



# CROSS-BORDER TOURISM CONSUMPTION TRENDS REPORT 2023-2024



mastercard

Trip.com Group

支 | Alipay+



This report is printed on environmentally friendly paper



# Table of Contents

|  |    |
|--|----|
| Executive Summary .....  | 02 |
| Chapter 1  |    |
| Overview of Global Tourism Market.....   | 04 |
| Chapter 2  |    |
| Overview of Chinese Mainland's Inbound and Outbound Tourism Market.....                    | 08 |
| Chapter 3  |    |
| Recovery of Outbound Tourism from Chinese Mainland and Changes in Consumption Habits ..... | 10 |
| Chapter 4  |    |
| Recovery of Inbound Tourism into Chinese Mainland and Changes in Consumption Habits .....  | 18 |
| Chapter 5  |    |
| Case Study of Popular Outbound and Inbound Travel Destinations .....                       | 25 |
| Chapter 6  |    |
| Recommendations on Promoting the Development of Cross-Border Tourism .....                 | 33 |
| Contributors to the "Cross-border Tourism Consumption Trends Report 2023-2024" .....       | 44 |



## Executive Summary

---

Through March 2024, consumer spending on travel remains strong, and passenger traffic has soared<sup>1</sup>. New patterns and trends have emerged in travel related areas such as supply-demand and consumer habits. To further strengthen the growth of the tourism market, and achieve high-quality and sustainable development, the World Tourism Alliance, Mastercard, Trip.com Group and Ant Group have conducted research on cross-border tourism spending trends. Based on data sources including Mastercard's consumer insights, Trip.com Group's inbound and outbound products booking data, Mastercard Tourism Innovation Hub case studies, Alipay analysis insights and surveys of travel agencies and tourists, this report provides observations and analysis of outbound tourism destinations, inbound tourism source markets and consumption trends in cross-border tourism industry, to support sustainable and resilient

development of the global tourism industry.

Through data analysis, we have identified four major consumption trends in the recovery and development of the global tourism industry:

- Economic growth unleashed the potential for cross-border tourism consumption
- The experience and event economy fueled consumption vitality
- The era of "value for money" made comfortable experiences the new preference
- Asia Pacific destinations witnessed strong growth<sup>2</sup>

Tourism consumption patterns are evolving, with a shift from traditional spending on accommodation and shopping towards more experiential expenditures on food and entertainment. On one hand, personalized



both inbound and outbound tourism are demonstrating accelerated recovery patterns. In the first quarter of 2024, the volume of cross-border travelers reached 83%<sup>4</sup> of the same period in 2019. On one hand, China's expansion of unilateral visa-free arrangements, coupled with continuous enhancements to visa and payment facilitation measures, have led to a robust rebound in the willingness of overseas tourists to visit China, substantially boosted market confidence and fueled the development of Chinese inbound tourism market. On the other hand, as international flights increase and cover more cities, more Chinese tourists travel overseas, and their total spending saw strong recovery, with unexpected high average spendings. Cross-border travel volume and consumption may see a potential increase this summer<sup>5</sup>. As the largest source market of outbound tourism and a major destination, China's continuous release of market potential will add confidence and momentum to the recovery and development of the global tourism industry.

travel options such as non-group travel and high-end customized tours are preferred by more and more travelers, while themed and scenario-based travel is becoming increasingly prevalent. On the other hand, travelers are demonstrating a greater focus on value-for-money, tending to select destinations that are closer and at lower prices, and prefer to choose public transportation which is cheaper and eco-friendly.

Furthermore, the sustainable development of tourism has emerged as a critical issue of global importance. This report analyzes several successful cases on environmental, community and economic sustainability, with the objective of providing references for tourism destinations to fully integrate sustainable elements into their growth strategies. The aim is to facilitate win-win outcomes between the tourism industry, the ecological environment, local communities and the overall economy, and to achieve long-term prosperity of the global tourism sector.

Focusing on Chinese Mainland market <sup>3</sup>,

- 
1. Mastercard Economics Institute (MEI). Travel Trends 2024. May 2024.
  2. Mastercard Economics Institute (MEI). Travel Trends 2024. May 2024.
  3. In this report, the term "China market" primarily refers to the Chinese Mainland market, and does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region, or the Taiwan region
  4. The Immigration Administration of the People's Republic of China
  5. Trip.com Group, from May 2023 to April 2024 ; Civil Aviation Administration of the PRC , April 2024

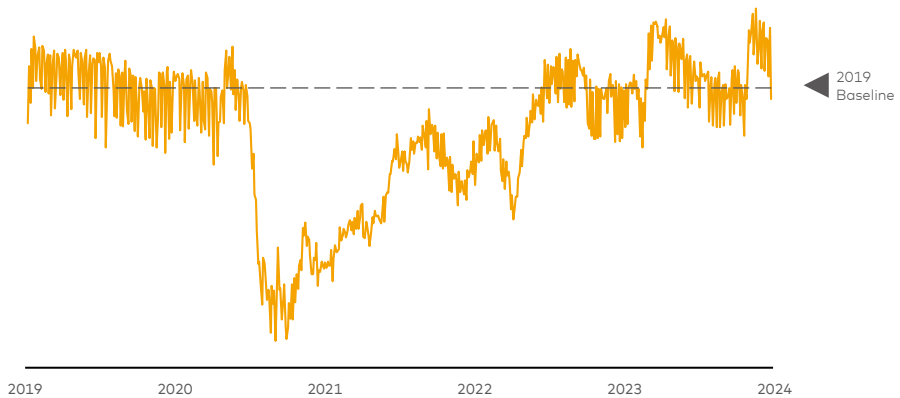
# Chapter 1 /

## Overview of Global Tourism Market

### 2024 Global Tourism Starts on a Robust Footing

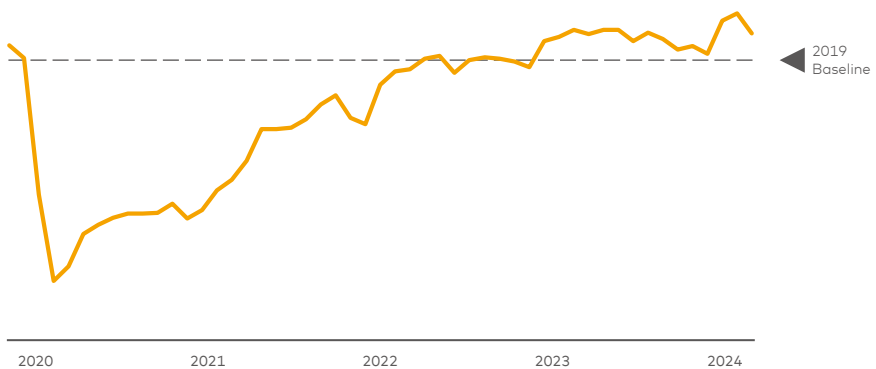
The number of cross-border travelers and their travel expenditures have both shown strong growth at the beginning of 2024. The global airfare and cruise spending indices for the first quarter of 2024 have significantly surpassed pre-pandemic levels. Global cruise transaction amounts in Q1 of 2024 is roughly 16% above 2019 levels.<sup>1</sup> Analyzing aggregated and anonymized Mastercard transaction data, the following four major trends in global travel spending have been identified.

#### Global: Index of Spend per Card (Airfare)



\*Source: Mastercard Economics Institute(MEI), 2019Q1 - 2024Q1, index (2019=100) aggregated and anonymized data

#### Global: Index of Spend per Card (Cruise)

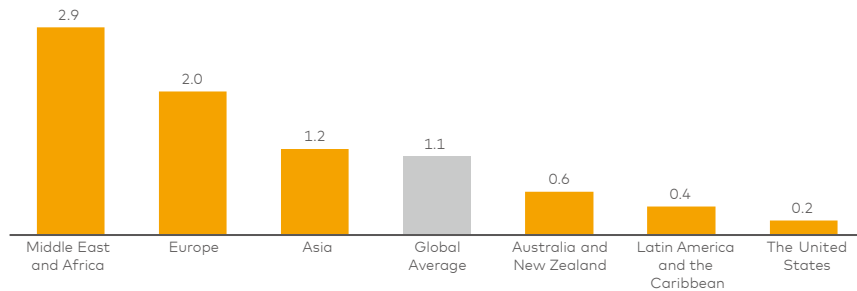


\* Source: Mastercard Economics Institute(MEI), 2020Q1 - 2024Q1, index (2019=0%) aggregated and anonymized data



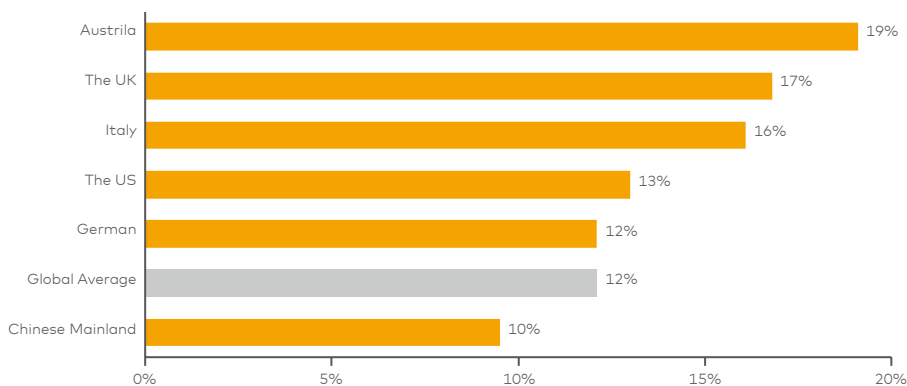
**Economic growth unleashes cross-border travel spending potential** – More than ever, consumers are empowered by a strong labor market to embrace experiences with travel at the top of the list. Mastercard Economics Institute found that travelers are extending their trips by an extra day over the 12 months ending March 2024 compared to the same period in 2019. The average length of stay for leisure travelers across Asia Pacific also increased from 6.1 days to 7.4 days<sup>1</sup>, effectively boosting single-trip spending and growing the local tourism economy. Destinations with significant increases in length of stay, driven by exchange rates and accommodation prices, include India (+2 days<sup>1</sup>), Indonesia (+1.9 days<sup>1</sup>) and Japan (+1.4 days<sup>1</sup>).

### The Increase in Average Single-Trip Length of Stay for Leisure Travelers by Destination



\*Source: Mastercard Economics Institute (MEI), 2024Q1 vs 2019 Q1, aggregated and anonymized data

### Share of Experiential Spending in Total Travel Expenditure

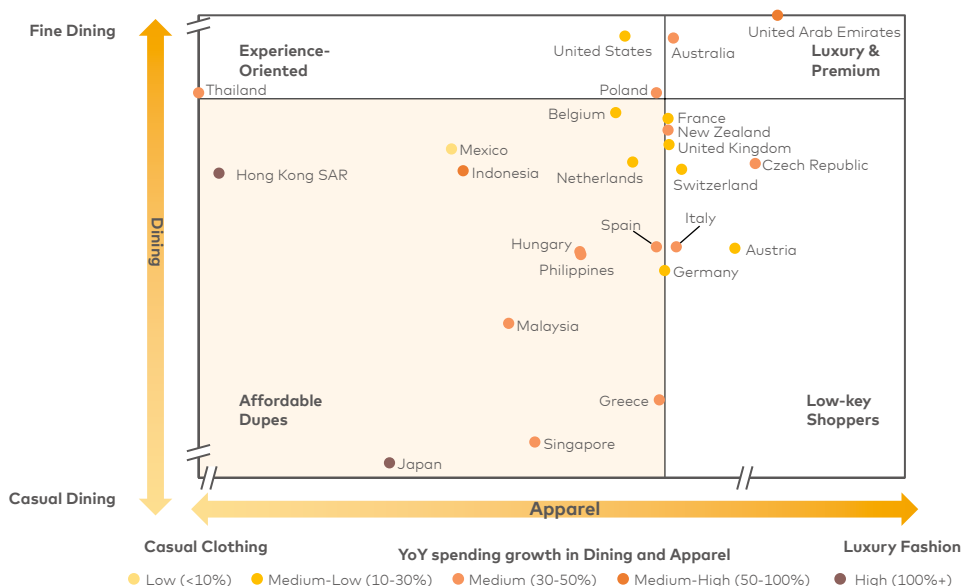


\* Source: Mastercard Economics Institute (MEI), 2024Q1, aggregated and anonymized data

**Experience and event economy ignites consumer spending enthusiasm** – In post-pandemic era, consumers are becoming increasingly savvy in seeking value and unforgettable experiences. Experiential spending accounts for over 12%<sup>1</sup> of the total travel expenditure, exceeding pre-pandemic levels. Tourist spending in bars and other leisure activities has been growing at an annual rate of more than 30%<sup>1</sup>. The share of experiential spending among Chinese tourists is rising rapidly, up 3% in 2024 compared to previous years<sup>1</sup>. Meanwhile, with the relaunch of major sports and cultural events around the world, more consumers are traveling to international events, such as Brazilian Carnival and the Cricket World Cup, which in turn boosted the tourism economy in the host countries and surrounding areas. Benefiting from the European Championships, Munich ranks as the topmost trending global tourist destination from June 2024 through August 2024. For example, during the Rio de Janeiro Carnival, international travelers increased their consumption of food and groceries by 156%<sup>1</sup>; restaurant sales within 2.5 miles of Taylor Swift’s concert increased by 68%<sup>1</sup> compared to usual during the event period.

