



Sustainable Development of China's Tourism Industry: Current Status, Measures and Priorities

China National Tourism Administration

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Foreword

- **Our conception and target of sustainable development of China's tourism industry:**

China is a developing country with a rapidly growing tourism industry. Like tourism industry in other developing countries, China pays equal attention to tourism industry's economic returns (its pulling effect on the economy) and social returns (in promoting social and human development), as well as its use of resources and environmental bearing capacity. We aim to achieve integration and balance in the above-mentioned areas for the sustainable development of China's tourism industry.

I. Sustainable development of China's tourism industry includes, but not limited to, the following areas:



1. Sustainability in tourism consumption



2. Continuous improvement in tourism infrastructure



3. Improved and more balanced tourism services



4. Improvement and sustainability of the ecological environment for tourism



5. Long-term and stable benefits for local people



6. Positive impact on social and cultural structure

I. Sustainable development of China's tourism industry includes, but not limited to, the following areas:



7. Enduring effect on the enhancement of the people



8. Job creation



9. Social exchanges and stability



10. Respect and honor for tourism employers



11. Improvement of tourism product lines



12. Continuous expansion of tourism fields

1. Sustainability in tourism consumption

The Chinese government is committed to increase people's income and stimulate consumption:

- --Tourism consumption contributes more than 10% to China's total consumption and will continue to grow.
- --Chinese citizens on average spend 731 yuan in their travel every time.
- --From 2006 to 2010, the number of Chinese tourists grew by 12% every year, in-bound overnight tourists grew by 3.5% every year, out-bound tourists grew by 19% every year. The total revenue of China's tourism industry grew by 15% every year in this period.
- --In 2012, the total revenue of China's tourism industry reached 2.57 trillion yuan, up 14% year-on-year.

2. Continuous improvement in tourism infrastructure

Faster construction of airports, railways, highways and hydropower facilities

- In 2012, China's mainland has 183 civilian airports, 4.1064 million kilometers of highways, and 110,000 kilometers railways in operation including 13,000 kilometers of 200km/h passenger lines and inter-city lines.

More financial investment

- In 2012, the central government has more than one billion yuan direct investment on tourism infrastructure, a year-on-year increase of 10%. Every Chinese province has its fiscal budget for its own tourism infrastructure construction.

3. Improved and more balanced tourism services

- Credit worthiness in tourism is promoted. Tourist satisfaction rate has reached 80% for the first time.
- The government has held regular skills contests for tourism workers, worked out awarding and incentives mechanisms, and helped them improve their services.

4. Improvement and sustainability of the ecological environment for tourism

Strong commitment to eco-tourism

- CNTA and the Ministry of Environmental Protection co-chaired national work meetings on eco-tourism in 2006 and 2008, and co-released *National Guidelines on the Development of Eco-tourism*.

National standards

- We promulgated and released *National Standards on the Construction and Operation of National Eco-tourism Demonstration Zones* and *Regulations on the Management of National Eco-tourism Demonstration Zones* to promote national eco-tourism demonstration zones nationwide. We are also exploring the construction of national parks.



- **Legislation**

Central and provincial governments have restrictive rules on the development of tourism resources, such as *Temporary Regulations on the Protection of Tourism Resources* promulgated by CNTA in 2007. Tourism regulations of different provinces have specific chapters about protecting tourism resources.

5. Long-term and stable benefits for local people

- **Protecting the interests of local people in rural tourism**

For example, Likun Village, Wuyuan, Jiangxi Province has delivered stable revenue to local people in developing village tourism. In 2010, 262 out of 268 Likun households were directly and indirectly involved in tourism. From 2001 to 2010, travelers to Likun Village increased from less than 10,000 to as many as 580,000, and comprehensive tourism revenue from less than four million yuan to 350 million yuan. From 2002 to 2010, migrant workers from Likun Village declined from 400 to less than 30, while annual per capita income in the village increased from over 600 to 8,600 yuan.

- **Relatively stable income for tourism workers in large cities**

According to Zhaopin.com, a professional job intermediary, the average annual monthly income for tourism workers in Beijing stood at 5,667 yuan, higher than the city's average level of 5,105 yuan.

- **People's income has notable increase in tourism towns**

For example, Bu'erjin County of Xinjiang, home to Kanas tourism area, received 1.36 million visitors and one billion yuan in comprehensive tourism revenue in 2012, up 16% and 20%. More than 12,000 people are engaged in catering, hotel, tourism souvenir, and horse rental businesses. The county's per capita annual income has exceeded 30,000 yuan.

