



New demand structures in the Chinese outbound tourism market and the reaction of a major destination

The Example of Germany's new China tourism strategy 2025

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AGENDA

Part 1

1. Introduction
2. The Big picture Global Peak
3. The Big picture China Peak
4. China's outbound tourism: New demands, new expectations

Part 2

The new China tourism source market strategy for 2025

Prof. em. Dr. Wolfgang Georg Arlt FRGS FRAS

- Born 1957 in West-Berlin, M.A. and PhD FU Berlin, studies in Taiwan and Hong Kong
- First visit to People's Republic of China in 1978
- 1991-1999 owner of Inbound Tour Operator China -> Europe
- Since 2004 Founder and CEO COTRI China Outbound Tourism Research Institute
- Since 2021 Founder and CEO Meaningful Tourism Centre
- 2002 – 2020 Professor for International Tourism Management at German Universities
- 2007 – 2019 Visiting professor at universities in China, United Kingdom and New Zealand
- Since 2003 Research Fellow Japanese Society for the Promotion of Science (Tokyo)
- Since 2012 Fellow Royal Geographical Society (London)
- Since 2015 Fellow Royal Asiatic Society (London)
- Since 2015 Member of UN Tourism (formerly: UNWTO) Expert Panel (Madrid)
- Since 2015 Member of Expert Committee of WTCF World Tourism Cities Federation (Beijing)
- Since 2017 Vice President Western Europe ITSA International Tourism Studies Association (London)
- Since 2017 Fellow of International Association of China Tourism Studies (Guangzhou)
- Since 2022 Vice President Europe EU China Commission (Brussels)

Author of *China's Outbound Tourism* (Routledge, 2006/2011, 2025), Editor in Chief CHINA INTELLIGENCE

The Big Picture: Homo Sapiens Peak



Moving from VUCA times to Schumpeter times:

The future is certain and not embracing creative destruction is economic suicide



Volatility, uncertainty, complexity and ambiguity



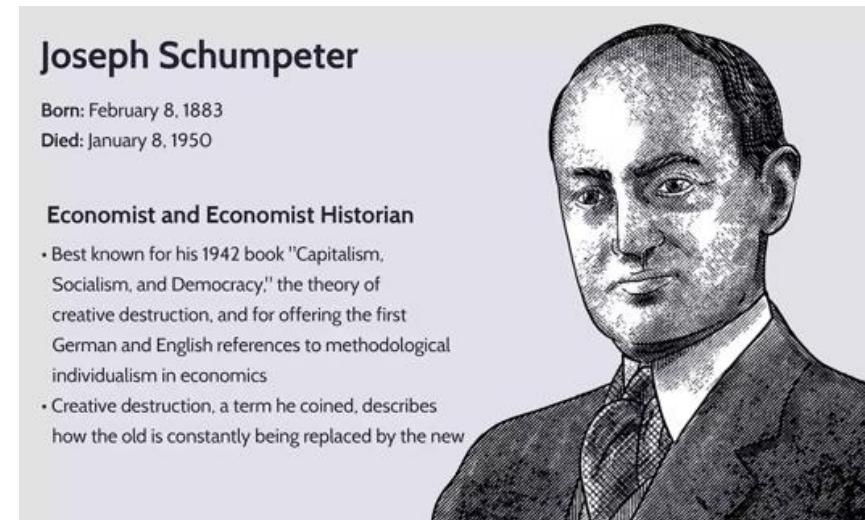
CREATIVE DESTRUCTION

Joseph Schumpeter

Born: February 8, 1883
Died: January 8, 1950

Economist and Economist Historian

- Best known for his 1942 book "Capitalism, Socialism, and Democracy," the theory of creative destruction, and for offering the first German and English references to methodological individualism in economics
- Creative destruction, a term he coined, describes how the old is constantly being replaced by the new