**Relaxation and comfort have become a new spending proposition**– Along with a younger cross-border traveler demographic, consumers are paying more attention to relaxation and authentic experiences during their travels. The Mastercard Economics Institute categorizes travel spending on apparel, and dining into high-end luxury and affordable casual items. In the dining category, year-over-year spending growth of casual dining outpaced high-end restaurants in more than 90% of destinations. In the apparel category, only some Asia-Pacific and European destinations saw a year-over-year surge in luxury fashion brand spending. In contrast, the rest of the markets saw incremental market dominance by casual clothing brands, as travelers preferred quality over price, rather than blindly pursuing luxury brands. Across destinations, traveler spending and preferences diverged. Sales of luxury fashion grew faster than casual clothing in only five destinations: the UAE, which benefited from the concentrated demand for shopping in the Asia-Pacific region due to the recovery of tourism; Italy, Switzerland and Austria, in which luxury goods are produced; and the Czech Republic, where the tax refund rate is high.

**2023-2024 Difference in Growth Rates Between Luxury and Leisure Goods by Destination**



\*Source: Mastercard Economics Institute (MEI), 2 024Q1 vs 2023Q1, aggregated and anonymized data



**Robust growth seen in APAC cross-border travel market:** Asia Pacific is rebounding strongly, as 50% of the top 10 markets are Asia Pacific destinations<sup>1</sup>. Japan tops the trending list, welcoming a record-breaking 3,081,600<sup>1</sup> international arrivals in March. In today’s economic environment, exchange rates, tax refund policies, and purchasing power have become important factors driving travelers’ choice of destination. On the supply side, the airfare and hotel price index in 2024 Q1 is significantly higher than that of 2019, with EU region experiencing an average increase of about 30% in airfare and hotel prices, and the UK has seen a nearly 50% increase in airfare. Therefore, high-value-for-money air tickets, hotels, and tourism products in the Asia-Pacific region have become crucial in attracting travelers. Strengthened by a burgeoning middle class and a strong desire to travel in APAC region, Chinese Mainland’s outbound tourism continues to recover, while India’s outbound travelers also increased significantly, with a 53%<sup>1</sup> increase in visitors to Japan, a 248%<sup>1</sup> increase in visitors to Vietnam and a 59%<sup>1</sup> increase in visitors to the U.S. compared to pre-pandemic level.

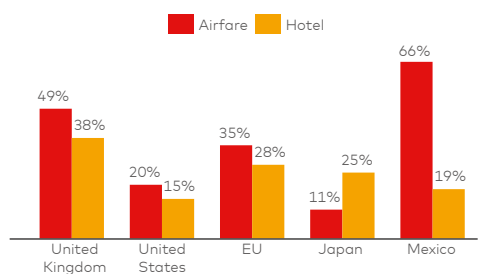
### 2023-2024 Trending Destinations

Ranked by change in share of tourism transactions over the past 12 months ending March 2024



\*Source: Mastercard Economics Institute (MEI), 2023Q1-2024Q1, aggregated and anonymized data

### Percentage Change in Airfare and Hotel Price Indices for Global Markets in 2024 Index (2019=0%)



\*Source: Mastercard Economics Institute (MEI), 2019Q1, 2024Q1, aggregated and anonymized data

1. Mastercard Economics Institute (MEI), Travel Trends 2024, May 2024



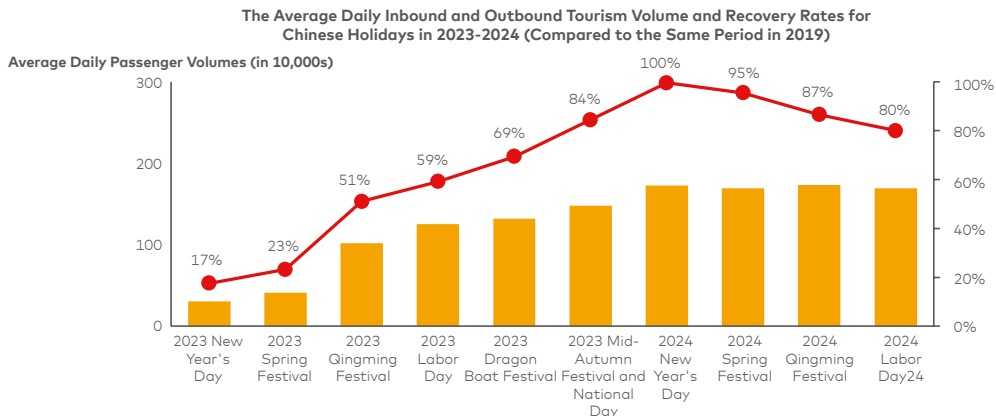
## Chapter 2 /

# Overview of Chinese Mainland's Inbound and Outbound Tourism Market

### 2023 - 2024 China's Tourism Economy Rebound Accelerates

After the pandemic, cross-border tourism has continued to pick up with the release of travel demands. In the first quarter of 2024, the total number of inbound and outbound tourists reached 141 million, close to 83% of the same period in 2019. Compared to 2023, the YoY increase was 70.5%, while the number of Hong Kong SAR, Macao SAR and Taiwan permits issued has reached 114% of pre-pandemic levels<sup>1</sup>, showing significant recovery momentum in short-distance destinations. During New Year Holiday in 2024, the average daily inbound and outbound total volume has recovered to the level of the same period in 2019, which is undoubtedly an important signal of increased confidence in Chinese Mainland's cross-border travel market.

#### Recovery of Inbound and Outbound Tourism Volumes



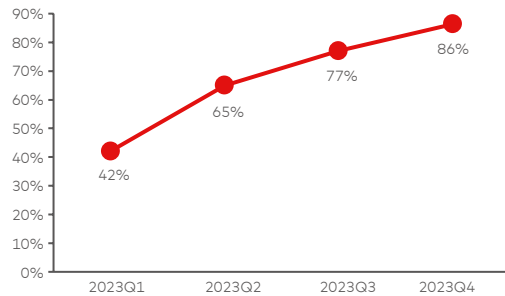
\*Source: National Immigration Administration of the PRC, Ministry of Culture and Tourism of the PRC, 2023-2024



Not only that, the willingness of overseas tourists to travel to Chinese Mainland has shown a strong rebound since the beginning of 2023. According to data from National Immigration Administration of the PRC, the total volume of outbound and inbound tourists (including tourists from Hong Kong SAR, Macao SAR, Taiwan region and foreign countries) in 2023 recovered to 67% of 2019 levels. In the fourth quarter of 2023, this figure reached 86% of the same period in 2019, outperforming all other quarters of 2023, showing the accelerating recovery of inbound tourism<sup>2</sup>. The Hong Kong SAR, Macao SAR and Taiwan markets have recovered significantly faster than the international market. There is still high potential for the recovery of foreign traveler arrivals, which is expected to continue to rebound in the future, driven by market confidence and consumer demand. After more favorable visa policies carried out in 2023Q4, the flow of visa-free foreign inbound tourists in 2024Q1 is almost three times of that in 2023Q1. Meanwhile, the number of foreign tourists visiting Chinese Mainland with visas has doubled, which shows that Chinese Mainland's attractiveness as a tourist destination is increasingly recognized by the international market. The Chinese government's efforts in promoting visa-free policies and simplifying visa procedures have significantly boosted the willingness of foreign tourists to visit Chinese Mainland, effectively signaling Chinese Mainland's continued efforts in opening up, and further contributing to the heating up of inbound tourism. With the continued enhancement of entry simplification in the future, the inbound tourism market may see even stronger growth.

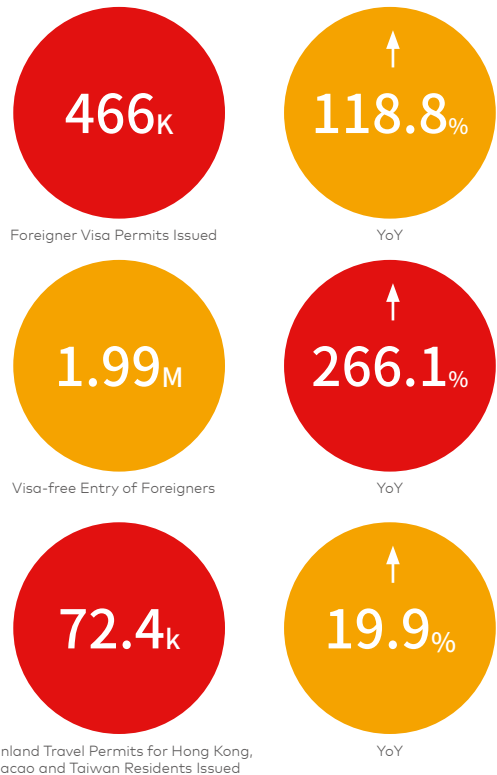
## Recovery of Inbound Tourism

Recovery of Chinese Mainland's Inbound Tourism in 2023 (Compared to 2019)



\* Source: National Immigration Administration of China, Ministry of Culture and Tourism of the PRC, 2023Q1-2023Q4

### Analysis of Key Indicators for Inbound Tourism in 2024 Q1



\* Source: National Immigration Administration of China, Ministry of Culture and Tourism of China, 2024Q1

1. National Immigration Administration of the PRC, Xinhua News Agency, Guangming.com  
 2. National Immigration Administration of the PRC

## Chapter 3 /

# Recovery of Outbound Tourism from Chinese Mainland and Changes in Consumption Habits

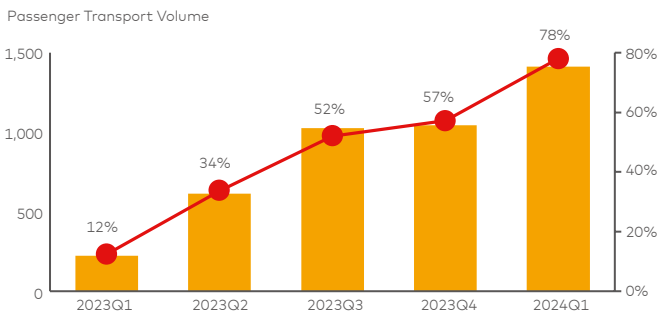
## 3.1 Recovery of Chinese Outbound Tourism

**The Number of Outbound Travelers and Their Consumption Have Recovered to 70% to 80% of the Pre-pandemic Level, with the Average Spend per Customer Exceeding Expectations.**

Since 2023, along with the growth of Chinese tourists' cross-border demand and the Civil Aviation Administration of China's efforts to promote the resumption of international flights, international passenger traffic in the first quarter of 2024 has reached 78% of that in 2019<sup>1</sup>, and the number of international flights during the Labor Day holiday has exceeded the pre-pandemic level<sup>2</sup>. Consumption of outbound travel continues to pick up, with offline transaction Volume rebounding to 60% in the first quarter of 2023 compared to the same period in 2019, and further increased to 70% in the same period of 2024. Notably, the average spending per card in the first quarter of both 2023 and 2024 exceeded pre-pandemic levels, which has become a key factor in driving the current consumption recovery<sup>3</sup>.

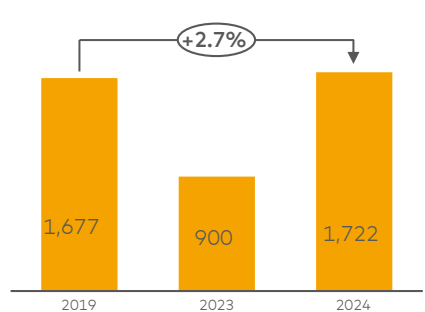
### Recovery of Chinese Mainland's Outbound Tourism

International Airline Passenger Volume and Recovery Rates in 2023-2024 (Compared to the Same Period in 2019)



\*Data Source: Civil Aviation Administration of China, National Bureau of statistics of China, from 2023Q1 to 2024Q1

Average daily international flights during May Day Holiday 2019-2024



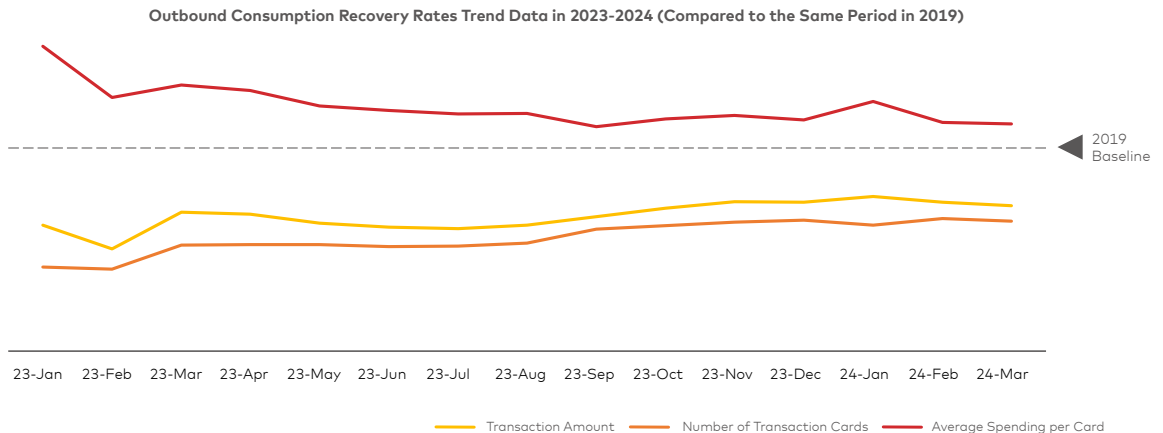
\*Data Source: Civil Aviation Administration of China, National Bureau of statistics of China, from 2019 to 2024

## Looking Forward to the Rational Exuberance of Outbound Tourism

Outbound offline transaction volume has grown steadily from January 2023 to March 2024. On the one hand, the number of outbound travelers is growing steadily. On the other hand, the average spending per card increased significantly after the pandemic and peaked at the beginning of the reopening period, then fluctuated and declined, but was still slightly higher than the pre-pandemic levels. This change may be related to the gradual shift of tourists from vindictive to rational spending, and the high purchasing power segment taking the lead in resuming outbound spending in early 2023.

