

# *Analysis on the Development Trend of China Tourism Economy in the Post-epidemic Era*

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**Abstract:** Tourism economic income includes domestic tourism income and foreign tourists' income from inbound tourism. At present, China's tourism economic income mainly comes from domestic tourism, while China's tourism industry is not attractive enough in the international market, and foreign tourism economic income mainly comes from ASEAN countries. Especially in the past two years, affected by the epidemic, foreign inbound tourism is almost in a state of suspension, and now tourism revenue is entirely supported by the internal circulation of domestic tourism. In view of the tourism changes caused by the epidemic situation, under the post-epidemic situation, we should promote the high-quality development of China's tourism economy through effective measures such as industrial integration, innovation and coordinated development, promotion of cultural connotation with national characteristics, transformation of marketing model and systematization of tourism industry.

## 1. Introduction

The development of China's tourism economy is constantly maturing with the development of tourism. With the increase of per capita income, tourism has also been further developed. According to the data released by the National Bureau of Statistics, in 2019, tourism economic income accounted for 11.05% of the total GDP, but it declined after 2020 due to the epidemic. As a new growth point of national economy, China has brought tourism economy into the strategic plan of national economic development, and now it has formed new models such as research tourism economy and rural tourism economy, and the tourism development system is becoming more and more perfect[1]. Although the growth of tourism economy has slowed down under the prevention and control of epidemic situation, the state has taken a series of measures to minimize the impact of epidemic situation on tourism development.

## 2. The Development Course of China Tourism Economy

Throughout the development of China's tourism economy, it has mainly experienced four stages of development supported by sightseeing economy, leisure tourism economy, holiday tourism economy and leisure high-end tourism economy. China's tourism economy has already transited

from sightseeing economy to leisure tourism economy and holiday tourism economy. Since the reform and opening up, the development of tourism in China for more than 40 years, as a sample of social industry, has reflected the transformation of the main contradictions in China's social life[2]. The development pattern of domestic tourism economy is improved roughly every 10 years, and it has gone through the following four stages for more than 40 years:

The first decade is the initial stage. In 1978, the state put forward "developing tourism vigorously" for the overall situation of reform and opening up, and China's tourism industry entered the development process, and tourism economy began to appear. The second decade is the development stage of tourism industrialization, which is roughly from 1986 when economic construction was put forward as the center to the Eighth Five-Year Plan. The third decade is from 1998 to 2009, with the rapid growth of GDP, the introduction of the "holiday system", mass tourism activities, the prosperity of the tourism commodity market, and the development of tourism in the direction of popularization and marketization. The fourth decade is the stage of "full integration into the national development strategy". Tourism is regarded as an important support for the national economic development, and the tourism development system is constantly improved, moving towards the road of international development. The development of tourism economy has made important contributions to China's GDP growth and cultural dissemination.

### 3. The Present Situation of Tourism Economy Development in China

#### 3.1 The Scale and Income of Tourism Are Greatly Affected by the Epidemic

According to the data released by the Ministry of Culture and Tourism, in 2021, due to the impact of the epidemic, the number of domestic tourists was 2.88 billion, down 52.1% from the same period of the previous year. Among them, the number of urban residents was 2.07 billion, a decrease of 53.8%; there were 810 million tourists from rural areas, down 47.0%. Domestic tourism revenue was 2,228.6 billion yuan, down 61.1%. Among them, urban residents spent 1,796.7 billion yuan, down 62.2%; Rural residents spent 432 billion yuan on tourists, down 55.7%. In 2022, there were 3.25 billion domestic tourists, an increase of 12.8% over the previous year. 2.34 billion tourists from urban residents, up by 13.4%; Rural residents visited 900 million people, an increase of 11.1%. Domestic tourism revenue was 2,919.1 billion yuan, an increase of 31.0%. From this, it can be seen that China's tourism economy has been greatly impacted by the epidemic, and it is mainly supported by urban tourism economic income, As shown in Table 1.

