



WORLD TOURISM ALLIANCE



Horwath HTL™ 浩華

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2024/H1

China Inbound Tourism Market Sentiment Report





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Foreword

With the relaxation of various control measures, the Chinese inbound tourism market has welcomed the post-pandemic era filled with opportunities. China has successively formulated various measures to facilitate foreign entry in order to promote cultural exchange and interaction. Unilateral visa-free policies have been implemented for multiple countries throughout the year, while the market has also witnessed the stabilization of flight capacity and the recovery of business activities. As a result, the total number of entries and exits for residents abroad (including Hong Kong, Macao, and Taiwan) in China in 2023 has recovered to 67% of the 2019 level, demonstrating a clear sign of recovery. In the future, the Chinese inbound tourism market will continue to thrive under new policies and environments, contributing new impetus to the construction of a more open and inclusive global community.

WTA and its partner Horwath HTL, the globally leading hotel and tourism consulting company, are jointly releasing the “China Inbound Tourism Market Sentiment Report” for the 7th time. This will help track the development trend of China’s domestic tourism market and provide the World Tourism Alliance (WTA) members, as well as global practitioners, with the resources to understand and anticipate the prospects of the domestic tourism market.

We extend our sincere gratitude to the China Association of Travel Agents and its pertinent member entities, along with Fosun Tourism Group, for providing us with the images used in this report.

Background

The “China Inbound Tourism Market Sentiment Report,” which was paused for two years due to the industry downturn, resumed in the first half of 2023. This biannual economic survey aims to assess the state of the inbound tourism market following a full year of recovery, addressing five questions to understand the market’s expectations for inbound tourist arrivals, average per capita spending, and total inbound tourism revenue in the first half of 2024. To enhance the analysis and comparison of the inbound tourism market across different regions and cities in China, we quantified respondents’ feedback using a specific sentiment model and presented it in index format to more intuitively reflect their expectations for the inbound tourism market.

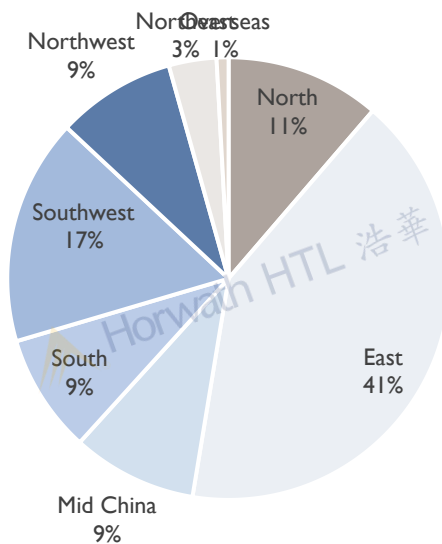
The sentiment index provided for each question mirrors respondents’ outlook on market performance. The index ranges from -150 to +150, where “-150” indicates a highly pessimistic outlook, “0” represents a neutral attitude, and “+150” denotes a very optimistic outlook for market performance. In this survey, each respondent was tasked with comparing their actual performance in the first half of 2023 with their anticipated performance in the first half of 2024, identifying the primary factors influencing their expectations, and formulating forecasts for the primary source markets and destination markets.



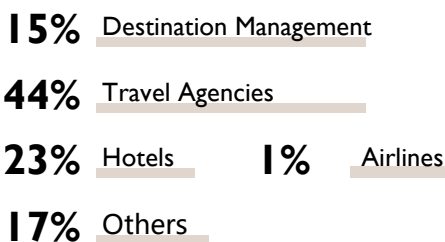
Sample Description

This survey marks the 7th sentiment survey conducted by Horwath HTL and the World Tourism Alliance regarding the Chinese inbound tourism market. This report encapsulates the findings of the first-half 2024 inbound tourism market sentiment survey, encompassing a total of 346 questionnaires received from 28 provinces, municipalities, autonomous regions across China, and 1 overseas region.

Sample by Region



Sample by Organization



Note: The questionnaire was collected from December 22, 2023, to February 03, 2024. The above sample source analysis is based on valid samples only.