Looking forward, cross-border consumption may continue to recover, with growth momentum transitioning from the unilateral pull of the initial rise in average card spending to a balanced increase in the number of outbound travelers and the overall scale of consumption.

### Recovery of Chinese Mainland's Outbound Tourism



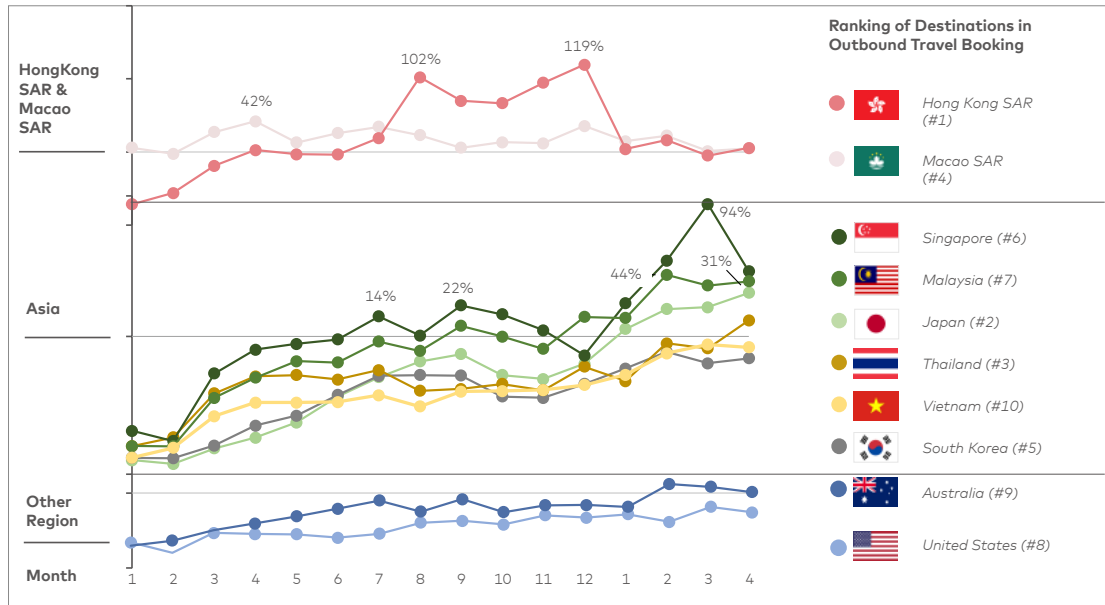
\*Source: Mastercard Insights, from 2019 to 2024Q1

## 3.2 Recovery of Popular Destinations Post-pandemic

### Outbound Travel Demand is Being Gradually Released, from Nearby to Faraway Destinations

The choice of outbound travel destinations shows a trend of "moving from nearby to faraway". At the beginning of 2023, the Macao SAR and Hong Kong SAR markets recovered one after another, absorbing most of the travelers with outbound demand. By the beginning of 2024, the convenience of traveling to short-haul destinations improved, gradually diverting cross-border tourists to places like Southeast Asia and Japan, which recovered rapidly and will soon be close to the level of the pre-pandemic period.

**Changes in Cross-border Travel Booking Numbers for Top Outbound Destinations in 2023-2024 (Compared to 2019)**



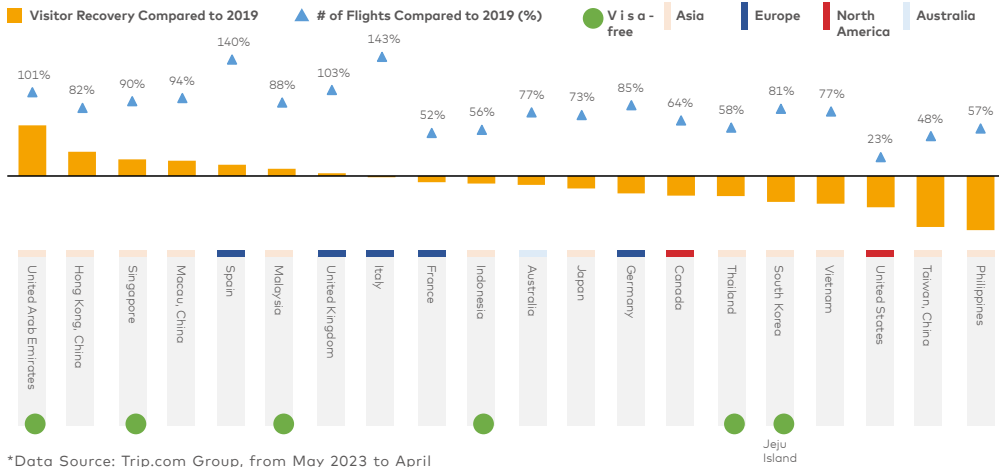
\*Data Source: Trip.com Group, from Jan 2023 to April 2024, aggregated and anonymized data

## Outbound Travel Destinations Have Gradually Recovered and Increased



Based on data from online ticketing platform, tourist numbers in 35% of the top outbound travel destinations have recovered to pre-pandemic levels. The recovery speed of each destination varies. Asia accounts for 60% of the top 20 popular destinations in terms of tourist numbers. In addition to the first batch of short-haul destinations that have recovered and continued to prosper, the United Arab Emirates—an emerging destination—has benefited from the visa-free and tax-free policies, attracting many business travelers who engage in economic, trade and cultural exchanges, as well as independent travelers who are ready to go at a moment's notice. It has become a "dark horse" outbound tourism destination, with tourist arrivals reaching 160% compared to pre-pandemic levels, leading the trend of popular destinations recovery. Although the European tourism market is gradually recovering, only Spain, the United Kingdom, and Italy have tourist numbers close to pre-pandemic levels. The number of flights to destinations with strong recovery momentum has far exceeded that in 2019, and direct flights to multiple cities such as Hangzhou and Wenzhou have been added. Despite factors such as limited flights to certain destinations and inflation, the North American market's recovery is not as robust as before the pandemic.

## 2023-2024 Arrivals to Popular Destinations and Recovery of International Air Passenger Trips

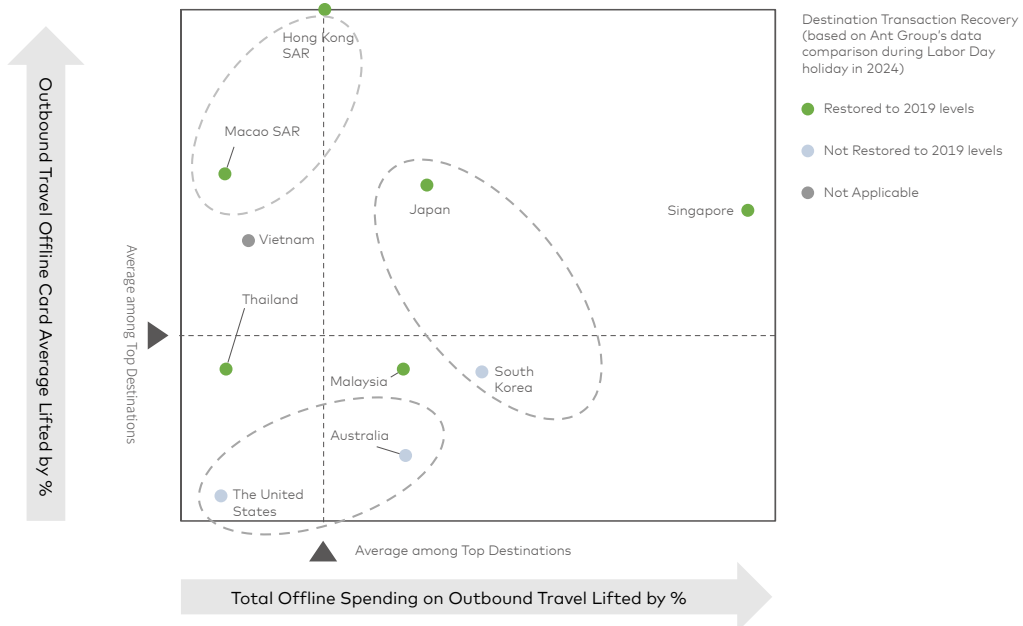


\*Data Source: Trip.com Group, from May 2023 to April 2024; Civil Aviation Administration of the PRC, April 2024

## Recovery of Spending in Top Outbound Destinations

Under the influence of the global pandemic, the outbound consumption behavior and preferences of Chinese tourists may have changed. We selected the top 10 most popular destinations for Chinese tourists before and after the pandemic (Hong Kong SAR, Japan, Thailand, South Korea, Macao SAR, Singapore, Malaysia, the United States, Australia and Vietnam) based on Ctrip's data. Using Mastercard Insights, we analyzed the post-pandemic consumption recovery of the 10 destinations and found that, high-spending tourists were the first to resume outbound travel demand, gradually extended to low and middle-spending tourists.

### 2024 Q1 Offline Spending Lift over the Same Period in 2019 by Destinations



\*Source: Mastercard Insights, 2019Q1 and 2024Q1; Ant Group, 2024 May vs 2019 May

**After the pandemic, the recoveries of Chinese tourists' offline consumption in the main destinations varied.**

Japan and South Korea are among the top destinations in terms of total offline tourism spending, with Japan's per-card spending growth rate higher than that of South Korea, especially during the 2024 Labor Day holiday.

The per-card spending growth rates in Hong Kong SAR and Macao SAR lead all destinations, with overall average offline spending level, but both showed good performance during the Labor Day holiday.

Southeast Asian destinations, such as Malaysia, Thailand, and Vietnam, have per-card spending close to pre-pandemic levels, while Singapore's per-card and total offline spending are significantly higher than that of the other destinations. Singapore remains the main growth destination during the Labor Day holiday.

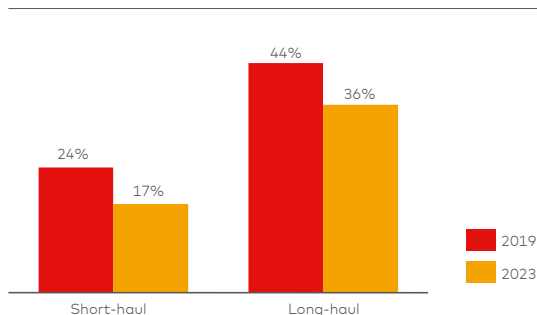
The United States and Australia still have room for improvement in offline spending due to the long distance and the fact that flights have not yet fully resumed.

### 3.3 Changes in Consumption Habits of Outbound Travelers

#### Due to Flight Capacity Recovery and Visa Policy Changes, Booking Periods for Flights and Hotels Remain Shorter Than Pre-Pandemic Levels

In 2023, cross-border travel began to recover, but due to restrictions on flights, visas, and pandemic policies, travelers significantly shortened booking periods to avoid uncertainty. According to the Civil Aviation Administration of China, The percentage of travelers booking over 30 days in advance for both short and long-distance trips dropped by over 7%. During the 2024 Labor Day holiday period, as travelers gain more relevant experience, flight availability improves, and visa policies ease in some destinations, booking periods have lengthened in comparison to the 2023 Labor Day period. However, booking periods remain shorter than pre-pandemic levels due to ongoing uncertainties.

Proportion of users booking tickets 30+ days in advance, pre- and post-pandemic.

