

China Outbound Tourism Trends in Asia Pacific



中国出境旅游国际论坛
International Forum on Chinese Outbound Tourism

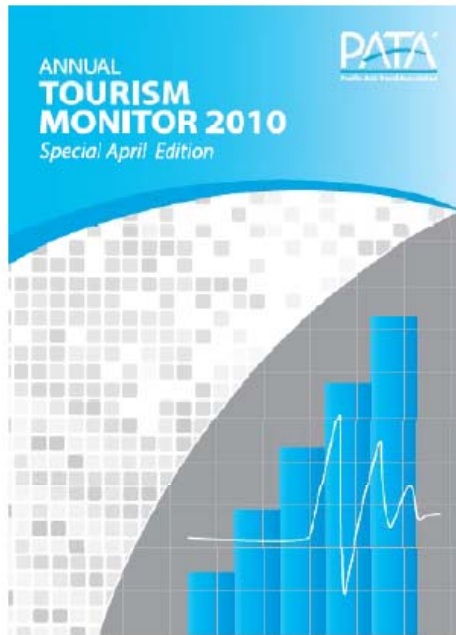
Grand Millennium Hotel, Beijing, China (PRC)
June 23-24, 2010

Asia Pacific tourism trends 2009: a brief overview

Notes

- PATA has grouped the destination members of the Association (and some non-members) into five sub-regions. The term “Asia Pacific” as used by PATA consists of the total area embraced by these regions:
 - Northeast Asia: China (PRC), Chinese Taipei, Hong Kong SAR, Japan, Korea (ROK), Macau SAR, and Mongolia
 - South Asia: Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka
 - Southeast Asia: Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
 - The Pacific: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, New Caledonia, New Zealand, Niue, Northern Marianas, Palau, Papua New Guinea, Samoa, Solomon Islands, Tahiti, Tonga, Tuvalu, and Vanuatu
 - The Americas: Canada, Mexico and the USA (inclusive of Guam and Hawaii)

In 2009, Asia Pacific welcomed



365

million visitors

... down 2.6% from 2008

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Source: PATA Annual Tourism Monitor 2010 Early Edition

Note: Asia Pacific = the Americas (Canada, Mexico, USA), Northeast Asia, South Asia, Southeast Asia and the Pacific

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Last year, Asia Pacific welcomed 365 million visitors to its shores, down 2.6% from 2008. The full-year decline could have been much larger following a huge 6% fall in arrivals seen in the first half of the year, a SARS crisis proportion, as the deepening economic recession and the flu pandemic took their tolls. The fact that the arrivals numbers recovered in the second half of the year, to close the year with a decline of less than 3%, was mainly down to stronger Asian economies, regional tourism and the China (PRC) factor.

Resilience severely tested

- All sub-regions recorded declines in international visitor arrivals in 2009, except for Southeast Asia
 - Northeast Asia -2%
 - South Asia -2%
 - Southeast Asia +1%
 - The Americas -6%
 - The Pacific -1%
- The majority of the key source-markets were down, except for China (PRC) and India
 - Europe -9%*
 - Japan -4%
 - China (PRC) +3%
 - The US -4%
 - Korea (ROK) -24%
 - India +1%

Source: PATA Annual Tourism Monitor 2010 Early Edition
Data = 2009 Note: * estimates

