

Europe will not get a boost from Chinese tourism until 2024

The world is eagerly awaiting the return of Chinese tourists since Covid-19 measures were lifted. But now that Chinese people can travel abroad again, will they be returning to Europe soon?



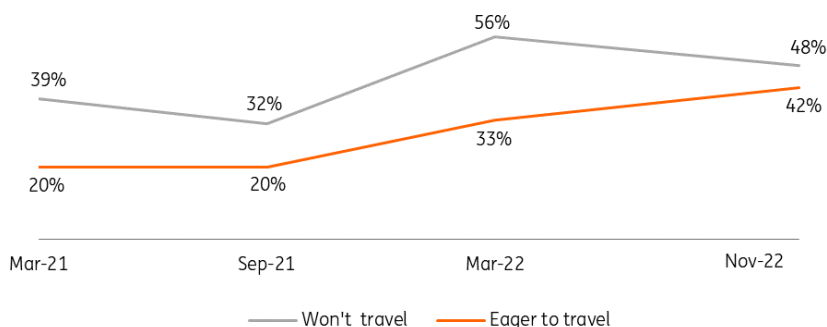
Italy is the most popular country in the EU for Chinese visitors

Chinese wanderlust on the rise

Chinese people are becoming more and more enthusiastic about travelling. This is evident from the latest Chinese traveller sentiment report from December 2022. Four in ten Chinese respondents said that they would like to go on a trip again. A year earlier, in December 2021, this applied to only two in ten Chinese. Now that Covid-19 restrictions have been fully lifted, the percentage of willing travellers is expected to increase further.

More Chinese people are eager to travel

Attitude of Chinese people towards travel



Source: Dragontrail.com.cn, ING Research

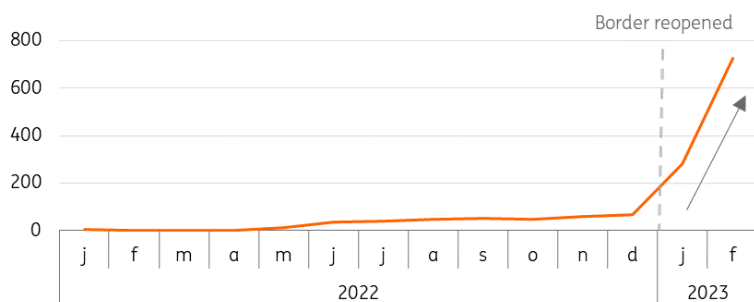
Jump in visitors from Mainland China to Hong Kong after border reopened

The increasing desire to travel among Chinese people can also be illustrated by two other factors:

1. On the day China announced it was lifting all virus restrictions, the booking site Trip.com recorded the highest number of searches for international flights and accommodations in three years.
2. The number of Chinese visitors from Mainland China to Hong Kong has soared. On 8 January 2023, the border between Mainland China and Hong Kong reopened. Last year there were only 370,000 visitors from Mainland China to Hong Kong. Since the reopening this year, one million people have crossed the border so far.

There has been a huge jump in Chinese visitors to Hong Kong since the border reopened

Number of visitors from Mainland China to Hong Kong (x 1,000)



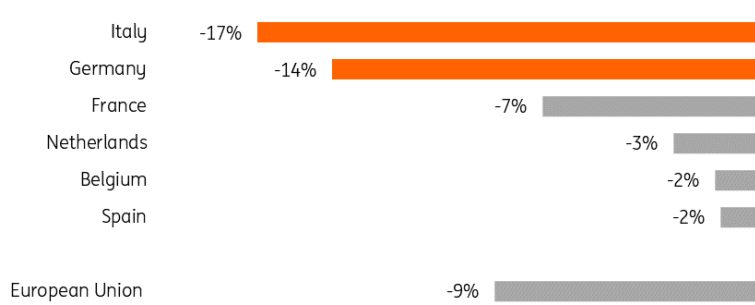
Source: Data.gov.hk, ING Research

European tourism still below 2019 levels

The big question is how soon will Chinese tourists return to Europe again, and what impact will that have on the European tourism industry? Tourism has been hit hard by the Covid-19 pandemic, particularly in 2020 and 2021, with the number of guests in accommodations almost halving. Despite a strong recovery in 2022, the number of tourists in the European Union reached 91% of the pre-pandemic level by the end of 2022. In Italy and Germany, in particular, there were still significantly fewer tourists in 2022 than before the pandemic. In Spain and Belgium, on the other hand, the number of tourists was close to the 2019 level.

Fewer tourists in the EU in 2022 than before the pandemic

Number of tourists in accommodations in 2022 compared to 2019



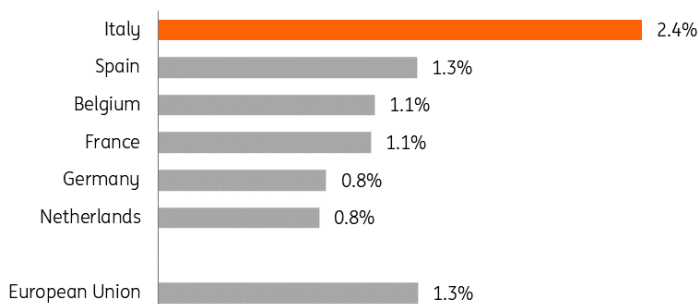
Source: Eurostat, ING Research

Italy is the most popular country in the EU for Chinese visitors

The share of Chinese tourists visiting the European Union each year is marginal, at 1.3%. In 2019, 13 million Chinese tourists came to the EU. Italy is by far the most popular country for Chinese tourists, followed by Spain and Belgium. In 2019, nearly 3.2 million Chinese tourists came to the country of 'la dolce vita', accounting for 2.4% of all tourists that year. In the last three years, the proportion of Chinese tourists in Europe has been negligible due to Covid-19.

Italy is the most popular country in the EU for Chinese visitors

Share of Chinese travellers out of the total number of travellers in 2019



Source: Eurostat, ING Research

Outlook

According to the China Outbound Tourism Research Institute, 18 million Chinese tourists will travel internationally in the first half of 2023, followed by 40 million tourists in the second half. That is about 40% of the number of travellers in 2019. Initially, Chinese people are expected to visit destinations close to home, such as Hong Kong, Macau, Thailand and Singapore. It is not expected that the number of Mainland visitors to Europe will really start to pick up until the summer. There are several reasons for this:

- Just like in the rest of the world, it will take several months for international travel to restart their operations. Not only is there a lack of capacity for international flights, resulting in high ticket prices, but Chinese travellers also face long delays in getting passports and visas.
- Many of them prefer family visits in their own country, as this has not really been possible in recent years.
- Several countries worldwide still have specific travel restrictions related to travel from China. For most European countries, for example, Chinese tourists still need a negative Covid test upon arrival.

While the return of Chinese tourists to Europe will begin around the summer of 2023, we expect the real boost for European tourism to take place in 2024.

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