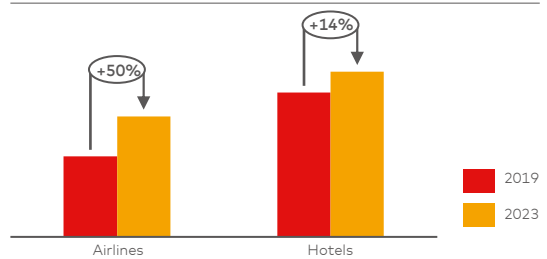


\*Data Source: Civil Aviation Administration of China CAAC, 2019 vs 2023 data

## More Focus on Quality and Travel Experience, Chinese Travelers' Flight and Hotel Spending is Significantly Higher than the Pre-pandemic Level

Chinese outbound tourists' spending at 75% of top destinations exceeded 2019 levels<sup>4</sup>. The average spending per transaction on flights and hotels rose by 50% and 14% respectively, compared to 2019<sup>5,6</sup>. In terms of hotel booking, around 73% of travelers chose four-star or above hotels in 2023<sup>7</sup>, slightly higher than in 2019, indicating a rising focus on traveling experience.

**Mastercard Cardholders Overseas Airline and Hotel Average Spending per Transaction**

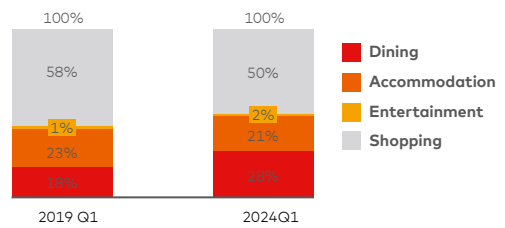


Source: Mastercard Insights, 2019 and 2023

## Post-Pandemic, Spending on Experiences Rises

Compared to 2019, among the Chinese Mastercard cardholders traveling overseas, the share of shopping in total spending decreased from 58% to 50% in 2024, while dining expenses rose from 18% to 28%<sup>8,9</sup>. Spending on entertainment activities, such as theme parks, zoos, and cultural attractions, also increased, indicating a greater willingness to pay for experiences<sup>8,9</sup>.

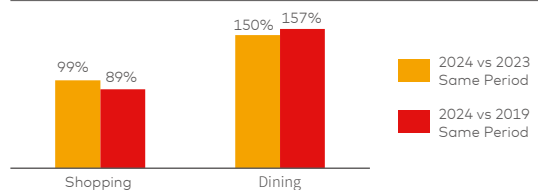
**Mastercard Cardholders Overseas Offline Spending Categories Distribution**



\*Source: Mastercard Insights

Similar trends were also seen in Alipay's outbound data. The shopping spending during 2024 Labor's Day Holiday reached 89% of the same period in 2019, and was at the same level with 2023. Meanwhile, dining spending increased significantly, witnessed a 57% growth compared with 2019, and 50% up compared with 2023<sup>10</sup>.

**The Recovery of Alipay's Outbound Tourism in Different Spending Categories during Labor's Day Holiday in 2024**



\*Data Source: Ant Group, 2024 vs 2019 and 2023 Labor Day week

## Travel Trends: Authentic and Immersive Experiences

Authenticity and affordability have become the buzzwords in outbound travel spending. Post-pandemic, travelers are prioritizing experiences over material desires, focusing on authentic cultural immersion. "We prefer deep experiences like dining at local favorites and staying in unique guesthouses," said Ms. Xie from Shanghai.

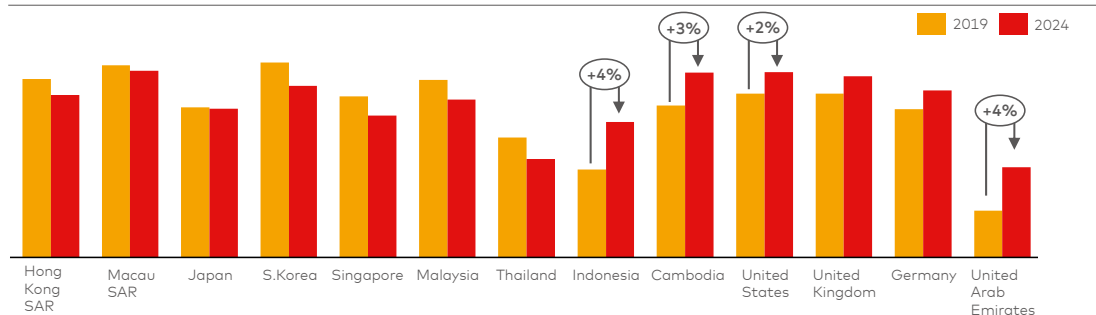
Tourism professionals saw a rise in outdoor activities, with Chinese tourists showing interest in volcano trekking in Indonesia. "They prefer combined itineraries that include climbing Bromo and Ijen volcanoes and enjoying leisure time in Bali. These multi-experience packages are cost-effective and appealing to consumers."



## Diverse Travel Options: Finding the Best Fit

As travel becomes more customized, travelers' choices and pace have diversified. According to Trip.com Group, the proportion of outbound non-group travel in early 2024 (from January to April) remains at a high level compared to the proportion in the same period of 2019, with notable growth in certain destinations such as Indonesia, Cambodia, the U.S., and the UAE.

Share of Non-group Traveler Visits% by Destinations



\*Data Source: Trip.com Group from January to April of 2019 and 2024

The "Spec Ops" and "Lying Flat" trends highlight different travel preferences. Some travelers maximize their vacations with intense activities like hiking in East Java, Indonesia, while others, exhausted from work, prefer relaxing at beach resorts in Phuket (Thailand), Boracay (Philippines) and the Maldives.

High-end customized travel is also growing in popularity, with themes like luxury wildlife tours in Tanzania, yoga retreats in Bali, and cultural tours in Egypt being designed by professional trivialists leveraging their experience and local resources.

## Advanced Travel Needs: The Rise of Thematic and Experiential Journeys

Post-pandemic, thematic and experiential travel has surged in popularity. Beyond traditional groups like "sightseers", "vacationers" and "shoppers", more personalized travel groups have emerged.

With increased outbound travel experience, travelers now seek individuality and new trends instead



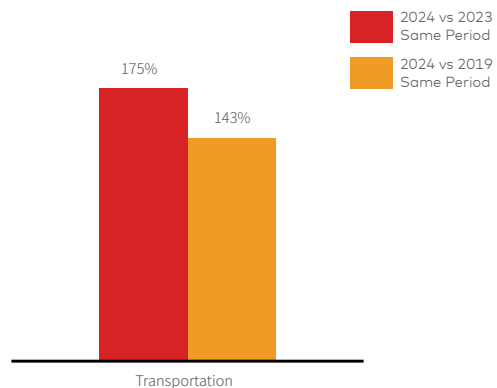
of traditional destinations. The increase of visa-free and visa-on-arrival countries, along with personalized travel guides on social media, has made customized travel plans more accessible. Popular activities now include attending concerts in Singapore, watching the Olympics in Paris, liveaboard trips in the Red Sea, skiing in Hokkaido, surfing in the Philippines, and beauty treatments in Seoul, driving the growth of thematic and experiential travel.

## Value for Money: High Cost-Performance Travel

Cost-performance remains a key factor in destination choice, with short trips to nearby, affordable destinations remaining popular. Japan, benefiting from a weaker currency, has also gained popularity due to its enhanced value. Tourists are increasingly choosing local public transport due to its cost-efficiency and eco-friendliness. Mastercard insights show a significant increase in public transit transactions in the first quarter of 2024 compared to the same period in 2019, with online transactions up 23% and offline transactions up 41%. The average transaction value dropped from \$42 in 2019 to \$18 in 2024—a 57% decrease—indicating a shift toward more budget-friendly travel methods that also offer a deeper local experience. Alipay’s outbound data also showed a fast growth on transit, spendings during 2024 Labor’s Day Holiday increased 43% compared with the same period in 2019, 75% up compared with 2023, and the tourists prefer public transit such as subways and buses, indicating that low-carbon and “value for money” have become the key words in outbound tourism<sup>11</sup>.

Travelers now seek more destination-based discounts, better exchange rates, and authentic travel tips. By researching and collecting coupons in advance, and participating in local promotional activities upon arrival, tourists are adopting a new travel style that combines enjoyment with savings.

### The Recovery of Alipay’s Outbound Tourism Transportation Spending during Labor’s Day Holiday in 2024



\*Data Source: Ant Group, 2024 vs 2019 and 2023 Labor Day week

1. Data Source: Civil Aviation Administration of China ,National Bureau of statistics of China , from 2023Q1 to 2024Q1
2. Data Source: Civil Aviation Administration of China ,National Bureau of statistics of China , from 2019 to 2024
3. Mastercard insights, 2019 to 2024Q1
4. Trip.com Group
5. Mastercard insights, 2019 and 2023
6. The impact of inflation has not been ruled out. According to IMF data, the global inflation rate in 2023 reached 25% compared to 2019
7. Trip.com Group
8. Mastercard insights, 2019Q1 and 2024Q1
9. The impact of inflation has not been ruled out. According to IMF data, the global inflation rate in 2024 reached 33% compared to 2019
10. Ant Group, 2024 vs 2019 and 2023 Labor Day week
11. Ant Group, 2019, 2023 and 2024 Labor Day week

## Chapter 4/

# Recovery of Inbound Tourism into Chinese Mainland and Changes in Consumption Habits



















## 4.1 Recovery of Inbound Tourism in Chinese Mainland

### Chinese Mainland's Inbound Tourism Saw Positive Recovery Trends in Q1 2024

Based on Trip.com Group's estimated product booking statistics on OTA platforms, the top inbound visitor origins in 2024 Q1 are Japan, Malaysia, South Korea, the United States, Australia, the United Kingdom, Thailand, Vietnam and Canada. The surge in Southeast Asian visitors, including those from Thailand, Singapore and Malaysia, continues unabated. Furthermore, there is a robust resurgence in inbound tourism from Europe, particularly with tourists from France, Spain and Italy, seeing a fourfold increase year-on-year from January to April 2023<sup>1</sup>. The Middle East, the Americas, and Oceania also witness short-term sustained recovery.

Although the recovery speed and trend differ across regions, inbound tourism steadily regains strength. These positive trends stem from strong growth in overseas tourist demand and favorable policies such as Chinese Mainland's visa-free policies and ongoing optimization of entry facilitation.

Rankings and Trends of Inbound Foreign Visitors by Origin, Based on Estimated OTA Data, 2024Q1

| Origin <sup>2</sup>                           |                |                    |                |                    |           |           |                    |                     |                |
|---|---|---|---|---|--|--|---|---|---|
|   | Japan   | Malaysia  | South Korea   | USA   | Australia  | UK   | Thailand  | Vietnam   | Canada  |
| 2024 Jan.-Apr. Ranking                        | 1   | 2   | 3   | 4   | 5  | 6  | 7   | 8   | 9   |
| Visitor Count Changes 2024 Jan.-Apr. vs. 2019 |  Close to 2019 |  More than doubled |  Close to 2019 |  Not yet recovered |  Recovere |  Recovere |  More than doubled |  More than doubled |  Close to 2019 |

Source : Trip.com Group, anonymized and aggregated inbound data



Since the end of 2023, Chinese Mainland has introduced favorable policies as follows (the list is non-exhaustive):

| Visa-Free Period                      | Visa-Free Entry Type                           | Markets  |
|---------------------------------------|--|--|
| November 17, 2023 onward              | 72/144-hour transit visa exemption             | Europe (1): Norway (53 countries, including Austria, Belgium, etc., had already been included in the 72/144-hour transit visa exemption before 2023) |
| December 1, 2023 to December 31, 2025 | 15-day ordinary passport visa exemption        | Europe (5): France, Germany, Italy, Netherlands, Spain<br>Southeast Asia (1): Malaysia   |
| February 9, 2024 onward               | 30-day mutual ordinary passport visa exemption | Southeast Asia (1): Singapore  |
| March 1, 2024 onward                  | 30-day mutual ordinary passport visa exemption | Southeast Asia (1): Thailand   |
| March 14, 2024 to December 31, 2025   | 15-day ordinary passport visa exemption        | Europe (6): Switzerland, Ireland, Hungary, Belgium, Luxembourg   |
| July 1, 2024 to December 31, 2025     | 15-day ordinary passport visa exemption        | Europe (1): Poland<br>Oceania (2): Australia, New Zealand  |

\* Sources: China Consular Service Website, China Government Website, Xinhua News Agency

## 4.2 Inbound Tourism Products Booking Trends

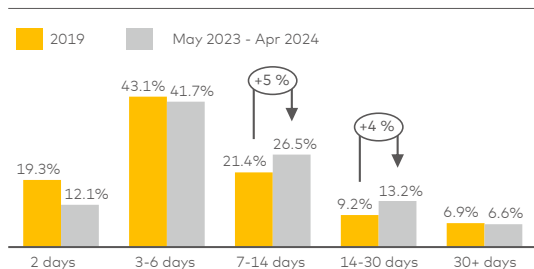
As more visa-free policies are introduced and the conveniences of entry payment methods are enhanced, the primary purpose of inbound travel has shifted from business to leisure. From mid-2023 to the first quarter of 2024, inbound leisure travelers have reached nearly 80%<sup>3</sup>. However, traveler preferences and habits have changed after the pandemic.

## Travelers Go for Longer, More In-Depth Visits

Compared to 2019, it was found that in 2023 and 2024, the proportion of in-depth tour travelers who stayed in Chinese Mainland for more than one week increased significantly. This characteristic was observed across both short-haul source markets in Asia as well as long-haul source markets in Europe, the Americas, and Australia.

