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# The first post-Covid Spring Festival will not revive international tourism in China



China will soon enter the period of its greatest migration and traffic jams because the Spring Festival on the occasion of Chinese New Year will once again see millions of people take to the roads.

The 40-day period, which starts in the final week of January and ends on March 5, is known in China as "Chunyun" (spring movement). During that time, as many as 9 billion passenger trips are expected.

Since this year's "Chunyun" will be the first following a protracted lockdown and the resulting economic downturn, it will receive greater attention than in past years.

Even though last year's Spring Festival came after the lifting of lockdown, it did not show the actual scale of migration and consumption, as millions of Chinese were still reluctant to travel, fearing infection.

China opened its borders last year on January 8. However, the amount of travel - both Chinese domestic travel and foreign visitors to China - was far below the former level.

The 3-year strict lockdown has left significant consequences for the tourism and international transport industries, just like other branches of the Chinese economy from which state planners expected much more.

That is why the sectors that have not yet exited the crisis mode expect a breakthrough from the forthcoming Spring Festival. However, the Chinese leadership has little reason for optimism.

## The number of trips in the country has been increasing

During the holiday season, there will likely be an increase in the number of Chinese travelling in the country compared to before the COVID-19 pandemic. But there is little prospect of a recovery in international travel, much less the arrival of foreign tourists to China.

In the pre-holiday period, many instructions were issued regarding the type of transportation within China, given the expectations of crowds, over-booking, and congestion on roads and airports.

As before, the majority will use cars, accounting for up to 80% of all travel over the Spring Festival.

The Ministry of Transport in Beijing estimated that the railway will have about 480 million passengers during the 40 holiday days (12 million per day). This will be 18% more than in the 2019 pre-epidemic period.

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Airlines will have about 80 million **passengers** during the holidays, more than in the pre-pandemic period, by about 10%.

Migration includes primarily workers who will travel from big cities to their home towns for vacation, usually for 7 days, sometimes for 2 weeks. Students will travel from university centres home for a short vacation.

They will be responsible for the increased figures of China's transport and tourism industry during the first post-Covid Spring Festival.

But their migration is a one-off, and after their return to the big cities in early March, the government in Beijing will have headaches regarding how to recover the once significant tourism sector and international passenger traffic.

## There is no going back to the record years before the pandemic

Before the pandemic, China was the largest outbound tourism market, with about a 20% share of the global tourism market. Chinese tourists spent around \$277 billion in 2018 and \$255 billion in 2019.

However, a lot of time has passed since those record years. There have been many issues and new habits in the sector, so the projections are not great, including the period around the Chinese New Year.

Throughout all of last year, there were warnings that Chinese travel abroad would recover more slowly than Beijing would like.

### After a 3-year lockdown the Chinese now face different, more expensive and less favourable prospects for travelling abroad

The number of trips was only 40% in 2019, with destinations closer to home - Hong Kong, Macau, Singapore, Thailand, and Malaysia - dominating.

Long-distance destinations, such as the US or Europe, will still have to wait for a significant return of Chinese tourists if that happens at all.

After a 3-year lockdown and another additional year of caution regarding travelling abroad, the Chinese now face different, more expensive and less favourable prospects for travelling abroad.

Many will give up due to more expensive arrangements and air transportation, the decrease in the value of the domestic currency, and generally weaker economic strength than the one they had in the period before the pandemic.

The state has recognised these risks and tried to stimulate the international tourism sector, primarily by encouraging group travel, but the effects have been meagre.

## Why are foreigners not travelling to China?

The past year has shown a decrease in the number of foreign tourists travelling to China, which is even more worrying for the authorities.

The first months after the lifting of the lockdown already hinted at this negative trend at the beginning of last year because only 52,000 guests visited China then, which is a significant drop compared to the 3.7 million guests in the same period before the 2019 pandemic.

The country has noticed the issue and tried to solve it with various measures, including **cancelling** the need for visas for travellers from countries China expected to provide more visits. It recently cancelled visas for tourists from Thailand and last November for several large European markets - France, Italy, Germany, the Netherlands, and Malaysia.



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However, the reasons for the decrease in demand for international tourism in China are more severe and will be hard to overcome in the short term, particularly with administrative measures.

The number of guests in China follows the trend of decreasing Western investments, considering that a significant part belonged to the visits of business people.

During the pandemic and immediately after, China made it difficult for foreigners to stay in the country with various restrictive measures, such as the tightening of anti-espionage laws.

There are still significant issues with using the Internet and card payments, and the international political environment significantly decreases the will of travellers from the West to travel to China.

Passenger air traffic to the US, for example, has not yet recovered, so in 2023, seat capacity on flights to China was only one-fifth of the 2019 weekly capacity.

The forthcoming Spring Festival will not increase international travel - to China and from China abroad - no matter how much the authorities in Beijing hope for and work on it.

The decline in demand for international tourism among the Chinese is coupled with deep economic uncertainties, which will not have a rapid solution.

The obstacles to the mass arrival of foreign tourists in China are even more complex and long-term, so the forthcoming Spring Festival might turn out to be the latest in a series of unfulfilled economic expectations for the government in Beijing.