

# CHINESE TOURISM GROWS BUT IT NEEDS FURTHER INVESTMENT



The Chinese Government has made it easier for foreign travel agencies to operate in the country. Foreign travel agencies are now permitted to set up branch offices nationwide. It is part of a commitment to open up the tourism sector by 2007 - a promise which the country made to the World Trade Organization (WTO). China is now the world's fourth-largest tourist destination and is expected to become second behind the US in less than a decade. It is also expected that China will replace Germany as the world's third-largest business-travel market in the next few years as a result of its economic boom. Many business people nowadays travel to China to set up new business relations there.

China wants to expand its tourism industry. They aim to open the sector to global competitiveness and thus improve the quality of services. By the year-end 2006, the country had given approval to 25 foreign-controlled & foreign-funded travel agencies.

The NTA (National Tourism Administration) expects a rapid growth in the sector in the year 2007. The tourism industry is expected to earn some 10% more than last year, and the number of visitors is also expected to grow.

The Beijing Olympic Games in 2008 and the Shanghai World Expo in 2010 will attract more travelers from all over the world. These events are supposed to be a showcase for China as an attractive tourist destination. However, China has problems with local infrastructure and staff. The UK-based World Travel & Tourism Council (WTTC) warns that China's travel industry remains underdeveloped and strained by a shortage of qualified hospitality staff.

Personnel in this sector are not well enough trained and do not speak foreign languages. One problem is that hospitality managements find people and train them, but then they just leave the employer and find another job.

China desperately needs to build new roads and to make sure credit cards can be more widely used. In fact China has reportedly allocated \$35 billion for infrastructure spending, covering projects such as new roads, subways and airport terminals.

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