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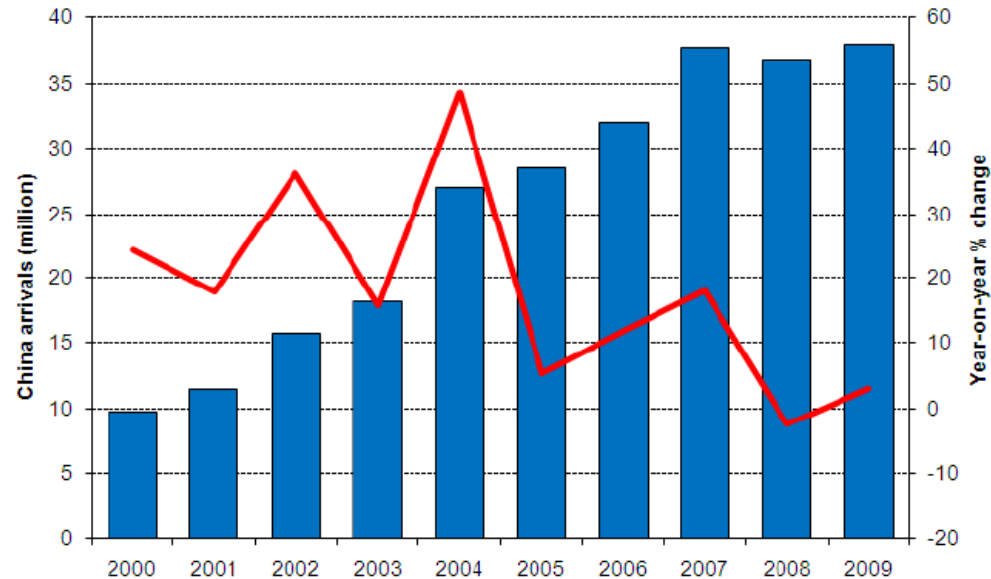
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The resilience of the travel and tourism industry in Asia Pacific was severely tested last year and the results were a fair reflection of the challenging time the industry faced. Arrivals to all sub-regions were down, with the exception of Southeast Asia, resulting in ten million fewer visitors for the year. The industry lost two years of growth.

The majority of the key source markets of Asia Pacific destinations contracted, but two markets stood out – China (PRC) and India. China arrivals to Asia Pacific rose 3% while the much smaller but by no means less important India arrivals rose 1%.

China (PRC): an important source market to Asia Pacific

China (PRC) is a growth market, and resilient



Source: PATA Annual Tourism Monitor 2010 Early Edition Data = * 2009 estimates
Note: Asia Pacific = the Americas (Canada, Mexico, USA), Northeast Asia, South Asia, Southeast Asia and the Pacific

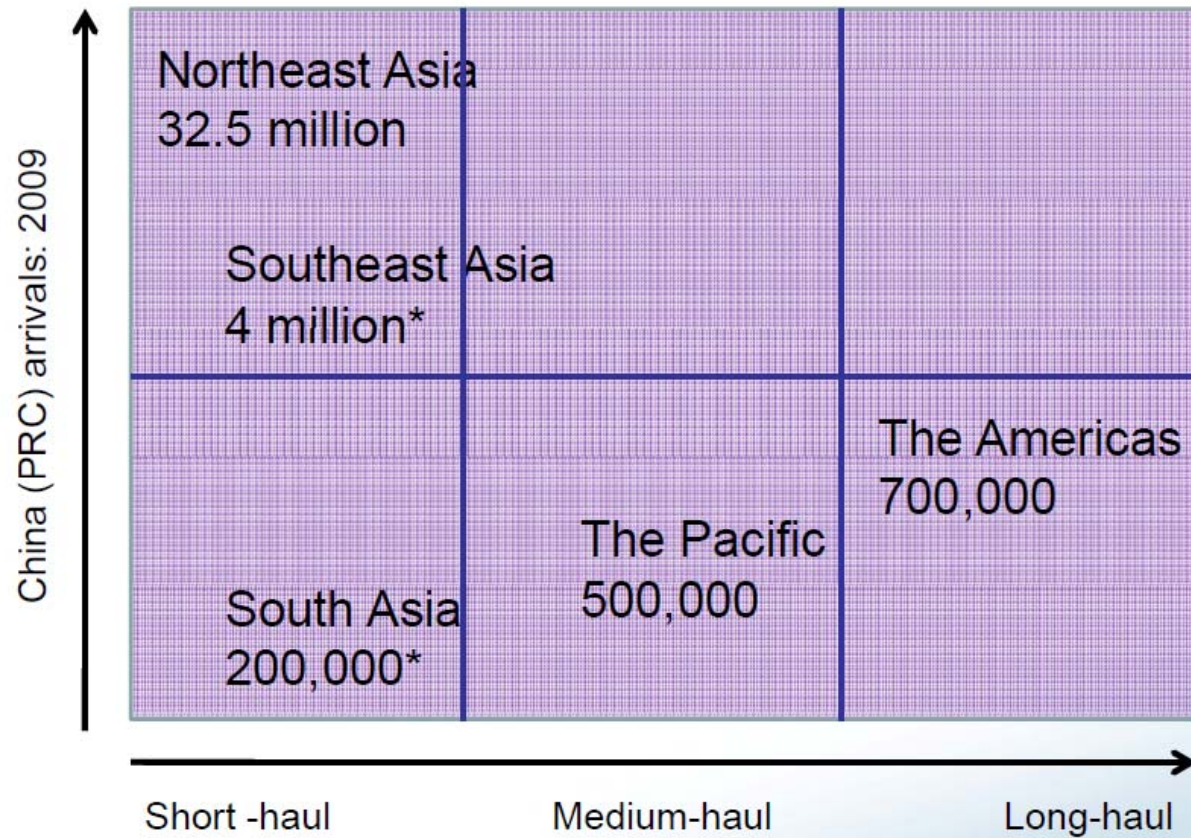
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The rise of China (PRC) as an economic powerhouse has been phenomenal. So too is the rise of the China outbound market.

