

The Impact of Severe Acute Respiratory Syndrome (SARS) on China's Tourism Sector

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ABSTRACT

Tourism is a fast growing sector in China's economy, representing a considerable part of the Gross Domestic Product (GDP). However, China's booming domestic and international tourism industry had recently suffered losses in tourism and related service industries, as a result of the Severe Acute Respiratory Syndrome (SARS) epidemic. In face of the events concerning the disease, the World Health Organisation (WHO) had advised international travellers to avoid visiting some areas in China that had the most number of SARS cases. While consolidated results are not yet available, it is clear that SARS had impacted severely China's service sector during its critical period, particularly the tourism sector, which had suffered significant business losses. In view of the lack of published articles in the tourism literature that investigate the effects of SARS epidemic, this paper attempts to examine the extent of the impact of this new disease on the tourism sector in China.

Keywords: Severe Acute Respiratory Syndrome (SARS), People's Republic of China, tourism.

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BACKGROUND

Severe Acute Respiratory Syndrome (SARS) was first recognised as a new disease in Asia in mid February 2003. However, it had already started to proliferate since November 2002 from Guangdong Province in China, where the first case was reported, to other parts of the country and to the world. According to the World Health Organisation (WHO), from November 2002 to July 2003, there had been reported more than 8.090 cases, with 774 deaths, from 29 countries and regions on the five continents. The most affected country by this new epidemic was China, with more than 75% of the cases.

In face of this unknown disease, and as a measure of precaution, the WHO decided to issue travel advisories to areas which reported the most number of SARS cases. Travel advisories intended to limit further international spread of SARS by restricting and reducing travel to high risk areas. It was the first time in more than a decade that the WHO had advised travellers to avoid a particular area. Therefore, SARS is not only a good case study on how epidemic diseases can affect tourism, but it is also a good exercise to understand how a disease such as SARS can change organisations' policies and behaviour, being particularly noticeable the new status of the WHO. Concerns about personal health started to raise after the high visibility of WHO's travel advisories, posing a serious threat to the travel and tourism industry. In a response, the World Tourism Organisation (WTO) has announced its intention of launching an initiative regarding travel advisories. WTO General-Secretary defends that the "restrictions should be no broader than strictly needed to avoid creating additional problems for industries like tourism which can make such a decisive contribution to social and economic development" (cited by WTO, 2003 May 8).

The first recommendation issued by the World Health Organisation intended to advise tourists and business people planning to visit Hong Kong or Guangdong Province that they should consider postponing their travel until another time because of the outbreak of a deadly virus.

Table 1 Summary of World Health Organisation travel advisory notices on SARS

March	15	There was no recommendation for people to restrict travel to destinations where SARS cases were detected. However, the WHO issued emergency guidance for travellers, airline crew and airlines. This first SARS-related emergency travel advisory, which increased global awareness of this new disease, made travellers and health staff alert to symptoms, and initiated prompt reporting of cases.
April	2	As a measure of precaution, the WHO recommended people travelling to Hong Kong and Guangdong Province in China to consider postponing all but essential travel. This recommendation applied only to travellers entering Hong Kong and Guangdong Province, not to passengers directly transiting through international airports within those areas.
	23	The WHO extended its SARS-related travel advice to Beijing and Shanxi Province, China and to Toronto, Canada.
	29	The WHO lifted the travel advisory for Toronto and announced that the travel advisories for Beijing, Hong Kong, Guangdong and Shanxi provinces remained in effect.
May	8	The WHO advised people planning to travel to Tianjin and Inner Mongolia, China and Taipei, Taiwan to consider postponing all but essential travel.
	17	The WHO extended its previous travel recommendation to Hebei Province, China.
	21	The WHO extended its travel advisory to the entire territory of Taiwan.
	23	The WHO lifted its travel recommendations to Hong Kong and Guangdong Province.
June	13	The WHO removed its travel recommendation to Hebei, Inner Mongolia, Shanxi and Tianjin.
	17	The travel advisory for Taiwan was lifted.
	24	The WHO removed its last travel advisory, which recommended people to postpone all but essential travel to Beijing.

