

Literature Review and Countermeasures Research on Promoting Tourism Development in Free Trade Zones

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Abstract:

The establishment of FTZs aims to promote regional economic integration and enhance international competitiveness by lowering trade barriers. With the implementation of FTZ policies, the tourism industry has also seen new opportunities for development. FTZs usually offer tax incentives, simplified visa processes and a more relaxed business environment, and these measures have attracted more international tourists and investors. By combing through the relevant literature on FTZs and tourism development, this paper finds that there is relatively little existing literature on tourism development in FTZs, and only a few of them emphasize that FTZs should combine their own resource advantages as well as their location advantages, respond positively to the relevant policies, and improve the tourism equipment and facilities, so as to promote the sustained development of the tourism industry. The importance of promoting tourism development in FTZs and the specific measures that can be taken to promote the further development of tourism are further sorted out.

Keywords:

FTAs, Tourism, Literature Review, Measures

1. Introduction

In order to further promote institutional innovation and industrial upgrading and transformation, from September 2013 to September 2023, China has set up 7 batches of 22 Free Trade Zones (FTZs) in 18 provinces and 4 municipalities directly under the central government, covering a wide range of regions from coastal to inland, forming a new “geese formation” of “1+3+7+1+6+1”. The FTZs cover a wide range of regions from coastal to inland areas, forming a new “geese formation” of “1+3+7+1+6+1” for opening up. The establishment of Pilot Free Trade Zones (FTZs) is one of China's important measures to expand its opening-up to the outside world. As a new high ground for reform and opening-up, the FTZs have accumulated valuable experience for the reform and opening-up of the country as a whole by exploring institutional

innovations in different fields to adapt to the new situation of economic globalization and the new changes in the rules of international trade.

The establishment of the Pilot Free Trade Zone is an important means to accelerate the development of the tourism industry, helping to promote the opening up and reform of the domestic tourism market and realizing the coordinated development of domestic and international tourism. FTZs provide strong policy support and innovation platforms for the tourism industry, and promote the rapid development and transformation and upgrading of the tourism industry by means of policy innovation, investment attraction, industrial integration, optimization of the business environment and regional cooperation, so as to achieve a virtuous cycle and sustainable development of the domestic tourism market. Meanwhile, for inbound and outbound tourism, the FTZ has also played an active role in promoting the internationalization of the tourism market by attracting high-quality foreign capital, simplifying the visa process, expanding the trade of tourism services, enhancing the image of international tourism and strengthening cross-border tourism cooperation.

2. FTZs and Economic Development

The development of tourism is closely related to economic development. At present, scholars at home and abroad for the construction of FTA on economic development research is relatively rich, most scholars use the double difference method and synthetic control method and other methods to make an assessment of the policy effects of the construction of FTA. Yang (2014) based on the gravitational model of empirical analysis, showed that China and ASEAN's FTA brought about by the trade creation effect is greater than the effect of the transfer of trade, so there is a positive impact [1]. Uzair and Nawaz (2018) empirically verify that the China-Pakistan Free Trade Agreement would have a creation effect on Pakistan's merchandise import and export trade, which generally increases the welfare level of domestic consumers in Pakistan [2]. Polaski (2006) and Jenkins et al. (2013), on the other hand, hold a different view on this, taking the North American FTA and the Dominican FTA as case studies, respectively, and arguing that the establishment of FTAs may restrict the free flow of internal and external resources and commodities, which in turn generates distortionary costs, creates interregional imbalances and insufficiencies in development, and ultimately has a negative impact on economic growth [3,4]. Possebom (2017) assessed the economic impact of the Manaus Free Trade Zone and found that the FTZ policy achieved its objective of promoting regional economic growth, but created a mismatch of resources between economic sectors [5].

In conclusion, the relevant studies provide many research methods and ideas for assessing the economic effects of FTZ construction, and provide a reference for further in-depth investigation of the impact of FTZ on tourism development.

3. Free Trade Zones and Tourism Development

Regarding the impact of the establishment of FTZs on the tourism industry, Jiang Jinbo (2016) compares the positioning and content of tourism development in the four major FTZs, proposes that the tourism industry should take a more proactive and positive attitude to integrate into the wave of FTZ development, and combines with its own characteristics, puts forward an institutional innovation program suitable for the tourism industry to lead the innovative development of the tourism industry[6]. Zhu Junrong et al. (2020) explored the deepening path of cross-border tourism cooperation

between Guangxi and ASEAN, suggesting that cultural exchanges with ASEAN countries should be strengthened, joint marketing should be carried out, and cross-border tourism cooperation with ASEAN countries should be deepened [7]. Meng Guangwen (2021) analyzes the foundation and conditions for the construction of a free trade port in Hainan and proposes that the free trade port in Hainan should be led by tourism and service trade, giving full play to its advantages and potentials [8]. Ji et al. (2015) analyzed the impact of the Shanghai FTZ on Hong Kong's tourism industry, and concluded that Hong Kong should actively develop diversified tourism products and services and utilize its tourism-related expertise in areas that support the economic development of the FTZ [9]. Bu et al. (2020), on the other hand, suggest that the Chinese and Korean governments should gradually upgrade the free trade zone to attract greater foreign investment and tourism development [10]. The Hainan Free Trade Zone not only promotes economic growth in South China, but also contributes to economic growth in the Pacific Asia region and the rest of the world. Under the free visa entry policy, the Government can attract tourists from all over the world and can increase the tourism industry by fulfilling the requirements of international tourists [11].