*Hottest months
and hottest
days in modern
times in 2024*

*Highest number
of floods and
forest fires ever
recorded*



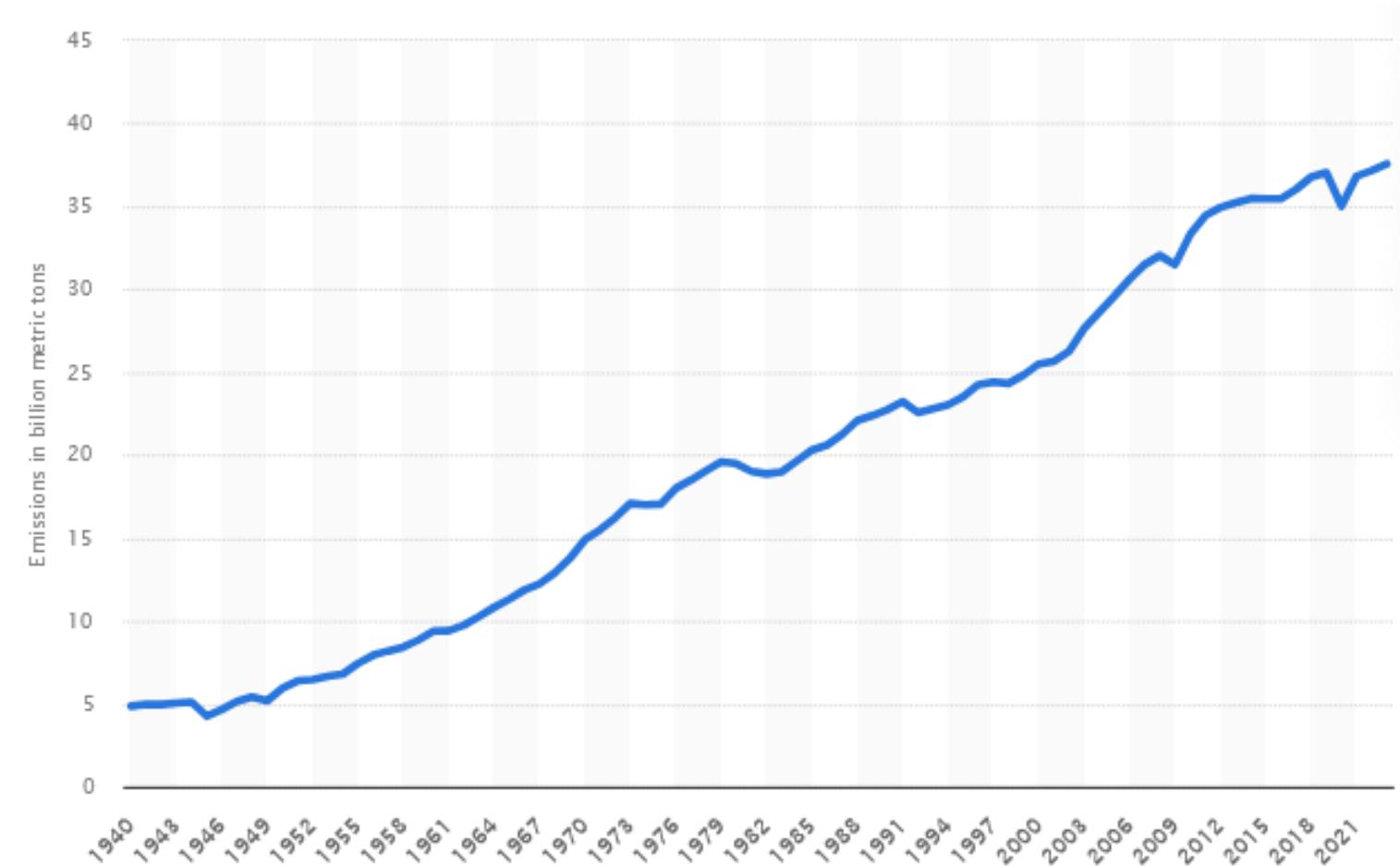
WMO Secretary-General Prof. Petteri Taalas:

„Even if we stop polluting completely tomorrow morning, the situation will get worse every year **for four more decades.**“

*AMOC (Gulf stream) may stop already in 2037,
Northern Europe incl. UK will start disappearing under glaciers*

Not a single one of 17 SDG Sustainable Development Goals to be reached by 2030

Annual carbon dioxide (CO₂) emissions worldwide from 1940 to 2023 (in billion metric tons)



Pope Francis (Apostolic Exhortation Laudate Deum, October 2023): "With the passage of time, I have realized that our responses to Climate Change have not been adequate, while the world in which we live is collapsing and may be nearing the breaking point. It is indubitable that the impact of climate change will increasingly prejudice the lives and families of many persons."

Consequences for Tourism development:

Short-term (within a decade):

Shift from young travellers and families to more senior travellers

Shift from outdoor activities to indoor activities

Shift from summer main season to other seasons

Shift from leisure travel to special interest / health / education travel

Mid-term (within two decades):

Strong decrease of leisure travel

End of beach holidays

Leisure travel no longer affordable for middle classes

Greater importance of affluent non-Western visitors



Longer-term (within three decades): Demise of international leisure travel

The Big Picture: China Peak



After the pandemic: China's economy slowing

China's annual GDP growth (In percent)



Source: China National Bureau of Statistics, Nikkei Asia, Nikkei Quick News

More than 20% urban youth unemployment
Public dept equal to annual GDP
Many county governments bankrupt

2023 5.2% GDP growth - slowest growth outside pandemic period since 3 decades

2024 Q2: 4.7% GDP growth

Need to move from investment-based to consumption-based economy

Government measures to boost economy in September 2024 have short-term positive effect

After the pandemic: China's ecological problems increasing

China experiencing the worst heatwaves ever recorded and unprecedented levels of rainfall.

Agriculture, transportation, industry, energy production and tourism suffering, health hazard for older and sick citizens

China's cities are sinking: Many urban areas react to the weight of the buildings and the receding groundwater levels.

Some parts of Beijing are moving five centimetre per year into the ground.

By 2100 1/3 of China's coastal areas will be under water, SHANGhai will become XIAhai.

China drought causes Yangtze to dry up, sparking shortage of hydropower

Nationwide alert issued with south-west especially badly hit, as major companies forced to suspend work



■ China: world's third largest river dries up in drought - video

A record-breaking drought has caused some rivers in China - including parts of the Yangtze - to dry up, affecting hydropower, halting shipping, and forcing major companies to suspend operations.

