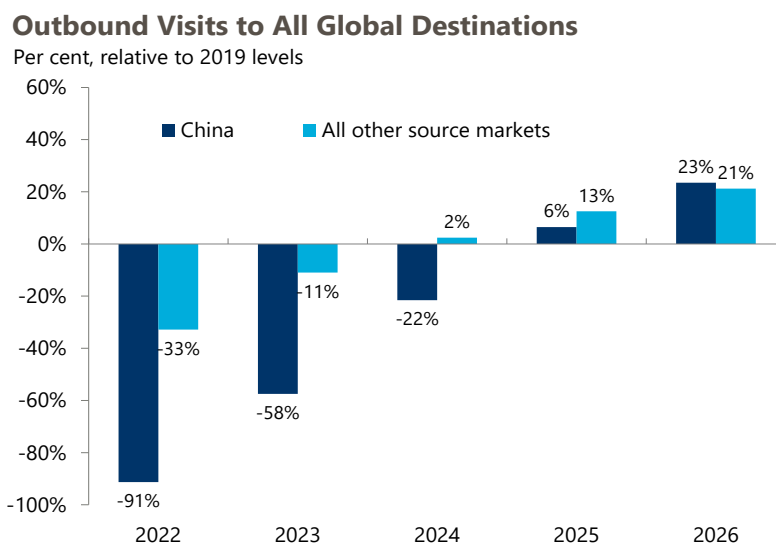


Travel & Tourism | Asia-Pacific

Chinese Outbound Travel to Gain Momentum in 2024

- Chinese outbound travel will stride further towards recovery in 2024, continuing **the progress observed throughout 2023**. Capacity constraints that have impacted the outbound recovery to date, including limited flight connections and delays in passport and visa processing, eased somewhat in the second half of 2023 and will continue to do so. Some continued unwinding of domestic substitution (shift to domestic from outbound tourism) among Chinese travellers will also provide a boost to international demand. Though impediments in the form of capacity constraints and risk aversion in traveller attitudes will remain to some extent in the near-term.
- We anticipate that the number of international outbound trips taken by Chinese travellers in 2024 **will roughly double relative to 2023**. While a notable increase, this implies that Chinese outbound travel volumes will remain 22% below 2019 volumes, and our expectation is that Chinese outbound visits will not fully recovery pre-pandemic levels until 2025. This represents a notably slower recovery than other large global source markets.
- The Middle East will see the quickest recovery in arrivals from China among destination regions, with Chinese visits to the region to exceed pre-pandemic volumes in 2024, driven largely by travel to the United Arab Emirates. Chinese travel to elsewhere in APAC (which receives the bulk of Chinese visits) will fully recover in 2025, as will Chinese outbound to Africa. Travel from China to Europe and the Americas will not recover pre-pandemic volumes until 2026.
- Chinese outbound travel will catch-up with demand from other source markets and outpace visits from the rest of the world from 2026 onwards to once again be a major driver of global travel. China is expected to regain its pre-pandemic share of global outbound visits (just above 7% in 2019) in 2026. This share will increase steadily for the rest of the decade and into the next to reach around 8% by 2033. This gain in share means China will make the largest contribution of all source markets to global outbound visits and spending between 2026 and 2033.

Chart 1: Outbound Visits to All Global Destinations: China vs Other Source Markets



Source: Tourism Economics

The re-opening of the Chinese outbound market

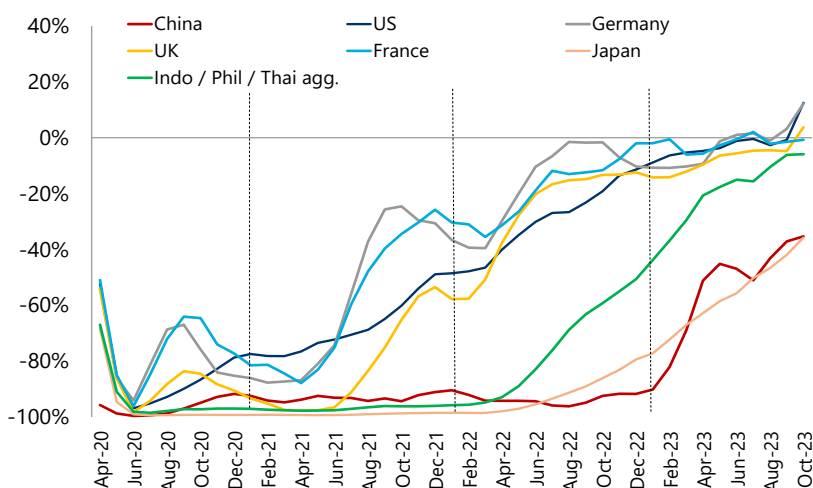
Chinese outbound travel finally restarted in 2023, following the long-awaited announcement of the tiered lifting of restrictions (and a gradual pathway to full re-opening) by the Chinese Government [after Christmas 2022](#). This re-opening was keenly anticipated by global destinations, given the significance of China as an outbound market. China was [the largest source market for international spending before the pandemic](#), having accounted for almost 11% of global outbound spending in 2019, and the third largest in terms of visits, contributing the equivalent of US\$156 billion in spending and 104 million overnight visits to global international travel. We estimate that outbound visits from China recovered to 58% below 2019 levels over 2023 in aggregate, compared to visits from all other source markets being 11% lower than 2019 volumes.

