

Event Report

**“EU-China Year of Tourism – a Gate to Increased Cultural and Economic Relations”**

EIAS Briefing Seminar

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Whilst it is widely acknowledged that the tourism industry acts as a large provider of jobs to economies around the world, its economic importance is frequently overlooked in political discourse. The launch of the EU-China Year of Tourism in Venice earlier this year however, is a clear exception to this trend. With China surpassing the USA as the world’s greatest source of outbound tourism in 2014, maximising the economic, political, and cultural outcomes of bilateral tourism is of clear benefit to both actors involved. Resultingly, the 2018 EU-China Year of Tourism provides a unique opportunity to increase connectivity and understanding between our two regions and increase the visibility of both Europe and China as travel destinations. This event at EIAS brought together representatives from the tourist industry as well as political and diplomatic institutions in order to discuss the desired and likely outcomes of this landmark year in EU-Chinese tourism relations.

## **Opening Remarks**

Kicking off this event, EIAS CEO Axel Goethals referred to Venice being the city where this 'Year of Tourism' was launched, citing historical relevance on the Silk Road that once connected Eurasia. After mentioning briefly some of the economic and political aspects of tourism, Mr Goethals highlighted the importance of tourism as part of cultural trade. This year provides an opportunity to increase mutual understanding as well as develop shared values, and better comprehend cultural heritage. Key to this is the development of what is described as a 'light bridge', connecting both sides through cultural initiatives, an example of this being the celebration of the Chinese Lantern Festival in cities throughout Europe last month.

## **Panel Discussion**

### **Yang Xiaoguang, Counsellor, Mission of China to the EU**

Mr Xiaoguang highlighted the significance of China and the EU's locations at either end of the Eurasian landmass, and pointed out that between them, they are home to approximately one third of the world's population and 40 percent of economic output. With these statistics in mind, it is clear that in collaborating, the EU and China have a substantial amount of influence globally. Adding to this, it was mentioned how China-EU relations have never been this solid before, and were described as 'sound, healthy, and complicated'. There is dialogue between China and the EU on numerous issues, which is particularly important in terms of trade. Trade between China and the EU reached USD 620 billion last year, with the EU being China's number one trading partner for 13 consecutive years, and China being the EU's second most important trading partner behind the USA. Mr Xiaoguang did however slightly lament the drop in investment between China and the EU in recent years.

In continuation, Mr Xiaoguang mentioned how people-to-people relations between the EU and China have been very encouraging, and that this represents the foundation of relations between the two regions. With tourism falling in to the category of people-to-people exchanges, or cultural relations, the importance of tourism in the grand scheme of things cannot be understated. He pointed out how there are now over 600 flights between China and the EU each week, and that there are over 300,000 Chinese students studying at universities throughout the EU. Whilst the amount of EU students studying in China is lower (around 45,000), each overseas student acts as an ambassador and is very important to improving relations. This is also the case with tourists.

It is clear that China and the EU are key global players in many respects, and resultingly, their relationship is very important. Mr Xiaoguang suggested that it is against this backdrop, that we are celebrating the EU-China Year of Tourism. Whilst EU-China relations are not problem-free, it is important to increase mutual understanding in order to begin the process of overcoming any problems. It was suggested that there is a 'perception gap' between China and the EU, and the only way that it can be closed, is through direct exchanges, with tourism being a great way to achieve this. It was argued that to get to know a country in a real sense, one has to visit it, and this is the *raison d'être* behind this 'Year of Tourism'.

Mr Xiaoguang went on to highlight how tourism plays an important role within national economies, and that it had contributed to economic growth and employment in both the EU and China. Tourism, he added, makes up almost 11 percent of GDP in China, and that

employment generated by the tourist industry accounts for roughly 10 percent of China's total labour force. In addition to this, it was pointed out how the tourism industry has close links and associations with numerous other industries, therefore the benefits of increased tourism are widespread.

