



**Evaluation Report on the Recovery and
Reconstruction of the Tourism Sector in Areas Hit
by 5·12 Wenchuan Earthquake, China**

**World Tourism Organization
(UNWTO)
2010.8**

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I. The Mission and Objectives

1.1 Introduction

The Sichuan Provincial Tourism Administration (SCTA) requested the World Tourism Organization (UNWTO) to field a Mission to Sichuan to evaluate the effect of the recovery and reconstruction of the tourism sector in Sichuan 2 years and 3 months after the devastating earthquake of Wenchuan Earthquake on May 12, 2008, China.

Dr. Erik Holm-Petersen from the UNWTO was consequently fielded to conduct an investigation in Sichuan during the period of August 4 to 12, 2010 to undertake the evaluation and write the "Evaluation Report on the Recovery and Reconstruction of the Tourism Sector in Areas hit by 5 • 12 Wenchuan Earthquake, China", hereinafter referred to as the Report.

1.2 Profile of the Area hit by the Earthquake

The Earthquake was measured to be as strong as 8.0 on the Richter scale. It had its Epicenter in Yingxiu Township, Wenchuan County in Aba Autonomous Prefecture which is located in the northwest of Chengdu in Sichuan Province. The earthquake disaster area was as close as 55 km from the Chengdu urban city with a population of 13.4 million. The Earthquake was felt over a large area. The area severely damaged is shown on the map below.

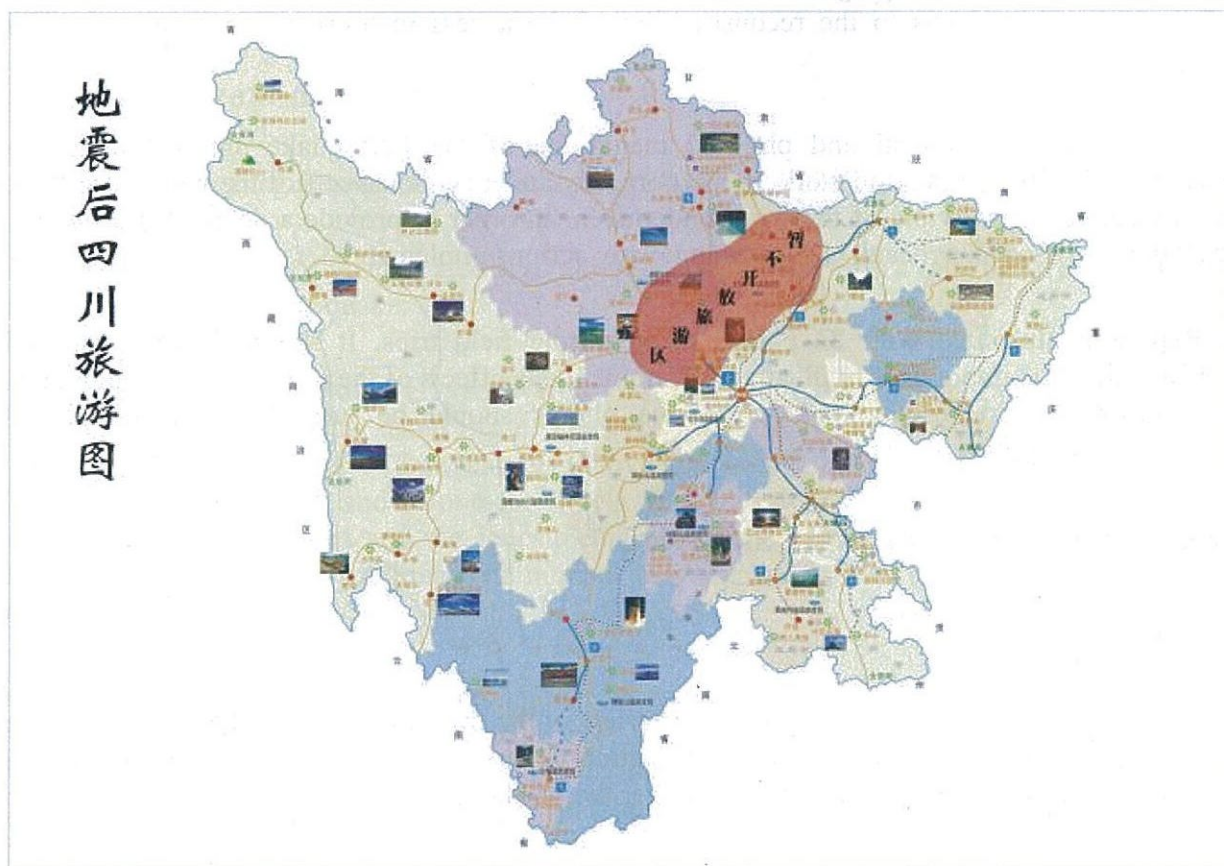
The Province of Sichuan covers an area of 485,000 sq. km with a total population of 87 million. The official statistics shows that the area affected by the Earthquake is defined to be about 100,000 sq. km or 20% of the area of Sichuan. The area covers 39 counties in 8 cities and prefecture which includes Chengdu, Deyang, Mianyang, Guangyuan, Ya'an and Aba Prefecture. The affected area where heavy damage took place is defined to be about 40,000 sq. km or about 8.1 percent of the area of Sichuan and shows a belt distribution along Longmen Mountain. After the Earthquake this area was closed to tourists because of safety and reconstruction reasons. Although the heavily affected area only forms a relatively small part of the Province, it has a size almost the same as the country of Denmark.

The hit area of the Earthquake includes some of the most pristine natural and cultural resources and heritages of Sichuan. After the Earthquake, some of the area was closed to tourists because of safety and recovery and reconstruction reasons.

The area affected by the Earthquake had a population of 14.8 million people. Out of it 5 million households with about 10 million people were reallocated. Most of the reallocated families required new homes for resettlement.

1.3 Evaluation Objective

The aim of the Evaluation is to provide a brief overview of the achievements in the reconstruction and revitalization of the tourism sector of the area hit by the Earthquake based on the field visit. This report is primarily based on selected material and observation during field trips to five areas of core importance to the tourism redevelopment. A huge amount of information and data have been available to the Mission. However, due to the limited time available, only the typical and representative information was collected and sorted up to form this Report.



Map of Sichuan indicating the area devastated by the Earthquake (marked in red)

1.4 Field Visits

During the five days from August 5 to 9, 2010 the following five typical cities and prefectures including Chengdu, Deyang, Mianyang, Guangyuan and Aba Prefecture were visited. In particular, the following 5 areas were investigated:

- Wenchuan County (the Epicenter) , Aba Autonomous Prefecture
- Mianzhu County, Deyang City
- Beichuan County, Mianyang City
- Qingchuan County, Guangyan City
- The Town of Jiezi, Chongzhou County and Dujiangyan World Heritage Site, Chengdu City

These five representative areas include some of the worst hit areas with towns completely destroyed and with heavy casualties. These areas were visited by Hu Jintao, President of China and Wen Jiabao, Prime Minister of China several times. Because of the disastrous effect of the Earthquake on these areas, earthquake memorial/relics parks have been planned or are currently under construction (See Case Study 1).

1.5 The Report

The Report covers the impact of the Earthquake on the tourism industry and the consequent recovery process of redeveloping the tourism industry. As accessibility is a crucial part of tourism, the Report gives emphasis to the reconstruction of the access to tourism areas, attractions and facilities.

Because of the geographical and physical magnitude of the Earthquake and the consequent intensive level of reconstruction work, the Report only covers core aspects of the work. The Report thus only forms an overview of the work undertaken. In order to provide a detailed illustration, 5 case studies are used as a means of illustrating many actions implemented.

The Report is illustrated with 22 photos taken during field trips. It should in this respect be underlined that it is impossible to illustrate the tremendous effects of the Earthquake through photos taken during a short mission. Therefore, the photos should be judged as taken under the circumstances described above.

