

CHINA'S BOOMING TOURISM INDUSTRY

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Executive Summary

1. In terms of travel and tourism (T&T)'s contribution to Gross Domestic Product (GDP), China is second only to the United States with an increase from US\$14.7 billion in 1990 to a whopping US\$139.4 billion in 2010. In employment, China's T&T sector is also the world's second largest with the provision of 22 million jobs, after India.
2. There are two components to China's tourism industry: inbound tourism and domestic tourism. Domestic tourism is more significant than inbound tourism in both the numbers of travellers and in revenue.
3. With 2.1 billion domestic travellers and RMB1.3 trillion (about US\$200 billion) in tourism revenue in 2010, China's domestic tourism market is the world's largest. Urban residents make up the main source of domestic tourism revenue.
4. Shanghai and Beijing are the most popular destinations for domestic travellers. In 2010, 19% of domestic travellers visited these two cities, contributing 39% of domestic tourism revenue.
5. For inbound tourism, China received 56 million tourists (overnight visitors) in 2010, surpassing Spain to become the third biggest tourist destination in the world, behind the US and France.
6. In terms of international visitor arrivals, there were nearly 134 million visitors (including 77% from Hong Kong and Macao) to China in 2010. Hong Kong and Macao visitors contributed only 29% of China's total inbound tourism revenue in 2010, indicating their relatively low expenditure per capita.

7. Shanghai, Beijing and Guangzhou are the three major cities receiving total inbound visitor arrivals. In 2010, these three cities registered 13.3% of total visitor arrivals and took 35% of total inbound tourism revenue.
8. Post-Olympic travel in Beijing, promotion of Hainan as an international tourist island and the scheduled opening of Disney Park in Shanghai in 2015 are positive factors for China's future growth in both domestic and inbound tourism.
9. World Travel and Tourism Council estimates that by 2021, China will overtake the US as the largest country in terms of T&T's direct contribution to GDP. As for T&T's direct contribution to employment, China will still remain the second largest, behind India.
10. Despite the general prosperous outlook, insufficient tourism facilities, inadequate policy environment, and health and hygiene problems are the major challenges to China's tourism industry.