

## **WORKING TOGETHER TO BUILD A TOURIST RING OF COOPERATION IN NORTHEAST ASIA**

**Li Zhuyuan**

*General Manager, Korea-Japan Department, China International Travel Service*

### **ABSTRACT**

According to the world tourist organization, by 2020, China will become the first destination country and the fourth source of tourists in the world. According to China's national conditions and the expectation of the world tourist organization, we have drawn the blueprint to become a tourist power. In the early 21st century, regional economic cooperation demands the timely development of new tourist products and programs in Northeast Asian countries and regions. At present, tourists from China can travel to Japan, Korea, Russia, DPRK, and Mongolia, and vice versa. There is no policy barrier to the establishment of Northeastern Asia ring of tourism. The expectation might come true. The region boasts special and attractive tourist resources, namely, Changbaishan Mountain in China, Fuji in Japan, Halla Mountain in Korea, the golden coast of Vladivostok, Panmunjom in DPRK, Mongolia's grassland, and the unique icy world of Alaska. A tour of these special and unique sites could be set up and could 12-15 days. However, more work needs to be done to facilitate visa procedures and improve infrastructure. We propose creating a non-governmental tourism cooperation organization to cooperate in research, exchange information on a regular basis and, with the leadership of the Northeast Asia Economic Forum, developing a strategy and cooperation plan for an Northeast Asian tourism ring.

### **KEYWORDS**

Tourism, development, ring of cooperation, visa, infrastructure,

## MAIN TEXT

In today's world, tourism, a vigorous and rising industry with great potential, has been highly valued by all countries. It is positive and critical to economic growth, social prosperity, friendship among people and regional peace. As far as I know, it is the first time, or one of the first, that tourism has been taken up as a special subject at the Northeast Asian Economic Forum, which is of great significance to the regional cooperation in Northeast Asia.

### I. Status quo and development of China's tourism

China's tourism has experienced great development in the last two decades. As for domestic tourism, the number of tourists has risen from 524 million in 1994 to 744 million in 2000 with an annual growth of 6.6%, and the revenue of tourism from 102.35 billion to 317.55 billion with an annual growth of 20.8%. This is rare in the world. For disembarkation tourism, tourists rose from 5.7 million in 1980 to 83.444 million in 2000, a total growth of 12.7 times and annual growth of 13.7%. And the foreign exchange revenue from tourism rose from \$620 million to \$16.23 billion, a total growth of 25.2 times, an annual growth of 30.3%. China's tourism, which used to be negligible in the world, is now ranked at the top. In 2002, China received 2.8 million tourists from Japan, and 2.4 million from Korea, the top two sources (countries) of tourists to China. Meanwhile, a growing number of Chinese tourists are choosing to travel in those countries. According to China's national tourist bureau, tourists who traveled in China amounted to 9.59 million in the first 7 months, with a growth rate of 23.44% compared with last year, foreign exchange revenue reached \$12.7 billion, a growth rate of 45% compared with last year. The disembarkation tourists have increased by two digits in 15 countries except for Philippine. And our citizens who go abroad to travel also surpassed 15 million, a growth rate of 87%.

In my view, China's tourism will brace for faster development in the following one or two decades. My viewpoint is rooted on the following analysis:

1. Opportunities are there for China to expand tourism at home and abroad. With a better reputation, higher international status and more international exchange, China is hosting more conferences, visits, negotiations at an international and regional level, and on a larger scale.

This will inevitably attract and bring more tourists to China. As China pledged for accession into the WTO, it will open to the outside world in an all-round way in 2005. As a result, investment, business activities, and tourism in China will surge.

Hong Kong and Macao, since returned to the mainland, have conducted more political, economic and cultural cooperation with the mainland. As a result, an increasing

number of tourists from there have come to travel in the mainland.

In 2008, the Olympics will be held in China. This will attract more people to China.

Compared with some other countries and regions that are plagued by political turmoil, social upheaval, kidnappings, and an economic slump, China enjoys political stability, social stability, fast economic development and a more open society, this has attracted more tourists to China.

In addition the Chinese government has sent delegates to attend various international tourism-related conferences and activities. China has signed bilateral memoranda on tourism with countries such as Denmark, Ireland, Tanzania, Norway, Romania, Switzerland, Tunisia, and Syria. By September 1 of 2004, the number of tourist destinations approved by the state council is 53, which signals that China has become a major source of tourists.

2. China is fully prepared to receive international tourism on a large scale.

China's tourist resources have greatly improved because of construction, exploration and development over two decades. The existing tourist sites have become more attractive and splendid, and many new scenes have been restored or developed to meet the demands of both new and old tourists at home and abroad.

China's tourism has better facilities. After years of efforts, infrastructure with regard to transport, hotels, reception or intermediate organizations, shopping or entertainment has met the demands of tourists and has great potential for further development.

China has accumulated experience in receiving an increasing number of tourists. Some tourist professionals have been fostered and much experience on stepping up tourist development and optimizing management has been accumulated. Now China is a safe tourist destination which meets the demands of tourists and provides entertainment.

3. China is still pushing forward reform and opening-up in tourism.

Foreign tourist enterprises are entering the Chinese market steadily. Up to today, there have been dozens of travel agencies, including joint ventures, foreign-controlled travel agencies, and exclusively foreign-invested travel agencies. Some well-known international holiday groups such as ICR and Interval International have also embarked on China's tourist market. A French tourist company "Accenture," whose main business lies in travel rescue and medical service, is seeking cooperation with Chinese travel agencies.