Outbound visits from China gradually increased throughout 2023, and in the three months to October were estimated to have been around one-third lower than the same period in 2019. This represented a significant recovery from earlier in 2023, though outbound volumes still remained well below those of other key global source markets. Outbound visits from the US, Germany, France and UK were estimated to have been at or above 2019 volumes for the equivalent period. Elsewhere in the Asia-Pacific region – where international travel generally re-started later than that in North America and Europe – outbound visits from Indonesia, Philippines and Thailand in aggregate had recovered to less than 10% below 2019 levels.

Chart 2: Outbound Visits to all Global Destinations in 2023, relative to 2019

Global Outbound trips from key source markets

% relative to 2019 levels, 3-month-moving average



Source: Tourism Economics

There was some disappointment among industry stakeholders at the pace of recovery of Chinese outbound visits in 2023, despite the notable progress throughout the year. The recovery was limited to an extent by reported capacity bottlenecks, including flight capacity and delays in visa and passport processing. These capacity issues eased throughout the year and further improvement is expected going forward, though some constraints are likely to remain into 2024.

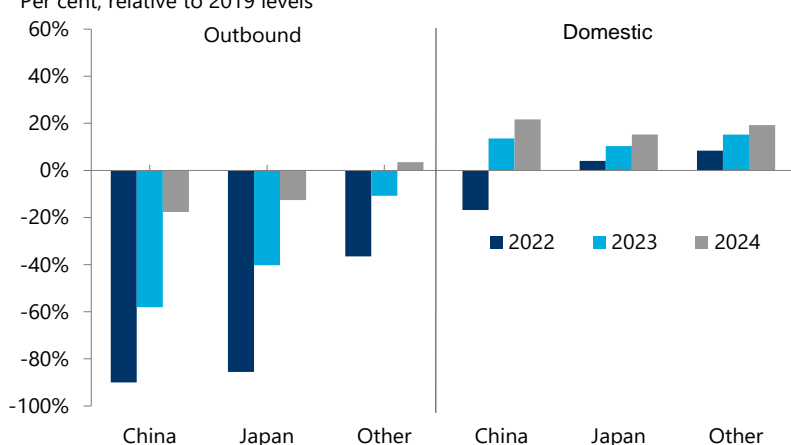
However, demand for outbound travel among the Chinese population has also see some delays in recovery and partly dictated some of the supply constraints, such as the flight schedules. The recovery pace of Chinese outbound travel has broadly matched that for Japan following its re-opening – another key APAC market that eased restrictions relatively late – despite fewer reports of capacity constraints impacting travel for the latter. This suggests there was some caution among Chinese tourists to re-engage in international travel, at least partly reflecting a preference to travel domestically in the first instance after the removal of pandemic restrictions.

Domestic substitution was a phenomenon observed among many global markets throughout 2021 and 2022, but is reinforced in this case by the sheer scale of the Chinese domestic market (domestic nights in all paid accommodation were seven times the volume of outbound nights in 2019). Indeed, we estimate that Chinese domestic nights over 2023 exceeded pre-pandemic volumes by 14%, and total activity by Chinese travellers — comprising the sum of domestic and outbound nights — actually recovered 2019 volumes in 2023 (something that was also observed for Japan). This points to a strong rebound in appetite for tourism among Chinese travellers, even if this has not been fully reflected in outbound volumes. Some hesitation to travel abroad due to health and safety concerns, particularly after the strict lockdowns and requirements imposed domestically throughout 2022, and general risk aversion also likely played a role in Chinese traveller preferences for domestic tourism in 2023, though we expect those to ease throughout 2024.

