

Development History of the Tourism Industry in China

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Abstract—Development of the tourism industry in China started from the China Travel Service founded by Mr. Chen Guangfu (1881~1976). In the last dozens of years, the global and Chinese tourism industry experienced continuous growth and deepening diversification, and became an economic department with the fastest growth. It can be said that modern tourism is closely connected with social development, including development of more and more tourism destinations. The tourism industry has become a major industry in the world wide. Meanwhile, tourism income is a major economic source of many developing countries and developing countries can benefit from sustainable tourism.

Keywords—China's tourism industry; the history of development; China Travel Agency

I. INTRODUCTION

Differing from tourist activity, definitions of the tourism industry are varied just like disputes about definition of travel. There are debates about whether travel is an industry before. Strictly speaking, indeed, the tourism industry is not an industry where same businesses are dealt in and similar products are produced in the economic sense. As an industry, according to the definition of International Industry Division Standard by the United Nations, the tourism industry is basically constituted by “industries which directly connect with tourists and serve to them and industries whose incomes from tourists make up a significant proportion in general incomes”.

According to the actual situation of the tourism industry and contents of tourist activity, the tourism industry mainly includes travel agency, hotel industry represented by tourist hotel, catering service, transportation, visiting and entertainment, and tourism commodity (such as marketing of travel products and souvenir). The industries are directly connected with tourists and serve to them, and in other words, it is a gathering of tourist enterprises. They constitute the basic industries of the tourism industry, and with continuous expansion of scope of tourism services, contents of the tourism industry also increase.

As an independent industry, the tourism industry has a history of about 200 years. Generally speaking, the period from the early 1900s to the middle 1900s is the earlier development stage of the modern tourism industry. The global modern tourism industry started at Britain. Due to the great influence of

industrial revolution on development of tourism, improvement of urbanization, development of traffic technique and changes of job nature of people, mass tourism becomes possible^[1-3].

Thomas Cook (1808-1892) is regarded as the pioneer of the global modern tourism industry. On July, 5, 1841, Thomas Cook rented a train to ship 570 to take part in the temperance meeting in Ralph Balak from Leicester, and the round trip was 22 miles. Each one was charged one shilling to enjoy free lunch with ham and snacks. Moreover, there was a band for hymn in the train. The short tourist activity symbolized the starting of modern tourism and the tourism industry.

Based on the great success in group tourism activity, Thomas Cook established a company which specialized in tourism activity in 1845. It is the first professional travel agent - THOMASCOOK travel agent - in the world wide and regarded as the starting of the travel agents specializing in services. Combining with the industrial revolution, the tourist services launched by Thomas Cook and his travel agency improved travelling speed of people, broadened tourism vision and enriched tourism contents. Thus, Thomas Cook is regarded as the originator of the modern tourism industry throughout the whole world.

By now, THOMASCOOK Company is still the second largest tourism company in the world wide and a listed company in London Stock Exchange with. And its businesses include tourism operation, independent travel, travel retail and financial service.

II. RISE OF THE TOURISM INDUSTRY IN CHINA

Development of the tourism industry in China started from the China Travel Service founded by Mr. Chen Guangfu (1881~1976). On August, 1, 1923, Mr. Chen Guangfu founded a travel department in Shanghai Commercial and Savings Bank, symbolizing start of self-management travel agency of China, before which, the tourism businesses in China were monopolized by the few travel agencies of foreign merchants. In 1928, the travel department of Shanghai Commercial and Savings Bank was reorganized into a travel agency. And in the same year, it obtained the travel enterprise Yuan license issued by the ministry of transportation of the Kuomintang government and formally confirmed the name “China Travel Service Ltd”.

Moreover, it established the board of directors with Mr. Chen Guangfu as the president and Zhu Chengzhang as the manager. It included six departments, namely, luggage department, train department, ship department, publishing department, accounting department and cashier department. As the first tourism enterprise in China, under the requirements of Chen Guangfu, China Travel Service expanded the business form organization of traveling and reception of meeting to transaction of procedures to go abroad and assurance agency. And moreover, it established the first tourism monthly magazine China Traveler. Since the magazine was established in July, 1954, it has published 28 rolls and 316 phases. In the 1930s and 1940s, it developed services similar to VIP in nowadays. By 1937, its members reached to nearly 1,000, and its business coverage is so big that fewer travel agencies can compare in nowadays^[4-6].

III. Development of the Chinese tourism industry after 1949

The first travel agency which provides tourism services to foreigners in the new China is China International Travel Service Head office (CITS). Founded in 1954, CITS experienced historical stages like establishment, exploration and development. Before the policy of reform and opening-up, development of CITS is an epitome of development of international travel in China. In early years of the new nation, not a few foreigners understood the new China and the Chinese people by travelling in China. On April, 15, 1954, with concern of the premier Zhou Enlai, CITS was formally established in Beijing. And in the same year, it established branches in 12 cities including Shanghai, Tianjin, Guangzhou, Nanning, Harbin, Nanjing, Hangzhou, Wuhan, Shenyang, Dalian, Danton and Manzhouli to provide service to invited guests, international friends, exchanged and self-paying tourists. In earlier years after the foundation, it was a foreign reception unit subordinating to the State Council. Before this, there were no administrative institutions specialized for management of the tourism industry. In fact, CITS acted the role of government management. The reform and opening-up policy in China since 1978 and the reform of tourism system brought new development opportunities to CITS.

