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**How Should We How Should We Promote Services Exports -
An Example of Tourism Development in Guizhou, China**

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HOW SHOULD WE PROMOTE SERVICES EXPORTS AN EXAMPLE OF TOURISM DEVELOPMENT IN GUIZHOU

According to information from China's State Administration of Statistics, overseas tourist arrivals in 2001 totalled 89.01 million, a rise of 6.7 percent over the previous year. The overseas tourists brought 17.79 billion US dollars to the region, a yearly increase of 9.7 percent, making China the fifth largest earner of foreign currency from tourism for the first time. In the first nine months of 2005, China received 28.12 million travellers, up 14.8 percent from the same period last year. Chinese tourism professionals believed these results are both the start-up points and a solid foundation for China to build itself as a world-class tourism destination.

China's tourist infrastructure construction development and management have seen all-round improvement during the past 20 years. The latest statistics show that by the end of 2001, China had put 96.2 billion US dollars into tourism fixed assets investment and had 288,000 tourism enterprises, 274,000 hotels and inns, and more than 10,000 travel services. China has issued 17 sets of tourism industry standards, achieving fruitful results in tourism standardization. All these efforts put China's tourism on an international level.

How should we promote tourism export and keep a sustainable development of this industry so as to make the most out of it? People in Guizhou, a South-eastern Province of China, have already asked this question and they are working hard to find the best answer.

Located in southwest China, landlocked Guizhou Province is the only mountainous province in the country without plains. It has the world's third-largest mass of karst land - distinctive topography resulting from erosion that covers about 128,000 square km, accounting for 73 percent of the entire province. Because of the natural barriers and geographic location of Guizhou, the environment and cultural heritage of many ethnic groups have long been preserved.

The subtropical climate in Guizhou keeps the air moist and warm, ideal for many types of plants. Under the shelter of abundant plants, the mean annual temperature is around 15°C, hailed as the "natural air-conditioner" by visitors. Despite the accelerated exploration of tourist resources, the local people of Guizhou place high regard on protecting the ecological system. While speeding up the pace of entering modern civilization through economic development, Guizhou is putting much value on the major project of protecting precious natural and cultural resources.

The local government has put forward a series of projects on construction of a natural protection system establishment along the Yangtze and the Pearl rivers. The projects would involve reforesting some of the cultivated land for ecological protection.

Statistics from the Department of Forestry of Guizhou Province show that the province has reverted of an accumulative total of 878,000 hectares of land from farming to forestry. In accordance with the preferential policy of the government, the state will compensate 2,250 kg of grains and 36.23 US dollars in cash for every hectare. So far this year, some 180 million US dollars has been cashed by nearly 2 million farmers, which has helped alleviate poverty in the regions with poor soil conditions.

As well, natural scenery and the environment are better protected, and the forest coverage has grown from 30.8 percent in 2000 to 36 percent in 2004. Through the ecological protection project, the province has harnessed the erosion of soil over an area of more than 7,000 square km, reducing a soil loss amount of 11.78 million tons.

A forest ecosystem network is also under construction, aiming at creating a comprehensive plan by taking all factors, such as the ecological, economic, and social benefits, into consideration. The provincial government also helps those farmers, who reverted their cultivated land to forests, search for a new source of income, apart from the tourism service. On the premise of ecology first, it encourages them to built a modern herbal medicine-producing base. In order to achieve a sustainable development of the reserve, with the approval of the State Forestry Administration and other relevant departments, people will be allowed to travel within certain areas.

The local people have also been praised for their awareness of ecological protection. Huangguoshu Waterfalls, a natural wonder 128 km southeast of the provincial capital of Guiyang, is the world's third largest waterfall. The huge potential for tourism has caught the attention of overseas investors.

The most important thing is to preserve the environment; if it were destroyed, the natural tourist resources of Guizhou would never come back again. Only through sustainable development of both the ecology and the economy, can tourism enjoy a bright future.

Nearly 40 percent of the 39 million people in the province belong to ethnic minorities, and their diverse lifestyles and traditions have been well preserved. Entering the ethnic villages, you may notice the strong atmosphere of ancient Chinese architecture and cultural traditions. The world's largest Miao and Dong nationalities are distributed mainly across Guizhou, and are known for having the oldest Valentine's Day tradition in the Orient and distinct, multi-section Dong songs. Concealed in deep mountains, customs vary greatly from one area to another, from ridge to deep valley--traditional clothes, special songs, complicated wedding and funeral ceremonies, grand celebrations and high festivals, as well as enchanting legends and stories.

Through the rapid development of tourism, Miao ethnic villages deep in the mountains are quickly growing more prosperous. Guizhou is making tourism a way out of poverty. "Unique," "mysterious" and "grand garden of the country" are just some of the buzzwords used to describe the province. All the lofty mountains and deep rivers, once only barriers to the outside world, provide ready source of money.

For example, Nanhua Village, located at the foot of a hill and beside a stream, is a scenic village of some 167 Miao ethnic households. Only a decade ago, the villagers were suffering from poverty for its thin plains. The annual per-capita income was about 36.23 US dollars. But since the promotion of ethnic and ecological tourism in the village, the situation has drastically changed. The local government has absorbed 48,309 US dollars to connect highways and bridges to the village. Today, this once poverty-stricken village has become a well-known rich village. The year 2004 saw 145,000 US dollars in its tourist revenue.

According to the provincial government, after the founding of the People's Republic of China in 1949 and before the implementation of the strategy of western development in 2000, the aggregate investment of fixed assets was about 36.23 billion US dollars for Guizhou Province. In comparison, between 2000 and 2004, the amount of the investment was 38.53 billion US dollars, roughly equivalent to the total sum of the 50 years before. The investment has mainly been allocated to infrastructure construction, especially those improving traffic conditions, giving the province a better platform to promote tourism and trade.

In the five years of implementation on the western development strategy, the total revenue on tourism in the province is keeping a growth rate of 30 percent on average. Tourism generated 2 billion US dollars in 2004, or one tenth of Guizhou's GDP. The total number of foreign visitors to Guizhou reached 231,000 last year, with a high foreign exchange income equivalent to 9.23 percent that of the total export trade earnings in the province, and the tourist revenue from domestic visitors reaches 1.94 billion US dollars. In one word, tourism has become a key point of growth for Guizhou's GDP.

Tourism has become a new niche of growth for the Chinese economy. The total tourism related income brings an average annual growth of 12 percent, or five percentage points higher than the GDP growth of the same period. China's tourism earns 61.7 billion US dollars, or 5.2 percent of China's GDP. The foreign currency earning is expected to hit 20 billion US dollars. China is expected to earn 30 billion US dollars from tourism in five years. China's tourism has become an integral part of world tourism. According to the estimation of the World Tourism Organization (WTO), China will become the world's largest host country by 2020.