Chart 3: Outbound and Domestic Travel Among Selected Source Markets

Travel for Selected Source Markets: Nights in All Paid Accommodation

Per cent, relative to 2019 levels



Source: *Tourism Economics*

Continued progress expected throughout 2024

Chinese outbound travel will make significant progress towards recovery in 2024, continuing the improvement observed over 2023. We anticipate that the number of international outbound trips taken by Chinese travellers in 2024 will approximately double relative to 2023 volumes. Despite this sharp increase, our projections still imply that outbound visitor volumes from China in 2024 will remain 22% below 2019 levels, and we expect that Chinese outbound visits will not fully recovery pre-pandemic volumes until 2025.

This represents a notably later recovery than other large global source markets — outbound markets aside from China will, in aggregate, recover 2019 visit volumes in 2024, partly aided by their earlier re-opening. Among the largest global outbound markets, the United States (the largest in terms of visitors in 2019), Germany (2nd in 2019), the United Kingdom (4th) and France (5th) are all projected to recover and exceed pre-pandemic levels in 2024. However, in line with China, other large source markets in APAC will mostly not recover 2019 volumes until 2025 — this includes South Korea, Japan and Australia, though India is expected to see recovery in 2024. Chinese outbound spending (in nominal terms) will recover earlier than visits — in 2024 — driven by increases in average traveller spending and broader inflationary pressures, though this still represents a lag compared with most other large source markets (whose spending recovered in 2023).

Among global destination regions, the Middle East will see the quickest recovery in visits from China, with these volumes projected to recover 2019 levels in 2024. This strength is a continuation of the relatively strong recovery observed in 2023, and largely reflects strong travel flows from China to the United Arab

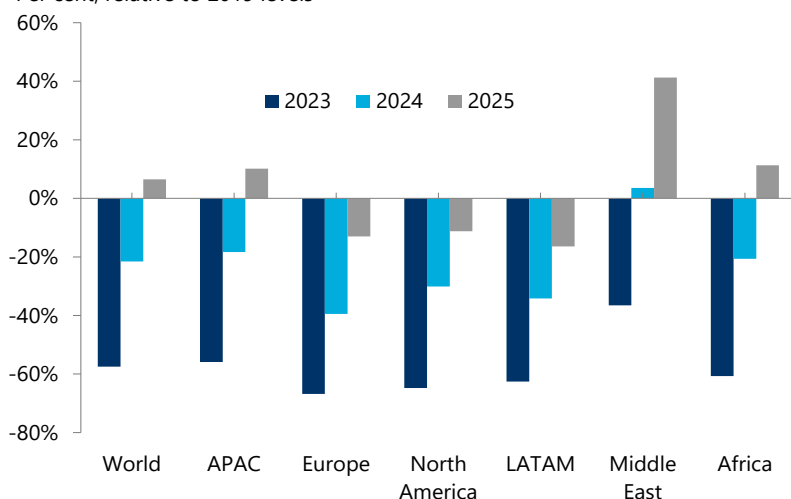
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Emirates (especially Dubai) alongside restored flight capacity and relative ease of travel (including visa free entry for short stays). Chinese arrivals to APAC destinations ([which account for the bulk of Chinese outbound visitors](#)) are expected to recover to around 18% below 2019 volumes over 2024 as a whole and exceed pre-pandemic volumes in 2025.¹ Africa is also expected to see a full recovery of Chinese visitors in 2025, partly reflecting the growing ties between China and the continent as part of investment flows.

Chart 4: Recovery of Chinese Outbound Visits to Different Regions

Overnight Arrivals from China to Global Regions

Per cent, relative to 2019 levels



Source: *Tourism Economics*

Chinese travel to Europe (-40% relative to 2019), North America (-30%) and LATAM (Latin America; -34%) will recover at a slower pace. This partly reflects distance, with short- (to elsewhere in Northeast Asia) and medium-haul (to Southeast and South Asia, and Oceania) travel from China projected to recover more quickly than long-haul travel, consistent with trends observed globally. Other challenges for Europe and the Americas as destinations for Chinese travel include transport capacity, [pricing](#) (particularly given the inflationary pressures impacting global airfares), the impact of the Russia-Ukraine war on flight routes (as airlines seek to avoid Russian and Ukrainian airspace), and perceptions of health and safety (including the quicker reversal of COVID-19 preventative measures relative to elsewhere in APAC).

