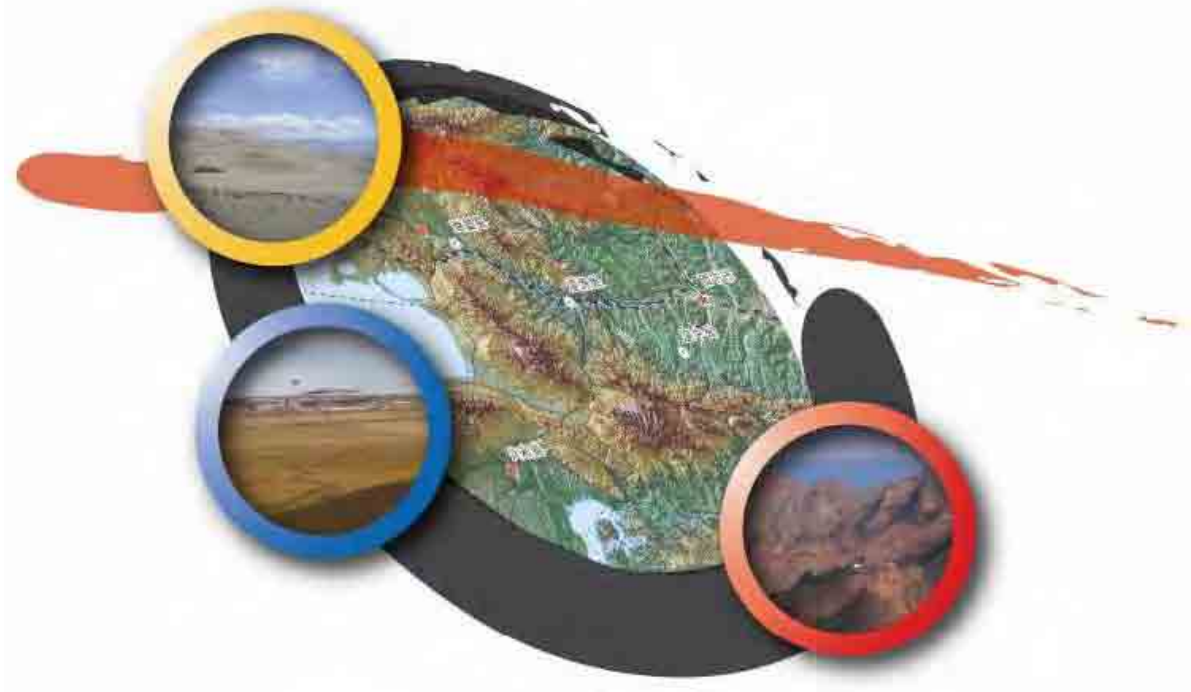


The People's Republic of China
Qinghai Province Tourism Bureau

Japan International
Cooperation Agency (JICA)

The Study on Comprehensive Tourism Development in Greater Xining Area, Qinghai Province, the People's Republic of China



**Final Report
(Summary)**

December, 2006

**PADECO Co., Ltd.
PACET Corporation**

**The People's Republic of China
Qinghai Province Tourism Bureau**

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Development in Greater Xining Area,
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Exchange Rate *

1.00 RMB = 14.502JPY

1.00 USD = 116.47JPY

(April, 2006)

* Based on the official exchange rate used by JICA (April 2006)

PREFACE

In response to a request from the Government of The People's Republic of China, the Government of Japan decided to conduct the Study on Comprehensive Tourism Development in Greater Xining Area, Qinghai Province, in the People's Republic of China, and entrusted the study to Japan International Cooperation Agency (JICA).

JICA selected and dispatched the study team headed by Mr. Motomura Yuichiro of PADECO Co.,Ltd, and consist of PACET Corporation., to the People's Republic of China, 4 times between March 2005 and December 2006.

The team held discussions with the officials concerned of the Government of the People's Republic of China, and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute the economic development and poverty alleviation in the Western Region of China that lag behind the economy from eastern region, and further contribute the environmental conservation for the majestic and valuable nature in the Region. Also I hope that this report will contribute the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of the People's Republic of China for their close cooperation extended to the Team.

December 2006

Ueda Yoshihisa
Vice-President
Japan International Cooperation Agency

Mrs. Sadako Ogata
President
Japan International Cooperation Agency
Tokyo, Japan

Letter of Transmittal

Dear Madam,

We are please to submit herewith the final report of “The Study on Comprehensive Tourism Development Plan for the Greater Xining Area”.

This report presents the results of the study, which was undertaken in Qinghai Province and in Japan from March 2005 to December 2006 by the study team, organized jointly by PADECO Co, Ltd. and PACET Corporation.

With willing cooperation by various concerned people in Qinghai Province, the study team formulated a set of tourism development strategies for the entire Qinghai Province, a development master plan for the Greater Xining Area, and feasibility studies of priority projects, providing a consistent and comprehensive set of tourism development plan. As a consequence of the study’s emphasis on implementability and sustainability by harmonizing various factors of the plan, the Government of Qinghai Province has already initiated work towards the actual implementation of the plan without waiting for the completion of this report.

We are very thankful to the officials of your agency and the Ministry of Foreign Affairs, and all the people in the Qinghai Province who gave us their generous cooperation.

We hope that the report will contribute to facilitating further socio-economic development in the People’s Republic of China.

Very truly yours,



Yuichiro Motomura
Team Leader

The Study on Comprehensive Tourism Development in Greater Xining Area,
Qinghai Province, in the People’s Republic of China



Based on the map from National Bureau of Surveying and Mapping (website: <http://www.sbsm.gov.cn/>)

Location of Qinghai Province

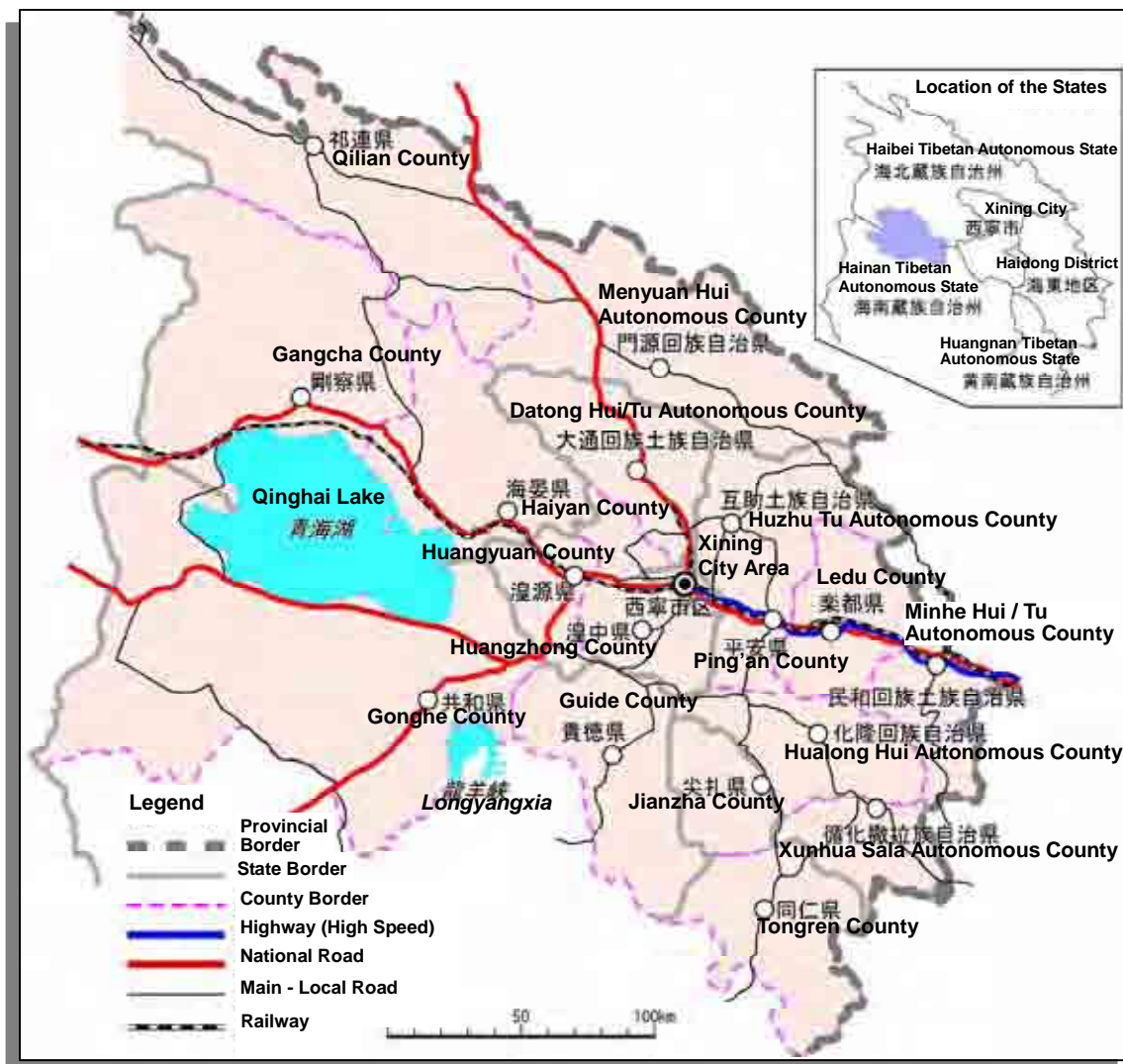
Qinghai Province is located in the western part of China (about 2,400 km west of Beijing – a 2.0-2.5 hour trip by airplane), encircled by Gansu and Sichuan Provinces, as well as by the Tibet and Xinjiang Autonomous Regions. It has a total square area of 7.22 million km² (about one-thirteenth of the total area of China and 1.9 times that of the whole of Japan, respectively) – the majority of the province is located within the Qingzang Plateau (averaging an altitude of about 3,000 m), also called the “Roof of the World”. Qinghai has a population of 5.4 million (2004), represented by over 40 ethnic minority groups besides the Han (including Tibetan, Hui, Tu, Sala, and Mongolian).

The province possesses many tourism resources such as the origin points for the Yellow, Yangzi, and Mekong Rivers, Qinghai Lake (the biggest salt lake in China), and numerous religious buildings (including those related to Tibetan Buddhism). Qinghai has an objective to make tourism a leading industry to facilitate economic growth, and thus aims to enhance the tourism industry by capitalizing on its abundant natural and cultural resources.



Source: Qinghai Bureau of Surveying and Mapping (website: <http://www.qhch.com>)

The targeted area for the Tourism Development Strategy: Qinghai Province
Dimension : About 720,000 km²



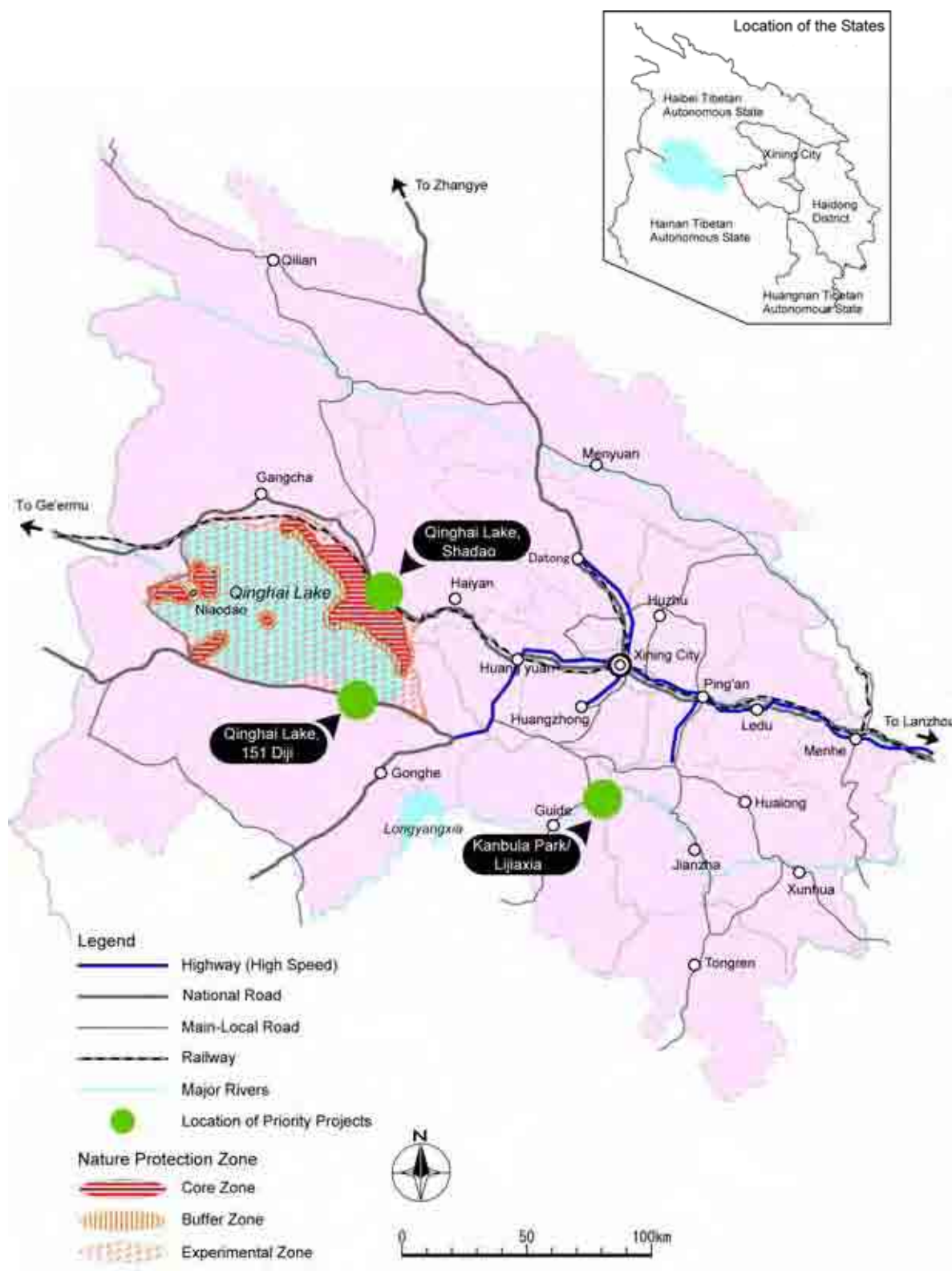
The targeted area for the Master Plan: within the 150 km radius around Xining City