After the pandemic: Anxiety among the privileged and Middle Class

Number of foreigners working in China halved compared to 2019

Majority of foreign companies in China working on a partial or complete relocation of production home or to other countries

End of the dream for young Chinese to be the next Jack Ma after the remodelling of Alibaba and restrictions for online companies

2023: 11,000 Chinese millionaires leave China, smuggling 150 billion USD out of the country

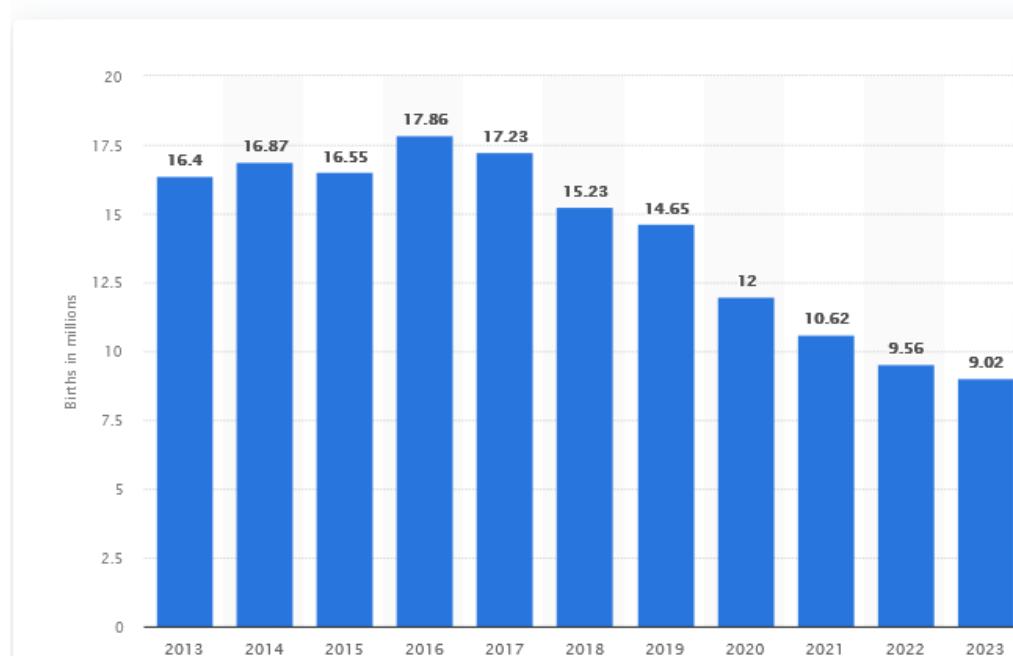
Chinese middle class loses 18 trillion USD from decreasing value of Real Estate



After the pandemic: China's getting old before it gets rich

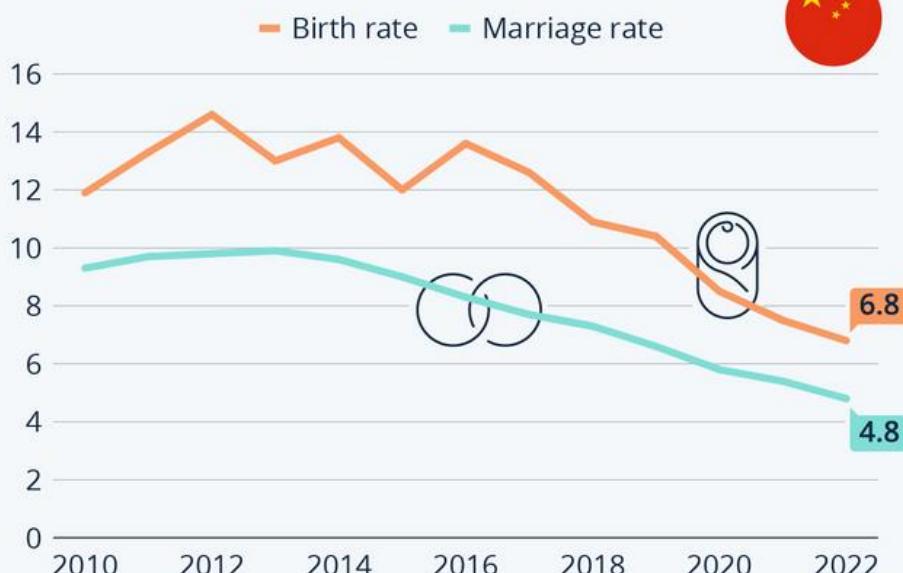
Government now support families with three children, but number of DINKies and single women is increasing.

Number of births per year in China from 2013 to 2023
(in millions)



