

**FACT SHEET  
U.S.-CHINA GROUP  
LEISURE TRAVEL MEMORANDUM OF UNDERSTANDING (MOU)**

**OVERVIEW**

- The United States and China have signed an agreement to facilitate Chinese group leisure travel to the United States. This agreement provides the necessary framework to permit group leisure travel from China to the United States.
- Chinese regulations restrict companies from organizing and marketing package tours for leisure purposes to countries that do not have agreements in place, often referred to as Approved Destination Status agreements (ADS). This MOU fulfills this purpose without changing existing laws or policies of the United States, including the issuance of visas.
- Chinese travel agencies will be allowed to work with U.S. companies to organize and market packaged group leisure tours to the United States. In addition, U.S. travel destinations will be able to market their brands in China.
- This agreement is expected to be implemented in the Spring of 2008 after both countries have put systems in place that will provide for an orderly market transition.
- Provisions in the MOU permit the United States to discontinue participation in the MOU should a significant number of group leisure travelers overstay their period of admission to the U.S.

**U.S. – CHINA TOURISM MARKET**

1. In 2006, China ranked as the 17<sup>th</sup> largest international market for the United States, with over 320,000 Chinese visitors to our nation.
2. Chinese travel to the United States had a record year in 2006.
3. Chinese visitors spent a record \$2.1 billion in the United States in 2006 (including \$1.6 billion on U.S. travel goods and services and \$431 million to U.S. carriers).
4. The Department of Commerce forecasts that the United States will host 579,000 Chinese travelers by 2011; an 81% increase from 2006.

**CHINESE VISITOR AND SPENDING TRENDS IN THE UNITED STATES**

<b>Year</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Change 2006 / 2000</b>
<b>Arrivals (thousands)</b>	249	232	226	157	203	270	320	71
<b>% Change</b>	30%	-7%	-3%	-30%	29%	33%	19%	28%
<b>Total Travel &amp; Tourism Receipts (millions)<sup>1</sup></b>	\$1,424	\$1,326	\$1,185	\$858	\$1,115	\$1,534	\$2,073	\$649
<b>% Change</b>	50%	-7%	-11%	-28%	30%	38%	35%	46%
(1) Includes travel receipts at U.S. destinations and passenger fare receipts/exports on U.S. carriers.								

**Questions and Answers**  
**About the**  
**Memorandum of Understanding Between the Government of the**  
**People’s Republic of China and the Government of the United States to**  
**Facilitate Tourist Group Travel from China to the United States.**

**Q. What does this agreement mean to the travel and tourism industry?**

- A. According to the UN World Tourism Organization (UNWTO), China is the fastest growing travel market in the world, estimated to reach 100 million international travelers by 2020. This agreement ensures the competitive position of the United States to benefit from this expanding lucrative travel market.

As a result of this agreement, Chinese tourists can now travel to the United States through leisure tour group packages. This agreement complements the expansion of air services that the United States and China agreed to at the May Strategic Economic Dialogue.

U.S. companies can now enter into business relationships with Chinese travel agencies to organize and market travel packages for group leisure travel to the United States. It also facilitates the marketing by U.S. destinations and private companies of their brands in China.

**Q. Why do we need a Memorandum of Understanding on facilitating group leisure travel from China to the United States?**

- A. Under Chinese regulations, Chinese travel agencies can only organize and market leisure tour group packages to countries that have a bilateral agreement with China, often referred to as Approved Destination Status or ADS Agreements. This MOU between China and the United States fulfills that function, and opens this market for U.S. companies.

**Q. If Chinese people can already travel to the United States, why is the group leisure travel market important?**

- A. As is the case in most emerging markets, many Chinese tourists prefer to travel for leisure in groups on package tours. Organizing travel in this way helps to increase the comfort level of many travelers.

**Q. When will this agreement be implemented?**

- A. After the agreement is signed, it will take at least three to four months to implement. This will give both the private and public sectors time to establish procedures to provide for an orderly transition.

**Q. Why does the agreement only apply to Chinese nationals traveling in groups for leisure purposes?**

A. The United States welcomes all Chinese nationals that have received a visa to visit our country. Chinese regulations of Chinese travel agencies restrict group leisure travel to countries with which China has a bilateral agreement. Chinese individuals and groups traveling for other purposes, such as business or education, already can and do come to the United States.

**Q. Has this changed any U.S. law or policy in this agreement?**

A. No. The agreement simply articulates that conditions required by Chinese regulations are in place for U.S. companies to be able to enter into business relationships with Chinese travel agencies to organize and market travel packages for group leisure travel to the United States. It will facilitate the marketing by U.S. destinations and private companies of their brands in China.

There are no changes in the current visa policies of the United States. The MOU includes provisions that permit the United States to discontinue its participation in the MOU. The United States will discontinue participation in the MOU should a significant number of group leisure travelers overstay their period of admission to the United States.