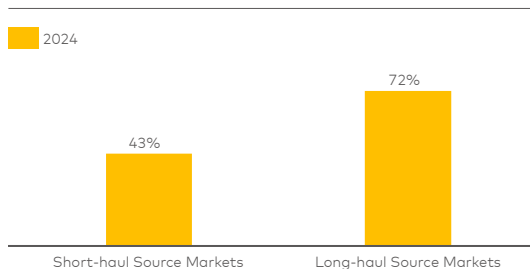
This trend is particularly notable among long-haul travelers. 72% of travelers from long-haul source markets such as Europe, the Americas, and Oceania, who have longer travel distances, chose to stay in Chinese Mainland for one week or more. Among European and American regions, the UK and the Netherlands showed a particularly strong upward trend. In contrast, travelers from short-haul Asian source markets tended to prefer regular trips within one week, with only 43% of travelers staying for one week or more. Within the Asian source markets, Japan saw the fastest growth in the proportion of travelers opting for long-haul in-depth tourism, with the share of those choosing 7 days or more increasing by 20%<sup>4</sup>. Southeast Asia, with the Philippines as the main growth point, also experienced this trend.

**Inbound Visit Duration of Round-Trip Travelers**



Source: anonymized and aggregated Trip.com Group inbound data

**Percentage of Inbound Visits Longer Than a Week**

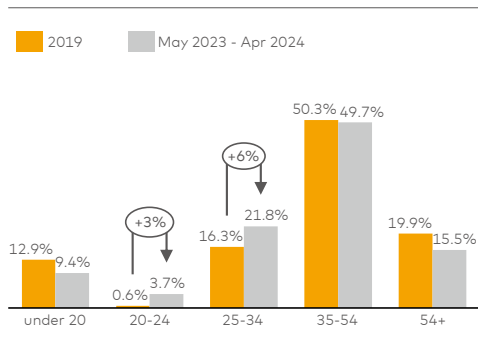


Source: anonymized and aggregated Trip.com Group inbound data

## Middle-Aged Travelers Still Constitute the Majority, But Young Travelers are Catching Up

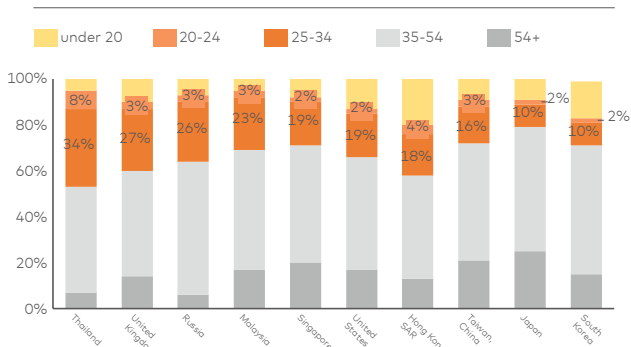
As in the pre-pandemic era, half of inbound travelers were between 35-54 years old. However, the percentage of travelers aged 20-35 rose by 9% in 2024 compared to before the pandemic. This trend prevailed across all markets, with Italy, France, Japan and Vietnam showing the most prominent increases. Among the top ten visitor origins for inbound tourism, Thailand and the United Kingdom saw the most dramatic drop in traveler age, while Hong Kong SAR had the highest percentage of travelers under age 19.

**Age Distribution of Inbound Travelers**



Source: Anonymized and Aggregated Trip.com Group Inbound Data

**Age Distribution of Inbound Travelers by Market**



Source: Anonymized and Aggregated Trip.com Group Inbound Data

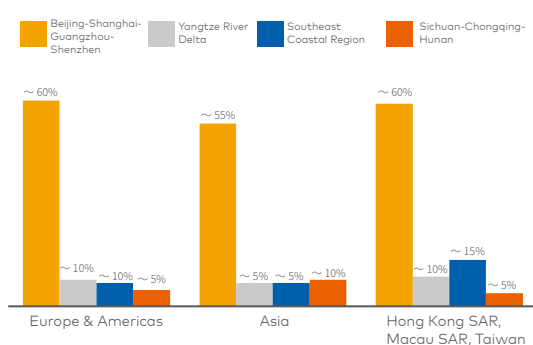
## Inbound Tourism Expands to Chinese Mainland's Heartland and Trending Cities, Especially Driven by Asian Tourists

In April 2024, the top 10 most popular inbound travel destinations included both traditional first-tier cities like Beijing, Shanghai, Guangzhou and Shenzhen, as well as emerging cities like Hangzhou, Chengdu, Xiamen, Chongqing, Suzhou and Xi'an<sup>5</sup>. Travelers from long-distance origins like the US and the UK still prefer visiting the traditional first-tier cities, however, Korean travelers have expanded their reach to destinations known for their natural scenery, such as Zhangjiajie. As transportation becomes more convenient, Hong Kong SAR travelers are increasingly exploring southeastern coastal regions, including Shenzhen, Guangzhou and Jinjiang in Fujian.

Notably, in the 2024 ranking of Chinese Mainland's top 15 inbound tourist cities, the Sichuan-Chongqing region has risen in rankings. Particularly, Chongqing has surged five spots, now ranking among the top 10 leading cities. This reflects foreign tourists' strong enthusiasm for destinations beyond Chinese Mainland's traditional first-tier cities. Furthermore, inbound tourists have shown unprecedented enthusiasm in Zhangjiajie, with Mastercard insights indicating its 2024Q1 inbound consumption was 160 times higher compared to the same period in 2023. This suggests that less well-known cities are gaining increasing favor among foreign visitors, as their desire to explore Chinese Mainland's diverse urban cultures gradually emerges.

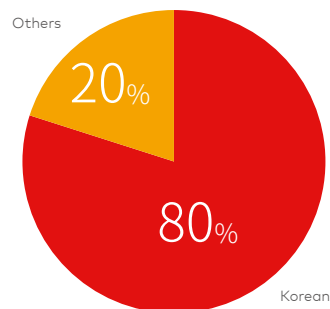
The experience of trendy and internet-famous cities is also on the rise in inbound tourism. Looking at the monthly rankings, in January 2024, Harbin made its debut on the list, ranking around 10th. Additionally, Changsha appeared in the top 15 for the first time after the pandemic and has been in the monthly top 15 for 10 times from January 2023 to April 2024. The current enthusiasm of inbound tourists for internet-famous cities may be related to the younger demographic trend. Through widespread dissemination on social media, foreign tourists are also closely following Chinese Mainland's popular travel destinations, eager to experience the new and fashionable travel experiences.

**Proportion of Visitors to Destination Cities, Categorized by Source Markets**



\*Source: Mastercard Insights, 2024Q1

**Inbound Visitor Spending in Zhangjiajie**



\*Source: Mastercard Insights, 2024Q1

## "Diverse Experiences" and "Chasing Hot Spots" are Keywords for Inbound Destination Choices, While Maintaining Enthusiasm for Chinese Traditional Culture

When it comes to inbound tourists' destination choices, iconic historical destinations such as the National Museum of China and the Ming Xiaoling Mausoleum in Nanjing remain highly popular and frequently top the rankings. The experience of Chinese temple culture has also begun to captivate inbound tourists, with sites like Mount Qingcheng (Taoist culture) in Chengdu, Lingyin Temple in Hangzhou and Nanputuo Temple in Xiamen soaring into the top five destination rankings. Furthermore, as more and more young travelers visit China, attractions that generate high discussion on social media, such as the Universal Beijing Resort and the Chengdu Panda Base, have also become highly sought after by tourists.

| 2024 vs 2019             | Shanghai                     | Beijing                  | Guangzhou    | Hangzhou                        | Chengdu                                       | Xiamen                  |
|--------------------------|------------------------------|--------------------------|--------------|---------------------------------|---|-------------------------|
| Newly Ranked Attractions | The Shanghai Zoo             | Universal Beijing Resort | Canton Tower | West Lake Cruise                | Mount Qingcheng                               | Xiamen Botanical Garden |
|                          | Yu Garden                    | National Museum of China |              | Lingyin Feilai Peak Scenic Area | Chengdu Natural History Museum                | Lujiang Night Cruise    |
|                          | Shanghai Haichang Ocean Park |                          |              | West Xixi National Wetland Park |   | Nanputuo Temple         |
| Rising Attractions       |                              | Mutianyu Great Wall      |              |                                 | Chengdu Research Base of Giant Panda Breeding |                         |
|                          |                              |                          |              |                                 | Dujiangyan Scenic Area                        |                         |

Source: Anonymized and Aggregated Trip.com Group Inbound Data

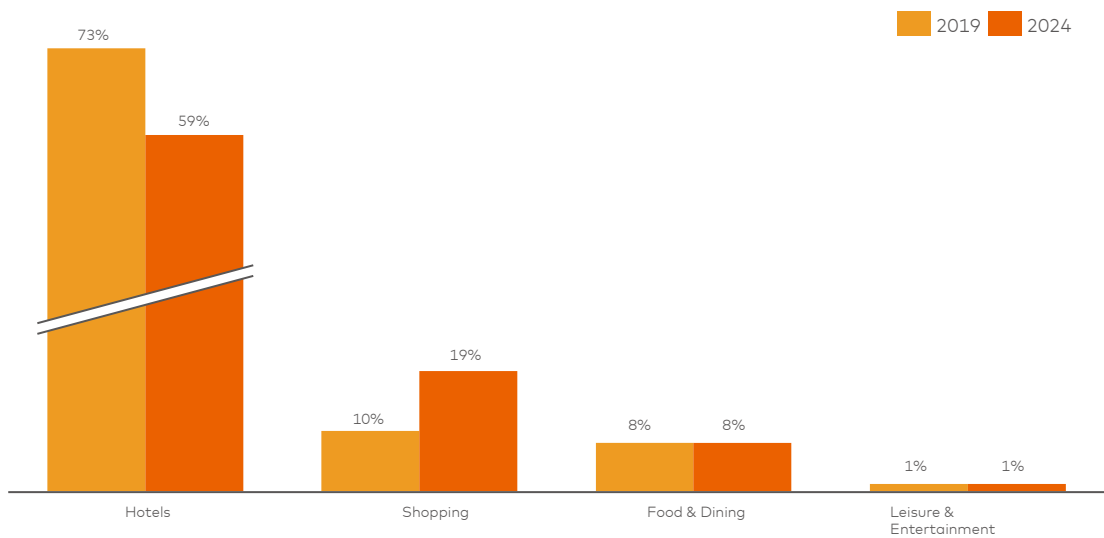


# 4.3 Inbound Consumer Spending and New Trends

## More Diverse Categories for Inbound Offline Card-Present Spending

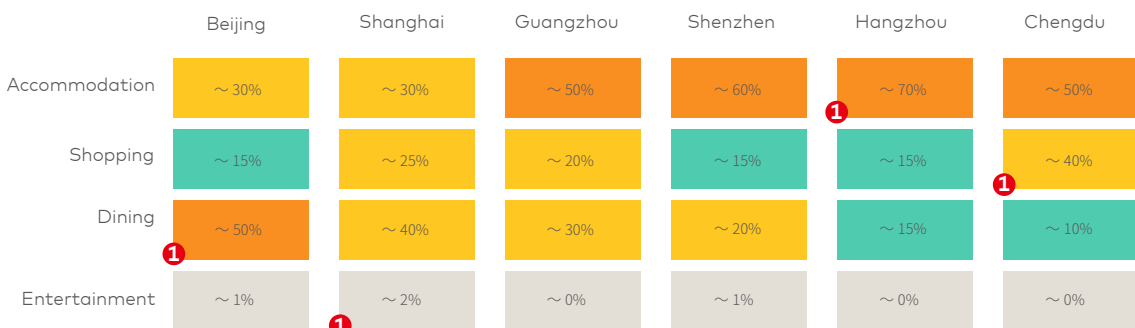
Compared to the pre-pandemic period, when over 70% of card spending was concentrated in hotel-related merchants, the landscape of offline card-present spending by inbound travelers in 2024 has become more diverse, thanks to improvements in the domestic merchant acceptance environment. Notably, the proportion of spending on shopping has significantly increased. Additionally, spending patterns vary by city. For example, among top destination cities, about 30% of inbound spending in Chengdu is on shopping, surpassing Shanghai to become the top destination for shopping among popular destinations. Shanghai stands out for leisure and entertainment spending, Hangzhou for hotel-related spending, and Beijing for dining expenditures.

### Offline Card Spending Amount by Industry



\*Source: Mastercard Insights , 2019 and 2024Q1

### The Proportion of Offline Card Spending by City and Industry



\*Source: Mastercard Insights , 2024Q1





## Mobile Payments Enhance Convenience for Small Transactions, Creating a Diverse Inbound Payment Ecosystem Alongside Offline Card-Present Method

As one of the initiatives to promote the facilitation of inbound payment in Chinese Mainland, domestic e-wallets have collaborated with international card organizations to introduce the mode of linking overseas bank cards to e-wallets for payment. Over the past year, the transactions of linking overseas cards to e-wallets have grown rapidly, opening up payment channels for millions of small and micro merchants. Such transactions exhibit the characteristics of small amounts and high frequency, with over 80% of mobile card-linking transactions being less than 200 RMB in value <sup>6</sup>.