Source: World Health Organisation

On April 21, the China National Tourism Administration (CNTA) issued an emergency circular to make it top priority to control the spread of SARS by travellers. Immediately, the Beijing International Airport installed infrared temperature scanners to check the body temperature of every inbound and outbound passenger. Regardless the new preventive measures, on April 23, Beijing and Shanxi Province joined the list of areas in China under travel advisories from the WHO. Canada, the country outside Asia that reported the highest number of SARS cases, was also under a WHO's travel advisory, but it only lasted one week.

The travel advisory of April 23 was followed by two additional recommendations to China, targeting Tianjin, Inner Mongolia and Hebei Province. The decision to lift the travel advisory in Beijing on June 24, the last of such warnings prompted by SARS, underlined growing optimism

and contributed to increase tourism and leisure activities, which had been seriously affected during the nearly three month period in which China was under WHO's travel recommendations.

Table 2 Chronology of travel recommendations to China issued by the WHO

Areas under WHO's travel advisory	Duration of travel advisories on SARS		
	April 2003	May 2003	June 2003
Beijing Municipality		[Bar spanning from mid-April to mid-May]	
Guangdong Province	[Bar spanning from early April to mid-May]		
Hebei Province		[Bar spanning from mid-May to mid-June]	
Hong Kong SAR	[Bar spanning from early April to mid-May]		
Inner Mongolia AR		[Bar spanning from mid-May to mid-June]	
Shanxi Province		[Bar spanning from mid-April to mid-May]	
Tianjin Municipality		[Bar spanning from mid-May to mid-June]	

Source: World Health Organisation

The Chinese Government, which initially played down the significance of the virus, was criticised for not reporting SARS immediately to international health authorities and for being slow in releasing information about the illness. As soon as the international community showed its concern about this new disease, with a campaign reminiscent of the mass movements launched by Mao Zedong, officials ordered tight limits on travel, mass quarantines and networks of compulsory health checks. People nationwide participated in the fight against SARS. Travel agencies, hotels and transport companies had taken preventive measures in order to ensure the health of both international and domestic tourists. Concrete examples of these measures could be found all over the country. For example, in Beijing a large number of shopping centers opened their ventilation intakes wider and disinfected air conditioner filters daily, in order to let fresh air in unimpeded. All public traffic vehicles, including buses and taxis, had also left windows wide open and the interior had been disinfected everyday (CNTA, 2003 April 29).

The impact of SARS in China, not only had covered social and economic sectors, but also had created a disproportionately large psychological impact on people in relation to the relatively low morbidity and mortality of the disease. Among the reported SARS cases, the average mortality

rate over all affected regions was 9,6 percent. The pronounced psychological impact of SARS can be attributed to a combination of two aspects regarding the information about the illness. First, there was a rapid transmission of information about the number of people infected by SARS, as a result of modern media and highly developed networks of communication. Second, in comparison, there was insufficient medical information on SARS and a big uncertainty over the nature of the disease. The lack of accurate, timely and transparent provision of information on the nature and extent of SARS increased the public's fears, caused second-guessing and naturally led to an exaggerated perception about the danger of the disease.

On April 4, China National Tourism Administration (CNTA) made a statement on the outbreak of SARS, in an attempt to tranquilise international community. However, despite China's concerted efforts to present itself as a safe country, recovering consumer confidence can be a big task, thus posing a big challenge for China as a major worldwide tourist destination.

