



Boao Forum for Asia Annual Conference 2016

Session Summary (No. 15)

Boao Forum for Asia Institute

March 23, 2016

Session 12

Leisure, Recreation & Tourism: The New Normal

Time: 09:00-10:20, March 23, 2016

Venue: ICC Level 1, Dongyu Grand Ballroom D

Moderator

- YANG Lan, Chair, Sun Media Group and Sun Culture Foundation

Panellists

- Richard COLBECK, Tourism Minister of Australia
- Roger COLES, Chairman, World Leisure Organization
- LI Zhe, Chairman, Riverside Group
- Christian NORET, Vice President, Club Med
- John ODUM, President, Six Flags Entertainment
- Ellen RICHEY, Vice Chairman, VISA

Synopsis

The theme of Boao Forum for Asia Annual Conference 2016 is “Asia’s New Future, New Dynamics and New Vision”, and the “new” is expressive of all people’s exploration and expectation of the future. We can also feel that the cultural tourism of China is going through changes day in and day out. As the



opening of Shanghai Disneyland is in the countdown and Universal Studios is signed to settle down in Beijing, the market of China's cultural tourism is being looked upon with favour by international cultural tourism enterprises. Not long ago, an American brand cultural tourism company called Six Flags has signed a contract with Zhejiang, China, and their target market is the most economically-developed area in China, Yangtze River delta area.

It's good time for China to develop cultural tourism

When talking about cultural tourism, LI Zhe thought that it's good time for China to develop cultural tourism. He analysed that in the 35 years since the reform and opening-up policy, China has achieved what Europe and America has done in the past 100 or even 200 years, of which every Chinese is proud. However, it is also important to acknowledge that China is rather backward in areas such as the service industry, large medical industry, health industry and so on. "Adjust structure and promote development" is a strategy brought up in China's 13th Five-year Plan, according to which large enterprises' development is dependent on the country's advantages while medium and small enterprises' development is dependent on the area's advantages. In accordance with the national strategy and its core competence, The Riverside has chosen tourism and large scale recreation as their future developing direction. However, there are different specializations. In the past, although real estate has been run and it is relevant to tourism, it is not the speciality of The Riverside. Thus, they chose the path of superior resources of the world. Two of America's three biggest entertainment giants have landed in China. Disney chose Shanghai and the Universal studios is to be located in Beijing. The remaining one, Six Flags, hasn't openly declared its intention. Therefore, Riverside finds them and reaches a strategic partnership. When it comes to the cooperation with Six Flags, LI Zhe summarized it as "rapid and whirlwind romance". When the two join hand in hand and choose Zhejiang as



their “love nest”, what they value is the strong spending power after Yangtze river delta area’s economic rise and the natural environment suitable for tourism development.

LI zhe further analysed “the opponent” and commented that Disney’s location is at the best spot in Pudong. With its brand strength, Disney has brought rapid development to the scores of square kilometres of Chuansha Town within a few months, and has formed a phenomenon where many tourism elites aggregate around the core Disney. It is fair to say that Disney has contributed much to the development of Pudong. The Riverside has carried out a detailed research of the Disney Chuansha case, and found that to develop Six Flags Resort in Zhejiang Haiyan, local elements, Sea travel resort, health industry and other entertainment resources must be integrated in and that we should build it as a culture and tourism complex. This idea is also compatible with the tourism planning and development strategy of Zhejiang province. Predictably, China’s Tourism industry will form a situation of tripartite confrontation featuring the three brands, Disney, Universal Studios, and Six Flags, which will join force together to promote the development of China’s tourism business.

Travelling Invitation from America and Australia

In the discussion of “cultural tourism”, Ellen RICHEY mentioned that, when it comes to the world tourism market development, it is well known that the VISA has offices all over the world, and that a large part of global consumption is done through VISA card. Visa conducts a special investigation in global tourism marked every year to gain prospective report. The statistics show that tourism is a huge industry which contributes a lot to the global economic development and accounts for 10% of the global GDP. In the report on a survey of the outbound tourism in emerging countries, in



the year 2014 alone, the tourism in these relevant countries exceeds 30% of the year before.

