Chinese Outbound Tourism to Nepal and CoViD-19
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Welcome to the Webinar!

Structure:
• Welcome by NTB and COTRI
• Nepal NOW
• Trends of Chinese outbound tourism globally at the end of 2019 and today
• Trends of Chinese outbound tourism to Nepal at the end of 2019 and today
• The development of the CoViD-19 crisis
• How to react to the crisis?
• How to prepare for the next wave of Chinese outbound travellers to Nepal?
• Questions and Answers
In April 2015, when the Gorkha earthquake struck, almost 9,000 citizens lost their life and many buildings and temples were destroyed.

Between May and December 2015 only 22,000 Chinese visitors arrived in Nepal.

However, the infrastructure could be repaired, the heritage rebuild. Between May and December 2016 already 72,000 Chinese visitors could be welcomed, for the same period 2019 105,000 guests from China arrived in Nepal.

The crisis came and went, the fascination of the Chinese visitors with the culture, heritage, nature and hospitality of Nepal remains.
COTRI China Outbound Tourism Research Institute is the world’s leading independent research institute for consulting, research, information, training, and quality assessment relating to the Chinese outbound tourism market.

COTRI is a privately organised, independent institute registered in Germany. In addition to the head office in Hamburg, Germany, COTRI has a Chinese office based in Beijing.

COTRI was established in 2004 by its founder and CEO Prof. Dr. Wolfgang Georg Arlt FRGS FRAS, a sinologist and expert in international tourism management with more than 40 years of practical and academic experience in Chinese tourism.

COTRI’s main goal is to enable private companies and public institutions all over the world to offer successfully high quality travel, tourism, and leisure services for Chinese visitors according to their specific expectations and demands.

To reach this goal, COTRI offers a broad range of customised services including consulting, market research, strategy development, quantitative analysis and data, training and other services for a range of companies, public organisations and destinations.

To support its customers in the Chinese market, COTRI uses its vast databases, extensive scientific, cultural, and industry knowledge and experience as well as the close contacts and partnerships with most leading public and private sector tourism organisations in China and all over the world.
First visit to People’s Republic of China in 1978
1991-1999 owner of Inbound Tour Operator China -> Europe, offices in Beijing and Berlin
Since 2004 COTRI founder and CEO
2002 – 2020 Professor for International Tourism Management at West Coast University of Applied Sciences Germany (Heide)
Visiting professor at universities in China, United Kingdom and New Zealand
Fellow Royal Geographical Society (London)
Fellow Royal Asiatic Society (London)
Research Fellow Japanese Society for the Promotion of Science (Tokyo)
Board member PATA Pacific Asia Travel Association (Bangkok)
Vice President Western Europe ITSA International Tourism Studies Association (Beijing/Greenwich)
Fellow of International Association of China Tourism Studies (Guangzhou)
Member of UNWTO Expert Panel (Madrid)
Member of Expert Committee of WTCF (Beijing)
Chinese Outbound Tourism to Nepal and CoViD-19

Nepal NOW
STATUS ON THREAT OF CORONA VIRUS

05 NOT NEAR - DISTANCE 2823 KM

01 NO IMPACT - 0 CASE OF INFECTION
02 WE CARE - SPECIAL MEDICAL UNIT
03 IN ARRIVAL (JAN 2020) - 2% GROWTH
04 NEPALESE STUDENTS IN CHINA - 0 CASE OF INFECTION
06 INTERNATIONAL ENTRY

1 INTERNATIONAL AIRPORT
300 TRAVELERS
3-0 TRAVELERS
52-14 TRAVELERS

Conceptualized by:
Deepak R Joshi
Chinese Outbound Tourism to Nepal and CoViD-19

PREPAREDNESS

SPECIALISED MEDICAL DESK IN ENTRY POINTS
THERMAL SCREENING OF PASSENGERS
HAND SANITIZERS & ENHANCED HYGIENE AT TOURIST SERVICES
REGULAR MONITORING FROM PUBLIC & PRIVATE SECTOR
HIGH LEVEL OF VIGILANCE FROM GOVERNMENT OF NEPAL
MASSIVE AWARENESS & TRAINING CAMPAIGNS