Market confidence has reached a record high with the issuance of various favorable policies

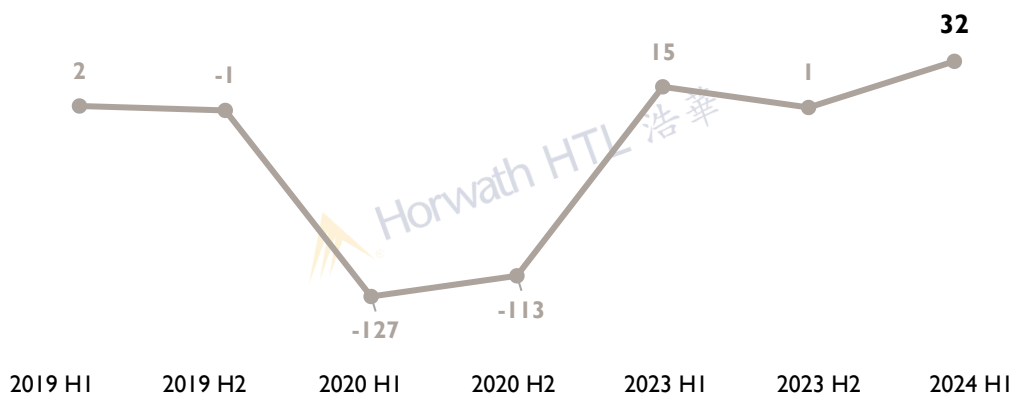
Despite the comprehensive opening of national borders at the beginning of 2023, inbound tourism demand did not recover as expected due to several limiting factors, leading to a relatively subdued overall sentiment index in the second half of the year.

Numerous policies were introduced in the second half of 2023 in order to bolster inbound tourism demand. These policies aimed to optimize foreign entries, including implementing visa-free policies across designated regions, issuing unilateral visa-free policies for multiple countries, and expanding the acceptance of foreign documents in various areas. Market confidence rebounded swiftly, with the overall sentiment index rising significantly to 32, marking a historical record. According to Ctrip's latest data release, demand for accommodation from inbound tourism during the 2024 New Year holiday surged by over 200% compared to the same period in 2019, reflecting a notable performance signifying a steady market recovery.

However, the inbound tourism market still grapples with objective challenges such as a shortage of professional talents and deficiencies in international reception capabilities, along with other issues like inadequate marketing efforts overseas and a dearth of innovative products. The key to achieving breakthrough growth in the tourism market lies in altering ingrained perceptions of China's tourism image in the international market and enhancing China's appeal to the new generation of young international travelers.

The recent surge of snow tourism destinations in China, epitomized by Harbin, has injected new vigor into the market and effectively established an exemplary benchmark for inbound tourism content creation. With the emergence of more innovative destinations and products, along with effective promotional strategies, China's inbound tourism market will gradually establish product differentiation and competitive advantages within the new development cycle. This, in turn, will provide new momentum for the recovery of China's inbound tourism market.

Composite Sentiment Index



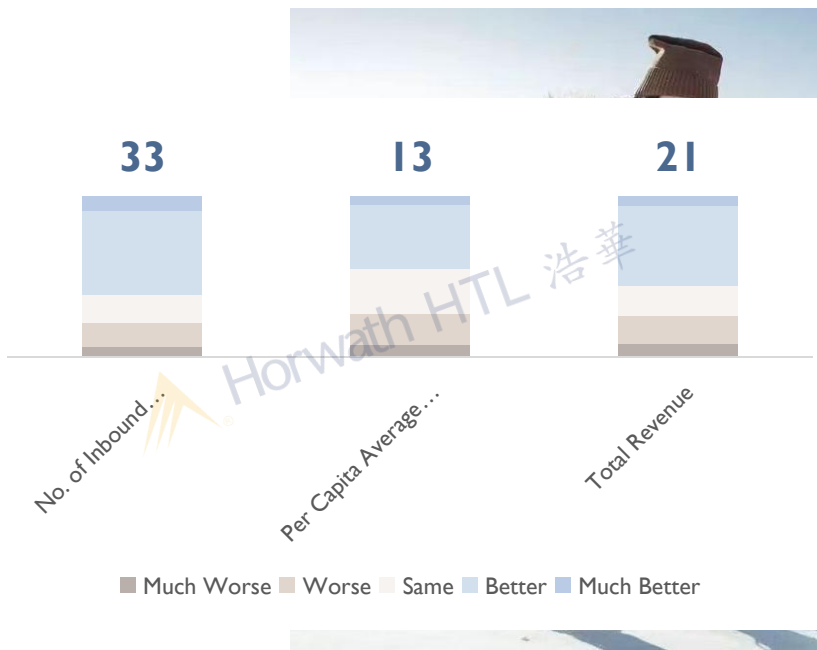
Sentiment Score

22

Compared to the first half of 2023, please predict the overall performance of China's inbound tourism market in the first half of 2024.



