

# China lays out its vision for its tourism sector – including post-Covid outbound tourism

New priorities and implications for the European travel sector from China's new Tourism Five-Year-Plan (2021-2025)

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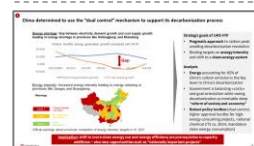
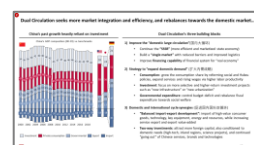
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## Profile

- CMG is a young, agile and partnership-led **European boutique consultancy** with specialization in applied China research and analysis
- CMG serves European **SMEs, MNCs, the public sector as well as investors**
- It focuses on China's **policy, market and China-related international affairs**
- CMG operates with offices in **Beijing and Zurich**

## Key expertise areas



### Economic policies and market reforms

- SOE reform, market access, SSSR, tax system

### Financial system, market and policies

- Financial opening-up, Green Finance, FinTech,

### Industrial, S&T and talent policies

- Guidance funds, MIC25, int. S&T cooperation

### Trade and foreign (economic) policies

- RCEP/CPTPP, trade promotion, Belt-and-Road

### Social and environmental policies

- Pension reform, Hukou reform, carbon trading

## Our approach

**Fact-based, rigorous and in-depth research and analysis**

**Interdisciplinary and cross-cultural team**

**On-the-ground presence and engagement with Chinese experts**

**China competency at the core: language, economic/political system, historic context**



# The State Council launches the new Five-Year-Plan for the development of its tourism sector...

China released its tourism development plan 2021-2025 on 20th January 2022



- The **State Council** announced the new development plan for China's tourism sector during the 14th Five-Year Plan period (2021-2025) in a circular on 20<sup>th</sup> January 2022
- The lead for the implementation lies with the **Ministry of Culture and Tourism** and the **National Development and Reform Commission (NDRC)**
- In a **press conference** the same day, officials from the Ministry of Culture and Tourism answered reporters' questions about the drafting and implementation of the plan – the media's attention focused on:
  - Integration of **culture and tourism** to promote Chinese culture and socialism
  - **In- and outbound tourism** recovery as well as the epidemic prevention
  - **Innovation in tourism**

## 国务院关于印发 “十四五”旅游业发展规划的通知 国发〔2021〕32号

各省、自治区、直辖市人民政府，国务院各部委、各直属机构：

现将《“十四五”旅游业发展规划》印发给你们，请认真贯彻执行。

国务院

2021年12月22日

（此件公开发布）

## “十四五”旅游业发展规划

为贯彻落实《中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要》，根据《中华人民共和国旅游法》，制定本规划。

### Formalities of plan:

- A solid plan of **20,000 words**
- **No economic targets** or any others KPIs due to the ongoing impact of the epidemic
- **Local government** will implement the plan
- **Departments of Culture and Tourism** taking the lead

# ... “Dual Circulation” as guiding concept suggests domestic market focus but also continuing outbound tourism

## Current status and future challenges of China’s tourism industry

### Key achievements to date

- All **Chinese provinces** made progress in developing their tourist assets and building up the sector
- In- and outbound tourism and travel has exceeded **300 million people annually** (before the pandemic)
- International tourism has been developed through **BRI cooperation** and the **Asia Tourism Promotion Plan**

### Key future opportunities and challenges

- **Dual Circulation:** Tourism should help “expand domestic demand” (“domestic circulation”) as well as inbound and outbound tourism should “promote each other” (“international circulation”)
- China is entering the stage of mass-tourism with demand for **high-quality and diversified** of tourism services rising
- Preference for travel is evolving fast with **on-/off-line tourism products and services** increasingly integrating
- An integrated approach to **development and security** including **epidemic prevention** remains crucial

