



# **China Outbound Travel to the United States**

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# Office Of Travel & Tourism Industries

## MISSION STATEMENT

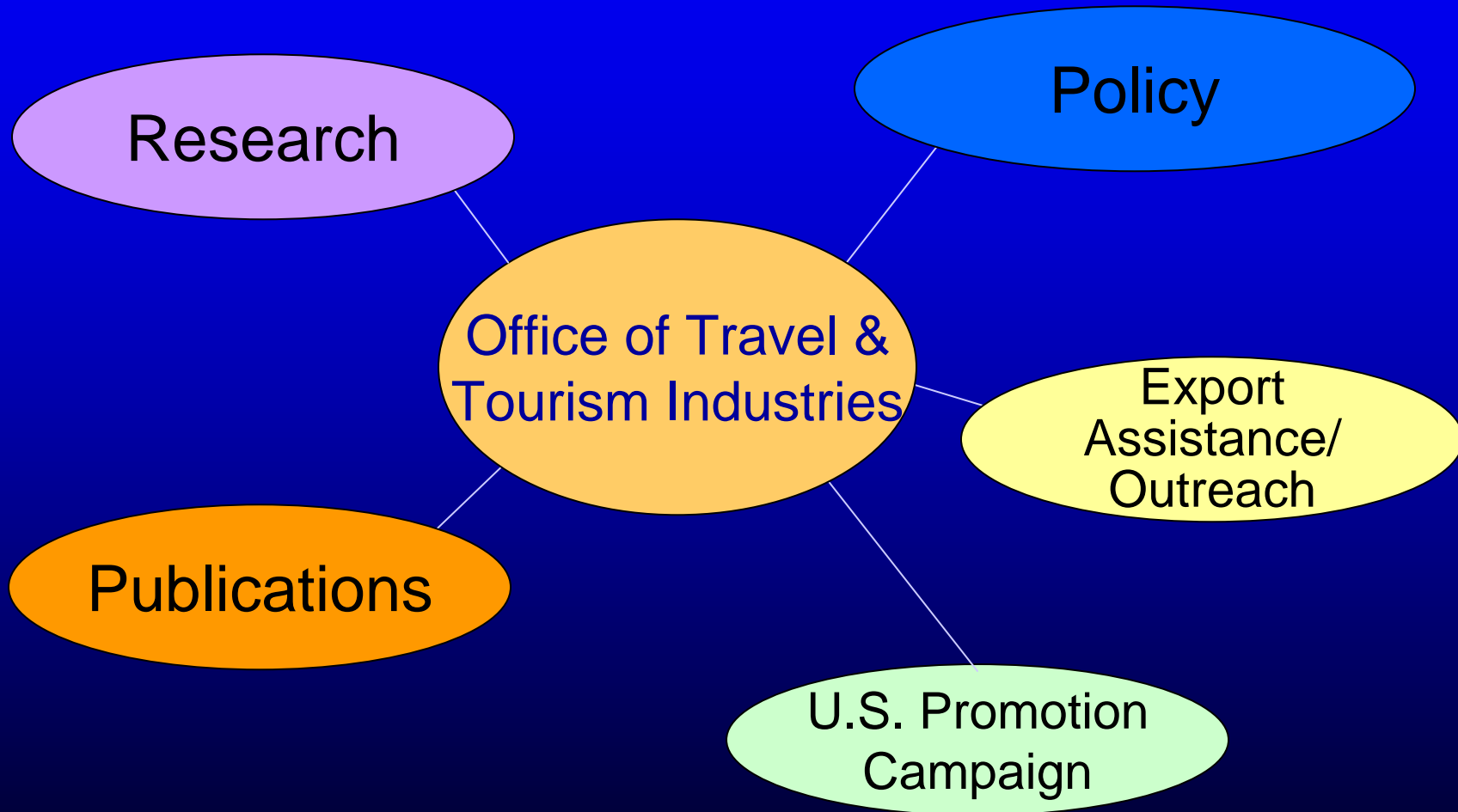
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*To assist travel and tourism businesses by advancing policies and programs that strengthen economic development and export opportunities.*



# What We Do at OTTI...



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# Top Five Country Rankings of Global Visitors and Receipts (2004)