PRECAUTIONS

USE MASK
WASH HAND
AVOID CONTAGED PEOPLE
AVOID AGGLOMERATIONS

for latest & more information:
www.nepalnow.org
Trends of Chinese outbound tourism globally at the end of 2019 and today
Trends of Chinese outbound tourism globally at the end of 2019 and today

Border crossings from Mainland China 2001-2020
Source: COTRI Analytics
## Wealth Distribution in China and India 2019

<table>
<thead>
<tr>
<th>Class</th>
<th>Spending amount per day (PPP)</th>
<th>Percentage and total number of population</th>
<th>Percentage and total number of population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>India</td>
</tr>
<tr>
<td>High</td>
<td>More than 50 USD</td>
<td>0.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,200,000</td>
<td>1,340,000</td>
</tr>
<tr>
<td>Upper-middle</td>
<td>20-50 USD</td>
<td>9.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>135,800,000</td>
<td>8,040,000</td>
</tr>
<tr>
<td>Lower-middle</td>
<td>10-20 USD</td>
<td>29.0%</td>
<td>2.6%</td>
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<tr>
<td></td>
<td></td>
<td>406,000,000</td>
<td>34,840,000</td>
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<tr>
<td>Low</td>
<td>2-10 USD</td>
<td>59.6%</td>
<td>72.2%</td>
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<tr>
<td></td>
<td></td>
<td>834,400,000</td>
<td>967,480,000</td>
</tr>
<tr>
<td>Poor</td>
<td>Less than 2 USD</td>
<td>0.9%</td>
<td>24.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,600,000</td>
<td>328,300,000</td>
</tr>
</tbody>
</table>
Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 1: Further segmentation of Chinese outbound tourism source market

Today no more than 10% of Chinese citizens possess passports. Most of them live in 1st and 2nd tier cities. But the lower tier city dweller are catching up. More very young and older Chinese travel abroad.

75% of Chinese tourists believe that travelling is a vital factor for improving their life quality and happiness.
Chinese Outbound Tourism to Nepal and CoViD-19

Trends of Chinese outbound tourism globally at the end of 2019 and today

TRENDS

TREND 2: Customised Tours

Between FITs and package tours the new segment of customised tours is getting more and more importance. By 2022 all three forms will have equal market shares.

- Mainly touristic landmarks
- Fixed itinerary
- Hidden costs, e.g. optional activities
- Coerced shopping

- Small private groups with greater say over chosen itinerary and activities
- Services that are flexible, thoughtful, hassle-free and professional
- No hidden cost
- Consultancy services provided
- Relatively higher cost

- Can make own decisions - freedom
- Various OTAs can provide services as requested
- Flexible to change during trips
- Time-consuming in travel planning
TRENDS OF CHINESE OUTBOUND TOURISM GLOBALLY AT THE END OF 2019 AND TODAY

TREND 3: FROM QUANTITY TO QUALITY

Quality and value for money take the place of quantity and cheap price especially for FITs and customised tours and for millennials. Growing interest in new, authentic offers based on local culture and nature if provided and communicated in the right way and through the right channels.

THE TOURISTS SPLASHING THE MOST CASH

Top countries by international tourism expenditure in 2018 (billion U.S. dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total 2018 spending</th>
<th>% change on previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>277</td>
<td>5</td>
</tr>
<tr>
<td>United States</td>
<td>144</td>
<td>7</td>
</tr>
<tr>
<td>Germany</td>
<td>94</td>
<td>1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>76</td>
<td>3</td>
</tr>
<tr>
<td>France</td>
<td>48</td>
<td>11</td>
</tr>
<tr>
<td>Australia</td>
<td>37</td>
<td>10</td>
</tr>
<tr>
<td>Russia</td>
<td>35</td>
<td>11</td>
</tr>
<tr>
<td>Canada</td>
<td>33</td>
<td>4</td>
</tr>
<tr>
<td>South Korea</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>30</td>
<td>4</td>
</tr>
</tbody>
</table>
Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 4: Rapid easing of visa requirements for Chinese outbound tourists

In 2018 and 2019 many countries offered for the Chinese market visa free travel, eVisa, visa on arrival, multiple entry visa or other simplifications of access to the destination.
Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 5: More direct flight connections

Every year in recent years more than 100 new international air connections between Chinese airports and international airports were added. Most of these connections created non-stop flight opportunities between second tier airports in China and abroad.
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Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 6: More information available

Most global destinations have intensified their provision of information to both Chinese outbound tour operators and to potential FIT visitors especially through Social Media. With each year of Chinese travellers visiting more diverse destinations the shared knowledge about destinations is getting bigger as well.