Overall Inbound Tourism Performance

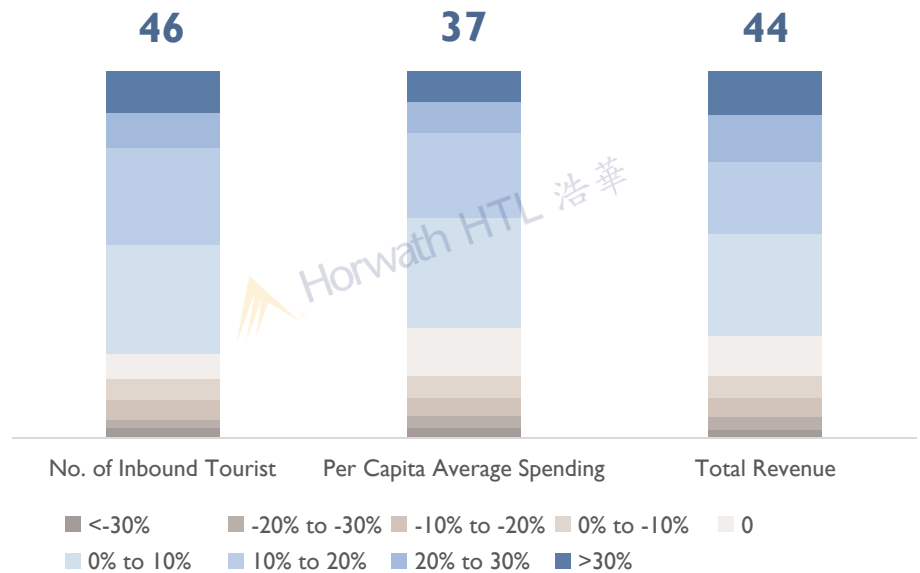


All three performance indicators have turned positive, with the outlook for tourist arrivals being particularly optimistic

According to the National Immigration Bureau, the total number of entries and exits for residents abroad in the four quarters of 2023 has steadily recovered to 42%, 65%, 77%, and 86% of the levels during the same period in 2019, respectively. With the issuance of various policies in the second half of the year, most respondents hold an optimistic attitude towards various indicators of the overall market in the first half of 2024. It is noteworthy that, unlike market expectations in 2023, performance expectations for the first half of 2024 are more optimistic regarding the number of inbound tourists, while expectations for per capita average spending tend to be conservative. This is mainly due to the following reasons:

- During the pandemic, the tourism industry chain suffered severe damage, resulting in a surge in the cost of inbound travel. With the post-pandemic repair of the industry chain, the reception capacity of the inbound tourism market has steadily recovered, leading to a reduction in the cost of inbound tourism. Consequently, the expectation of the number of inbound tourists has significantly increased compared to per capita spending.
- Adjustments to immigration policies will initially be reflected in the influx of arrivals, while the increase in per capita spending requires further improvements in products and content. Currently, Chinese inbound tourism products still mainly focus on mass sightseeing, leaving room for improvement in innovating content experiences. Therefore, the short-term increase in per capita spending is limited.

Sentiment Score
42



Compared to the first half of 2023, please predict whether the performance of inbound tourism in your organization/region may increase or decrease in the first half of 2024.

Respondents are generally more confident in the performance recovery of their own organization

Respondents' exhibit a more favorable outlook for the expansion of their individual establishments or local areas compared to their perceptions of the overall market performance. The sentiment index peaks at 42, surpassing the overall market index by 20 points. This statistical finding not only underscores the respondents' strong belief in the uptrend of inbound tourism in their respective institutions/regions for 2024 but also correlates with the demographic composition of the survey participants. Notably, more than 60% of respondents come from the more advanced regions of East China, South China, and North China. Given the presence of major inbound cities boasting strong tourism resources and economic vitality, such as Beijing, Shanghai, and Guangzhou, local stakeholders undeniably harbor greater confidence in the expansion of both business- and leisure-oriented inbound tourism.

The influx of inbound tourists continues to mirror the current market trend, presenting a highly promising indicator for each surveyed institution. Anticipated growth in tourist arrivals is expected to drive a surge in total inbound tourism revenue.



Sentiment Score

23

How do you expect each factor below to influence China's inbound tourism market in the first half of 2024?



With the relaxation of control measures, the impact of COVID-19 on the inbound tourism market has considerably diminished, resulting in the exclusion of this factor from the primarily influencing factors in this survey. Among the six main factors surveyed, respondents generally hold highly positive expectations, particularly regarding China's economic growth trend, relaxation of visa policies, and the resumption of international air routes. The overall sentiment index for the first half of 2024 stands impressively high at 23.