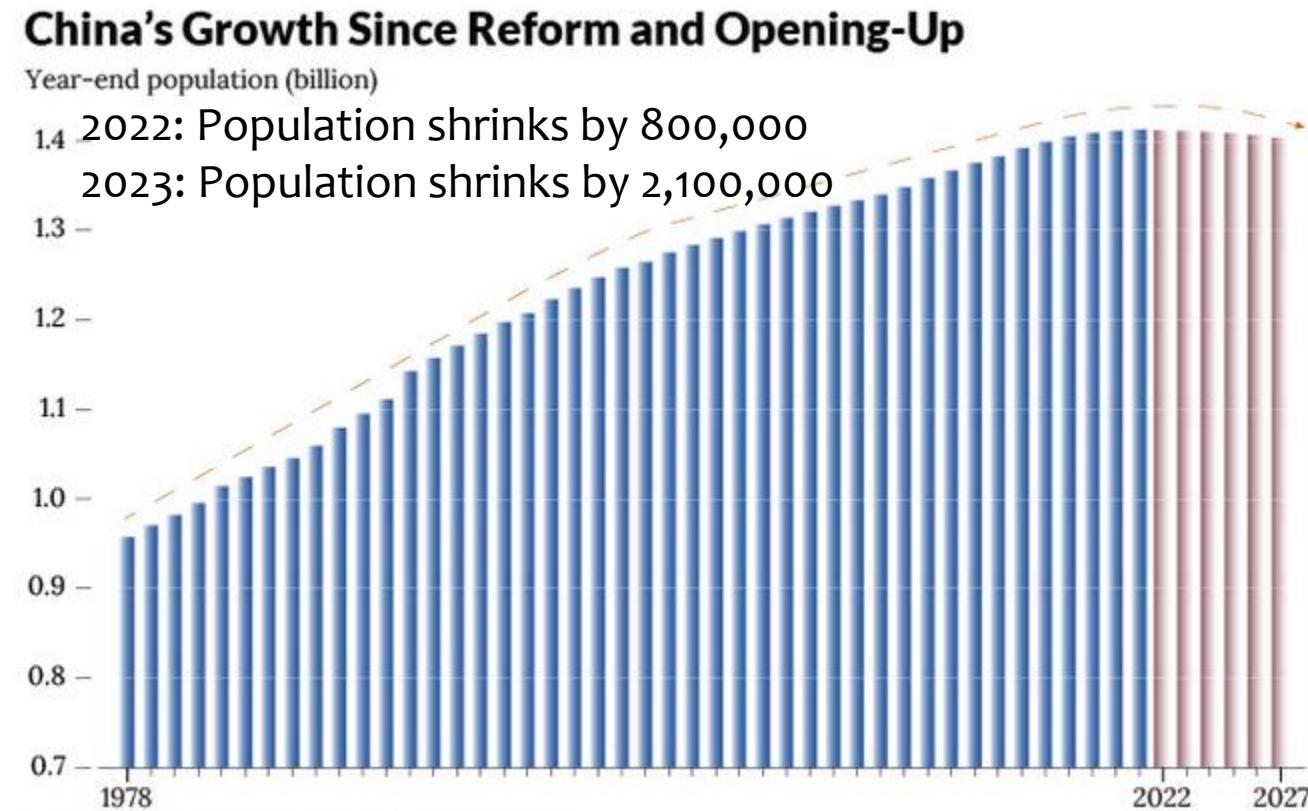
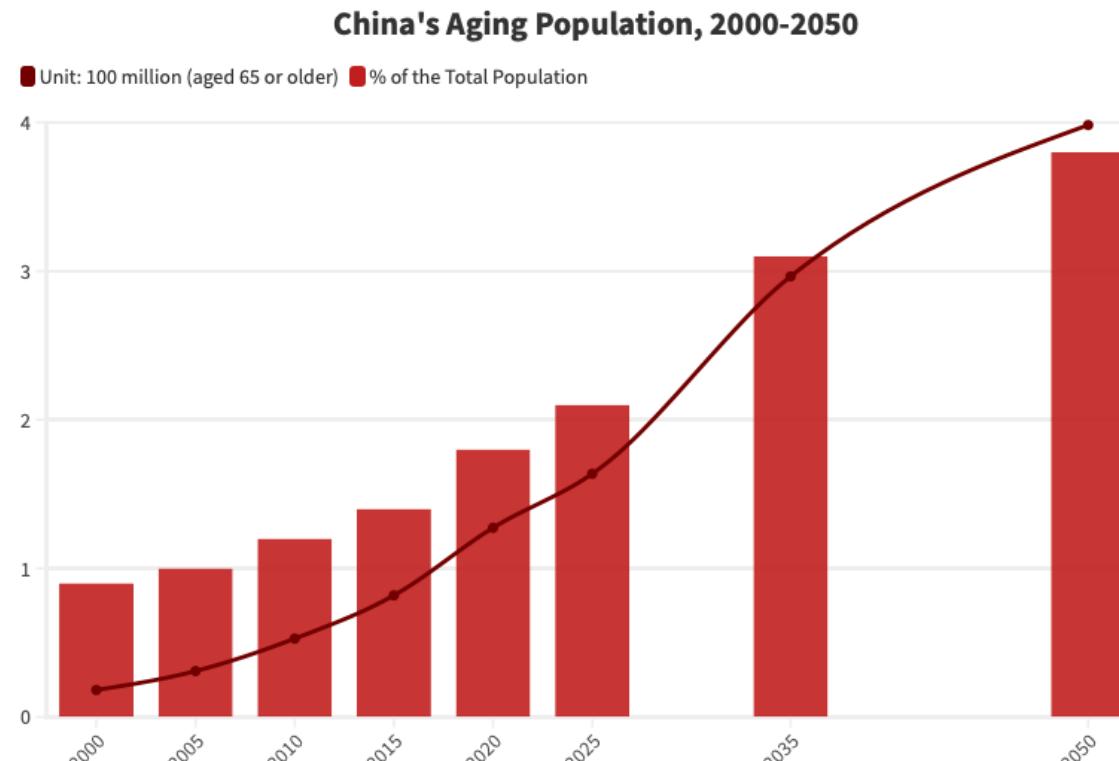
Not Married, No Kids