IMPACT OF SARS ON CHINA'S ECONOMY

Experience in a few SARS affected countries showed that there were a number of channels by which the SARS outbreak could affect an economy (Ali, 2003; Fan, 2003). The most immediate channel was through the demand side. In the short run, economic consequences arose almost entirely from public perceptions and fears of the disease. First, in locations with a high incidence of SARS, the movement of people was restricted, either voluntarily or involuntarily, thus reducing consumer spending. Second, the tourism related service sectors were particularly affected as consumers avoided frequented areas and cancelled trips. Third, if the outbreak had persisted, exports could also have been affected as trade fairs and business travel were cancelled and demand for goods from affected areas would fell. Fourth, although investments tend to be more resilient than consumption, the persistence of the outbreak could have dampened investor confidence, resulting in weaker investment and inflows of foreign capital. Hence, it can be said that the most important channel of transmission of the SARS economic disruption was through the dampening of tourism and of consumer confidence, which in turn created secondary effects on the local economy (ADB, 2003b). These include employment loss, lowered investment and reduced import demand.

Economic analysts seem to have two different general views and specific estimates on SARS effects, therefore forecasts of its impact on China's economy still vary widely. The optimistic view, which defends little impact on China's long-term economy, is supported by World Bank forecasts, by a report published in the Far Eastern Economic Review (Dolven and Murphy, 2003); by the latest statistics from National Bureau of Statistics of China; by a report from Goldman Sachs (cited in US Commercial Service, 2003a) and by the Asian Development Bank report on the outlook of regional development in 2003 (ADB, 2003a).

The pessimistic view defends that there are serious risks of loosing exports and foreign investment. This view is defended on a South China Morning Post's article (published on May 5, 2003) and is shared by Citigroup China economists and by some Chinese analysts from Beijing University (US Commercial Service, 2003a). Although Goldman Sachs holds an optimistic view of China's long-term economy, it also considers the risk of SARS' impact on foreign direct investment. The Asian Development Bank, on its new economic report (ADB, 2003b), estimates further reduction on China's GDP growth, from 7,5 percent to 7 percent as a result of SARS developments. A Standard & Poor's report (cited by People's Daily, 2003 April 15), suggest that the virus has affected business operations and investment. Nonetheless, according to Reuters, a survey among mutual fund managers showed that China was still the favourite Asian market for investors despite the SARS outbreak (cited by People's Daily, 2003 June 1b).

Although SARS had impacted heavily the service sector, which represents 28 percent of GDP, other industries had not been disrupted nationwide. In fact, there were even sectors that grew as an effect of SARS. Owing to a strong demand related to the fight against the virus, the medical industry, some products of the textile industry (face masks and protective suits), disinfectants and telecommunications have all reported rapid growth during this particular period.

IMPACT OF SARS ON THE TOURISM SECTOR IN CHINA

International tourism had clearly declined because of SARS. Tourism industry had been particularly affected across Asia, as people tended to avoid areas where incidents of the virus were high. China was the worst affected country, this being the most damaging event for the Chinese tourism industry since the Tiananmen Square crackdown in 1989.

Tourism was especially affected by SARS induced panic. Even some destinations that had not recorded any cases of infection had suffered almost as much as the areas actually affected (WTO, 2003 May 8). The rapid and the geographical widespread of the disease by travellers, cases of transmission during hotel stays, in restaurants, places of entertainment or even during airplane trips, made SARS a phenomenon that was perceived to be linked with tourism itself.

Several high-profile sport events were cancelled because of the SARS outbreak. Among them are:

- the Women's Ice Hockey World Championship to be held in Beijing in April;
- the 2003 Cathay Pacific Squash Open to be held in Hong Kong in August;
- the San Fernando Yacht Race from Hong Kong to the Philippines;
- the World Track Cycling Championship was moved, by the International Cycling Union (ICU), from Shenzhen in Guangdong Province to Germany;
- FIFA also decided to move the fourth Women's World Cup, to be held in China from September 23rd to October 11th, to the United States².