The main scenarios where inbound travelers use mobile payments include metro, public transportation, taxi, and food delivery <sup>7</sup>. Inbound travelers have also started using applications like "DiDi" and "12306" for taxi-hailing and ticket booking, using "Meituan" for food delivery, and even watching livestreams and purchasing goods through platforms like "Red".

- 
1. Trip.com Group
  2. Exclusive of Hong Kong & Macao SAR, Taiwan
  3. Mastercard Insights, from 2023 to 2024Q1
  4. Trip.com Group
  5. Trip.com Group
  6. Mastercard Inbound Tourism Consumption Insights
  7. Ant Group, 2024 Labor Day week

## Chapter 5 /

# Case Study of Popular Outbound and Inbound Travel Destinations

## Outbound Destination – Thailand

### One of the hottest destinations with rapid tourism recovery

Since Chinese Mainland lifted travel restrictions in 2023 following the end of the pandemic, Thailand has quickly become a popular destination for Chinese tourists. According to data updated by the Thai Ministry of Tourism and Sports on May 14th, between January<sup>1</sup> and May 12, 2024, the total number of foreign tourists visiting Thailand reached 13,157,997,



marking a 39% year-on-year increase. Chinese tourists topped the list with a total of 2,583,084 visitors<sup>1</sup>.

On March 1, 2024, Thailand announced visa-free entry for Chinese tourists for stays of up to 30 days<sup>2</sup>, significantly simplifying travel procedures. With over 20 direct flights daily<sup>3</sup> in Thailand, the frequent flight schedule and short travel time cater to the modern demand for "short-term" and "fast-paced" travel experiences.

### (1) Accommodation – High Quality Luxurious Hotel with a Competitive Price

**Keywords:** Luxury on a Budget

Thailand offers unparalleled luxury accommodations, providing tourists with a peaceful retreat. Visitors can choose from boutique hotels to five-star hotels, enjoying international-standard facilities and services. According to the latest tourism market report, the average occupancy rate of mid-to-high-end hotels in Thailand exceeds 70%<sup>3</sup>. Compared to other popular destinations, the average price of mid-to-high-end hotels in Thailand is about 20% cheaper. Whether traveling with family or solo, tourists can experience luxurious, comfortable, and comprehensive hotel services at highly competitive prices.

### (2) Dining – Affordable Michelin-Starred Gastronomy

**Keywords:** Stuffed with Michelin

Thailand is renowned as a global culinary paradise, offering not only Michelin-starred restaurants but also a variety of affordable dining options. According to the latest data, Thailand boasts over 35 Michelin-starred



restaurants, many of which offer reasonably priced menus. Compared to other popular tourist cities, the cost of dining in Thailand is significantly lower. Street food typically costs between 100 to 200 THB (20 to 40 RMB) per person, while Michelin-starred restaurant meals range from 1,800 to 4,000 THB (360 to 800 RMB) per person, approximately 30% to 50% cheaper than in cities like New York.

### (3) Exploring the City – City Walk

**Keywords:** Gap Week, City Walk, No Work

Bangkok's City Walk offers a cost-effective way to explore the city's culture. Tourists can freely wander the streets and alleys of Bangkok, deeply experiencing the local culture and discovering hidden gems. According to social media trends, City Walk in Bangkok is increasingly popular, becoming one of the hottest topics and continuously attracting more visitors.

### (4) Leisure – The Sensory Thrill of Thai Massage and Muay Thai

**Keywords:** Painful but Pleasurable

Thai massage and Muay Thai experiences offer a combination of local flavor and high value/price ratio. According to the Thai Health Tourism Association, about 70% of tourists try Thai massage at least once during their stay. On average, a professional Thai massage costs around 300-500 THB (approximately 70-115 RMB), making it an economical choice for relaxation.

### Comprehensive Chinese-Language Travel

**Services.** Thailand's travel trends also match the current demand of Chinese tourists who favor boutique and in-depth tours. As the demand for high-quality and experiential tourism products from Chinese tourists continues to rise, more quality Chinese-language tourism products have emerged. These ground services include not only traditional tourist guides, but also translation services, medical emergency assistance and local life guides, making the travel experience of Chinese tourists in Thailand more convenient and enjoyable.

### Key success factors for thailand's popularity among chinese tourists

#### Policy Support Enhancing Travel Convenience.

Visa-free entry undoubtedly significantly boosts tourist numbers. Simplified entry and exit procedures, along with frequent short-haul flights, cater to the modern demand for short-term and fast-paced travel.

#### High Quality-Price Ratio Catering to Current Consumption Preferences.

Thailand offers luxurious yet reasonably priced accommodations, a rich variety of affordable culinary delights, and diverse, cost-effective leisure activities. The overall low travel costs make Thailand a top choice for travelers seeking value for money.

#### Services Meeting In-Depth Experiential Travel Needs.

In recent years, Chinese tourists have shown a growing demand for high-quality, experiential travel. Catering to this, Thailand has added numerous travel agencies that provide Chinese-language services. These comprehensive services greatly enhance the travel experience and satisfaction for Chinese tourists.

### Outbound Destination – Italy

Italy, one of the earliest countries (in the second batch in Mar 2023) resumed outbound group tours for Chinese Mainland citizens after the epidemic, attracted 38% of Chinese tourists visiting Europe in 2023<sup>4</sup>. Based on Trip.com



Group's estimated product booking statistics on OTA platforms, the number of Chinese tourists to Italy has recently reached 98% of the pre-epidemic level<sup>5</sup>. And the number is expected to surpass pre-epidemic level in 2024<sup>6</sup>. Meanwhile, Ant Group data shows that the number of transactions in Italy during the Labor Day Holiday 2024 has recovered to 75% of the same period in 2019.

To facilitate travel for Chinese tourists, Italy has opened direct flight routes with several second- and third-tier Chinese cities. Cities such as Changsha, Wuhan, Chengdu and Nanjing now have direct flights to Rome or Milan, significantly improving the convenience and shortening travel time.

According to statistics from Global Blue, Chinese tourists' spending on luxury goods in Italy has increased by 44%. To cater to Chinese consumers, Italy has introduced "China-friendly services" in various shopping scenarios. For instance, outlets in Florence offer services in

Chinese and exclusive discounts for Chinese tourists. Milan Malpensa Airport has launched a new mobile application that supports Chinese, and airport merchants provide Chinese-speaking guides.

In addition, the Italian authorities have implemented several initiatives to foster friendly exchanges between Chinese Mainland and Italy. The Italian National Tourist Board has organized the "Reunion with Italy" roadshows in Beijing, Shanghai, Guangzhou and Chongqing. They have expedited visa approval processes and used social media to attract the younger generation of Chinese tourists, thereby stimulating growth in tourism demand.

Overall, post-pandemic outbound travel from Chinese Mainland to Italy has shown a strong recovery trend. Factors such as shopping consumption, increased flights, policy support and cultural experiences have made Italy one of the most popular travel destinations for Chinese tourists.

### During this process, Italian officials, businesses and the public have made various efforts, becoming key elements in promoting the recovery of China-Italy tourism:

**Government-led Offline Promotion:** Ivana Jelinic, CEO of the Italian National Tourist Board, and Cristiano Varotti, Chief Representative of the Italian National Tourist Board in Chinese Mainland, personally attended the "Reunion with Italy" roadshows. The roadshows in four cities invited over 300 travel industry representatives and media guests for sharing and exchange.

**Organizing Rich Cultural Experience Activities:** Immersive activities were set up, such as Italian song performances, coffee workshops, wine tastings and mosaic craft making. These activities showcased the charm of Italian art and cuisine from visual, auditory, taste and tactile perspectives.



**Brand Collaboration for Travel Attraction:** Brands like De'Longhi, Fidenza Village in Milan and MSC Cruises shared shopping discounts and gifts on-site, achieving on-the-spot attraction and conversion.

## Inbound Destination - Harbin

### Tourism overview

In 2023-2024, Harbin is undoubtedly a "dark horse" in the international tourism market. In January 2024, Harbin made its debut on the most popular inbound tourism city list for the first time and ranked tenth<sup>7</sup>. During the 2023-2024 winter season, the top 5<sup>7</sup> inbound source markets<sup>8</sup> for tourists entering Heilongjiang Province include Singapore, Thailand, South Korea, Japan and Australia.

Harbin is famous for its rich ice and snow resources, history, culture, and cuisine. Every year from January to February, Harbin hosts

the world-famous Harbin International Ice and Snow Festival, attracting a large number of tourists who come to admire the ice sculptures and participate in ice and snow activities. Historically and culturally, due to the opening of the Chinese Eastern Railway in the late 19th century, Harbin - known as the "Little Paris of the East" - has integrated the diversified cultures of the East and the West, preserving numerous European-style buildings and cultural heritage. Harbin's cuisine is also influenced by foreign expatriates. Foreign tourists can enjoy not only authentic Chinese northeastern dishes such as dumplings, Fried Pork in Scoop (锅包肉), and Chinese Pickled Cabbage with Pork Belly (酸菜白肉), but also experience authentic foreign meals such as borscht and Dalieba bread.

### Why does Harbin Attract Foreign Tourists?

#### Media campaigns

**Collaborate with international travel agencies** and airlines to launch Harbin travel routes and packages. Harbin collaborates with travel agencies in Southeast Asia to promote unique tourism products related to ice and snow themes and summer retreat.

**Social media promotion** on platforms such as Instagram, YouTube, Facebook and Weibo by collaborating with well-known travel bloggers and influencers. They posted high-quality travel photos, videos and notes, successfully attracting the attention and interest of many potential tourists.





### Infrastructure development

**Transportation has been facilitated** by the expansion of Harbin Taiping International Airport. The expansion has increased the number of international flight routes to Harbin, particularly direct flights from Southeast Asian countries. In addition, Harbin has upgraded the city's transportation system, including the subway and bus network, to ensure that visitors can easily and quickly reach major attractions.

**Multi-language introduction, signs and guides** have been implemented and upgraded in many scenic spots to enhance the reception capacity for foreign tourists. Tourists can access multi-language introduction by scanning QR codes, which provide better guidance for foreigners during their tours.

### Why does Harbin Attract Southeast Asia Tourists?

**Ice and snow experience.** Countries in southwest Asia such as Singapore and Thailand have hot weather year-round. For tourists from these countries, Harbin's ice and snow landscapes and winter activities (such as skiing and ice sculpture exhibitions) are extremely attractive. These experiences provide unique opportunities that

they cannot find in their own tropical climates. Moreover, Harbin's cost-effectiveness is much higher than that of Japan and South Korea at the same latitude.

**Unique culture and cuisine.** Southeast Asian travelers are often intrigued in novel food and cultural experiences. Harbin's Chinese northeastern cuisine, influenced by foreign expatriates, is a major draw for these travelers.

### Inbound Destination - Zhangjiajie

In recent years, the number of overseas tourists visiting Zhangjiajie has consistently increased. During the first quarter of 2024, Hunan Province - where Zhangjiajie is located - welcomed 406,100 inbound tourists, marking a remarkable year-on-year increase of 14.28 times. The foreign exchange income from inbound tourism reached 127.52 million US dollars, showing a year-on-year growth of 23.71 times. Specifically, Zhangjiajie itself received 261,200 inbound tourists, reflecting a year-on-year surge of 47.58 times<sup>9</sup>.

The popularity of the hashtag #Zhangjiajie on Instagram, with over 200,000 posts, reflects the



significant interest and appeal that Zhangjiajie holds for international tourists. The captivating natural landscapes and unique experiences offered by this destination have clearly captured the imagination of travelers worldwide.

### Why does Zhangjiajie Attract Foreign Tourists?

#### Unique natural landscape

Zhangjiajie is famous for its unique karst landforms and breathtaking natural scenery. Notably, the quartz sandstone peaks in Zhangjiajie National Forest Park are also referred to as the "paradise on earth". This geological wonder is exceptionally rare globally and serves as a major draw for international tourists.

#### Endorsement by films

Zhangjiajie's beauty has been prominently

featured in various films. Perhaps the most famous example is James Cameron's "Avatar". The Hallelujah Mountain in the movie is inspired by Zhangjiajie's Southern Sky Pillar. Such cinematic exposure has significantly boosted Zhangjiajie's global popularity.

#### Well-established infrastructure

Zhangjiajie has made substantial investments in enhancing tourism infrastructure: Upgraded transportation accessibility, including direct flights from Southeast Asian countries. New upscale hotels and resorts. Diversified tourism programs. 24-hour visa-on-arrival clearance at Zhangjiajie customs. Multilingual promotional materials and signboards (Chinese, English, Japanese, and Korean) at sightseeing spots. The "Zhangjiajie Tourism Currency Exchange Map" for precise payment and currency exchange information. Language courses (e.g., Korean) for tourism students at local universities.



These improvements significantly enhance the overall travel experience for tourists.

