CHINESE POST-PANDEMIC TOURISM IN NORTHEAST ASIA: CASE STUDIES OF SOUTH KOREA AND JAPAN

LIM Tai Wei

EAI Background Brief No. 1743

Date of Publication: 11 January 2024

Executive Summary

- 1. In August 2023, the Chinese Ministry of Culture and Tourism authorised group tours to South Korea; more than 130 Chinese travel industry representatives from 100 travel agencies have participated in bilateral tourism events since.
- 2. Chinese tours to South Korea have evolved from "shopping tours" to "experience tours". South Korean tour operators would need to modify the focal point of attraction of their services.
- 3. A total of 250,000 locations in South Korea have made available Chines mobile epayment apps WeChat Pay and Alipay to convenience Chinese tourists.
- 4. On 4 September 2023, South Korea's Ministry of Culture, Sports and Tourism and Finance Ministry waived the e-visa issuance fee of 18,000 won (US\$13.60) for Chinese group tourists for 2023.
- 5. The ceiling of purchases for tax refunds at South Korean retail stores increased from 500,000 won in September 2023 to 700,000 won. For payments via Alipay, Unionpay or WeChatpay, only the price without the VAT needs to be paid; refunds for items more than 700,000 won are available from desks at airports/ferry terminals.
- 6. Compared to South Korea, Japan faced tremendous uphill struggles in managing Chinese tourism after Japan released the first and second batches of treated and diluted tritium-radioactive water from Fukushima. Chinese state media and social media users were angry with the Japanese decision.
- 7. Global Times (a state-owned newspaper associated with the Chinese Communist Party) noted terminations of Japan trips by customers, with many travel agencies cutting down their marketing promotions for Japan tours for the National Day holidays in late September 2023.

- 8. Share prices of Japanese firms dependent on the Chinese market declined sharply after Chinese netizens threatened a boycott over the water release, with Shiseido Co. declining 2.6% to a nine-month low as its revenue from China make up 30% of the total (Pola Orbis Holdings Inc. and Kose Corp. also declined in stock value). Cosmetics are a popular consumption item for Chinese tourists to Japan.
- 9. Japan's Prime Minister Kishida explained to Chinese Premier Li Qiang his administration's scientifically rational stance on the release of treated and diluted water into the sea on the sidelines of the ASEAN meeting in Indonesia on 6 September 2023 and sought the premier's understanding.
- 10. On 5 October 2023, international and Japanese media showed that Japanese airlines' flights from China to Japan were almost full during the eight-day Golden Week holidays while Baidu data indicated that Japan was first on the list of popular foreign travel spots for Chinese tourists during the holiday season.