China outbound Tourism Market

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Jan. 22 2020, Rejkjavik
Four Parts

I

China's Tourism Market

II

Opportunities for Iceland

III

Chinese Embassy's Service

IV

Suggestions
Overview of China's Market (2019)

- The 2nd largest economy: GDP $14.4 trillion
- The largest trade country: $4.58 trillion
- The second largest consumption market: $5.98 trillion
- The largest holder of foreign exchange reserves: $3.11 trillion
- 1.4 billion population
- 400 million middle class
Overview of China's Tourism Market (2018)

- Tourist industry valued RMB 9.94 Tri. account for GDP 11.4%
- 5.539Bil. domestic tourists (person times)
- Domestic traveling spending $755.6Bil.
- 200 million passport holders (85.7% or 1.2 Bil. Chinese not applied for Passports)
- 149.72 million outbound tourists
- World's top tourism spenders at $277Bil.
- 260 million tourists globally expected to be Chinese by 2030
Feature 1: Continuous Fast Growth

Outbound tourist of China

- 2013: 98.19
- 2014: 107.28
- 2015: 116.89
- 2016: 122.03
- 2017: 130.51
- 2018: 149.72
- 2019 (E): 166

Legend: outbound tourists (mil.)
Feature 2: Impressive Spending Power

Chinese’s tourist outbound spending

Source: UNWTO
China with the World's Largest Tourism Spending

with one fifth of international tourism spending

Top 10 spenders 2018 (US$Billion)

- China: 277.3
- USA: 144.2
- Germany: 94.3
- UK: 75.8
- France: 47.9
- Australia: 36.8
- Russian: 34.5
- Canada: 33.3
- South Korea: 32.0
- Italy: 30.7

Source: UNWTO 2018
Feature 3: Young and Middle Age People are the Main Force

Feature 4: Most Chinese Outbound Tourists are Highly Educated

Feature 5: First Tier Cities are the Main Source

Top 10 China Outbound Tourism Source Cities in 2018:
- Beijing
- Shanghai
- Guangzhou
- Chengdu
- Chongqing
- Nanjing
- Kunming
- Wuhan
- Xi’an
- Hangzhou

(all are municipalities or provincial capitals, well developed).
Among which, Beijing ranked first with cost of RMB 6,817 per person on average in 2017.
Feature 6: High Outbound Travel Times

Four key times that Chinese tourists prefer to taking oversea's trips.

- Chinese Spring Festival holiday (Jan.-Feb.)
- Summer holiday period (Summer vacation)
- National Day holiday: Golden Week from Oct.1-7th
- Christmas holiday (Winter vacation) - New Year
Feature 7: Mainly Target South East Asia

Top 10 Chinese Outbound Travel Destinations in 2018

• Thailand
• Japan
• Vietnam
• Singapore
• Indonesia
• Malaysia
• America
• Cambodia
• Russia
• Philippines

(South-Eastern Asia: safety, short distance, culture)
Feature 8: Three Ways of Chinese Outbound Travel

Feature 9: Direct Flight is More Popular

Feature 10: No Cash Payment is Best Choice

Future Expectation on China's Outbound Tourist Market

✓ Maintain fast growth for a long period of time.

Notably, the Chinese outbound tourism market still has great potential, since 85.7% (1.2 Bil.) of Chinese citizens still have not applied for passports for outbound tours.

✓ Northern European countries could become one of the major outbound destinations for Chinese tourists especially for the second time outbound tourists.

✓ Iceland will become more popular for the Chinese tourist (unique landscape and experience, more convenient flights, possible cheaper price)
Part 2: Opportunities for Iceland

● Overview of CHINA-ICELAND RELATIONSHIP

- **Establishment of diplomatic ties**: 1971
  - China assigned first resident ambassador in Iceland
- **1972**: Iceland set up its embassy in Beijing and its first resident Ambassador to China
- **1995**: Free Trade Agreement between Iceland and China
- **2013**: Iceland-China geothermal model takes off with President Ziang Zemin’s visit to Iceland
- **2018**: Alipay and WeChat are launched in Iceland
- **2019**: MOU on e-commerce working group
- **2021**: E-commerce LOI between Promote Iceland and Tmall
- **2022**: China most popular online purchase country for Icelanders: AliExpress
Part 2: Opportunities: Stable Growth of Chinese Tourist

![Bar chart showing visitors from China to Iceland through Keflavik Airport, 2003-2019](chart)

Source: Iceland Tourist Board – Visitors to Iceland through Keflavik Airport, 2003-2019

<table>
<thead>
<tr>
<th>% of hotel guest nights</th>
<th>Number</th>
<th>% change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total guest nights</td>
<td>4,471,098</td>
<td>0.9%</td>
</tr>
<tr>
<td>1. USA</td>
<td>26.6%</td>
<td>1,191,106</td>
</tr>
<tr>
<td>2. United Kingdom</td>
<td>14.6%</td>
<td>654,226</td>
</tr>
<tr>
<td>3. Iceland</td>
<td>9.6%</td>
<td>429,532</td>
</tr>
<tr>
<td>4. Germany</td>
<td>7.6%</td>
<td>339,557</td>
</tr>
<tr>
<td>5. China</td>
<td>6.7%</td>
<td>297,452</td>
</tr>
</tbody>
</table>

Part 2: Opportunities: Direct Flight is Coming

- Juneyao Air and Tianjing Airlines are Expected
Part 3: Chinese Embassy's service

- Brochure, Website, WeChat
- Cooperation with Icelandic police, hospitals, rescue teams
- 12308 hot line 7/24
- Issue travel document, all necessary assistance
Part 4: Suggestions on Service Improvement

- Language: more Chinese speaking guides, more signs in Chinese.
- Guidance brochure in Chinese.
- First aid/rescue (accident, lost, bad weather).
- Hot line for Chinese tourists (consultation when necessary).
- Personalized products.
- Regularly opinions survey on experience.
- Regular Seminar.
- Simplify visa procedures and shorten processing time.
Part 4: Suggestions on Hardware

- Cooperation with China’s travel agencies.
- Infrastructure improvement: airport, road, bridges, tunnels, hotels and village houses etc.
- Sight spot facilities.
- Mobile payment facilities
Part 4: Suggestions on Marketing China's Tourists

- Promote Iceland (CIIE in Shanghai, Tourism fair in China, Icelandic Embassy in Beijing, other major cities)
- Cooperation with Chinese Media: websites, magazines, newspaper, TV, social media, APP
- Cooperation with Chinese Celebrity: film stairs, online celebrity
- Important role of government organization: Toursim and Avition Agences/government cooperation between two sides
Thank you