



International B2B status report

- in connection with the Covid-19 pandemic situation

March 2020



CHINA

Current situation in China

- **Working status of tour operators:**

- Only 15 % of tour operators have returned office to work, but only on shifts.
- 85 % of tour operators in China still work from home. Among them, 24 % of TOs are planning to resume their work before this summer and 76 % of them are working from home without notice when to return to office.

- **Sales status:**

- As the Chinese government has banned the sales of group tours and air ticket + hotel FIT packages from January 27, so basically speaking, 80% of the relevant products were cancelled. But many FIT travellers who bought the package in advance still carried on their pre-planned tour.
- No new sales were made afterwards Feb 2020.

The biggest challenges rights now:

- The uncertainty of governmental restrictions on international travels for China and destinations around the world. -40 %
- The financial deficit caused by no income due to the suspension of the business but the heavy outgoing operational cost such as rental and labour. -35 %
- The efficiency of anti-Coronavirus measures in destinations around the world. -15 %
- The weak consumer confidence so far -10 %.

Current situation in China

- Chinese travel agencies have already cancelled 80 % of their outbound travel products in May and June, and the cancellation rate is expected to increase further due to airline suspension and the global spread of the disease. Sales from the summer to the end of the year are not optimistic because of uncertainty. Although consumers have expressed desires to travel to the Nordics at a later stage, then only about 10 % of them have made the new bookings, while majority of consumers have chosen to wait until the outbreak is over globally.

The tour operators were also asked how the cancellation process with the Norwegian suppliers had been and if they had experienced any changes in cancellation terms and conditions as a result of the situation we are in:

Generally speaking, the cancellation process was smooth with the majority of Norwegian suppliers.

- 65 % tour operators have cancelled the booking without any penalty.
- 35 % tour operators shared the loss equally with the suppliers.

When speaking to their customers, TOs prefer to persuade the customers to rebook. But only 10 % customers kept their money on TOs' accounts for the future rebooking.

Market insight relevant for the Norwegian tourism industry



China (and SEA) are very quick to respond to “special price for you” offers. So to ensure a quick response, this would be the way to go.

China is more or less back to normal when comes to work and life now, but they are not considering travelling abroad, as the situation outside of China now is so uncertain.



Tusen takk!
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