II. Development of Tourism in Sichuan

2.1 Introduction

This Section of the Report covers a general overview of the trends of tourism of Sichuan from year 2001 to today. The Section provides an introduction to the following sections which will provide details of the reconstruction work undertaken after the Earthquake.

2.2 Tourist Arrivals

Inbound tourist arrivals: During the period 2001 to 2007 the inbound tourist arrivals increased from 570,000 person · times to 1.7 million corresponding to an average annual growth of over 20 %. The number of tourist arrivals in 2008 dropped dramatically by 61 % to 700,000 person · times but through the implementation of a series of incentive measures, the tourist arrivals picked up again in 2009 to 850,000 person · times corresponding to an increase of 21% from the previous year.

Consequently, Sichuan dropped from the ranking as number 11 in China in 2007 to number 22 in 2009 in respect of receiving inbound tourists.

Domestic tourist arrivals: The domestic tourist arrivals increased from 63 million person · times in 2001 to 186 million person · times in 2007 corresponding to an annual increase of over 20%. In

2008 the tourist arrivals dropped by 6.5% to 174 million person · times but picked up again in 2009 to 219 million person · times exceeding the 2007 level by 18 %.

The above statistic shows that the inbound market was relatively slow in terms of recovery while the domestic market has recovered quickly. The difference of market reactions is partially due to the impact of global financial crisis and partially due to the strategic decision of the Provincial Government aiming at getting the domestic market back as a priority. The reason to put this strategic priority was two folds. First of all, there were available funds for promotional activities. Second, the Provincial Government expected that promotion activities for the domestic market would have much stronger and faster return than investing on promotion campaigns outside of China.

2.3 Tourist Accommodation

The total number of registered hotels in Sichuan in 2007 was 4,000 including 504 star-rated hotels.

Out of the total number of hotels (rated and non-rated) 361 hotels with a total of 3,703 rooms were destroyed during the Earthquake.

The tourism industry, however, recovered fast and an investment boom in respect to accommodation facilities has taken place. Thus the total number of star-rated hotels assessed by Sichuan till July, 2010 was 525 including 20 five-star hotels, 82 four-star hotels, 207 three-star hotels, 200 two-star hotels, and 16 one-star hotels. The investors found that 5 and 4 star hotels had the highest occupancy rates and the investments in the accommodation sector have thus mainly been focused on high-end facilities. The number of 5 star hotels has thus been increased by 33% since 2007.

This investor confidence in the accommodation sector has been stimulated by the support of Provincial Government on the restructuring, reconstructing and revitalization of tourism sector. At present there is a private investor activity which matches the Government reconstruction activities. For Chengdu city alone the number of 5 star hotels prior to the Earthquake was 10. After the Earthquake this number has increased by 2, and the number of hotels designed as 5 star hotels yet to be opened, under construction and to be constructed is 25.

2.4 Tourism Attractions and Scenic Spots

The following table shows the number of annual visitors to four most visited scenic areas/attractions in Sichuan. These four are all UNESCO World heritage sites and each of they received more than 2 million tourists in 2007 (See Table 1).

Table 1: Visitors to Key Scenic Areas 2007 to 2009

| Scenic Area | Number of visitors in 2007 (million person · times) | Index 2007 | Index 2008 | Index 2009 |
|---------------------|--|---------------|---------------|---------------|
| Leshan Giant Buddha | 2.8 | 100 | 56 | 76 |
| Emei Mountain | 2.6 | 100 | 74 | 91 |
| Jiuzhaigou | 2.5 | 100 | 25 | 52 |
| Dujiangyan | 2.2 | 100 | 43 | 85 |

The table illustrates some key points which are valid for almost all the attractions and scenic spots in Sichuan province, namely:

1. All sites experienced a reduction of tourist arrivals in year 2008 (partially because of the reduced number of tourists and partially due to a change of the pattern of visiting scenic areas in year 2008).
2. Sites with close links to the disaster area (Jiuzhaigou where accessibility was reduced by the Earthquake), sites with severe damages (Yuanwangdong, Jiuhuangshan in Mianyang which was closed due to the severe damages) as well as the sites with different damage levels (Dujiangyan, the cultural relics and tourism facilities were seriously damaged) have suffered most (sites within the disaster area had no or very limited access and these sites were temporarily closed, and most of them will be recovered and reopened soon).
3. Even by the end of 2009, the tourism in the major hit scenic spots had not been completely recovered (to reach the level of 2007).

Consequently, almost all tourism sites in Sichuan had severe operational losses in the form of reduced revenue, even if the sites (such as Emei Mt. and the Giant Buddha) were undamaged and with easy access.

By 2010 the number of visits to the scenic spots are back to the 2007 level. However, Jiuzhaigou still has a problem of reduced accessibility. The Highway 213 which was severely damaged is still being not fully opened (the highway in itself has been reconstructed but because of constant landslides caused by instable slopes requires further work.)

A new major road to Jiuzhaigou is under construction and the number of tourists to this key scenic spot in Sichuan is expected to be booming from 2011.

In addition scenic spots within the Earthquake hit area have been reconstructed and redeveloped with additional investments and they will open up in late September 2010 and in 2011. In total the overall tourism to scenic spots is expected to grow considerably from 2011. A good example is Jiange Scenic Area (a historical and natural area – the pass to Guangyuan of Sichuan Province from the North). This scenic spot received about 200,000 visitors before the Earthquake but after the high-start-point reconstruction and reinvestment the number of visitors in 2011 is expected to reach about 1.5 million due to the improved scenic area quality and the competitive strength for attracting tourists. Besides, the scenic area has applied for a UNESCO World Heritage status.

2.5 Overall Findings

Up to May 2008 tourism to Sichuan was moving at a sound speed and with a speed even higher than most provinces in China. The opening of a direct air route between Chengdu and Amsterdam by KLM in 2007 opened up Sichuan for the European markets. Direct flights to Seoul, Tokyo, Singapore, Hong Kong and Kuala Lumpur made easy access from Asian countries to Sichuan.

At the time of the Earthquake tourism development of Sichuan looked very promising although the final breakthrough to the European leisure market has not yet taken place.

After the Earthquake in 2008, several international routes were suspended or cancelled. In 2009 the international routes have slowly come back and by August 2010 the number of routes has surpassed the situation at the time of the Earthquake. Routes to Taipei, India, Maldives have thus been added.

The endowment with infrastructure is thus much stronger today than it was before May 2008 as a result of the opportunity of recovery and reconstruction. Roads have been reconstructed and new roads (such as Jianmenguan- Zhaohua Highway) and railway lines (such as the light track from Dujiangyan to Chengdu) have been developed. Furthermore, the infrastructure development plans have been enhanced, which will make accessibility to tourist sites within Sichuan Province highly improved in the coming years.

In respect of the tourism facilities and services Sichuan had at the time of the Earthquake a wide spectrum of facilities distributed all over the Province. The Earthquake destructed some of these facilities as shown above but by August 2010 most of these facilities have been rebuilt not only to the previous level but at a higher standard and better quality. Consequently the availability of facilities and services today are much improved compared to the 2008 level.

In addition it should be mentioned that the Government appointment of the tourism sector as the lead sector for the recovery of the devastated areas combined with a strong public sector investment in restructuring and revitalization of the sector have led to a strong investment interest from private sector and Sichuan has experienced a further boom in the planning and development of tourism services and facilities.

The Earthquake had a devastating effect on some of the pristine natural and cultural resources in affected areas. The closure of these areas for tourism up to now has added to the loss of operational income for the scenic spots and the tourism industry in general in affected areas. However, as described, a tremendous amount of efforts have been taken to restore the resources. Although it will take time for the natural resources to be fully restored, the cultural resources of Sichuan Province have been conserved and inherited generally. The tourism planning in respect of scenic spots and natural attractions has made the use of the natural resources more sustainable and in a considerably higher quality for tourists as likewise will be described in the following.

The improved use of the natural and cultural resources have led to the creation of new tourism products and the products offered today and in the coming months will be substantially increased.

