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PRESS RELEASE

Outbound Chinese Tourism

1. Introduction

Foreign tourism, especially in tourism developed countries, is positively affected by the tourism flows from China. A new era has been formed in European tourism due to the emergence of new destinations, with modern infrastructures and affordable tourism product whose price that matches its quality, in combination with the overvaluation of euro. It is of great importance to attract tourists from other countries as to cover for tourists choosing new competitive destinations and preserve the growth rate that the sector has recorded.

For Greece the problem is more severe due to a series of actions and omissions of public administration and private sector. It is obvious that the benefits of Chinese tourism have to be analyzed, in order to form expectations based on reality. Otherwise, tourism policy will be disoriented, time and resources will be wasted and the problem will get worse.

2. Estimations- Forecasts

In order to assess the possible development of Chinese tourism in Greece, it was estimated the growth of Chinese economy, the population growth based on the long-term trend, as well as the change in the size of the urban population. The change in per capita purchasing power for the period (2004-2034), which was combined with data of other countries in the region (with similar per capita income level) lead to an estimate of the number of potential foreign travelers, categorized in overseas destinations and destinations in the wider area of South East Asia and the Pacific. For Greece the estimate was based on the distribution of tourists with Europe as destination. Alternative predictions are recorded, based on relevant estimates of World Tourism Organizations (WTO), of Chinese Institute that analyzes the same issue and of our own trend. This estimate forms a framework that helps to evaluate and adopt a reasonable perspective scenario.

It is noted that GDP as a purchasing power parity (PPP) was used as the income variable. According to this method, China's per capita income in 2002 was 4930 dollars.

Per Capita Income (PPP) 2004 in \$

Urban	8,400
Rural	2,600
Average	4,930

Based on the development rate of period 1978-2002 and the evaluation of the current rate, in combination with the population development, the average per capita income is estimated to increase as presented below:

Estimated Development Rates (%)

2005-14	7.8
2015-24	7.5
2025-34	7.3

The forecast for tourism flows abroad and particularly in Europe, concerns urban population for obvious reasons.

Forecast of Average per Capita Urban Income (in \$)

2004	7,050	
2014	14,700	(520 million people)
2024	24,500	
2034	38,700	

Based on the experience of other countries with similar income, the number of international Chinese tourists is estimated:

Estimated International Chinese Tourists (million people)

2004	15.0	15.0
2014	67.0	88.0
2024	144.0	180.0
2034	198.0	270.0

Estimated International Chinese Tourists in European Destinations(million people)

2004	1.8	1.8
2014	13.4	17.6
2024	36.0	45.0
2034	49.5	67.5

These data are impressive, given the fact that the non urban population is not included, which after 10-15 years will afford to travel overseas.

European Mediterranean Destination (in thousands.)

2004	180.0	180.0
2014	2,000.0	2,600.0
2024	7,200.0	9,000.0
2034	12,000.0	16,800.0

Destination: Greece(in thousands)

			Average
2004	10.0 – 15.0	10.0 – 15.0	10.0 – 15.0
2014	280.0	520.0	400.0
2024	760.0	1,800.0	1,280.0
2034	2,050.0	3,360.0	2,700.0

The above conservative assessment is based on the assumption of an active-successful attraction policy by Greece. With an appropriate policy, it will be possible to attract 20-25% of Chinese that have chosen Mediterranean European destinations.

The RIT forecast for Chinese arrivals in Europe- S. Europe- Greece is on average 15-20% higher compared to the forecasts of the WTO and the relevant Chinese Institute. RIT forecasts do not contain any kind of evaluating judgment. They are based on specific assumptions with existing experience and trends related to the political and economic model of China. The only severe assumption is the absence of events capable to affect the traveling trend.

3. Policy Suggestions

The policies aiming to attract Chinese tourists are not going to be an easy issue as Greece is not a country part of a multi-destination trip. This fact is a constraint which must be taken into consideration in an attraction policy framework.

- (a) For the promotion of the Greek tourism product, national tourism offices in countries where international tourism is developed should be established. Key areas are Beijing, Shanghai and Guangdong. Based on the experience, it will be extended to other areas.
- (b) These offices must have the means and the technical ability to play the important role assigned to them:
 - b₁. In collaboration with selected tour operators, conduct market research in order to direct both the promotion policy as well as the proper image of Greek tourism product in terms of variety and quality.
 - b₂. Develop a close cooperation with travel agents (provision of information, statistics, discussion, organization of meetings, etc.). This relationship will contribute to the selection of appropriate means of promotion (messages and means of transmission).
 - b₃. Expand the cooperation with as many as Chinese travel agencies as possible.
 - b₄. Suggest participation in the organization of exhibitions, conferences etc.
- (c) Improve air connection with regular and chartered flights. The nature of this problem is difficult and in view of the expressed preference of Chinese international tourists for direct flights, it becomes even more difficult.
- (d) The difficulties and the potentially low efficiency of the available resources should not be disappointing. The results of the long-term investment should not be evaluated now but in the future by counting the tourism flows of this large in population and economy country.
- (e) The arrangements with other countries will contribute to the policy of attracting Chinese international tourists to Greece. However, it should be noted that the geographical and cultural identity of the country make Greece a suitable choice as an exclusive tourist destination. A trip of 10-12 days would be enough for this.