

## **Process of Contributions made by Tourist Industry Structure Improvement to Regional Tourism Economic Growth**

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**Key Words:** Tourism Industry Structure; Regional Tourism Economic Growth; Evolution

**Abstract:** Today, regional tourism has been a driven force for domestic economic development. It plays an inestimable role in the improvement of tourist industry structure. Long-time slump tourism attributes to environmental degradation at home and accelerated economic revival abroad, which inhabits domestic tourism development. Therefore, domestic tourism should adjust its structure as soon as possible to promote economic growth. From this research, such adjustment has made great achievements, which proves structure improvement has great influences on regional tourism economic development.

### **Introduction**

Recently-rising traveling craze drives tourism to develop, and thus turns the subject of studies on tourism into the relationship between tourist industry structure and regional tourism economic growth. From the report, it is very clear that optimized structure will improve economic growth, and can reflect the actual degree of tourism development in that region. For regional tourism economic growth in China, it is easy to find out that there are some deficiencies during tourism developing. At this point, the paper will discuss the process of contributions made by tourist industry structure improvement to regional tourism economic growth for the purpose of promoting domestic tourism development.

### **Current Situation of Tourist Industry in China**

Since the reform and opening-up policy has been conducted, China has improved in every aspect, such as economy, living standards and so on. Meanwhile, people search for fulfillment in spirit life. For example, more and more people enjoy traveling, and thus producing so-called traveling craze to which tourism sectors make quick response. However, some problems are exposed while tourism makes progress. These problems center on inharmony between industry structure and market, which is most distinct in west China. Comparing with eastern China, west areas have lower growth rate because various national preferential policies are targeted to the east for acquiring prosperity rapidly. As a result, there is vast gap of tourism development between east and west with east having more optimized tourism structure.

Li Shihong, a deputy director of National Tourism Administration, made a report in national seminar. He said, the number of inbound tourists has been up to 26.36 million with average annual growth rate of 1.21%. However, although market has a quick development and increases slowly, it is suffering form downward pressure in general and faces unprecedented challenges. And Li concluded that the origin areas of tourists have revived their economies at a low speed since: 1) Japan encounters technical recession in market economy and thus fewer inbound Japanese tourists

come into China for traveling. In addition, due to the sanction from western countries and sharp dropping of international oil price, the number of inbound Russian tourists is decreasing evidently. 2) International financial crisis makes countries reduce their consumer spending to make sure sustainable development of domestic economy. 3) Stimulating tourism consumption becomes an important approach to redevelop economy after international financial crisis, such as visa-free outbound tourism, which decreases the number of domestic tourists. In addition, RMB appreciation makes domestic tourism products' prices boost which invisibly reduce the competence. 4) The willingness of foreign tourists visiting to China is greatly lowered by the exposure of air pollution and food safety, as well as vicious report of some foreign media. Many scenic sites in China appear to be deserted. Hence, according to the above description, tourism must improve its structure with the help of national preferential policies in order to achieve stable and sustainable development of regional tourism economy in China.

### Statistics and Research Methods of Tourist Industry Development

The reform and opening-up policy has been carried out since 1980s, and China has joined in WTO in earlier 21st century, all of which show China socialist cause is in its blossom. Transferring from planned economy to market economy and establishment of market economic system provide a brand new space for domestic tourism, since it is driven by market competition. As is well known, any industry will decline finally without competition. Moreover, due to fierce market environment, independent innovation is not enough for tourism to survive and bloom. What it needs else is strong support from national government, which has proposed a series of policies benefiting tourism. From the report, tourism funding has been increasing greatly and the number of tourists is improving continuously. In 2015, inbound tourists have been over 133 million and tourism economic benefit has reached to 113.65 billion dollars, respective with year-on-year growth of 4.0% and 7.8% while domestic tourists are up to 4 billion and tourism economic benefit has gained 3420 billion dollars, respective with year-on-year growth of 10.5% and 13.1%. It can be inferred that the competence of domestic tourism has moved forward a lot, and generally, domestic tourism has a vast space to expand and develop.

According to the contribution made by tourist industry structure improvement to regional tourism economic growth, the measurement methods can be carried out from three perspectives: 1) production function; 2) statistics of industry structure; and 3) input and output. Methods from the perspective of production function are used to explore similar circumstances to actual economic activities, which in fact cannot compare with tourist industry. Measuring from the perspective of output and input needs complex calculations and analysis which is time-consuming. In contrast, measuring from the perspective of statistics of industry structure avoids these two disadvantages and is of higher accuracy in calculating and more precise data. The following is the calculation model of the contribution made by tourist industry structure improvement to regional tourism economic growth:

$$G_t = \Delta F_t \cdot Y_t$$

$$\Delta F_t = F_t - F_{t-1}$$

$G_t$ : the contribution made by tourist industry structure improvement to regional tourism economic growth in  $t$  year;

$F_t$ : row vector illustrating the proportion of economic benefit of each tourism sector in overall tourism economic benefit in  $t$  year;

$Y_t$ : column vector illustrating economic growth rate of each tourism sector in  $t$  year.