Going back ten years and you could see that the total number of China (PRC) arrivals to Asia Pacific then were just about 10 million. But grew to over 35 million in 2009. It is already the biggest source market for Asia Pacific destinations. The number of China outbound trips grew by an average of just a little over 16% each year for the past ten years, and this was achieved against the backdrops of crisis after crisis of global or regional proportions such as the 911 event in 2001, the SARS outbreak in 2003, the Asian Tsunami at the end of 2004 and so on.

The resilience of the China outbound market is important to the region,. It shielded/protected the region from bigger losses.



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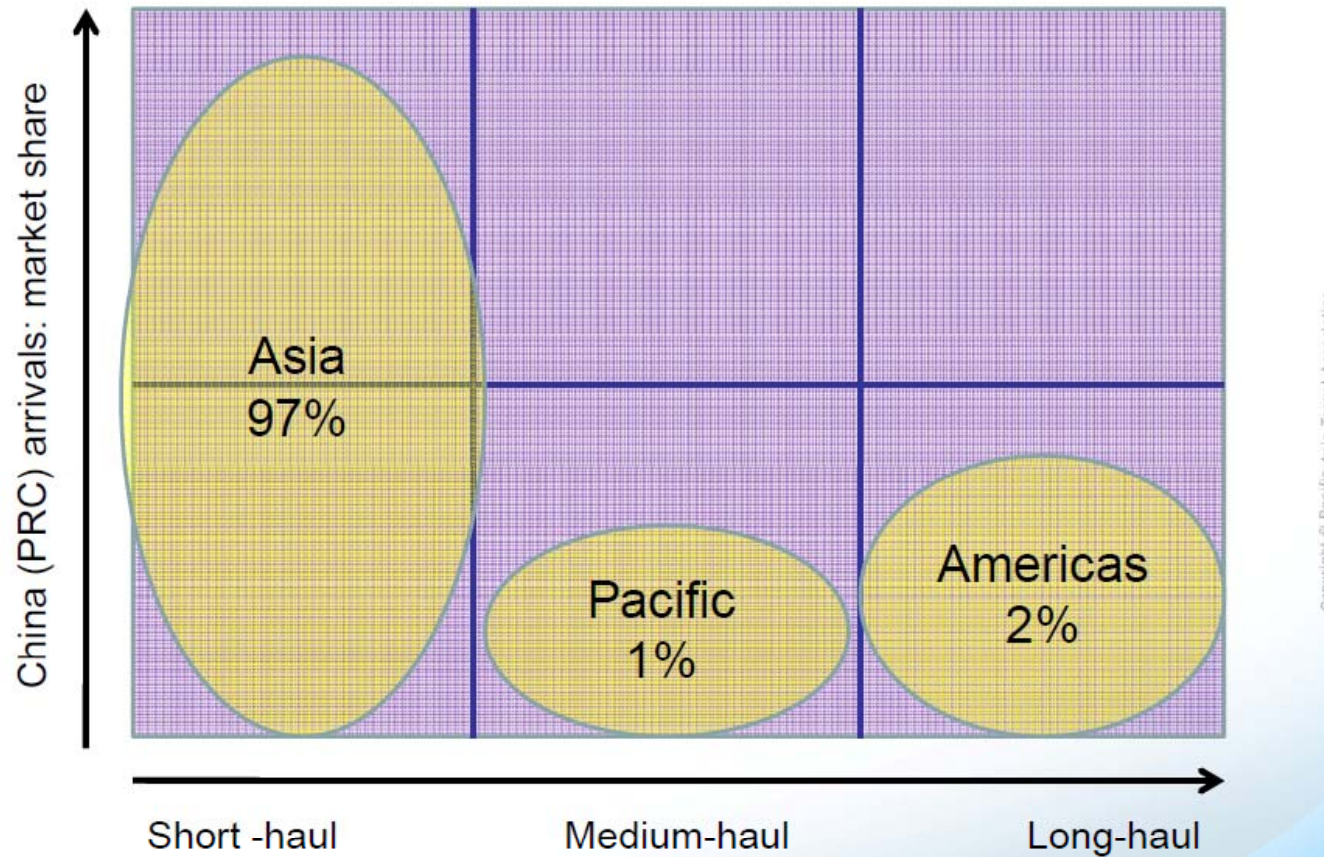
Source: PATA Annual Tourism Monitor 2010 Early Edition Data = * 2009 estimates

