

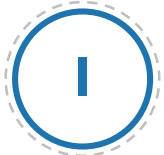
China outbound Tourism Market

- **Chinese Embassdor: JIN Zhijian**

Jan. 22 2020, Reykjavik



Four Parts



China's Tourism Market



Opportunities for Iceland



Chinese Embassy's Service



Suggestions



Overview of China's Market (2019)

- ❖ The 2nd. largest economy:GDP \$14.4 tri.
- ❖ The largest trade country: \$4.58 trillion
- ❖ The second largest consumption market: \$5.98 trillion
- ❖ The largest holder of foreign exchange reserves:\$3.11trillion
- ❖ 1.4 billion population
- ❖ 400 million middle class

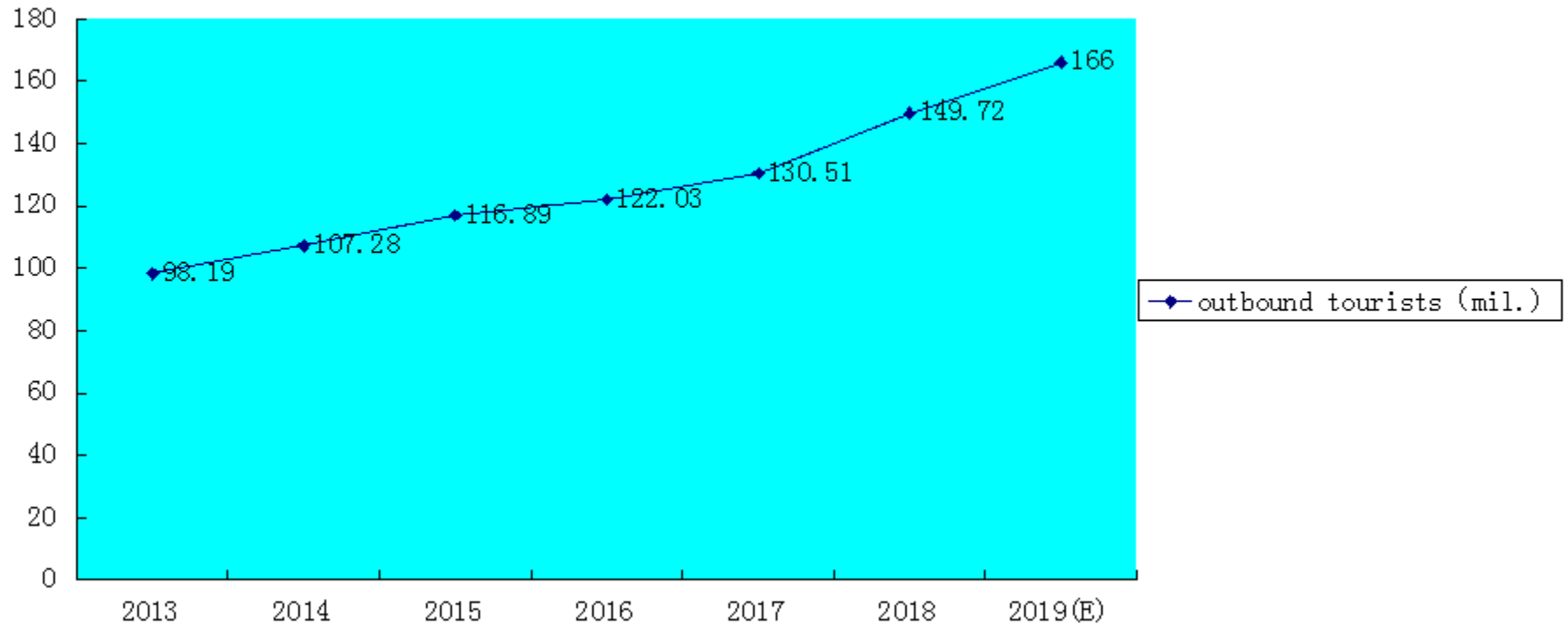


Overview of China's Tourism Market(2018)

- ❖ 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' top tourism spenders at \$277Bil.
- ❖ 260 million tourists globally expected to be Chinese by 2030