Rank	Destination Country	2004 Visitors (mil)	World Share (%)
1	France	75	9.8%
2	Spain	54	7.0%
<b>3</b>	<b>United States</b>	<b>46</b>	<b>6.0%</b>
4	China	42	5.5%
5	Italy	37	4.8%
	<b>All Countries</b>	<b>766</b>	

Destination Country	2004 Receipts* (\$bil)	World Share (%)
<b>United States</b>	<b>\$75</b>	<b>12.0%</b>
Spain	\$45	7.3%
France	\$41	6.6%
Italy	\$36	5.7%
Germany	\$28	4.5%
<b>All Countries</b>	<b>\$622</b>	

*For the past several years, the U.S. has remained in 3rd place in attracting international visitors.*

*The U.S. maintains a solid top ranking in traveler spending (receipts/exports).*

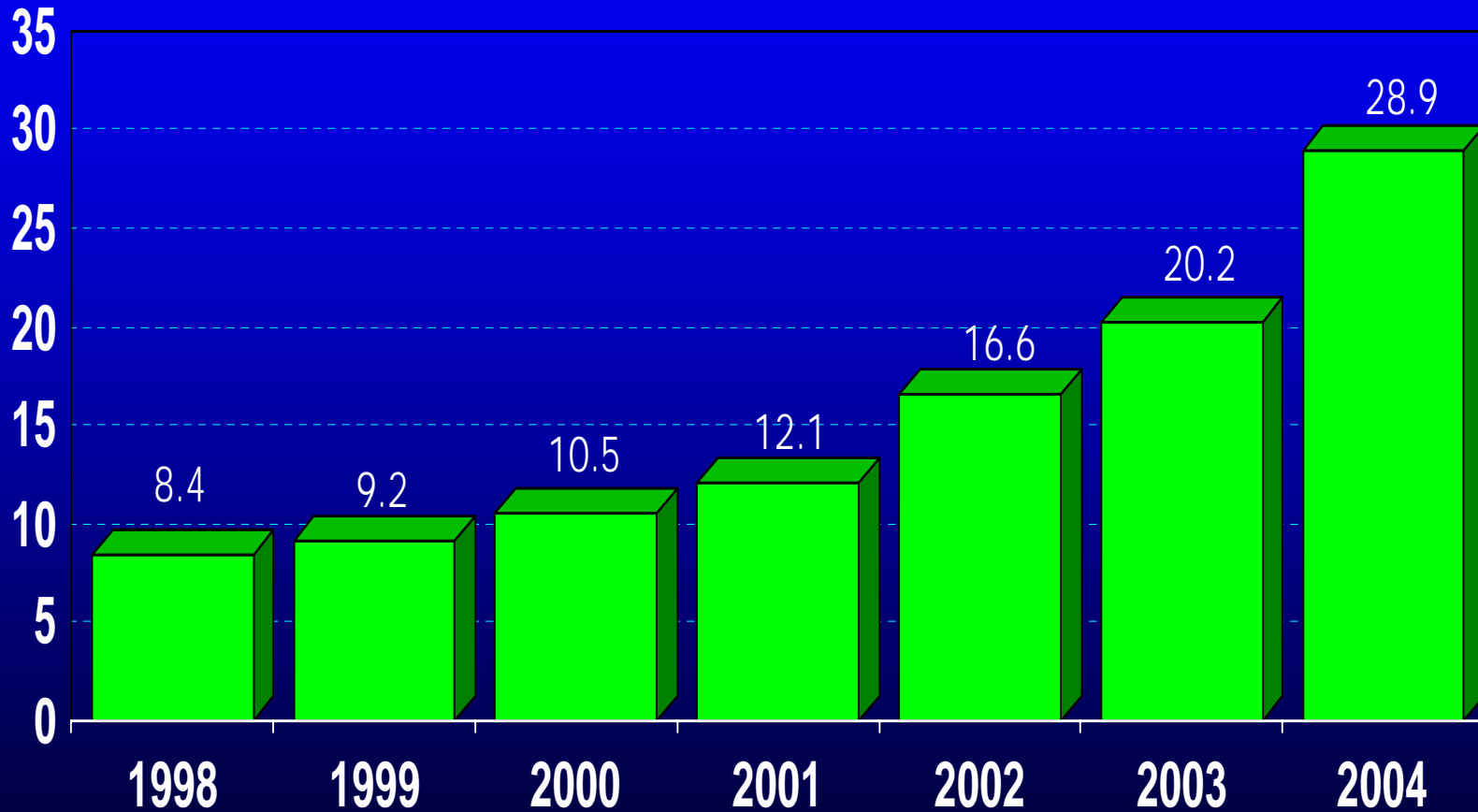
\* Excludes air passenger fares (\$18 billion for U.S. alone)