What might be the implications resulting from the cancellation of these events? The direct effects tend to be enormous. Many athletes, official sport delegations and press professionals do not have reasons anymore to travel to the destination where the event was to be held. Hotel rooms for competitor teams and officials remain empty. Merchandise is not used, and the economic cost to organisers/suppliers and sponsors is high. Other questions can be arisen from this situation (Ritchie, 2003): What is the likely impact on destination image or perceptions of tourists when sport events are cancelled due to such an epidemic? How does cancellation impact upon governing bodies and decision-makers' choices on the location of future sport events? The answer to these important questions should be supported by in-depth studies, constituting the example of China a good case study.

² FIFA settled that China will get the tournament in 2007. This sport event combined with the Olympics in Beijing in 2008 and the International World's Fair and Exposition to be held in Shanghai in 2010, which is considered the world's third largest event after the Olympics and the World Cup, will boost the image of the country.

The International Labour Organisation (ILO) estimated that 5 million jobs could have been lost worldwide in 2003³, as a result of reduced travel due to concerns over SARS, combined with the economic downturn (ILO, 2003b). This number, added to the 6,5 million jobs which were previously estimated to be lost owing the crisis in the travel and tourism industry in 2001-2002⁴ (ILO, 2003a), brings to 11,5 million the total number of jobs lost in the travel and tourism sector since late 2001, representing 14 percent of all jobs in the travel and tourism worldwide. According to the ILO, the degree of impact depends on the extent of exposure to SARS. The countries or areas directly affected by SARS, which is the case of Mainland China and Hong Kong, were estimated to lose more than 30 per cent of their travel and tourism employment (ILO, 2003b).

The World Travel and Tourism Council (WTTC), on its special SARS analysis reports (WTTC, 2003b and 2003c), also estimated what would be the impact of the disease on the travel and tourism industry. In 2003, China was expected to lose more than 2,8 million jobs, while in Hong Kong the number of jobs lost would exceed 27 thousands. However, if also taking into consideration the indirect impact of SARS, its real impact would be even greater. China was expected to suffer, directly and indirectly, a SARS related loss of 6,8 million jobs and 20,4 billion US dollars of GDP. Hong Kong's travel and tourism industry would loose 3,6 billion US dollars and 41,7 thousand jobs.

³ If indirect effects were to be counted in (jobs which were lost in industries that provide inputs to the travel and tourism industry) the estimated loss would amount to over 13 million jobs worldwide (ILO, 2003b).

⁴ As a result from the combined effects of a general economic downturn that began in early 2001, the shock wave from the September 11, 2001 attacks in the United States., the attacks on tourists in Bali and Kenya in 2002, and political developments in the Middle East.

Table 3 SARS estimated impact on travel and tourism industry in China for 2003

	Pre-SARS real growth estimate	Post-SARS real growth estimate	Total SARS impact	
			Real growth gain/loss	US billion dollars
Personal travel and tourism	9,1%	-5,0%	-14,0%	-8,6
Business travel	1,4%	-3,9%	-5,3%	-0,3
Government Expenditure	10,1%	10,1%	0,0%	0,0
Capital Investment	10,5%	3,2%	-7,2%	3,7
Visitor exports	5,2%	-50,0%	-55,2%	-7,8
Other exports	20,2%	20,2%	0,0%	0,0
Travel and tourism demand	10,0%	-3,4%	-13,4%	-20,4
Travel and tourism industry GDP	6,0%	-18,6%	-24,5%	-7,6
Travel and tourism economy GDP	8,7%	-7,0%	-15,7%	-20,4
Travel and tourism industry employment*	-0,5%	-20,4%	-19,9%	-2.802,2
Travel and tourism economy employment*	2,4%	-10,4%	-12,8%	-6.798,1

* in thousands

Source: World Travel and Tourism Council (WTTC, 2003b)

Losses had been reported from all over the country, but since SARS was relatively confined in terms of geographical spread, it impacted especially the most severe affected areas, such as Beijing and Guangdong Province. Most overseas tourist groups to Beijing scheduled for April and May were cancelled, resulting in direct losses of 152 million US dollars. In April, the city's foreign tourist arrivals dropped 59,9 percent compared with the same period in 2002 (People's Daily, 2003 June 1a). According to a survey by the China Economic Monitoring Centre under the National Bureau of Statistics, the occupancy of 20 four and five star hotels in Beijing had fallen by 30 percent since April compared to the same period in 2002. Some five-star hotels even had reported extremely low occupancy rates, as low as 1,6 percent during the May holiday, a season that traditionally boasts 70-80 percent occupancy rates.

