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No. 199/2013 dated 25 October 2013

Relaxing Visa Rules for Chinese Tourists: Time for ASEAN Review?

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Synopsis

ASEAN members have greatly benefited from the increasing influx of tourists from mainland China. However, none of them has granted visa waiver to ordinary Chinese passport holders. Should the visa policy be relaxed in line with ASEAN's goal of greater connectivity with East Asia?

Commentary

DURING HIS recent tour of Southeast Asia, Chinese Premier Li Keqiang announced that China and Thailand have started talks on mutual waiver of tourist visas for their nationals. Bangkok thus becomes the first member-state of ASEAN to discuss such a proposal with Beijing.

This initiative is not surprising, considering that China is Thailand's largest source of foreign visitors - 2.8 million Chinese nationals visited the Southeast Asian country in 2012. There are clear benefits for Thailand from such a relaxation of visa rules which other ASEAN countries may want to consider as well.

Growing inflow of Chinese tourists to ASEAN

ASEAN countries have witnessed a growing inflow of Chinese tourists in recent years. In 2012 alone, 7.4 million Chinese nationals visited Southeast Asia or 2.6 times more than ten years ago. Chinese officials have emphasised that China is the major stimulus for the booming tourism industry in Asia, particularly Southeast Asia. The Secretary-General of the ASEAN-China Centre, Ma Mingqiang estimated that in the next 3-4 years, the percentage of Chinese travellers visiting Southeast Asia will increase from the present 10 percent to 20 percent.

According to the United Nations World Tourism Organisation (UNWTO), China is the fastest growing tourism market today. Over the past three decades, the number of Chinese nationals travelling abroad has been increasing at an annual rate of 20 percent. In 2012, Chinese citizens travelling out of the country numbered 83 million person-times – that is including multiple trips abroad by the same people in the year.

In terms of offshore travellers, the size of the Chinese market is already 1.2 times of that of the United States, and 3.5 times that of Japan. At this rate, China is expected to become the world's largest market of overseas travel in the near future. It is also well-known that Chinese tourists spend freely abroad. In 2011, their overall expenses exceeded US\$72 billion, and this rose to US\$102 billion in 2012, making Chinese the world's biggest

tourism spenders, overtaking Americans and Germans, according to the UNWTO.

Approximately 25 percent of Chinese tourists abroad allocate 51-88 percent of their travel budget to shopping. However, this imbalanced spending pattern is changing gradually. Leisure and vacation were the main purposes of 38 percent of the Chinese nationals travelling abroad in 2011, four percent higher than in the year before. Exotic islands and beaches where one can go with easy visa procedures have become particularly popular among Chinese holidaymakers.

This trend renders Southeast Asian countries rather promising tourist destinations for China. By 2016, the number of Chinese tourists going on vacation in Southeast Asia is expected to exceed 14 million.

Despite their large numbers and generous spendings Chinese travellers have not received a warm welcome and respect wherever they go. The New York Times, describing mainland Chinese tourists as “newly wealthy”, “laden with cash”, “helpless with foreign languages” and “unfamiliar with foreign ways”, cited the frustrations expressed through a Thai online message board over the uncivilised behaviours of Chinese tourists.

Worldwide trend to relax visa rules for Chinese visitors

Despite the poor reputation of some ill-mannered Chinese tourists abroad, many countries are still relaxing visa procedures to attract more Chinese visitors. A day after China and Thailand announced their proposal of mutual visa waiver, the BBC reported that the United Kingdom will simplify visa applications for Chinese visitors. Under the new plan, Chinese nationals visiting other member-countries of the European Union need not apply for a separate UK visa if they book with selected travel agents.

This policy is intended to encourage more Chinese companies to invest in the UK. Last year, 210,000 UK visas were issued to Chinese citizens, contributing about £300 million to the British economy. To boost the region's tourism industry, the EU is also working on a more flexible and less time-consuming visa application process for Chinese travellers. Tourism is also considered to be one of the areas with the highest potential for cooperation between the EU and China.

Even the US, known for its stringent laws in issuing visa for Chinese citizens, signed a Memorandum of Understanding with China in 2007 to allow Chinese leisure group tourists to visit America from June 2008 onwards. The then-US Commerce Secretary Carlos M. Gutierrez stated that the MOU “opens China's growing market to US travel and tourism industries”.

Indeed, it is predicted that China will become the top tourist source for the US in 2018 with almost five million Chinese projected to visit the US. In 2012, Chinese travellers spent US\$9 billion in America.

New visa policy for closer ASEAN-China relationship

While the lucrative tourism market provided by China may serve as a strong incentive for ASEAN countries to consider waiving visa or simplifying visa application for Chinese travellers, it should not be the only motivation. China is now ASEAN's largest trade partner and ASEAN is the third largest trade partner of China.

The two sides have set the target to expand the two-way trade to US\$1 trillion by 2020 and upgrade the ASEAN-China Free Trade Area which came into effect 2010. In the coming eight years, China will import a total of US\$3 trillion worth of goods from ASEAN countries and invest more than US\$100 billion there. The visa policy between ASEAN and China needs to be reviewed in line with their rapidly growing commercial ties.

Besides, the policy of waiving or simplifying visa will facilitate Chinese nationals' travel to Southeast Asia. This will fulfill the strategic goals of ASEAN Connectivity: deeper intra-regional linkage and better regional connectivity with East Asia and key global markets.

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