Ellen RICHEY pointed out that when analyzing the future trend of tourism, the number of outbound tourists in European countries ranks first, but that of the Asia-Pacific region has already risen to the second place and the rising tendency will continue. In the past two years, leisure tourism in the Asia-Pacific region showed strong performances with the world's fastest rising speed, and tourists are also willing to spend more money to travel in this region. China, India and Australia are countries with the largest number of outbound tourists, followed by the Arab states and the United States. Statistical data from China is surprising and it is fair to say that Chinese tourists are driving the development of global economy. Gratitude goes to all the tourists.

Ellen RICHEY said, in the past, most of the Chinese outbound tourists chose Australia, France and Japan as their tourist destination, and of course, there were also many people choosing the United States. 2016 is a China-US year of Tourism, tourism department of China and the United States will work closely to promote tourist visits between the two countries. Although in the past two years the world economic growth is slowing down, the number of outbound tourists still climbs up. The China-US year of tourism is very important to the tourism industry in both countries. We all know that when in China, one should climb the Great Wall, and the saying goes, "One who has never been to the Great Wall is not a true man". So the China-US year of tourism is a crucial year for China. Meanwhile, Chinese tourists also take up an extremely large market share in the United States market, so it is also very important year to promote the development.

Following up, Richard COLBECK acknowledged the great contribution that Chinese tourists have made to Australian tourism which in turn promotes economic development. Tourism contributes 3% to Australia's total GDP



which is hopeful to rise to 4.1% in the following ten years. He introduced that Chinese tourists' travelling expense in Australia has grown over 4% in 2015 and that President Xi has also visited Australia. Richard COLBECK believed in the high quality of Australian tourism market and hoped to have more capital invested into Australian tourism, which will make the Australian market more optimized. In 2015, Australia has opened up many new routes from scratch, in the hope of attracting more tourists from different countries and regions. Such measures greatly promote the development of the Australian economy, and also show that tourism development in the Asia-Pacific region is sustainable

Richard COLBECK said that Australia is rich in natural resources; it has beautiful scenery and vast land. He expressed the hope that the unique local culture of Australia will continually push forward tourism industry and at the same time the development of tourism will promote prosperity in the fields such as international education.

Chinese Cultural Tourism Has Huge Potential

Roger COLES observed that Asia will become the biggest beneficiary in the background of WTO and international tourism organizations encouraging the development of tourism companies, and that Asian tourism companies will benefit from it. Cruise industry will become an important form of tourism: there are many ports in Europe, from where the cruise will be heading for China; and China will build big ports to receive these cruises as well as the passengers from Europe.

Roger COLES pointed out that in 2015 the leisure tourism has become the main mode of travelling. China is now full of parks and recreation facilities, yet it is still planning more space for people's leisure. They have opened the second amusement park in Qingdao, and hope that such amusement parks can



spread to 62 countries in the future, bringing the joy of games to children and families.

John ODUM said, from the perspective of cultural tourism in emerging markets, this market is very exciting. In the eyes of Six Flags, the global business opportunities are on the rise. Six Flags has 55 years of operating experience, in the United States; it has built 300 parks and has served for more than 300 million people. At the same time, it has also cooperated with many great powers, including, China. China is a country with fastest growing middle class population, which is the reason why Six Flags' project is very suitable for China. In the past 55 years, when picking sites to build parks, Six Flags always selected places which are remote from cities, in order to promote the development of surrounding places. When seeking partnership with China, Six Flags did the same thing with the strategy of using the brand to drive the development, rather than simply enjoy the results of exploiting already developed and mature plots.

LUO Yong (Christian NORET) told that club med enjoys a 66-year history of running tourism business. China is their second largest market in the world, and the annual growth is now 2.1%. At present, the club has three beach projects in Sanya, Hainan, and there are also projects running in Heilongjiang, in Zhuhai, Guangdong, and in Jilin. The new product developed by the club is targeted at the Chinese market. With huge population and accelerating urbanization process, such products will make people who live in cities enjoy nonlocal tourist resort with more favourable environment.

Richard COLBECK also had his own opinions when it comes to attracting Chinese tourists. He believed that although China's economy faces downtrend pressure, it still enjoys development at the growth rate of 6.5%. Last year, 6 million people in China travelled abroad, while the total number is 120 million, which will reach 200 million in 2020. China's tourism industry has



huge potential in the next decade, and Australia will increase tourism promotion among Chinese tourists.