Population: about 3.9 million (about 73% of the whole province) (2003)

Dimension: about 72,000km² (about 10% of the whole province)

18 counties/cities/districts included in Master Plan

State/City	County
1 Xining City	1 Datong Hui/Tu Nationality Autonomous County
	2 Xining City/Ward
	3 Huangyuan County
	4 Huangzhong County
2 Haibei Tibetan Autonomous State	1 Menyuan Hui Autonomous County
	2 Qilian County (south part of the county)
	3 Haiyan County
	4 Gangcha County
3 Hainan Tibetan Autonomous State	1 Gonghe County
	2 Guide County
4 Haidong District	1 Huzhu Tu Nationality Autonomous County
	2 Ping'an County
	3 Dongdu County
	4 Minhe Hui/Tu Nationality Autonomous County
	5 Hualong Hui Nationality Autonomous County
	6 Dunhua Sala Nationality Autonomous County
5 Huangnan Tibetan Autonomous State	1 Jianzha County
	2 Tongren County



The targeted area for the Priority Projects and the Nature Protection Zones

The Study on Comprehensive Tourism Development in Greater Xining Area, Qinghai Province, the People’s Republic of China

Final Report (Summary)

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List of Abbreviations

CNTA	China National Tourism Administration
EA	Environmental Assessment
F/S	Feasibility Study
GDP	Gross Domestic Product
HRD	Human Resource Development
IEE	Initial Environmental Evaluation
M/P	Master Plan

Study in Brief

1. Country	People's Republic of China
2. Study Title	The Study on Comprehensive Tourism Development in Greater Xining Area, Qinghai Province, the People's Republic of China
3. Counterpart	Qinhai Province Tourism Bureau
4. Objectives Higher Goal Project Target	Realization of sustainable tourism development in which the natural and social environments are taken into account. Identification of measures to achieve sustainable tourism development in the Greater Xining Area that consider the natural and social environments through the formulation of a master plan and the implementation of feasibility studies for priority projects.
5. Subject Area :	Qinghai Province, People's Republic of China
6. Study Contents Task 1 Preparation Task 2 Analysis of existing situation, identification of issues, formulation of basic tourism development strategy Task 3 Formulation of a master plan Task 4 Feasibility studies of priority projects	
7. Formulation of Basic Tourism Development Strategy The adopted study approach is to seek an optimum combination of the three elements of environmental protection, tourism demand, and tourism products. The surrounding conditions that are considered to foster this optimality are human resource development, institutional systems development, and expansion of funding sources. Overall strategies are determined in the following six fields. <ul style="list-style-type: none"> • Integration of environmental management and tourism promotion • Promotion measures by markets and collaboration with external entities • Strategic development of priority areas and priority items • Promotion of competitiveness in the tourism industry • Human resource development and institutional development • Expansion of fund sources 	
8. Formulation of master plan (M/P) Target numbers of inbound tourists for the short term (2010), medium term (2015) and long terms (2020) were set based on a set of projections. A tourism development master plan is presented that enables a sustainable development considering the natural and social environments while meeting the requirements of the target markets. The following items are identified as basic strategies and plans while utilizing tourism development zoning maps. <ul style="list-style-type: none"> • Natural environment preservation plan, social environment protection plan, historic/cultural resources protection plan, sceneries preservation plan • Marketing strategies geared towards tourism markets and tourism products • Tourism facilities development plan, infrastructure development plan, administrative implementation organization and processes • Promotion of competitiveness of tourism industry, expansion of market shares and market bases • Human resource development plan, industry management and organizational development plan • Expansion of fund procurement methods, fund requirements in tourism project development and development organization 	

9. Implementation of feasibility studies of priority projects

Out of 14 candidates, three areas were selected as the priority areas, as listed below. The selection was made by formulating 5 evaluation fields and 19 evaluation indices.

- Kanbula Park/Lijaxia Area Tourism Development
- Qinghai Lake, 151 Diji Area Tourism Development
- Qinghai Lake, Shadao Area Tourism Development

For each of the above recommended priority areas, basic development principles and concepts, basic facility designs and O&M plans, a market promotion program, a plan for integrating tourism and environmental protection, a project implementation structure, and a management and procedures plan were developed. A detailed costing work was made and followed by work schedules, and an economic and financial evaluation.

Chapter 1 Introduction

1.1 Background of the Study

The western region (Inner Area) of the People's Republic of China (China), including Qinghai Province (Qinghai), is marked by socio-economic issues such as the economic disparity between east and west, poverty, and ethnic minority issues. The national government is implementing Great Western Development Initiative to: (i) exploit natural resources such as minerals and energy deposits; (ii) develop industries such as tourism and agriculture; and (iii) construct infrastructure such as roads, airports, and railways in this western area, including in Qinghai.

Qinghai considers tourism to be a leading industry for economic growth, and aims to enhance tourism industry through the use of its inherent natural and cultural resources. As such, a Master Plan for Tourism Development in Qinghai was initiated and subsequently launched. The Plan, however, does not provide sufficient support to so-called "soft" components, such as raising environmental awareness/consciousness, improving marketing, and developing human resources. The following issues are thus considered important by Qinghai:

- Considerations for sensitive environment conditions;
- Campaigns to stimulate the tourism industry; and
- Human resources development (HRD).

1.2 Objectives of the Study

1.2.1 Overall Goal and Project Objective

Overall goal and project objective are stated below. The objective of the study is to establish tourism development strategies for the entire Qinghai Province, as well as a Master Plan for the Greater Xining Area¹, while taking these three aforementioned issues into consideration. The Master Plan was to be undertaken in three stages, short-term (by 2010), middle-term (by 2015), and long-term (by 2020), with a target year of 2020.

<Overall Goal>

Sustainable development of tourism that considers the natural and social environment evident in Qinghai Province.

<Project Objective>

Strategies for sustainable development of tourism that consider natural and social environment through the development of a Master Plan (M/P) and a Feasibility Study (F/S) for priority projects for the Greater Xining Area.

¹ This denotes the tourism area around Xining City and extending outwards to a radius of 150 km.

1.2.2 Technical Transfer and Capacity Building

This study was completed through discussions with related agencies including the Qinghai Tourism Bureau, reviews of existing plans, and modifications and changes to other related plans. Technology transfer and capacity building of the bureau was achieved in order to continue the implementation of the Master Plan.

1.3 Implementation System and its Schedule

1.3.1 Implementation Scheme

This study was implemented under the following scheme.

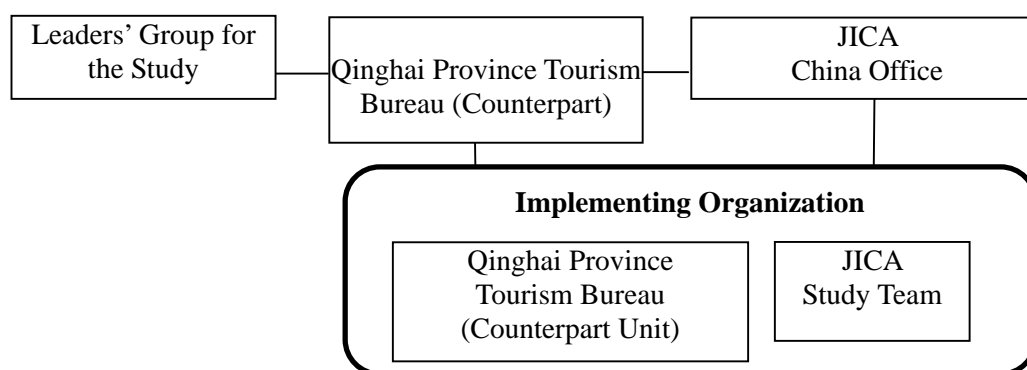


Figure 1.3.1 Implementation Scheme

1.3.2 Tasks and Its Schedule

This study consists of four tasks in the 17 month (one year and five month) period after March 2005:

- Task 1 Prepare study implementation;
- Task 2 Analyze present status, identify key issues, and develop strategies for tourism development;
- Task 3 Develop the Master Plan (M/P); and
- Task 4 Implement the Feasibility Studies (F/S) for priority projects.

1.4 Related Activities

Other related activities implemented throughout the study included:

- Inaugurating a website;
- Developing a training program for counterparts in Japan;
- Conducting a workshop for those in the tourism industry;
- Providing support to hold a JICA-Net seminar; and
- Conducting a technology transfer seminar.

Chapter 2 Present Status of Qinghai and Its Tourism Industry

2.1 Present Status of Qinghai

2.1.1 Development Policy

(1) Great Western Development Initiative

Due to the slower development of western regions of China compared to the eastern coast, the Central Government established its “Great Western Development Initiative”, to shift investment concentration from the east to the west within the next half century (50 years). This policy was prioritized in the Eleventh and the Tenth Five-Year Plan for the National Economy and Social Development. Under this program, Qinghai is implementing several projects including infrastructure development, industrial structure adjustment, environmental protection, science technology, education, and mutual aid.

(2) Development Policy and Issues of Qinghai

Qinghai is developing national level industries and infrastructure under the Great Western Development Initiative scheme. However, the economic disparity between urban and rural areas is becoming a major political issue, as industrial output has increased by over 10% per year, while agricultural output has increased by less than 2% per year over this time. As such, the government expanded public investment to autonomous regions in infrastructure development, grass farm projects, and public building construction to create additional local employment opportunities. Economic development through public investment, however, is temporal – it is necessary for Qinghai's sustainable economic development that industrial investment from outside of the province be promoted.

2.1.2 Socio-Economic Status

(1) Economic Status and Industrial Structure

Although the economic scale of Qinghai Province is relatively small, the growth rate of the GDP is over 10% during the period of the Tenth Five-Year Plan (2001-2005). GDP per capita in Qinghai is 7,277 RMB, which is equivalent to 906.1 USD (Table 2.1.1). The ratio of the first, second and third industry is 12.4%, 48.8%, and 38.8% respectively. This high economic growth mainly relies on public and capital investment.

Table 2.1.1 Economic Statistic of Qinghai Province

	2000	2001	2002	2003	2004
GDP in Qinghai Province (billion RMB)	264	301	341	390	466
GDP per capita in Qinghai Province (billion RMB)	5,087	5,735	6,426	7,277	8,606
GDP per capita in China (billion RMB)	7,068	7,651	8,214	9,101	10,502
GDP growth rate in Qinghai (%)	9.0	12.0	12.4	12.1	12.3
GDP growth rate in China (%)	8.4	7.2	8.9	9.1	9.5

Source: Annual Statistic Book for Qinghai Province (2005)

(2) Financial Status

Revenue for Qinghai in 2004 was 24 billion RMB from the local government, and 116 billion RMB from the Central Government, respectively (meaning that over 80% of the revenue is a subsidy or repayment from the Central Government). Table 2.1.2 shows the total amount of government bonds taken out for projects in Qinghai, including roads, water, and sewer systems at tourist sites. However, China is making a shift from an “active financial policy” to an “equal financial policy”. Tourism development in Qinghai requires self-help, foreign investment, and private investment.

Table 2.1.2 Projects with Government Bonds in Qinghai

	2001	2002	2003
Government bonds put into Qinghai Province (billion RMB)	40.8	30.8	17.8
Share in GDP (%)	13.6	9.0	4.6

Source: Annual Statistic Book for Qinghai Province (2005)

(3) Geographic Characteristics

In terms of square km, Qinghai is the fourth largest province in China. It is comprised of three city/municipalities, one district, and six autonomous counties, with a total population of 53.86 million (2004), with a low population to land area density. Two-third of the population lives in Xining City, the provincial capital, and neighboring Haidong District, while the Haixi Mongolian/Tibetan Autonomous County (Haixi County), Guoluo Tibetan Autonomous County (Guoluo County), and Yushu Tibetan Autonomous County (Yushu County) are considerably less populated, averaging only one person per square km.

Qinghai is less urbanized than other provinces. For instance, 57% of the urban population of Qinghai is in Xining City. Other major cities include Ge'ermu (Golmud) City, the second largest city in the province with only 100,000 residents, and Delingha City with only 50,000 residents.

(4) Various Ethnicity and Minority Groups

Qinghai contains various ethnic groups due to its inherent geography and history as a crossroads area. Over 40 distinct ethnic groups exist in the province, including sizeable Tibetan, Hui, and Tu populations. Ethnic minorities number some 2.43 million, accounting for nearly 45% of the entire provincial population.

In general, regions where ethnic minorities reside are behind economically. In these areas, illiteracy rates sometimes climb over 40%. This being said however, the traditional lifestyle and culture of these groups could well become precious tourism resources to attract tourists from outside of the province.