Yang Xiaoguang followed this by mentioning that from the perspective of some Chinese citizens, there are certain concerns/expectations regarding traveling to the EU, including whether the EU can ensure the safety of Chinese tourists, as the issue of tourists losing passports and being robbed is currently quite prominent. It was also mentioned how visa requirements for Chinese tourists are complicated compared to other nations. This issue, it was argued, is somewhat of an irony given the potentially enormous market represented by China's vast middle class to European markets. This middle class has the largest consumption potential in the world, and they are largely very keen to travel to EU nations and purchase presents whilst abroad. This being the case, the issue of visa facilitation is an important one to address for both sides.

On a final note, Mr Xiaoguang mentioned how he hoped that tourism would be increasingly reciprocal, and that more Europeans would go to visit China in the coming year. With China being a diverse, secure, friendly and dynamic country, our speaker welcomed all to find out what a good tourist destination China is for themselves.

**Eric Philippart, Senior Expert, Cultural Tourism, Cultural and Creative Industries, DG Grow, European Commission**

Mr Philippart mentioned how before the idea of a EU-China Year of Tourism was developed, flows of Chinese tourists to the EU was increasing steadily. Europe is at the top of the list of desired destinations amongst Chinese tourists, and this was attributed to some extent to our shared cultural heritage. It was mentioned how there is hope that soon there will be more sharing of this cultural heritage through greater exchanges of artwork amongst other things. In the wake of the terrorist attacks that struck Europe in 2015/2016 however, the trend of steadily increasing tourism from China reversed, as many became concerned about their safety. This represents a clear challenge for the tourist industry.

It was argued that member states have worked on making streets more secure, however the issue of petty criminality, remains an issue. The issue of security however, is often just a matter of perception, with Europe having far higher levels of terrorist attacks throughout the 1970s and 1980s. Mr Philippart suggested that as there is a rise in the number of Chinese tourists coming to Europe, naturally, a greater number of individuals are likely to be exposed to criminality. A way of addressing this could be by changing the perception amongst petty criminals that Chinese tourists carry large amounts of cash. By establishing alternative payment methods (compatible with Chinese ones), there would be less need for this, and incidents of robbery are likely to drop. Another way in which some municipalities throughout Europe are trying to make Chinese tourists feel more secure, is through inviting Chinese police along on joint patrols with local police. This is an effective way of helping tourists feel more comfortable and demonstrating how their safety is a priority for the host countries.

Mr Philippart went on to discuss how the EU and the European Commission work hand in hand with the Chinese Mission and the Chinese Ministry of Foreign Affairs not only on issues of security, but also cultural ones. An example of this was when a gigantic lantern was

placed in the centre of the Grand Place in Brussels, representing 'China lighting up the heart of Europe'.

Mr Philippart said how it is also important to mention the political aspect of this Year of Tourism, and that it is not purely an initiative thought up by the tourism industry, instead having roots in politics with the industry following afterwards. Having senior politicians from both the EU and China involved in bringing attention to the project has helped mobilise the tourism industry to get on board. Having a political backing helps speed along issues that massively impact tourism, but that are out of the hands of the industry – visa facilitation being a good example. The subject of irregular migration impacts upon visa concerns; however, it was argued that this issue remains of importance, but is largely symbolic. This being the case, Mr Philippart said how the European side were very keen to move the issue of visa facilitation along on a bilateral basis. Simplifying the process of visa facilitation is an issue that both sides see as a win-win outcome.

The next issue touched upon by Mr Philippart is the 'bridge of light'. This is seen as a way of developing better communication between European and Chinese communities through grassroots activities and showcases. Throughout Europe, there were 66 sights in 18 countries celebrating this year's Chinese lantern festival, and this was done on the initiative of the cities and towns where the sights were located, not instigated or funded by government agencies. In response to this, there is hope that a number of significant and iconic sights throughout China will be illuminated in blue light on the 9<sup>th</sup> of May to celebrate 'Europe Day', celebrating peace in Europe. It was mentioned that this 'light bridge' and other cultural initiatives are equally as important as the political aspects of the Year of Tourism, and the links developed between local communities are as important as those in politics and industry.

