

2017 China Outbound Tourism Travel Report

Joint- report: Ctrip and China Tourism Academy

On the 30th of January 2018, Ctrip, the largest outbound service provider in China and China Tourism Academy (CTA), an institute directly under China National Tourism Administration (CNTA), jointly released the “2017 China Outbound Tourism Travel Report”. Based on 2017 travel statistics and orders from 330 million registered Ctrip members, outbound travel market and tourist behaviors have been closely monitored and analyzed by Ctrip and CTA.

According to the report, outbound tourism has become a demand for Chinese consumers. Despite reduced growth rate compared to the previous two years, Chinese tourists have been increasingly making outbound trips and are now more focused on their well-being and sense of happiness. The purpose of outbound tourism has changed from sightseeing to enjoying high-quality services. Focuses have been placed on destinations with greater environments such as better climate, better air quality, medical tourism and more. Outbound tourism has become a measure of happiness for Chinese urban dwellers and youngsters.

I. 129 million trips: China has become the largest source of outbound tourists in the world

With increasing disposable income, fewer visa restrictions, better exchange rates and more flight connections, the love for outbound travel still remains in China. The number of outbound trips has reached 129 million in 2017, up 5.7% from 122 million in 2016.

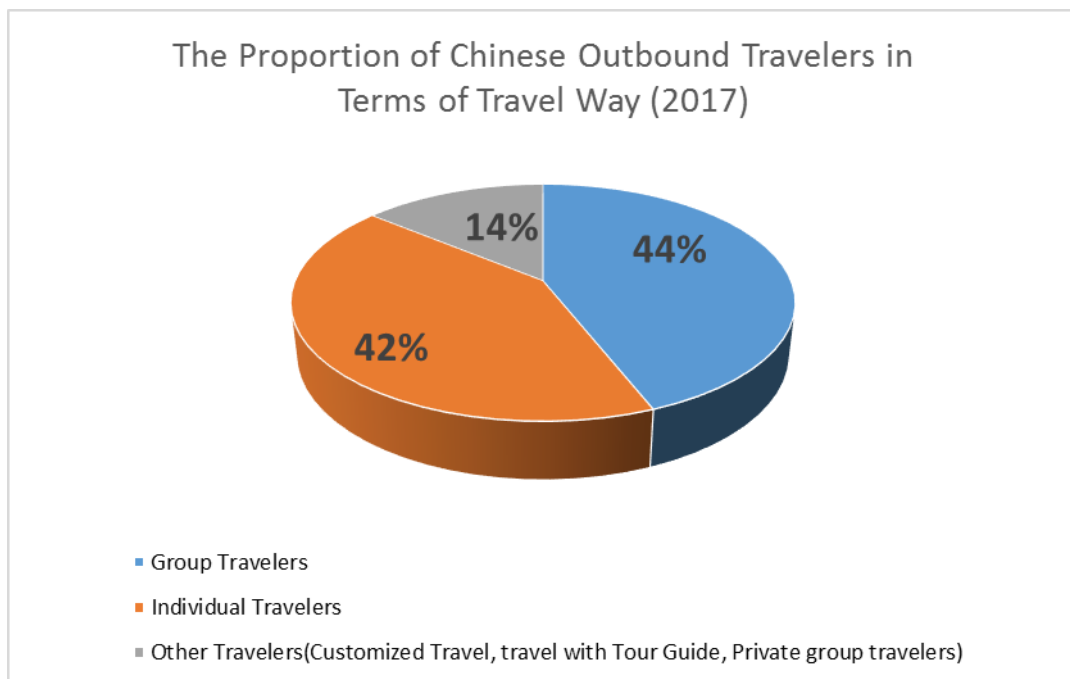
The Internet plays an important role in promoting China's outbound tourism. Just like Ctrip's slogan "*With Ctrip in your palms, travel can be spontaneous*", tourism websites and mobile clients have become an important channel for queries and bookings.

China has become the largest source of inbound tourists for many countries such as Thailand, Japan, South Korea, Vietnam, Russia, Maldives, Indonesia, North Korea, the UK and South Africa. However, less than 10% of China's population travel overseas and only 10% own a passport. This reflects huge future potential for the outbound market.

II. Chinese tourists still prefer group travels but tailor-made and thematic tours are becoming popular

Are group tours and independent tours still preferred?