## Top priorities of the tourism sector plan

- Uphold **innovation-driven** development, deepen “Internet+ Tourism” and promote “Smart Tourism”
- Improve regional planning for tourism zones, strengthen coordination at the urban/rural and regional level and build **tourist cities and destinations** “with characteristics”
- Establish a “scientific approach” to protecting and using **cultural and natural resources**
- Enhance tourism’s “cross-sector integration”, e.g. tourism with agriculture, technology, education, sports, etc.
- Expand the **mass-tourism consumption system** with better **consumer experience** and improved **service quality**
- Establish a modern tourism **governance system** by accelerating legislation and standard-setting
- Improve **international cooperation** and strengthen international competitiveness of China’s **tourism industry**

## How the CN Government views ‘tourism’

- *Tourism is a way to promote **Chinese culture***
- *Tourism is a means to **educate people** and shape their thinking, e.g. through eco-tourism or “red” tourism*
- *Tourism shall improve China’s national **cultural soft power***
- *Tourism shall tell **China’s story** well and project a “**Beautiful China**” image*
- *Tourism can bring **economic benefits** to rural and ethnic minority areas*
- *Consumption of tourism is a reflection of a “**well-off society**”*

# Deep-dive: The 14<sup>th</sup> FYP for tourism shows several policy shifts compared to the first plan covering 2016-2020

Compared aspect		2021-2025 FYP	2016-2020 FYP
	<b>"Bottom Lines"</b>	<ul style="list-style-type: none"> <li>• <b>Four bottom-lines:</b> "Epidemic prevention and control", "safe tourist activities", "ecological security", "ideological security"</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Much less emphasis on safety and security</i></li> </ul>
	<b>Culture &amp; tourism</b>	<ul style="list-style-type: none"> <li>• Tourism should play an important role in <b>disseminating the Chinese culture</b> ("enhance cultural confidence via tourism") and <b>cultivating socialist values</b></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Overall, more market-oriented and emphasizing opening-up, innovation and "people-centricity"</i></li> </ul>
	<b>"Good life"</b>	<ul style="list-style-type: none"> <li>• Tourism is one way of catering to the growing expectation of the people for a <b>"good life"</b> (美好生活)</li> </ul>	<ul style="list-style-type: none"> <li>• <i>No overarching consumption-legitimizing narrative</i></li> </ul>
	<b>BRI</b>	<ul style="list-style-type: none"> <li>• Seeing the <b>BRI as successful</b> in developing new tourism cooperation and newly focusing on expanding the cooperation to so-called "tourism belts"</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Newly propagating the BRI for international cooperation in the field of tourism</i></li> </ul>
	<b>Holistic approach</b>	<ul style="list-style-type: none"> <li>• Specifically emphasizes <b>4 key regions</b> and stresses cross-regional coordination – with Northeast China making its first appearance in the FYP</li> </ul>	<ul style="list-style-type: none"> <li>• <i>More micro-approach to tourist sector planning, no cross-regional spatial planning yet</i></li> </ul>
	<b>Outbound tourism</b>	<ul style="list-style-type: none"> <li>• Emphasis on better guaranteeing <b>Chinese tourists' security abroad</b> especially in the epidemic context</li> </ul>	<ul style="list-style-type: none"> <li>• <i>No emphasis on security of outbound tourism</i></li> </ul>