Number of new marriages and births per 1,000 people in China



Sources: Chinese Ministry of Civil Affairs, National Bureau of Statistics of China

Demographic challenge also has advantages:
 Old folks do not have to care about grand-children anymore,
 can use time and money for travel



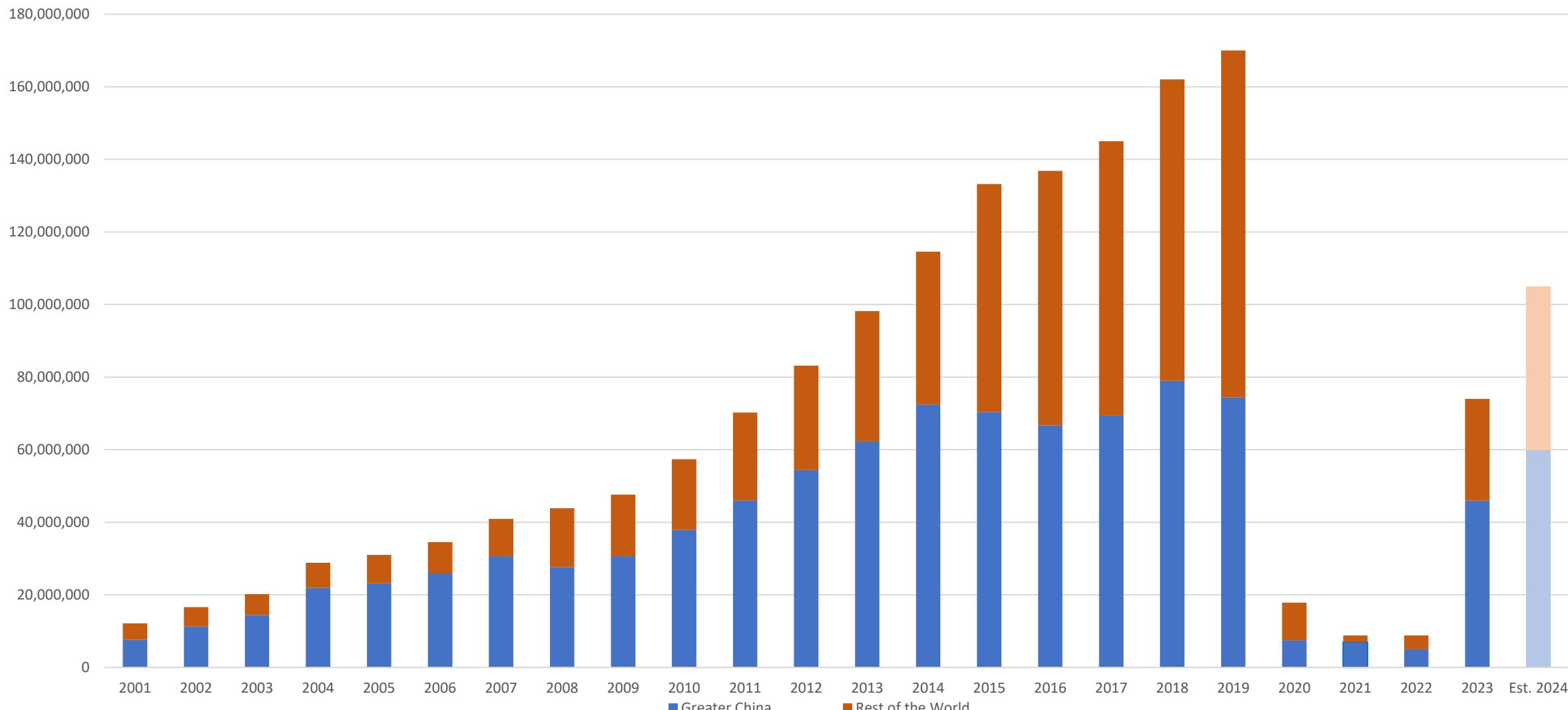
China's outbound tourism: New demands, new expectations



Border crossings from Mainland China

2001-2024

Source: COTRI ANALYTICS



Border crossings from Mainland China per quarter (rounded numbers)

Quarter	2018	2019	2023	2024
Q1	38,000,000	43,000,000	9,800,000	27,000,000
Q2	41,000,000	46,000,000	16,500,000	25,000,000
Q3	43,000,000	44,500,000	24,500,000	
Q4	40,000,000	36,500,000	23,200,000	
TOTAL	162,000,000	169,000,000	74,000,000	

**Golden Week
October:
80% international
flights compared
to 2019**

Source: COTRI ANALYTICS.

100 million Chinese can (still) afford long-distance leisure travel

	Population	Number of people as % of total	Wealth (RMB)	Wealth as % of total	Wealth per capita (RMB)
Rich people	4.6 m	0.33%	290 trillion	67%	63 m 8 m Euro
Middle class	99 m	7%	110 trillion	26%	1.1 m 150,000 Euro
Common people	1.3 bn	92.67	30 trillion	7%	23,000 3,000 Euro
TOTAL	1.404		430 trillion	100%	

China's outbound market

New demand structures, new opportunities

- Less package tours, more independent travellers
- Less First-time visitors to main destinations
- More DINKIEs, more LOHAS, more Silver-hair traveller
- Exclusivity (luxury hotels, gourmet private groups)
- Nature (outdoor hiking, camping/glamping)
- “Discovering” new destinations
- Authentic experiences
- Meeting local people
- Special interest tours: bleisure, health, education, immigration, events
- Less shopping brands, more shopping regional goods
- Less language problems thanks to translation Apps

