

## WTTC signals continued growth and room for improvement in new report for China and SARs

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The World Travel & Tourism Council (WTTC) presented today its brand new report on China, China Hong Kong SAR and China Macau SAR: The Impact of Travel & Tourism on Jobs and the Economy to China National Tourism Administration (CNTA) and Beijing Tourism Authority (BTA) as well as over 100 representatives from the Travel & Tourism and media community of Beijing.

Just three years after releasing its groundbreaking report on Travel & Tourism in China and Hong Kong SAR, WTTC has found it necessary to follow up that work and produce an update for one simple and compelling reason - within ten years China will become the second largest Travel & Tourism economy in the world.

The research contains economic projections for the growth of Travel & Tourism in China and a series of policy recommendations intended to maximize the potential of Travel & Tourism to the country's economy and tap its position as a leading catalyst for economic development and job creation.

At the launch in Beijing, WTTC President Jean-Claude Baumgarten said, 'Although we would normally wait five or even ten years before returning to a country to update the report, it is clear that China's Travel & Tourism industry is moving at the speed of light. The Members of WTTC asked us to return after just three years to update the TSA research and forecasts and follow up on the policy recommendations that were made in 2003 and provide even deeper analysis and policy discussion. We're all running very fast to keep up with the changes that are taking place here, in Hong Kong and Macau and this new report is right in tune and right in time to add more food for thought and help focus our attention on the next round of issues that must be raised in order to keep Travel & Tourism in China growing.'

### **In China for 2006, WTTC is forecasting:**

**Demand:** Encompassing all components of Travel & Tourism consumption, investment, government spending and exports to grow 14.0 per cent (real terms) and total Rmb 2,770.3 billion (US\$353.7 billion) in 2006. The ten-year annualized growth (2007-2016) forecast is 8.7 per cent per annum. This makes China the second fastest growing country in the world in terms of Travel & Tourism Total Demand.

**Visitor Exports (Foreign Visitor spending in an Economy):** Spending by inbound international visitors is expected to total Rmb 588.2 billion (US\$75.1 billion) in 2006, representing 7.4 per cent of total exports.

**Gross Domestic Product (GDP):** Travel & Tourism's contribution to China's economy is illustrated by the direct industry impact of 2.9 per cent of total GDP and the combined direct and indirect impact of the Travel & Tourism economy, which is expected to total 13.7 per cent in 2006.

**Employment:** China's Travel & Tourism industry is expected to account for 17,383,000 jobs or 2.3 per cent of total employment in 2006. The broader perspective of the Travel & Tourism economy (direct and indirect), which includes the spillover employment associated with industry capital investment and government spending, is expected to account for 77,600,000 jobs dependent on Travel & Tourism or 10.2 per cent of total employment.

In order for China to realize its potential in Travel & Tourism, WTTC's principal policy recommendations include:

œ Add two weeks of additional paid vacation to help spread the seasonality for Travel & Tourism and provide for a more stable and sustainable year-long industry.

œ Unlock the potential of domestic tourism by developing the budget hotel sector.

œ Encourage open markets and skies to improve air access and remove barriers to growth.

œ Develop a well-balanced regulatory framework for Timeshare that will help fuel the future growth of the industry while protecting the consumer's interests.

œ Exempt the industry from permanent residence requirements and open the doors wider to external expertise that can assist in accelerating information and technology transfer.

œ Expand English language capacity building and make it a required course of study for all Travel & Tourism programs and new hire employees.

œ Enhance safety and security in the light of recent world events (such as terrorism and natural disasters) so that contingency plans are in place.

œ Develop access to capital resources and encourage sustained capital investment opportunities, providing for and legislating the repatriation of revenues by international companies.

œ Adopt the principles of ecological preservation as outlined in Agenda 21, developed for the Travel & Tourism industry after the 1992 Rio Earth Summit by WTTC, the World Tourism Organization and the Earth Council.

œ Promote responsibility in natural, social and cultural environments by establishing clear procedures and guidelines.

### **About the World Travel & Tourism Council**

WTTC is the forum for business leaders in the Travel & Tourism industry. With Chief Executives of some one hundred of the world's leading Travel & Tourism companies as its Members, WTTC has a unique mandate and overview on all matters related to Travel & Tourism.

WTTC works to raise awareness of Travel & Tourism as one of the world's largest industries, employing approximately 230 million people and generating over 10 per cent of world GDP.

### **About the China, Hong Kong and Macau Research**

The WTTC Research for China, Hong Kong and Macau is the latest in a series of research produced by the World Travel & Tourism Council using standards developed by the United Nations Statistics Commission (called "Tourism Satellite Accounting") and a detailed independent policy assessment by leading Travel & Tourism analysts.

### **Further Information**

Copies of WTTC's China Report can be downloaded from the WTTC web site, at [www.WTTC.org](http://www.WTTC.org).

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