Table 1: Tourists in China in 2021 and 2022

In 2021		In 2022	
Scale of domestic tourists	2.88 billion person-times	Scale of domestic tourists	32.5 billion person-times
Urban residents and tourists	20.7 billion person-times	Urban residents and tourists	23.4 billion person-times
Rural residents and tourists	8.1 billion person-times	Rural residents and tourists	9.0 billion person-times
Domestic tourism revenue	22286 hundred million yuan	Domestic tourism revenue	29191 hundred million yuan

#### 3.2 The Price index of Residents' Tourism Shows a Trend of Rising Tail

Affected by the epidemic situation, the domestic tourist price index will gradually fall back in 2020, and the consumer price index of domestic tourism will show a tail-lifting trend in 2021. The

reason is that, from the supply side, with the steady progress of epidemic prevention and control work, the supply side is generally optimistic about the market conditions, and upstream enterprises such as aviation, passenger transport and hotels push up service prices [3]. From the demand side, first, domestic residents' pursuit of high-end quality tourism has increased. Second, under the influence of the epidemic, residents' requirements for tourism hygiene have increased, so the quality requirements for accommodation, transportation, catering and other supporting services have increased, pushing up consumer prices. Just entering 2022, the consumer price index of residents' tourism is still increasing, but it has declined briefly since April due to the impact of the epidemic.

### **3.3 The May Day Holiday is Closely Related to the Epidemic Situation.**

The May Day holiday in 2020 is the first small holiday after the domestic epidemic situation is basically stable. During the May Day holiday, the suppressed tourism demand affected by the epidemic situation is released in a centralized way, which promotes the strong rebound of the domestic tourism industry and the obvious recovery of the upstream and downstream industries. According to the data released by the Ministry of Culture and Tourism, during the May Day holiday in 2021, the total number of public trips in China and abroad was 230 million, up by 119.7% year-on-year, returning to 103.2% of the total value in the same period before the epidemic according to comparable statistics. The domestic tourism consumption income reached 113.23 billion yuan, an increase of 138.1% over the previous year, and recovered to 77.0% in the same period before the epidemic. In 2022, there were 160 million domestic tourists on May 1, a year-on-year decrease of 30.2% and a comparable recovery to 66.8% in the same period before the epidemic. Domestic tourism revenue reached 64.68 billion yuan, a year-on-year decrease of 42.9%, returning to 44.0% in the same period before the epidemic[4]. It can be seen that the tourism situation during the May 1 holiday is greatly affected by the epidemic situation, and tourists' willingness to travel is still there. As long as the epidemic situation is controlled, tourism can recover.

### **3.4 Online Tourism, Rural Tourism, ice and Snow Tourism and other Special Sectors are Eye-catching**

With the steady increase of Internet penetration rate, online travel platforms represented by Ctrip and Tongcheng actively deploy digital ecology, deepen the deep integration with upstream and downstream enterprises, and constantly create innovative tourism projects with high cost performance and good experience. By the end of 2021, there were 397 million online travel users in China, with a market scale of 862.5 billion yuan.

Among them, rural tourism, under the background of the new round of rural economic revitalization and development, has become a powerful booster for rural revitalization by constantly improving the rural tourism ecology and enriching the connotation of rural tourism. At present, the form of "rural tourism+" is constantly emerging, relying on the rural environment and supporting the concepts of green ecology, red culture and healthy old-age care, which make rural tourism more and more hot, as shown in Figure 1.

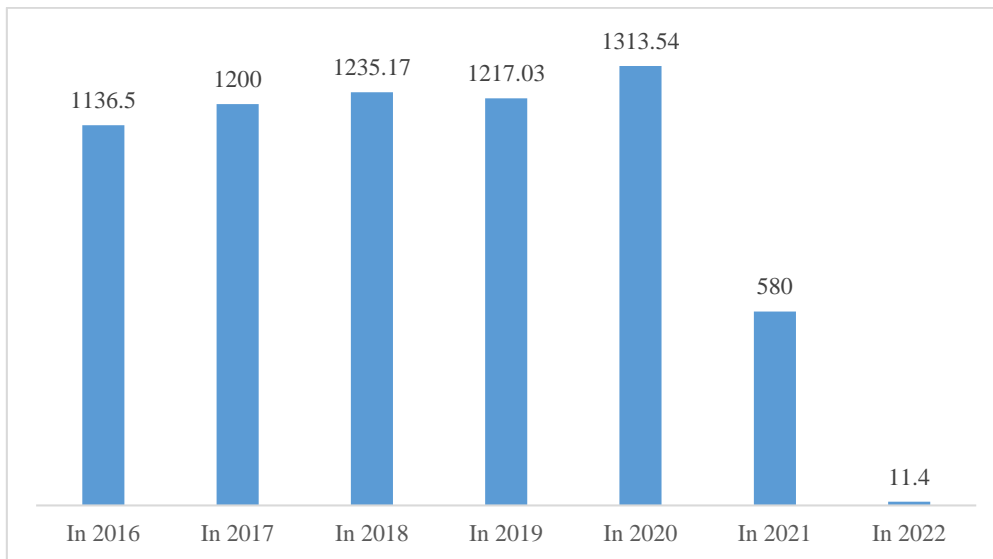


Figure 1: China's international tourism foreign exchange income from 2016 to 2022 (Unit: USD 100 million)

#### 4. Problems in the Development of Tourism Economy in China

As the tertiary industry, the economic source of tourism belongs to the experience economy, that is, consumers travel for good.