At the same time the product quality has been enhanced providing Sichuan with a much stronger product base to expand to the domestic and the international tourism markets.

In addition to the above it should be added that the SCTA has embarked upon a strategy of providing information to the world about the true situation of Sichuan after the Earthquake. The images of "Sichuan is still beautiful" and "Welcome to Sichuan, the Hometown of Giant Pandas" have been set up again in the tourism market. The marketing revitalization strategy has formed one of the key activities to restore the tourist arrivals to Sichuan. Till the end of 2009, the number of tourists to six disaster cities and prefectures including Chengdu had reached 87.8937 million person-times and the tourism income had achieved RMB 66.437 billion, with an increase of 2.22% and 2.06% respectively compared to 2007.

The overall conclusion on the tourism development of Sichuan is that the Earthquake had a very negative effect on the arrival of international tourists and the tourism sector of Sichuan has suffered for the last 2 years with losses in respect of the physical tourism plants as well as in respect of operational revenues. However, Sichuan's tourism comes out of this crisis stronger than ever before, and the future development of tourism in Sichuan looks highly promising. Sichuan's tourism has come out of the crisis as a revitalized industry, just as the words of Prime Minister Wen Jiabao "*Disasters will give strength to the Nation*" as quoted on a banner at visitor center for the memorial park in Donghekou Village, Qingchuan County.

III. Brief Review of the Effect of the Earthquake

3.1 Overall Effect of the Earthquake

The Earthquake with a scale of 8.0 on the Richter scale took place on May 12, 2008 at 14.28. At that time many children were in schools, workers were in factories or in the offices and farmers were in the field. Valleys collapsed, mountains rolled down and buried cities, schools, public administration buildings and the infrastructure. Buildings were either turned into rubbles or sank 2 to 3 stories into the ground. The effect was devastating. The Earthquake had its epicenter near Yingxiu Township, Wenchuan County in Aba Autonomous Prefecture but the effect was felt over a very large area and it had a devastating effect over several counties and cities. Therefore the recovery and reconstruction projects cover 39 counties (regions and districts) of 8 cities and prefectures in Sichuan Province.

The Earthquake took place in the Longmen Mountain range and the strongest effect was in the mountains, valleys and foothills of the mountains. The following pictures give an impression of the effect of the disaster. See Photo 1 and Photo 2.



Photo 1: Panorama of Beichuan Downtown before the Earthquake



Photo 2: The Damaged Architectures in Beichuan Downtown after the Earthquake

Beichuan Downtown at the mountain foothills of Longmen Mountain was severely hit and out of a population of 20,000 half died or are missing. Beichuan Downtown was considered the worst hit town with houses destroyed or buried. Beichuan High School disappeared under a landslide of rocks. Several hotels and other tourism facilities were severely destroyed.

The village of Donghekou of Qingchuan County located in a valley is another example. This village totally disappeared and most of its population died or are missing. Like the old Beichuan Downtown, this village is now developed into memorial parks for future generation to remember the Earthquake and to learn from it. Please see the photo 3, 4 below and Case Study 1.

The town of Hanwang which was the home of the second biggest turbine manufacturing companies in the world was destroyed like Beichuan and the destroyed town is now planned into a memorial/relics park. See the Photo 5 and Photo 6.



Photo 3: Donghekou Village after the Earthquake, Opened to the Public since September 2010

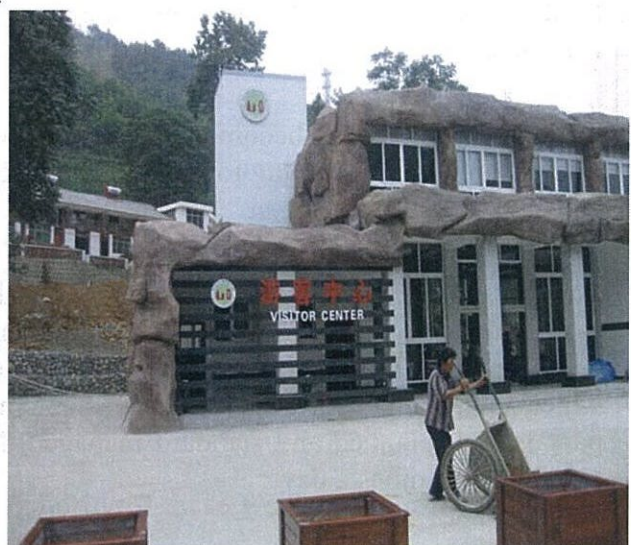


Photo 4: Visitor Center Newly Built on the Donghekou Earthquake Relic Site in Qingchuan County



Photo 5: Hanwang Government Building



Photo 6: Earthquake Effect on Hanwang Town

Because of the devastating effect billions of RMB (see Section 4) were made available through different sources to reconstruct cities, towns and villages. In some cases like Beichuan Downtown the effects were devastating making it necessary to rebuild the towns elsewhere and leave the hit towns as relics parks.

Case Study 1: Relics/Memorial Parks

The industrial towns of **Hanwang** and the commercial downtown of **Beichuan** were both so heavily damaged that the towns were abandoned and new town planned and developed in a new location. These old and damaged towns have been planned into memorial parks where the buildings, buried schools, broken infrastructure and features of a modern town destroyed will remain as evidence of the power of nature. As many victims are buried under the rocks and buildings relatives will come into the area in order to pay respect to their dead family members.

These towns have also become very well known in China because of the Earthquake and many visitors are already coming to see although the towns have not been officially opened as relics parks.

The village of **Donghekou** with 1,262 inhabitants was totally buried when a part of the Wangjia Mountain fell down on the village and 780 people died. This village had only one small building left after the disaster. The village has now been turned into a memorial park which will be opened to the public in September, **2010**. The layout of Donghekou memorial park is well planned and standard managed. Now the village is already receiving more than 1,000 person-times a day.

The two other memorial parks are not well designed and the behaviour of the visitors is close to being unacceptable in the old Beichuan Downtown and Hanwang Town (See Section 5.4).

3.2 Effect on Tourism Infrastructure

Almost all roads, tunnels and the electricity and water supply were destroyed by the Earthquake. And some disaster conditions are shown in See Photo 7 and Photo 8 as below.

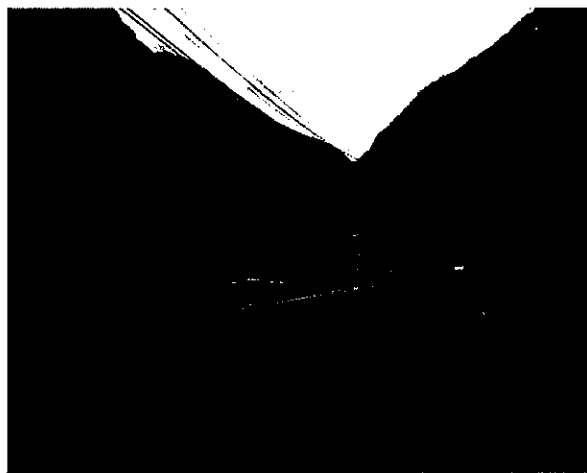
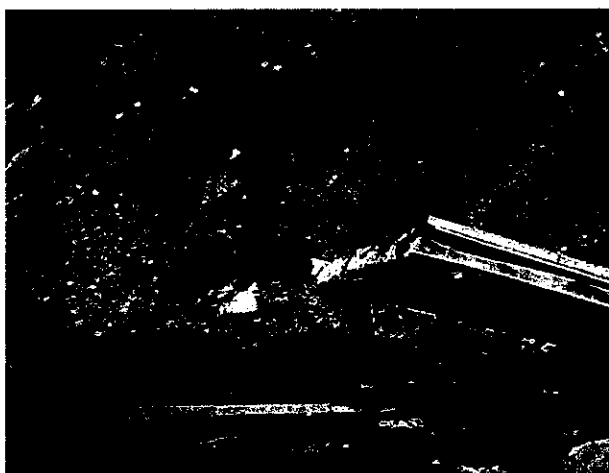