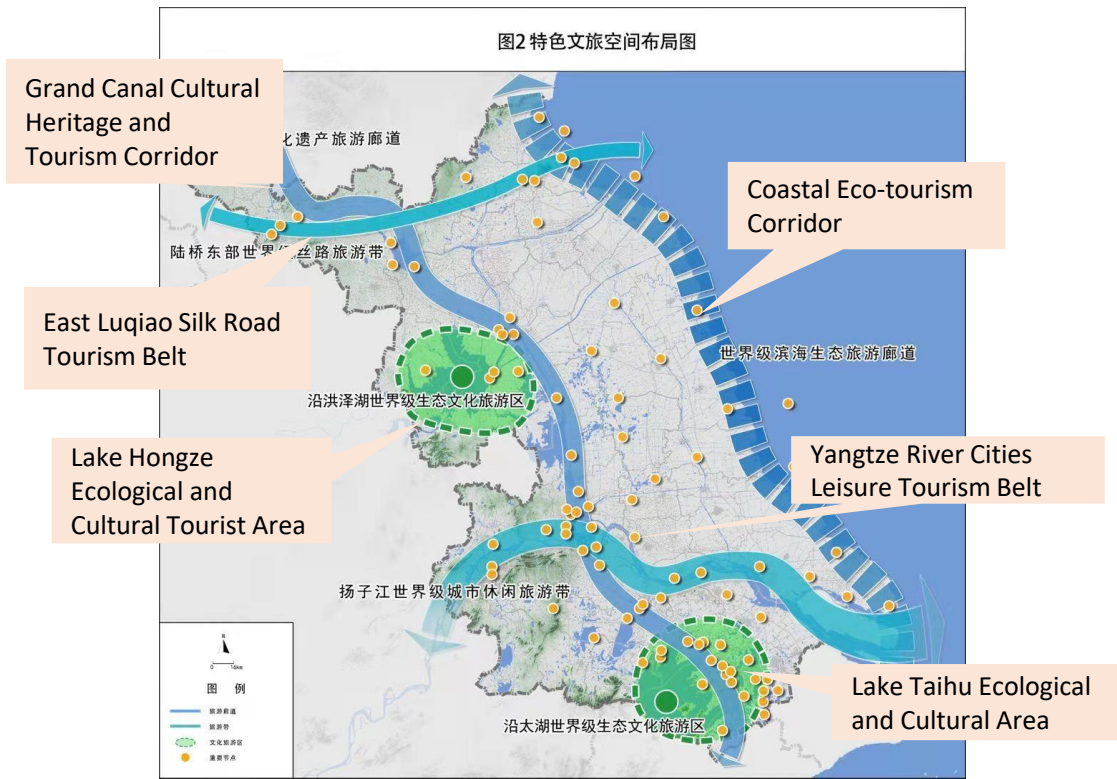
**This plan wants to better unlock the cultural and ideological value of tourism – also tourist safety as key theme**



# Deep-dive: Provincial level implementation plans with granular planning: example of Jiangsu Province



## The Jiangsu plan focuses on regional history and culture



### Key observations on plan:

- Focus on **highlights**, e.g. creative arts and water-related tourism
- Link to **cross-province and international** tourism like the BRI, the Yangtze river delta or the “Grand Canal”
- Aims to tap into region’s **history** to promote China’s **cultural heritage**
- Encourages tourism in **small towns and rural areas**

