Here are updates from China marketing team about the Corona Virus outbreak. 2/10/2020

**What has happened to China tourism market since the coronavirus outbreak:**

1. Effective on Feb. 2, US is denying entry to any non US citizen or permanent residents who have been to China in the past 14 days to enter the US. How long will this ban last is yet to be decided.
2. Brand USA has cancelled this year’s China sales mission in March, and Active America China Summit has been postponed to September 13-15.
3. Brand USA has paused marketing efforts in China for Feb-Apr until further notice. What I heard is that they will re-evaluate in March.
4. Currently, some Chinese airlines are still flying between US and China, but all US airlines have paused their flights to China.
5. China has stopped ALL outbound group tours. Individuals are still free to travel. There are a lot of cancellation for travel between February and April. Chinese government has implemented strong airport exit screening procedures.

**Our Analysis of the situation:**

1. There continues to be more confirmed cases turning up from the earlier exposure every day. However, due to the widespread awareness of the situation, there is a voluntary countrywide lockdown in China to keep the virus from further spreading. From the experience with SARS in 2003, the virus will likely fade out when the weather gets warmer (we certainly hope that is the case again). The World Health Organization rated the Coronavirus risk as high, but so far didn’t rate it a pandemic. The death rate for Corona Virus is 2.2% compared to SARS which is 9.6% and Bird Flu which is 39.3%.
2. There has been 12 confirmed cases of Corona Virus in the US, all of which are people who have direct contact with Wuhan, the epicenter of the virus or close family of the confirmed cases. Even though the US Department of Public Health and CDC continue to rate the risk for Americans to be infected in the US to be low, the amplified media coverage has intensified the scare among the general public in the US. It’s a reality not based on fact, but on perception. The current US inbound travel ban for Chinese has generated strong negative backlash among Chinese government and Chinese people.
3. The travel industry has inevitably taken a hit from the Coronavirus outbreak. The only silver lining is that seasonally February to April is a slow period for inbound Chinese tourists. Since the US is considered a “safe” destination, which means once the virus scare is over, Chinese travelers will likely come back for the summer peak travel season. What we’ve seen is that many of the travel reservation after May are still being held as operators waiting to see the evolution of the situation. I came across the following article by Dr. Wolfgang Georg Arlt of China Outbound Tourism Research Institute in Germany. It presented some tips on post-virus preparation which you may find interesting: https://china-outbound.com/editorial-now-is-the-time-to-prepare-for-the-post-virus-wave-of-chinese-tourists/
What we plan or recommend to do:

1. We are monitoring Brand USA and other tourism bureau’s response and reactions. However, despite being cautious and sensitive to what’s happening in China, on social media, we recommend to show sympathy and support and don’t recommend to completely abandon social media outreach in China. Think about what people would do when they reduce going to public places and are confined at home? They are glued to their digital devices. Instead of recommending activities that need immediate action, WeChat and Weibo accounts could focus on branding with unique features of our destinations as well as focusing on summer travel itineraries, music festivals, beaches, hotels, golf activities, etc.

2. Due to the large cancellation of group tours, right now is a good time for DMOs, attractions and shopping centers to host FAM or training for US based receptive operators and tour guides since they will be free for the next 60-90 days. Feel free to take advantage of GLUSA’s buy-in program to help you host such events. You may also want to consider local Chinese influencer activities so that they could be your ambassadors when the Chinese travelers are back.

3. China Readiness Seminar – we are still observing the current situation and will make a decision on when we should host the China Readiness Seminar.

4. ITB China – So far, it’s still on Brand USA’s plan and ours. We are monitoring the situation and will let you know if there are any changes.

Both Nicholas and I stayed additional time in China after the China Mission. Thank you so much for your care, we are both back safely. I just passed my 14-day self-quarantine today and Nicholas is still working from home. We are here to work with you to get through this difficult time. Please do not hesitate to contact us if you have any questions or if we could be of any assistance. Thanks!

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