



# China Tourism Industry Newsletter

May 2009

The Commercial Service offices in China publish this free quarterly China Tourism Industry Newsletter with information on project opportunities, events and news items related to China's outbound tourism market.

U.S. companies wishing to subscribe, can send an email with your name and full contact information for your company (including company name, address, email, telephone, fax, website) to the following:  
[lynn.jiao@mail.doc.gov](mailto:lynn.jiao@mail.doc.gov)

## Upcoming Tourism Events

The U.S. Commercial Service plans an event-packed year of tourism trade shows, roadshows and webinars that should not be missed.

CS Chengdu is organizing the **2009 Southwest China Tourism Roadshow** and Trade Promotion to Yunnan Province (Dali and Lijiang) June 21-24. To participate please contact: Misha Cao, at <mailto:xiao.cao@mail.doc.gov>

CS Guangzhou is organizing the **Tourism Roadshow to South China** on July 22-23, 2009 in Guangzhou and Shenzhen. To participate please contact Ms. Diana Liu at [Diana.Liu@mail.doc.gov](mailto:Diana.Liu@mail.doc.gov)

**By 2020 there will be 100 million Chinese outbound travelers.**

**Will you have a slice of that market?**

## China Revises Regulations on Travel Agencies

On February 26<sup>th</sup> China released revised rules for travel agencies that removed minimum capital requirement and the branching ban for foreign travel agencies. The revised *Regulations for Travel Agencies* approved by the State Council on January 21 also allows foreign investors to set up wholly foreign-owned agencies in addition to joint ventures. Although the new rules will be applicable to both domestic and foreign travel agencies, foreign travel agencies are prohibited from handling outbound tours including travels to Hongkong, Macau and Taiwan.

The financial requirement to operate domestic and inbound (to China) tours was lowered to 300,000 RMB (about US\$ 44,000) for both foreign and domestic agencies. Previously, foreign-funded agencies had to have 4 million RMB and Chinese agencies had to have 1.5 million RMB. In an effort to reduce operating costs for agencies the quality guarantee deposit for all operators was also dropped to 200,000 RMB.

Sources in the China travel industry feel that the lowered requirements will help bring unlicensed travel agencies into the legal system. A spokesman for the CNTA was quoted in the China Daily as saying that "the number of rogue (unlicensed) operators is three times the number of registered agencies", which stands at 19,800 and includes 18,000 which only engage in domestic tours. The new regulations include tougher punishments for any illegal conduct by agencies.

While welcoming the lowering of capital requirements the foreign travel agencies we spoke with indicated they think that little will change. One pointed out that it is difficult to compete with domestic agencies for domestic and inbound tourism and foreign agencies handling inbound tourists had to have Chinese partners anyway.

The new regulations are available [here](#) in Chinese.



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## U.S. Commercial Service in China Unveils New Tourism-focused Service

In April CS China announced a new customizable service designed exclusively for American destination marketing organizations (DMOs), inbound tour operators and organizations. The "Platinum Key Service" or PKS allows clients to take advantage of longer term, sustained and customized U.S. Commercial Service assistance on a range of tourism events and services that clients can select from on a PKS menu.

While specific services can be selected from the menu, the PKS is solution-oriented and can be tailored to the client's needs through a mutually agreed upon scope of work. The PKS can include identifying markets, launching products, developing major project opportunities and providing assistance on regulatory matters.

Ongoing service is available for six months, one year, or a specified timeframe based on the mutually agreed-upon scope of work. For more information contact [lynn.jiao@mail.doc.gov](mailto:lynn.jiao@mail.doc.gov)

## CS Shanghai and CS Guangzhou Organize U.S. Pavilions

CS Shanghai organized the third U.S. Pavilion at the annual World Travel Fair (WTF) in Shanghai April 9-12<sup>th</sup>. The U.S. Pavilion featured eight U.S. travel and tourism exhibitors and five catalog show participants this year. The WTF is one of China's largest outbound-focused travel trade shows and despite the world economic downturn outgrew its previous venue in the old Shanghai Exhibition Center and moved in 2009 to the much larger Shanghai New International Exhibition Center in the Pudong area of Shanghai.

CS Shanghai also organized a U.S. Tourism and Visa Seminar at the WTF site for Chinese outbound tour operators and travel media. The visa presentation by a visa officer from the Shanghai Consulate drew significant attention from Chinese travel agents wanting the latest information in visa rules and trends.

CS Guangzhou organized the first U.S. Pavilion at the Guangzhou International Travel Fair (GITF) 2009 on March 26-29<sup>th</sup>. Eight U.S. firms and destinations exhibited in the Pavilion and seven destinations (cont. next column)

participated in a catalog show. Consul General Robert Goldberg visited the U.S. Pavilion and the U.S. exhibitors during the show and, along with the exhibitors, was interviewed by local and regional media.

In conjunction with GITF CS Guangzhou also organized a U.S. Tourism Seminar and Visa Briefing for show attendees. A visa officer from the Consulate Consular Section gave a presentation on the visa application process to a large audience of Chinese travel agents. Consul General Goldberg kicked off the seminar with welcoming remarks. Diana Liu, tourism specialist with CS Guangzhou reports that media interest in the U.S. Pavilion was extremely good.

## Second Annual East China Tourism Roadshow hits Three Cities

CS Shanghai organized a three-stop East China Tourism Roadshow April 14-17 in Ningbo, Hangzhou and Nanjing. In each city eight U.S. inbound tour operators and destinations had multiple one-on-one meetings with Chinese outbound travel agencies interested in sending tour groups to the U.S. Over 175 carefully selected Chinese outbound tour operators attended the three events. The half-day seminars were co-hosted with the U.S. Commercial Service's American Trade Center partners (CCPIT) and the local tourism bureaus. The seminars also featured visa briefings by a Consular Officer from the Shanghai Consulate's Consular Section.

Commercial Officer Kevin Chambers and Commercial Specialist Lynn Jiao made presentations on the new U.S. - China Tourism MOU and the U.S. travel and tourism industry. U.S. participants in the seminars included JTB Americas, Galaxy Tours, Hawaii Tourism, Illinois and Chicago Tourism, SunTours International, Ritz Tours, America International Exchange Group and America Asia Travel Center. The events received considerable TV, radio and press attention with the CS Shanghai representatives and clients granting a number of interviews promoting tourism to the U.S.

See our webpage [here](#)