# CHINA'S TOTAL OUTBOUND TRAVEL MARKET

1998 – 2004

Millions



Source: China National Tourism Administration

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# International Travelers to the U.S. (2004) (continued)

Origin of Visitors	2004 (000s)	04 / 03 % change
<b>Overseas</b> (continued)		
Australia	520	28%
Italy	471	15%
Netherlands	425	14%
Brazil	385	10%
Ireland	345	36%
Spain	333	17%
Venezuela	330	16%
China*	326	20%
India	309	13%

Sources: U.S. Dept. of Commerce, ITA, Office of Travel & Tourism Industries  
 \* China is the combined total for People's Republic of China and Hong Kong.



# U.S. TOTAL INTERNATIONAL TRAVEL EXPORTS/IMPORTS FOR CHINA

Millions of Dollars

<b>Year</b>	<b>TOTAL TRAVEL &amp; TOURISM EXPORTS FROM CHINA</b>	<b>TOTAL TRAVEL &amp; TOURISM IMPORTS TO CHINA</b>	<b>TRAVEL TRADE BALANCE WITH CHINA</b>
<b>2000</b>	<b>\$1,424</b>	<b>\$1,320</b>	<b>\$104</b>
<b>2001</b>	<b>\$1,326</b>	<b>\$1,407</b>	<b>(\$81)</b>
<b>2002</b>	<b>\$1,185</b>	<b>\$1,416</b>	<b>(\$231)</b>
<b>2003</b>	<b>\$858</b>	<b>\$1,155</b>	<b>(\$297)</b>
<b>2004</b>	<b>\$1,115</b>	<b>\$1,990</b>	<b>(\$875)</b>
<b>% Change 2004/2000</b>	<b>-22%</b>	<b>50%</b>	<b>n.a.</b>

Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries  
 n.a = not applicable because of the switch from a trade surplus to deficit  
 Total travel & tourism exports and imports are the sum of travel and passenger fares

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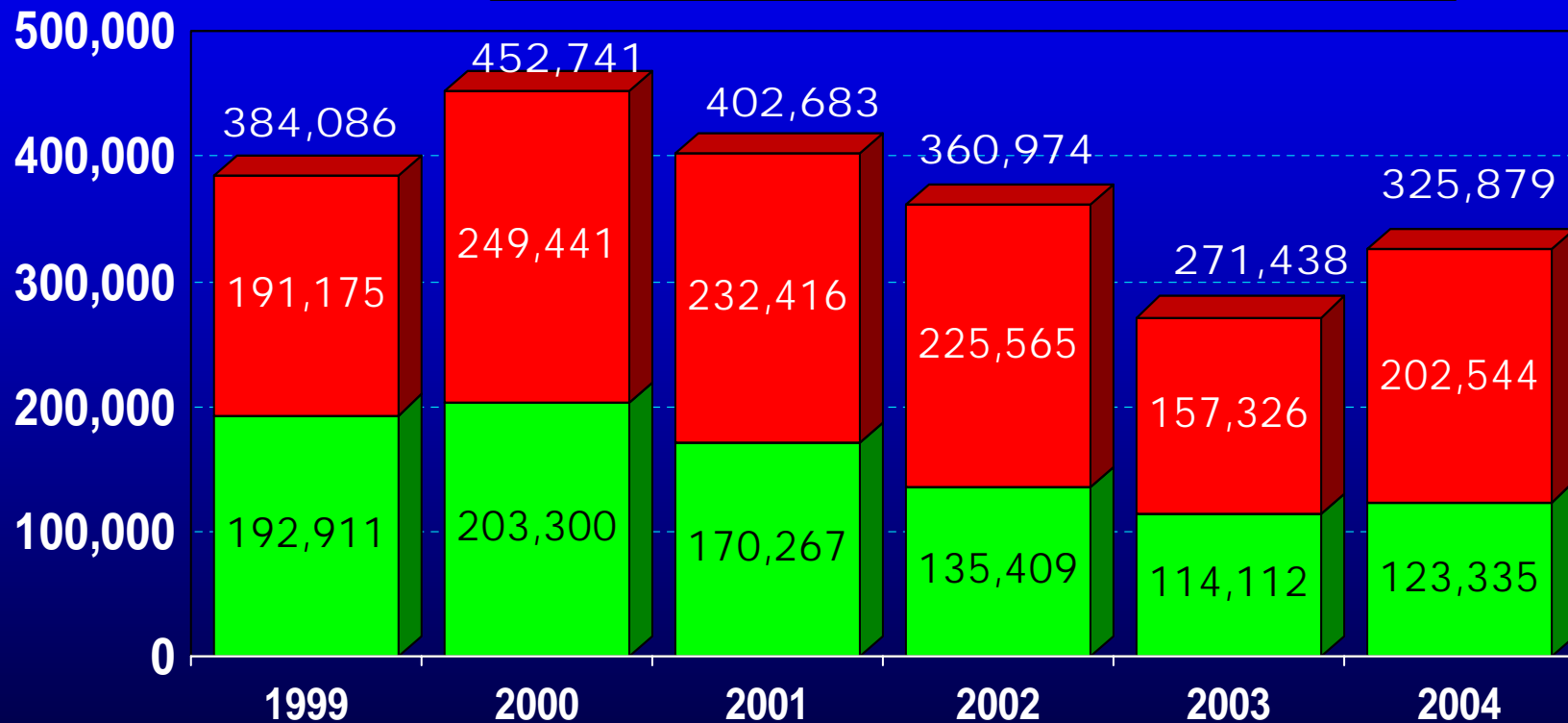