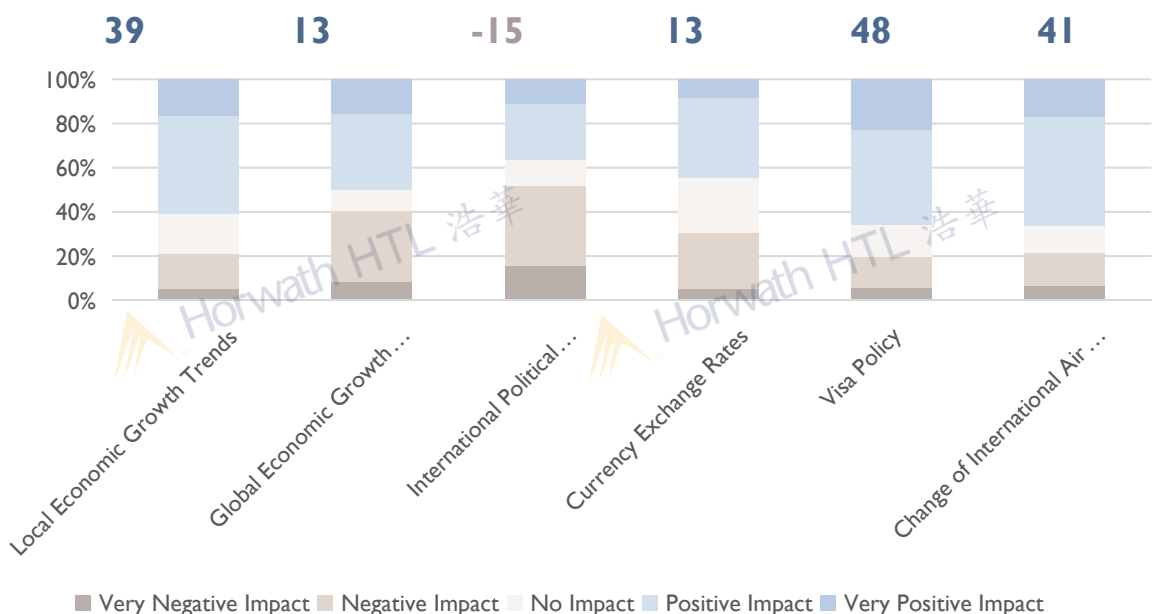


Positive factors: Historically, China's **visa policy** has served as the primary hindrance to the growth of the inbound tourism market. However, with the country implementing a series of inbound measures in the second half of 2023, continually enhancing the visa application process, and piloting unilateral visa-free policies for multiple countries, the related index surged to a peak of 48 in this survey. Respondents exhibit high expectations for the efficacy of these policies in stimulating inbound tourism. Furthermore, by the end of 2023, the number of international flights had rebounded to approximately 4,600 per week, with the resumption of flights from about 90% of the countries compared to the 2019 level. The steady recovery in flight numbers is also reflected in the high sentiment index, particularly in indicators associated with **changes in international air routes**, which reached 41.



Negative factors: The **international political environment**, shaped by a series of turbulent events including the Russo-Ukrainian War, the Israeli-Palestinian conflict, and the U.S. election, continues to exert the most significant negative influence on the inbound tourism market, with a sentiment index of -15. Power struggles among major countries and biased reporting on the internet have, to some extent, tarnished the image of Chinese tourist destinations. Despite recent improvements in inter-country relations, restoring market confidence will require time.

Visa-friendly policies and the steady recovery of international flights contribute to the growth of the sentiment index, while the volatile international political environment continues to be a major negative factor impacting market confidence.