According to the report, Chinese tourists still prefer group travels, especially travelers from second, third and fourth-tier cities and regions. However, independent outbound travels are becoming a trend. For example, among millions of outbound tourists organized by Ctrip, half select group tours and half go for independent tours. In addition to group and independent travels, more and more Chinese tourists select tailor-made and private group tours. Many make reservations through the online platform and find their own trip planner and local guide. According to Ctrip statistics, Ctrip's tailor-made travel and local guide platform has served millions of tourists in 2017. This platform has witnessed an annual increase of 220%.



III. Females and those born in the 1970s and 1980s are the main travelers

Who made the 129 million outbound trips?

From the data, females were more eager to travel abroad than males. Based on the gender and age data, the report estimates that in 2019, 41% of outbound tourists will be males while 59% will be females, an increase of 18%.

IV. The age of “New first-tier cities”

Shanghai, Beijing, Guangzhou and Shenzhen are unquestionably the four major exit ports of China. However, there are now new first-tier cities. All have seen great numbers in outbound travelers. In 2017, Chengdu ranked third in the number of outbound tourists (an increase of 75%). Shenzhen only came in fifth place. Xi'an and Changsha were dark horses and has witnessed a surge in the number of outbound tourists.

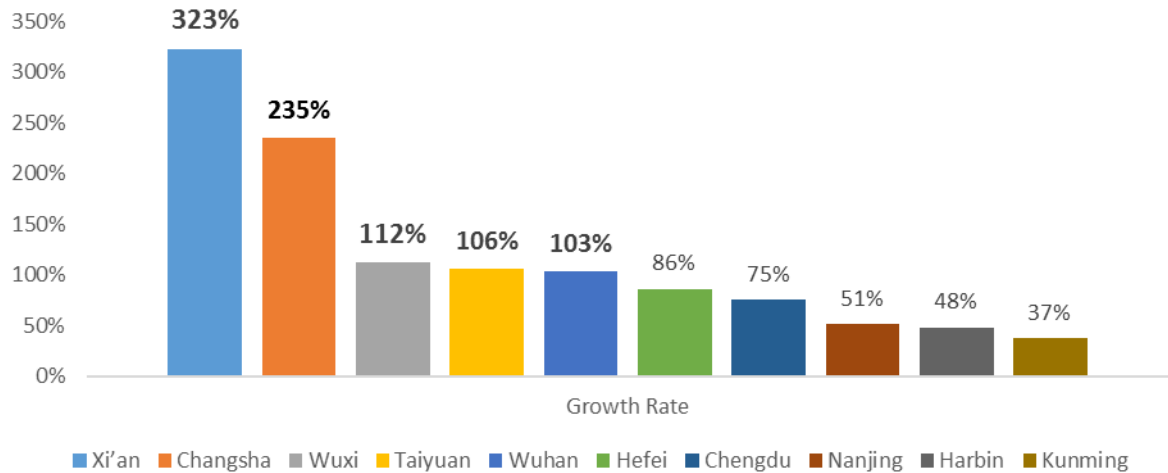
Based on the number of independent and group outbound tourists served by Ctrip, the report lists the top 20 departure cities for Chinese outbound tourists in 2017. This list also includes 10 new first-tier cities. Most of the cities saw 1 to 2 million outbound trips per year. With new international flight routes and additional visa centers, citizens no longer have to travel to big cities for visa applications and departures. The number of outbound tourists grew faster in these new cities than the traditional first-tier cities.

In 2017, the top 20 departure cities for Chinese outbound tourists were Shanghai, Beijing, Chengdu, Guangzhou, Shenzhen, Hangzhou, Nanjing, Wuhan, Tianjin, Xi'an, Changsha, Chongqing, Xiamen, Kunming, Wuxi, Harbin, Shenyang, Hefei, Fuzhou and Zhengzhou.



The top 10 cities with the fastest growing number of outbound tourists saw Xi'an coming in first place due to a 323% increase in tourist numbers. Changsha is second with a 235% increase. Wuxi is third on the list followed by Taiyuan, Wuhan, Hefei, Chengdu, Nanjing, Harbin and Kunming.

Top 10 Departure Cities in terms of Growth Rate (2017)



From which cities do outbound tourists spend the most on average?

According to Ctrip's group and independent travel data, in 2017, the top 10 cities with the most per capita spending were Beijing, Shanghai, Suzhou, Shenyang, Changchun, Dalian, Qingdao, Guiyang, Jinan and Wenzhou. Beijing ranked first with an average spending of 6817 RMB. Shanghai, Suzhou and Shenyang ranked second, third and fourth respectively.