### Contribution Made by Tourist Industry Structure Improvement to Regional Tourism Economic Growth

The contribution results from 2008 to 2015 are obtained by putting collected data into the above formula, as Figure. 1 shown:

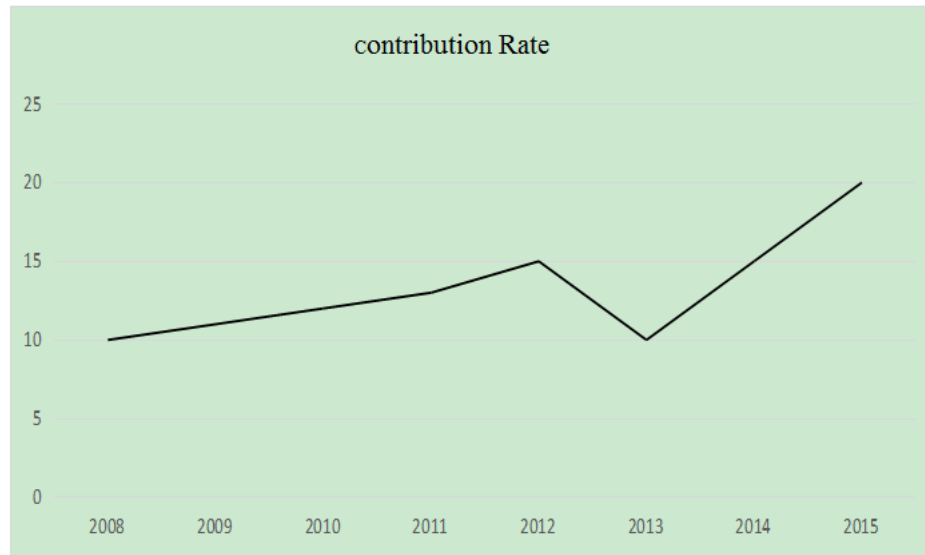


Figure.1 Contribution Rate from 2008 to 2015

Observed from Figure.1, it is easy to see that the optimized structure of tourist industry is forming in 2008-2009 period, in which the contribution rate is relatively low as expected. And the rate keeps growing in 2009-2012 period because tourism structure improvement is speeding up while the rate in 2012-2013 period is decreasing for slowly optimizing tourism structure. Since 2014, the improvement of tourism structure has accelerated with more contributions to tourism development. To sum up, the optimizing level of tourism structure are closely associated with regional tourism economic growth, and the higher level it is, the more contributions it makes to economic growth.

**Contributions Made in Rising Period of Tourism Position.** The contribution situation from 2008 to 2013 has been discussed above, and it can be found out that the curve has ups and downs. Such appearance is the result of rising position of domestic tourism in 2008-2013 and increasing knowledge about tourism around the public. In addition, many preferential policies and funding support are offered by government. Hence, more and more tourism products and projects are arising, such as rural inn and pleasure boat.

**Contributions Made in Stable Development Period of Tourism.** Domestic tourism has been developing more stably since 2013 and its economic benefits have been multiplied until the end of 2015, which can be proved by Figure.1 with contributions rate rising perpendicularly from 2013 to 2015. In other words, domestic tourism has been in good conditions in recent years benefiting from tourism structure improvement. In turn, tourism development will stimulate consumption as well, which means there are much potential for tourism to move forward.

### Strategies to Optimize Tourist Industry Structure

The introduction of talents should be the priority in optimizing tourism structure in that talents are the most important reserve resources in developing tourism. Therefore, tourism sector should carry

out talents training projects and strict examination system to guarantee the qualification of every talent. In addition, the problems occurring in operating process should be comprehensively analyzed and solved.

Promoting Informatization of Tourist Industry. The information globalization requires tourism to be informatized since the most convenient approach to know what tourists really need is Internet. Moreover, tourists will search for Internet to collect related information about tourism and scenic spots, such as tickets and sightseeing map, which can greatly improve operating efficiency of tourist industry.

## Conclusion

On account of slump tourism market and slow economic growth, tourist industry undertakes massive downfall pressure. The paper discusses and analyzes the development situation of domestic tourism in 2008-2015, which proves to be totally fit into the economic principle that tourism structure improvement will promote regional tourism economic growth. In addition, the author insists that the policy and funding supported by the government will play a significant role in regional tourism advancement.

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