2.1.3 Nature Environment

Qinghai is located on the northern tip of the Qingzang Plateau, nicknamed the “the Roof of the World”. Most inhabitable areas were in the highlands.

(1) Geologic Conditions

The terrain of Qinghai includes precipitous mountains and a high plateau area, consisting of the northern portion of the Qingzang Plateau (some 720 thousand km², accounting for 7.5% of the total land area of China, respectively). The province is divided into three parts by mountains. Areas higher than 3,000 and 4,000 m altitude comprise 72.0% and 59.0% of the province, respectively. Lowland areas (between 1,650 - 2,000 m) make up only 0.1% of the total land area. This highland topography creates numerous scenic spots and unique natural environs.

Table 2.1.3 Dimensions by Altitude

Altitude (m)	Dimensions (km ²)	Ratio (%)
1,650 - 2,000	689	0.1
2,000 - 3,000	191,840	26.2
3,000 - 4,000	95,055	13.0
4,000 - 5,000	394,842	54.0
Over 5,000	36,436	5.0
Under the sea	12,644	1.7
Total	731,188	100.0

Source: Zhang Zhong Xiao, "Qinghai Geology", p.10 (2003), and China Internet Information

(2) Climate

Qinghai has a continental highland climate that is affected by airstreams all year around, since Qinghai is located inland and contains high plateaus. The main climate characteristics include:

- Cool summers and very cold winters (large disparities exist between day and night temperatures, although annual change between years is minimal);
- A dry and cold climate with strong winds, but little rain;
- Long and intense sunshine hours; and
- Lower oxygen levels in highlands.

(3) Hydrologic Environment Conditions

The main characteristic of the hydrologic environment in Qinghai is that it has both an out-current area and incurrent area. The out-current area, which runs into the ocean, comprises 51.2% of the entire drainage area. The flow of out-current water accounts for 79.9% of the flow in the province. Incurrent area, which does not flow outside the province but into lakes in the province, accounts for 48.8% of the whole drainage area. The flow of incurrent water accounts for 20.1% of the province's flow.

(4) Land, Vegetation, and Animals

The land of Qinghai consists of green land (56.23%), desert (34.62%), and forestland (3.4%), respectively. Many regions are not suitable for either agriculture or forestry because of inherent geographic conditions (e.g., high altitude as well as cold and dry weather).

Forests change to sparse forest/shrubs and grasslands as the altitude becomes higher. It is noted that Qinghai has many more shrubs than tall forests in addition to fairly sparse forests (this is due to the fact that many areas in Qinghai are above the so-called "Timber Line" – the altitude above which, timber cannot grow).

Qinghai contains numerous types of wild animals, with those in the Qingzang Plateau possessing characteristics unique to the highland. At present, several species are in danger of extinction, including the snow leopard and Thorold's deer. This being said, campaigns for the protection of Tibetan antelopes have been initiated to improve their numbers.

(5) Nature Protection Zones and Forestry Parks

Qinghai protects its natural resources mainly in 11 nature protection zones (five national and six provincial) and 15 forestry parks (five national and 10 provincial). Natural resource areas account for 207,200 km² (28.78% of the whole province). More and more nature protection zones and forestry parks have been established, as conservation attracts more public attention, and since a 1998 law was enacted to prohibit the cutting down of natural forests.

2.1.4 Infrastructure

(1) Roads

Qinghai is located in the middle of Western China and along important trade and communication routes, such as the Western Corridor of the Yellow River (Gansu and Xinjiang). It also serves as the starting point for roads into Tibet. Although upkeep and improvement of roads in the province has been among the poorest in China, the Great Western Development Initiative scheme has resulted in the construction of most trunk roads in the province over the last five years, as well as major road improvements (stemming from large projects in 2004). Construction of highways enabled the connection of Xining with Lanzhou and with other major cities in the province (Datong, Huangzhong, Huzhu, and from Ping'an to Adai).

Roads play a very important role in Qinghai, although other modes exist (rail, air, and river)². Qinghai's Socio-economic Forecast estimated traffic growth rates at 5.3% (passenger movements) and 4.6% (freight/goods movement) in 2004 compared to the previous year, respectively.

Several issues with the road system exist, however. For example, insufficient roadway sub-grade and drainage systems caused some roads to collapse (cave in), some roads leading into tourist areas are under-developed, some roads are impassable with snow, and convenient services do not exist (such as traffic information, roadside services, and measures to prevent traffic accidents).

² Statistics of 2004 shows road traffic accounts for 91.7% of passenger movements and 79.7% of freight/goods movement.

(2) Airports

Qinghai has two airports (at Xining and Ge'ermu) and has plans for another (at Yushu). Over the long-term, the provincial government is planning to have six airports operating (adding Guoluo, Huatugou, and Delingha airports).

Table 2.1.4 Airports in Qinghai

Airport	Description
Xining Airport	A new terminal building was open in October 2005 with an annual handling capacity of 860,000 passengers per year. The airport connects with 12 cities within China. Total passengers amounted to 456,000 in 2004, an increase of 42.2% from 2003.
Ge'ermu Airport	Ge'ermu Airport is used for military and commercial purposes. It links with Xining and Chengdu (two to three flights per week). In 2004, total passengers amounted to 6,000.
Yushu Airport	Construction on this airport is to be started in 2006 and finished in 2007. It will connect with nearby cities such as Xining, Ge'ermu, Lhasa (Tibet), and Jiuzhaigou (Sichuan).

(3) Railways

Currently, inter-provincial rail lines run up until Ge'ermu via Xining. Xining has nine services a day, connecting with Beijing, Qingdao, Shanghai, Zhengzhou, Chengdu, Yinchuan, Lanzhou, and Ge'ermu. The Master Plan for Tourism Development in Qinghai Province (2000) notes the possibility of connecting with other cities such as Fuzhou, Xiamen, Kunming, Guiyang, and Xi'an. In addition, connections to the following cities may be completed in the future:

- Ge'ermu - Dunhuang (Gansu);
- Xining to Zhangye (Gansu); and
- Jiayugong - Haergai (Qinghai).

Trial runs for the Qingzang Railway will begin in July 2006, with Lhasa connected Xining via Ge'ermu. This event could stimulate socio-economic and tourism development in the areas.

2.2 Present Situation of Tourism in Qinghai

2.2.1 Master Plan for Tourism Development

Many master plans have been developed for Qinghai, aiming to make tourism the province's primary industry.

Master Plan for Tourism Development in Qinghai Province (2000)

This plan was established as a long-term master plan for the whole province in accordance with related plans and manuals. It divides the province's development periods into three as follows:

- The Infrastructure Development Period (by 2005 - during the Tenth Five-Year Plan);
- The Tourism Development Period (by 2010 - during the Eleventh Five-Year Plan); and
- The Tourism Industry Development Period (by 2020).

Its objective is, “to develop tourism products using their originality and the market’s needs, and to obtain benefit from tourism development as much as and as soon as possible”. The strategies of the plan are:

- Formulating sustainable tourism development;
- Building a brand image of Qinghai tourism;
- Developing tourism products that match the needs of the market;
- Building a tourism network with other provinces;
- Cooperating in tourism related industries for comprehensive development; and
- Introducing stepwise development strategies.

The overall vision is to create engines of growth in the tourism sector and capitalize on synergies among entities to collectively develop the industry. As such, the “four pillars of the industry” and the “four systems to support tourism development” are defined as follows:

- Four pillars: tourism transport, travel agencies, accommodations, and tourist products; and
- Four systems: a tourism market systems, tourism service system, tourism management system, and a policy/regulatory system.

The master plan mentions the long-term development of three cities as follows: (i) Xining to serve as the tourism hub of the province; (ii) Ge’ermu to support development in the western area; and (iii) Yushu to support development in the southern area.

2.2.2 Tourism Industry

(1) Overview of Tourism and Tourists

Table 2.2.1, presenting tourism statistics from 1999 to 2004, shows a significant increase in tourism to the province after liberalization in 2000. Inbound tourists in 2004 were 3.2 times larger than that registered in 1999, while tourism incomes were some 5.1 times higher than that in 1999 (an annual increase of 38.2% per year). Foreign tourists (including Hong Kong, Taiwan, and Macau visitors) increased nearly 1.5 times in this period, with foreign currency income being some 2.3 times higher (equating to an annual increase of 18.3%).

Most inbound tourists in Qinghai are domestic (accounting for 99.44% of the total inbound tourists). When comparing international tourists and those from “Greater China” (including Hong Kong, Taiwan, and Macau residents), Qinghai estimates that the latter group accounts for marginally more visitors than the former group does.

Table 2.2.1 Tourism Statistics in Qinghai

	1999	2000	2001	2002	2003*	2004	Avg. Annual Growth Rate
Domestic tourists (10,000 trips)	160	318 (98.6%)	370 (16.4%)	418 (13.0%)	394 (-5.7%)	509 (29.2%)	26.0%
Foreign tourists (10,000 trips)	2.0	3.3 (65.0%)	4.0 (21.2%)	4.4 (10.0%)	1.8 (-59.1%)	2.9 (61.1%)	7.7%
Gross Tourism Sector Income (billion RMB)	4.0	10.6 (165.0%)	13.3 (25.5%)	15.0 (12.8%)	14.6 (-2.7%)	20.2 (38.4%)	38.2%
Share of Tourism Sector in Provincial GDP	N/A	4.0	4.4 (10.0%)	4.4 (0.0%)	3.7 (-15.9%)	4.3 (16.2%)	1.8%
Income in Foreign Currency (US\$10,000)	393	740 (88.3%)	902 (21.9%)	998 (10.6%)	473 (47.4%)	912 (92.8%)	18.3%
Direct Employees in Sector (Persons)	8,000	12,000 (50.0%)	16,000 (33.3%)	19,000 (18.8%)	22,000 (15.8%)	25,000 (13.6%)	25.6%

* Records show an overall decrease because of SARS.

Numbers in () shows growth/decrease rate compared to the previous year.

Source: Statistics Bureau of Qinghai Province, the Annual Statistics Book for Qinghai Province, and the Qinghai Tourism Bureau

(2) Accommodations

Accommodation facilities have developed recently in Qinghai. Accommodations in Qinghai range from accredited hotels (with star rankings) to social hotels³ (boardinghouse) to private hotels (generally small and inexpensive). Social hotels, which government and big companies own, are decreasing, while accredited and personal hotels are rapidly increasing. Regulatory bodies include: (i) tourism bureaus for accredited hotels (state level for three- and four-star ones, and county level for two-stars and below facilities); (ii) individual owners for social hotels; and (iii) the financial department of local governments for private hotels. Each type of accommodation has no relations. Statistics are not kept and standards have not been developed.

2.2.3 Tourism Resources

(1) Characteristics of Tourism Resources

Tourism resources in Qinghai consist of nature and landscape, history and its culture (including religion), ethnicity and its culture, and others (such as industry and recreation). They are characterized according to their uniqueness, variety, distinctiveness, and sensitivity.

³ This term is translated directly from Chinese.

Table 2.2.2 Major Tourism Resources in Qinghai

Tourism Resource	Location	Class⁴
Nature and Landscape		
1. Niaodao (Bird Island) (within the Qinghai Lake National Nature Protection Zone)	Gangcha County, Haibei Tibetan Autonomous State	World Class
2. Sanjiangyuan National Nature Protection Zone	Ge'ermu City (Haixi State), Yushu State, Guoluo State, 15 counties in Hainan and Huangnan States	World Class
3. Kekexili National Nature Protection Zone	Yiduo County (Yushu State)	World Class
4. Longbao Lake National Nature Protection Zone	Yushu County (Yushu State)	World Class
5. Roof of the World	Ge'ermu City (Haixi State), Yiduo County (Yushu State)	World Class
6. Salt Lake (Wanzhang Yanqiao)	Ge'ermu City (Haixi State)	World Class
History and Culture		
1. Ta'er Temple	Huangzhong County (Xining City)	World Class
2. Lebagou - Xinsaimani Shicheng	Yushu County (Yushu State)	World Class
Ethnicity and Culture		
1. Yushu Dance	Yushu County (Yushu State)	World Class
2. Record of Gesa'er, Tibetan Hero	Dari County (Guoluo State)	World Class

