

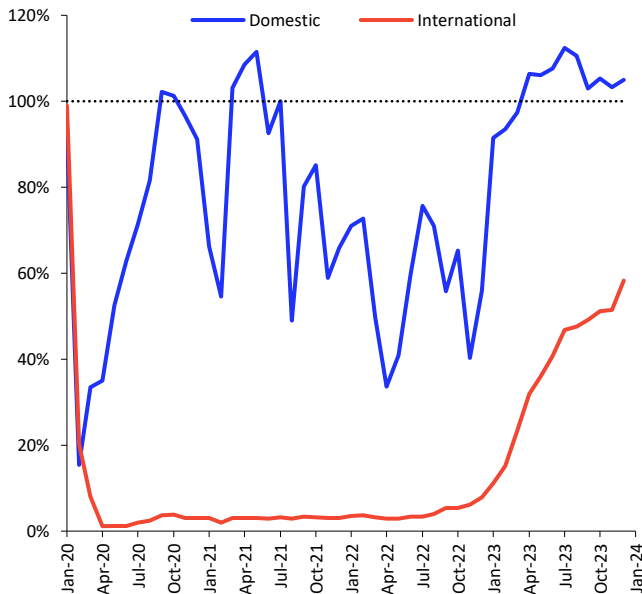


# Chart of the Week

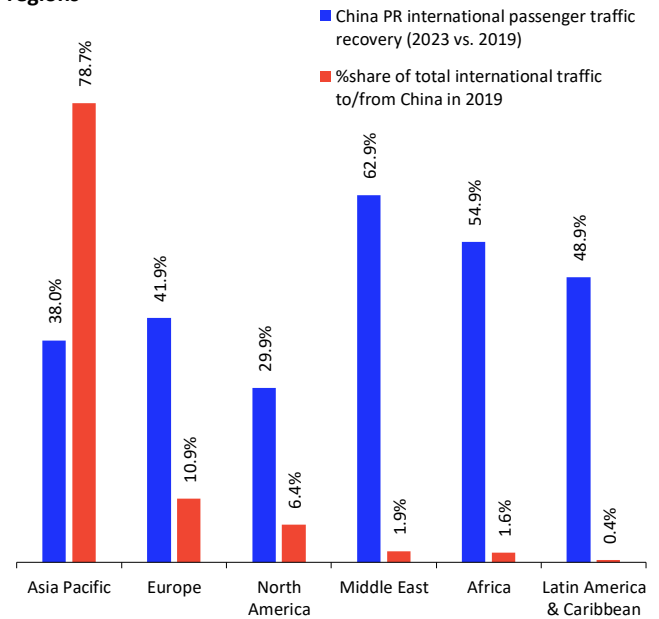
23 February 2024

## International demand from PR China has yet to recover

**Chart A: PR China passenger traffic recovery (2023 vs. 2019)**



**Chart B: International traffic between PR China and specific regions**



Source: IATA Sustainability and Economics, DDS

- PR China remained under strict travel policies for three years, while the rest of the world closely watched for its reopening and the effects it would have on the global economy and air traffic numbers. When restrictions were lifted early 2023, travel demand surged in the country mainly propelled by a renaissance of domestic tourism. Chinese airlines, which managed to keep most of their pre-pandemic staff and flying crews ready to operate, were quick to answer to the sudden increase in demand. Seat capacity levels were also reinforced by the more frequent use of widebody aircraft in domestic operations. In 2023, China had fully recovered its pre-pandemic levels of origin-destination domestic passengers (Chart A).
- International passenger traffic also gained great momentum, however, reaching a more modest 58.3% in December 2023 (Chart A). Over the year, the Chinese government took steps to foster international tourism from numerous countries, especially in East Asia and South Asia which represented the largest passenger markets from and to China in 2019, by easing travel visa conditions. Nevertheless, the links between the country and different regions were not restored evenly. Passenger flows from the main markets, i.e., Asia Pacific, Europe, and North America, had recovered the least while traffic from the Middle East reached the highest level amongst the regions with 62.9% of pre-pandemic levels in 2023 (Chart B).
- The lag in international traffic growth is not only driven by the lower numbers of foreign tourist arrivals but also by the national economy's current state, linked to the property crisis and high unemployment notably among the younger generation, a situation that arguably contributes to the preference for domestic travel destinations rather than overseas. Consequently, tourism industries in numerous countries are also impacted, especially in Asia Pacific and Europe, for which the Chinese consumer base became a large contributor over the decade prior to the pandemic. Over the year, China is expected to see further growth in international traffic, bringing a larger contribution to the ongoing regional and global recovery.

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