Feature 1: Continuous Fast Growth

Outbound tourist of China



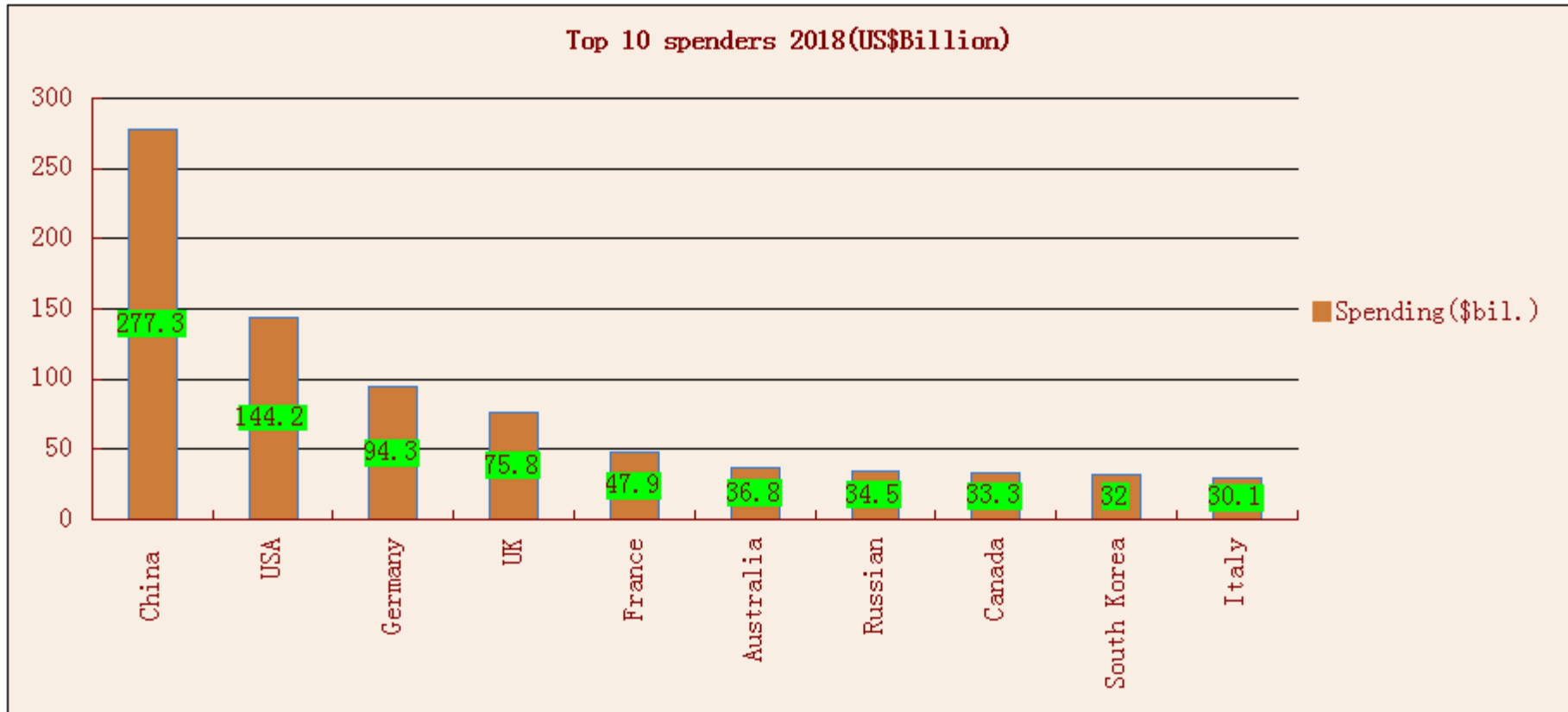
Feature 2: Impressive Spending Power



source:UNWTO

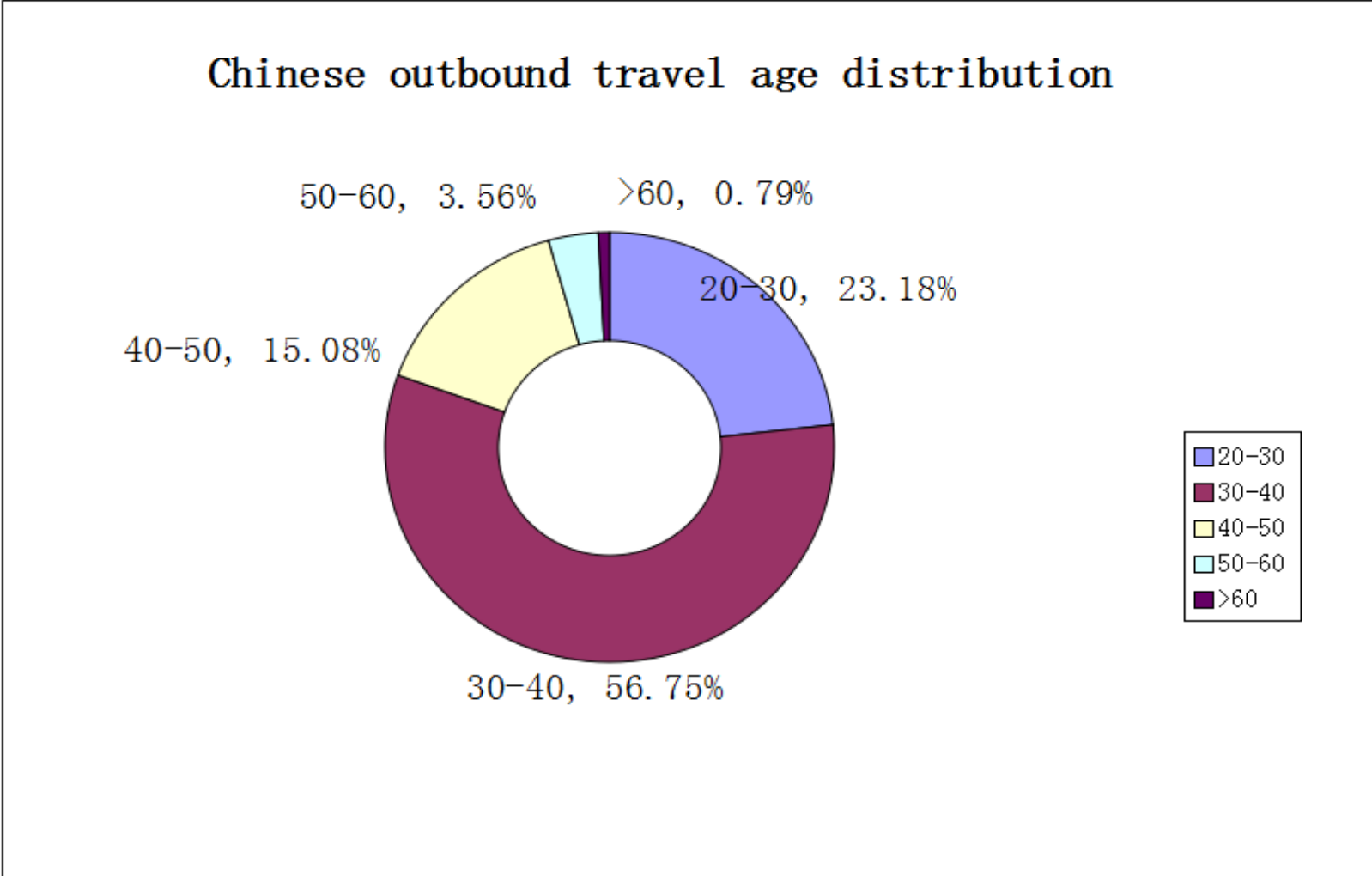
China with the World's Largest Tourism Spending

