

China virus outbreak rams global tourism, costing billions

By Elaine Kurtenbach and
Alexandra Olson

The Associated Press

Businesses around the world that have grown increasingly reliant on big-spending tourists from China are taking a heavy hit, with tens of millions of Chinese residents restricted from leaving their country as the coronavirus spreads.

Hotels, airlines, casinos, and cruise operators were among the industries suffering the most immediate repercussions, especially with the outbreak occurring during the Lunar New Year, one of the biggest travel seasons in Asia.

What happens in China means a lot more to the world economy than it did when the SARS (severe acute respiratory syndrome) outbreak struck nearly two decades ago. In 2003, China accounted for 4.3% of world economic output. Last year, it accounted for 16.3%, according to the International Monetary Fund.

Tourism from China was already down before the virus hit due in part to the Hong Kong protests and the trade dispute between Beijing and Washington.

But about 134 million Chinese travelled abroad in 2019, up 4.5% from a year earlier, according to official figures. Before the outbreak, the China Outbound Tourism Research Institute predicted some 7 million Chinese would travel abroad for the Lunar New Year this year, up from 6.3 million in 2019.

Hong Kong, Thailand, Japan, and Vietnam were top destinations, but Chinese tourists are big spenders in cities such as London, Milan, Paris, and New York.

Economists and tourism industry officials say the biggest threat so far is to China's closest neighbors, with the U.S. and Europe likely to face major repercussions only if the coronavirus outbreak proves long-lived.

In Thailand, a favorite destination for Lunar New Year travel, officials estimate potential lost revenue at 50 billion baht (\$1.6 billion). Many drugstores in Bangkok ran out of surgical masks and the number of Chinese tourists appeared to be much smaller than usual for the Lunar New Year. The government announced it was handing out masks, and that the airport rail link would be disinfected.

Spillover is also probable in Vietnam, Singapore, and the Philippines, said Tommy Wu and Priyanka Kishore, of Oxford Economics.

Berlin Zoo panda cubs make first public outing

BERLIN (AP) — Two baby pandas born at Berlin's zoo were chipped and checked in preparation for their first public outing last month, officials said.

The zoo said the five-month-old cubs, nicknamed Pit and Paule, were injected with a tiny microchip that's standard for endangered species such as giant pandas.

Keepers also made sure the panda enclosure is cub-proof by lowering some of the climbing stations designed for their mother, Meng Meng, and draining the water basin, then filling it with soft wood.

The cubs were born last August, the first panda births in Germany. Their parents, Meng Meng and father Jiao Qing, were loaned to the zoo by China in June 2017.

In this picture taken through a window, young panda twins Meng Yuan and Meng Xiang explore their enclosure at the Berlin Zoo. (AP Photo/Michael Sohn)



Hong Kong is especially vulnerable because its economy and its appeal to tourists have already been weakened by months of sometimes-violent political protest. By November, inbound tourism to Hong Kong was already down 56% from a year earlier.

The number of visitors from mainland China to the autonomous Chinese gambling capital of Macau was down 80% as on January 26, from a year earlier, a threat to a regional government that depends on gaming revenue.

Gaming and lodging operators in Macau reported higher-than-expected cancellations during the weekend the Lunar New Year was welcomed, as the death toll from coronavirus rose and the Chinese government extended travel restrictions, according to Instinet analyst Harry Curtis.

"Cancellations soared across all of the properties we contacted," Curtis said in a note. "Pessimism rose on how long it could take for business to recover."

Shares of Wynn Resorts, Las Vegas Sands, and MGM Resorts International — which all have operations in Macau — had declined 18.3%, 14.6%, and 12.1% since January 17, respectively. But analysts said it was too soon to tell how deeply their finances would be affected. Adding to the uncertainty was the possibility that Macau's government could shut down all casinos.

Jefferies, an equities research firm, predicted the virus outbreak would affect first quarter results for the companies "but how large and will it linger onward remain the questions."

Wynn Resorts said it scaled back Lunar New Year events in Macau, began

screening the temperature of all guests, and had taken other steps to comply with the directives of the Macau government. MGM and Las Vegas Sands also said they were following government guidelines. The companies declined to provide any cancellation figures in Macau.

