

Research on the Competitiveness of Tourism Service Trade in China

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Abstract

The development of service trade has always been an important benchmark for measuring a country's overall national strength. As a pillar industry of service trade, tourism service trade is gradually attracting great attention from countries around the world with its great contribution to a country's economy. This article analyzes the development status of China's tourism service trade and finds that the total volume of tourism service trade has grown rapidly, but the deficit has continued to expand. Then this article uses the three indicators of MOR, TSC, and RCA to measure the competitiveness of China's tourism service trade. China should strengthen the development of upstream and downstream industries in the tourism service industry and improve the industrial chain to increase its competitiveness in the tourism service trade.

Keywords

Tourism Service Trade, Competitiveness, Tourism Competitiveness Index.

1. INTRODUCTION

Tourism service trade refers to the exchange activities between countries that provide tourism services to international tourists. Tourism and related services include various star hotel and restaurant services, international travel agency services, and tour guide services.

Chinese scholars have studied the competitiveness of tourism service trade as follows: Xueliang Bai used a linear regression model to analyze the competitiveness of China's tourism service trade, followed by a SWOT analysis of the development status, and proposed to enact sound laws and strengthen regulations and advocated for reasonable introduction of foreign capital [1]. Shuang Li introduced firstly the development history and current situation of China's tourism service trade in detail, clarified the international ranking of China's tourism service trade competitiveness. Then she selected some indicators. An empirical analysis was conducted with a view to identify the main factors that put an obstacle of the development of China's tourism industry [2]. Jipeng Tian analyzed regional differences in the competitiveness of China's tourism service trade, and constructed a mathematical model. The gap between China and the United States in the travel service trade was clarified at the current stage, and then indexes such as Lawrence and the degree of openness were compared to make a comprehensive comparison between the United States and China. Some measures were taken to improve the lag of China's tourism service trade [3].

As of 2017, China's total import and export trade reached 469.1 billion US dollars, compared with 2001, achieving an average annual growth rate of 20.55%. Statistics show that China's total tourism service trade has increased year by year, and its proportion in the total service trade has reached 25.6% in 2017, and its contribution to the growth of the national economy and the balance of international service trade cannot be underestimated. In addition, in recent years, personal income of Chinese citizens has continued to increase and the country has gradually

relaxed its outbound tourism regulations. As a result, the number of Chinese outbound tourists has increased, which has led to a growing deficit in China's tourism service trade deficit, which reached 2161 billion dollars in 2017.

It is not difficult to find that China's total tourism service trade has grown rapidly, but the deficit has continued to expand. In this situation, it is very urgent to study how China's tourism service competitiveness has changed and how to further enhance its competitiveness.

2. METHODOLOGY

2.1. Measurement of Tourism Service Competitiveness

After studying the relevant literature on tourism service trade competitiveness, this article constructs an evaluation system focusing on three indicators: Revealed Comparative Index (RCA), International Market Share (IMS), Trade Competitiveness (TC).

2.1.1 RCA

RCA refers to the proportion of a country's industry in the world's exports in that industry's total exports from that country's total exports. It can reflect the level of exports of a country's industry relative to world exports. RCA analyzes the international competitiveness of a certain industry in a country from the aspect of relative weight. Its calculation formula is:

$$RCA_{ij} = \frac{X_{ij}}{\sum_{i=1}^m X_{ij}} \div \frac{\sum_{j=1}^n X_{ij}}{\sum_{j=1}^n \sum_{i=1}^m X_{ij}}$$

Among them, RCA_{ij} is index of comparative advantage of country j on the product or service i data, X_{ij} represents the export of product or service i of country j, $\sum_{i=1}^m X_{ij}$ represents the world export value of product or service i, $\sum_{i=1}^m X_{ij}$ represents the export value of product or service i of country j, $\sum_{j=1}^n \sum_{i=1}^m X_{ij}$ represents the world product or service trade exports.

2.1.2 IMS

IMS refers to the proportion of total exports to total world exports. It can reflect the international competitiveness of a certain industry or product in a country. The higher the ratio, the stronger the competitiveness. Its calculation formula is:

$$IMS = X_{ij} / \sum_{i=1}^m X_{ij} \times 100\%$$

Among them, X_{ij} represents the export of product or service i of country j, $\sum_{i=1}^m X_{ij}$ represents the world export value of product or service i.

