

BUSINESSFOCUS

Tourism turns over a new leaf with livestreaming

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After stepping down as CEO of Trip.com in November 2016, James Liang has been less seen at public events.

But ever since the novel coronavirus outbreak in China late last year, Liang — now chairman of Trip.com — is back in the public eye. In less than two months, he has published eight articles, analyzing the impact of the epidemic and discussing recovery solutions for the tourism industry. He made two public appearances in 19 days — one at an online tourism industry revival conference on March 5 and another during a livestreaming show on video-sharing platform TikTok on March 23.

Liang's live show was among the top 20 most watched, attracting more than 510,000 viewers.

But even more noticeable was his sales performance. He managed to sell 10.25 million yuan (\$1.45 million) worth of hotel and restaurant packages in Sanya, Hainan province, in just one hour, which was made possible by the 6,710 orders booked by his audience.

The remarkable sales number is undoubtedly good news for Sanya, where tourism is a pillar industry. According to Sanya's Party Secretary Tong Daochi, the city — which is home to more than 200 hotels — accounted for over half of Hainan's annual tourism income last year. During the seven-day Spring Festival in 2019, Sanya received about 990,000 tourists. That large number of visitors contributed about 10.39 billion yuan of income during the holiday, which was 10 percent of the annual total.

The COVID-19 epidemic has severely impacted China's tourism industry for more than two months. Tong admitted that Sanya's losses may be higher than other cities.

Therefore, the local government of Sanya started in mid-February to discuss a revival plan for the local tourism sector.

By mid-March, more than 80 percent of the over 200 hotels in Sanya had resumed normal operations.



James Liang, chairman of the board of Trip.com, takes part in a livestreaming show on video-sharing platform TikTok in Sanya, Hainan province, on March 23. PROVIDED TO CHINA DAILY

The livestreaming event, as well as the promising sales results, are important for Trip.com. Despite the fact that it is the largest online travel agency in China, Trip.com said in its 2019 fiscal report that its income for the first quarter this year will fall by 45-50 percent due to the epidemic. More than 10 million orders have been canceled on its platform, which is equal to a total refund of over 31 billion yuan.

Wei Xiaolan, a leading expert at the World Tourism Cities Federation, said that the total income of China's tourism industry reached 6.5 trillion yuan last year. In this sense, a single day of inactivity could lead to losses estimated at 17.8 billion yuan.

But Liang said during the livestreaming event that losses have been gradually contracting as suppliers and business partners have made joint efforts to revive the industry.

Given the strong fundamentals of the Chinese economy, the company is still confident it can further explore business opportunities all over the world, he said.

Trip.com is not the first travel agency to step into livestreaming at a difficult time.

E-commerce giant Alibaba's travel business arm Fliggy has rolled out more than 7,500 livestreaming shows since February, attracting more than 30 million viewers. By showing exhibitions and cherry blossoms via livestreaming, the platform has also paved the way for tourist destinations to attract more visitors once the epidemic ends.

On March 21, the Shanghai-based online travel agency organized 100 county heads across the country to introduce lesser-known tourist attractions.

During a State Council news conference on March 18, Gao Zheng, head of the industrial development department of the Ministry of Culture and Tourism, applauded the livestreaming events staged by the travel agencies and tourist attractions, which have sprung up during the epidemic and grown into a new marketing strategy within the industry.



Visitors enter the Grand Bazaar Pedestrian Mall in Urumqi, capital of the Xinjiang Uygur autonomous region, on March 21. XINHUA

Travel industry starting to show signs of recovery

Most popular trips are one-day tours, weekend getaways to nearby regions

By **ZHU WENQIAN**
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Many people in China who have been forced to stay at home for more than two months because of the novel coronavirus outbreak can finally step out of doors and take trips, as the country resumes work and production nationwide.

The domestic tourism sector, one of the hardest-hit segments during the epidemic, is warming up, with the most popular trips recently being short-distance one-day tours and weekend getaways to nearby regions. Chinese travelers are also showing increased caution and demanding higher safety requirements.