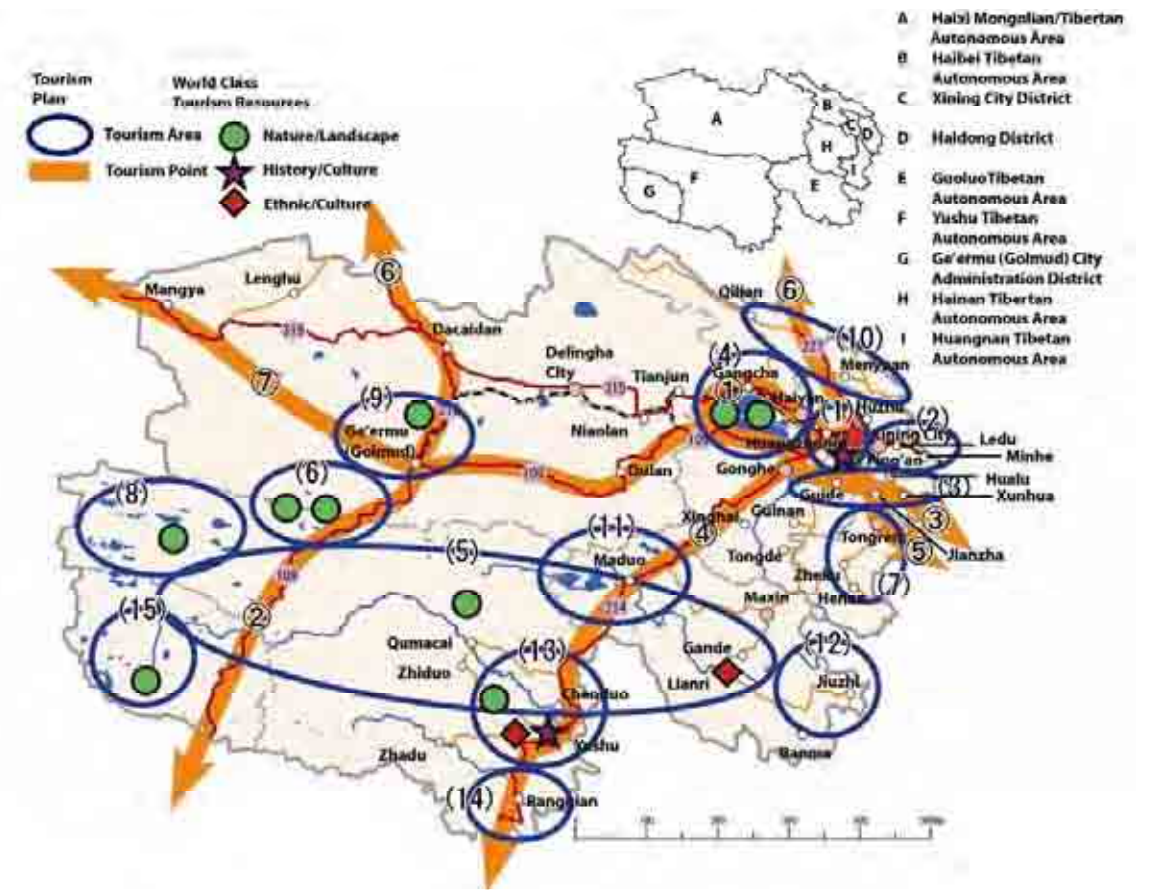
(2) Tourism Areas

The Master Plan for Tourism Development in Qinghai Province (2000) categorized 15 tourism areas and seven travel routes in Qinghai (Table 2.2.1), and defined four priority areas: the Hehuang Tourism Area, the Qinghai Lake Leisure and Tourism Area, the Sanjiangyuan Tourism Area, and the Kunlun Cultural Tourism Area. The area with the most abundant tourism resources is the Hehuang Area, followed by the Qinghai Lake Area, the Yushu semi-tourist Area, and the Old Tongren Semi-Tourist Area (Tongren Regong Cultural Area), respectively. World-class resources are distributed throughout the province, with national class ones mainly in the Hehuang Tourism Area.

The Greater Xining Area covers four areas (the Hehuang Tourist Area, the Qinghai Lake Leisure and Tourist Area, the Old Tongren Semi-Tourist Area/Tongren Regong Culture area,

⁴ The Master Plan for Tourism Development in Qinghai Province (2000) classifies tourist sites as: (i) world class; (ii) national class; and (iii) provincial class.

and the Qilianshan Semi-Tourist Area), as well as three travel routes (Travel route around Qinghai Lake, Travel route of blue water and red mountains at the origin of the Yellow River, and Travel route of ethnic and religion culture).



<p>Tourist Area</p> <p>(1) Xining City Semi-tourism area</p> <p>(2) Huangshuigu Semi-Tourism Area</p> <p>(3) Yellow River Valley Semi-Tourism Area</p> <p>(4) Qinghai Lake Leisure and Tourism Area</p> <p>(5) Sanjiangyuan Tourism Area</p> <p>(6) Kunlun Cultural Tourism Area</p> <p>(7) Old Tongren Semi-Tourism Area (Tongren Regong Culture Area)</p>	<p>(8) Kekexili Semi-Tourism Area</p> <p>(9) Caidamu Semi-Tourism Area</p> <p>(10) Qilianshan Mountain Semi-Tourism Area</p> <p>(11) Origin of Yellow River Semi-Tourism Area</p> <p>(12) Nianbaoyuze Semi-tourism Area</p> <p>(13) Yushu Semi-Tourism Area</p> <p>(14) Lancang River (Mekong River) Semi-Tourism Area</p> <p>(15) Origin of Yangzi River Semi-Tourism Area</p>	<p>Major Travel Routes</p> <p>Travel Route around Qinghai Lake</p> <p>Travel Route along the Roof of the World</p> <p>Travel Route of blue water and red mountains at the origin of the Yellow River</p> <p>Travel Route of Tangfan Gudao (Old Road)</p> <p>Travel Route of ethnic and religion culture</p> <p>Travel Route of the Southern Silk Road</p> <p>Travel Route of Marco Polo</p>
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Figure 2.2.1 Tourism Areas and Major Travel Routes

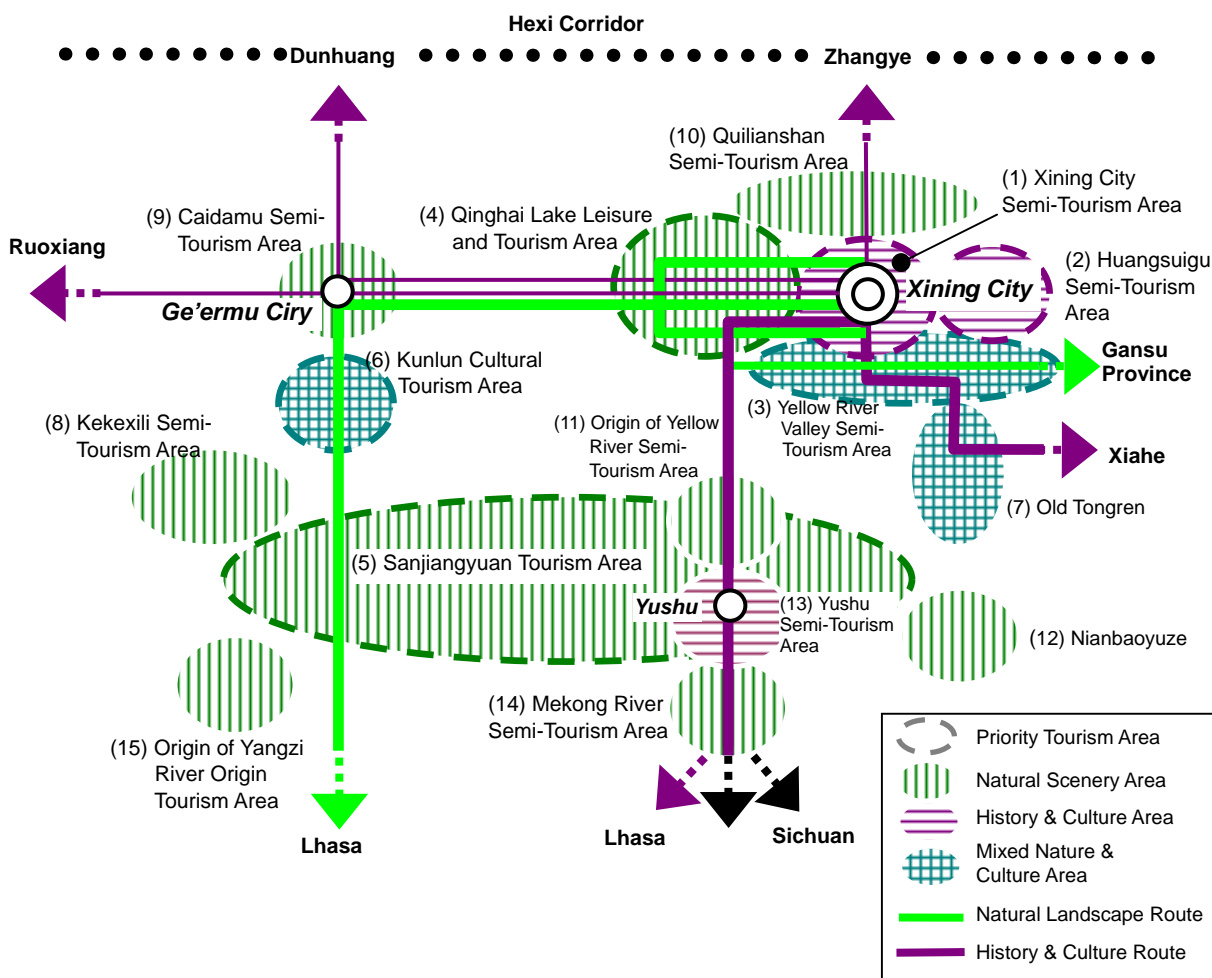


Figure 2.2.2 Characteristics of Tourism Areas

2.2.4 Human Resource Development

(1) Employees in Tourism Sector

The number of employees in the tourism sector has been expanding, from 16,000 in 2001 to 25,000 in 2004. The number of tourists, the gross sector income, and the average expenditure per tourist have also been increasing (except for 2003 due to SARS). Despite this, tourists per employee (number of tourists/number of employees) and income per employee (gross sector income/number of employees) have been decreasing, signifying a fall in employee efficiency – resulting in over-employment and lower wages in the sector. It is important to increase efficiency to strengthen the sector and increase sector income.

(2) HRD Institutions in Qinghai

The table below shows institutions related to tourism and their training capacity. 2002 statistics reveal that the educational background of tourism sector employees were as follows: (i) 8% came from a university; (ii) 16% came from a junior college; and (iii) 61% came from either a technical school or high school. This meant that about one quarter of employee completed degrees at institutions of higher education.

Table 2.2.3 HRD Institutions in Qinghai (as of March 2006)

Type	Name	Capacity (Graduates/Year)
University	• Qinghai University	4-year program: 180
	• Qinghai University for Nationalities	3-year program: 260
	• Qinghai Normal University	
Vocational School	• New Century Vocational School	High level: 50
	• Qinghai Professional Development School for Transport	Intermediate level: 700
	• Xining First Vocational School	
	• Xining International Business and Tourism School	
Training Center	Qinghai Training Center for Tourism Education	About 3,000
	Xining Hotel Training Center	About 500
	Xining Hotel Institution for Professional Skills Measurement	About 200 - 1,000

Source: JICA Study Team

2.2.5 Regulatory Framework for Tourism Sector

(1) Legal Framework for Tourism Sector in Qinghai

Tourism-related legislation and national standards in Qinghai are shown in Table 2.2.4. The process of enacting regulations is as follows: (i) the Department of Policy and Regulations within the Qinghai Tourism Bureau first drafts regulations; and (ii) the People's Government of Qinghai Province then acknowledges it.

Table 2.2.4 Regulations Relating Tourism in Qinghai

Name	Constitution body	Description
1. Overall regulations		
Detailed rules for the implementation of the law on the entry and exit of Chinese nationals	State Council	<ul style="list-style-type: none"> Details procedures for the exit and re-entry of Chinese nationals for traveling abroad.
Procedures for managing development plans for tourism	China National Tourism Administration (CNTA)	<ul style="list-style-type: none"> Clarifies the tourism bureau's responsibility to draft development plans in areas under its charge. Describes what development plans should be included
Regulations on the management of tourism in Qinghai Province	People's Government of Qinghai Province	<ul style="list-style-type: none"> Stipulates responsibilities of governments and agencies in the tourism sector to secure tourists' basic rights. Notes that tourism administrative sectors above the county level are responsible for management of tourism in the province. Notes that a development plan should be established for tourism development. Describes conditions and responsibilities of tourism-related enterprises. Describes responsibilities of travel guides.

Name	Constitution body	Description
Procedures on the management of tourism industry in Xining City	People's Government of Xining City	<ul style="list-style-type: none"> Clarifies policies of tourism development Regulates rights and obligations of travel agencies under "Regulations on the Management of Tourism in Qinghai Province" Sets penalties from 500 to 30,000 RMB for at-fault agencies
Procedures for managing day-trip travel in Xining City		<ul style="list-style-type: none"> Regulates rights and obligations of tourism-related enterprises providing day-trip services in Xining City. Clarifies the rights of tourists
2. Regulations related to tourism areas		
Interim regulations on the management of scenic areas	CNTA	<ul style="list-style-type: none"> Notes that construction sectors of the national and local governments are responsible for scenic areas. Regulates new construction, land trade, and any acts against environmental protection in the area.
Detailed rules for interim regulations on the management of scenic areas		<ul style="list-style-type: none"> Establishes detailed management systems governing interim regulations on the management of scenic areas.
Provision on the management of construction in scenic areas	Ministry of Construction	<ul style="list-style-type: none"> Regulates construction in scenic areas.
Interim provision on the management of tourism zones around Qinghai Lake	Committee of Qinghai Lake Scenic Zones	<ul style="list-style-type: none"> Regulates acts against environmental protection in the areas. Notes that Committee of Qinghai Lake Scenic Zones is responsible for development in the area.
3. Regulations relating travel agencies		
Regulations on the management of travel agencies	State Council	<ul style="list-style-type: none"> Provides capital and warranty systems to set up travel agencies
Regulations on the management of travel guides	CNTA	<ul style="list-style-type: none"> License system for tour guides in China Travel guide license is valid for three years
Rules of implementation for regulations on management of travel guides		<ul style="list-style-type: none"> Describes license card and qualification tests under "Regulations on the Management of Travel Guides" Qualification consists of four levels.
Rules on the management of travel guide licenses		<ul style="list-style-type: none"> Details rules of the license and application procedures for travel guides
Interim rules on the management of tourism standardization		<ul style="list-style-type: none"> Standardizes quality and management of tourist service in China Notes CNTA is in charge of quality control.
Detailed rules governing implementation of regulations on the management of travel agencies		<ul style="list-style-type: none"> Provides detailed rules to travel agencies under "Regulations on the Management of Travel Agencies"
Interim provision on warranty fund for travel agencies		<ul style="list-style-type: none"> Provides price of warranty fund for starting travel agencies
Interim rules on compensation using warranty funds for travel agencies		<ul style="list-style-type: none"> Provides rules for monetary compensation by travel agencies