with one fifth of international tourism spending



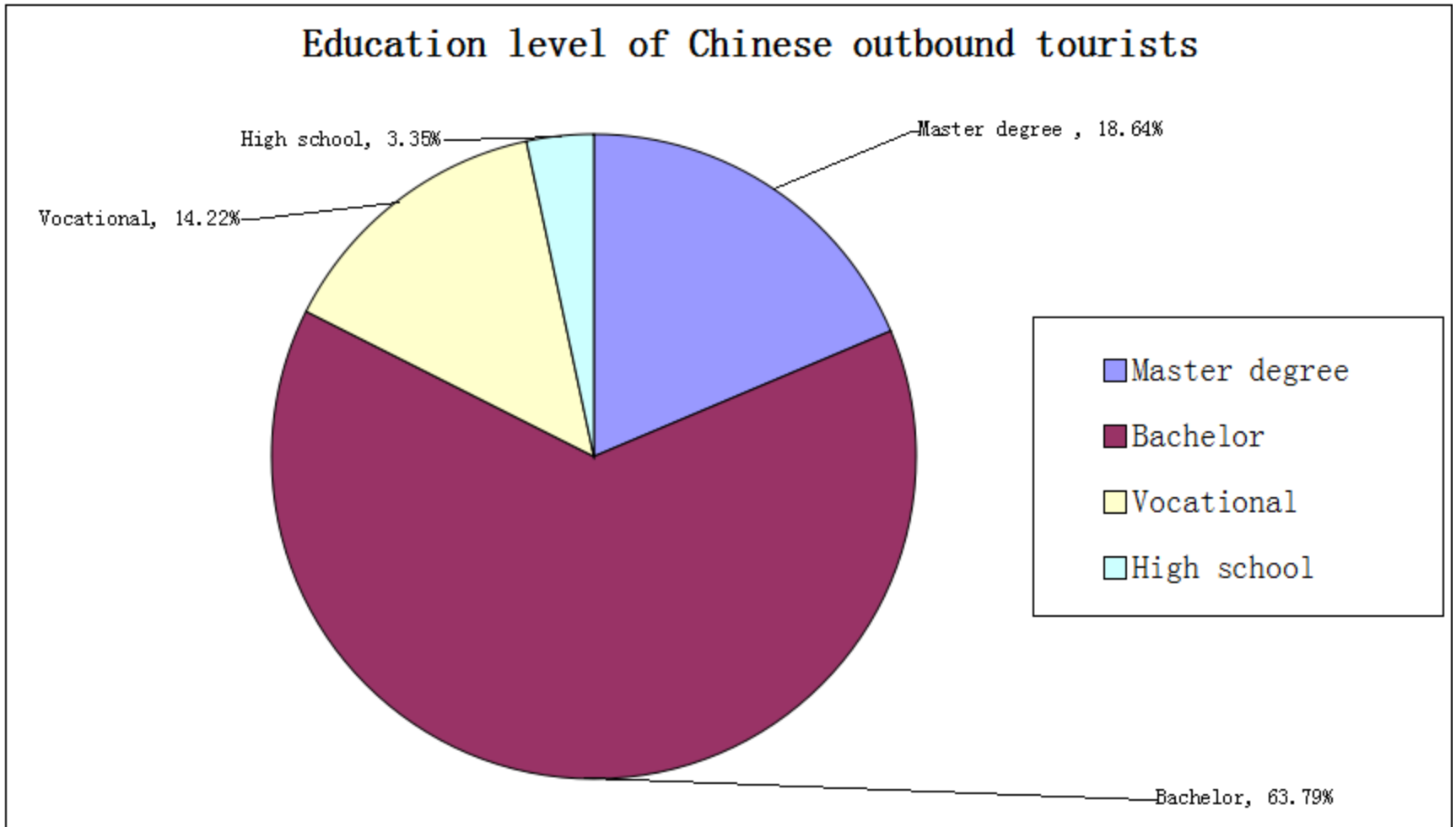
- source:UNWTO 2018

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



Source: World Tourism Cities Federation 《Chinese Citizens' Outbound Tourism Consumption Report 2017-2018》