Photo 7: Damaged tunnels and bridges on National Highway 213 **Photo 8:** Newly Built National Highway 213

Official data shows that in total 35,299 km of roads were reconstructed. The rural roads of 29,028 km make up 82% of the road redevelopment. These roads include access to scenic spots and villages where cultural and rural tourism have been developed. (See Table 2)

Table 2: Reconstruction and Redevelopment of the Infrastructure

| Road type | Length km | No. of Projects | Budget Billion RMB | Achievement as per late July 2010 % |
|-------------------------------|---------------|-----------------|--------------------|-------------------------------------|
| Rural roads | 29,028 | 483 | 84 | 83 |
| National, provincial highways | 4,847 | 88 | 31 | 60. |
| Expressways | 1,424 | 12 | 31 | 96 |
| Total | 35,299 | 583 | 146 | 81 |

The reconstruction includes highway 213 with heavy tourist traffic from Chengdu to Jiuzhaigou. Jiuzhaigou with its astonishing natural beauty and the Tibetan cultural feature can be judged as the single most famous attraction in Sichuan attracting people from all over the world. Although Jiuzhaigou has an airport, the majority of tourists arrive by bus (a travel by coach takes around 9 hours at present after the national highway 213 has been closed).

At the Earthquake 54 tourists were killed and the majority of these were killed at road 213 where buses were hit by falling rocks.

Along the National Highway 213 were already a variety of tourism products, facilities and services under development as a result of tourism development. The revitalization of this golden corridor

with tourism as the pillar industry has made it possible to redevelop the area and to move industry out and to develop new tourism products, facilities and services (See Case Study 2).

Case Study 2:

National Road 213 – the “Golden Route”. A section the National Road 213 connects Chengdu with Jiuzhaigou and it is thus a tourist road with flows of tourists to the mega attraction of Jiuzhaigou. Before the Earthquake 95% of the tourists travelled on the 600 km road and in average 300 to 400 buses used the road daily. The Earthquake destroyed the major part of the road and 75% of it had to be reconstructed. Before industries developed along the road and the villages and towns had industries or agriculture as the main source of income and occupation. After the redevelopment the highway 213 will become a golden route with tourism as the main economic pillar.

Shuimo Town: The town of Shuimo is a typical example. 80% of the industry has been reallocated and the town is now a tourist destination with restaurants, B&B and hotels. Before the main street was a dirty street which became muddy when raining. Now it is a street with tourist boutiques and small restaurants. At the town square the old stage has been redeveloped and local people as well as visitors can enjoy music there. The town has more than 4 different ethnic groups (Han, Tibetans, Qiang and Hui and so on) and it is a model of harmonious relation between different ethnic groups. Before the Earthquake the town had 15,000 inhabitants, now the number is 25,000 and it receives about 10,000 person-times tourists a day even the town is not completely opened. Besides tourism education is another new development with a high school and college (10,000 students). New houses have been built in traditional architectural style (see photos) and women groups have started on handicraft production spreading the economic effect of tourism. The town of Shuimo has been completely changed after an investment of RMB 1 Billion in the reconstruction.



Photo 9: New street at Shuimo Township



Photo 10: Newly built stage at Shuimo Township



Photo 11: Qiang ethnic girl

Moutuo Village: Another example along the “golden route” National Highway 213 is the village of **Moutuo (Case)**. In this Qiang village, 8 people out of 1086 died in the Earthquake. Investments of RMB 30 million made the village into a model village for tourism (see the photo on the front page). It is rural setting with fruit trees, wooden walk ways, small water streams and a cool climate in summer makes the village a retreat for people from Chengdu. Before the village had agriculture as the main source of income. It is now shifted to tourism and the village has experienced a cultural revival by inheriting and promoting the ethnic culture of Qiang. Expected tourist arrivals in 2011 are 200 thousand person-times.

In addition to the road structure the master plan for the recovery of the tourism sector estimates the damage on the water and electricity supply and many facilities have been improved in the recovery and reconstruction.

3.3 Effect on Tourism Attractions, Facilities and Services

General Effects

The data from “Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake” shows that the loss of the tourism sector in Sichuan is estimated to be RMB 46.6 billion, which can be categorized as follows:

- RMB 9.685 billion for tourist reception enterprises, accounting for 20.79%;
- RMB 33.853 billion for the scenic spots, accounting for 72.66%;
- RMB 2.892 billion for the townships as tourist destinations, accounting for 6.2%;
- RMB 118 million for the tourism sector system, accounting for 0.3%.

About 361 scenic sites in Sichuan have been suffered damages of different levels in the Earthquake, resulting in a loss totalling up to RMB 33.853 billion, accounting for 72.66% of the direct loss of tourism section in Sichuan. From this we can see that the major post-quake losses are regarding to the infrastructures and landscapes of the scenic sites, including 5,313 km of tourism highway, 1,979 scenic spots, 1,605 km of water supply, 2,896 km of power supply facilities, 2,163 km of communications facilities, 1,925 tourist toilets, 14,528 signs and boards and 368,770 rooms.

Among the tourism enterprises, the hotels and restaurants suffered a loss of RMB 9.551 billion; 200 out of 682 travel agencies suffered a direct loss of RMB 41.81 million.

The losses of tourism sector in Sichuan also cover the loss of tourism productivity, which has been sorted up about RMB 18.2 billion. Therefore, the loss of tourism sector in Sichuan totalled up to RMB 54.8 billion categorized as following:

- RMB 36.6 billion for fixed assets, accounting for 85.0%;
- RMB 18.2 billion for productivity loss, accounting for 15%.

During the Earthquake, Sichuan has implemented actions of “Tourist Rescue” which minimized the casualties to a magic level (it has been investigated that only 54 group tourists suffered in the Earthquake, including 1 foreign tourist and the other 53 were injured). Thousands of groups and individual tourists were trapped on the roads and in the scenic areas in the unexpected earthquake. A well coordinated and highly efficient rescue operation brought the tourists out of the danger zones with a relatively short time. Totally 11 thousand tourists have been rescued in time and about 45 thousand individual tourists have been excavated and rescued.

Special Effects on the Giant Panda Population

“The Land of Abundance, the Hometown of Giant Pandas” is the tourism theme and external propaganda slogan for Sichuan Province. Giant pandas are a worldwide attraction and are becoming more and more popular among domestic and overseas tourists. In 2009, the number of inbound

tourists to Chengdu Panda Base increased to 250 thousand person-times, accounting for 70% of the whole-year received tourists. The Panda Base is the only one that attracted more inbound tourists than domestic tourists among so many scenic spots in Sichuan.

Giant Panda Habitat in Sichuan is found in Wolong, Siguniang Mountain and Jiain Mountain Ranges, covering an area of 9,245 sq.km., involved 12 counties in 4 cities and prefectures of Chengdu, Aba, Ya'an and Ganzi. Over 30% of the all pandas worldwide live in the region which is the largest and most complete giant panda habitat in the world and one of the regions nestling the richest plant varieties inferior to the tropical rain forest. It is listed as one of the 25 Biodiversity Hotspots and one of the 200 ecological zones by International Union for Conservation of Nature and Natural Resources.

The Earthquake inflicted a severe impact on giant pandas as well. Wolong was heavily affected: on one hand, the tourism infrastructures suffered a loss of RMB 126.5 million including 19.5 km road, 235 scenic spot facilities and 17,600 sq.m. hotel facilities. On the other hand, the area of affected natural environment counted for 95.4% of the reserve. Some giant pandas were moved to other places as the local folk residences collapsed and the old streets on the Ancient Tea and Horse Path turned into ruins. Among the pandas in Wolong, one died, one got missing and one died on the way to the hospital to other places in the Earthquake, all others were moved to other places.