Name	Constitution body	Description
Rules on the management of travel guides in Xining	People's Government of Xining City	<ul style="list-style-type: none"> Establishes rights and obligations of travel guides under "Regulations on the Management of Travel Guides"
4. Regulations related to accommodations		
Provisions on the rating of tourist hotels in the People's Republic of China	CNTA	<ul style="list-style-type: none"> Describes five-star rating system for accommodations Star-ranking is acknowledged by CNTA (5 stars); provincial tourism bureau (3-4 stars); and state tourism bureau (1-2 stars).
Notice about service fees for tourist hotels		<ul style="list-style-type: none"> Defines service fee and means of collecting the fee
Star rating and evaluation of tourist hotels		<ul style="list-style-type: none"> Describes standard for each star rate
5. Regulations related to tourist protection		
Law on the protection of consumers	State Council	<ul style="list-style-type: none"> Establishes basic user rights, in accordance with purchasing/using commodities as well as obtaining service
Provision on the liability insurance of travel agencies	CNTA	<ul style="list-style-type: none"> Dictates that travel agencies have insurance when holding a tour Dictates treatment of tourists in an accident
Interim provision on travel claims		<ul style="list-style-type: none"> Establishes a system that tourists can use to claim to the agency handling travel claims
Interim procedures on management of travel safety		<ul style="list-style-type: none"> Dictates that the tourism management sector should have a safety management agency Describes procedure in case of an accident
Detailed rules for implementation of the interim rules for procedures on management of travel safety		<ul style="list-style-type: none"> Describes obligations of CNTA, the local tourism bureau, and travel agencies under interim procedures on the management of travel safety Defines penalties by level of accident

Source: JICA Study Team

(2) Primary Institutions Involved in Tourism Administration and Regulation in Qinghai

The "Regulations on the Management of Tourism in Qinghai Province" (2003) specify that tourism bureaus above the county level are responsible for tourism in their respective areas (5th article). In Qinghai, the structure includes: (i) the provincial tourism bureau; (ii) city/the autonomous state/area bureaus (eight); and (iii) autonomous county/county bureaus (18). The Provincial Tourism Bureau is directed under the People's Government in Qinghai, and works closely with other governmental agencies such as the Environmental Protection Bureau and the Forestry Bureau.

(3) The Private Sector in Tourism

The tourism sector in Qinghai includes private enterprises, such as travel agencies, hotels, and gift shops (for instance 111 travel agencies and 62 accredited hotels were registered in Qinghai as of December 2004). The Qinghai Association of Tourism Industry consists of four groups of hotels, travel agencies, gift shops, and tourist sites. Twenty-six percent of travel agencies and 90% of accredited hotels participate in this association, as well as 12 gift shops and three tourist sites.

Chapter 3 Issues in Formulating Tourism Development Strategies

3.1 Tourism Demand Forecasts

This study estimated future tourism demand with a variable linear regressive model. The assumption is tourists from inside and outside of the province can be separated. Table 3.1.1 shows the future projection of inbound tourists to Qinghai.

Table 3.1.1 Future Projection of Inbound Tourists to Qinghai (in 000s of Visitors)

	A	B	C = A+B	D	E	F = D+E	G = C + F	H	I = G + H
Year	Internal Overnight	Internal Daytrip	Internal Total	Provincial	Provincial by Qingzang Railway	Provincial Total	Domestic Total	Overseas*	Total
2001	764	2,460	3,224	474	0	474	3,698	40	3,738
2002	870	2,780	3,650	530	0	530	4,180	44	4,224
2003	816	2,622	3,438	505	0	505	3,943	18	3,961
2004	1,136	3,260	4,397	696	0	696	5,092	29	5,121
2005	1,442	3,307	4,749	905	0	905	5,654	50	5,704
2010	2,366	4,763	7,129	1,176	1,369	2,544	9,674	175	9,849
2015	2,586	4,872	7,458	1,507	1,825	3,332	10,790	296	11,086
2020	2,825	4,903	7,728	1,967	1,825	3,792	11,520	500	12,020

* Includes visitors from Hong Kong, Macau, Taiwan, and abroad

Source: JICA Study Team

3.2 Environmental Preservation

3.2.1 Issues of Natural Environment

Desert areas have been expanding since the 1950s from rapid population growth and overuse of natural resources. Since desertification has/will brought/bring many disasters in Qinghai, regeneration of grassland areas is especially important. Research by the Qinghai Forestry Observation and Planning Office shows that 28.4% of the total square area of the province is desert (20.45 million km²). Table 3.2.1 shows four types of desertification in Qinghai.

Table 3.2.1 Four Types of Desertification in Qinghai

Type	Description
1. Wind erosion (70.8%)	Weeded area, and bare/desert lands
2. Water erosion (14.4%)	Declining fields, grasslands, clay in rivers, dammed lakes, and increases in depth of rivers
3. Salt sedimentation (7.7%)	Salt sedimentation in farmland from inappropriate irrigation
4. Freeze and thaw action (7.1%)	Repeated freeze, breaking, weathering, and then scattering

Source: Qinghai Bureau of Civil Affairs, "Natural Disasters in Qinghai (Chapter Four)", 2002.

3.2.2 Social Environment Issues

(1) System of Environmental Considerations

The *Environmental Protection Law* along with the *Construction Project Environmental Protection and Management Law*, respectively introduced in 1979 and 1981, stipulate the environmental assessment of construction projects in China. The *Environmental Assessment Law*, which was promulgated in 2002 and enforced in 2003, extended the subject of environmental assessment to various development projects.

In Qinghai Province, organizations and institutional systems related to environmental considerations have been established. Likewise, there are many specialized consultants that have qualifications and professional background necessary for conducting environmental assessments. However, in many cases the environmental administration has been put in a weak position and the resulting assessments proved to be inadequate. It is advisable that the environmental assessment of tourist development projects be thoroughly conducted by means of such factors as the enhancement of environmental consciousness of residents in the area with considerations not only to pollution but also to ecosystems.

(2) Social Considerations

The main social issue in Qinghai is poverty - Qinghai contains the largest number of counties nationally designated for poverty reduction. The southwestern area of Qinghai Province in particular, where a largely Tibetan population is concentrated, suffers from severe poverty. Out of a 3.29 million farming and pastoral population, 1.19 million are classified as living in absolute poverty with another 780 thousand as low income. Some 60% of the farming and pastoral population are impoverished.

The solution for poverty reduction is to increase household incomes. Such opportunities, however, decrease as the altitude increases. Tourism can increase household incomes through employment generation and the production and sales of souvenirs. Thus, one of the main issues is how to involve local people and establish a means of increasing household incomes through tourism development.

(3) Environmental Assessment and Residents' Participation

Participation of residents in the process of environmental assessment has a positive effect of encouraging awareness about the negative consequences caused by development projects or construction activities on the local communities in Qinghai. Social systems for participatory approaches have gradually been introduced in Qinghai, following the examples of the metropolises along the eastern seaboard. Residents participate primarily on two levels. In the planning stage of large-scale development projects, for which the public hearing procedure has been introduced, responsible officials of related governmental agencies, experts, and representatives of citizens and residents are assembled and their opinions are sought. Their

opinions are reflected in the formulation and design of the project. When the implementation of a project is decided, discussions with community residents in the subject area are made. If the problem of resettlement arises, the possibility of compensation is discussed.

(4) Scoping of Environmental Impacts Related to Qinghai Tourism Development

The scoping of environmental impacts for the Qinghai tourism development plan for the entire Qinghai Province has been made by means of site surveys, case studies, document collection and analysis, and in consultation with the Environmental Protection Bureau, National Resources Bureau, Forestry Bureau, etc.

3.3 Issues of Tourism Industry Development

The tourism business is “providing chains of perfect and satisfied services to tourists without any faults”. The tourism market in China has been maturing⁵, with people visiting more places resulting in more competition between tourist sites. The tourism industry understands that a strong correlation exists between tourism demand and production, and the industry must develop according to tourist needs.

The following issues are considered urgent for the sustainable development of tourism in Qinghai.

(1) Poor Standard of Hotel Services

The service standard of hotels in Qinghai is lower than that in other tourist areas such as Beijing, Shanghai, and Yunnan. Work requiring interaction with the guest, such as front desk reception, restaurant waiters, and housekeepers, in particular, lack professional trained services. In addition, tourists rarely experience “service with a smile”, which represents hospitality.

(2) Excessive Competition among Travel Agencies Leads To Deteriorated Service

Registered travel agencies in Qinghai grew rapidly from 52 in 1999 to 122 in 2005. This rapid growth could bring excessive competition among travel agencies, which influences the industry. While healthy and fair competition should be encouraged, excessive competition can result in service level deterioration. If this happens, more tourists will complain about their tours and Qinghai as a destination, which lowers the overall opinion and image of Qinghai tourism.

(3) Poor Standard of Facilities and Related Services at Tourists Sites

The standard of facilities and services in tourist areas in Qinghai is not high enough to satisfy overseas tourists, who expect international standards. The expectations of domestic tourists are also rising, as more Chinese nationals travel abroad and experience international standards of

⁵ Tourists give a harder look and assessment at select tourist sites, seeking higher levels of satisfaction.

service and facilities. In addition, more tourist areas in other provinces have begun to develop advanced facilities and services that meet international standards.

(4) Poor Level of Tourism Products

The level of tourism products in Qinghai is not high. Tourists may be disappointed with tourism products, which worsen the overall opinion of tourism in Qinghai. Souvenirs are not attractive – in fact, the Master Plan for Tourism Development in Qinghai Province (2000) describes them as being of “low quality, low creativity, low quality of package, and little advertisement and image”.

(5) Poor recognition of Qinghai as tourist destination

Qinghai used to be included in package tours to Xi'an and Lanzhou. As the domestic tourism market matures, Qinghai is rarely included in package tours for general tourists. When comparing cities in the west in terms of tourist resources, attractions, and overall recognition, Qinghai is behind the others in all respects.

3.4 Issues of Tourism Product Development

3.4.1 Framework and Priorities for Development

(1) Stepwise Tourism Development

Most of the tourist points selected and developed by the provincial government are located within the 150 km radius around Xining City (i.e., the Greater Xining Area). These have been selected to create a future tourist loops around the city. However, the government has not developed a wide corridor of tourism (in terms of wide-area and line development, which are suggested by the Master Plan). Wide-area development connotes the collective development of several nearby cities to accept mass tourists. Line development connotes to the development of various cities (including those outside of Qinghai), so that tourists visiting nearby provinces can also visit Qinghai. This study recommends establishing Greater Xining as the gateway for Qinghai tourism and then developing spot and line tourist areas appropriately.

Also, this study recommends prioritizing selected areas, based on stepwise strategies for the short-, medium- and long-term, since the Master Plan lacks a strategic framework and/or prioritization.

(2) Development Framework and Prioritization

Strategic Methods for Spot, Line, and Area Developments

Prioritization based on market needs

Qinghai needs to develop tourism products effectively and efficiently with limited funds to meet domestic and foreign demands. Thus, this study introduces the following strategic priorities:

- Spot development (such as Yushu) - small and specialized tours for eco-tourism and ethnic culture;

- Wide-area development (such as Greater Xining): areas to host mass tourists by completing infrastructure; and
- Line development (such as the Qingzang Route): long-distance tourism corridors covering neighboring provinces and autonomous regions.

Strategic Stepwise Development Methods

Prioritization of tourism resources in priority areas

Tourism resources that attract the medium- to large-scale mass tourist market should be developed first. Diversity including aspects such as nature, history, and ethnic cultures should be considered.

3.4.2 Infrastructure Development

(1) Strategic Tourism Routes

Trunk roads between cities (comprising five tourist routes) have been developed. It is necessary to examine how such routes can become tourist products based on demand, as well as which routes require additional infrastructure development.

In general, tourism points become tourism spots. These spots then spread out along the line, which then grow into tourism areas.



Figure 3.4.1 Wide-area, Line, and Spot Development

Potential tourism development opportunities in this regard in Qinghai include: (i) the Greater Xining Area for wide-area development; (ii) the Roof of the World route between Xining and Lhasa for line development; and (iii) Yushu for spot development. Greater Xining urgently needs to develop a tourist route that mass tourists can enjoy for two-three days. The selection of such a route, however, must be coherent with existing development plans.

(2) Transport and Infrastructure Facilities

The table below identifies important issues regarding transport and infrastructure facilities.

Table 3.4.1 Transport and Infrastructure Facility Issues

Item	Issue
Water transport	While water transport and water sports are necessary for tourism on Qinghai Lake, it is a national nature protection zone - meaning that nearby wildlife must be protected. Since Qinghai Lake has no out-draining rivers, it is very vulnerable to pollution.
Water facility	For tourist points with over 3,000 rooms for accommodation, water resource facilities are necessary considering the demand from population growth. In addition, new water resources need to be environmental-friendly. For example, riverbed water from large rivers can be developed to reduce dependence on underground water sources.
Sewage facility	Many prospective zones for tourism facilities possess abundant natural resources such as lakes and natural parks. As such, they require special attention to prevent pollution from sewage.
Garbage disposal facility	Each tourist area should develop garbage disposal facilities to protect the environment and its visual appearance, when faced with increasing tourists and expanding facilities.