Feature 4: Most Chinese Outbound Tourists are Highly Educated



Source: World Tourism Cities Federation 《Chinese Citizens' Outbound Tourism Consumption Report 2017-2018》

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

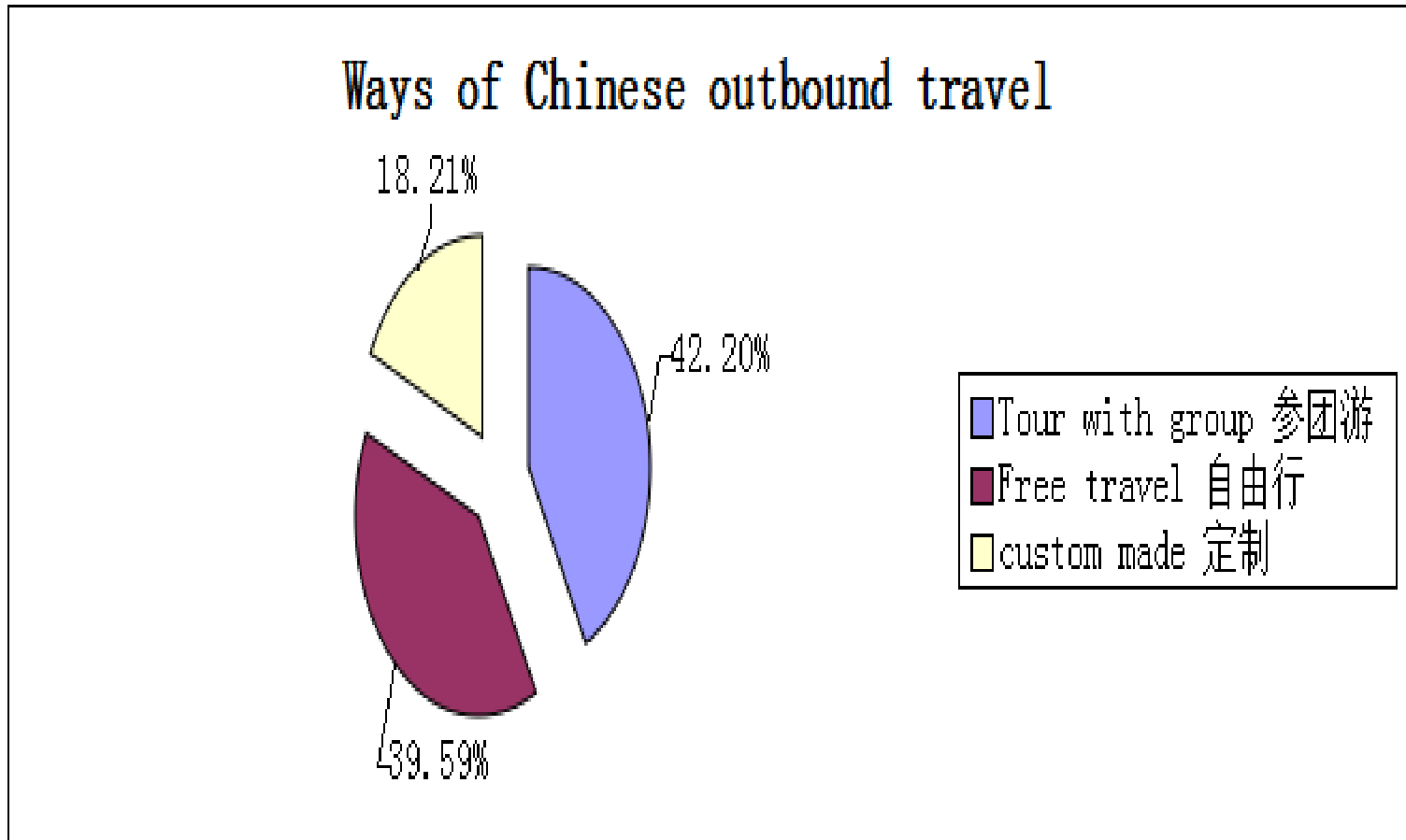
Feature 7: Mainly Target South East Asia