In order to ensure normal operations and to minimise losses, the State Council Executive Meeting on May 7 adopted preferential policies for civil aviation, tourism, catering, commerce, transportation and other sectors heavily hit by SARS. The government had thus launched several supportive policies, such as exemption or reduction of administrative taxes, provision of discount loans, exemption of operation taxes as well as urban maintenance and construction taxes, and the temporary return of some quality assurance deposits to travel agencies to relieve their financial problems (Ng, 2003).

Likewise, China's travel associations had recommended jointly efforts to eliminate the negative impacts caused by SARS, to develop new prospects and expand the market through more appropriate positioning, more market-friendly internal systems and more attractive products. In a response to that:

- The Beijing Municipal Bureau of Tourism had gradually adopted measures to enhance the revival of tourism since the lifting of the travel advisory. To boost the image of the city internationally, it hosted the WTO 15th General Assembly, provided incentives to overseas travel agencies and invited some foreign journalists to tour Beijing (People's Daily, 2003 June 1a). To attract more visitors, tourist sites in Beijing had introduced measures such as package tickets or half discounted tickets, and some spots have instituted off-season prices. Moreover, in order to revitalise quickly the tourist market, Beijing may also adopt flexible prices and organise promotions together with airline companies, tourist attractions and hotels, and launch special prices for tour groups (Ng, 2003).
- Shanghai had used similar promotions, namely eliminating or discounting tickets for some tourist spots. At the same time, the city had also decided to resume entry travelling and reopen the "Long Triangle" tour that surrounds Zhejiang Province, Jiangsu Province and Shanghai.
- In the Pearl River Delta, regional cooperation and forged joint travel routes were equally hastened.
- Most provinces and regions around the country had also resumed intra-provincial travel for local residents.

Inbound Tourism

China, until the SARS epidemic became public, was one of the few countries that did not experience a decline in tourism, even during the recent war in Iraq (WTTC, 2003a). Despite the good results in the beginning of the year, figures had been significantly impacted as a result of the WTO's travel advisory for SARS affected areas in China.

With many countries in the Asia-Pacific Region reporting SARS cases, and being the intra-regional market an important source of tourist to China, it suffered major declines in tourist arrivals. Several airlines that offer service to China cancelled regularly scheduled flights due to insufficient bookings. The governments of some foreign countries had advised their citizens not to visit China, thus causing the cancellation of a number of package tours. Statistics from Beijing, Shanghai and Guangdong Province, showed that by April 3, about 136.000 tourists had cancelled their organised visits to China (People's Daily, 2003 April 4).

Table 4 International tourist arrivals

	2002		Year to date	2003 monthly data (%)			
	Arrivals (in thousands)	2002/01 (%)		Jan.	Feb.	March	April
China	36.803 ¹	11,0	11,4	13,6	9,0	n.a.	n.a.
Hong Kong	16.566	20,7	-4,0	31,0	26,2	3,9	-64,8
Macao	6.565 ¹	12,4	-0,4	26,9	12,0	0,1	-33,8

