POST-PANDEMIC GEOTOURISM: WHY DO CHINESE TOURISTS MATTER?

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Global Eco Asia-Pacific Tourism Conference
Margaret River, Western Australia
Date: 1-3 December 2020
Australian tourism facts

- The industry employed 666,000 people (5.2% of total employment)
- Contributed a total of AUD $60.8 billion (3.1% of GDP), grew at a faster rate than the national economy
- Of this, 26% came from international visitors to Australia while 74% came from domestic tourism
- There were 9.4 million international visitors to Australia in 2019
- Tourism is now Australia’s largest services export
With the 9.4 million international tourists visited Australia in 2019, it marked a 2.4% increase from 2018.

- Steady increase in international arrivals since 2011.
- Projected increase to 15 million by 2026-2027.

2019 Incoming tourist composition

- Top 6 countries: China, New Zealand, US, UK, Japan, and Singapore
- China 1.45 m, 677,000 visitors (46%) came to Australia for holiday purposes
- Chinese tourists spent $12.4 billion (27% of total amount spent by all international visitors)
- < 1% of China’s outbound tourists (160 million) visited Australia in 2019

Sources:
Visitor arrivals in July 2020

Chinese tourists banned on 1 Feb 2020

COVID-19

International border closed on 20 March 2020

Visitor Number July 2020

Pandemic impacts

- Incoming visitors dropped by 99% from 780,000 to just 7,600 per month in July 2020.

- In June quarter 2020, there were 611,700 *tourism filled jobs*, representing:
  
  - a decrease of 15.1% (-109,000) from June quarter 2019 compared to a 5.1% (-736,400) fall in the whole economy
  
  - a decrease of 12.9% (-90,800) from March quarter 2020 compared to a 6.1% (-877,700) fall in the whole economy

  - the lowest number of tourism filled jobs since June quarter 2014 with 4.5% of filled jobs in the economy, the lowest proportion on record.
### Why do Chinese tourists matter?

<table>
<thead>
<tr>
<th>Country</th>
<th>COVID-19 new cases (13/11/2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>3</td>
</tr>
<tr>
<td>USA</td>
<td>142,860</td>
</tr>
<tr>
<td>UK</td>
<td>22,950</td>
</tr>
<tr>
<td>Japan</td>
<td>1,524</td>
</tr>
<tr>
<td>Singapore</td>
<td>18</td>
</tr>
<tr>
<td>Malaysia</td>
<td>822</td>
</tr>
<tr>
<td>India</td>
<td>47,905</td>
</tr>
</tbody>
</table>

Pandemic under control

China: 36 new cases (13/11/2020)
Population: 1.4 billion

New York Times, European Centre for Disease Prevention and Control 13/11/2020
Short term visitor arrival = < 1 year based on ABS (Source: Australian Bureau of Statistics) for all aged over 15 years

CAGR = 10 year Compound Annual Growth Rate
(Source: Tourism Research Australia - Overseas arrivals and departures, Australia, Table 4, Austrade, released 15 August 2019)

### Australia's Short-term Visitor Arrivals ('000)

<table>
<thead>
<tr>
<th>Number (year to June)</th>
<th>Seasonally Adjusted</th>
<th>% Share of Total, FY2018/19</th>
<th>% Change 2018 - 2019</th>
<th>% CAGR 2009 - 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008/09</td>
<td>FY2016/17</td>
<td>FY2017/18</td>
<td>FY2018/19</td>
<td></td>
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<tr>
<td>Total by region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,535</td>
<td>8,576</td>
<td>9,079</td>
<td>9,367</td>
</tr>
<tr>
<td>North-East Asia</td>
<td>1,188</td>
<td>2,444</td>
<td>2,692</td>
<td>2,743</td>
</tr>
<tr>
<td>South-East Asia</td>
<td>705</td>
<td>1,352</td>
<td>1,397</td>
<td>1,469</td>
</tr>
<tr>
<td>Southern and Central Asia</td>
<td>142</td>
<td>365</td>
<td>444</td>
<td>492</td>
</tr>
<tr>
<td>Oceania and Antarctica</td>
<td>1,255</td>
<td>1,535</td>
<td>1,571</td>
<td>1,618</td>
</tr>
<tr>
<td>Europe</td>
<td>1,406</td>
<td>1,608</td>
<td>1,635</td>
<td>1,663</td>
</tr>
<tr>
<td>Americas</td>
<td>659</td>
<td>1,066</td>
<td>1,125</td>
<td>1,168</td>
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<tr>
<td>Africa</td>
<td>180</td>
<td>205</td>
<td>216</td>
<td>214</td>
</tr>
<tr>
<td>By economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 China</td>
<td>353</td>
<td>1,283</td>
<td>1,430</td>
<td>1,450</td>
</tr>
<tr>
<td>2 New Zealand</td>
<td>1,097</td>
<td>1,349</td>
<td>1,372</td>
<td>1,411</td>
</tr>
<tr>
<td>3 USA</td>
<td>457</td>
<td>765</td>
<td>790</td>
<td>812</td>
</tr>
<tr>
<td>4 UK, Cis &amp; IOM²</td>
<td>688</td>
<td>728</td>
<td>735</td>
<td>719</td>
</tr>
<tr>
<td>5 Japan</td>
<td>400</td>
<td>429</td>
<td>445</td>
<td>489</td>
</tr>
<tr>
<td>6 Singapore</td>
<td>241</td>
<td>437</td>
<td>436</td>
<td>465</td>
</tr>
<tr>
<td>7 Malaysia</td>
<td>194</td>
<td>403</td>
<td>397</td>
<td>387</td>
</tr>
<tr>
<td>8 India</td>
<td>113</td>
<td>280</td>
<td>335</td>
<td>372</td>
</tr>
<tr>
<td>9 Hong Kong SAR</td>
<td>139</td>
<td>262</td>
<td>298</td>
<td>312</td>
</tr>
<tr>
<td>10 South Korea</td>
<td>198</td>
<td>289</td>
<td>306</td>
<td>281</td>
</tr>
<tr>
<td>11 Indonesia</td>
<td>95</td>
<td>181</td>
<td>197</td>
<td>211</td>
</tr>
<tr>
<td>12 Germany</td>
<td>164</td>
<td>209</td>
<td>207</td>
<td>207</td>
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<tr>
<td>13 Taiwan</td>
<td>95</td>
<td>170</td>
<td>199</td>
<td>196</td>
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<tr>
<td>14 Canada</td>
<td>132</td>
<td>165</td>
<td>172</td>
<td>189</td>
</tr>
<tr>
<td>15 Philippines</td>
<td>54</td>
<td>124</td>
<td>131</td>
<td>154</td>
</tr>
<tr>
<td>Total of Other Economies</td>
<td>1,116</td>
<td>1,502</td>
<td>1,629</td>
<td>1,713</td>
</tr>
</tbody>
</table>