(3) Development of a Tourist Information System

The system, facilities, and infrastructure for tourist information need further development. The contents of the Qinghai Tourism Bureau's website need to be refined. Collaboration to provide accurate information is not active enough among state- and county-level tourism bureaus and related tourism enterprises (such as airlines, railway companies, and travel agencies). In major cities such as Xining and Ge'ermu, travel is made difficult due to the lack of tourism information centers and the scarcity of good maps and tourism signage.

3.4.3 Tourism Resource Development

The characteristics and condition of tourism resources in Qinghai are classified according to the uniqueness of, diversity of, sensitivity of, and damage to the resource. These issues are discussed briefly below.

(1) Capitalizing on Qinghai's Uniqueness

Although recognition of Qinghai as a tourist destination is not very high, its uniqueness is valuable as tourist product. It is important to appeal to its original charms.

(2) Capitalizing on Qinghai's Diversity

Tourist products (i.e., tourist routes) are necessary to make the most of Qinghai's diversity. It already has seven themed tourist routes, but these are not developed enough yet. As such, domestic tourists normally only visit Qinghai Lake (the 151 Diji Area and Niaodao), Riyueshan, Ta'ar Temple, as well as the Tu Nationality Village Park in Huzhu County.

(3) Protecting Qinghai's Sensitive Tourism Resources

The high plateau of Qinghai supports various indigenous species, which can serve as valuable tourism resources. These resources, however, are very vulnerable. Traditional ethnic minority lifestyles are also valuable tourism resources - but the modern world is slowly eroding historic traditions and cultures. It is important to maintain the value and quality of tourism resources to appeal to different tourists and to make tourism development sustainable.

(4) Improving Tourism Resource Management

Tourism resources should be maintained and managed properly (this may mean orderly restoring damaged historic ruins for instance). The budget of the Department of Ethnicity and Religion is limited, however, making it difficult to maintain historic remains for tourism use. It is important to formulate schemes to utilize entrance fees for facility maintenance and to better manage entrance fees and usage. When tourism resources are restored, traditional methods and materials should be used.

3.5 HRD and Regulatory System Issues

3.5.1 Human Resource Development Issues

(1) Shortage of Human Resources in the Tourism Sector

This study estimates that the rapid growth of tourists requires 45,000 people in Qinghai's tourism sector by 2010 (a number that is 1.8 times that in 2004). In addition, there is a shortage of travel guides, as less than licensed individuals are working as guides. This has been caused by the inability of travel agencies to higher guides full-time, all year-round due to the lack of tourists in the winter or the fact that some guides are in fact students.

(2) Mismatch between the Level of Tourism Graduates and the Needed Positions in the Industry

Human resources in the tourism sector are primarily classified into four types: frontline, supervisory, management, and executive. Nearly 95% of the demand is for frontline and supervisory personnel. Tourism students, seeking better opportunities, often prefer to study at a university instead of vocational schools, as the latter serve as the primary training grounds for frontline personnel.⁶ As graduates from tourism-related majors are often unwilling to work in frontline positions, a mismatch between demand and supply occurs. When graduates cannot find appropriate jobs in tourism to match their educational background, they often find jobs in another sector.

⁶ Some vocational schools host fewer students than their intended capacities.

(3) Limited Knowledge of Tourism

The enhancement of the quality of human resources is most effective at increasing the quality and effectiveness of the tourism sector, as the industry is labor-intensive. However, the quality of human resources is not high enough due to the following reasons.

- Few opportunities exist for employees to improve their skills and awareness about tourism, since professional training is limited.
- Few people in the industry have studied tourism at related vocational schools or universities.
- Most teachers in the tourism departments of training institutions and schools lack practical working experience in the sector.
- The training curricula at tourism-related schools focus on theory over practice.
- Tourism internships for tourism schools occur primarily in Qinghai, thus preventing students from absorbing and learning from the high level of tourism services in other tourism-developed regions.

Ramping up the quality of travel guides is also required. The guides are divided into four ranks: entry-, intermediate-, high-, and special-levels. Most travel guides in Qinghai are registered as entry-level (about 90%) of the all guides (numbering about 2,100).

3.5.2 Regulatory Framework and Organizations Issues

Issues relating to the regulatory framework and organizations for tourism in Qinghai include.

(1) Insufficient Legislation and Implementation System

Since the tourism industry has grown rapidly, the development of a legislation system has lagged somewhat. For example, Qinghai has no original regulations to protect tourist rights - which are important to protect tourists from dishonest travel agencies as well as to maintain the high service quality of travel agencies.

Implementation of such a system needs improvement as well. For instance, the legislative system does not recognize regional differences, while some autonomous states and counties lack the budget and staffing to effectively manage the legislation system.

In addition, the management schemes are inefficient, with decisions often being made from the top down, without sufficient dialogue. Some operational staff become confused, since guidance from the top often changes, while the government tends to implement its plans without enough consideration. In addition, the schemes tend to focus on the achievement of superficial goals that do not keep the long-term perspective in view.

(2) Need for Capacity Building of Tourism Bureaus

Tourism bureaus play a very important role in Qinghai's tourism promotion, since private companies in the tourism sector are not developed enough. However, officers of the tourism bureaus suffer from a lack of professional skills. As the staff size of bureaus is regulated, it is difficult to hire new staff who are knowledgeable about tourism. In addition, internal training systems in the bureau are not geared towards enhancing staff capabilities and abilities.

It is also important for officers of the Qinghai Tourism Bureau to obtain experience, improve skills, and enhance awareness of environmental preservation measures. Environmental protection plans should be included and approved within tourism development plans and facility construction plans for tourism and historic areas. However, the Qinghai Tourism Bureau lacks staff with knowledge of environmental protection methods and of the importance of such activities.

(3) Lack of Activities by the Qinghai Tourism Association

The Qinghai Tourism Association plays an important role in government promotion initiatives as it can disseminate working policies to its members. However, the Association has not been active in this respect, only visiting tourist sites and publishing a member's magazine over the last decade. It does not collect membership fees that could serve as the largest source of funding for the Association.

3.6 Funding Procurement Issues

It is important to consider various fundraising measures that have proven effective, in order to ensure long-term sustainability and the viability of large investment. The fundraising include the following.

(1) Primitive Fundraising Methods

In general, fundraising has two methods: (i) earning retention; and (ii) outside financing. Since Qinghai tourism is in its beginning stages, there is little retention of earnings. As public funds (national and provincial) just started from 2000, the amount is not so large.

(2) Limited Funding to the Tourism Sector

Total funding for the tourism sector accounted for only three billion RMB from 2000 to 2004. This total does not include that going into private hotels.

(3) Poor Attractiveness for Private and Overseas Tourism Investors

Most private and foreign funds are invested in hotel construction and neglect other tourism facilities. The primary reasons for this include: (i) an inadequately developed market that is too small for high returns; (ii) uninviting regulations and related systems; and (iii) limited human resources and capacity.

Chapter 4 Basic Strategy for Tourism Development

4.1 Overall Strategy

4.1.1 The Study Approach

The natural sceneries of Qinghai Province are the most important tourism resources, yet they are also quite sensitive to human activities due to their high altitude. It is therefore of vital importance to simultaneously promote tourism development and environmental preservation. Tourists, the source of tourism income, evaluate Qinghai Province by comparing it to other provinces and countries - as such it is essential to accurately understand the demand (that is what tourists want and how to act once this knowledge is obtained). A set of tourism resources and services thus packaged to be sold to tourists is called a tourism product. These factors develop or deteriorate as they relate strongly to each other. Furthermore, the development of human resources, regulatory systems and organizations, as well as financial sources and means that relate to the above factors as whole become important.

This study has adopted the pursuit of an optimal combination of the three factors of environmental preservation, tourism demand, and tourism products as the approach to determine basic tourism development strategy. Within this framework, the development of human resources, regulatory and organizational systems, and financial resources and means has also been adopted as an important factor. This approach differs from one that assumes targets at a time in the future and formulates measures for each related factors, as derived from the target. This approach should be thought of as essential, considering the past deterioration of natural resources in Qinghai.

This study aims to show who should do what for the purpose of making desirable progress rather than simply meeting targets, so that persons in charge can take immediate and concrete actions for actual implementation. In a rapidly changing China, a plan that shows a single path for the future may well deviate from reality. It is thus better to have a system that provides optimum coordination at each juncture. Figure 4.1.1 shows the approach described above.

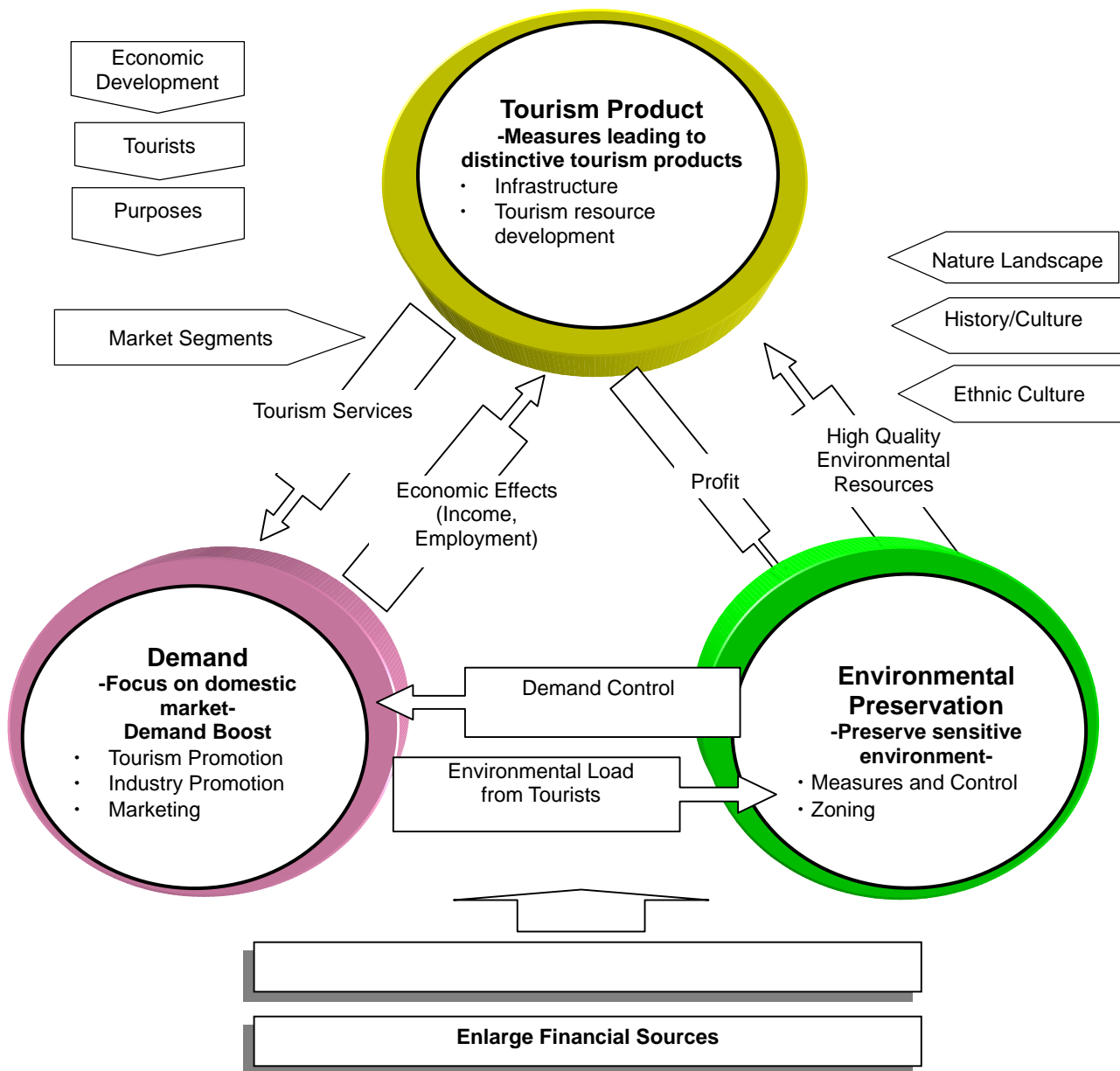


Figure 4.1.1 The Study Approach

4.1.2 Overall Strategy

Six tourism development strategies have been determined based on the issues and the approach presented in the preceding sections.

(1) Integration of Environmental Control with Tourism Promotion

Nature in Qinghai, which is the most important tourism resource, has been damaged by human activities to a considerable degree. However, the effect of tourism on damage to nature as a whole in Qinghai has been quite limited. Rather, the control of human activities (other than tourism) is needed to preserve nature in Qinghai. In limited areas designated for tourism,

sustainable tourism development is only possible under managed tourism activities. In any case, environmental control and tourism promotion should always be planned and implemented in combination.

(2) Promotion of Measures for Each Market Segment and Collaboration with Other Provinces

The number of tourists to Qinghai is expected to increase steadily. The market, however, changes continuously. The share of domestic tourists, which is by far dominant at present, is expected to increase even more. The composition of domestic tourists, however, has changed in recent years in that tourists from the eastern coastal areas have replaced those from neighboring provinces as the primary group - this tendency will likely strengthen in the future. Tourists from more advanced eastern coastal areas tend to have high expectations meaning that tourism products, prepared in Qinghai, must follow such high-level requirements. Synergies from collaborating with neighboring provinces and autonomous regions should also be sought.