## Overview of KPIs

Total investment in culture and tourism: **over 1 Trillion RMB**

New tourist areas of national 4A level: **40**

“Smart Upgrade” rate of national / provincial tourist areas: **100%**

Total revenue of tourism industry: **1.7 trillion RMB**

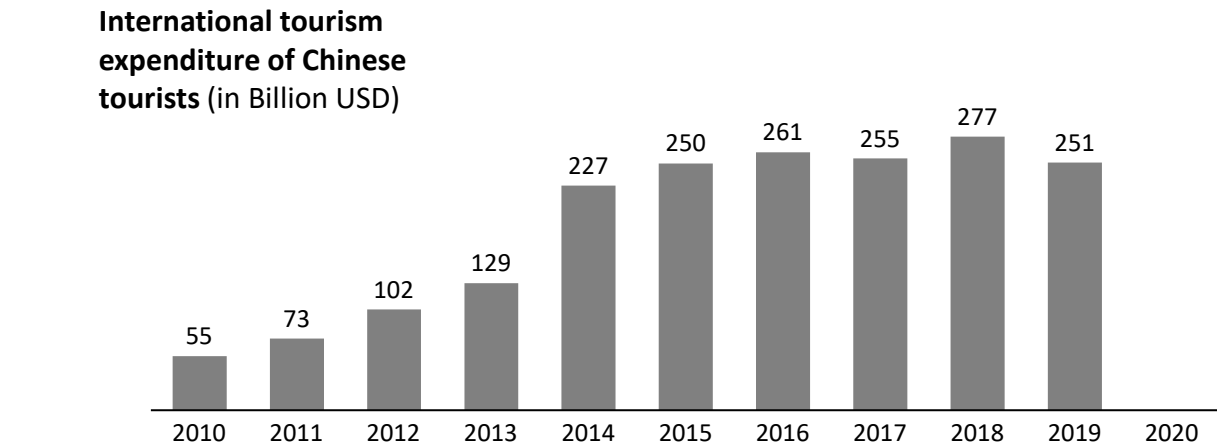
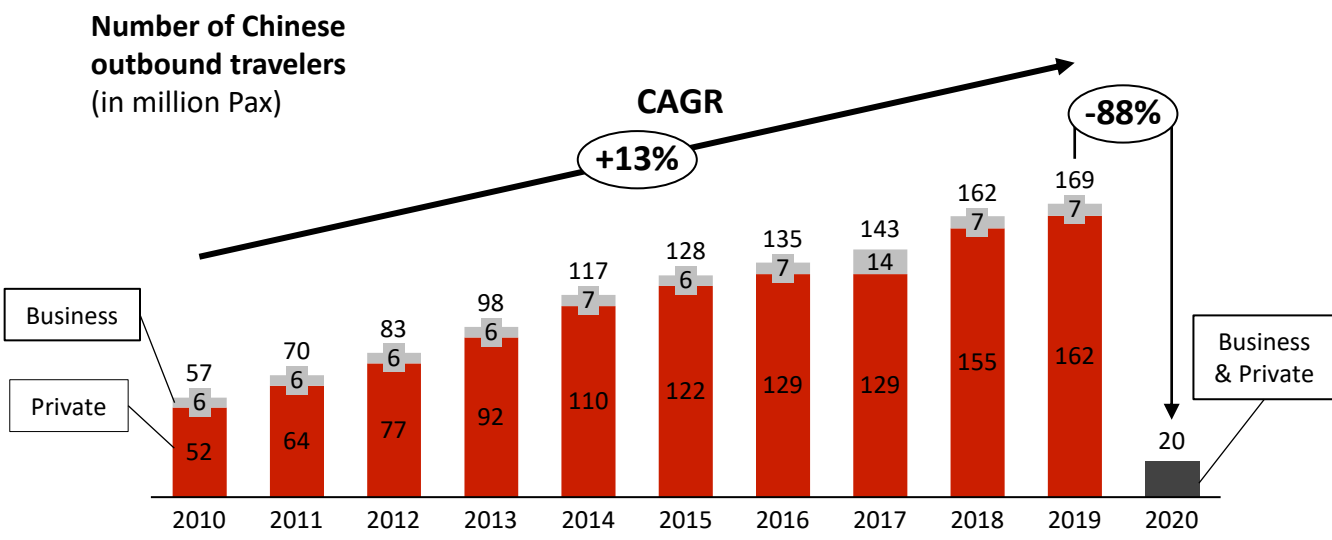
专栏1 江苏省“十四五”文化和旅游发展主要指标	
指 标	规划目标
1. 舞台艺术作品获国家级奖项数量	位居全国前列
2. 省级非物质文化遗产代表性项目数量	新增40个左右
3. 文化和旅游产业累计投资额	超万亿元
4. 省级及以上文化产业示范园区（基地）数量	建成40个左右
5. 省级及以上全域旅游示范区数量	新增15个左右
6. 省级及以上乡村旅游重点村镇数量	新增100个左右
7. 国家4A级及以上旅游景区数量	新增40个左右
8. 省级及以上旅游度假区数量	新增8个左右
9. 省级及以上文化和旅游消费示范单位数量	建成15个左右
10. 省级及以上夜间文化和旅游消费集聚区数量	建成30个以上
11. 省级及以上文化和旅游产业融合发展示范区数量	建成15个以上
12. 基层公共数字文化服务覆盖率	100%
13. 国家4A级及以上旅游景区、省级及以上旅游度假区智慧化转型升级覆盖率	100%
14. 纳入江苏智慧文旅平台监管的重点文化和旅游场所数量	1000个以上
15. 人均接受公共文化场馆服务次数（2025年）	6次左右
16. 居民人均外出旅游次数（2025年）	4.5次左右
17. 接待游客人数（2025年）	11亿人次左右
18. 旅游业总收入（2025年）	17000亿元左右