Sentiment Score

5

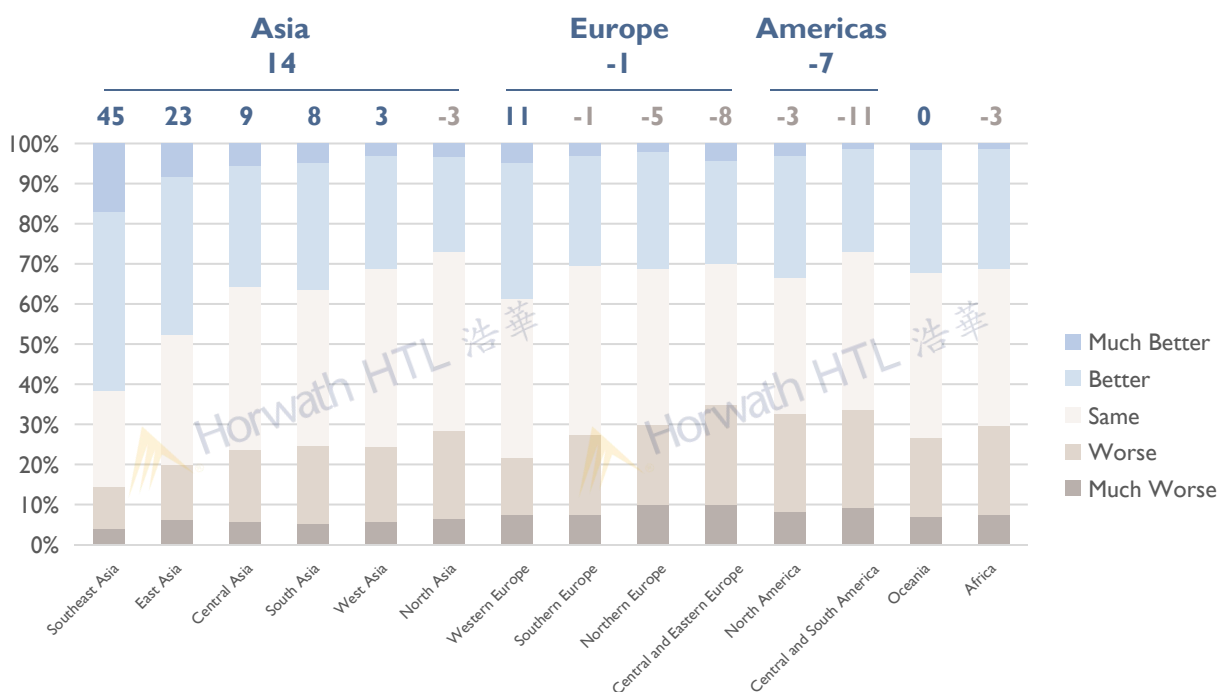
Compared to the first half of 2023, please predict the expected performance of the following regions as sources of inbound tourism in the first half of 2024.

”

Sentiment indices have rebounded across all regions, with Asia carrying the most positive expectations as a traditional source of inbound tourism.



Source of Arrivals





Southeast Asia and East Asia have the most positive market expectations.

Asia has traditionally served as the primary source of tourists and the largest market for inbound tourism in China. Recent advancements in the Belt and Road Initiative, improvements to the RCEP (Regional Comprehensive Economic Partnership) agreement, and the successful hosting of the Asian Games have further solidified China's positive image and influence in the region. According to tourism bureau statistics, the Asian region contributes as much as 70% to the top 10 overseas source countries for inbound tourists, with countries such as Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, and Indonesia leading the list. With China's increasing international influence in "Belt and Road" countries and regions, there remains significant market potential to be explored in Southeast Asia, South Asia, West Asia, and other regions, particularly in **Southeast Asia**. After China's establishment of mutual visa exemption agreements with Singapore and Thailand, there has been a notable year-on-year increase in tourists from these countries visiting China, providing considerable confidence and momentum for the market sentiment index.



Overall indices for Europe and the Americas remain negative, with Western Europe being the only region to show a positive reversal.