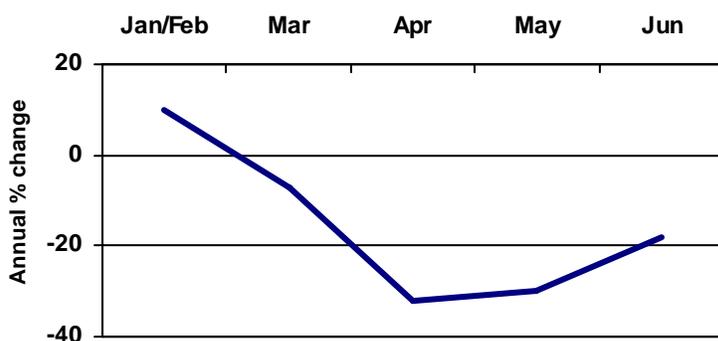
¹ International tourist arrivals at frontiers (excluding same-day visitors)

² International tourist arrivals at frontiers (including tourists and same-day visitors)

Source: World Tourist Organisation (WTO, 2003 June)

In Hong Kong and Macao, after an overall good increasing trend in the January-February period, in March arrivals started to decline. In April, arrivals fell abruptly, with Hong Kong losing more than half of its arrivals compared to April 2002. Macao had also showed a negative trend, even though the territory was not affected by the virus. But its proximity to Hong Kong and to Guangdong Province induced a general reluctance to travel to this destination. Although on the WTO report (WTO, 2003 June) data is not available for China's tourist arrivals after February, statistics from the Oxford Economic Forecasting (cited by ADB, 2003b) show that arrivals collapsed in April.

Figure 1 Monthly visitor arrivals in China for 2003



Source: Oxford Economic Forecasting (cited by ADB, 2003b)

China's inbound travel suffered seriously, but had a somewhat lower accumulated loss of 17 percent in the first two quarters of the year, due the positive results in the first months of 2003. With SARS outbreak over in June, decrease rates started to become less and less accentuated, showing that recovery is underway. Macao had already managed to achieve positive results in July and August (3 percent and 14 percent, respectively) (WTO, 2003 October 29). Industry sources and estimates from the Oxford Economic Forecast seem to indicate that the recovery of the tourist industry in China will be accomplished by the end of the year.

Domestic Tourism

Domestic tourism was also affected by the SARS outbreak. Travellers were advised to keep away from rural and remote areas in China, and large tour groups, cross-regional tours and tours to and from areas affected by SARS were prohibited. Restrictions on movement of population imposed by official authorities were accompanied by SARS psychological impact, which also caused a reduction of domestic travel, especially those related to leisure activities.

As a measure of precaution, Hainan authorities suspended tourist arrivals from other provinces in an attempt to ensure Hainan Province would keep a SARS free area. In the same way, the Yunnan regional government halted visitors from other provinces and set regular patrols on the outskirts of towns to disinfect cars, check passengers' temperatures and register who were travelling where. Consistent with the policy of reducing the risk of exposure to people outside the

province, hotels were refusing reservations to non-Yunnan residents during the traditional May holiday weekend (Mackie, 2003).

The May Day Golden Week holiday was shortened in order to discourage Chinese residents from travel, and to control the potential spread of the SARS epidemic to non-affected areas. China International Travel Service (CITS) stated that no domestic travel had been registered during this holiday period and all its domestic tours had been cancelled as a result. China Youth Travel Service (CYTS) also reported a sharp drop in domestic tourism; less than 100 tourists had registered to travel during the holiday compared with more than 2,500 people over the same period in 2002 (CNTA, 2003 April 28). Research done by China Center for Economic Research (CCER) of Beijing University showed that during this holiday, Beijing, with nearly no tourists, lost 361 million US dollars of its domestic travel business. CCER estimates that SARS could have resulted in a 3.6–7.2 billion US dollars loss to Beijing, or roughly 10 percent of the city's GDP (cited by US Commercial Service, 2003a).

During the more critical period of the disease, many of the country's major tourist attractions, parks, public events, shopping areas and restaurants were closed, and travel agencies were advised to focus on anti-SARS campaigns, instead of promoting tourism. WTTC (2003b) estimates that domestic tourism spending is assumed to be reduced 25 percent for the SARS duration period.