Top 10 Chinese Outbound Travel Destinations in 2018

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

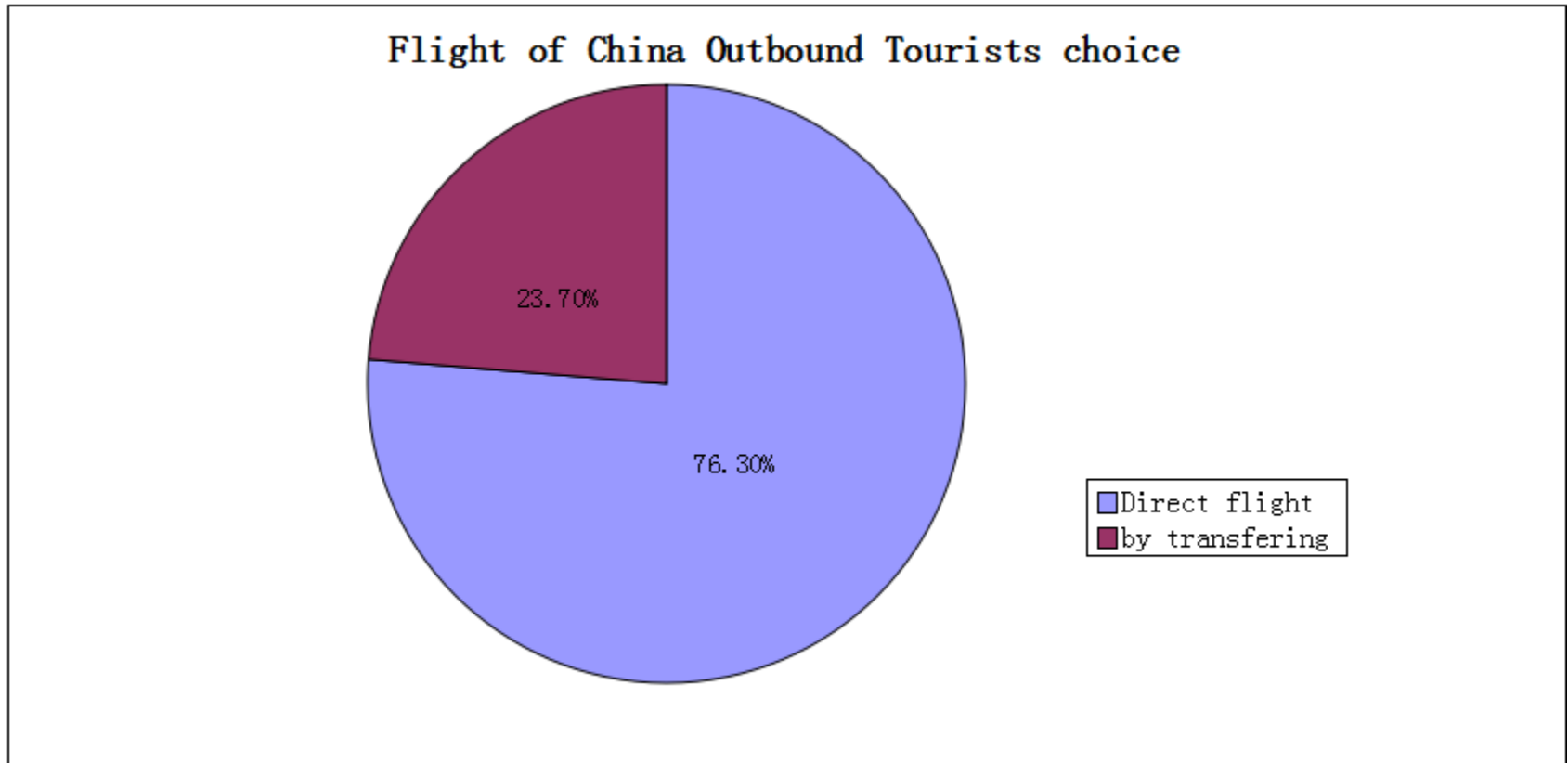
(South-Eastern Asia:safety, short distance,culture)