3.4 Economic and Financial Damages

Since 2001, the GDP of Sichuan has been increasing by 11.2% annually during the "tenth five-year plan". During the "eleventh five-year plan", the GDP increased by 13.3% and 14.2% annually respectively in 2006 and 2007. In 2008, the GDP of Sichuan increased by 11%, which was the lowest increase rate since 2003, and in 2009, the GDP of Sichuan increased by 14.5%, which was the highest increase rate since 2003. And this shows the negative influence caused by the Earthquake in 2008 and also the heavy investment from the government. In 2009, the economic activities grew and the construction level was improved, and the investment drove the GDP growth.

The proportion of tourism to the GDP grew from 7.9% in 2003 to 11.6% in 2007 indicating that tourism was slowly becoming a pillar industry in Sichuan. However, the effect of the Earthquake reduced the income generation by tourism by 10.3% in 2008 and reduced the proportion of tourism to the GDP to 8.7%.

However, in 2009 the tourism income generation grew by 34.8% bringing tourism to account for 10.4% of the GDP. There is no doubt that with the fast speed of development, the tourism sector will become a true pillar industry of Sichuan accounting for more than 15% of the Sichuan GDP in 2015.

3.5 Overall Findings

The effect of the Earthquake was devastating and a fast recovery and reconstruction would require special and strong efforts to provide the people with new homes and social structures as well as to provide infrastructure and new employment opportunities. The scope of work was tremendous in all

sectors of the economy. Tourism is a very integrated economic activity and it is therefore linked to all different actions required to be undertaken.

The adjustment and optimization of industrial structure was given priority and emphasis in the post-quake recovery and reconstruction. Agricultural fields, industrial area, and scenic sites were clearly divided and well planned based on the geographic feature of the land. In consideration of factors such as production force distribution, requirements for industrial structural adjustment, natural resources, environment capacity, basic conditions for the tourism development and the driving capacity of tourism to other industries, Sichuan gave priority to the tourism development in post-quake recovery and reconstruction work and planned the construction content, sequence and capital budget of tourism recovery and reconstruction accordingly. The achievement of tourism as a prior industry is gradually demonstrated.

IV. The Recovery

4.1 The Capital

A huge amount of resources was identified to redevelop the affected area. The main source of funds includes capital raised by the Central Post-quake Recovery and Reconstruction Foundation, investment of local government, supporting fund for construction from sister governments, social collection, loan from domestic banks, capital raising in the capital market, loans from the foreign preferential loans, donations from the private sector including private investors, financial sector and individual entrepreneurs, and donation from all over the world etc.

The total investment for post-quake recovery and reconstruction is about RMB 938.6 billion (data from "Recovery and Reconstruction Master Plan after Wenchuan Earthquake") (State Council Document GF [2008] No. 31) and the Central Post-quake Recovery and Reconstruction Foundation takes about 30% of the total demands. The sector distribution of the funding is shown in the following Table (**Bar Table 1**). The three most important sectors receiving heavy funding are: Urban and rural residence construction (22%), infrastructure construction (27%) and economic activities and industrial readjustment (16%). But disaster prevention and mitigation and ecological recovery were given high attention when allocating funds (See Table 3).

Bar Table 1: Demand of the State Funds for Post-quake Recovery Actions

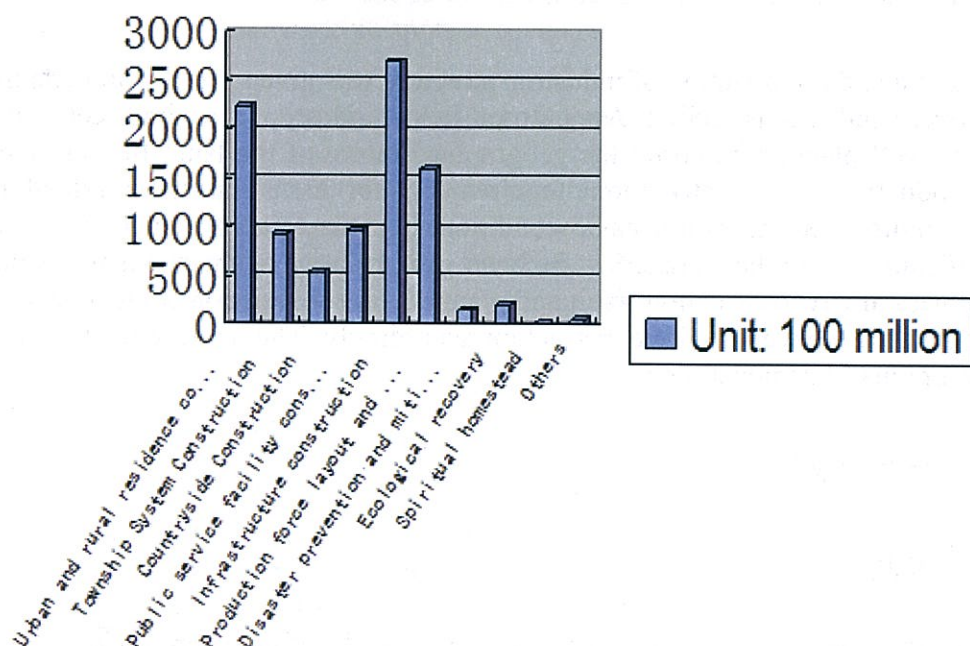


Table 3: National Post-quake Recovery and Reconstruction Investment Demands

Unit: RMB 100 million

| S/N | Industry | Capital Distribution | Percentage (%) |
|-----|---|----------------------|----------------|
| 1 | Urban and rural residence construction | 2240.4 | 23.87 |
| 2 | Township system construction | 935.2 | 9.96 |
| 3 | Countryside construction | 536 | 5.71 |
| 4 | Public facility construction | 960.7 | 10.24 |
| 5 | Infrastructure construction | 2693.6 | 28.7 |
| 6 | Production force layout and industrial adjustment | 1595.6 | 17 |
| 7 | Disaster prevention and mitigation | 157 | 1.67 |
| 8 | Ecological recovery | 206 | 2.19 |
| 9 | Spiritual homestead | 13.8 | 0.15 |
| 10 | Others | 47.8 | 0.51 |
| | Total | 9386.1 | 100 |

4.2 The Process of Recovery

As soon as the Earthquake happened, fast reactions were taken by both Central and local governments. Rescue teams were deployed from all over China in order to save and help the victims of the disaster. The national and international rescue forces were under the leadership of the central government and the Prime Minister himself flew immediately into the affected area on the day of May 12, 2008 and the President of China returned immediately from a trip abroad.

Although it was the first time to encounter such huge disaster, the central government took firm leadership of the rescue work and post-quake planning and reconstruction. The President and Prime Minister visited the affected areas a high number of times within the last two years. A strong sense of unity among all involved individuals and departments on all levels has taken place and an efficient plan of action was fast laid out and hereafter implemented.

The necessary resources were made available by using the funds mentioned in Section 4.1, which guaranteed the implementation of post-quake recovery and reconstruction plans.

Case Study 3: The spirit of an entrepreneur – West Qiang Jiuhuangshan Scenic Area

A private entrepreneur being as an ethnic Qiang has developed the West Qiang Jiuhuangshan Scenic Area, a resort and scenic area with Qiang culture, before the Earthquake. Before the Earthquake he had invested around RMB 900 million to the project and received about 530,000 visitors and overnight staying guests. The Earthquake brought heavy damages to the scenic area and 18 people were killed. The project went into bankruptcy and was sold to himself for only RMB 3 million plus a loan of RMB 20 million since no-one else were interested in buying. He invested another RMB 300 million to it and then received the governmental support valuing RMB 10 million and an interest-free bank loan of RMB 73 million. The 236 room hotel is now fully renovated (See Photo 12) and the scenic area was reopened in July 2010. The area received 300,000 person-times tourists in only two months after the reopening. And after its fully reopening it is expected that the number of tourists in 2011 will increase to 600,000 person-times which will exceed the number before the Earthquake. (See Photo 13).