Chinese travelers: Preferred outbound travel themes for 2024

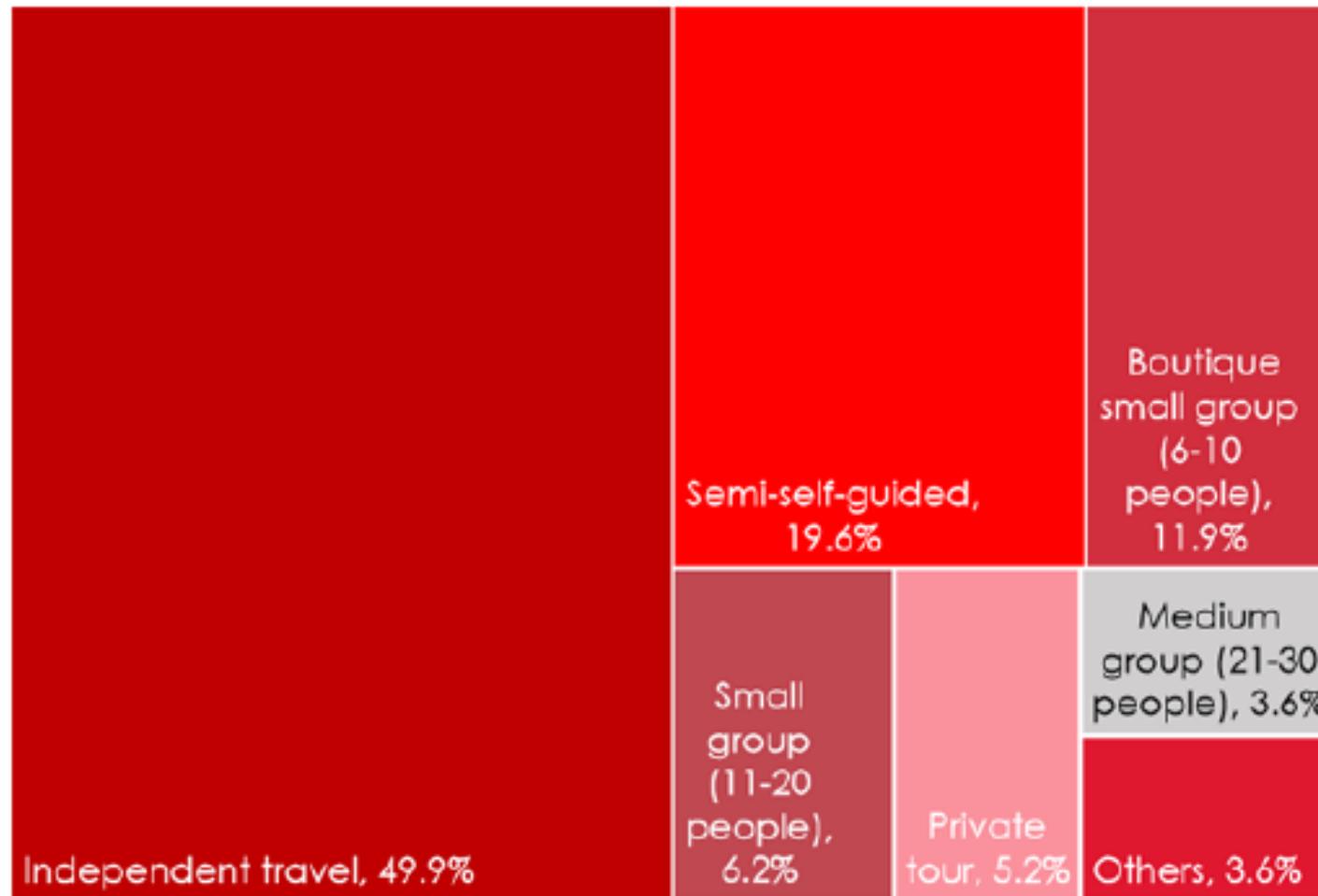
N=636



Shopping down to No. 6
1/3 for Slow travel and
Wellness

Which travel type do you prefer for your next outbound trip?