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Who are the winners of the rapidly growing China outbound travel market? – Asia. The neighbouring destinations within Northeast Asia received over 30 million Chinese visitors annually but with the bulk of them went to the SARs of Hong Kong and Macau. Underlining the importance (and popularity) of Southeast Asia to the Chinese visitors, the sub-region, with 4 million Chinese visitors last year, generated more Chinese visitors annually as compared to the Northeast Asia counterparts (ex-Hong Kong and Macau).

In the long-haul segments of the market, the sub-region of the Americas is one of the key destinations of Chinese travellers, but the interest is mainly the US, which commands over 70% of the arrivals from China to the sub-region. In the Pacific, while Australia and New Zealand dominate the China outbound travel market to the sub-region.

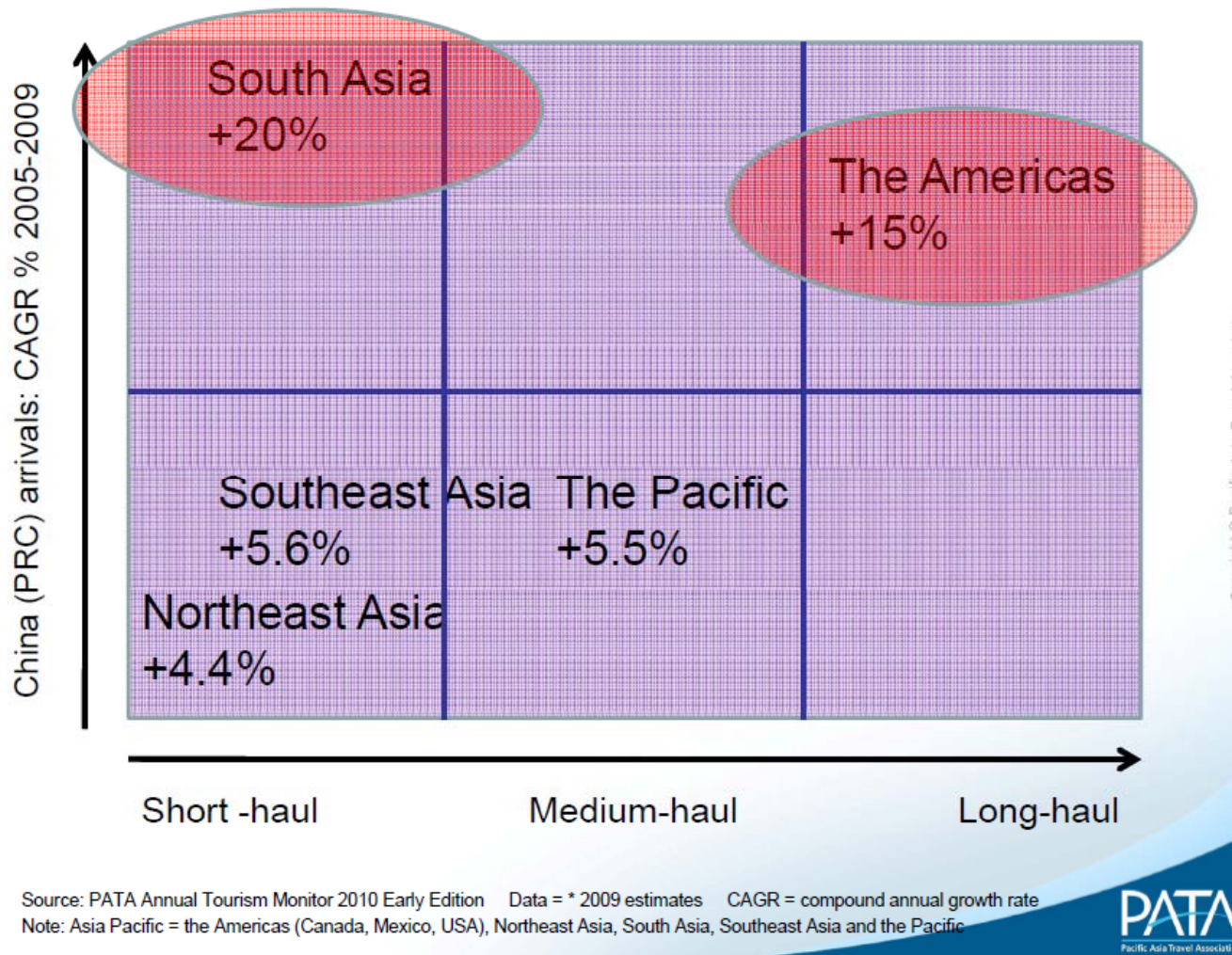


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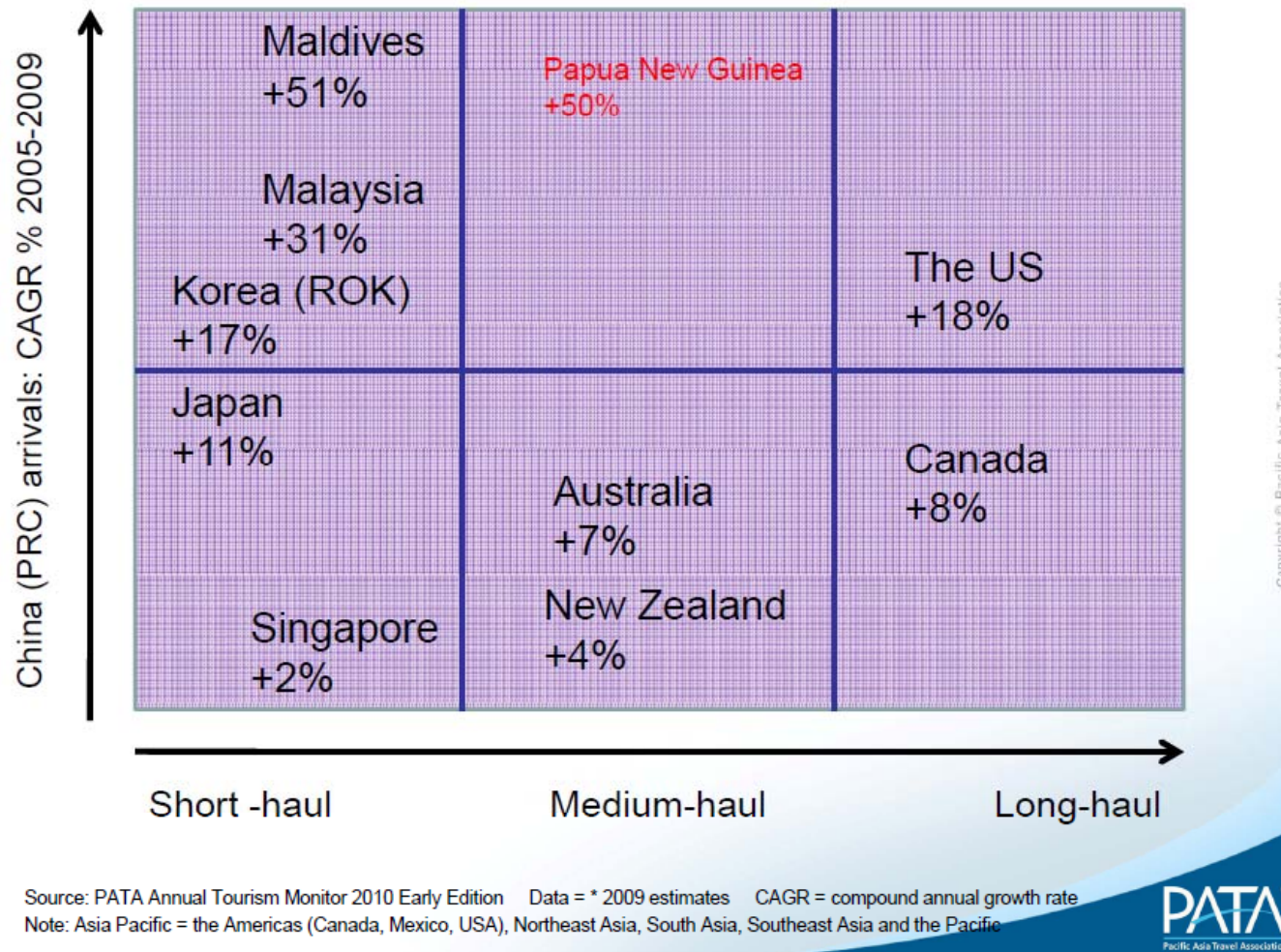