Photo 12: Damages of Jiuhuangshan Scenic Spot



Photo 13: Reconstructed Jiuhuangshan Scenic Spot

4.3 The Principles and Approaches of Recovery

A road map for the recovery process was quickly laid out. This road map was based on a survey of the needs for actions (a needs analysis). The state has compiled “Recovery and Reconstruction Master Plan after Wenchuan Earthquake”, followed by 9 master plans for each of the sectors

involved. For each of these master plans sub-plans for sub-sectors were produced. Tourism is thus a sub-sector under industrial development. In total about 50 sub master plans were produced within a very short time span. The post-quake tourism recovery and reconstruction plan is a sub-plan of the industrial recovery and reconstruction plan in the disaster areas. Thus "Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake" was co-made by the National Tourism Administration and Sichuan Provincial People's Government, which was started in June 2008 and completed ahead of the planned time in August, 2008.

These master plans include detailed proposals for prior projects for the 39 counties in 8 cities and prefectures involved in the reconstruction planning.

The master plans were based upon integrating the various financial resources and on identification of projects in order to match the resources with projects.

The rebuilding of residential houses and the social service as well as the infrastructure were given the first priority during the post-quake reconstruction. However, as mentioned the tourism sector was given priority within the industrial sector redevelopment so it was placed at the prior position during the reconstruction.

Clear national guidelines and principles for post-quake reconstruction were laid out and a high degree of transparency was secured. Thus open bidding and a strong monitoring system were defined from the very beginning.

The six principles laid down by SCTA include:

- Safety and disaster mitigation
- Resident resettlement and welfare as a priority
- Equal importance of supply and demands (recover the production force and the consumption demands to revitalize the tourism market)
- Protecting the culture
- Reconstruction and improvement (prioritize the reconstruction and consider the overall improvement of the tourism sector)
- Prioritizing key issues and implementing step-by-step,

Following the pace of post-quake reconstruction, the tourism sector of Sichuan has been extensively developed and improved the competitive capacity through innovations (See Case Study 4)).

Besides, the following three guidelines are emphasized in the tourism recovery and reconstruction of Sichuan:

- Adhere to the outlook on scientific development and people oriented;
- Adhere to sustainable development and achieve the harmonious development between human and nature;
- Adhere to overall planning and all-round consideration to promote the harmonious development between the tourism and the related industries in the affected areas.

4.4 Action Plan of Tourism Sector Recovery and Reconstruction

The master plan for the tourism sector is named as “Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake (2008-2010)” is dated June 2008.

The master plan is comprehensive and covers aspects such as development principles, evaluation of the losses in the tourism sector, definition of key projects to support the reconstruction of the sector, revitalization of the markets and policies and actions to support the implementation of the restructuring.

335 tourism recovery and reconstruction projects are put forth in the “Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake” (including tourism-related projects), with a planned investment of RMB 87.9 billion, accounting for 9.4% of the total investment of RMB 938.6 billion, of which RMB 7.5 billion is used only for the recovery and reconstruction of public facilities of tourism sector, accounting for 0.8% of the total planned reconstruction investment. RMB 87.9 billion is used to the sectors and industries closely related to tourism, such as infrastructures, cultural resource protection and recovery, rural residence construction and so on.

6 cities and prefectures are determined as the disaster areas for recovery and reconstruction including Chengdu City, Deyang City, Mianyang City, Guangyuan City, Ya’an City and Aba prefecture. 2 counties in Nanchong and Bazhong are also included therefore in total 39 counties are determined as the disaster-hit counties.

The proposed projects were planned by zone as following:

- The Tibetan/Qiang Cultural Zone
- The Giant Panda Zone
- The Longmen Mountain Leisure zone
- The 3 Kingdoms Culture Zone.

The government has made the plan of “Strengthen Tourists’ Confidence to Accelerate the Post-quake Tourism Recovery and Revitalization”. The implementation of the plan aims to recover the confidence of tourists to visit Sichuan, improve its image and revitalize the tourism development:

To speed up tourism recovery in Sichuan, the Provincial Government published “Suggestions on Accelerating Tourism Recovery and Revitalization” and “Suggestions on Strengthening and Expanding Tourism Enterprises to Accelerate the Development of Tourism Sector” in succession in 2008. Policies were formulated for pulling up the tourism development including enhancing governmental investment, enhancing preferential tax and loan policies, improving critical policies, and accumulating competitive strength.

Under the leadership of the Provincial Government, 28 responsible provincial departments, 6 heavily affected cities and prefectures including Chengdu worked together to speed up the tourism recovery and revitalization. A database for the key tourism projects was made aiming at

strengthening tangible capacity, focusing on the tourism project planning and reconstruction. In "Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake", RMB 7.5 billion has been invested on 175 projects categorized in eight key construction projects and five development and promotion projects. Furthermore, a tourism market recovery plan was compiled to recover the intangible tourism capacity which centered in recovering the tourists' confidence on the tourism of Sichuan. In addition, strategies and sectional action plans were made for the recovery of the market.

The five actions to revitalize the tourism market of Sichuan are listed as following

- A research report named "To Explore the Path for Sustainable and Rapid Tourism Recovery and Development of Sichuan by the Chance of Post-quake Reconstruction" was completed in late 2008.
- Facilitate information channels and innovate tourism products. Enhance the use of internet marketing and the cooperation with different departments as well as the interaction with media in aspects of supporting policies, recovery and reconstruction, price depression and product development. In the first half of 2009, SCTA successively presented up to 1,000 tourism routes for individual and self-driving tourists and promoted the routes via website of SCTA (<http://www.scta.gov.cn>). In the whole year, SCTA promoted 1,206 tourism routes to individual and self-driving tourists, attracting over 22 million hits. Furthermore, SCTA also initiated two special routes on the themes of "farmhouse" and "farmhouse food".
- Provide low price to win competitive strength. SCTA integrated the tourism resources on a voluntary basis to reduce the overall cost of travel in order to attract tourists.
- Use integrated marketing to build overall strength. Under the guideline of "route integration", SCTA combined tourism route manuals, promotion and filmmaking to provide suitable marketing materials aiming at different consumers.
- Identify major tourist source market and carry out targeted sales promotion. Expand wider international cooperation. The major inbound tourism markets are Taiwan, Japan, Europe and America. In domestic market, SCTA put stress on the tourist source markets in the neighbourhood and continued to develop the markets in Pearl River region, Bohai Bay region and Yangtze River region which are represented by Guangdong, Beijing and Shanghai. Adhere to the principle of "small actions, more products and tremendous build-up in the media". SCTA launched "Ecological Tour in Sichuan", "Classic Tourism Routes to the Three Kingdoms", "Countryside Tourism Festival", "Summer Resort Tour" and "Tour for Red Leaves", etc. Great importance was attached to South China Ice and Snow Festival, West China Expo, the 6th China Tourism Forum, the 2nd International Intangible Heritage Festival and Sichuan International Cultural Tourism Festival.

4.5 The Implementation of Actions

Governments and tourism departments of different levels carry on the tourism recovery and reconstruction in strict accordance with "Tourism Recovery and Reconstruction Master Plan for Sichuan after Wenchuan Earthquake". The tourism reconstruction in the disaster areas is rapid and efficient. However, certain problems were faced in the area with difficult access such as the Aba Autonomous Prefecture. The road construction was hampered by frequent land slides caused by

destabilization of the mountain slopes. Also the amount of actions within the priority sectors such as the projects concerning people's livelihood delayed some of the actions within the tourism sector.

