Beijing—North China Overview

1-Economic Snapshot

- Capital city of China with a population of 22 million.
- Amongst the most developed cities and economic centers in China.
- GDP of 405 billion USD in 2016; per capita GDP is 2.2 times national average
- Home to 52 Fortune 500 companies
- The largest concentration of state-owned companies.
- Host to 800 financial organizations, generating 12% of China's finance industry's output
- Beijing Capital International Airport is the second busiest in the world by passenger traffic
- Beijing Municipality is surrounded by Hebei Province with the exception of neighboring

2-Outbound Market Overview

- Most developed market for outbound travel.
- U.S. outbound travel is getting more and more mature in Beijing and one state in-depth travel is becoming the trend in Beijing.
- Most state owned and influential travel agencies and tour operators are located Beijing.
- Outbound tourism sector records 20% growth y-o-y since 2010
- Average outbound travel spending from Beijing tourists increase by 34.74% in 2016
- 7 Airlines fly 27 routes between Beijing and U.S. cities
- 754 fully-licensed outbound travel agencies are based in the capital
- 2nd largest of outbound travel market in China with 3.4 international travelers in 2016
- 20% growth rate forecast for 2017 for outbound travel market
- The 5 largest Tour Operators in China are all headquartered in Beijing

3-Media Market Overview

- Beijing is the home of many of China most influential and popular media including Conde Nast Traveler, National Geographic, Voyage, China Daily, People Daily, Beijing News, CCTV (national broadcaster with 16 channels) and more...
- Luxury and high-end lifestyle media are also based in the capital including Trading Up, GQ, Harper's, Robb Report, Madame Figaro
Shanghai–East China Overview

1-Economic Snapshot

• China's richest city and the leading trendsetter in fashion, design and the arts
• 23 million high-spending inhabitants
• China's financial center and home of China's business elites
• Generates 3.7% of China's entire annual GDP; 402 billion dollars in 2016
• Home of countless multinational companies, Fortune 500s, and large Chinese corporations

2-Outbound Market Overview

• Home of Ctrip, the largest OTA in China, as well as several other top OTAs such as Tuniu, Lvmama, Alitrip, Tongcheng
• All top Tour Operators and Travel Agencies have regional headquarters in Shanghai
• Shanghai and neighboring areas make up 40% of China's entire outbound travel to the U.S.
• Shanghai travelers are mature, sophisticated, high-spending and likely to be FITs and always on the look-out for new destinations and new travel experiences

3-Media Market Overview

• Shanghai is home to several of China's largest digital media groups, including Shanghai Media Group, Shanghai Media & Entertainment Group, Oriental Pearl Media, Shanghai United Media, all of which are among China's top media conglomerates.
• Numerous TV stations operates in the Shanghai market, including STV and Shanghai Television, both with coverage well beyond the Shanghai's area.
Guangzhou – South China Overview

1- Economic Snapshot

- Guangzhou, population 15 million, is the capital city of Guangdong Province
- With 110 million people, the Guangdong Province is China’s largest by population
- Guangzhou city GDP ranks #3 in China, equal to that of Singapore, while Guangdong’s GDP alone is equal to that of Mexico.
- Guangdong is the country’s biggest exporter, accounting for more than a quarter of China’s total foreign trade, and it is the heart of the high tech industry in China, with 3 out of 4 of China’s Free Trade Zones (FTZ): Shenzhen, Zhuhai, and Shantou.
- Ranked #1 in Forbes’ “2014 Best Cities for Business”
- 4 out of the 10 cities with the most millionaires in China are in Guangdong Province: Guangzhou, Shenzhen, Foshan, and Dongguan.

2- Outbound Market Overview

- #1 outbound tourism market in China
- Local outbound tourism sector grows at 20% annual rate.
- Over 90 million people traveled outbound via Guangdong ports in 2016
- #1 province in China for the number of outbound travel agencies with 332 outbound travel agencies based in Guangdong
- In 2016, over 75% of Guangdong residents traveled outbound, a percentage greater than anywhere in China
- Outbound travel forecast to jump 20% in 2017
- Home of leading travel trade groups and airlines, including:
  - China Southern Airlines
  - Xiamen Airlines
  - Dista Group LLC
  - Successway International Inc.
  - Guangzhou GZL International Travel Service
  - Guangdong Nanhu International Travel Service Co Ltd
  - Guangdong China Travel Service Co Ltd
  - Shenzhen CITS
  - Shenzhen Overseas International Travel Service Co. Ltd
  - Diadema
Guangzhou – South China Overview (cont’d)

3-Media Market Overview

The Guangzhou Daily Media Group alone comprises 15 newspapers, 5 magazines, and 2 leading web portals, making it one of China’s largest media conglomerates.

The region’s 2nd largest media group, Nanfang Media Group, controls 11 newspapers, 8 magazines, and 5 web portals.