# TOTAL CHINESE ARRIVALS TO THE UNITED STATES

1999 – 2004

Hong Kong

China



Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries

Note: All arrivals are for one or more nights

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## PERCENTAGE CHANGE IN ARRIVALS FOR SELECT MARKETS FOR January - August 2005

	<b>2005 (000)</b>	<b>% Change 05/04</b>
Overseas *	<b>14,374</b>	<b>7%</b>
Asia	<b>4,172</b>	<b>6%</b>
China/Hong Kong	<b>275</b>	<b>23%</b>
China (PRC)	<b>177</b>	<b>31%</b>
Hong Kong (SAR)	<b>97</b>	<b>11%</b>
Grand Total **	<b>27,913</b>	<b>8%</b>

Source: U.S. Department of Commerce, ITA, Office of Travel & Tourism Industries

\* Overseas includes all countries except Canada and Mexico

\*\* Grand total arrivals is under reported because of Mexico

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## INFORMATION SOURCES USED BY ASIAN/CHINESE TRAVELERS TO THE U.S. 2004

<b>Information Sources</b>	<b>All Asian Travelers</b>	<b>China/ Hong Kong Travelers</b>
<b>Travel Agency</b>	<b>56%</b>	<b>51%</b>
<b>Personal Computer/Internet</b>	<b>31%</b>	<b>23%</b>
<b>Tour Company</b>	<b>17%</b>	<b>5%</b>
<b>Friends/Relatives</b>	<b>16%</b>	<b>14%</b>
<b>Airlines Directly</b>	<b>14%</b>	<b>24%</b>
<b>Corporate Travel Department</b>	<b>10%</b>	<b>14%</b>
<b>Trip Decision Time</b>		
<b>Avg. Advance Trip Decision (Days)</b>	<b>58</b>	<b>50</b>
<b>Avg. Advance Airline Reservation (Days)</b>	<b>35</b>	<b>24</b>

Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries

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# PURPOSE OF TRIP FOR ASIAN/CHINESE TRAVELERS TO THE U.S. 2004

<b>Purpose of Trip *</b>	<b>All Asian Travelers</b>	<b>China/ Hong Kong Travelers</b>
<b>MULTIPLE PURPOSE *</b>		
<b>Leisure/Rec./Holidays</b>	<b>67%</b>	<b>39%</b>
<b>VFR</b>	<b>28%</b>	<b>41%</b>
<b>Business/Professional</b>	<b>23%</b>	<b>56%</b>
<b>Convention/Conference</b>	<b>9%</b>	<b>14%</b>

Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries

\* Multiple Response Question

\*\* Net purpose is based upon multiple response, but it eliminates duplicate responses for each purpose

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# ASIAN/CHINESE TRAVELERS TO THE U.S. DESTINATIONS VISITED 2004

## Destination Market Share

<b>All Asian Travelers</b>	<b>China/ Hong Kong Travelers</b>
Hawaii - 29%	California - 49%
California - 28%	New York - 29%
Honolulu - 25%	Los Angeles - 29%
Guam - 17%	New York City - 27%
Los Angeles - 15%	San Francisco - 24%
New York - 14%	Nevada *
New York City - 14%	Las Vegas *
San Francisco - 12%	Illinois *
Nevada/Las Vegas - 8%	Chicago *

Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries

\* Insufficient sample size to provide estimate, but probably next largest destinations

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# ASIAN/CHINESE TRAVELERS TO THE U.S. TOP ACTIVITIES 2004

<b>Leisure Activities*</b>	<b>All Asian Travelers</b>	<b>China/ Hong Kong Travelers</b>
<b>Shopping</b>	<b>91%</b>	<b>89%</b>
<b>Dining in Restaurants</b>	<b>84%</b>	<b>86%</b>
<b>Sightseeing in Cities</b>	<b>46%</b>	<b>46%</b>
<b>Water Sports/Sunbathing</b>	<b>28%</b>	<b>13%</b>
<b>Visit Small Towns</b>	<b>25%</b>	<b>23%</b>
<b>Amusement/Theme Parks</b>	<b>24%</b>	<b>28%</b>
<b>Historical Places</b>	<b>20%</b>	<b>38%</b>
<b>Guided Tour</b>	<b>20%</b>	<b>12%</b>
<b>Touring the Countryside</b>	<b>16%</b>	<b>17%</b>

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Source: U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries

\* Multiple Response Question



## Daily U.S. Carrier Non-Stop Passenger Service U.S./China-China/U.S.

- **City Pairs - flights operated both directions**
  - **New York-Beijing**
  - **Chicago-Beijing**
  - **Chicago-Shanghai**
  - **San Francisco-Beijing**
  - **San Francisco-Shanghai**



# Opening the Skies

- **The U.S.-China Aviation Agreement signed in July 2004 will allow for increases in weekly U.S.-China flights for each countries' carriers to escalate from 54 in 2004 to 249 by 2010.**
- **Under the agreement, there will be 195 new flights, 111 will be cargo-only and 84 passenger, for a total of 138 weekly passenger flights.**



# China Outbound Tourism: a Missed Opportunity for the United States?

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# Growth of China Outbound Tourism

- **The U.S. Government is aware of the Asian forecasts for China outbound travel growth.**
- **The U.S. Government is working on being a player at the table for growth in China outbound tourism.**



# Working with the China National Tourism Administration

- **A U.S. Department of Commerce and China National Tourism Administration MOU was signed in 2004 to expand travel and tourism flows between the two countries.**
- **The first official meeting was held in Beijing (July 2005) to discuss program of work for implementing U.S./China Tourism Export Expansion Initiative.**



# Working with the China National Tourism Administration

- **The second meeting between the U.S. Government and the China National Tourism Administration will take place at the end of March.**
- **The Working Group on China is subsumed under the Joint Commission on Commerce and Trade (JCCT).**



# Planning for Growth in China Outbound Tourism

- **Entry with moderation into the U.S. market is best.**
- **The U.S. Government is increasing staffing in China to respond to the demand in the Chinese market.**



# Planning for Growth in China Outbound Tourism

- **Trade centers have been established in China.**
- **Strong relationships and partnerships have developed between U.S. and Chinese companies, entrepreneurs, planners and regulators in the travel and tourism industry.**



# Growth in China Outbound Tourism: Concluding Thoughts

- **China outbound tourism: a missed opportunity for the United States?**
  - Data shows continued growth of the China outbound market.
  - U.S. Government actively engaged with China National Tourism Administration on initiatives to encourage and facilitate travel and tourism flows between U.S. and China.
  - U.S. poised to meet increased outbound demand.



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- Late-breaking TI News announcements and information releases
- Links and information on the Commerce, Commercial Service Travel & Tourism Team in the USA & Abroad
- Links to other organizations in the travel industry