Yunnan Tourism Co., Ltd:
Developing Garden Expo ’99 Site into a First-Class Urban Eco-Cultural Complex
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**Agenda**

- Background
- Popular Sites
- Government Policies & Economic Impacts
- Emerging Trends in Domestic and International Travel

**Tourism Facts**

- Beijing welcomes 140 million Chinese tourists and 4.4 million international visitors in a year.
- By the end of 2012, 11,367 star-rated hotels submitted operating figures to China National Tourism Administration.
- Their total revenue amounted to CNY 243.022 billion (almost 40 billion USD)
Background

History
- 1949 - 1974: China was closed off for all but select foreigners
  - Minimal domestic tourism
  - Lack of disposable income
- Deng Xiaoping’s reforms in the late 1970s, tourist spots were reopened and tourism flourished
  - Most tourism infrastructure was built to support foreign tourists
  - Increase foreign earnings

Domestic Tourism Today
- 1990's: large domestic tourism growth
- Increased quality of the service industries - learned from the west
- Popular for cultural relics, historic sites, as well as more modern attractions

2012 Tourism Statistics
- 1.6 billion domestic trips - the world's largest domestic tourism market
- 59.4 million inbound trips
- Concerns:
  - High number of tourists during holiday weeks
  - Detrimental to service, environment, historical sites, etc.
## Destinations

### Top 10 Chinese Destinations for Rich Chinese

10. Xinjiang  
9. Qingdao  
8. Shanghai  
7. Beijing  
6. Hangzhou  
5. Macao  
4. Tibet  
3. Yunnan  
2. Hong Kong  
1. Sanya

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### Table II Travel activities of China and US domestic tourists, 1999 (% of person-trips)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Activities</th>
<th>China’s domestic tourists % of person-trips</th>
<th>US domestic tourists Activities</th>
<th>% of person-trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Outdoor/natural scenery</td>
<td>23</td>
<td>Shopping</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>Religious/historical sites</td>
<td>32</td>
<td>Outdoor</td>
<td>17</td>
</tr>
<tr>
<td>3</td>
<td>Keep-fit activities/sports</td>
<td>27</td>
<td>Historical museums</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Recreational/sports</td>
<td>23</td>
<td>Beaches</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Shopping</td>
<td>17</td>
<td>Cultural events/Festivals</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Festivals</td>
<td>15</td>
<td>National parks</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Theme park</td>
<td>12</td>
<td>Theme/amusement park</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Amusement park</td>
<td>7</td>
<td>Nightlife/dancing</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Botanical garden</td>
<td>6.9</td>
<td>Gambling</td>
<td>7</td>
</tr>
<tr>
<td>10</td>
<td>Museums/attractions</td>
<td>6.7</td>
<td>Sports event</td>
<td>6</td>
</tr>
</tbody>
</table>

Note: *Total percentage may exceed 100 per cent since multiple choices were allowed in surveys. Sources: China’s data are based on CNTA (2000); the US data are based on TSA (2000).

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### Where and When Do Chinese Tourists Travel?

- The tourist volume rockets to an amazing number during the peak seasons especially the two golden weeks (the National Day Holiday from Oct. 1 to 7 and the Spring Festival), which can be the cause of problems with traffic and tourist service quality.
  
- Theme parks is an increasingly popular destination for Chinese tourists.
  
- 3 Chinese theme parks are already included in the top 25 most visited theme parks in the world.
  
- Chime-Long Water park in Guangzhou is the second most attended water park in the world.
Destination – Yunnan

Practice of ethnic tourism has been increasing - Yunnan is now one of the top destinations for Chinese tourists, with 12.5 million visiting just during the Golden Week in October.

- Minorities
- Eco-tourism
- Yunnan's tourism income in 2012 reached 170.25 billion yuan, up 31.2% compared with 2011, according to the province's tourism bureau.
- Helps lift people living in remote areas out of poverty - they provide lodging and other services to backpackers

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China's First Tourism Law

"Tourists shall observe public order and respect social morality in tourism activities, exhibit local customs, cultural traditions and religious beliefs, care for tourism resources, protect the ecological environment, and abide by the norms of civilized tourist behaviors."

- 12 articles
- Came into effect October 1, 2013.
- 1st Article:
  "This law is made to protect the legitimate rights and interests of the tourists and tourism operators, regulate the order of the tourism market, protect and reasonably utilize tourism resources, and promote the sustained and healthy development of tourism."
- Includes:
  - Restriction against taking visitors to shops that pay the guide or the operator commission for sales, known as "shilling."
  - Safety
  - Fair pricing and congestion in scenic spots
  - Ensuring tourists' rights while in China

Impact on China's Economy

Tourism in China contributes more to GDP than automotive manufacturing:
- According to new research undertaken by the WTTC (World Travel and Tourism Council) and conducted by Oxford Economics, China's travel and tourism industry is substantially larger and contributes 18% more to the GDP than its automotive manufacturing.
- The travel and tourism industry in China supports over 82 million direct and indirect jobs (compared to the 68.5 million jobs in the financial services sector).
- China's travel and tourism contribution to GDP will grow by more than 9% over the next ten years, a faster growth rate than the overall economy (7.6%).

- Domestic tourism had a continuous increase of around 10% each year.
- Contributes over 4% to the growth of China's GDP.
- Greatly enhances employment, consumption and the economic development of China.
Impact on China’s Economy

Tourism in China Contributes More to GDP Than Automotive Manufacturing

- In 2012, the population of domestic tourism consisted of 2.957 billion person-times (instances), accounting for 93.2%, with the revenue hitting RMB 2.2706 trillion or 87.8%
- It is estimated that the number of domestic tourists in 2013 will claim 3.275 billion person-times, standing at 95.3%, with the targeted revenue increasing by 15.4% year-on-year to RMB 2.62 trillion
- China’s economic growth has promoted the development of China’s domestic tourism industry and likewise
- Since the Chinese love luxury products, luxury tourism has been growing
  - The Kempinski Hotel Beijing: Revenue in 2012 worth $39 billion and predicted to reach $56.2 billion by 2017

Table 6. Net multiplier effects of tourism industries receipts on urban household income by income class, Jiangsu Province, China, 2002

<table>
<thead>
<tr>
<th>Income class</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest income</td>
<td>0.0061</td>
</tr>
<tr>
<td>Low income</td>
<td>0.0073</td>
</tr>
<tr>
<td>Lower middle income</td>
<td>0.0120</td>
</tr>
<tr>
<td>Middle income</td>
<td>0.0263</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>0.0402</td>
</tr>
<tr>
<td>High income</td>
<td>0.0690</td>
</tr>
<tr>
<td>Highest income</td>
<td>0.0431</td>
</tr>
</tbody>
</table>

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- Contributes over 4% to the growth of China’s GDP.
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Emerging Trends

- According to a new report from the World Travel & Tourism Council (WTTC), China is to become the world’s second largest travel and tourism economy after the United States by 2015.  
  - The Chinese government has taken various initiatives to boost the tourism industry:  
    - Bilateral agreements with neighboring countries  
    - Granting Approved Destination Status  
    - Easing VISA norms  
    - Branding and promoting of China as a tourism hub

- In 2011, domestic travellers in China reached 2.64 billion, almost 20 times the number of inbound arrivals.

- Revenues from domestic tourism recorded USD 310.7 billion, six times the amount of the total tourism foreign exchange revenues.

- Research on domestic tourism in China has focused on:  
  - China’s growing middle class  
  - Fast developing tourism infrastructure  
  - Economic and social systems in transition