

## **2008 Beijing Olympics and Area**

### **Tour Economy in Northeast Asia**

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Thank host, thanks for each guest,

Please accept my greeting from Peking first!

If you go to Peking now, you will see five friend lies welcoming you in the airport, they are 2008 mascots of the Olympic games of Peking; if you go to Tian'anmen Square to sight-see, a huge count-date-back showing board will attract your attention first, which symbolizes how long it will be to for Peking to host the Olympics; if you take a taxi, the driver may say to you " Welcome to Beijing" in English, and this is the result of mobilizing citizens to learn simple English talking organized by Beijing government to welcome the guests from the whole world. With the coming of 2008, the whole China as well as Beijing are talking about the Olympics, and preparing to meet the Olympics actively Today I will discuss 2008 Beijing Olympics with you together, we can discuss the double-win of area economy by making the most of the valuable business opportunity.

#### **Economy of Olympics**

The Olympic game draws the world's attention as the most large-scale athletic grand occasion in human history, the modern Olympics is more than simply sports events, but is a grand occasion which shows human economy, society and civilization by combining Olympics and sales perfectly for many times.

What did the Olympic game bring to the sponsor cities? If this problem was put before 1984, the answer definitely is" a business of suffering a loss that can't be repaid." But hosting Olympics has created great visible or invisible wealth for the host city, becoming a large-profit deal from Los Angeles Olympics where it came to reality to change suffering a loss to winning to Greece Olympics. According to the statistics, the Olympic game of Seoul earned USD 470 million, from having the right to be the

host of 1981 to 1988 when it was hosted formally, the Olympic project created 33.6, 000 employment posts for the people, bringing USD 7 billion to productive induct and USD 2.7 billion to national income induct. Although Barcelona Olympics only gained USD 0.4 billion, the Olympics brought Barcelona USD260 million economic profit, Creating 20,000 frequent employment positions, which makes it from a middle-scaled city to be the seventh big city in Europe; Atlantic Olympics gained much less, only USD1,000, but it constructed a series of totally new sports equipment worth USD50,000for the citizens to use without costing the government's any money, bringing USD 5.1billion economic profit for both Atlantic city and George state. The Olympic game of Sydney did great good to the host country, their total expenditure is AUD1, 74billion, which was mainly used to construct stadium buildings and pay for various services during the Olympics. The income mainly came from three parts: the first is from the selling of the relaying right, which was worth AUD 1.12billion. The second is the income of tickets, which was in total AUD 6.58 billion; the third was from all the important supporters, which came to AUD 6.61 million .Plus other incomes, the Olympic game of Sydney earned about 765 million.( about match RMB3.5billion)

It is thus clear that the Olympics economy is the attention economy; it is an economic phenomenon to give a kind of stage acceleration development to the host city or country by concentrating the attention resources relatively. Olympics economy is also a trademark economy, which can often produce a series of famous products and business trademarks by operating properly. Olympics economy is a borrowing power economy; the holding of Olympic game will push the economic and social development of the host city or country greatly, and then play an important role like accelerators or catalysts. The above three features is showed by the following three effects:

Polymerization effect. Produce giant economic effect by making various productive factors concentrate during a certain time period.

Fission effect. Make the original productive factors reunite under a certain condition to give new energy.

Radiation effect. Conduct and spread great market and economic strength from the center of the host city.

In the view of considering Olympics economy as a kind of economic phenomenon, it also has a little bit following characteristics.

Covering characteristic, the global economic integral is related to the economic extending characteristics, the ones who are favorable are all the enterprises fixing attention on the trend developing the world and merchandise extend to overlay the larger scope consuming demanding characteristics. Periodicity characteristic, which means there are obvious periodical characteristic in economic atmospheres of influence, focus, development, effect and so on. During the seven years from the success of requirement to hosting the Olympics. The time limited efficacy characteristic, the economy development is affected by speed factor strongly, the periodic of the Olympics economy decides its obvious time limited efficacy, and then requests the space and the efficacy of high-speed development in time of the limit. Requirement characteristic, Olympics economy has requirement characteristics, the economic phenomena of clear realm, clear rank order and clear market are all based on requirement. Such as: The realm is clear: Mainly includes the foundation implement construction, the environment improvement and travel servicing business, the electronics information industry etc. The layer is clear: Mainly includes several layers: which was limited by IOC by law, which was ruled by the International Olympic Committee, the layer of the city oneself and a few layers of the market formation. The market is clear: mainly includes preparing for the market (the space of service), the market of post-race (tour and cultural sports industry development and so on.

Encouraged by the past experience, the rapid developing Beijing will make full use of and develop the attention resources of Olympics economy, carry out the economic strategy of Olympics; the Chinese government is trying to make the Olympics to bring chances to develop the economy of Beijing, China and the surroundings.