(3) Strategic Development of Priority Areas and Priority Issues

Tourism development, thinly and widely spread, cannot be expected to significantly increase the value of tourism products. Priority must be given and development should proceed step-by-step from: point to line and from line to area development. It is possible to determine the most appropriate development (whether point, line, and/or area), for each of the sub-areas in the Greater Xining Area, considering the planning period of this study. Strategic development is desirable for basic planning issues that are applicable to the whole area.

(4) Strengthening of the Competitiveness of Tourism Industry

It is necessary to strengthen the competitiveness of the tourism industry in Qinghai as its level is lower than that in other provinces that are more advanced in tourism. Strengthening is needed to enhance service levels and improve market regulatory conditions.

(5) Promotion of Human Resource Development, Regulatory Systems, and Related Organizations

Human resource development in Qinghai's tourism sector has not kept pace with the higher requirements that have accompanied the expansion of Qinghai's tourism market. Human resources development, as well as tourism-related regulatory systems and organizations are in need of development and reform, which are essential for implementing this plan.

(6) Expansion of Funding Procurement Methods

The local government should press the Central Government to establish new schemes to fill the gap from the shrinking national bond. Various available funding sources should be explored, including assistance from more advanced provinces, the "Great Western Development Initiative", private capital, foreign capital, as well as international lending agencies.

4.2 Strategy for Environmental Preservation

4.2.1 Measures for Environmental Preservation and Organizational Structure for Control

Ecological construction methods such as “farmland to grass/grove” are effective against excessive grazing, tree cutting, and cultivation. On the other hand, the scenery of pastures among lush greenery is a valuable tourism resource. Pastoral tribes within forested parks and nature preservation zones have existed well before such designations and sustainable tourism development should incorporate the protection of the natural environment and co-existence with local communities to the largest extent possible. Systematic participation of local communities and people is necessary, in addition to collaboration among local administrations for the purpose of adequately and steadily protecting ecosystems of the subject area.

Control of Excessive Use

Principal means of recovering natural resources is limited in its usage. In Qinghai, traditional seasonal nomadic grazing has controlled the use of natural grassland. It is necessary to reduce the number of animals and the period of grazing in the case of excessive use. In principle, the use of grassland should be in a shorter period and some land should be alternately spared for the purpose of recovery. Fencing of pastures is effective for the planned implementation of the limited use scheme.

The “farmland to grass/grove” approach is a measure to recover grassland deteriorated from excessive grazing. It prohibits grazing until the grassland has recovered naturally. A period of two to three years can be quite effective. In a severe case, active cultivation may be needed for the recovery. For the reforestation of steep land, fences to protect saplings are necessary, as are rangers to patrol the area to allow for forest regeneration.

Collaboration among Related Agencies and Establishment of Tourism/Environmental Administrators

Active collaboration between the Tourism Bureau and agencies related to environmental preservation is essential. Local environmental administrators are also needed to undertake the following duties:

- Environmental control (control of vegetation within the area and harmonization of facilities blessed with natural scenery);
- Preservation of ecosystems by area patrol and other protective means;
- Provision of natural environmental information (visitor center and guide training); and
- Control of waste, water quality, and air quality.

Participation by Local Community in Environmental Preservation

It is essential to work with the community and local residents who currently employ excessive grazing methods in order to preserve the environment in the subject area. For that purpose,

organizing subject people into a local cooperative or something of this sort at the lowest level may be necessary. The environmental administrator in the area leads the cooperative members in periodically inspecting grassland, bush, and forest areas. Together they evaluate the degree of deterioration and devise recovery measures.

Integration of Tourism Development with Environmental Preservation

Preservation of the local environment calls for active initiatives of the local community. A local community takes advantage of the new industry, i.e. tourism, by providing interesting ecosystems and sceneries communally protected by them to tourists. In return the community obtains tourism revenues, which can pay for the environmental protection and their household expenses. If such revenue can be seen as an incentive, the fusion of environmental preservation and tourism development can be expected as a positive chain.

The Tourism Bureau and District Bureau should implement environmental preservation in collaboration with community organizations such as farmers' cooperatives, and support the participation of the local community in tourism development so as to secure new income sources for them.

4.2.2 Zoning

The objective of environmental zoning is to identify areas subject to control measures as classified by the environmental management plan for the purpose of sustainable tourism development. This study, taking advantage of geographic information systems (GIS), shows a series of analyses from the study of existing basic environmental information to the determination of the applicable scope subject to the environmental management plan (concrete and effective management methods and measures for natural environment). Tourism development planning with consideration for natural environmental preservation can be possible by reflecting the results of the zoning exercise.

Utilization of Available Past Research Results

A large number of previous research and implemented measures exist, including environmental protection plans and regulations that cover a variety of subject areas including: forests and forest parks, grasslands, natural preservation zones, desertification, important protected animal species, as well as the Ramsar Treaty designation. This information has been classified on maps prepared by GIS and effectively utilized.

Unification of Environmental Control Information

The Greater Xining Area is vast and regulations for its enforcement are overseen by numerous related agencies. It is necessary for all concerned entities such as tourism industry experts, tourists, the local community in the subject areas and other stakeholders to understand environmental management and participate in its implementation. For that purpose, the results

of zoning exercises including those by previous research should be presented on unified maps produced by a GIS so that lay stakeholders can participate in the preservation of natural resources in collaboration with experts.

4.3 Strategy for Tourism Demand Promotion

4.3.1 Tourism Promotion

One cannot survive in the tourism market if one takes recent growth for granted and takes a wait-and-see attitude, assuming growth conditions. A positive attitude towards attracting tourists to Qinghai, with an aggressive sales promotion approach, is essential. Here, strategies for enhancing the market recognition of Qinghai as a tourist destination are required.

Change in Travel Fair Participation Policy

The policy of the Tourism Bureau for participating in travel fairs should be changed from the existing one of matching travel agents in Qinghai and those in the source markets to one of directly promoting Qinghai to the general masses (potential customers) in the source markets.

Strengthening of Collaboration with Neighboring Provinces and Regions

Qinghai can strengthen its collaboration with neighboring areas (that have relatively weaker tourism industries such as Ningxia Hui Nationality Autonomous Region– so that the combined areas can better stand up to and compete with stronger tourism destinations such as Yunnan).

Establishment of a Qinghai Tourism Office in Large Urban Markets

Qinghai tourism offices can be set up in large urban markets to conduct advertising, gather information, collaborate with travel agents, and promote the sector to the media.

Fine-tuning of Festivals and Events

Various festivals and events in Qinghai (such as the International Round Qinghai Lake Bicycle Race) should be fine-tuned to a level attractive that is attractive to tourists from other places in China as well as from abroad to enhance the recognition and attractiveness of Qinghai tourism.

4.3.2 Promotion of Tourism Industry

The following is a sample of recommendations to prepare a favorable industry environment by which excessive competition is prevented and high quality services are provided by conscientious companies.

Establishment of Claim Boxes

Suggestion boxes that accept claims concerning tourism services can be placed at Tourism Bureau and selected tourism spots and then widely publicized, with simple questionnaire sheets placed alongside the claim box. The questionnaire sheet may contain space for claims as well as

space for the evaluation of traveler experiences as well as the intention to make visits to Qinghai again. The sheets can be statistically processed and used for future policymaking.

Introduction of Penalty System

The Tourism Bureau can take appropriate actions depending on the type, scope, and content of the claim sheets. A penalty system can be introduced such that tourism-related entities accumulate penalty points (within a certain duration of time), and then are penalized according to the severity of the case (in particularly serious incidents).

4.3.3 Marketing

(1) Action Plan for Preparing Tourism Products that Satisfy Tourists

A tourist enjoying a highly satisfying experience will often tell his/her happy memories to friends, colleagues, and relatives. This is generally called communication by word of mouth, which is known as the most effective means of advertising within the travel industry circle and advertising business. Measures to prepare a tourism product that satisfies tourists (such as those going to the Tu Nationality Village Parks) are as follows.

Mission Dispatch to Tourism Advanced Areas

Representatives of the Tourism Bureau, Huzhu County, the Tu Nationality Village Park, and other related persons should be sent in study missions to more advanced tourism areas in other provinces and regions to learn how such areas prepare and manage tourism products of a similar nature. The following issues should be presented upon and discussed by the operating staff in these more advanced areas: tourism product planning, operational methods, facility maintenance and management, display and performance planning, training of service personnel, and sales promotion, among others.

Introduction of Outside Experts and Know-how

Experts in tourism product development should be invited from advanced tourism areas to give honest evaluations of the present condition of tourism products in the Tu Nationality Village Park, and to provide advice and technical guidance for improvements.

Creation of New Tourism Products

Results from the dispatch of study missions and the invitation of outside experts may well result in the creation of new tourism products that are similar to those in advanced areas (in form and operation). New and appropriate training and education will be necessary for those currently involved in existing tourism products.

(2) Creation of More Attractive Souvenirs and Handicrafts

Mission dispatch to more advanced areas

Missions composed of souvenir/handicraft manufacturers and retailers should be dispatched to advanced areas to identify the kind, quality, design, and packaging of more attractive products,

as well as to learn about product commercialization, display, distribution, sales, and advertising methods.

Introduction of Outside Experts and Know-how

Commercial product development experts, designers, and marketing experts in Shanghai and Hong Kong may be invited to give advice and technical guidance on product development and souvenir/handicraft manufacturing. They may also be requested to identify potential products and to indicate means for their commercialization.

4.4 Strategy for Tourism Product Development

4.4.1 Infrastructure

(1) Important Tourism Routes

The basic principal strategy for infrastructure development is the development of important tourist routes. For the purpose of priority area development from point to line to area as described in Section 4.1.2, it is proposed that the following development measures proceed: a highway network in metropolitan Xining, construction of the airport at Yushu (on-going), and new tourism routes that strategically takes advantage of Qingzang Railway.

Development of Tourist Routes that Can Be Fully Appreciated within a Short Stay

Qinghai tourism should satisfy tourists staying one to three nights, in response to increasing and diversifying tourist demand. For that purpose, multiple compact tourist routes and sites should be prepared. By traveling on such routes in a short stay, tourists can fully enjoy tourism products of Qinghai such as scenes of plateaus, grasslands, and high mountains, as well as the Yellow River source, various dams, Qinghai Lake, and the cultural resources of Tibetans and other minority groups.

Development and Beautification of Yushu as a Principal Center of the Greater Shangri-la Concept and Associated Routes

Coinciding with the construction of the Yushu Airport, a short-term target should be to develop a compact route and conduct spot upgrading, sufficient for short-stay tourists. A long-term target should be to prepare the town of Yushu and its associated routes and surroundings as a principal center of the Greater Shangri-la concept. Also, linkages with the grassland route, the Tibetan lifestyle route, and the traditional culture route, etc., which constitute the Greater Shangri-la concept need to be strengthened through cooperative organizations (including both Sichuan and Yunnan) and cooperative tourism product development.

Development of Tourism Spots on the Xining to Tibet Corridor

In line with the inauguration of the Qinghai-Tibet railway, tourism spots along the Xining to Tibet Corridor should be developed. Places such as Xining, Qinghai Lake's Shadao, Gangcha, Tianpeng, Wulan, Delingha, Ge'ermu, Yanhu, Kunlunshankou, and Tanggulashan are situated at

the junction of National Highway No. 25 and the railway, and thus have the potential to serve both railway and highway passengers. Facilities can be provided at such locales including a traffic and tourism information center, accommodations, restaurants, souvenir shops, medical service clinics, etc.

Clear Display of Locality

It is important to design and display specific character of each area on signboards, other street posts, and landscaping, in general.

(2) Transport and Other Infrastructure

Development of Water Transport along the Yellow River

In addition to the development of cruise ships and landing facilities on the Qinghai Lake, riverboat facilities along the Yellow River should be developed so that a tourist route on the river from lower reaches of the Longyangxia Dam to Mengda can be provided.

Wastewater Disposal Facilities

The capacity of wastewater disposal facilities at Qinghai Lake 151 Diji, Bird Island, and Qinghai Lake Shadao need to be increased, in line with the increase in the number of tourists. In areas such as the forest parks of Kanbula, Beishan, and Xianmi, new facilities should be constructed.

Solid Waste Disposal

In principle, each tourist spot should have a small-scale solid waste collection and transfer facility. Selected municipalities should construct a landfill or incineration facility at suitable locations for surrounding towns and villages. Waste should be separated by type. Recycling or reuse of solid waste should be encouraged through simultaneous education of tourists and operators to reduce the amount of solid waste to be disposed of.

(3) Infrastructure for Tourism Information Dissemination

Types and availability of tourism information for tourists should be increased and enhanced – for instance:

- Establishment of a tourist information office;
- Improvement of the Tourism Bureau website;
- Establishment of facilities providing rest and information to en-route travelers;
- Provision of signboards;
- Provision of information systems that give tourists important information such as impassable highway sections, etc;
- Provision of street maps and guide maps; and
- Provision of guideboard informing do's and don'ts.