Milan partners with WeChat to connect with Chinese travelers

October 18, 2019
Chinese Outbound Tourism to Nepal and CoViD-19

Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 7: Cashless payment

Prior to the emergence of mobile payment apps in China, the country was primarily a cash-based society. However today, apps like Alipay and WeChat have transformed China into a cashless society. Chinese outbound tourists demand to be able to pay via the phone also abroad.
Trends of Chinese outbound tourism globally at the end of 2019 and today

TREND 8: Technology helps

Language problems can be solved by the use of specialised translation devices or Apps which use sound for input and output or which automatically translate menus, signs etc.
Trends of Chinese outbound tourism globally at the end of 2019 and today

Summary

The basic trends of Chinese outbound tourism will continue, with the only exception that it will probably take some time before simplified visa regulations come back into force for Chinese visitors.
Chinese Outbound Tourism to Nepal and CoViD-19

Trends of Chinese outbound tourism to Nepal at the end of 2019 and today

Nepal: Before and after the Earthquake

![Graph showing trends of Chinese arrivals to Nepal from 2002 to 2019.]

![Bar chart showing NEPAL ARRIVALS FROM CHINA from 2002 to 2014.]

![Bar chart showing NEPAL ARRIVALS FROM CHINA from 2015 to 2019.]

![Graph comparing NEPAL ARRIVALS FROM CHINA before and after the 2015 earthquake.]

![Graph showing the impact of CoViD-19 on NEPAL ARRIVALS FROM CHINA.]
Chinese Outbound Tourism to Nepal and CoViD-19

Trends of Chinese outbound tourism to Nepal at the end of 2019 and today

Nepal: Arrival by month 2017-2019
Chinese Outbound Tourism to Nepal and CoViD-19

Trends of Chinese outbound tourism to Nepal at the end of 2019 and today

Visit Nepal 2020 and NICE: Meaningful initiatives with unfortunate timing
Trends of Chinese outbound tourism to Nepal at the end of 2019 and today

Nepal fitting into many trends of Chinese outbound tourism:

- Authenticity
- Adventure and Nature-based tourism
- Health tourism
- Looking for natural hospitality
- Searching places with few other Chinese guests
- Medium-distance trips of three to four nights
- Searching for the meaning of life

Moving towards 500,000 arrivals from China per year
The development of the CoViD-19 crisis

Dec. 31
Chinese authorities are treating dozens of cases of pneumonia of unknown cause in Wuhan, capital of Hubei Province.

Jan. 11
China reports its first death.

Jan. 20
Other countries, including Japan, South Korea, Thailand and the United States, confirm cases.

Jan. 23
Wuhan, a city of more than 11 million, is cut off by Chinese authorities. International group travel is forbidden.

Jan. 30
The World Health Organization declares a global health emergency.

Jan. 31
Many airlines suspend services to China, entry into the USA and other countries becomes restricted, visa regulations are made stricter by more than 60 countries in this period.
The development of the CoViD-19 crisis

Feb. 2
The first coronavirus death reported outside China in the Philippines.
Feb. 5
Several countries start evacuating nationals from Hubei Province.
A cruise ship in Japan quarantines thousands of passengers.
Feb. 7
Dr. Li Wenliang dies after contracting the coronavirus. He is hailed in social media as a hero for his attempt to ring early alarms that a cluster of infections could spin out of control, but being silenced as distributing illegal rumors.
Feb. 11
The death toll in China tops 1,000.
Feb. 13
The Communist Party fires top officials of Hubei Province and Wuhan.
Feb. 14
France announces the first coronavirus death in Europe, an 80-year-old Chinese tourist.
Feb. 21
Iran announces first deaths from coronavirus cases.
Feb. 24
More cases in European countries result in falling stock market and oil prices.
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The CoViD-19 crisis now

Feb. 24 -- A total of 24 provinces reported no newly confirmed cases of novel coronavirus (COVID-19) infection. Seven provinces reported no more than two newly confirmed cases Monday Feb 24.