### Why does Zhangjiajie attract Japanese, Korean, European and American tourists?

#### Cultural differences and unique experiences

Zhangjiajie's natural landscapes and culture hold immense appeal for foreign tourists. The region's landforms, distinct from those in Western countries, offer a fresh visual and cultural encounter. For Japanese and Korean tourists, the proximity and cultural similarities of Chinese Mainland make travel more convenient.

#### Cost-effective

Compared to traveling to Europe or the United States, visiting Chinese Mainland, including Zhangjiajie, is relatively cost-effective. Policies

like the 72-hour transit visa and 14-day visa-on-arrival have attracted mid-income tourists from Europe, America, Japan, and Korea. Zhangjiajie's value-for-money experience makes it a top choice for travelers.

#### Social media and word-of-mouth influence

Social media plays a pivotal role in travel decisions. Tourists share their Zhangjiajie experiences through platforms like Instagram and Facebook, enticing more international visitors. The widespread dissemination of captivating Zhangjiajie photos has significantly contributed to its popularity and allure.

### Long-term and bilateral efforts to boost tourism in Zhangjiajie

Zhangjiajie's popularity in the Korean tourism market is not coincidental; it stems from meticulous planning and sustained efforts. Initially, the People's Government of Hunan Province and the Korean tourism industry engaged in numerous friendly business visits and exchanges, laying a strong foundation for cooperation. A pivotal event occurred in November 2001 when the Director of the Korea Tourism Organization visited Zhangjiajie during the International Forest Conservation Festival<sup>10</sup>. The stunning scenery and rich culture left a lasting impression, prompting him to promote Zhangjiajie upon returning to Korea. His influential role contributed significantly to Zhangjiajie's success in the Korean market.

The Hunan Government places great importance on tourism and has invested significantly in infrastructure development. This commitment ensures that foreign tourists, including those from Korea, enjoy a top-notch travel experience. Korean visitors, in turn, enthusiastically recommend Zhangjiajie to friends and family through word-of-mouth and various media platforms in Korea.

The Korean government also actively promotes tourism between the two countries. The



introduction of multiple direct flights to Zhangjiajie significantly enhances the travel experience for Korean tourists. Additionally, Zhangjiajie provides Korean tour guide services, further elevating satisfaction levels.

The close collaboration between the two governments and relevant departments has created a virtuous cycle between Zhangjiajie and the Korean tourism market. Continuous efforts and innovation have fueled robust industry

development, solidifying Zhangjiajie's reputation in Korea and attracting a growing number of Korean visitors.

This multi-level and comprehensive cooperation not only boosts Zhangjiajie's international appeal but also injects vitality into the local economy. The success story in the Korean market reflects the joint efforts of both governments and private sectors.



- 
1. Data source: Ministry of Tourism and Sports, Thailand
  2. Data source: Trip.com Group
  3. Data source: Kasikorn Research Center
  4. Data source: European Travel Commission
  5. Trip.com Group, from May 2023 to April 2024
  6. Interview with Mr. Zhang Baorong of Italian Foreign Trade Commission
  7. Data source: Trip.com Group
  8. Data source: News report
  9. Data source: Hunan Provincial Government
  10. The 7th International Forest Conservation Festival of 2001 was co-hosted by Zhangjiajie Municipal People's Government, Hunan Provincial Department of Forestry, Hunan Provincial Department of Land and Resources, Hunan Provincial Tourism Bureau and Information Office of Provincial Government

# Chapter 6 /

## Recommendations on Promoting the Development of Cross-Border Tourism

### 6.1 Observations and Suggestions on Facilitating Inbound Tourism

Currently, Chinese Mainland's inbound tourism market is experiencing rapid growing. Compared with group tours, non-group tours are increasingly preferred by inbound travelers. To support the recovery of inbound tourism, we have analyzed the experience of non-group inbound travelers before and during the tours and put together some suggestions to further facilitate this type of travels.

| Inbound Tourist Journey | Key Points   | Optimization Suggestions   |
|-------------------------|--|--|
| Pre-Travel              | 1. Collect Travel Information  | Strengthen overseas promotion of 1 tourism resources   |
|                         | 2. Apply for a Visa to China   | Continue to promote visa-free and simplified visa processes  |
|                         | 3. Book Flights  | Continue to increase the number of flights and supplement with air-rail service  |
| During Travel           | 4. Check-in to Hotels, Use Transportation, Purchase Attraction Tickets | Simplify and optimize identity verification mechanisms while retaining traditional ticketing methods   |
|                         | 5. Sightseeing and Touring   | Provide foreign language travel information at entry hubs, improve foreign language signage, and enhance training of foreign language talent in the tourism industry |
|                         | 6. Make Payments at Restaurants, Shopping Malls, etc.                  | Continue to promote the facilitation of inbound payments   |

#### 1. Continuously enhance overseas publicity exposure.

Continuously strengthening overseas publicity is a prerequisite for the recovery of inbound tourism. In recent years, central and local tourism authorities in Chinese Mainland have been intensifying their overseas publicity efforts. Programs such as "Hello China" and "Hello Beijing" have gained awareness in overseas markets. Additionally, tourism authorities can collaborate with international organizations, OTAs, content creators and other stakeholders

to jointly create and promote official multilingual tourism platforms to attract foreign tourists.

#### 2. Expand visa exemption programs and simplify visa processes.

Since 2023, the Chinese government has introduced multiple visa exemption programs and streamlined its visa application processes, effectively aiding the recovery of inbound tourism. To enhance convenience for inbound tourists, it's essential to extend the scope and duration of exemption programs and further



optimize visa application processes.

Regarding E-visa implementation, given that the implementation of electronic visas in Chinese Mainland cannot be achieved in the short term, travel industry companies can leverage their platform capabilities to assist in the processing of regular visas electronically through measures like generating itinerary documents online.

Regarding customs control, it might be advisable to simplify the processes by grouping travelers: Provide fast-track lanes to tourists whose fingerprints have been pre-collected and whose IC passports have been pre-registered, i.e., those who can be recognized by e-gates; Designate special lanes for tourists from visa-waiving countries as their inquiries and reviews tend to be brief; Provide prompt assistance

to special-need groups, including the elderly, children, disabled individuals, pregnant women and families with young children.

### **3. Continue to increase flight capacity and supplement with railway resources.**

Insufficient international flight capacity remains a primary constraint for cross-border tourism recovery. Efforts from various parties have led to an increase in flight capacity and a decrease in air tickets prices. Additionally, China's vast network of high-speed railroad can be a strong complement to flights. For example, Shanghai's air-rail service provides convenient transfers for travelers and boosts inbound tourism in surrounding regions.

### **4. Improve identity verification and**



**reservation processes to better serve international visitors at tourist destinations and hotels.**

Many tourist attractions in China mandate real-name reservation and ticketing, creating certain barriers for inbound tourists. If the identity authentication and ticket purchase process can be optimized for both online and offline ticketing channels, and traditional on-site ticketing can be retained, the inbound travel experience could significantly improve.

Many tourist attractions require visitors to make online reservations in advance and scan their ID documents to enter through turnstile. However, international tourists may face issues using their passports at turnstile, even they have made reservations. Tourist attractions and

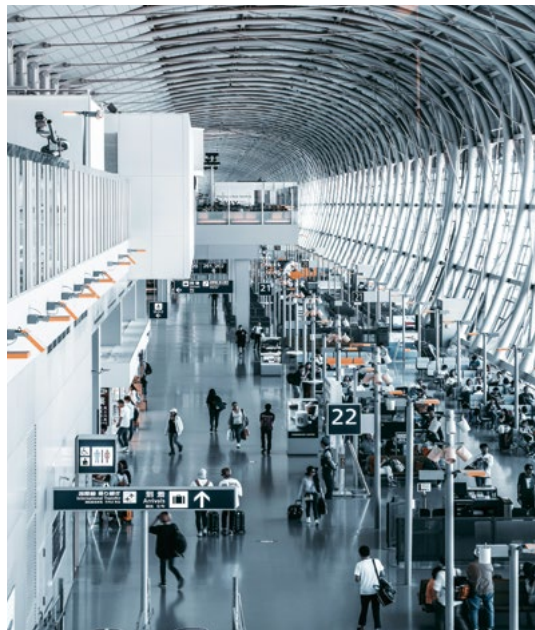
online travel platforms can work together to resolve such challenges by upgrading turnstiles to accept passports or generating QR codes for online ticket purchases, which can be scanned upon entry. This could enable more overseas tourists to easily make reservations and enter attractions, enjoying the convenience of smart tourism.

Regarding hotel accommodations, in response to the challenges of some hotels being unable to accommodate foreign guests, the Chinese government has proactively taken measures to enhance foreign guest reception services and enhance the service level of industry practitioners. Recognizing the complexity of the registration process and the high cost of employing foreign language staff, relevant departments may simplify registration procedures, offer fee reductions, improve digitalization and efficiency of passport check-in procedures, and consider incorporating a hotel's foreign guest reception capability into the star-rating standards.

**5. Provide foreign-language travel guide upon entry, expand multilingual signage, and cultivate multilingual tourism talents.**

Providing guidance in English and other foreign languages is crucial for the experience of inbound tourists. It would be helpful if we can provide comprehensive multilingual tourism information at travel hubs such as airports, railway stations and other transportation centers, encourage foreign-language signage at hotels, public transport and tourist attractions, and invest in nurturing more foreign-language talents in the tourism industry.

Impacted by the pandemic, the inbound tourism industry is still recovering in terms of talent, resources and channels. Industry associations and tourism companies can work together to integrate inbound tourism industry resources, facilitate resource matching between



enterprises, and cultivate inbound tourism talent through online and offline trainings.

## 6. Continue to enhance payment experience for international tourists.

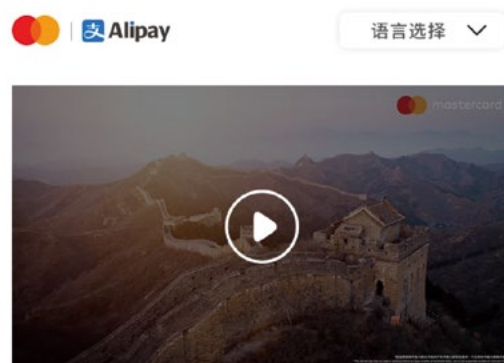
Since last year, central and local government of People's Republic of China has taken a series of measures to enhance payment experience for international tourists. Under the principle of "bankcard for large amount, E-wallet for small amount, and cash as a supplement", the industry is actively developing a card-based payment ecosystem to promote diversified and inclusive payment methods. Through collaboration among various parties, significant progress has been made.

Regarding "bankcard for large amount", People's Bank of China and governments at different levels worked with international card organizations and acquiring institutions, and added and upgraded bankcard acceptance equipment in key business areas, transit hubs, hotels and attractions, which improved payment convenience for inbound travelers.

Regarding "E-wallet for small amount", payment

service providers such as Alipay cooperated with international card organizations like Mastercard and partners like Bank of China, Industrial and Commercial Bank of China and NetsUnion Clearing Corporation, carried out "Foreign Card on File" services. Based on that service, the "Paying Like a Local" campaign, launched by Mastercard in cooperation with Alipay and other wallets, enables inbound tourists to link their cards to these E-wallets. This allows inbound tourists to pay just like locals by scanning QR codes at dozens of millions of smaller merchants in China, benefiting smaller merchants and local tourism economy. At the same time, Ant Group, through Alipay+ cross-border digital payment and marketing solutions, also enabled inbound travelers to pay through overseas E-wallets. Moreover, Alipay also worked with Mastercard, banks and governments in Beijing, Shanghai and Guangzhou, launched "Joint Development Initiatives for Inbound-Friendly Business Areas", which were welcomed by business areas and partners.

Expanding above payment facilitation initiatives from large cities to smaller ones, and from popular attractions to local businesses would enhance the in-depth and diversified travel experience for inbound tourists.



### Paying Like a Local 万事达卡®与支付宝助您 像本地民众一样畅游中国大陆

畅游中国大陆不管何时何地，只要用万事达卡信用卡或借记卡绑定支付宝电子钱包。便捷、安全，万事一扫皆可！

## 6.2 Observations and Suggestions on Facilitating Outbound Tourism

Since 2023, the number of outbound tourists from China has been steadily recovering. However, factors such as visa access, flight options, and travel information availability have impacted the recovery pace for differently across destinations. If those constraining factors can be gradually improved, the outbound tourist flow might unlock even greater potential, infusing momentum into the global tourism industry.

### 1. Optimize visa policies towards Chinese tourists to create favorable conditions for international travel.

The mutual visa exemption programs with several countries have played an important role in boosting China's outbound tourism. For instance, after China and Singapore

implemented the 30-day visa exemption program on February 9, 2024, the number of Chinese Mainland tourists arriving in Singapore reached 330,000 in the month of February, more than 8 times the figure from the same period last year<sup>1</sup>. Currently, obtaining visas from some countries can still be time consuming, sometimes taking a few months. It is recommended that tourist destinations continue to simplify their visa procedures, introduce policies such as e-visa, visa-on-arrival and visa exemption, and optimize the process of customs control, to enhance the travel experience for Chinese travelers.