In addition to the above, Guangzhou city and Guangdong Province are home to several other locally influential integrated media groups.

Chengdu—Western China Overview

1-Economic Snapshot

• Chengdu, population 14 million, is the capital city of Sichuan Province, population 95 million
• Manufacturing capital of China
• Home of 275 Fortune 500s companies in China
• Economy rapidly transitioning to high-value manufacturing including IT, Defense, automobile, and advanced electronics
• Chengdu is surrounded by 8 cities with multi-million population
• Largest concentration of private jets in the world
• Ranked 3rd in China for the number of foreign General Consulates established, highlighting the importance of the market
Chengdu– Western China Overview (cont’d)

2-Outbound Market Overview

• 2014 marked the first year that outbound tourist number from Chengdu crossed the 1 million mark
• Since then the local outbound sector has grown at 20-22% annually
• U.S. is now part of the Top 5 most preferred outbound destinations for Chengdu residents
• Newly created wealth from the region has resulted in massive pent up demand for travel
• Chengdu is home is dozens of Travel Agencies and Tour Operators, comprising both branches of national chains and locally-headquartered ones

• Local travel trade partners eager to meet NTOs and DMOs to develop new tourism products to meet market demand
• Chengdu Airport 4th busiest in China, with over 45 million passengers last year
• Chengdu-Los Angeles and Chengdu-New York new air routes to be launched in 2017

3-Media Market Overview

• All national media are distributed in Chengdu
• The past 2 years have seen an explosion of new international lifestyle titles in the Chengdu market
• Leading digital media are very active in Chengdu
• Tencent Chongqing, Sina Sichuan and West China Media Group offer integrated media exposure across platforms
WUHAN MARKET OVERVIEW

1-Economic Snapshot

• Capital of Hubei Province and the largest city in Central China.
• Population: 11 million in Wuhan itself, with 60 million in Hubei Province or more than the population of the Top 100 cities in the U.S. combined, greater than the population of Italy, Korea or Spain, and more than the combined populations of Canada and Australia.
• Growth Potential: Over the past 5 years the population of Wuhan has grown 23%, driven by a shift from heavy industries such as steel production, to innovation-driven industries such as hi-tech.
• China's 7th largest high tech corporate presence and claims one of the world's largest student populations of over 1 million, on a par with Greater New York and Greater Los Angeles and the guarantee of an ever-increasing, highly educated consumer base.
• GDP: $161 billion, the 8th highest GDP among China cities, with annual growth of 9.7% compared to China’s overall growth rate of 6.5% while Hubei province has a GDP of $460 billion.
• 15 nearby gateway cities with population over 1 million
• One of only 6 cities in China with a U.S. diplomatic presence

2-Outbound Market Overview

• Air Hub: Wuhan Tianhe International Airport (WUH) is a key hub airport for Air China, China Eastern and China Southern. Over 30 other airlines operate domestic and international flights out of Wuhan. Upgraded in August 2016, Wuhan Airport can now accommodate 900 flights a day with an annual capacity of 35 million passengers, connected to 45 international destinations.
• Outbound Travel: With a development that started later than other fast-growing Chinese markets, the Wuhan market is experiencing massive pent up demand for long-haul outbound travel.
• Travel Trade: 65 major travel agencies operate in Wuhan
• U.S. Flights: China Southern offers direct non-stop service to the U.S., with additional direct non-stop lift to the U.S. out of Wuhan by United and other airlines projected in the coming 24 months. Starting March 2017, China Southern has already announced that it will boost its capacity on its 3x weekly flight Guangzhou-Wuhan-San Francisco, by switching to larger airplanes.
SHENYANG MARKET OVERVIEW

1-Economic Snapshot

• Population 12 million, largest city in Northeast China, and capital of Liaoning Province with a population of 45 million—equivalent to the population of Australia and Taiwan combined.

• Size/Significance: with a population of 45 million, Liaoning Province is the 7th wealthiest province in China, with a GDP of USD $470 billion. The GNP of target cities in Liaoning Province exceeds that of Beijing or Shanghai, with Liaoning Province representing 4.25% of China's total GDP, Shanghai representing 3.69% and Beijing representing 3.39%.

• Market Area: 13 major gateway markets of Northeast China

2-Outbound Market Overview

• Air Hub: Shenyang Taoxian International Airport (SHE) is a major international airport handling 13 million passengers and 100,000 aircraft movements by 30 different airlines. New international routes have been launched this year to a variety of destinations including Germany, Australia, Japan, Thailand, and Korea, with new direct non-stop services to several destinations pending. Shenyang airport is a key hub for China Southern Airlines.

• Travel Trade: 197 major travel agencies are located in Shenyang

• One of only 6 cities in China with a U.S. diplomatic presence

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