As a final note, Mr Philippart asserted that the positive trends in tourism and connectivity between the EU and China must continue after the culmination of the current Year of Tourism. Whilst political visibility will inevitably decrease next year, the positive trends in tourism between our two regions must be maintained and built upon through different means including the tourist industry, public-private partnerships, and grassroots connectivity.

### **František Reismüller, Marketing Project Manager and China Specialist, European Travel Commission**

Mr Reismüller outlined some of the marketing and research strategies of the European Travel Commission to help implement the EU-China Year of Tourism. The core of the European Travel Commission's marketing activities in China are split into two. The first of these focuses on the grassroots levels, educating Chinese travellers about Europe, with a focus on where to go, what to see, how to get around, and how to figure out visas. Secondly, there is a focus on building a strong business platform for market development in Europe, SME's are helped to enter the Chinese market through the building of strategic partnerships with Chinese partners.

Mr Reismüller went on to give some examples of these marketing strategies. The first of these strategies concerned trade relationships, consisting of a programme which brings Chinese tourism companies to Europe to help develop partnerships. This gave people within the Chinese tourism industry a chance to talk face-to-face with European actors, learn

about the European market, and become acquainted with some of the lesser known regions of Europe. This promotion of traditionally less popular tourist destinations and not just Europe's big capital cities is a priority of the European Travel Commission.

Another way which the Travel Commission hopes to promote Europe as a travel destination in China is through China's social media channels. These channels offer a wonderful opportunity to access numerous people, and there are plans to establish campaigns which, amongst other things, educate people in China about Europe. The Travel Commission also plans to work with the largest online Chinese tourist agencies and hopes to establish a platform where clients can easily find European products. On a final note, Mr Reismüller added how the whole project will be pan-European, involving Europe as a whole, not just the traditionally popular destinations.

### **Pierre Conegrachts, Deputy CEO, Wallonie Belgique Tourisme**

Mr Conegrachts shared some of the actions taken by Wallonie Belgique Tourisme to encourage and facilitate Chinese tourism to the region of Wallonia. Given the limited size and international reputation of Wallonia, Mr Conegrachts explained that smaller regions do not advertise themselves as destinations in and of themselves, however as a place to perhaps visit whilst on a larger 'trip to Europe'. The Wallonie Belgique Tourisme has worked with the Chinese tourism market since 2005 and has noticed a huge change in the volume and nature of tourism since then. Since 2005, they have established dialogue with numerous difference hotels, museums and restaurants throughout Wallonia to ease the travel of Chinese tourists in the region. Wallonie Belgique Tourisme has also recently opened a small office in Beijing which has helped them get in contact with tourist operators throughout China.

Mr Conegrachts then moved on to talk about the increased number of flights between China and Belgium and how this has affected Wallonian tourism and the awareness of China as a market. Due to the increase in numbers of Chinese tourists, Wallonie Belgique Tourisme decided to help train tourism related industries engage with Chinese guests. This has been done through developing Chinese language websites and menus, as well as offering partners a basic education into Chinese cultures and customs. By using this kind of training and outreach in to the future, Wallonia hopes to become a China-friendly destination.

Looking to the future, especially throughout this year of EU-China Tourism, Mr Conegrachts iterated how Wallonie Belgique Tourisme hoped to keep developing tours throughout Wallonia and Belgium and make Chinese people more aware of them as tourist destinations. In addition to this, he attested that he hoped to encourage the Belgium-China tourism relationship to be a reciprocal one and develop more means of advertising China as an attractive tourist destination to the people of Belgium. In conclusion, Mr Conegrachts mentioned how communication was being furthered with airlines and tour companies along traditional and more contemporary channels to ensure that trends in the China-Belgium tourism relationship remain positive.

