Tourism, Better World, Better Life” as its ultimate mission, WTA is committed to promoting peace, development and poverty alleviation through tourism. It aims at driving global tourism exchanges and cooperation at non-governmental level.

To date, WTA has 228 members from 42 countries and regions. The WTA membership covers national and regional tourism associations, influential tourism and tourism-related enterprises, government tourism boards, academia, media and individuals. As a service-orientated international organization which caters to its members across the world, WTA is a vital platform for dialogue, networking, practical and authoritative information and resource sharing for integrative development.

The WTA headquarters and Secretariat are located in China.

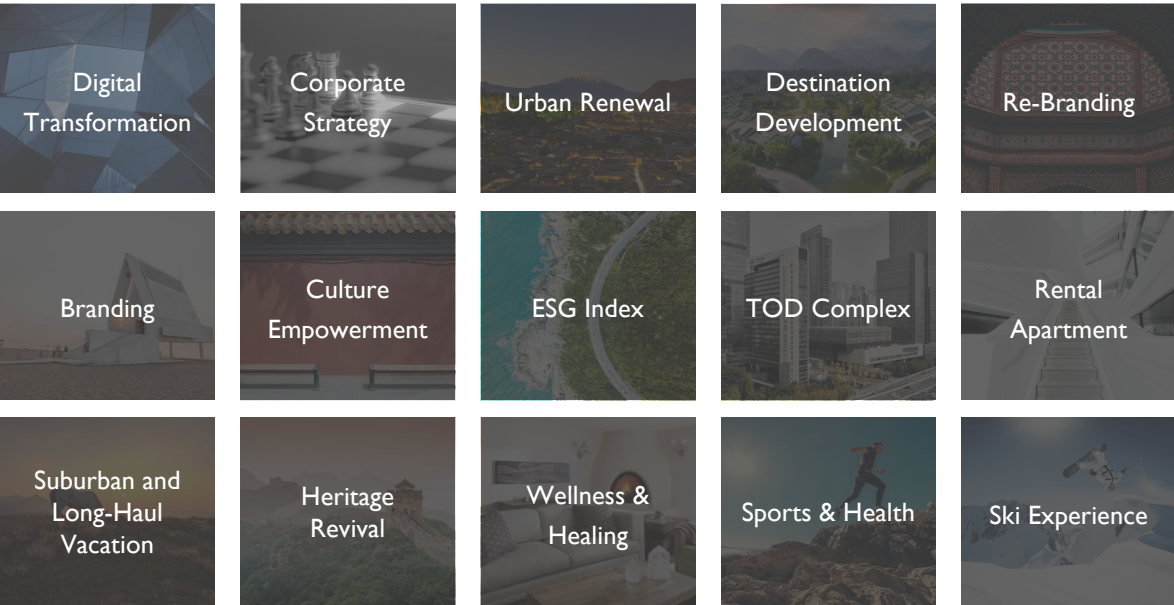


Griffith Observatory

About Horwath HTL

As a centennial corporate, Horwath HTL participated in the creation of “Uniform System of Accounts for the Lodging Industry” that are still used worldwide. Starting from the beginning of its entry into the mainland China market in 2003, Horwath HTL collect and analyze industry benchmarking data for “China Hotel Industry Study” with the China Tourist Hotel Association. As the first international consulting company to bring the international hotel investment and development standard process to the Chinese market, Horwath HTL has been leading the industry development for 20 years in China. Horwath HTL was the first to introduce the concept of “per square meter efficiency” to help the industry to make accurate investment and asset management; and created industry data standards such as MSI (Market Sentiment Index) and MVI (Market Value Index) to help upstream and downstream practitioners to further understand the market. In 2022, Horwath HTL launched HOHI data platform and started to build up the ESG index system to further guide the digitalization and sustainable transformation of the industry. In the new era, relying on abundant project experience, customized consulting services, HOHI data platform and CHAT branding and marketing platform, Horwath HTL provides professional services covering multiple dimensions and the full life cycle an is always committed to providing various professional solutions to promote the continuous evolution of the wonderful lifestyle industry.

Multi-Dimensional and Full Life-Cycle Professional Solutions



Three Brands and Business Segments

Horwath Business

Industry-wide Customized Consulting Service

Business Modules

Development Strategy Solution
Destination Solution
Hotel Solution



HOHI Business

Industry-wide Information Integration and Big Data Analysis Platform

Business Modules

Industrial Mapping Tool
Business Evaluation Tool
Data & Report



CHAT Business

Branding, Resource Connection and Integrated Marketing Platform

Business Modules

Branding
Integrated Marketing Campaign
Platform Promotion



Disclaimer

This report has been prepared solely for general information purposes. Although we believe the information from sources on which this report has been derived are reliable, we have not independently verified such information. Nor do we guarantee its accuracy or completeness. All opinions and estimates included in this report constitute our judgement as of the date of publication. They are subject to change without notice. Transactions should not be entered into in reliance upon the information, opinions and estimates set out herein. We accept no responsibility to any person in any way in respect of any action taken or any failure to act in reliance upon the information contained herein. The contents of this report may not be quoted, reproduced, or reproduced in any form without the written permission of World Tourism Alliance (WTA) and Horwath HTL.

Any data presented from this publication should attribute the information as coming from the “2023 H1 China Outbound Tourism Market Sentiment Report, World Tourism Alliance (WTA) and Horwath HTL”.