

CHINESE TRAVEL INDUSTRY ENJOYS INCREASED SALES DUE TO GOLDEN WEEK



The Chinese travel sector is calling the longest national holiday to date the "Super Golden Week" and it is golden for more than one reason. Starting on the 30th of September all the way through to the 7th of October this combination of National Day and Mid-Autumn Festival Holidays has got travel agencies in a state of hyper activity preparing and promoting various products for the holiday traveller. In fact Ctrip.com a forerunner in China's travel service industry announced that overseas and local tour packages have seen a price increase from off-season rates of up to 30%. Difficulty in securing bookings to certain international destinations has also been observed.

Surprisingly even with the country's economic boom levelling off and the widespread economic challenges the world is facing, the tourism industry continues to flourish and is in fact China's fastest growing industry taking up over 4% of the country's gross domestic product. In 2011 domestic tourists spent \$315 billion or almost 2 trillion yuan, a 13.5% increase from 2010 figures. As such the government views tourism as a strategic industry and foresees that local tourism will draw 5 billion travellers by 2020.

Tourism however is not limited to just companies directly handling tour packages but the industry indirectly affects and supports other businesses like transportation, lodging, restaurants and retail stores. All of which affect the service industry as a whole. Statistics show that each yuan spent on tourism correlates to 10.2 yuan for the service industry. On the employment front, every job that is created for the tourism industry opens another 5 indirect service jobs. This clearly illustrates how this low cost industry is able to generate substantial profits through these tourism related businesses which is comprised of 80 million employees. The fact is 90% of the lodging industry's revenue comes from tourism as well as 80% of the transport earnings from trains and planes according to National Bureau of Statistics expert Liang Da.

The tourism industry is not just about business however, it is also about international cooperation and strengthening international relationships. Local businesses reach out to their foreign counterparts for assistance in expanding their services to other countries. Ctrip.com is one of the first local businesses to tie up with Booking.com a hotel reservation company in order to better serve the overseas needs of their clientele. As the global tourism industry is set for growth with analysts predicting that it will surpass the oil as well as automobile industry, international cooperation can only improve its state from the 9.1% global GDP of last year.

In sync with this year's Golden Week the country's travel agencies are trying to outdo each other with attractive packages and discounted rates designed to tempt the would be holiday traveller. With this growth however the government has seen it fit to start preparing a China Tourism law. This is intended to help regulate the growth of the industry as well as help preserve tourist resorts, parks and other places of interest. It is at present with the - the National People's Congress China's highest legislative body. So as citizens and travel companies get ready for Golden Week the government is also preparing for China's golden era for tourism development.

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