So the sub-regional distribution of China (PRC) arrivals to Asia Pacific reads like this – a whopping 97% share for Asia, while the combined share of the Americas and the Pacific was a modest 3%. And this trend has not really changed over the past ten years.



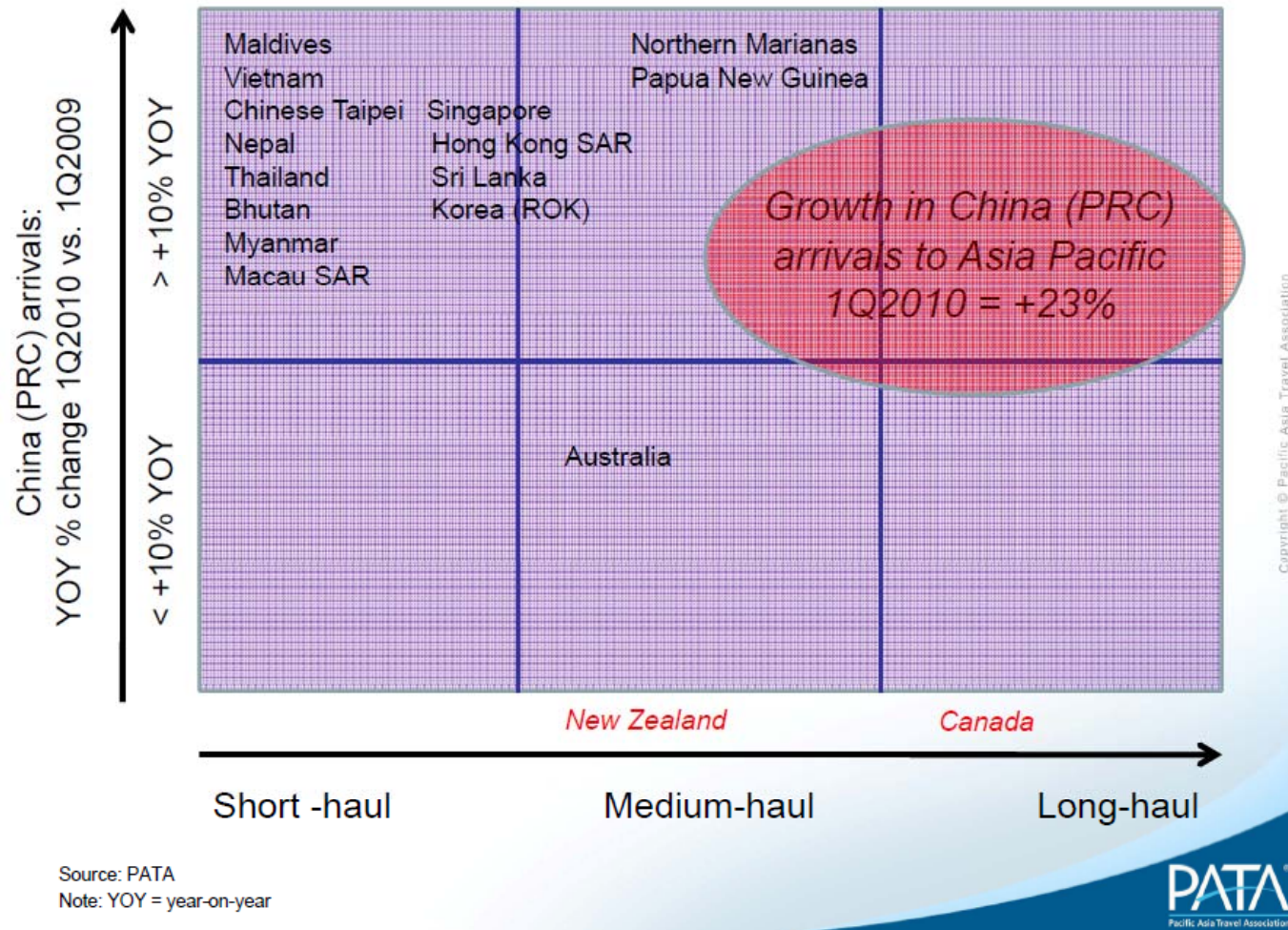
Where did the Chinese travellers actually go in recent years?