N=1015



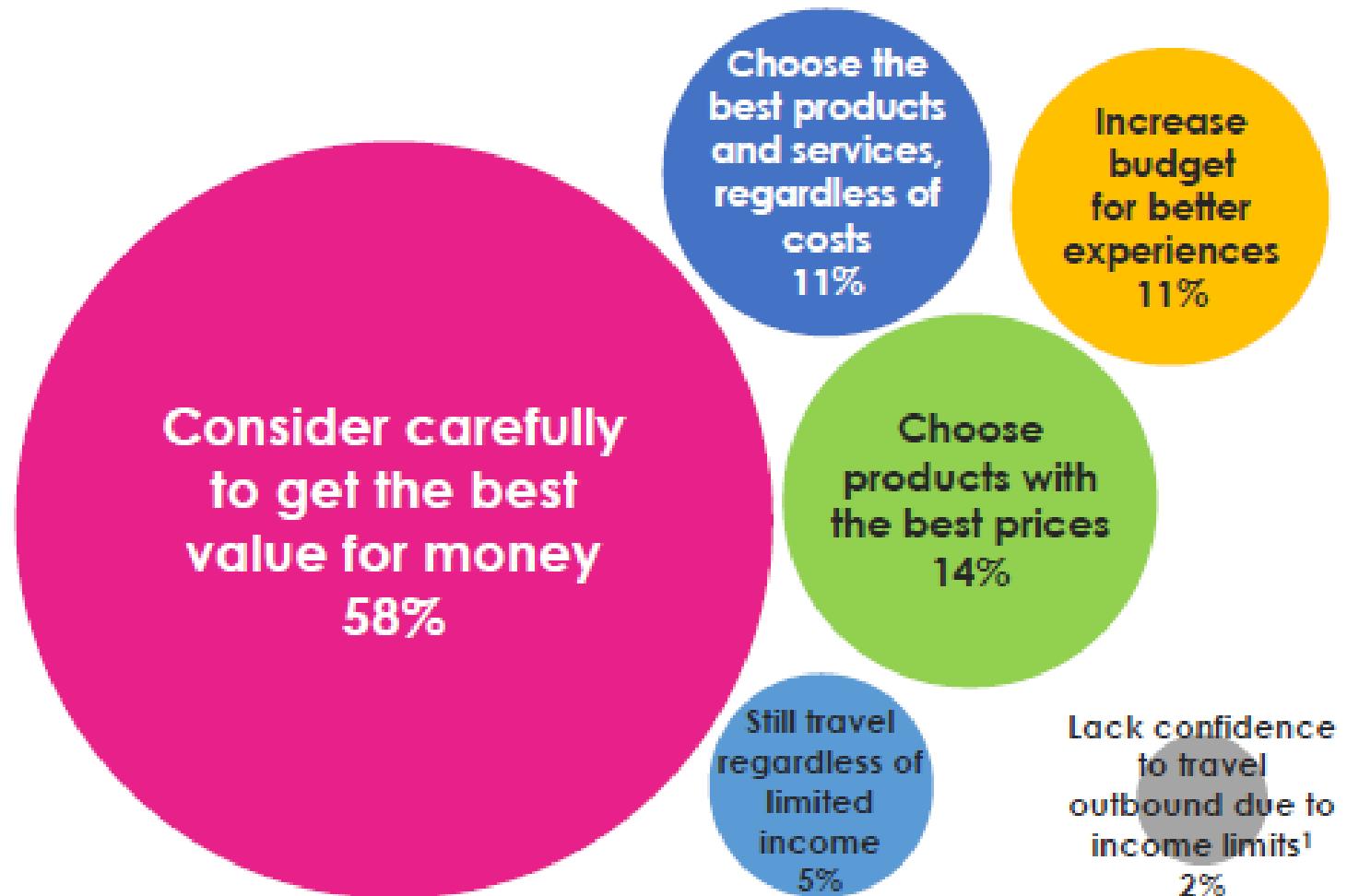
Large group 0.9%
Independent 49.9%

* Others category includes local group tour (1.1%), customized tour (1.3%), and large group (30 or more people) (0.9%)



Which of the following descriptions best matches your current attitude toward outbound travel?