## **Economic strategy of Beijing Olympics**

Director Ding Xiangyang of Peking City development and reform committee said there are mainly two purposes for Peking carrying out the Olympics economy strategy. First, we must host a qualified Olympics, meanwhile, make the names of Beijing and China have greater influences and more radioactive all over the world by constructing the big Olympics economic system, then the trademark efficacy of “China Concept” and “Beijing City” will become more valuable, which is China’s great achievements to host the Olympics as well as a vast invisible wealth. Next, by developing Olympic economy, drawing support from various aspects, and integrating different resources, we can realize the great increasing the continued development of Beijing in comprehensive competition ability, the international city image...etc. so that it can exceed into international metropolises with one action.

At the same time, the Olympics of Peking is also the business opportunities of the world. The implement of Beijing Olympics economic strategy will produce a great deal of investment requirement, consuming requirements, industry requirements, and product and service requirements. These business opportunities are huge in the forming Olympics economic market, which belongs to the world as well as China. From now to 2008, it is predicted that Beijing will invest RMB1.5 billion, of which the investment related to Olympics will surpass Yuan 2800 billion, and the whole consuming requirements will exceed this number. The first recommendation conference on Olympics economy held in Beijing in 2004 draw the high governors from close to 40 transnational corporations of the world 500 strongest and more than 200 business enterprises which have considerable influence both at home and abroad, it suffices to show the huge attraction of Olympics economy of Peking in global. Beijing is predicted to hold international conferences from over 40 to around 100 every year, the headquarters set up by the famous international enterprise will increase to about 40 from more than 20 at present.

《 *The Olympics activity programming of Peking* 》 points out definitely, the Olympics of Peking will take " new Peking, new Olympics" as the topic, stress the concept of " green Olympics, science and technology Olympics, cultural Olympics"

and hold the most outstanding Olympics. The participation of 13 million Chinese will make the Olympic spirit carried forward and spread widely, promote the construction of Beijing and China, and try to make the average national product total value come to over USD 6,000. At the same time, mold the all-direction liberal new image of Peking, with the Olympics construction items being the carrier, enlarge the reform scale, extend the opening toward both home and abroad, practice fair entry, fair competition, almost form the management system and management method of the socialism market economy in accordance to the international norms, then put together hosting Olympics and enlarging the opening. Carry out work by opening to the nation and the world, learning various successful experience and lessons, following the first-level international advanced rules and the best standards.

### **The Olympics and tour industry of Beijing**

Travel industry is the direct beneficial industry by holding the Olympic Game of 2008, which will bring a valuable opportunity to the tourism development of both Peking and China. According to the past experience: the Sydney Olympics drew 37million people from the world all together, of which Chinese audience are more than 1million. In addition to drawing on more than ten thousand athletes and officials and more than 12000 media reporters, it still drew on a large quantity of overseas visitors, in the 16 days of holding Olympic game, domestic and international visitor's number that arrives Sydney attains 1 million. The number of the foreign audience is 70,000 in the Tokyo Olympics in Japan in1964, the number in Munich in 1972 and in Montreal in 1976 年 is 1.8 million and 1.5 million. Korea's growth rate to receive the foreign tourists is 6.3%; the growth rate in the following two years is 16.4% and 13.5% growth rate distinguishes to 16.4% and 13.5%. There will be several 100,000 audiences, over 20,000 athletes and judges, more than 10,000 registered reporters and several thousand unregistered reporters gathering in China, the increasing rate of the tourists will be much greater.

Currently, the Beijing Olympic Organization Committee predicts in 2008 the foreign tourists, arriving in Peking will attain 4.4 billion and the tourists from other

provinces will attain 100 million, the Beijing tourists will attain 4,800. It is predicted the foreign tourists will be 800,000 during the period of Beijing Olympics (in July to August in 2008), in which 250,000 people will increase because of the Olympics. Peking travel industry from the tour supervisor section to tour business enterprises all think greatly of this rare opportunity of Olympics. The City Travel Agency compiles *Beijing Olympics Travel activity programming*, taking “Orient City, Great Wall Hometown” as the image standard, concentrating on setting up a travel cultural famous city of international standard and the topic level in China from setting up travel environment, developing travel products and selling travel products by propagation. Setting the action plans of Beijing tourism from 2001-2010 from several different aspects, such as Olympic travel action goals, travel propagating sales, travel products development, travel equipment construction and so on: We will take several measures including establishing the Olympics and travel special contact group, setting up the tour management to synthesize the moderate organization and travel to promote sales with Olympics publicity organic combine, releasing the Olympics particularly the item travel plan, adjust saving measures to the resources to satisfy Olympics accommodation need, speeding integration tour production resources, adjust tour product structure, enlarging the tour environment management etc.

Special worth mentioning is, for a long time, Peking City tour product structure is considerate unitary, mainly focus on the traditional products such as sight-seeing etc, instead, pay less attention to other travel products such as the leisure tour, business tour, meeting exhibition tour, incentive tour etc. tour product development value not enough. For example, enter the visitor's composing to see from Peking of 2002, make sight-seeing trip the visitor to share the absolute corpus, its specific weight is up to 53%, higher than Shanghai 14 percentage points, but the reception business in Peking meeting visitor's specific weight only have 38%, lower than Shanghai 12 percentage points.