Experience should follow the development direction of market demand and develop towards high-end. At present, in the development of tourism economy in China, there are still problems of low development quality, that is, the level of tourism services is generally low, the income from tourism services is low, the added value of tourism products is low, the product differences are not obvious, and there is no scale effect. In terms of tourism talents, tourism talents have low academic qualifications, and 80% of tour guides are below undergraduate level, lacking professional knowledge. The tour guides who can communicate in English account for less than 15%. There is also a lack of professional sports tourism talents. In recent years, the emerging ice and snow tours and holiday tours will involve some professional tourism sports, such as fishing, surfing and skiing.

In the development trend of tourism internationalization in China, judging from the current supply quality and quantity of tourism talents, the service level of tour guides is not high, it is difficult to guide tourists to experience scientific and technological products, and it is difficult to explain to foreign tourists, which obviously cannot meet the requirements of tourism development. The tourism market needs to be further explored. At present, China's tourism market is dominated by domestic tourism, and the foreign exchange income of international tourism has been in a state of deficit. Domestic tourism is also dominated by urban tourism, and the development structure of tourism economy is unreasonable. The main reason is that China's tourist attractions lack international appeal and fail to make full use of tourism resources and show cultural connotations. Moreover, there is still a certain gap in the income of urban and rural residents, and urban tourism is more abundant. In recent years, the emerging rural tourism has not been fully developed.

#### 5. SWOT Analysis of Tourism Economic Development in China

##### 5.1 Strengths

As far as China is concerned, the advantages of developing tourism economy are concentrated in

the following three aspects:

First, resource advantages. As an important foundation for the development of tourism economy, China's abundant tourism resources will undoubtedly lay a solid foundation for the development of tourism economy. At present, the stock of both natural tourism resources and humanistic tourism resources in China ranks among the top in the world.

Second, the market advantage. As mentioned above, on the one hand, the proportion of tourism expenditure in China residents' consumption expenditure has increased in recent years, indicating that China residents' own tourism demand has increased; On the other hand, the steady increase of China residents' income in recent years has provided a guarantee for their tourism consumption, as shown in Table 2.

Table 2: Number of domestic and inbound tourists in China from 2018 to 2022

Years	Number of domestic and inbound tourists (100 million)	growth rate
In 2018	56.80	10.3%
In 2019	58.43	10.4%
In 2020	45.32	-20.34%
In 2021	43.32	-9.45%
In 2022	40.21	-8.45%

Third, the government supports the advantages. As far as China is concerned, the advantages of government support for developing tourism economy are mainly reflected in the following two aspects: one is financial support. As shown in Table 1, from 2019 to 2022, the proportion of culture and tourism in China's total fiscal expenditure showed an overall upward trend, and it increased from 0.39% in 2019 to 0.43% in 2022, indicating that the financial investment of China government in developing tourism economy has been enhanced in recent years, as shown in Table 3.

Table 3: Proportion of cultural tourism in China's total fiscal expenditure from 2019 to 2022

Year	Total expenditure on culture and tourism/finance
In 2019	0.39%
In 2020	0.40%
In 2021	0.41%
In 2021	0.42%
In 2022	0.43%

## 5.2 Weakness

First, considering that the development of tourism resources is an important foundation for the development of tourism economy, the effectiveness and rationality of tourism resources development will undoubtedly have a direct impact on the sustainability of tourism economic development[5]. Too much attention is paid to the development of tourism resources and the protection is neglected, which is not conducive to the sustainable development of tourism economy.

Second, the current tourism products in China are mainly sightseeing and leisure. At the same time, through the horizontal comparison with western countries, we can find that China's sightseeing and leisure tourism products are not only relatively homogeneous, but also its product design can only meet the shallow spiritual needs of tourists because of the lack of creativity.

## 5.3 Opportunity

Since the outbreak of Xinguan epidemic, China's tourism economy has suffered a strong impact

on both the demand side and the supply side, especially the tourism enterprises as the supply side have fallen into the dilemma of business stagnation and even bankruptcy. It is precisely because of this that the China Municipal Government has further introduced a series of supporting policies, including suspending the deposit of travel agencies, reducing taxes and financing bail-outs, for the purpose of helping the tourism industry to resume work and production. For tourism enterprises, the introduction of the above policies and measures will not only help to improve the stability of their own operations in the short term, but also provide support for the expansion of their development scale in the long term. To some extent, a series of supporting policies of China government for tourism under the background of COVID-19 epidemic have created favorable opportunities for the further improvement of the supply side of China's tourism economy.