V. Increase, decline and dark horses

By the 3rd of January 2018, the number of countries and regions allowing Chinese citizens with ordinary passports to enter without a visa or with a visa on arrival (VOA) has increased to 67. Most recently, Gabon and Rwanda allowed unilateral visa exemption and the UAE switched from unilateral visa exemption to mutual VOA. Moreover, China has signed with Bosnia and Herzegovina a mutual visa exemption agreement which is expected to take effect in 2018.

According to Ctrip's outbound tourism experts, in 2017, 6 more countries and regions has allowed Chinese citizens to enter without a visa or with a VOA. These were Barbados, the Federation of Saint Kitts and Nevis, Serbia, Tunisia, Qatar, and Gabon. Many countries are changing visa policies far more frequently in a bid to attract more Chinese tourists. This makes it easier for Chinese to go abroad.

Over the past year, the strong growth of RMB has benefited outbound tourism. The RMB against the Philippine Peso (PHP), the Sri Lankan Rupee (LKR) and the Hong Kong Dollar (HKD) appreciated by 12.5%, 11.4%, and 9.6% respectively within a year. It has also appreciated considerably against hot destination currencies such as the United States Dollar (USD) and the Japanese Yen (JPY).

Based on online bookings data, the 20 most popular destination countries were Thailand, Japan, Singapore, Vietnam, Indonesia, Malaysia, Philippines, the USA, South Korea, Maldives, Cambodia, Russia, the UAE, Italy, Egypt, Australia, Germany, Sri Lanka, Turkey and the UK.



In 2017, Thailand and Japan remained the two hottest destinations, attracting 9.8 million and over 7 million tourists from the Chinese Mainland respectively. Singapore ranked third. The data showed a year-on-year growth of 50% in the number of Chinese tourists to Singapore. Southeast Asia and South Asia witnessed the highest growth rate. The number of Chinese tourists to Vietnam increased by 127%.

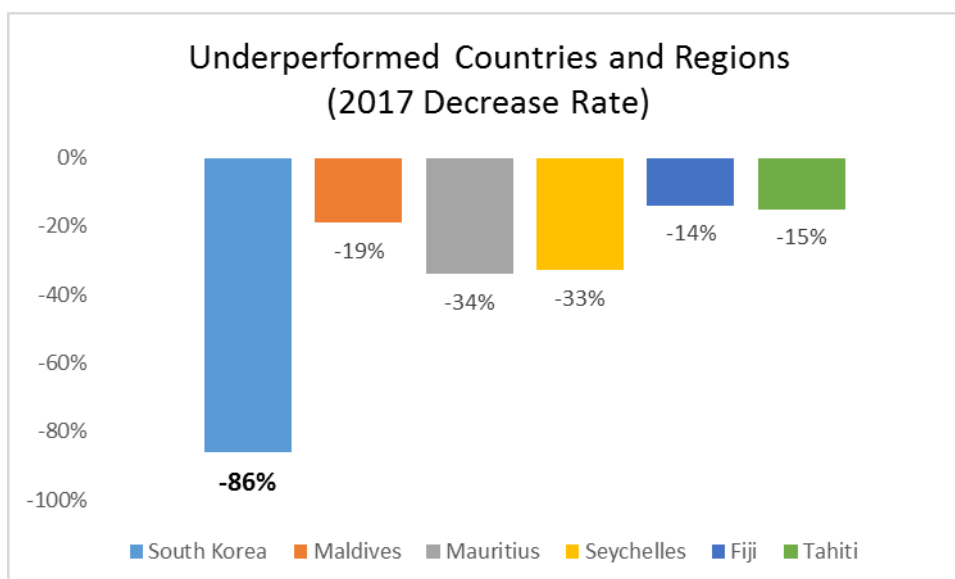
In 2017, some dark horse destinations have attracted the attention of Chinese tourists. The top 10 popular destinations with the fastest growth in tourist numbers were Turkey, Germany, Vietnam, Spain, the UAE, Italy, Philippines, Australia, France, and Egypt.

Freed from the horrors of the terrorist attacks, Turkey witnessed a strong recovery in tourism in 2017. Ctrip data showed a year-on-year growth of more than 300% in the number of Chinese tourists to Turkey.



Influenced by the APEC meeting, Vietnam has become one of the destinations with the most number of Chinese tourists. According to the General Statistics Office of Vietnam, the country received more than 4 million Chinese travelers in 2017. This is a year-on-year increase of 48.65.

In 2017, some countries and regions underperformed in the Chinese outbound market. South Korea, Mauritius, Seychelles, Tahiti and Fiji witnessed a decline in the number of Chinese tourists.