Feature 8: Three Ways of Chinese Outbound Travel



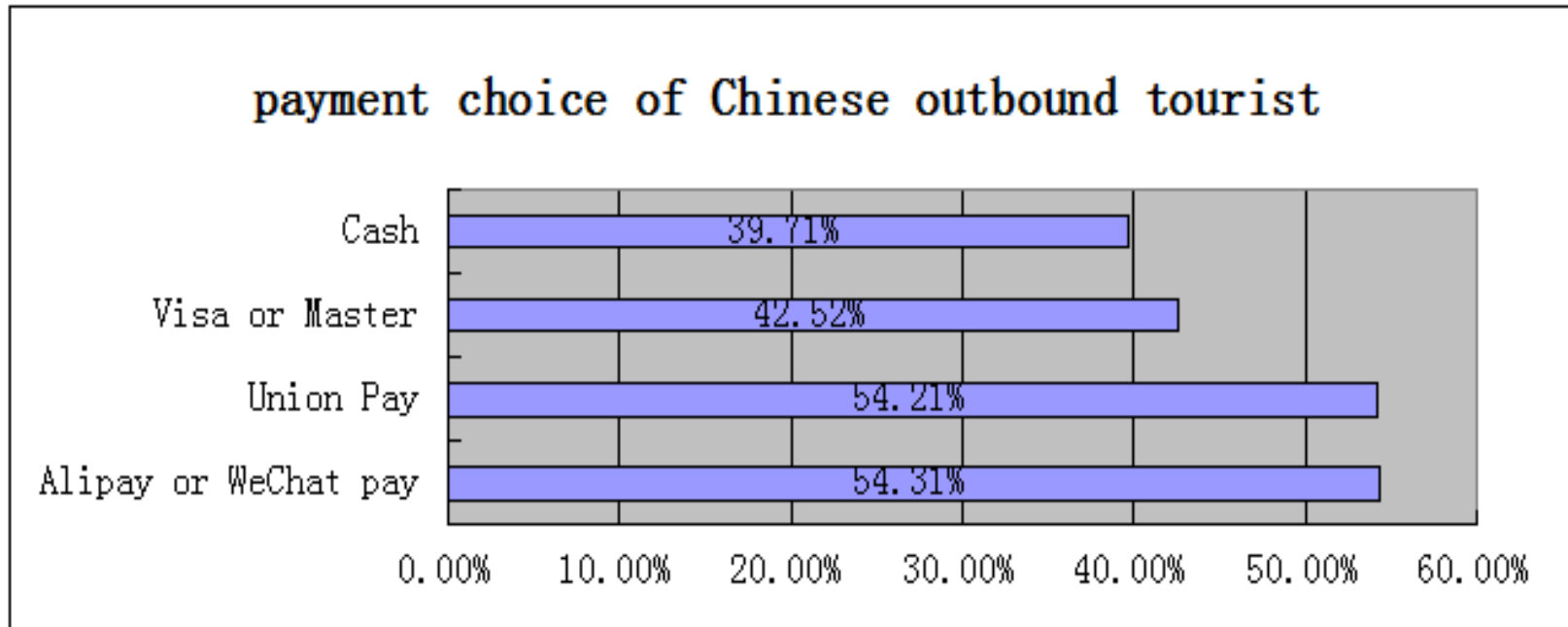
Source: World Tourism Cities Federation 《Chinese Citizens' Outbound Tourism Consumption Report 2017-2018》