Therefore, before the arrival of 2008, Peking will emphasize to adjust the tour product structure, paying attention to the tour resources in exertive Peking advantage, adapting the new request of the tour market variety, satisfying the different tourists

from foreigners to natives and local visitors. One is paying attention to the development of leisure tour products, at the same time, perfecting sight-seeing tour products. The other hand is the enlargement of high level tour product development, business to travel, meeting exhibition tour, incentive tour, fix to learn tour, healthy tour etc. A source of the high level tour has obvious advantages of stopping a long time; the consuming level is high, large-scale etc. *It is a trend for developed country to develop tourism* toward a deep level with the high level the product arouses the fast development of industry of tour, is a flourishing nation to travel, nowadays a trend that the industry depth development, is also Peking tour industry to need the point development of a realm. Thirdly, strongly develop cultural tour, science and technology tour, athletics tour and educate tour etc, which fully exertive the tour product of the advantage of Peking.

Since 2004, Peking invites 50 big tourists from the main travel countries to call on Beijing annually. By giving the authority by the Olympics, setting up counters in the international travel fairs to propagate Beijing Olympics travel. Aim at a source market, release the Olympics tour image of Peking ambassador, hold the tour of Peking to cruise to return to exhibition and Peking to travel for cultural week. Cooperate with the agency of selling tickets of the international Olympic Committee, manage to produce the pre-Olympic and the post-Olympic fixed tour route Start the Olympics cabaret of 2008 to schedule to wait the business in good time. List the propagating Beijing Olympic tour in the working item for the represents that stay in the foreign countries. Strengthen the cooperation between cities of other Olympic separate match spots and tour popular cities, uniting design and expanding to have something to do with Olympics particularly a culture tour product.

### **The northeast Asians unite for all-win through the impetus of 2008 Beijing Olympics**

In 2008, Peking will draw on the vision of the whole world, the visitors of all countries to come to Beijing and Asia. According to the experience of the World Cup in Germany, just like the Asians who went to Germany to watch the football matches,

most of them don't often go to Europe, most of them even went to Europe for the first time, therefore, the majority chose to other European countries to travel after watching the football match. For China, although the national brigade has no a line of ability, let fan felt sad very much, this did not affect the Chinese fan to go to the enthusiasm that Europe sees the ball the slightest. The only limitation lies in the tickets contributed to the Chinese by the World Cup Committee. For the travel agency in big cities of Peking, Shanghai, Guangzhou, as long as they have ordered the tickets, designed the packing products with watching match and travel to Europe, the tourists are certainly to buy in advance to make the products sell out at once. Therefore, to the tour industry, the German world cup not only brings benefit to Germans, the number of the tourists in other European nations also increased greatly. Meanwhile, the tourists are also the best communication ambassadors of folk economy and culture; they will carry the understanding to European countries back to their own continents...

In conclusion, because of the great influence of Olympics and the strong area radiation, 2008 Olympics will benefit not only one Beijing city, one China, the attention of the whole world will concentrate on the East, the northeast Asia. Facing such a valuable opportunity, the northeast Asians should think it ahead of time, beginning to make some preparations for a series of activities of area economic cooperation of the district.

As for the travel industry, the northeast Asia should unite to design and develop new, proper and comfortable Olympics travel products, integrating the travel resources in different countries. Also, propagate the whole image of northeast jointly; Open the travel market by doing a series of sales activities. At the same time, provide the convenient measure for these products on the visa procedure and the frontier procedures, fight for reception level that carries out all countries' standardize on the reception, let the visitors of the period of Olympics be able to sight-see the China and peripheral close by nation of Asia, smoothly. Meanwhile, the successful experience and formed products is sure to benefit the whole travel industry of northeast Asia. And, in fact, the Olympics travel as the basic economic cultural interaction is a folk string to understand northeast Asia; we should discuss how to make good preparations for



promoting the understanding is the world the northeast Asia from different aspects.

Finally, I hope to introduce the Chinese international travel agency head office toward everyone to attend meeting in this occasion. the Chinese international travel agency head office has become the biggest and the strongest travel agency in China by running and developing for 50 years, service tourists from home and abroad for about 70, 000. The Olympics of Peking is coming, we are honored very much to contribute to Olympic by using the advantage of our agency, to welcome the friends from all over the world with our superior quality, thoughtful service, add honor for the Olympics, by then, we also welcome you to come to Beijing and choose our Chinese international travel agency head office!

I hope the economy cooperation of northeast Asia will be closer, not only the tour industry, but a lot of professions can find out the good mode of cooperation, carrying out the common development of northeast Asia, double-winning totally with the help of 2008 Beijing Olympics!

That's all!

Thank everyone!