4.6 The Situation by August 2010 - Achievements

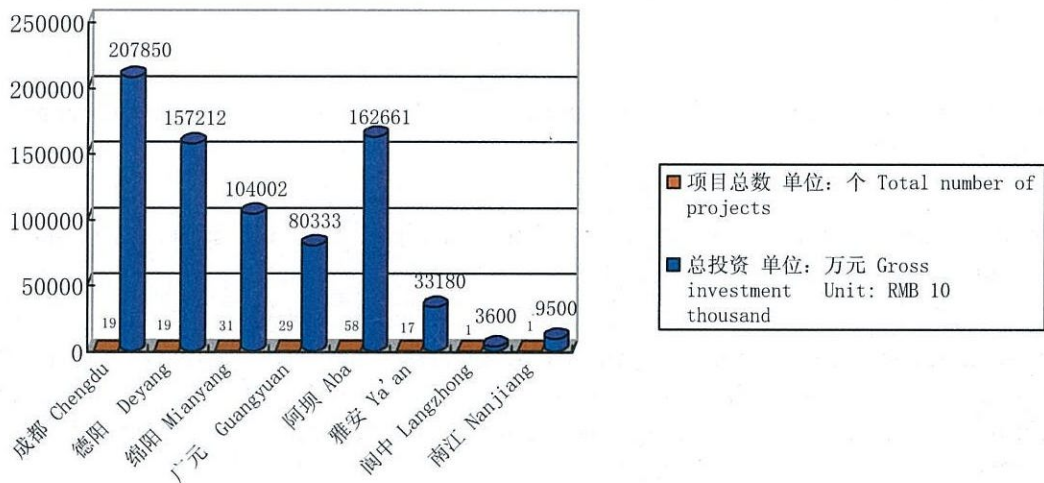
Table 4 provides an overview of the projects defined within the tourism sector divided by cities and prefectures involved in the reconstruction process. The table also shows the amount of the budgets spent by July, 2010.

Table 4: Reconstruction Project data for the Tourism Sector

| City/Prefecture | No. of Projects | Investment Budget Billion RMB | Proportion of Budget spent (%) |
|-----------------|-----------------|-------------------------------|--------------------------------|
| Chengdu | 19 | 2.2 | 66.3 |
| Deyang | 19 | 1.6 | 53.1 |
| Mianyang | 31 | 1.0 | 93.9 |
| Guangyuan | 29 | 0.8 | 60.5 |
| Aba | 58 | 1.6 | 9.5 |
| Ya'an | 17 | 0.3 | 20.3 |
| Others | 2 | - | 100 |
| Total | 175 | 7.5 | 53.3 |

The above budget figures are illustrated in the following Table.

Bar Table 2: Sector Distribution of Tourism-related Project Reconstruction Funds



The Earthquake, as described, took place in a mountainous region inhabited by Tibetan and Qiang minorities. A high number of the projects are therefore related to upgrading tourism sector on the themes of rural and scenic tourism, which aims to enhance the Tibetan and Qiang cultures.

The relatively low achievement rate of 53% as shown in table 4, compared to the achievement rate of 82% for the road infrastructure as shown in table 2, is first of all due to the priority setting (such as the reconstruction of folk residences and infrastructures go prior to tourism) and secondly due to the need for developing the access road prior to the development of the tourism projects. Therefore

the implementation of the project in Aba was relatively slow. However, in 2010 the speed will be picked up since the accessibility has been greatly improved.

V. Overall Findings and Recommendations

5.1 Achievements within 2 Years and 3 Months Period

As described in Section 4, the reconstruction process has been running ahead of schedule (it is estimated to complete the 3-year reconstruction work within 2 years) with major results in almost all fields of the recovery process.

5.2 Factors contributing to the Achievements

The following 10 factors are found to be critical for the fast recovery taken place in the Earthquake hit areas. The factors have not only resulted in a fast recovery but also a strengthening and revitalization of the tourism sector in those areas. All the 10 points are of importance for the recovery process and the achievements reached.

1. The Chinese System of Managing National Disasters

China has set up a national mechanism for quick reaction and management of national catastrophes. This system has proven to have financial and other resources available to meet the need of quick and integrated reaction and crisis management when facing the devastating effects of the Earthquake.

2. The fast reaction and attention provided by the Head of the Chinese Government has given a strong leadership

The great attention of the President and the Prime Minister of China to the Earthquake has formed a strong leadership for the actions to be taken.

3. Encouraged by the strong leadership of government, the social fabric of the people of Sichuan has been strengthened and the spirit of joint collaboration to handle a crisis situation—the Great Spirit in quake relief, has proven to be one of the key factors contributing to the speedy recovery process

A large number of people wanted to provide voluntary help and the public sector employees formed teams working on 24 hours shift. All possible resources were mobilized freely and willingly.

4. Emphasis has been given to the ecological recovery as well as the cultural heritage enhancement and protection

The master planning and the implementation of strategies have given emphasis to protect the environment and ensure a sustainable development. The ecology and the forest vegetation of the

Longmen mountain areas have been given great attention. New lakes and wetland were developed and water resources were protected.

Measures were taken to enhance and redevelop ethnic and rural cultures. Tourism has been used as an instrument to enhance cultural activities and intangible cultural heritage. Local residents have regained pride of cultural identity. In the development construction of new houses and other construction work have given emphasis to traditional architectural style and cultural symbols. Hereby, developing culture resource can be used for tourism as well as inheriting and passing down the traditions (Case Study 4 refers).

Case Study 4: Upgrading of a historic and natural tourism resource – Jiange Scenic Area

The main attraction of Jiange Scenic Area is the natural mountain pass providing access between Chengdu and the northern parts of China. This narrow pass played an important role in history where many armies tried to invade Chengdu but were stopped at the pass by a much smaller number of soldiers controlling the gate tower. It thus played an important role in the Three Kingdom Period. Prior to the Earthquake the scenic area was only visited by about 200,000 person-times. The Earthquake destroyed most of the buildings and 12 people were killed. After an investment of RMB 300 million on reconstruction project which aims to improve and upgrad the standard of the site, 150,000 person-times tourists arrived daily. A hotel with 96 rooms built in traditional Ming dynasty style has been added within the scenic area which diversified the services offered. Because of the important position of the site for the routes among the kingdoms of ancient China, an application was sent to UNESCO to obtain a World Heritage Status.

Example on activities to revitalize the Qiang Culture (see photo 17 and 18) as well as the rural culture of Mianzhu New Year painting (see photo 14 and 15) are provided below.



Photo 14: Farmhouse in Nianhua Village Decorated with New Year Pictures

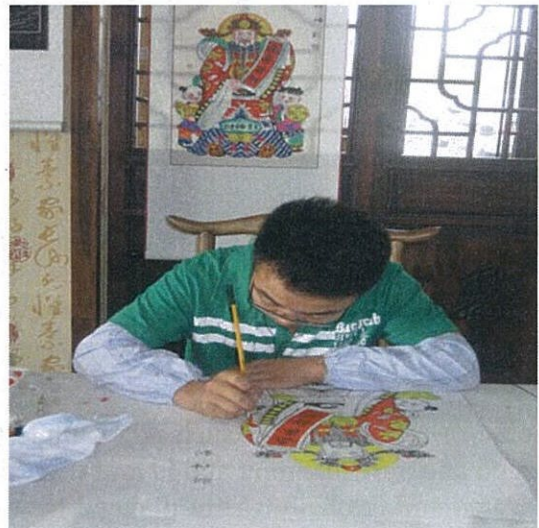


Photo 15: A Villager Is Drawing the New Year Picture

The two photos illustrate two other aspects of the revitalization efforts. Photo 16 shows tourism infrastructure which is the new and major visitor center in Qingquan. The center will form the gateway to rural tourism covering a 57 km road along the mountain foothills with fruits.

Photo 17 shows a new boutique hotel located within the Jiange Scenic Area. The hotel was well designed and will provide the conference and meeting facilities.

All these developments stand for the progress of tourism reconstruction in the disaster areas and will create new tourism products and platforms for future tourism development in Sichuan.



Photo16: Visitor center at Qingquan



Photo 17: Jiange Scenic Area

5. Adjustment of the land utilization with focus on sustainable development and providing resources to local economic activities

A new land use strategy was introduced in the mountainous and ecological fragile areas. This strategy contains several components such as:

- Reallocation of industrial activities to less sensitive ecological areas.
- Reduced agricultural activities.
- Focus on tourism development linked to eco friendly agricultural production
- Use of solar energy as a source of energy.