### **Sylvain Plasschaert, Advisory Board Member, European Institute for Asian Studies**

The first point raised by Prof. Plasschaert referred to the well-publicised trade imbalance between China and the EU. Whilst it is widely known that the EU imports far more good from China than it exports, tourism is one area in which the imbalance is in Europe's favour. The next point raised highlighted the massively improved relations between the EU and

China in recent years, citing the 1978 economic reforms under Deng Xiaoping as a turning point. This, Prof. Plasschaert pointed out, is an incredibly positive thing, as both regions are now able to enjoy and draw from one another unique and rich cultures.

Moving on to offer the audience some historical analysis about China, Prof. Plasschaert drew everyone's attention to China's technological, philosophical and civilizational ascendancy in the past. It is clear that at points in the past, China can be considered to have been a world hegemon, and the impressive economic progress currently being made by China may soon act to reassert China to a position of global leadership. This being the case, learning more about the history and culture of China is of benefit to the entire world. Whilst Prof. Plasschaert argued that the history of China is reasonably straightforward, he suggested that the same cannot be said of the history of Europe. It was suggested that much can be gained from learning about Europe's history, and that a great way for citizens of China and Europe to learn about each region's pasts and presents, is through tourism.

There is still tremendous need and tremendous scope for more contact between China and the EU, and this Year of Tourism offers an important way to develop that contact on a political-economic level, but also through people to people dialogue.

## **Q&A**

A first question put to the panel referred to the disparity in tourist levels between the EU and China. The audience member enquired as to why such a clear disparity exists between tourist levels between the EU and China, and asked what changes could be made to alter this trend? The fact that 80 percent of tourists going to China are from other Asian countries was a concern of the questioner, and she also asked; what is stopping Europeans from visiting China and what improvements can be made from the Chinese side?

In response to this question, a quick point was initially made by Mr Xiaoguang, shedding light on a policy initiative within China to improve the quality and cleanliness of toilets throughout the country. If this simple idea is effectively implemented, it would have a big impact on European perceptions of China and would in turn make it a more attractive destination. Another issue raised by Mr Axel Goethals suggested that China should perhaps focus more attention on the profiles of potential tourists. Whilst many European tourists travel abroad in order to be immersed in new cultures, many also take holidays in order to lie in the sun and relax. The lack of beach-tourism infrastructure in China therefore (such as that present in Thailand and Vietnam) is somewhat lacking. Making a point about tourism marketing, Mr Reismüller added that the European tourist industry invests a lot more in marketing abroad, whereas comparatively, China has less of a focus on this. It was also suggested that the fear of a culture shock exists amongst potential European tourists, and an effective and well directed marketing campaign could help curb this fear.

Another question asked what the main types of investment going into the Chinese tourism sector are, and vice versa. It was highlighted how China is very open to investment in all sectors of its economy, tourism included, and welcomes any investment from Europe. The high levels of investment into China have become well publicised, however Mr Xiaoguang highlighted how recently, outbound investment coming out of China has overtaken incoming investment. The fact that the tourism industry in China is a very promising one was also highlighted, given the booming middle class throughout China and their desire to travel. It was also predicted that investment in China's tourist trade will boom in the coming years, hopefully encouraged by this Year of Tourism.

The final question to the panel focussed on visa issues, enquiring at what level visa facilitation issues are decided, be it by member states or centrally within the EU. In response to this, Mr Philippart clarified how short-stay visas within the Schengen area are the competence of the European Union. The need to modernise the visa process in line with the rapid changes that have taken place within China over the past 40 years was also mentioned. On this point, it was highlighted how no longer is China an especially poor country, therefore the risk of mass, economic, immigration has massively decreased, and visa policies should be altered to reflect this reality. Another point made suggested a change in multiple-entry visas, allowing for tourists from China to re-enter Europe numerous times over a longer period of time. It was mentioned how an increasing number of visa centres have opened up around China, meaning people no longer have to travel as far to obtain visas, which has been helpful in improving tourist numbers.

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