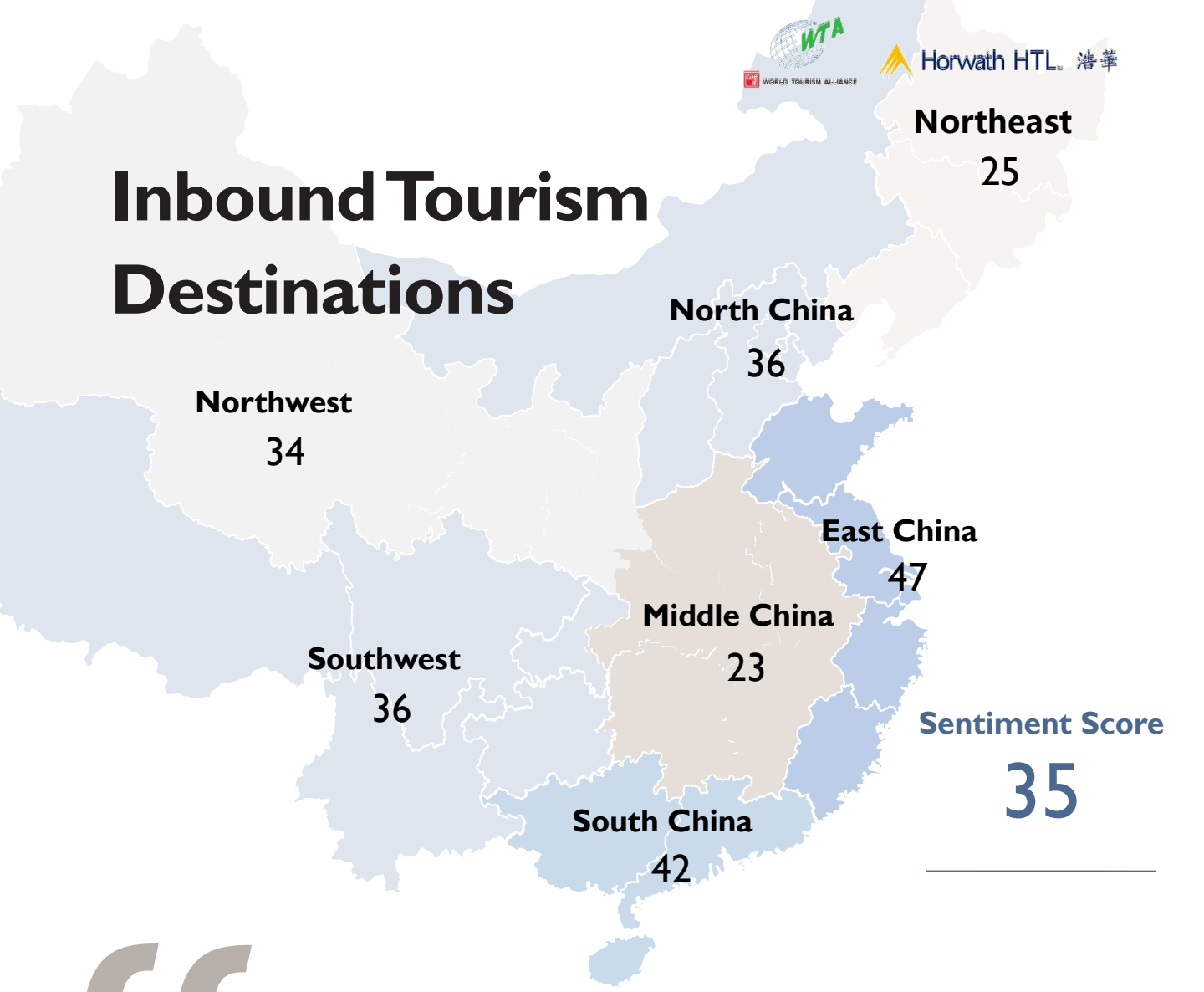
Impacted by events such as the Russo-Ukrainian war, energy supply shocks, and economic stagnation, **Europe and the Americas** have consistently reported negative overall sentiment indices in the three surveys conducted from 2023 to the present. However, in the second half of 2023, the Chinese government decided to implement a unilateral 15-day visa-free policy for ordinary passport holders from six countries in Western Europe, including France, Germany, Italy, the Netherlands, Spain, and Malaysia, leading to optimistic expectations for growth in inbound tourism from **Western Europe**. This policy shift resulted in a notable turnaround in sentiment indices among various European and American regions, transitioning from negative to positive and reaching the highest level in recent years at 11.



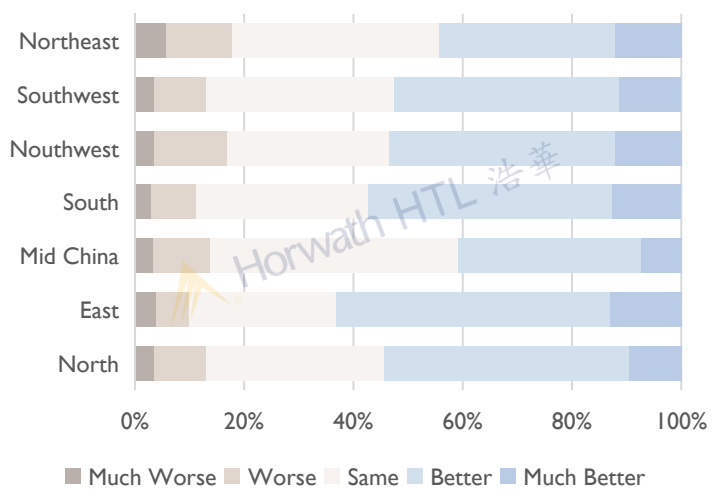
Overall, the inbound demand in other regions remains limited.