2.1.3 TC

TC refers to the proportion of the balance of the import and export trade of a certain industry or a certain product in a country. It can reflect the strengths and weaknesses of domestic competition compared to the same products or services supplied by other countries on the international market. TC analyzes the international competitiveness of a country from a certain level of competitiveness. Its calculation formula is:

$$TC = (X_{ij} - M_{ij}) / X_{ij} + M_{ij}$$

Among them, X_{ij} represents the export of product or service i of country j , M_{ij} represents the world import value of product or service i .

3. RESULTS AND DISCUSSION

After calculation, the three indexes of the competitiveness of China's tourism service trade are shown below:

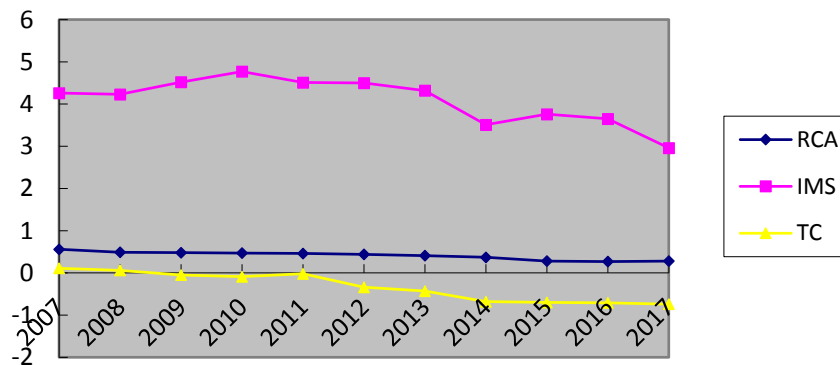


Chart 1. The three indexes of the competitiveness of China's tourism service trade

As shown in the Chart 1, China's total tourism service trade has been growing steadily, but its competitiveness has shown a downward trend, falling into a "Big but not strong" dilemma. Specifically, China's tourism service trade has shown a decline in comparative advantage, and it is lower than 0.8, which indicates that China's tourism service trade has always been at a competitive disadvantage and may be maintained for a long time. The performance of the international market share index is also not optimistic. Although it fluctuated slightly from 2013 to 2013, it remained roughly stable at 4.5% and reached a historical high of 4.51% in 2012, the international market share index has steadily declined since then, and fell to 2.96 as of 2017. Since then, China's tourism industry trade competitive advantage index has been negative with no advantage, and China has become a net importer of tourism products. The reason is that with the rapid development of China's economy, the per capita income has increased, but the tourism products it provides cannot meet the diverse and personalized needs of domestic residents.

4. CONCLUSION

This article uses the three indicators MOR, TSC, and RCA to make a comparatively comprehensive quantitative comparison of China tourism service trade. From the known data from 2007 to 2017, it is obvious that these three indexes are likely to continue their downward trend, and the competitiveness of the tourism service trade is at a large disadvantage.

At present, there is a large gap in the development of the transportation industry between China and developed countries in Europe and the United States. Developed countries have advanced technology and management experience, especially in the development of aviation industry. And the development in other related infrastructure construction areas is also superior to China[4].

As a result, firstly this articles suggests that the government should increase investment in China's tourism service trade, provide financial support for the development of China's tourism service industry, and solve its worries. Secondly, it should vigorously develop the country's transportation industry, increase their number of air routes by air, railways by land and the number of high-speed lines. China's high-speed rail has gone abroad, and its technical level and

product quality have been supported and recognized by many other countries in the world. China should vigorously promote it. Thirdly, the government should try their best to strengthen the development of the upstream and downstream industries of the tourism service industry, the development of an advantageous industry does not exist independently. The development of the tourism industry is also the same. It is closely related to the development of other industries and develops together with other related industries to form an industrial agglomeration effect. The development of tourism is not only conducive to the development of the entire tourism industry, but also promotes the development of other industries, and develops together with other related industries to form a complete industrial chain, making China's tourism service trade more competitive.

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