### Key observations on KPIs:

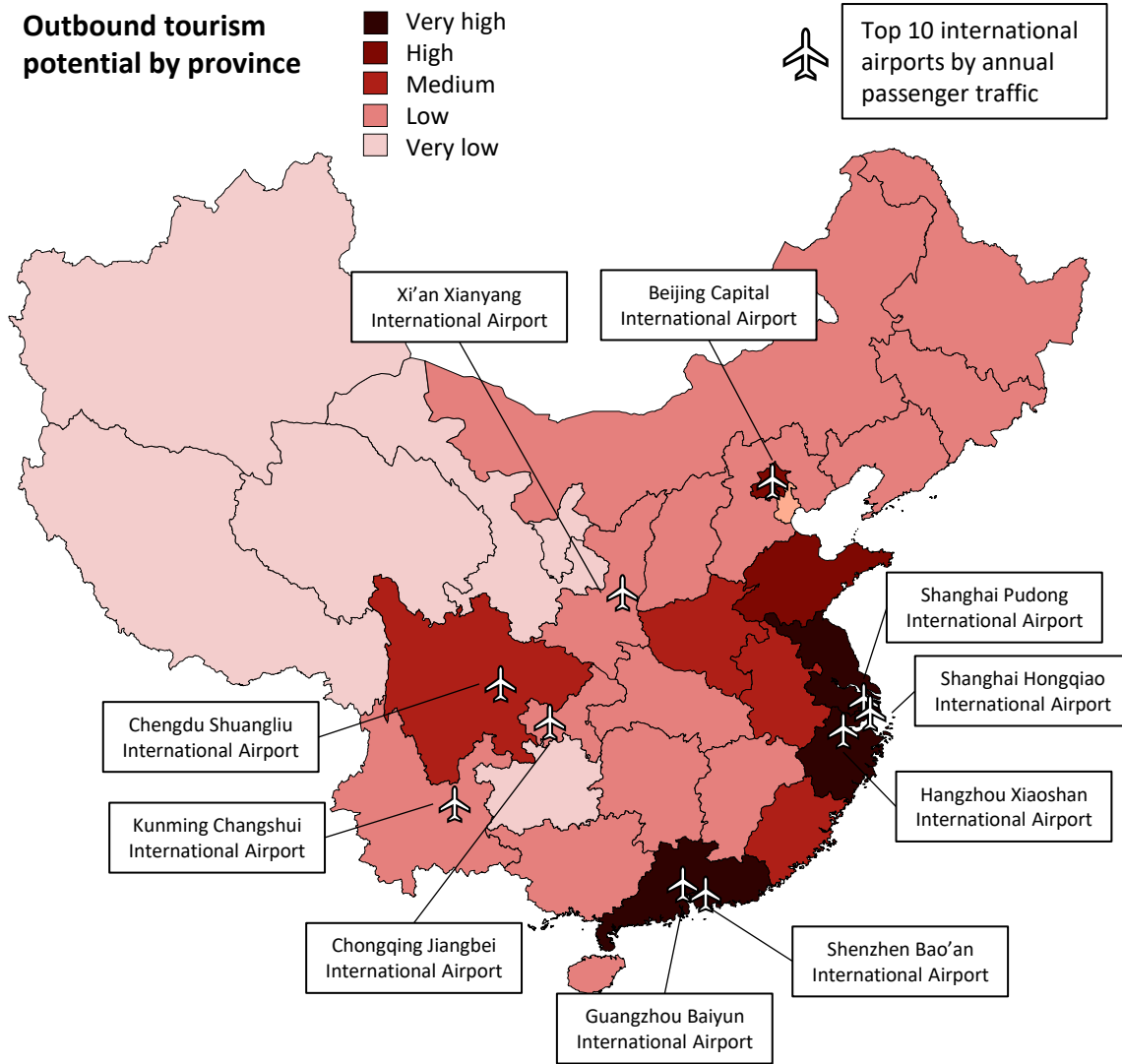
- Unlike the national plan, the Jiangsu plan has **quantified targets**
- Unlike the 13th provincial level plan, the 14th plan has no specific target for **number of people employed** in the tourism sector
- Several targets relate to classification or setting up **special zones**

