

# CHINA: TOURISM LAW SET TO GREATLY IMPACT TOUR PACKAGES



China's tourism industry has been growing steadily, with over 13.5 million employees, as more options become available and domestic and foreign travelers enjoy the opportunities and tours provided by the 25,000+ travel agencies. This month - October 2013 - a new law was introduced that is set to have a massive impact on how these tours are run, significantly increase their price and change attitudes within the industry.

The main focus of this new legislation is **a ban on the current practice of the so-called negative-fare tours, where packages are sold to tourists at excessive, below-cost rates with the expectation that these guests will later repay the difference via tips and other purchases.** This custom, and the related problems of congestion, negative competition and price hikes that are also being addressed, are viewed by many officials as outdated and unfair to tourists.

Therefore, the tourism law has been designed so that it can take this new protection of the public to higher levels and ensure that they have better rights and greater respect while they are travelling through China.

Many believe that the law is long overdue, a viewpoint that is understandable given that it has apparently been in development for around 30 years, and it is hoped that the adoption of more finite legislations on these practices will be a vast improvement on the current "rules" that appear to be having little success.

It is predicted that this law will have a significant effect on the current culture within Chinese tourism, because of the changes that will have to be made to tour packages and the attitudes towards holiday makers, and changes are already being seen. One leading travel agency sees this move as the start of a major "reshuffle in the tourism industry" and businesses are already beginning to promise tourists that they will not be subjected to any last minute purchases or tipping customs and that all fees will be upfront. Because of this, **the price of these tours has, understandably, significantly increased to meet the projected loss of income.** An example of this is a seven-day Thailand package that was an appealing 3,800 yuan and is now 6,800 yuan (USD 1,106).

Reaction to these laws and subsequent changes is mixed, with some at the China National Tourism Administration believing that "the current rises signal a return to the normal level" and other experts express their desire for a "zero tolerance attitude" so that this law can actually be successful.

The new law for the regulation of negative-fare tours and traveler rights only came into effect on October 1st so it is far too early to predict the real impact it will have; however, there have clearly been some big changes in tour prices and policies already and this suggests that tour operators have understood the law's significance and that there could be some permanent changes in the industry.

Date: 2013-10-07

Article link:

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