

CHINA'S OUTBOUND TOURISM

CHIANG Min-Hua

EAI Background Brief No. 663

Date of Publication: 7 October 2011

Executive Summary

1. With 57.4 million people travelling from mainland China to other countries in 2010, China has become Asia's largest tourism market.
2. In terms of tourism expenditure in 2009, China was the fourth largest outbound tourism source market in the world, behind Germany, the United States and the United Kingdom.
3. According to Boston Consulting Group's estimates, there will be 25 million first-time Chinese travellers every year, or 70,000 every day, for the next 10 years. China currently accounts for 6% of global tourism revenue and the proportion is expected to increase to 8% in 2013 and 14% in 2020.
4. Chinese tourists travelling for private purposes has become a dominant outbound tourism group. Beijing, Shanghai and Guangzhou are the three key cities that have provided Chinese outbound tourists.
5. With soaring outbound tourist expenditure, China recorded a tourism deficit for the first time in 2009 of US\$4 billion. In 2010, the deficit widened to US\$9 billion.
6. Hong Kong and Macao are the two major destinations for Chinese travellers. In 2010, 60% of Chinese outbound tourists headed to these two regions, constituting 63% of Chinese total outbound tourists expenditure.
7. Shopping accounts for the largest portion of their travel expenditure. The high shopping expenditure of Chinese tourists also makes them the most important shoppers in tax-free shops worldwide in 2010.
8. France, the United States, Australia, Japan, Maldives and Singapore are especially preferred by Chinese millionaires and billionaires for the purchase of luxury items.

9. China's huge population, favourable economic outlook and expected appreciation of the *renminbi* are positive drivers of outbound tourism. The rise in the numbers of Chinese tourists and their enormous spending power have led many governments and tourist-related businesses to make a concerted effort to attract Chinese tourists.