### 2. Enhance travel information offerings in Chinese language to increase effective reach.

Prior to departure, tourists often invest significant effort in preparation due to fragmented information channels. It is recommended that destination authorities strengthen cooperation with private entities to provide effective and comprehensive travel information through the following channels:

**(1) Official channels:** Utilize Chinese websites, WeChat public accounts, social media accounts, etc., to post travel information in Chinese.

**(2) Platform channels:** Collaborate with large OTAs to provide comprehensive local travel information, including information of attractions, food and special cultural experiences, and connect different channels to provide travelers one-stop experiences, allowing them to place orders online.

**(3) Social media channels:** Leverage social media to establish initial perception of the destination





for Chinese outbound tourists. Destination authorities can partner with KOLs to share high-quality outbound experiences, and provide authentic and timely information from travelers' perspective, fostering a good environment for information sharing.

**(4) Payment channels:** mobile apps of banks and third-party payment organizations have an extensive user bases. Destination authorities can partner with these platforms to create cross-border zones for travel users, consolidating information on foreign exchange, cash withdrawals and popular consumer offers.

### 3. Optimize outbound travel products to offer more convenient and diverse options for Chinese tourists.

The popularity of short-haul outbound destinations such as Singapore, Malaysia and Thailand continue to rise. In response to this trend, airline companies can consider launching innovative products such as "5-hour flight circle single-use card" and "Singapore, Malaysia and

Thailand long-weekend flights-hotel package" to reduce travelers' decision-making costs and improve conversion rate. Furthermore, travel agencies can also strengthen the promotion of customized tour products, capturing tourists' preferences for personalization and in-depth experiences. By crafting a more diverse and enriching matrix of cross-border tour products, they can further stimulate the demand in the outbound tourism market.

At the same time, overseas hotels can further improve their services for Chinese tourists by adding Chinese-speaking staff and providing electric kettles in hotel rooms.

### 4. Educate outbound tourists on overseas payment environment through channels such as banks and payment service providers to enhance convenience and security.

Over the past few years, the global payment landscape has seen significant changes. Banks and payment service providers is advised to

strengthen their pre-travel education and promotion to Chinese tourists, hand help them understand the overseas payment environment so that they can better prepare themselves. According to Mastercard insights, in over 210 countries and markets where it operates, contactless payments (tap-to-pay) became much popular since the pandemic. Globally, more than 60% of Mastercard transactions are now completed via tap-to-pay, and in markets such as Singapore, Hong Kong SAR, Macau SAR,

Malaysia, and Thailand, over 90% of their cards support contactless payments<sup>2</sup>.

Given the shift of payment environment, issuers should promote chip card with tap-to-pay functionality, especially for outbound travellers. They should encourage customers who travel abroad to upgrade from magnetic stripe cards to chip cards, and provide timely reminders on card management, credit limit settings and emergency assistance.

## 6.3 Observations and Suggestions on the Sustainable Development of Cross-Border Tourism

The resurgence of the global tourism market since 2023 has been remarkable. However, alongside economic gains, we must address potential impacts on the environment and cultural heritage. For example, Thailand's Maya Bay was closed for three years due to severe marine plastic pollution, resulting in huge tourism revenue losses<sup>3</sup>. Nowadays, sustainable tourism growth has have gained prominence worldwide.

The concept of "sustainable tourism" is defined by UN Tourism as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"<sup>4</sup>. Having placed great emphasis on the issue, the Chinese government introduced many policies to drive sustainable tourism. For example, the "14th Five-Year Plan for Tourism Development" published in 2022 stated the goal of "promoting the strong integration of culture and tourism, achieving higher quality and more sustainable development of the industry". The State Council has also issued policies such as "Several

Measures on Releasing Tourism Consumption Potential and Promoting High-Quality Development of the Tourism Industry"<sup>5</sup>. In recent years, the People's Republic of China has achieved remarkable results in tourism-driven poverty alleviation, with many cases included in the "WTA Best Practice in Poverty Alleviation Through Tourism"<sup>6</sup>.The People's Republic of China has also succeeded in integrating wildlife conservation with tourism by, for instance, creating the world's only giant panda eco-tourism route in Sichuan<sup>7</sup>.

The United Nations Department of Economic and Social Affairs emphasized the importance of sustainable tourism in the "2030 Agenda for Sustainable Development", and proposed a specific sustainable development goal: "By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products".<sup>8</sup> Sustainable tourism includes multiple aspects such as environmental protection, cultural preservation, community development, social responsibility, and economic development.





Please allow us to analyze and discuss possible lessons learned from global success stories with respect to environmental protection, community development, and economic development.

**1. Environmental Protection:** Mitigating tourism impact on the environment through efforts such as forest restoration at scale.

To address global climate change, Mastercard launched "Priceless Planet Coalition" in 2020, pledging to unite partners and plant 100 million trees globally. In partnership with leading organizations including World Resources Institute and Conservation International, Mastercard leverages cutting-

edging methodologies to design, implement and monitor forest restoration in regions with pressing needs to drive global forest health. Mastercard collaborates with its global network of cardholders, financial institutions, and merchants to launch initiatives including an online donation platform, a carbon calculator, and card products with sustainability themes. These efforts allow the public to participate in environmental protection, hereby supporting sustainable development worldwide<sup>9</sup>.

Leveraging its network across 210 countries and regions and 3.4 billion cards, Mastercard's "Priceless Planet Coalition" has attracted over 100 banks, fintech companies, and merchants



to join the force, collectively working towards 18 reforestation projects across continents. For example, the project in Brazil's Amazon and Atlantic Forest aims to restore million trees of more than 150 native species across approximately 1,000 hectares of land, capturing 40,000 tons of carbon dioxide. This project expects to restore degraded rainforest to sustainable ecosystems, protecting local environment and biodiversity. The restored forests can also provide food, medicine and decoration for the local community, hence improving their quality of life<sup>9</sup>.

Protecting the environment is an integral element of sustainable tourism and a

responsibility shared by everyone. By connecting travel merchants, financial institutions, consumers and local communities, Mastercard has accomplished positive environmental impact, including forest restoration, with efficiency and scale. Tourist destinations can also advance sustainable tourism by connecting partners and consumers in their networks as well as leveraging technological resources at their disposal.

**2. Community Development:** Promoting the development of local communities while driving tourism growth through actions such as utilizing local community resources and introducing innovative technologies.

To explore a sustainable development path for the tourism industry, Mastercard established the "Tourism Innovation Hub" in 2022, creating a platform for tourism stakeholders to collaborate and drive innovation in the sector. Since then, the Hub has established close partnerships with many public authorities, including UN Tourism, the European Travel Commission, and national governments, to jointly strategize on the future of tourism<sup>10</sup>.

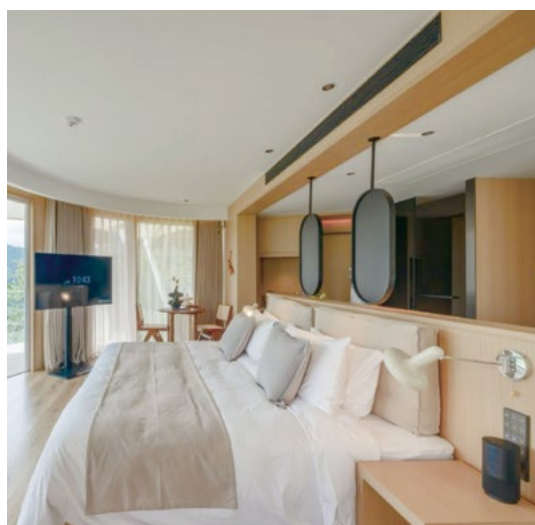
By leveraging Mastercard's data expertise, the Hub helps tourism destinations profile and segment tourists, as well as curate "Priceless" travel experiences based on local community resources. At the same time, the Hub is committed to deploying the latest payment technology in the tourism industry. On top of improving tourist experience, this also allows destinations to advance the overall payment ecosystem for the local community. In addition, the Hub uses its analytical capabilities to help destinations track tourism trends and the impact of their actions. The Hub also provides recommendations which enable timely and targeted response to market movements<sup>10</sup>.

In one of the projects, the Hub provided an online platform for a destination to track its tourism data. Compared to traditional surveys,

this approach not only significantly reduced costs but also provided more timely and in-depth insights into market conditions. Moreover, the Hub worked with the destination to launch multi-channel campaigns with influencers, airports, airlines, financial institutions, and more, achieving tens of millions in impressions and a strong conversion performance, contributing to the rapid growth of international tourist arrivals in the destination<sup>10</sup>.

Thanks to its market insights, technological expertise and other strengths, Mastercard's Tourism Innovation Hub has brought positive impact to the tourism industry and local communities in many countries. Tourist destinations can also take measures such as closely tracking market trends, creating innovative products and services, and optimizing tourist experience, to achieve sustainable tourism growth.

**3. Economic Development:** Investing in infrastructure to attract more tourists, driving the long-term development of the tourism industry and the overall local economy. To tackle the lack of infrastructure and capital in rural tourist destinations, Trip.com Group launched "Trip.com Group Country Retreats" as part of its rural revitalization strategy in 2021. By building clusters of boutique homestays



or renovating idle houses, Trip.com Group has created 5-star accommodation products under the "Trip.com Group Country Retreats" brand. Meanwhile, Trip.com Group has built a "brand + ecosystem" model where they attract reputable brands to create an integrated high-end vacation experience covering accommodation, dining, transportation, travel, shopping and entertainment<sup>11</sup>.

As of May 2024, 31 Country Retreats were launched and put into operation across 13 regions in Chinese Mainland. More than 80% of the retreats' staff came from local areas. The program helped the locals increased their average annual income by more than 40,000 CNY and created over 20,000 job opportunities



across the board. Trip.com Group Country Retreats has made significant impact on rural areas. Not only has it attracted visitors, but it also introduced advanced tourism operation and management concepts. It has led to the transformation and upgrading of local rural homestays. Moreover, the plan attract young people to return to the countryside for employment opportunities, contributing to continuous rural revitalization<sup>11</sup>.

Economic development serves as the core driver of sustainable tourism and the foundation for the long-term, healthy and stable growth of the tourism industry. Tourist destinations can also generate investment into tourism infrastructure such as accommodation, transportation, internet, and payment equipment, contributing to the long-term development of local tourism. Achieving sustainable tourism development is of great importance to all countries around the world. Drawing lessons from the abovementioned cases, tourism destinations can collaborate among government, enterprises and communities. Together, they will seize the opportunities for sustainable tourism development through environmental protection, community development, and infrastructure development.

- 
1. Source: Singapore Tourism Board
  2. Source: Mastercard
  3. Source: Xinhua News Agency
  4. Source: UN Tourism
  5. Source: Government Website of People's Republic of China
  6. Source: World Tourism Alliance
  7. Source: Government of Sichuan
  8. Source: United Nations
  9. Source: Mastercard
  10. Source: Mastercard
  11. Source: World Tourism Alliance

# Contributors to the "Cross-border Tourism Consumption Trends Report 2023-2024"



## Sponsor: World Tourism Alliance

The World Tourism Alliance (WTA), established in September, 2017 in China, is a comprehensive, global, non-profit, and non-governmental tourism organization. With its mission and vision of "Better Tourism, Better Life, Better World", WTA is committed to promoting tourism for peace, development, and poverty alleviation, as well as fostering non governmental global exchanges and cooperation in tourism.

WTA now has 240 members from 42 countries and regions throughout the world, including national or regional tourism associations, influential tourism or tourism-related enterprises, destinations, non-profit organizations, academia, media, and individuals. As a service-oriented international organization that caters to the needs of its members, the WTA strives to create cooperative platforms for dialogue, exchange, cooperation, ideas and information, resource sharing, communication for integrative development, and a thriving marketplace of inspirations and best practices for the benefit of all through travel and tourism.

WTA's headquarters and secretariat are based in Hangzhou, China.





mastercard

## Author: Mastercard

---

Mastercard (NYSE: MA) is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.



**Trip.com** Group™

### **Supporter: Trip.com Group**

---

Trip.com Group is a leading online travel service provider. Its brands include Trip.com, Ctrip, Qunar, and eLong. Trip.com Group is able to integrate complex travel-related information and provide travel product booking and services through its advanced mobile apps, websites, and 24/7 free customer service centers, helping business and leisure travelers access information and reduce costs. Since its establishment in 1999 and IPO on NASDAQ in 2003, Trip.com Group has grown rapidly and has become one of the largest travel service providers in the world.

# 支 | Alipay

## Supporter: Ant Group

Ant Group traces its roots back to Alipay, which was established in 2004 to create trust between online sellers and buyers. Over the years, Ant Group has grown to become one of the world's leading open Internet platforms. Through technological innovation, Alipay supports their partners in providing inclusive, convenient digital life and digital financial services to consumers and SMEs. In addition, they have been introducing new technologies and products to support the digital transformation of industries and facilitate collaboration. Working together with global partners, they enable merchants and consumers to make and receive payments and remit around the world.