Feature 9: Direct Flight is More Popular



Source: World Tourism Cities Federation 《Chinese Citizens' Outbound Tourism Consumption Report 2017-2018》

Feature 10: No Cash Payment is Best Choice



Source: World Tourism Cities Federation 《Chinese Citizens' Outbound Tourism Consumption Report 2017-2018》

Future Expectation on China's Outbound Tourist Market

✓ Maintain fast growth for a long period of time.

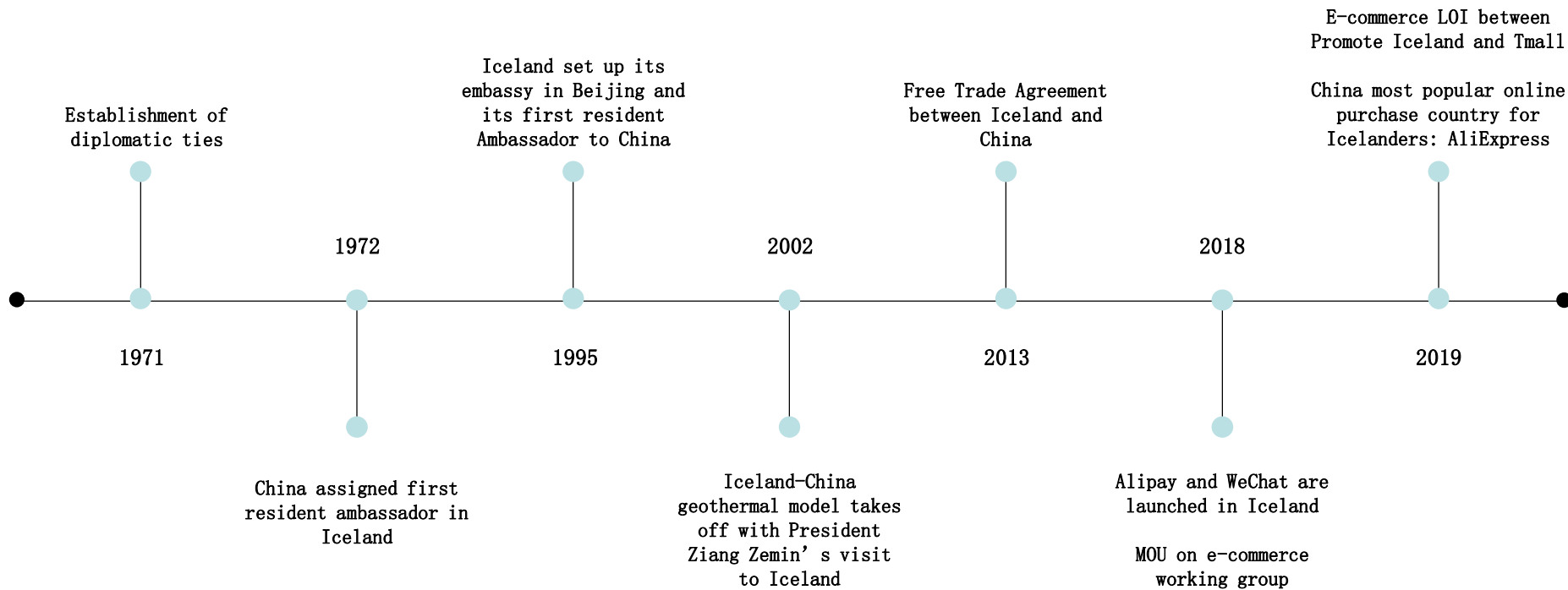
Notably, the Chinese outbound tourism market still has great potential, since 85.7% (1.2 Bil.) of Chinese citizens still have not applied for passports for outbound tours.