In addition, the rapid growth of online tourism in China has also brought opportunities for the development of tourism in the post-epidemic era in China, as shown in Table 4.

Table 4: Scale of online travel users in China from 2018 to 2022

Years	Scale of online travel users (100 million people)
In 2018	3.92
In 2019	4.13
In 2020	4.32
In 2021	4.45
In 2022	4.56

#### 5.4 Threats

The impact of COVID-19 epidemic on China's tourism economy is mainly reflected in the following two aspects: First, from the demand side, the outbreak of COVID-19 epidemic directly led to the decline of the income level of residents in China and other countries. According to the data of the National Bureau of Statistics, the income of residents in China actually decreased by 1.3% in the first half of 2020, while the income level of residents in other countries showed a more significant decline [6]. In this case, considering that tourism consumption belongs to the category of non-essential consumption, the decline of residents' income level will undoubtedly have a negative impact on China's tourism economy by restraining the growth of domestic and inbound tourism consumption demand. Second, from the perspective of the supply side, the outbreak of COVID-19 epidemic has directly led to the closure of many enterprises engaged in catering, accommodation and other tourism industries in China, thus reducing the supply of tourism products. At the same time, as mentioned above, the investment in China's tourism economy is mainly private capital. Compared with the state-owned economy, the COVID-19 epidemic has had a more significant negative impact on the development of the private economy, and the recession of the private economy will inevitably inhibit the industrial investment of private capital. To sum up, the sluggishness of the supply side and the demand side determines that the COVID-19 epidemic has adversely affected the development of China's tourism economy.

#### 6. Development Trend of China Tourism Economy in Post-epidemic Era

At present, China's economic development has entered a new normal stage, which means that China's economy has changed from high-speed growth to high-quality growth, that is, optimizing the economic structure and increasing the proportion of the tertiary industry. As the pillar industry of the tertiary industry, tourism economy has an important impact on the high-quality economic growth of China[7]. The tourism economy has also entered a new normal, and the development mode will also usher in a change. Tourism is a comprehensive industry, which not only brings

profits by operating and developing some tourism products, but also produces linkage and radiation effects, which will drive the development of other industries, including catering and accommodation. Tourism must promote the cultural connotation of national characteristics through integration, innovation and coordinated development; The transformation of marketing mode, the systematic improvement of tourism industry, etc.

### **6.1 Explore the Original Ecological Tourist Attractions**

China is rich in tourism resources, but in the previous development process of tourism resources, it did not reflect the local characteristics and failed to meet the needs of tourists for the original ecological environment[8]. It is necessary to develop low-carbon environmental protection tourism, coordinate the relationship between tourism development and environmental carrying capacity, develop a tourism economy with low energy consumption and pollution, minimize the damage to the tourism environment, and promote the coordinated and sustainable development of the tourism economy.

### **6.2 Promote the International Development of Tourism Industry**

The development of tourism economy should adhere to the development orientation of market economy. China is facing an international tourism market with great potential[9]. After the entry into force of RCEP, it marks that the tourism cooperation between China and ASEAN has reached a new height. If China can seize the ASEAN tourism market, it will increase the proportion of China's tourism foreign exchange income in tourism economic growth, which is likely to reverse the situation of China's tourism foreign exchange income deficit. We should improve the quality of tourism talents, improve the tourism development system, promote China's tourism to the world, and promote the coordinated development of domestic and foreign tourism.

### **6.3 Deepen the Integration and Development of Tourism and other Related Industries**

Tourism is a comprehensive social industry, and its development is in a new normal situation. In order to further play the role of tourism economy in optimizing economic structure, we should comprehensively deepen the further integration of tourism with many advantageous industries such as culture, sports and finance in China, and build a new regional comprehensive production capacity [10]. In the process of tourism development, we should first strengthen our own brand building, build online celebrity's big IP, build high-quality tourist attractions, tap local cultural characteristics, develop distinctive trendy tourism products through brand co-branding, and increase the added value of tourism products. In addition, we should give full play to the local resource endowment, give the tourism industry the connotation of aged care service and cultural learning, innovate the service mode, improve the service quality, and deeply integrate with digital economy, "internet plus" and cloud computing to create smart tourism projects.

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