# China's outbound tourism: pre-Covid-19 with fast and steady growth, mainly fueled by "East-Coast travelers"

Evolution of China's outbound tourism



Origin of China's outbound tourists



# China's outbound tourism: 14<sup>th</sup> tourism-FYP hints outbound tourism will restart premised on epidemic recovery

Topic	Key policy objectives for China's outbound tourism	Implications for European tourism industry
 <div>"Green"</div>	<ul style="list-style-type: none"> <li>More focus on <b>environmental impact</b> of China's outbound tourism including promoting "lighter" individual tourism</li> </ul>	<ul style="list-style-type: none"> <li>More opportunities for <b>"eco-tourism"</b> with recognized certification as well as niche offerings</li> <li>Differentiated offerings for <b>groups and individuals</b></li> </ul>
 <div>Pandemic</div>	<ul style="list-style-type: none"> <li>The need to strictly follow <b>epidemic prevention measures</b> will remain for both tour groups and individual Chinese tourists</li> </ul>	<ul style="list-style-type: none"> <li>Offer <b>coordination and interoperability</b> of Covid-19 measures (technical, language, type of measures) with Chinese government regulations</li> </ul>
 <div>Political synergies</div>	<ul style="list-style-type: none"> <li>Use of <b>state visits, diplomatic milestones, BRI</b>, etc. to increase cooperation on tourism and create "cross-border tourism belts"</li> <li>Work through international tourism organizations, such as UNWTO</li> </ul>	<ul style="list-style-type: none"> <li>Likely more <b>correlation</b> between political ties and outbound tourist flows; more European local governments will need to take a position</li> </ul>
 <div>Morals</div>	<ul style="list-style-type: none"> <li>Tourists abroad should be <b>"ambassadors of Chinese culture"</b> and uphold China's image</li> </ul>	<ul style="list-style-type: none"> <li>More <b>awareness</b> among European tourist workers</li> <li>Opportunities to create more cultural and local encounters for <b>cross-cultural exchange</b></li> </ul>
 <div>Safety</div>	<ul style="list-style-type: none"> <li>Encourage host countries to better look out for <b>tourists' safety</b></li> <li>Improve travel advice and warnings, consular services, insurance, and safeguarding services for Chinese travelers</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities for safety-related business such as <b>travel insurance</b> and <b>travel rescue</b></li> <li>Better <b>tourist assistance</b> as differentiator</li> </ul>
 <div>Tourism facilitation</div>	<ul style="list-style-type: none"> <li>Improve <b>communications</b> with other countries on emergencies</li> <li>Work with other countries for <b>visa waivers</b> and support on <b>Chinese language, catering, payment solutions</b>, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity to improve <b>USP</b> for Chinese travelers</li> <li>More proactive engagement from <b>local Chinese Embassy and Consulates</b></li> </ul>

**In another Five-Year-Plan released on 7<sup>th</sup> Jan. 2022, China's Civil Aviation Administration (CCAA) only plans to recover international civil aviation from 2023 onwards (2023-2025年是增长期和释放期重点要 (...) 恢复国际市场)**



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