Regaining pre-pandemic prominence and further growth

Despite a relatively slow recovery in the near-term compared to other large source markets, Chinese outbound travel will catch-up and outpace that from the rest of the world (in aggregate) from 2026 onwards. China is expected to regain its pre-pandemic share of global outbound visits (7.1% in 2019) in 2026, and China's share will increase steadily for the rest of the decade and into the next to reach just under 8% by 2033. Alongside this gain, China will become the second largest outbound market in terms of visitors by 2030, surpassing Germany, and regain its position as the world's largest in terms of outbound spending in 2024.

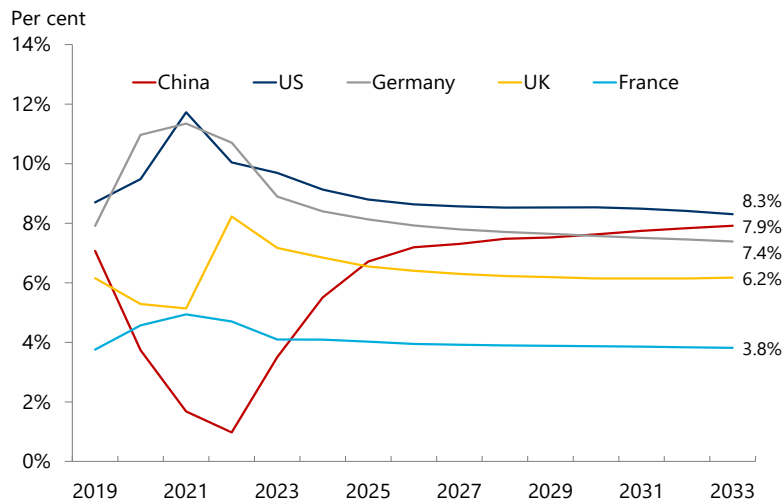
Indeed, among the world's five largest outbound visitor markets, China is the only one projected to gain share between 2026 (when global travel patterns will have largely normalised) and 2033. The United States (-0.3 percentage points), Germany (-0.5 ppt), the United Kingdom (-0.2 ppt) and France (-0.1 ppt) are all

¹ Travel to Hong Kong and Macao from Mainland China is measured as international, consistent with official statistics for the territories and consistent with UNWTO reporting.

expected to lose prominence. Aside from China, gains are also anticipated for South Korea and India (among other emerging markets).

Chart 5: Selected Source Markets' Share of Global Outbound Visits

Outbound Visits to All Global Destinations: Share of Global



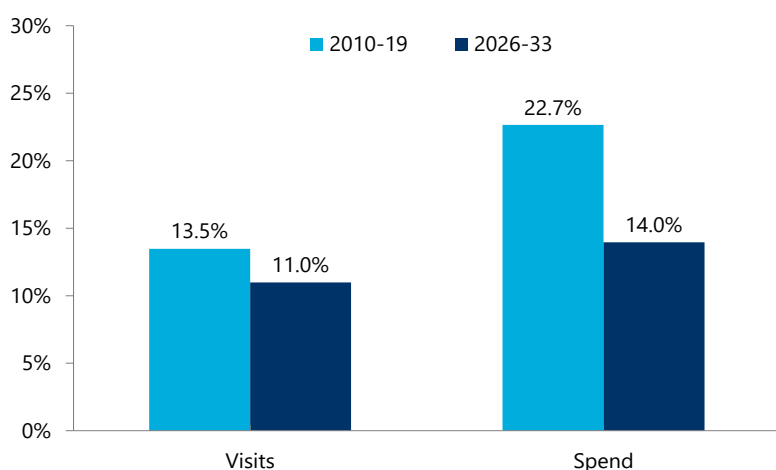
Source: Tourism Economics

Despite the projected gain in share of global outbound travel, China will be less prominent in driving growth in global international tourism than was the case pre-pandemic, reflecting the growing maturity of the Chinese market and emergence of new source markets (particularly in Latin America, Africa and elsewhere in APAC). We project that China will account for 11% of the growth in annual outbound visits between 2026 and 2033, compared to 13.5% between 2010 and 2019. Similarly, China will contribute 14% of the increase in spending over 2026-33, down from almost 23% over 2010-19. Nevertheless, China's contribution will still be the largest in the world by some margin.

Chart 6: China's Contribution to Growth in Global Outbound Travel: 2010-19 and 2026-33

China's Contribution to Growth in Global Outbound Travel

Per cent of global increase in specified time period



Source: Tourism Economics