1. Source: ABS, Australian Government 2019
2. Source: Austrade, Australian Government 2019

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1. Adjustment for seasonally
2. Includes international passengers
China was the largest growth market of 1.45 m visitors by June 2019, overtook New Zealand, which contributed 1.41 m visitors.

- Dramatic 10 year growth: 2009 - just 353,000, 3 times more by over one million or at a compound annual growth rate (CAGR) of 15% a year since 2009.

- In terms of visitor number and spending, other countries may take decades to compete.
China's economy predicted to expand faster than earlier forecasts: 
+2% in 2020 and +7.9% in 2021
*(World Bank October 2020 Report)*

- Clear and quick recovery signs appear in different sectors of the economy
- Highlighted by domestic travel during the National Day/Moon Festival Holiday period in October and the Singles Day Online Shopping Bonanza
National Day & Moon Festival
Golden Week Holidays

- 637 million domestic tourists during 8 day holiday from 1 - 8 Oct, 2020 (80% of 2019)
- Total tourism revenue RMB 467 billion or AUD 98 billion (70% of 2019)
- Great Wall: 261, 400 tourists (33,000/day)
- Danxiashan UNESCO Global Geopark: 275, 417 tourists (34,000/day)

Sources:
https://new.qq.com/omn/20201008/20201008A0D054100.html
https://new.qq.com/omn/20201008/20201008A0D054100.html
https://baijiahao.baidu.com/s?id=1668267783578399936&wfr=spider&for=pc
Danxiashan UGGp 2020
Singles Day Online Shopping Bonanza (1 November)

- Annual one day (00:00-24:00) online shopping bonanza on 1 November every year

- Total amount transacted:
  - Tmall RMB 498 billion = AUD 104 billion
  - JDcom RMB 271 billion = AUD 56 billion

- +25% more sale comparing to 2019

- A showcase for the country's success in battling the Covid-19 pandemic and a strong economic recovery

- Australia, brands such as Blackmores Vitamins, Bubs baby formula, A2 milk and fashion retailer Netaporter were highly sought after by Chinese consumers
Total trip expenditure of International visitors by countries of residence
(Top 5, Year end June 2020)

- Total trip expenditure of international visitors end June 2020: A$33.33 billion
- Chinese tourists on average, spent 2–5 times more than tourists of any other countries in the top 5 countries of residence

Trip expenditure by country (A$ million)
- China: $8410 (25%)
- US: $15899 (9%)
- UK: $1577 (8%)
- NZ: $2913 (6%)
- JP: $1914 (5%)
- Others: $1577

Source: Tourism Research Australia 2020
Geotourism Attractions of Australia to Chinese tourists

- natural landscape (A=Abiotic), plants & animals (B=Biotic), culture (C=Culture)
- wilderness and vastness
Healthy & fresh food:
Seafood, beef, lamb, wines, fruits, diary products

Hospitality, safety, accessibility
Approaches

- Take advantage of the recently signed Regional Comprehensive Economic Partnership agreement (RCEP 15 Nov, 2020) to open up dialogue with the Chinese Government

- Lifting of international border restrictions for Chinese tourists with appropriate COVID-19 testing and monitoring measures if necessary

- Publicity focusing on Australia’s geo eco and cultural attractions to present as a healthy and safest tourist destination in the world to the Chinese market as mentioned above
Conclusions

- Chinese tourists – too important to lose
- China recovers fast from the pandemic
- Post pandemic desire for travel and spending are strong
- Instant boost to the Australian tourism industry
- Australia as the world’s safest destination
- Australia’s geotourism and ecotourism destinations are the best attractions
Thank you!

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