6. Positive impact on social and cultural structure

- **Exemplary role**

- Slender West Lake (*Shouxihu*) was named the first National Cultural Tourism Demonstration Zone.

- **Culture-oriented standards**

- Standards on cultural tourism in the pipeline

- Requirements on cultural elements in A-class tourism areas and outstanding tourism cities to enhance cultural products

- **Planning**

- In local tourism planning, emphasis is placed on cultural experience in tourism products, including cultural inheritance and annotation.

7. Enduring effect on the enhancement of the people

- Personal attention by China's national leader: travel is a way to cultivate oneself. Since ancient times, the Chinese nation has combined travel and reading with the saying that one should read ten thousands of books and travel ten thousands of miles. (President Xi Jinping, Address at the opening ceremony of the "Tourism Year of China" in Russia on 22 March 2013.)
- Commitment of the central government: the State Council released *the Outline for National Tourism and Leisure (2013-2030)* on 18 February 2013.
- Social environment: with summer, winter and mini-vacations, a social environment will be created to encourage students to travel together and with their parents.
- Achievements: travel in golden week holidays has gradually made domestic travel a must in the life of Chinese citizens. In 2012, Chinese citizens have made 2.957 billion travels in China.

8. Job creation

- CNTA and the National Development and Reform Commission convened a national meeting on developing tourism to promote employment. The meeting came up with policy measures to develop tourism to boost employment.
- 11 million people work directly for tourism industry in China. Tourism has created 76 million jobs in China.
- Employment has been incorporated into tourism development plans. The Twelvth Five-Year Tourism Development Plan proposed to create 15.25 million jobs directly related to tourism industry with 700,000 new jobs created every year.

9. Social exchanges and stability

Poverty alleviation

- Tourism is in a favorable position to alleviate poverty: 1. low start-up cost with natural endowment; 2. low employment threshold with broad scope and wide fields at multiple levels; 3. strong pulling effect on related sectors and capacity building; and 4. sustainable due to its emphasis on effective protection of resources and the environment.
- Cooperation with poverty alleviation departments to promote tourism in poverty-stricken areas in terms of planning, financial support, human resources training, and product development in order to help increase farmers' income and get rid of poverty. Three pilot zones to cut poverty by promoting tourism have been set up in Ningxia, Hebei and Jiangxi.
- Incorporation with village tourism to encourage richer urban residents to travel to rural areas to promote economic and social development in rural areas and promote exchanges between urban and rural cultures.

10. Respect and honor for tourism employers

- We make the training plan for tourist guides a long-term project and hold national tourist guide contests to improve their training.
- We are committed to resolve problems in the compensation of tourist guides to improve their economic and social status.
- National legislation drafts provide articles governing civilian relationship between tourists and service providers.
- National meetings have been held to award outstanding tourism organizations, model workers and model tourist guides nationwide.

11. Improvement of tourism products

- New products and patterns: cruiser tourism, golf tourism, skiing tourism, hot spring tourism.
- The government supports the establishment of such organizations as hot spring tourism association and tourism product association.
- A pilot medical travel zone will be established in Hainan.
- Specific tourism development plans, such as one on cruiser tourism will be worked out.

12. Continuous expansion of tourism fields

- **Village tourism: from cities to the countryside**

——The government has proposed a village tourism project to increase rural residents' income

- **Maritime tourism: from land to sea**

——This year has been designated as the “Year of Maritime Tourism”.

Air, space and helicopter tourism: from earth to low and upper air

——Helicopter tourism in Beijing, Tianjin and Shanghai is appealing to tourists.

II. Challenges

In the sustainable development of tourism industry, we face a number of challenges amid the rapid development of China and its tourism industry, such as:

1. Poor infrastructure: the accessibility of many tourism attractions is low.
2. Tourism workers need to improve their skills and professionalism: rural education is underdeveloped.
3. The rule of law should be strengthened: restraint on some development and tourism activities should be stepped up.
4. Institutional arrangements need to be improved: vacation travel time and land system etc.

III. Looking ahead

Legal and institutional arrangements should be the top priority as their improvement will rein in behaviors of different players in the industry. The central government will further improve vacation system, land use system, and paid use and protection system of resources.

Vacation system: a more flexible paid leave system will be introduced and implemented so that tourism consumption will be more balanced in different time and areas.

Land use system: an appropriate paid system to transfer land use rights will help promote tourism product innovation and better meet investors' needs.

Paid use and better protection of resources: tourism planning will be more legally binding to better rein in disorderly, inefficient and destructive development activities.