Network building in travel agencies is speeding up. In contrast to the previous 'single link' of business, a new network mode featuring capital plus business is rising. Two

network groups have been established in Beijing and Guangzhou. CITS has set up dozens of subsidiaries. It plans to restructure some other travel agencies at home and abroad. It plans to conduct business in some influential regions and cities across the nation, establish competitive enterprise mechanisms and promote the travel agencies to become large groups, operate through networks and become more professional.

Tourism is more coordinated. China's travel agencies are intensifying cooperation with management of some scenic sites, such as Shenlongjia, Huangshan Mountain, Ermeishan Mountain and Xiangxi. The coordination is conducive to establishing a mechanism where one side can use the other's advantage to make up its own disadvantage and share interests, thus intensifying the competitiveness of some tourist enterprises.

Beyond the traditional tourist program with regard to history, geography, and national conventions, the Chinese tourist market is exploring some new programs such as red tourism, agricultural and industrial tourism, sports tourism as well as tourism with local colors.

According to the world tourist organization, by 2020, China will become the first destination country and the fourth source of tourists in the world. According to China's national conditions and the expectation of the world tourist organization, we have drawn the blueprint to become a tourist power. By 2020, China will receive 210 million tourists from overseas, foreign exchange revenue from tourism will reach \$58 billion, and the total revenue from tourism will reach 2500 billion RMB, accounting for 8% to 11% of GDP. Tourism will become an important pillar in China's modernization drive.

## **II. Feasibility of establishing Northeast Asian tourism ring of cooperation**

In the early 21st century, regional economic cooperation demands the timely development of new tourist products and programs in Northeast Asian countries and regions, including China, Japan, Korea, Russia, DPRK, Mongolia, and Alaska of U.S.

### **1. Analysis of the economic environment in Northeastern Asia**

With regard to economic geography layout, Japan and Korea possess industrial technology and capital, China, DPRK, Mongolia boast a large quantity of excellent labor, and Far Eastern Russia is rich in nature resources. The cooperation of the three countries will bring common prosperity. The development of tourism will not only promote understanding and friendship of people among the world but also increase the flow of material, capital, technology and information. At present, tourists from China can travel to Japan, Korea, Russia, DPRK, and Mongolia, and vice versa. There is no policy barrier to the establishment of Northeastern Asia tourist ring. The

expectation might come true.

## **2. The law of development and a tourist economy**

According to the statistics of experts, when per capita GDP reaches \$800-1000, residents are motivated to take domestic travel; when \$4000-10000, international travel; over \$10000, continental travel. This is the general law of the interrelationship between economic development and tourist consumption. Data shows that up to 2002, per capita GDP in China reached \$1000, Russia over \$2000, Korea \$10000, DPRK \$900 (up to 1994), Japan almost \$40000. The data demonstrates that residents across this region are motivated to travel at a certain level.

The countries and regions in Northeast Asia have striking tourist characteristics with different national conditions and systems. There are economic powers as well as developing countries, populous country and countries with small populations, countries rich in natural resources and others lacking resources, plains and grasslands on one side, hills and mountains on the other, traditional culture and modern culture, unified nations and diversified nations. The region boasts special and attractive tourist resources, namely, Changbaishan Mountain in China, Fuji in Japan, Halla Mountain in Korea, the golden coast of Vladivostok, Panmunjom in DPRK, Mongolia's grassland, and the unique icy world of Alaska.

A tour of these special and unique sites may take 12-15 days if one were to choose such a route: set off from Changbaishan Mountain in Yanbian, China, reach Vladivostok, Russia via Chunchui, travel to Tokyo—Fuji by air, then to Seoul, Korea by passenger ship and finally reach Pyongyang, DPRK. Tourists from Northeast Asia are able cross-border travel by land, air and sea. It takes about 2 hours to travel by air between China, Japan and Korea, and around 8—10 hours by sea. The transport is very convenient. I think that the time and opportunities are for the establishment of Northeast Asian ring of cooperation.

## **III. More work should be done to promote tourism development around Northeast Asia**

The development of tourism around Northeastern Asia is a systematic project in which many countries need to be involved. There is more work to be done in tourism development.

First is the visa issue. The departments concerned in the related countries of Northeast Asia need to negotiate and reach agreements that will provide convenient entry for tourists.

Second is infrastructure development. The China-Russia Hunchun international

railway port is weak in passing capacity and function. Passengers coming from Vladivostok through Hunchun international railway port suffer through several jolting hours of travel and experience schedule delays. China and Russia need to speed up infrastructure development for tourism transportation.

Third, in other ports, such as those in the Tumen river area where regional tourism development and economic cooperation is restricted by the small number of passengers. The two sides need to set up convenient channels for passing visitors.

In conclusion, tourism is an important part of Northeastern Asia economic cooperation. It has significant political and economic meaning in promoting economic cooperation and political stability in Northeast Asia.

#### **IV. Some suggestions for the Northeastern Asia Economic Forum**

First, with the coordination of Northeastern Asia Economic Forum, tourism experts from this region could be organized to research, prove and lay down the development strategy and cooperation plan for a Northeastern Asia tourism ring which could then be submitted for government review.

Second, with the leadership of the Northeast Asia Economic Forum, we could set up a non-governmental regional tourism cooperation organization and exchange tourism information on a regular basis.

Third, participants can take this message back to the departments concerned in their own country and seek policy supporting a Northeastern Asian tourism development strategy and cooperation plan could be put into practice.

China International Tourism Service was founded in 1954. It is the biggest and strongest state tourism enterprise group. After many years development, CITS has set up more than 10 offices in overseas countries and regions and has group member enterprises in 122 national cities and more than 20 enterprises owned or controlled by the state. CITS has taken a leading role in China's tourism industry and become China's first tourism brand well known both at home and abroad. CITS is willing to participate in the grand course of setting up a Northeastern Asia tourism ring and promoting the prosperity of a Northeastern Asia tourism market.