With spring in full bloom in most parts of the country and temperatures rising, many are eager to hit the road. So far, about 4,000 tourist attractions nationwide have already reopened, with nearly half being A-level top sightseeing spots.

With the COVID-19 pandemic worsening overseas, a number of domestic destinations are becoming popular options for Chinese travelers. Renowned scenic areas such as Jiuzhaigou Valley in Sichuan province as well as Mogan Mountain and Thousand Island Lake in Zhejiang province have reopened.

Some scenic attractions saw the number of travelers on the weekend of March 21-22 surge five

times compared to the previous weekend, according to Qunar, one of China's largest online travel agencies.

Turtle-Head Island (Yuantouzhushan scenic area) in Wuxi, Jiangsu province; a Flower Art Expo in Chongqing; a theme park in Xining, Qinghai province; mountainous sightseeing spots in Guiyang, Guizhou province; and Sanya, Hainan province, saw the largest volume of travelers nationwide between March 21-22.

"With the Labor Day break from May 1 to May 5 approaching, the number of online searches into taking trips during the holiday has surged. May is expected to become the first peak travel period of the year, especially in some areas with low risk of the contagion," said Gou Zhipeng, vice-president of Qunar.

Urumqi, the Xinjiang Uygur autonomous region; Haikou and Sanya, Hainan; Qingdao, Shandong province and Tianjin top the wish list of tourist destinations for Labor Day, Qunar said.

The local governments of Jiangsu, Yunnan, Sichuan, Gansu, Henan and Shaanxi provinces — as well as Chongqing and Shanghai municipalities — said their travel agencies are able to resume some operations for local tours.

According to a recent survey of 1,000 Chinese travelers on the Chinese mainland by New York-based management consulting firm Oliv-

er Wyman, 77 percent would consider domestic destinations for their first trip after the epidemic subsides. Moreover, 56 percent would be willing to spend more on travel than before the outbreak.

In terms of outbound trips, Asian countries remain attractive as destination choices for Chinese travelers, with 57 percent saying their first post-epidemic overseas trip would be to an Asian country.

"These results exceeded our expectations, particularly in regard to Chinese consumers' willingness and eagerness to once again take trips. We look forward to the country's consumer market restoring its prosperity," said Jacques Penhirin, partner and the head of China retail and consumer goods practice at Oliver Wyman.

On the flip side, 40 percent of respondents said they had canceled all travel plans or planned to travel less this year. They were either worried about the resurgence of the virus, or needed to make up for lost work or study time.

Katie Sham, an Oliver Wyman principal and the lead of the study, added that people prefer self-driving tours over buses, which is expected to increase demand for car rentals and customized tour services.

"Players in the tourism industry should therefore seize upon these opportunities by quickly developing products and services that provide customized tour plans and unique local experiences, including trying authentic local food and drinks, and taking part in special

activities," Sham said.

Regarding hotels, as of March 22, 70.8 percent of hotels in major cities on the Chinese mainland had resumed operations.

Meanwhile since mid-March, flight booking volume from business passengers continued an overall rise, and the proportion of young travelers is growing fast.

"The recovery of the air travel sector usually starts with business travel. But the current increase is not enough to indicate that the air travel market is on a steady rise," said Lan Xiang, another vice-president of Qunar.

"The comprehensive recovery of the sector needs to wait for the resumption of flights in and out of Hubei province, and some clear signals, such as the removal of the 14-day passenger quarantine measures for those who travel internationally. Only until then will regular passenger flows begin to occur," Lan said.

Guangzhou, Shenzhen, Hangzhou and Shanghai are the cities with the largest increase of outbound passengers.

Du Ni, a 30-year-old bank employee in Beijing, said she went to a park in Beijing to view the cherry blossoms there during a recent weekend.

For the Labor Day break, she said she might take a self-driving tour to suburban Beijing, but no further, and it still depends on the development and control of epidemic conditions in the city.

He Wei contributed to this story.