The overall number of new infections of COVID-19 outside Hubei Province, the epicenter of the outbreak, dropped to nine on Feb 24, with 499 cases reported in Hubei.

In China, virus spread outside of Hubei is ending, but global spread/discovery is growing in line with increased testing.
When will the CoViD-19 crisis end?

The National Health Commission is claiming that the continuing drop in new cases shows that China was managing to curb the outbreak and that the effects of epidemic prevention and control in various parts of the country can already be seen. China’s State Council pointed out that also the proportion of infected patients considered to be in a “serious condition” has dropped nationwide from more than 15% to just over 7%.

Meanwhile, leading international experts like the US-based veteran fighter against AIDS, SARS and MERS, Prof. Ian Lipkin, estimate the mortality rate of the coronavirus to be much less than 1%. This seems to be confirmed by the fact that out of hundreds of thousands of medical workers which have come in contact with Covid-19 infected persons in China, according to numbers published by the Chinese government, around 1,700 have fallen ill from the disease (65% in Wuhan, 25% in rest of Hubei) and less then ten of them have died.

Bloomberg quotes three other leading researchers from Florida, London and Hong Kong, all agreeing that the virus, now called SARS-CoV-2, could spread to two-third of mankind as it is transmitted easily and in many different ways.
When will the CoViD-19 crisis end?

As WHO explains online in the Q&A page on influenza: “A pandemic occurs when an influenza virus emerges that most people do not have immunity from because it is so different from any previous strain in humans. This enables the strain to spread easily between people. Seasonal influenza viruses may contribute to the emergence of a pandemic virus; and once a pandemic virus has been established, as with the pandemic A (H1N1) in 2009, it can become a seasonal virus.”

So the discussion of “When it will peak?” is moving to the much more relevant question of “How dangerous is it as a seasonal virus?”. All known evidence points in fact towards an answer of “Fortunately less dangerous than the common flu”.

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How to react to the crisis?

A best practice example from Albania:
Landways international

How to work with Chinese partners and how to turn the crisis into an opportunity to strengthen the relationship for the post-virus time is an important question to answer.

Let us look at a Best Practice Example from Landways International, a company which handled last year around 500 groups from China.

Landsways is based since 2005 in Tirana, Albania as a ground operator in the Balkan and Central-Eastern European regions. In the video below, you will see how the main tasks were completed and also an example of a support video.
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How to react to the crisis?

What can we learn from the best practice example?

1) Keep close contact with all partners in China and asked for their most urgent needs.
2) Try to support them, if only in a symbolic way.
3) Send letters on your stationary signed by all managers stating your support and empathy.
4) Show your interest in the welfare and the situation of your counterparts in China.
5) Use the time to reflect on your work with the Chinese market and to work out new products.
6) Use the time to do online trainings yourself and provide trainings to your staff.
7) Provide also additional information about the different destinations and activities in Nepal.
8) Be as lenient as possible in waiving or at least postponing cancellation fees.
9) Do something which shows the involvement of all your staff in the work to support China, with a video or a jointly painted picture etc.
How to react to the crisis?

Other creative ideas
The biggest OTA Ctrip has facilitated cloud tourism for over 3,000 attractions in 832 cities in 48 countries. People can use cloud computing to virtually view Shanghai's indoor flowers. The Forbidden City's courtyards can be experienced in 360 degrees online. And virtual visitors to the Beijing Zoo can listen to audio introductions about the animals.
Baidu.com has launched around 300 online museums.
Travelgo.com has developed free virtual-reality promotions of destinations.

Cloud tourism has replaced on-site visits and ranks among the 10 most popular activities for youth stranded at home, according to Xiaohongshu, an Instagram-like Chinese lifestyle-sharing platform.

Travel agencies and homestay owners are promoting advanced bookings with significant discounts.
Companies have been embracing emerging business models while also preparing for the post-epidemic boom. People have spent more time viewing travel logs, destination guides and travel livestreams during the outbreak.
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How to react to the crisis?