You may notice in the previous slide that the sub-region that welcomes the least number of Chinese visitors is South Asia (at about 200,000). But the sub-region enjoyed a rapid China (PRC) arrivals growth of 20% annually over the past five years. The long-haul markets of the Americas were the next destination of choice for the increasingly savvy Chinese travellers, achieving a CAGR of 15% in arrivals for the five-year period to 2009. The more mature markets of Northeast Asia and Southeast Asia grew at more modest rates over the said period, but the numbers were still solid.



On an individual destination basis, one of the stand-out destinations was the US. Over the past five years, China (PRC) arrivals to the US almost doubled from 270,000 five years ago to 520,000 last year. The medium-haul destinations of Australia and New Zealand also performed well over the past few years. Both destinations have strong tourism brands, and have the ability to continue to attract Chinese travellers. But one still finds that the strongest growth in China (PRC) arrivals in Asian destinations. The Maldives was one good example, and Malaysia.

China (PRC) arrivals to Asia Pacific: current year



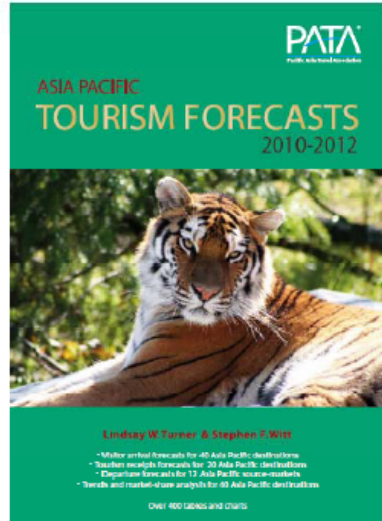
So how did China (PRC) arrivals fare so far this year?

IVAs to Asia Pacific surged by 10% in the first quarter of this year, with the recovery momentum picking up from where it left off at the end of 2009. China (PRC) was one of the key drivers. The estimated 23% surge in the number of China (PRC) visitors to the Asia Pacific region in the first quarter brought cheers to many countries that relied on the tourism sector to recover.

It helped accelerate economic recovery.

China (PRC) arrivals to Asia Pacific: outlook

China (PRC) arrivals growth forecasts



- China (PRC) arrivals to Asia Pacific destinations are expected to grow rapidly over the next few years
- Chinese Taipei and Singapore are expected to join the one million club
- Korea (ROK) may even breach the two million mark by 2012

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Source: PATA Asia Pacific Tourism Forecasts 2010-2012

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At PATA we produce the tourism forecasts annually. It contains, among others, international visitor arrivals growth forecasts for 40 destinations in the region. It is a great tool for tourism planning. Our latest forecasts indicate that the future of the travel and tourism industry remains very bright. China (PRC) arrivals to Asia Pacific destinations will continue to grow rapidly over the next few years – Chinese Taipei and Singapore are expected to join the “one-million Chinese visitors” club (along with Korea (ROK), Malaysia and Japan).

Korea (ROK), a popular destinations for Chinese travellers, may even breach the two million mark by 2012.

谢谢

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