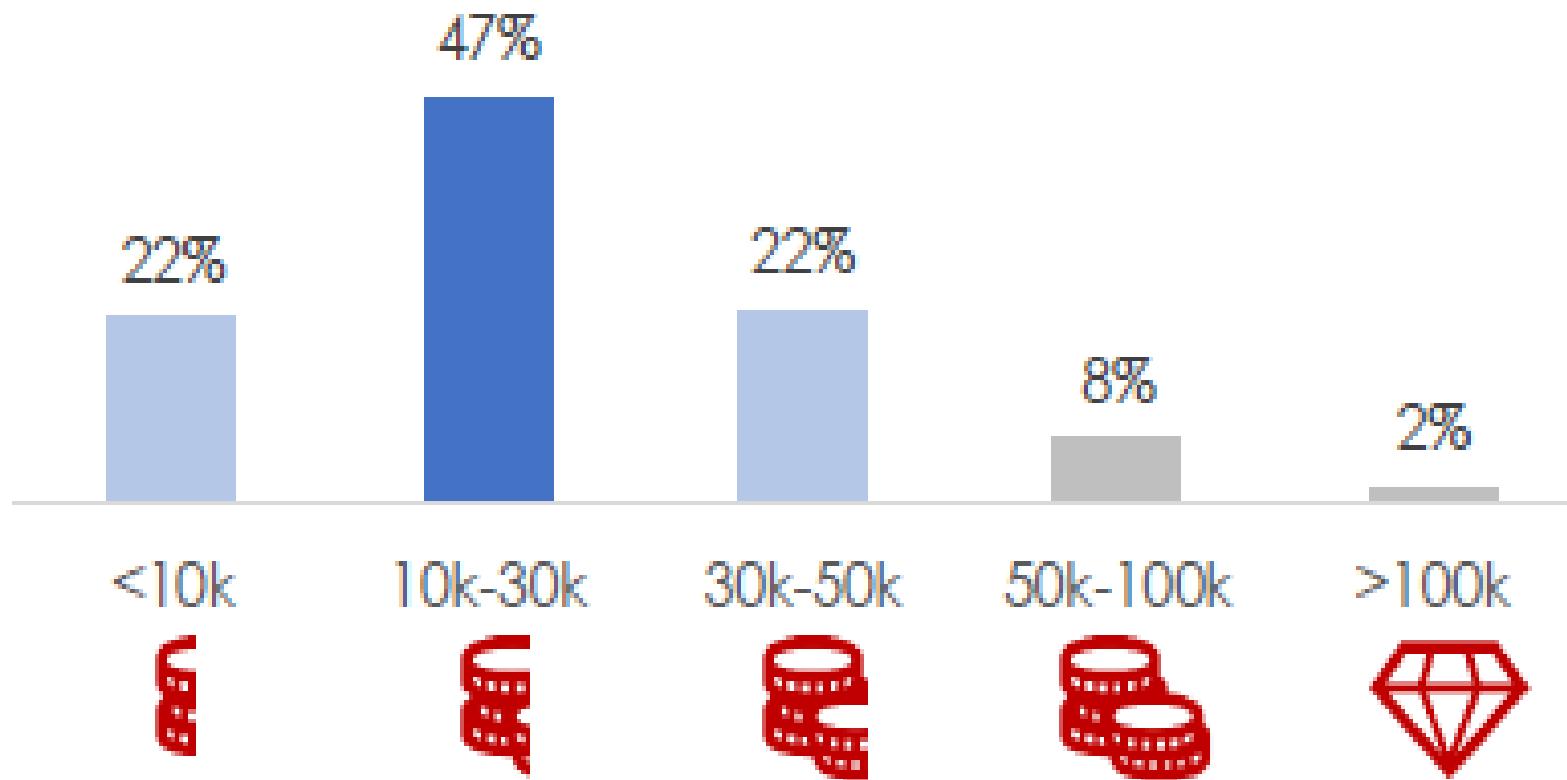
N=1015



From conspicuous consumption to Value for money

¹This option was only shown to respondents who said they definitely won't travel outside mainland China in 2024

What is your budget for your next outbound trip (RMB)? N=1015

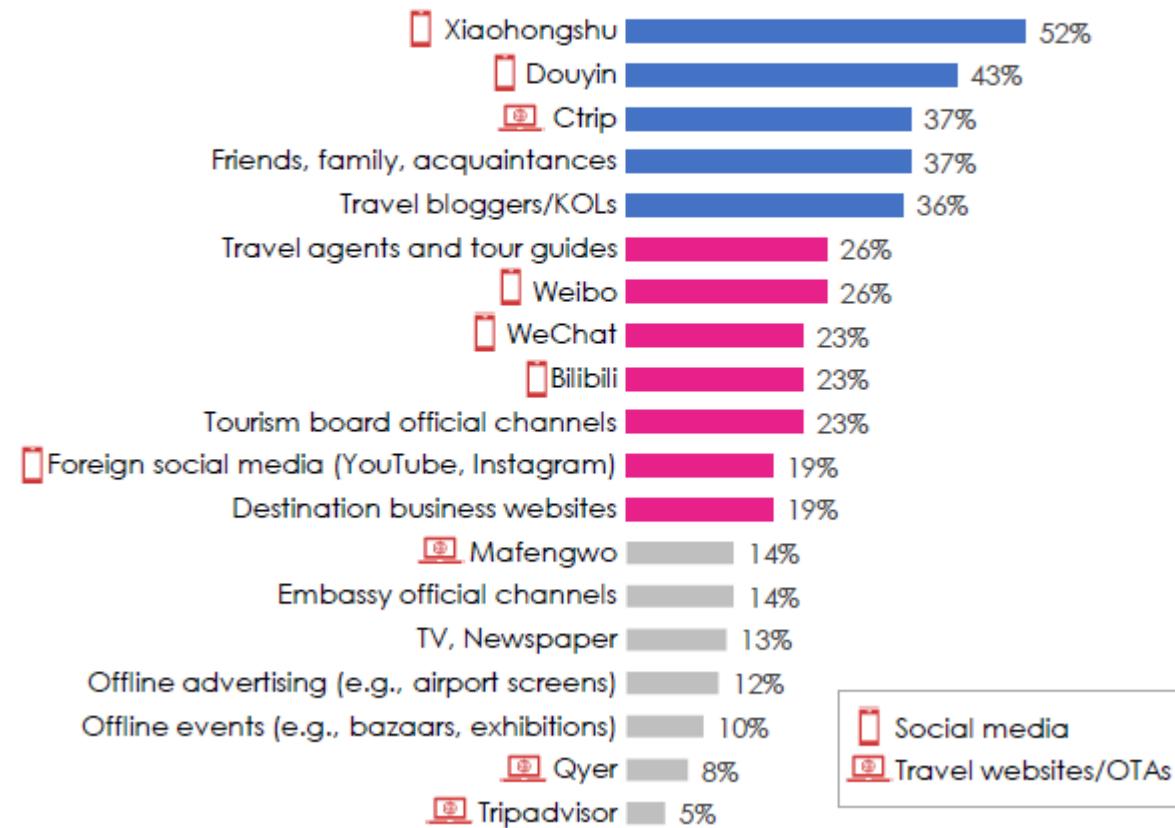


100k = 14,000 USD

10% plan to spend
more than 7,000 USD

Chinese travelers: Channels used for destination information

N=1015



Xiaohongshu the new leader

Thank you very much for your attention!
Let's have a discussion of Part one.



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