Government interventions
Governments around the world has put up programmes to support the local tourism industry. Examples:

Singapore
✓ Exempt registration fee for hotels, travel companies, and offer them help in disinfection
✓ Provide 30,000 Singapore dollars to hotels house coronavirus patients and 10,000 Singapore dollars to house coronavirus suspects

Germany
✓ Keep close contact with Chinese tourism industry
✓ Flexible and creative marketing strategy
✓ Preparing “China market recovery plan” targeting specific groups of Chinese travellers

Australia
✓ Spend 760 billion Australian dollars on a new round of marketing overseas

Hong Kong
✓ Increase special funding to help companies influenced by the coronavirus outbreak

Malaysia
- Hotels, tour operators, and airlines offer special discount
How to react to the crisis?

Government interventions
Governments around the world has put up programmes to support the local tourism industry. Examples:

Malaysia
✓ Hotels, tour operators, and airlines offer special discount
✓ Encourage citizens to travel domestically in Malaysia instead of making outbound trips

Thailand
✓ Give special discounts to elder travellers
✓ Reduce tax of certain industries to relieve unemployment

Vietnam
✓ Exemption from tickets at some attractions
✓ Simplify visa policies for travellers from some other countries

Philippines
❖ Release a promotional video in which President Duterte encourages people to travel with him together in Philippines and states coronavirus will not impact domestic traveller
How to prepare for the next wave of Chinese outbound travellers to Nepal?

Experts are optimistic about the post-epidemic recovery.

"There will be a strong rebound," Ctrip.com's executive chairman James Liang says, citing the post-SARS market."
"During the SARs quarter, demand came down but when SARS came under control, we saw double to triple demand," Jane Sun, CEO of Trip.com Group, tells CNN Travel. "Our belief is that as long as medical personnel can develop prevention methods and we can control this virus, the demand and buying power will be there. We are confident that for the Chinese economy and travel industry, it will come back strong."

SARS:
2002 16,602,300 departures from Mainland China
2003 20,221,900 - for three months in 2003 almost no Chinese left China, still +22%
2004 28,850,000 +43%
2005 31,026,300
Chinese Outbound Tourism to Nepal and CoViD-19

How to prepare for the next wave of Chinese outbound travellers to Nepal?

The next wave of Chinese outbound travellers to Nepal is sure to arrive later in 2020.

- Use offline and online trainings to learn more about the market
- Make preparations to attract the more affluent and more interested market segments looking for quality rather than rock-bottom prices
- Work together with colleagues, NTB, PATA to jointly develop new offers in new parts of the country
- The search for a life close to nature, close to the foreign culture and for authentic experiences translates into the possibility to include less famous destinations and SME generated services within Nepal.
- Homestays with local families, courses in local cuisine, local knowledge about herbs and other plants, bird and other wildlife watching, classes for local dances and songs, handicrafts etc. are all possible products fitting for the demand of experienced Chinese travellers.
COTRI and the globally top-ranked Hong Kong Polytechnic University, School of Hotel and Tourism Management (SHTM) have pooled their expertise to provide the comprehensive CTT China Tourism Training online programme which offers five executive-level specialisations for a range of key industry branches. These consist of Hospitality, Destinations, Retail, Attractions and Transportation.

The trainings are flexible, self-paced and contain numerous professional Best Practice Examples and up-to-date information, ensuring that learning is practically-focused, interactive and engaging.
Chinese Outbound Tourism to Nepal and CoViD-19

Questions and Answers
Chinese Outbound Tourism to Nepal and CoViD-19

More information to read:
Free subscription: **COTRI Weekly** on [www.china-outbound.com](http://www.china-outbound.com)

More information to look at:
Every two weeks a new **China Outbound Pulse Videos** produced by DragonTrail & COTRI featuring Interviews with Chinese travellers and insights and analyses.
Free of charge on [www.Youtube.com](http://www.Youtube.com)

More information to learn:
Online Training **CTT China Tourism Training**. Certified by COTRI and Hong Kong Polytechnic University School of Hotel and Tourism Management, No. 1 faculty in Asia.
Details on [www.china-outbound.com](http://www.china-outbound.com)

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