More than 14,550 people globally have fallen ill since the coronavirus was first found in the central Chinese city of Wuhan.

China extended the week-long Lunar New Year holiday to help prevent the epidemic from spreading.

Travel agencies in China were told to cancel group tourism, and governments around the region were restricting travel from Wuhan, closely monitoring other travellers, and helping arrange evacuations of some foreigners stuck in Wuhan.

The outbreak comes just as hopes were rising that Chinese tourism to the U.S. would start to recover following two years of decline due to the prolonged trade dispute between the two countries.

In 2018, travel from China to the U.S. fell for the first time in 15 years, according to the National Travel and Tourism Office, which collects data from U.S. Customs forms. The office had forecast a further decline of 5% in 2019 but predicted a return to growth in 2020 and beyond.

China remains the fifth-largest source of foreign tourism to the U.S., behind Canada, Mexico, the U.K., and Japan. Nearly 3 million Chinese travelled to the U.S. in 2018, spending more than \$36 billion.

Tourism industry officials said it was too soon to say whether the outbreak would significantly effect expectations for a recovery, saying much depends on how

VIRAL EFFECTS. A poster warning about coronavirus is displayed in a departure lobby at Incheon International Airport in Incheon, South Korea. Businesses around the world that have grown increasingly reliant on big-spending tourists from China are taking a heavy hit, with tens of millions of Chinese residents restricted from leaving their country as the coronavirus spreads. The sign reads "A new coronavirus occurs in Wuhan City, China." (AP Photo/Ahn Young-joon)

long the outbreak lasts and if the Chinese government extends travel restrictions to major cities such as Shanghai.

"Anything that goes on for a sustained period of time would obviously have a significant impact," said Chris Heywood, spokesman for NYC & Company, the official tourism organization of New York City. "For us, China is a critically important market."

Heywood said China was the second-largest source of foreign visitors to New York, following the U.K.

Broadway Inbound, which sells group discount tickets for Broadway and other shows, has received a handful of cancellation requests for China-based customers unable to travel due to the outbreak, said Bob Hofmann, vice president of Broadway Inbound. He said ticket sales are normally final but customers affected by coronavirus would get a full refund.

Chinese tourism to other countries has continued to grow in recent years. In Britain, Chinese visitors were second only to Middle East tourists in spending per visit — about \$2,200 on average in 2018. The number of Chinese visiting Britain has quadrupled since 2010.

AP writers Barbara Ortutay in San Francisco and Paul Wiseman in Washington contributed to this story. Kurtenbach reported from Bangkok and Olson reported from New York.

Asian demand for face masks soars on fears of Chinese virus

Continued from page 2

million masks to people entering the country at Poipet, on its border with Thailand.

Indonesia, Asia's third-most populous country after China and India, has not confirmed any cases of the virus. At the request of its embassy, it's sending 10,000 masks to China for distribution to Indonesians living there, said Agus Wibowo, a spokesman for the Health Ministry.

In Bangkok, consumers are faced with choosing between N95 masks, which many residents have worn during recent weeks of heavy air pollution, or plain surgical masks that can help block transmission of the virus and are more breathable.

Thailand, a favorite Chinese vacation destination, has 19 confirmed cases of the illness, the second-highest national total outside China.

While some stores were temporarily sold out, especially in places frequented by Chinese tourists, there's no absolute shortage of masks, said Prayote Pensut, the deputy director general of the Thai Commerce Ministry's Internal Trade Department.

Whether or not masks do much to prevent the virus from spreading, they seem to reassure many.

Wuhan is "pretty much contained," said Ian Zhao, a 30-year-old engineer from Shenzhen who was visiting Bangkok's ornate Grand Palace. So, "you just don't worry about it too much, wash your hands, put on masks, just keep your personal hygiene every day. And it's mostly fine."

Peck reported from Bangkok. Associated Press writers Kim Tong-hyung in Seoul, Mari Yamaguchi in Tokyo, Jim Gomez in Manila, the Philippines, Busaba Sivasomboon and Tassanee Vejpongsa in Bangkok, Sopheng Cheang in Phnom Penh, Cambodia, and Niniek Karmini in Jakarta, Indonesia contributed to this story.



*Have a safe and prosperous
Year of the Rat!*

January 25, 2020 to February 11, 2021