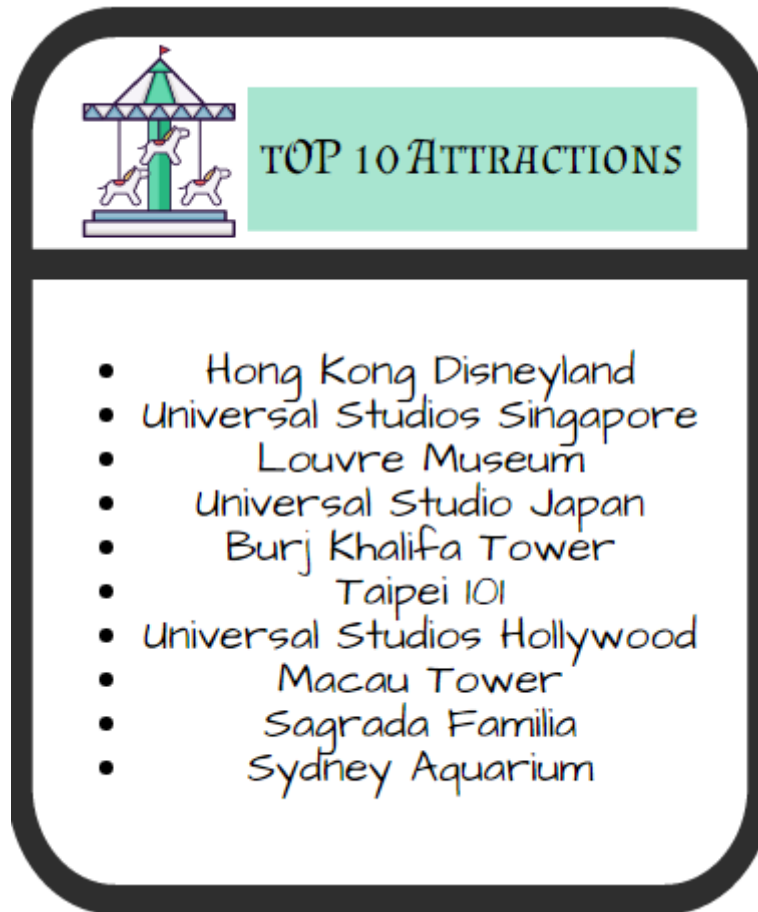


VI. More than just sightseeing and shopping

Chinese travelers pay close attention to air quality and natural environment when picking destinations. Islands with fresh air and bright sunshine are becoming increasingly popular. 30% of Chinese outbound tourists chose islands as their travel destination. According to vacation orders received by Ctrip, the 10 most popular islands in 2017 were Phuket, Bali, Nha Trang, Boracay, Sabah, Okinawa, Maldives, Krabi, Koh Samui, and Saipan.



Amusement parks are popular choices for parent-child trips. This is reflected in Ctrip's outbound data which saw Hong Kong Disneyland and Universal Studios Singapore taking the first two places in the 2016 10 most popular points of interest list.



VII. Improved Security: Upgrade in outbound tourist services

In 2017, Chinese tourists felt more secure when traveling overseas. As the largest online travel agent in China with the second largest market value in the world, Ctrip has accumulated a wealth of experience and advantages in serving the ever growing Chinese outbound tourists. The "Global SOS" program launched in 2017 has been widely accepted by users due to being a 24/7 service that is convenient and flexible. Global SOS services help to track lost items and offer translation and medical assistance. Furthermore, it provides timely support in case of emergencies around the world. From natural disasters to terrorist attacks, Ctrip is the first online travel company to provide emergency aid.

So far, Ctrip has established a complete service system to deal with potential security problems. In addition to Global SOS, Ctrip provides 24/7 call centers, professional guides and Virtual Travel Managers (VTMs) along with more than 5,000 local guides and more. Such effectiveness can be seen in positive responses during the Japanese earthquake, Las Vegas shooting incident and Bali volcanic eruption.

What services do Chinese outbound tourists need the most?

Ctrip's big data indicates that Chinese outbound tourists ask for help when they lost their passports, have a fever, have diarrhea, lost their mobile phones and have a cold. The top 10 destinations where Chinese tourists resort to aid were Thailand (22.4%), Japan (12.4%), Vietnam (4.6%), South Korea (4.6%), Malaysia, Singapore, the USA, Hong Kong (China), Indonesia, and Taiwan (China).

According to the annual Ctrip VTMs and SOS data, the top 3 items most frequently lost by Chinese tourists were passports, ID cards and clothes.