In 1982, CITS and the national tourism administration had independent office according to the principle of "separation of enterprise from administration"^[7-8]. In 1984, the national tourism administration approved CITS to be an enterprise unit. Since then, CITS was transformed into a large scale independent tourism enterprise which assumed sole responsibility for its profits and losses from a unit which dealt with foreign affairs. At present, CITS established cooperation with more than 100 travel agencies in more than 100 countries and regions, and it established 14 overseas companies in countries and regions like America, Japan, Australia, France, Sweden, Denmark, Hongkong and Macao, had more than 1,400 stable clients and possessed 150 branches and associated companies in China, forming a stable selling network and complete reception network. CITS is one of 520 national key enterprises of China and a leading enterprise in the industry of travel agency in China. CITS has become a Chinese tourism enterprise with high brand value, outstanding main business

and favorable reputation at home and abroad. Its brand value is 11.527 billion Yuan.

Since the reform and opening-up, the growth speed of the Chinese tourism industry is far higher than that of GDP and the tertiary industry in the corresponding period. It can be generally divided into three stages. The time from 1978 to the south inspection speech of Deng Xiaoping in 1992 is the stage of "administration management" of the tourism industry, and the guiding thought of this stage for tourism development is "the tourism industry is an economic undertaking with strongest cultural property and a cultural undertaking with the strongest economic property".

The time from the south inspection speech of Deng Xiaoping in 1992 to 2002 when China joined in WTO is the stage of enterprise-style management of tourism enterprises in China. At that stage, the idea "development is the absolute principle" gradually enjoyed popular support, the Chinese tourism industry entered into the period of marketization and the idea of marketization was popular among the public^[9-10].

After China joined in WTO in 2002, the Chinese tourism industry entered into the stage of industrialization management and the tourism industry formed the situation that the three tourism markets – inbound market, outbound market and domestic market – advanced shoulder to shoulder. And moreover tourism industries were expanded bigger and bigger; tourism enterprises came into the market successively and listed companies started to have the module of travel.

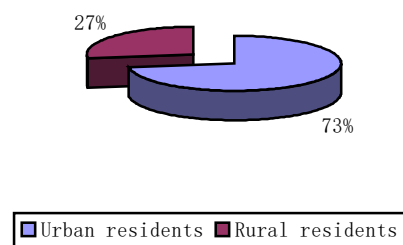


Fig. 1. A sketch map of China's domestic proportion in 2016

In 2016, the Chinese tourist economy realized rapid growth and the tourism industry became an important force to "stabilize growth, adjust structure and benefit to people". Moreover, domestic tourism involved 4.44 billion people, having a growth of 11% than that in the same period of last year. Inbound and outbound tourism involved 260 billion people, with a growth of 3.9%. The year 2016 realized a general tourism income of 4.69 trillion, having a growth of 13.6%. In 2016, international tourist income was 120 billion US dollars, having a year-on-year growth of 5.6%, including expenses of foreigners in China of 66.8 billion US dollars, having a growth of 10.3%; expenses of Hongkong compatriots in the mainland of 30.5 billion US dollars with an increase of 2.3%; expanses of Macao compatriots in the mainland of 7.6 billion US dollars with a rise of 3.1%; and expenses of Taiwan compatriots in the mainland of 15 billion US dollars with an increase of 5.0%(seen in Fig. 1-2).

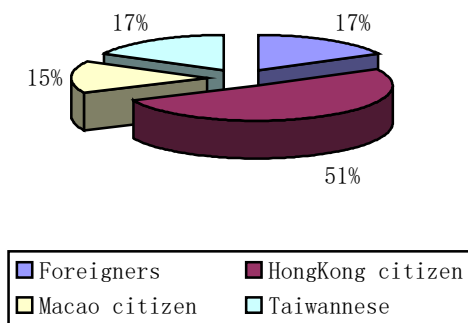


Fig. 2. A schematic map of the number of inbound tourists in China in 2016

In 2016, there were 27939 travel agencies in China, an increase of 1.2% at the end of the year. There are a total of 9861 star rated hotels in the star rated hotels, of which five star hotels are 800, four star hotels are 2363, three-star hotels are 4856, two star hotels are 1771, and one star hotels are 71(seen in Fig. 3).

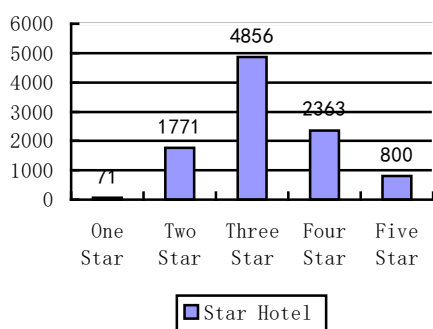


Fig. 3. The number of China star hotel in 2016

In 2016, China tourism colleges and the creation of the Department of tourism (Professional) in universities is 1690, an increase of 172 over the previous year, the number of students in school is 440 400, a decrease of 131 000; the medium occupation school is 924,135 increase over the previous year, the number of students in school is 232 000, an increase of 6 thousand people. The total number of two projects, the total number of tourism colleges and universities are 2614, the number of students in school is 672 000(seen in Fig. 4).

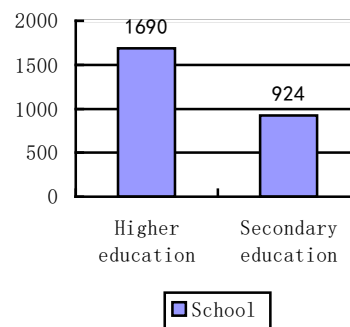


Fig. 4. the number of China tourism education schools in 2016

IV. CONCLUSION

In nowadays, incomes generated from the tourism industry have surpassed that of oil export, food or automobile. WTO predicted that in 2020, growth rate of international tourists would exceed 4.1% and the number of international tourists is predicted to surpass 1.5 billion in 2020.

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