Hainan mulls infection insurance for tourists

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Hainan province will launch comprehensive tourism insurance products and will provide compensation to tourists who are infected, injured or even lose their lives due to infectious diseases like the novel coronavirus or natural calamities when visiting the island this year, according to a provincial government plan.

The plan encourages insurance companies to develop policies covering tourism-related public safety accidents. Tourism sector operators that volunteer to purchase such policies will be granted 30 percent subsidies from the local government. Officials with the Hainan provincial government said the plan has been drafted to help revitalize the tourism sector — a pillar industry of the tropical island — against fallout from the COVID-19 outbreak and push forward the building of an international consumption center.

China aims to build Hainan into an international tourism and consumption center by 2025 and a globally influential tourism and consumption destination by 2035.

The island attracted more than 83 million tourists from home and abroad in 2019.

"The revitalization plan, scheduled for 2020 and 2021, will help Hainan tourism enterprises reduce their burden and boost their confidence in overcoming the COVID-19 impact while seeking revival by means of government support in such areas as finance, taxation, new project development and tourism-product marketing," Liu Cheng, deputy director of the provincial tourism authority, said at a news conference in the provincial capital of Haikou on March 22.

Local authorities said Hainan witnessed a year-on-year drop of 23 percent in tourist arrivals in January due to the COVID-19 outbreak, with 5.03 million tourist arrivals generating 6.5 billion yuan (\$917 million) in revenue, down 27.1 percent from the same period in 2019. All A-level tourist areas on the island have reopened since late February.

Liu said the revitalization plan, detailed in 30 items, applies to seven types of tourism-related companies registered in Hainan and businesses

including travel agencies, tourist attractions, hotels and homestays, cruise liners and yachts, golf resorts and leading rural tourism spots.

The plan welcomes tourism operators to invite doctors and nurses and other medical staff — those who helped fight the outbreak — to spend holidays in Hainan. Meanwhile, tourists from other provinces are encouraged to travel in Hainan by car. During major holidays such as Labor Day, Mid-Autumn Festival and National Day this year, sea-crossing expenses for non-Hainan passenger cars with seven seats or fewer will be reduced or refunded.

Hainan will launch a series of promotional activities for offshore duty-free shopping, and further simplify shopping procedures while expanding online sales. The State Council, China's Cabinet, gave Hainan permission to run a pilot offshore duty-free program in April 2011 in an effort to make the island a world-class tourist destination.

"Sanya International Duty-Free Shopping Complex, the world's largest single outlet covering a business area of 72,000 square meters, will introduce more branded products

from around the globe to meet tourist demand," said Zhao Jing, an official with the company. It currently provides more than 3,000 varieties of duty-free consumer goods, mostly cosmetics, foods, bags, clothing and other daily articles.

To promote inbound tourism, Hainan will introduce more open-visa free-entry policies and further simplify entry procedures for cruise ships and yachts, while encouraging airlines to resume international routes, said the plan.

It requires governments at all levels in Hainan to incorporate land for tourism projects into land planning to support high-quality development of local tourism, and allows construction of supportive facilities in non-ecological-core areas, under the condition that they don't damage the environment.

The plan also supports cities and counties in central areas of the island to take advantage of Hainan's rare tropical rainforests — which cover more than 4,400 square kilometers, or one-seventh of the island — to introduce internationally renowned environmentally sound hotel brands, develop high-end



A tourist checks out goods at a duty-free shop in Sanya, Hainan province, on March 12. XINHUA

ecotourism products and create ecotourism destinations that attract Chinese and foreign tourists.

"This is big progress ... and attractions will bring encouraging premiums for the tourism sector in Hainan," said Xie Xiangxiang, an associate professor of tourism at Hainan University.

As of March 16, a total of 3,714 A-level scenic spots in 28 provinces and regions, or more than 30 per-

cent of the country's total, had resumed business as the country sees gradual stabilization of the novel coronavirus epidemic.

The scenic spots are mainly mountainous vistas, open scenic spots, public parks and other outdoor tourist venues, which have been operating without any abnormal epidemic situation, according to a State Council news conference on March 18.