Benefiting from foreign aid policies towards Africa, the Belt and Road Initiative, and the implementation of the RCEP agreement, inbound demand in **Africa, South Asia, Central and Northern Asia, West Asia, and Oceania** has steadily risen, with most regions exhibiting stable growth in sentiment indices. However, owing to historically lower volumes and spending power of inbound tourists in these regions, respondents still hold relatively low expectations for these areas.

Inbound Tourism Destinations



Compared to the first half of 2023, please predict the performance of the following regions as inbound tourism destinations in the first half of 2024.



Market expectations are generally optimistic across all regions, with a pattern of strength in the South and relative weakness in the North persisting.

The sentiment index in the Northeast has notably improved.



Benefiting from the popularity of snow tourism products, expectations of Northeast China's inbound tourism show a significant increase.

The explosive surge in popularity in Harbin at the end of 2023 was no coincidence. Its snow tourism products, developed over 40 years, have continually evolved, culminating in a comprehensive destination featuring seven major themes, including festivals, culture, and sports, with over a hundred events. This has propelled a notable increase in inbound tourism in the region, with the Google global search index for Harbin reaching a peak of 100 for the first time.

Moreover, as an exemplary benchmark for China's winter tourism, Harbin has boosted the visibility of other destinations in **Northeast China** and filled the product gap during the traditional tourism off-season in winter. The sentiment index for inbound tourism in the Northeast has seen a significant increase of 37 points compared to the previous index, marking a departure from its long-standing bottom ranking. Capitalizing on Harbin's popularity, the Chinese government is actively guiding the expansion of snow tourism to various parts of Northeast China, fostering collaboration to enhance the unique attributes of major tourist destinations in the area, and effectively creating regional tourism labels. Looking ahead, it remains crucial to sustain the appeal of tourist destinations and maintain their attractiveness to international markets. Alongside designing distinctive products, enhancing local tourism reception capabilities, attracting international talents, and diversifying products that integrate local natural, cultural, and historical resources will continue to be key factors ensuring the quality of the inbound tourism experience and the long-term development of the market.



Other regions show an overall increase in the sentiment index, with East China and South China leading as major inbound tourism destinations.

East China and South China have consistently been the primary important inbound tourism destinations in China throughout the year. Leveraging major international cities with frequent external exchanges and economic activities, such as Shanghai, Shenzhen, and Guangzhou, as well as various tourism hubs with abundant resources and comprehensive facilities, including Suzhou, Hangzhou, and Guilin, the indices of East and South China have reached exceptional levels of 47 and 42, respectively, ranking them first and second in the country.

While **North, Central, Southwest, and Northwest China** boast several historic and cultural cities and world-renowned attractions such as Beijing and Chengdu, their popularity remains relatively lower compared to East and South China. Inbound tourism sectors in the latter regions have been more well-established earlier and possess a higher level of internationalization. The overall sentiment indices mostly range between 20 and 40, with stable increases.





Conclusion

With the implementation of favorable policies, the resumption of international flights, and the return of overseas tour groups, the overall outlook for the inbound tourism market in the first half of 2024 remains optimistic. Since the inception of this survey, the current comprehensive sentiment index has reached its highest point in history. Nevertheless, it is crucial to acknowledge that persistent issues in the inbound tourism market, including talent shortages, destination reception capacity, and the necessity for innovation and rejuvenation of existing tourism products, will continue to serve as primary constraints on the development of China's inbound tourism market.

Since the second half of 2023, the Chinese government has progressively introduced a series of policies, demonstrating its unwavering confidence and determination to further open borders and promote interactions. As a pivotal platform for showcasing Chinese culture and its international image, the inbound tourism market is anticipated to encounter new growth opportunities with government support. Concurrently, industry professionals need to seize market opportunities, innovate tourism products in alignment with market demands, and actively promote diverse and vibrant images of various tourist destinations in China overseas via social media platforms. We are confident that, through proactive exploration by various industry stakeholders, China's inbound tourism market will ultimately experience a rebirth!



About World Tourism Alliance

The World Tourism Alliance, a comprehensive, global, non-profit, and non-governmental tourism organization established in China, held its inaugural ceremony on September 11, 2017 in Chengdu, Sichuan Province, China, and received a letter of congratulations from LI Keqiang, the former Premier of the State Council of the People's Republic of China.

With its mission and vision of “Better Tourism, Better Life, Better World”, the WTA is committed to promoting tourism for peace, development, and poverty alleviation, as well as fostering non-governmental global exchanges and cooperation in tourism.