In summary, scholars have studied the relationship between different FTZs and macroeconomics and tourism. Overall, FTZs should combine their own resource advantages as well as location advantages, respond positively to relevant policies, improve tourism equipment and facilities, and promote the sustainable development of tourism.

4. Importance of developing tourism in FTZs

(1) Promoting Economic Growth

As an important part of the service industry, tourism can drive the development of related industries, such as catering, accommodation, transportation, retail and entertainment, forming an industrial chain and promoting the overall growth of the regional economy. It attracts inward investment and consumption, and enhances the economic vitality and fiscal revenue of the FTZ.

(2) Increase employment opportunities

Tourism is a labor-intensive industry, and the development of tourism can create a large number of employment opportunities covering a wide range of fields such as tour guides, hotel services, transportation and catering services. It helps local residents to raise their income level, improve their quality of life, and promote social harmony and stability.

(3) Promote cultural exchanges

Tourism is an important carrier of cultural exchanges. By attracting domestic and foreign tourists, the FTZ is able to showcase its unique culture, history and natural resources, and promote cultural dissemination and exchanges. It enhances understanding and friendship among people of different countries and regions, and promotes international cooperation and peaceful development.

(4) Promoting Innovation and Sustainable Development

The development of tourism requires continuous innovation, promoting the application and development of new technologies, new models and new forms of business, such as smart tourism and eco-tourism, etc., and promoting the enhancement

of the innovation capacity of the FTA. Emphasize ecological environmental protection, promote green tourism and sustainable development, and enhance the sustainable development level and environmental quality of the region.

(5) Enhance internationalization

The development of tourism in the FTZ will help enhance its internationalization level, attract international tourists and enterprises, and strengthen international influence and competitiveness. It promotes economic and trade, cultural and scientific and technological exchanges between the FTZ and other countries and regions, and promotes internationalized cooperation and development.

5. Specific Measures for the Development of Tourism in FTZs

(1) Improve infrastructure development

Improve transportation facilities, such as building efficient airports, ports, roads and railroad networks, to enhance travel convenience for tourists. Upgrade supporting facilities at tourist attractions, such as accommodation, catering, shopping and entertainment facilities, to provide quality service experience.

(2) Create tourism products with special characteristics

Develop tourism projects with local characteristics, such as cultural tourism, eco-tourism and island tourism, to attract different types of tourists. Organize special festivals and international conferences to increase the visibility and attractiveness of the FTZ.

(3) Promote international cooperation

Strengthen tourism cooperation with other countries and regions, share tourism resources and information, and promote cross-border tourism. Introduce internationally renowned hotel, catering and entertainment brands to enhance the internationalization level of the FTZ.

(4) Enhance service quality

Provide professional training for employees engaged in the tourism industry to improve service standards and professionalism. Establish and improve tourism service standards and regulatory systems to ensure the quality of tourism services and the safety of tourists.

(5) Promote the application of science and technology

Utilize technologies such as big data, artificial intelligence and blockchain to optimize the allocation and management of tourism resources and enhance visitor experience. Promote smart tourism services, such as e-guide, online booking and smart payment, to facilitate tourists' travel arrangements.

(6) Strengthen publicity and promotion

Utilize platforms such as social media, tourism websites and mobile applications to conduct all-round and multi-channel publicity and promotion. Invite famous bloggers and media to conduct on-site experiences and reports to enhance the visibility and reputation of the FTZ.

(7) Optimize the policy environment

Formulate policy measures conducive to tourism development, such as tax incentives, financing support and simplified visa procedures, to attract more investment and tourists. Strengthen the legal system of the tourism industry, protect the legitimate rights and interests of tourists and enterprises, and create a fair, just and transparent market environment.

6. Conclusions

This paper can be found by studying the relevant literature on the promotion of tourism development in FTZs that the existing literature on tourism development in FTZs is relatively small. Scholars have also studied the relationship between different FTZs and macroeconomics and tourism, and proposed that FTZs should combine their own resource advantages as well as location advantages, actively respond to relevant policies, improve tourism equipment and facilities, and promote the sustainable development of tourism. At the same time, this paper also sorted out the importance about the development of tourism in FTZs, and put forward measures conducive to the development of tourism, such as perfecting the infrastructure construction, creating special tourism products, and promoting the internationalization cooperation, etc., which provide certain references for the development of tourism in FTZs.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

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