The case of Shuimo forms such an example (See Case Study 2). The old industrial zone has been relocated and new planning and layout were done to the new town. Major parts of the industry were reallocated and the land was re-planned for tourism purpose. Shuimo Township therefore turned to a cultural featured tourist destination from an industrial town before the Earthquake. The air quality and the overall environment have been improved.

6. Tourism as a Leading Sector

Following the principle of tourism as a prior sector, new developments have been able to take the needs of the tourism sector fully into consideration. Hereby, a new highly improved environment for creation of new tourism products and tourism activities was formed (see also case Study 5).

Case Study 5: Chengdu's Strategy to Integrate Rural and Urban Tourism – development of 26 historical/traditional towns – the case of Jiezi

Jiezi is a traditional and historical town next to the foothill of Longmen mountain and close to Dujiangyan with only one hours drive from Chengdu. Prior to the Earthquake the town was an AAA attraction receiving between 100 and 200,000 day visitors from Chengdu. The temperature is 5 degrees Celsius lower than that of Chengdu and the visitors enjoyed the Ming Dynasty courtyard restaurants. Jiezi was a stop of the historical tea route between Chengdu and Tibet. The local people offered about 100 B&B facilities. During the post-quake recovery and reconstruction, as a part of the strategy to develop 26 historical towns around Chengdu RMB 300 million were invested on restoring and upgrading the town. Today the upgrading is almost completed and the town has reached the standard of an AAAA attraction. Number of visitors is expected to increase to 500,000 person-times in 2011. Because of the attractiveness of the town and the area three 5-star hotels and one 4-star hotel are now under construction. The town of Jiezi has changed its tourism situation from a town for day visit to a multifunctional destination. Furthermore, the local B&B operators were offered an incentive of RMB 5,000 in addition to Government's support of a RMB 50,000 loan. As a result, the number of B&B has increased and the quality of existing operations has been greatly improved. Finally, a 13 km tunnel to from Jiezi to Shuimo (See Case Study 1) will be built, which will open up a new tourist route and provide new tourism products.



Photo 18, 19 and 20: Upgraded and Revitalized Town of Tourism – Jiezi Town

7. Tourism as a Facilitator to Improve Living Standard and Social Conditions for Local Residents

The strategy of using tourism as a development tool combined with the reconstruction of the residential and social facilities for the rural population have highly improved the local living standard. New job opportunities received strong local support.



Photo 21 and 22: Qiang Culture has received a new focus during the reconstruction process

8. The Leadership of Public Sector and allocation of resources to the disaster area created a positive atmosphere or climate for investors

The private sector showed a particular interest in investing on redevelopment of tourism resources and creation of new products and facilities. The strong and positive entrepreneurial spirit and investment interest were reflected on the construction from individual B&B to 5-star hotel. There is a profound believe on the recovery of tourism in Sichuan.

The initiatives of private sector were illustrated throughout this Report – see for instance Case Study 5.

9. The Crisis Management and Emergency Rescue System have become more Elaborated and Scientific

On the basis of the experience from the Earthquake, procedures and systems have been changed and improved, such as:

- Early warning systems
- Forming emergency rescue groups
- Urban and rural shelters for emergency situations
- Improved rescue training mechanism.

10. Finally, the importance of a well prepared and comprehensive managed approach for management of Crisis Situations has been proven

The SCTA implemented a highly comprehensive management approach to overcome the difficulties of domestic and international market after the Earthquake. The approach combines using the new opportunities to improve and further develop the tourism products with increasing marketing, promotion and information to key markets. This approach has not only resulted in a

relatively fast recovery of the markets but more important created a platform or a window for a speedy development in the future.

5.3 Overall Conclusions

The Report shows that under the leadership and support of the Central Government Sichuan has turned a disaster into new opportunities. Because of a dedicated and integrated approach based upon the resources made available from the Central Government and other provinces, Sichuan has been able to manage a tremendous amount of work to reconstruct what was destructed during the Earthquake. For the tourism sector the strategy was not only to recover but to redevelop and revitalize the sector. The existing products have been upgraded and improved and new products, facilities and services have been created. In addition the power of tourism to connect local economy, create job opportunities, and enhance the protection of environment and culture has been strongly strengthened. The sustainability of the tourism development has thus been in focus.

The information and marketing approach to “Strengthen the Tourists’ Confidence to Accelerate the Post-quake Tourism Recovery and Revitalization” (such as “low price” policies and so on) undertaken by SCTA have speeded up the process of recovery. This approach thus forms an integrated part of the overall strategy for redevelopment of the tourism sector.

Within a period of 2 years and 3 months Sichuan has been able to create a “New Tourism” and 2011 will give it a unique opportunity for changing its tourism position in both domestic and international markets.

A **window of opportunities** has been opened and the tourism sector of Sichuan will have the challenge to utilize those opportunities to develop the industry to become an even stronger pillar of Sichuan’s economy.

5.4 Recommendations

In 2011 Sichuan will be able to package and sell new products. The province will have a much stronger infrastructure base and will be able to position itself much stronger in both domestic and international markets. However, to take advantage of new possibilities, the following several factors should be given strong attention.

1. The first factor is the airport of Chengdu. The airport is in operation at a capacity level far beyond its planned capacity. Flights are often delayed because of traffic congestion and the airport capacity forms a bottleneck for the tourism development. The removal of this bottleneck should be given priority and the new airport with an increased traffic and passenger handling capacity should be constructed at the soonest possible.

2. The second bottleneck is the lack of positioning and marketing of all new products and facilities. Sichuan should in this respect undertake the following two actions:

- Provide guidelines and support to individual operators on positioning the new products and making a marketing strategy. The province could for instance dispatch a mobile positioning and marketing team to visit the new projects and provide advice and guidelines.
- A new and overall marketing and promotion strategy for Sichuan forming an umbrella for the individual operators should be set-up as a branding strategy for key products targeting key markets.

In relation to the marketing and promotion strategy for Sichuan, the giant Panda as a tourism product has not yet been well developed and marketed internationally.

Compared to the global recognition and the top-grade ecological environment of giant pandas, the use of pandas in the tourism development is not satisfactory. It is highly suggested fully utilizing the panda-based tourism product.

After the Earthquake, Sichuan has been working hard to enhance the protection of giant panda resources and the panda-based tourism development. Wolong region is being reconstructed under the supports of Hong Kong Government. The local government has formulated a new tourism plan with an estimated investment of RMB 1.3 billion including RMB 362 million for key scenic spot projects, RMB 370 million for key tourism infrastructure projects and RMB 585 million for other related construction projects.

With all these investments it is now the time to make a "Panda Strategy for Tourism" where the protection of the giant pandas and their habitat is combined in a sustainable manner with international tourism development. Many examples world wide proves that this combination is possible and viable. What is needed is a reasonable use of scientific methods combined with the understanding of the international tourism markets. The "giant panda tourism product" has a very high potential if developed in a sustainable manner.

3. The final comment is in relation to the memorial/relics parks. The memorial park at Donghekou was well prepared and planned. It has visitor center of good design (see photo 4) and visitors behave with dignity.

In the case of Hanwang and in particular at Beichuan the sites are visited by a relatively high number of visitors. At Beichuan a bus parking lot is located in the middle of the ruined town. Some tourists laugh and shout, cars are speeding using the horn, and drivers are playing loud rock music with windows open. The experience was surrealistic and not nice. For the two relics parks the followings should be pay attention to at the soonest possible:

- Bus parking should not be allowed in the middle of the ruined downtown of Beichuan. Visitors should either walk or be driven by small electric cars against payment.
- Visitor centers should be established at the soonest possible.
- Codes of conduct should be introduced to the earthquake site tourism products.
- A fine system for fast driving, use of car horns and music playing should be introduced in case cars are still allowed to drive inside the memorial parks.
- The behaviour of the visitors visiting these two memorial parks should be controlled.