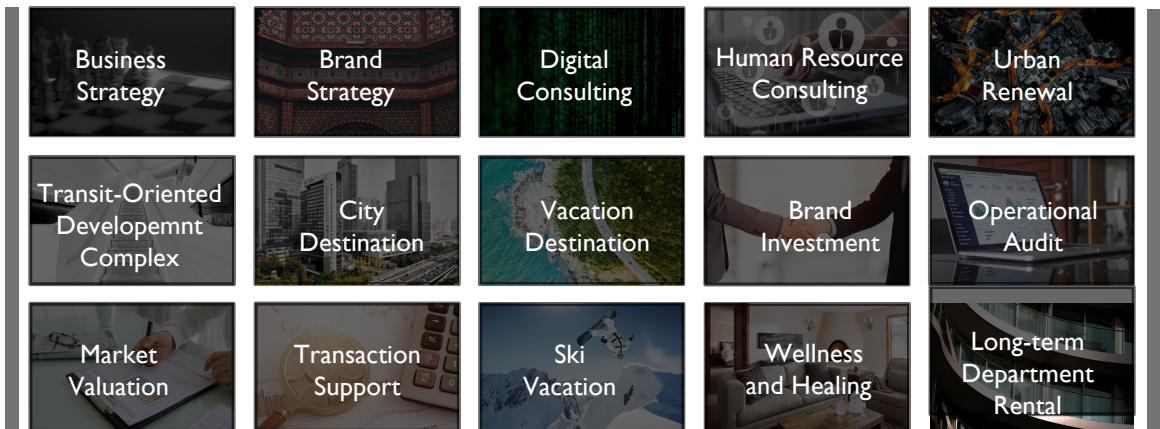
WTA has 236 members from 41 countries and regions throughout the world. Members of the WTA include national or regional tourism associations, influential tourism or tourism-related enterprises, destinations, non-profit organizations, academia, media, and individuals. As a service-oriented international organization that caters to the needs of its members, the WTA strives to create cooperative platforms for dialogue, exchange, cooperation, ideas and information, resource sharing, communication for integrative development, and a thriving marketplace of inspirations and best practices for the benefit of all through travel and tourism.

The WTA is honored to have received generous support from the Ministry of Culture and Tourism of the People's Republic of China, with its headquarters and secretariat established in China.

About Horwath HTL

As a centennial company, Horwath HTL played a pivotal role in establishing the “Uniform System of Accounts for the Lodging Industry,” which remains a global standard to this day. Since entering the mainland China market in 2003, Horwath HTL has been at the forefront of collecting and analyzing industry benchmarking data for the “China Hotel Industry Study” in collaboration with the China Tourist Hotel Association. As pioneers in introducing international hotel investment and development standards to China, Horwath HTL has been a driving force in the industry’s growth for two decades. Horwath HTL was also the first to introduce the concept of “per square meter efficiency” to facilitate precise investment and asset management in the industry. In addition, they have established industry data standards such as MSI (Market Sentiment Index) and MVI (Market Value Index) to enhance understanding among industry stakeholders. In 2022, Horwath HTL launched the HOHI data platform and embarked on developing the ESG index system to further steer the industry towards digitalization and sustainability. In this new era, leveraging extensive project experience, customized consulting services, the HOHI data platform, and the CHAT branding and marketing platform, Horwath HTL offers comprehensive professional services across various dimensions and the entire lifecycle, committed to providing diverse professional solutions for the continual advancement of the 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

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HOHI Business

Industry-wide Information Integration and Big Data Analysis Platform

Business Modules

Industrial Mapping Tool
Business Evaluation Tool
Data & Report


 厚海 DATA PLATFORM

CHAT Business

Branding, Resource Connection, and Integrated Marketing Platform

Business Modules

Branding
Integration Marketing Campaign
Platform Promotion

 CHAT

The background of the page is a photograph of a winter resort. It shows a large, multi-story yellow building with a green roof, surrounded by snow-covered trees and a clear blue sky with some clouds. A red horizontal bar is positioned above the text area.

Disclaimer

This report is intended for general informational purposes only. All information contained herein is based on the “2024 H1 China Inbound Tourism Market Sentiment Report (China Questionnaire).” While we believe the sources of information used in this report to be reliable, we have not independently verified such information and do not guarantee its accuracy or completeness. All opinions and estimates included in this report are based on our judgment as of the date of publication. It is advised not to make transactions based solely on the information, opinions, and estimates provided herein. We assume no responsibility for any action taken or not taken in reliance upon the information contained in this report. The contents of this report may not be quoted, reproduced, or distributed in any form without the written consent of the World Tourism Alliance (WTA) and Horwath HTL.

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