After the WHO lifted its travel advisories to China, the central government, in order to boost domestic consumption and thereby maintain the growth of national economy, has mandated all parts of the country to support the development of the tourist industry (Ng, 2003). As a response, many provinces nationwide reopened domestic tours to local residents and group tours. Travel to the most affected areas had also resumed. The industry appears to be en route to a full recovery.

Outbound Tourism

Travel from China had equally decreased, as a number of countries have limited tourist arrivals from SARS affected areas. When the WHO listed China as a SARS affected area and issued a travel warning, 109 countries consequently enacted bans or restrictions on Chinese travellers (Ng,

2003). The drop of outbound travel combined with the stagnant domestic travel industry, were responsible for causing serious financial problems on many domestic and international travel agencies and tour operators in China (US Commercial Service, 2003b).

With the WHO's decision to lift its last travel advisory against Beijing and remove the city from its list of SARS affected areas, many countries have dropped their restrictive measures on Chinese visitors. According to CNTA, in August, the number of Chinese outbound travellers reached 2,1 million, increasing by 34,5 percent compared with the same period in 2002 (Alcantara, 2003 October 20).

CONCLUSION

The effect of SARS on China was not considered to be an economic crisis, rather it was viewed as a crisis that had been brought upon the economy (cited by Dolven and Murphy, 2003) or a psychological tension that has caused economic loss (cited by the People's Daily, 2003 May 14). Despite its economic consequences, this crisis can be also characterised by its geographical and dimensional nature. In fact, the economic costs from SARS go beyond its direct damages incurred in the affected sectors in the disease inflicted countries. "This is not just because the disease spreads quickly across countries through networks related to global travel, but also any economic shock to one country is quickly spread to other countries through the increased trade and financial linkages associated with globalization" (Lee and McKibbin, 2003:2).

Global economy had been recently affected by other negative factors, such as the September 11 terrorist attacks and the conflict in Iraq, as well as the overall weakness in some economies and job markets. In Asia, the situation had been deteriorated by regional terrorism, especially the October 2002 Bali bombings, which exacerbated people's reactions regarding Asia as a tourist destination.

China's tourism sector, although had not been affected from the previous events, was severely hindered by SARS epidemic, particularly in the major virus' affected areas. However, the tourist industry in China seems to need only a few months more to recover from the devastating SARS outbreak. The industry players had designed aggressive revitalisation campaigns in an attempt to

accelerate recovery and the Government showed a relatively cautious response, with most of the increased spending being used to compensate tourism related industries for the losses incurred by SARS.

Although the SARS outbreak slowed significantly the development of Chinese tourism, it also facilitated the reorganisation of Chinese tourist agencies. Many hotels, restaurants and other attractions had remained closed while the public continued to avoid such frequented locations, however they seized the opportunity to undertake renovation projects and to introduce unprecedented hygiene measures, in an attempt to build consumer confidence. This slow growth period was thus used to perform renovations and employee training, representing a means of improving China's service industry. During the post-SARS period, the tourist industry of various parts of China, driven by new changes and new market demands, have been absorbing new ideas and approaches to their future strategies (Ng, 2003). These positive developments and improved public health measures have added weight to arguments that SARS, although serious, contributed to improve sanitary conditions and will cause only a temporary shock to economic growth.

According to a WTTC report (2003d), China has the potential to become one of the world's great tourism economies, in terms of inbound, domestic and outbound travel. On its 15th General Assembly held in Beijing in October 2003, WTO reiterated the predictions to the year 2020, which also show China as the world's top tourist destination. The decision to hold the gathering in China will help to convince the international community that the country is a safe tourist destination, proving its readiness to become one of the leaders in global tourism.

NOTES

- a) Whereas mentioned China, it refers to the People's Republic of China. Although it includes the territories of the Special Administrative Regions of Hong Kong and Macao, they were just briefly mentioned. No reference is done to Taiwan.
- b) Unless otherwise stated, data refers to Mainland China only (excluding Hong Kong and Macao).

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