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

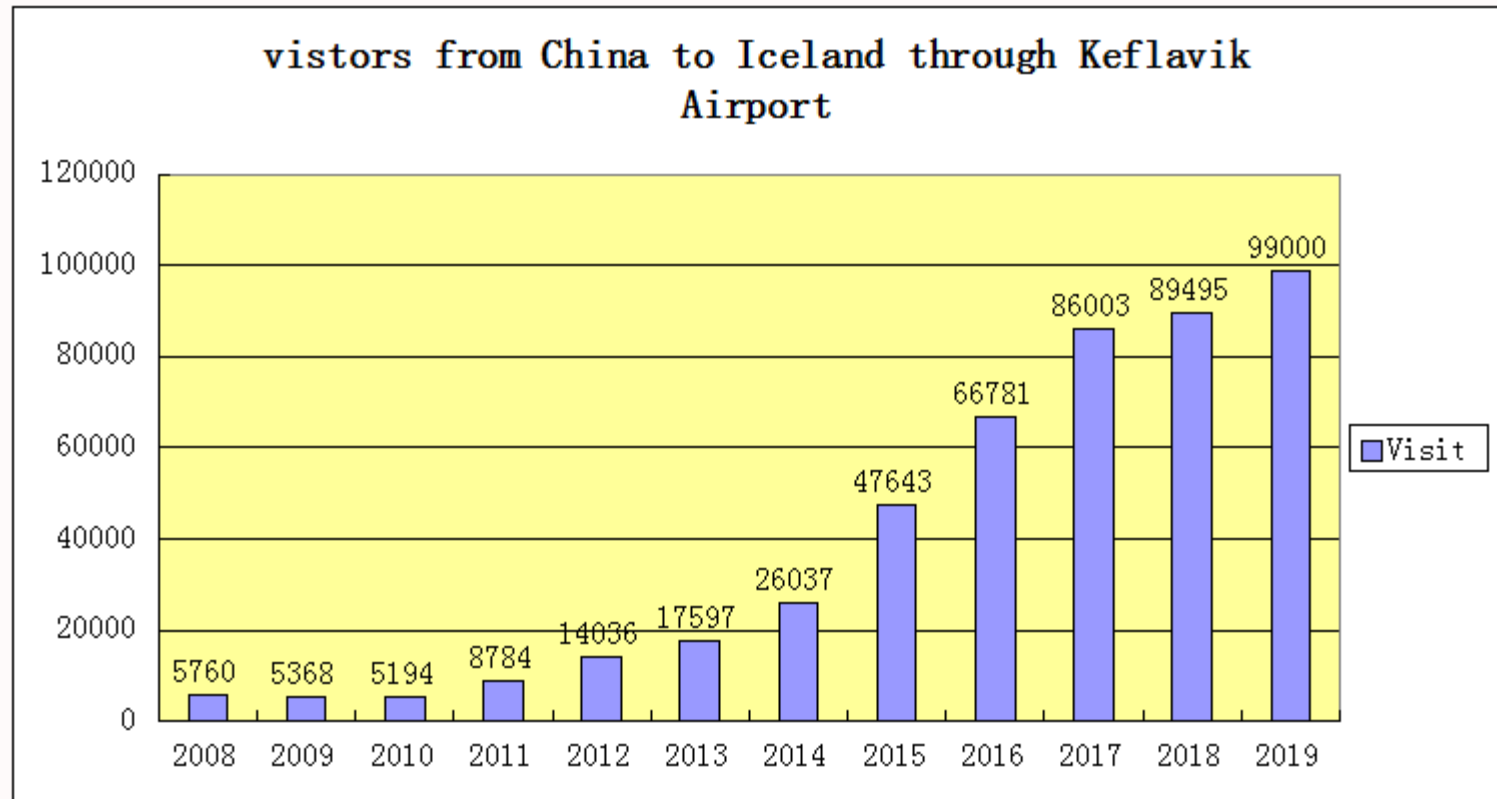
✓ Iceland will become more popular for the Chinese tourist (unique landscape and experience, more convenient flights, possible cheaper price)

Part 2: Opportunities for Iceland

● Overview of CHINA-ICELAND RELATIONSHIP



Part 2: Opportunities: Stable Growth of Chinese Tourist



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



Part 2: Opportunities: Increase in overnight stays in hotel (2018. 12–2019. 11)

	% of hotel guest nights	Number	% change from previous year
Total guest nights		4,471,098	0.9%
1. USA	26.6%	1,191,106	-9.0%
2. United Kingdom	14.6%	654,226	-7.1%
3. Iceland	9.6%	429,532	-5.9%
4. Germany	7.6%	339,557	4.1%
5. China	6.7%	297,452	11.3%

Source: <https://www.ferdamalastofa.is/static/files/ferdamalastofa/talnaefni/ferdatjonusta-i-tolum/2019/oktober/october-2019-en.pdf>



Part 2: Opportunities: Direct Flight is Coming

- Juneyao Air and Tianjin 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, turnels, 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 stars, online celebrity
- Important role of government organization: Tourism and Aviation Agencies/government cooperation between two sides



Thank you