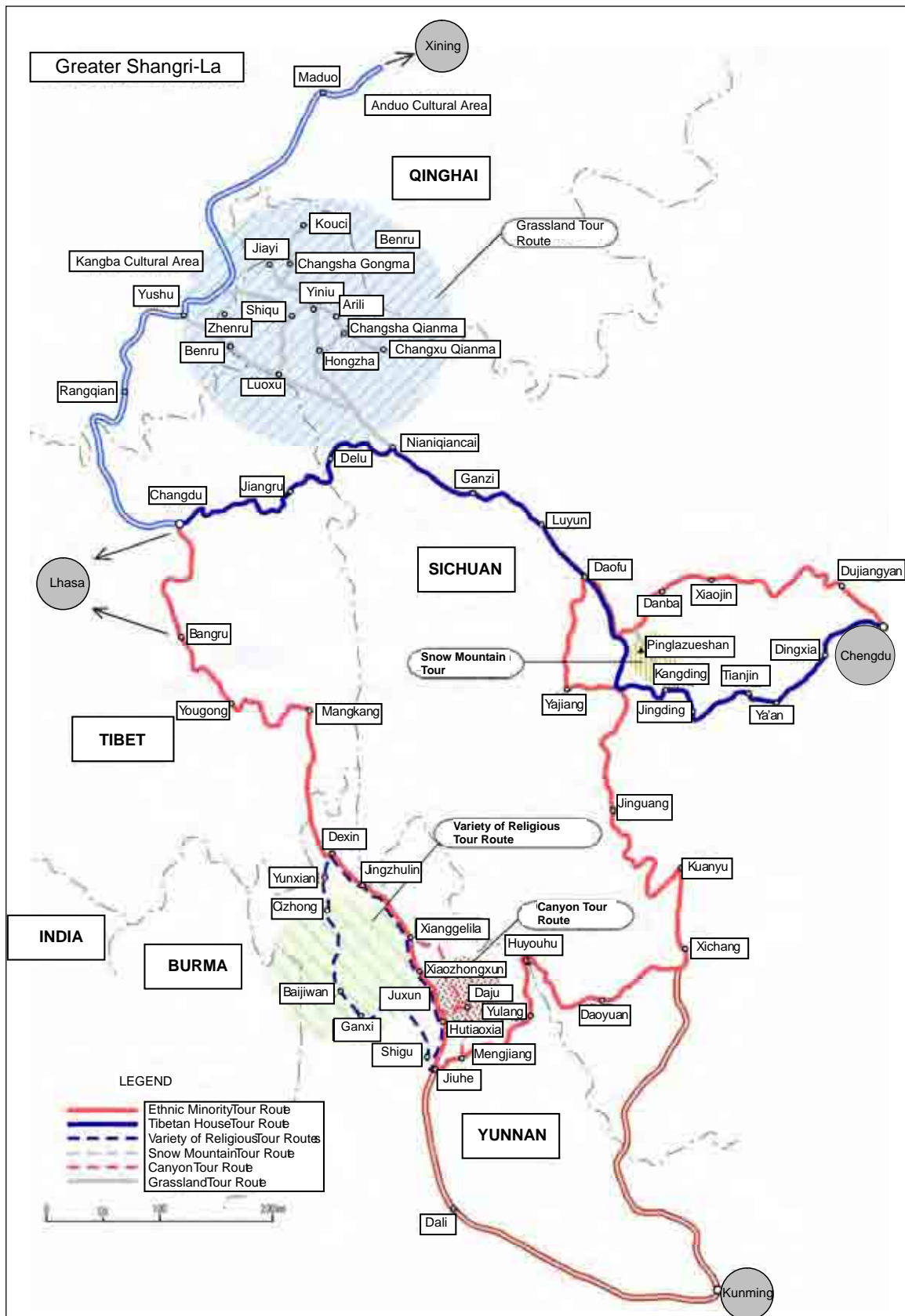


Figure 4.4.2 Tourist Routes under the Greater Shangri-la Plan

4.4.2 Tourism Resource Development

The attractiveness of a valuable tourism resource can be halved, if product preparation, development and construction, and operation and maintenance are inappropriate. In addition, the attractiveness of a tourism product depends on the relative comparison of competing areas as well as personal preferences of tourists. Therefore, tourism resource development should be done specific to the time and area, considering similarities and competition with those in other areas, as well as the changing demand and taste of the targeted market.

The following sections discuss four development strategies for site preparation and facility development.

(1) Improvement and Development of Natural Landscape Tourism Resources

Development of Landscape Spot

Attractive sceneries in Qinghai (through photographs and printed text) exist in numerous guidebooks and pamphlets. Few of these, however, inform tourists where, when, and how they may see such attractions. Furthermore, scenery differs according to viewing location, time of day, and season. Development of landscape resource should take all of the above factors into account. A landscape resource can be appreciated while traveling and therefore becomes an important item in the context of cooperative linkages with neighboring areas and tourist route development. Measures include the preparation of a landscape map (and its distribution), construction of lookout facilities, and the usage of scenery at leisure and spot tourism facilities.

Improvement in Display of Natural Resources

- **Inconspicuous observation facility**

Eco-tourism is attractive because one can observe animals and plants in the field, among others. In addition to the existing group of special interest tourists (SIT), tourists with little knowledge of eco-tourism are expected to be the future target group - and for them, observation facilities are effective. Such facilities that limit tourist actions, while blending in well with the surrounding, should be built to minimize harmful impacts on plants and animals.

- **Introduction of interpreters**

In order to show and explain the natural tourism resources to tourists, it is necessary to have interpreters, who possess expert knowledge on the nature and eco-system of the area, and not simply tourist guides. Interpreters will exhibit exemplary conduct in the nature preservation zone as well as manage the behavior of tourists.

- **Collaboration with environmental research institutes**

In eco-tourism it is crucial that tourists can really observe desired plants and animals. Such sightings, however, depend not only on the season and weather, but also a multitude of

conditions. Since sometimes desired fauna cannot be seen, some research institutes have facilities to breed and groom rare plants and animals. Although their original objective may not be geared towards tourism, collaboration with such institutes may lead to visits from tourists. As such, appropriate modifications and improvements to such facilities will be necessary.⁷

(2) Improvement and Development of the Cultural Tourism Environment

Maintenance and Improvement that does not impede traditional/cultural atmospheres

Of Qinghai's tourism resources, religious/cultural facilities (such as temples) account for a large proportion of the sites and interest. Their existing conditions are unsatisfactory for tourist usage. One important aspect for improvement is the co-existence of tourism and religious activities, as well as the living environments of the monks.

As many monks lead their own lives and lifestyles while conducting religious activities in temples, there are occasions in which tourists view inappropriate scenes. Some guidance for steering tourists away may be necessary in such cases.

Development of Other Ethnic Tourist Villages

As opposed to the existing, large-scale ethnic tourist village, another small-scale ethnic tourist village is conceivable – one that is based more on authentic traditional ethnic tourism and will result in higher unit expenditures by tourists. At present, the Ethnic and Religious Department, in collaboration with the Tourism Bureau, is implementing measures to nurture entertainment groups from each ethnic group, performance venues, and traditional handicraft manufacturing. It is proposed to introduce a small-scale ethnic tourism village project as a part of diversifying and upgrading ethnic village tourism for recreation and protection of traditional lifestyles and customs.

(3) Improvement and Development of Leisure/Recreation Facilities

Development of Indoor Tourism Resources

In Qinghai, the harsh and severe winter has been identified as the cause for low tourist numbers in the winter. However, even the summer (the prime tourism season) has frequent rains and occasional landslides. As tourism in Qinghai essentially involves the outdoors, weather can significantly affect tourist satisfaction. An indoor tourism facility that can be utilized under adverse weather conditions is very important in terms of expanding the choice of activities. Development of indoor facilities and attractions can be linked to winter tourism.

⁷ Ordinary zoos and botanical gardens require continuous maintenance with significant cost implications. A research facility, however, may be more suitable for satisfying research/protection and tourism objectives.

Planning of More Attractive Leisure Space

A goal of more attractive leisure spaces should be sought when planning new summer leisure tourism spots (lakeside, forest parks, etc.) and recuperation leisure spots (springs, etc.), away from the existing monotonous development.

(4) Maintenance, Management, and Operation that Enhance Resource Value

It is possible to convert a well-maintained tourism resource into a high-quality product. Such products can be made into sustainable ones. A preserved and good environment can also be made into attractive tourist scenery.

It is therefore important that tourism resources and their environments be preserved and improved. A collaborative relationship among the Tourism Bureau, related government agencies and local municipalities, tourism industry, and academia is essential.

Introduction of Community Participation in Management and Operation

In order to preserve tourism resources and at the same time to utilize them, the participation of local enterprises, the local community, and local residents, in addition to official resource managers, is important in monitoring and control as well as maintenance and profit distribution.

Introduction of a Visitor Control System

A visitor management system consists of direct and indirect control and requires appropriate operation responding to environmental zoning, importance, rarity, and general characteristics of visitor groups. The objectives of introducing visitor control into Qinghai are as followings:

- Maximization of tourist satisfaction;
- Minimization of negative effects of tourists on environmental resources; and
- Assurance of security and safety.

Control of Visitor Movements in Tourism Spots

One of the big issues in the utilization of tourism resources is that if visitors to a resource concentrate within a certain short period, environmental loads to the resource can become too large, lowering tourist satisfaction. It is necessary to adopt visitor control measures, both direct and indirect, to lessen such loads.

Introduction of Tourism Spot Evaluation and Award Giving

The evaluation of tourism resources, spots, and products (in terms of quality) and the giving of good practice awards can enhance quality and the brand power of the tourism product, to enhance sales. At the same time, the resulting improvement in local community and resident consciousness can pressure the tourism industry to better promote their products, which in turn then strengthens local motivation. This can be a factor for strengthening the outside image of Qinghai.

Also, a campaign to make the subject area beautiful can be initiated to eliminate discarded trash and litter, polluted water, dirty toilets, etc., and encourage the planting of trees and flowers by citizens and students (with assistance from the government).

Implementation of Tourism Education Program

Tourism seminars for local community and citizen organizations should be held to improve understanding and consciousness of local nature, historical and cultural resources and their usage for tourism, methods of participation, and development mechanisms, as well as to foster comprehensive understanding of tourism development and a sense of hospitality. Enhanced consciousness of Qinghai tourism can also be fostered through the mass media. This could then lead to a sense of pride in Qinghai residents. Tourism development mechanisms should be taught such that employment opportunities could increase (meaning income for residents also increases) and more tourists come to Qinghai due to the hospitality of the residents.

4.5 Strategy for Development of Human Resources, Regulatory Regime, and Organization

4.5.1 Development of Human Resources

A basic strategy for coping with the issues raised in Section 3.5.1 is presented below.

Expansion of the Number of Personnel Employed in Tourism Sector

It is necessary to expand the size of the human resources pool in Qinghai to meet the rapidly growing tourism sector. Existing educational institutes should be utilized to the extent possible. The increase in the number of positions should be centered on vocational schools and should consider the requisite increase in workers (by type) needed. Short-term vocational training in areas of needs, particularly at tourism sites, should be given priority from the viewpoint of creating local employment opportunities.

Upgrading of Tourism Service Personnel

Further upgrading of tourism service personnel should be done through training.

- **Re-training of teachers**

Teachers in vocational schools and colleges should be given opportunities for practical training, to enable them to revise curricula that currently concentrate on theory.

- **Re-training of hotel personnel**

Hotel personnel, comprising a large portion of tourism personnel in Qinghai, should be re-trained.

- **Re-training of tour guides**

Among holders of tour guide certificates, the primary guides should be re-trained to rise to intermediate or advanced levels. Also in the future, the share of English- and Japanese-language guides should be increased.

- **Implementation of interpreter (eco-system tour guide) training program**

For promoting eco-tourism and historic/cultural tourism, nature interpreters and history/culture guides should be trained. These interpreters and guides should have specific and detailed information (be it scientific background or eco-system history/culture knowledge) for each particular site to better satisfy tourists.

4.5.2 Development of Regulatory Framework and Organizations

The following strategy is proposed to cope with issues raised in Section 3.5.2.

Development of Regulatory Framework and Its Enforcement Structure in the Tourism Sector

The further development of a regulatory regime is necessary, as it has not kept pace with the expansion of the sector itself. Enforcement should be given due attention. In particular, consumer protection should be strengthened by enacting ordinances and standards applicable within Qinghai. Also an appeal system should be strengthened so that tourists can tour within Qinghai without worrying about cheating and security.

Strengthening of Qinghai Tourism Bureau

In Qinghai, the role of tourism bureaus at the provincial/state/county levels is quite significant as the private sector lacks capital and experience, while investment from other provinces is small. The Tourism Bureau of Qinghai Province should be strategically strengthened in terms of its capability to manage the development process (considering environmental preservation, promotion of a healthy tourism industry, and marketing research and advertisement/promotion).

Tourism Development by Public-Private Partnerships through Strengthening of Qinghai Tourism Association

The Qinghai Tourism Association should be strengthened so that tourism development can be promoted through public-private partnerships. As a result, the Qinghai Tourism Association could play the role of being the conduit of government policies to the private sector. However, as the tourism industry must be intimately connected to the final consumer and be readily responsible to market needs, the Association must be an organization that fully takes advantage of the initiative of individual members.

4.6 Expansion of the Means for Funding Procurement

There are a number of means of tourism funding procurement, depending on the stage of development as shown below.

**Table 4.6.1 Funding Procurement Methods
according to the Stage of Tourism Development**

Stage	Main Activities	Method of Funding Procurement
Pre-development	Plan Formulation Feasibility Study (F/S)	Mostly government funds
Initial Stage	1. Infrastructure and facilities 2. Limited acceptance of tourists	Long-term funds 1. Government fund 2. Loan from international lending agency 3. Commercial borrowing with government guarantee 4. Partial private fund
Take-Off Stage	1. Construction and expansion of facilities 2. Deployment of marketing 3. Increased tourists	1. Industrial fund 2. Project finance 3. Privatization 4. Bond 5. Commercial loan 6. Stock market listing
Mature Stage	1. Maintenance and expansion of facilities 2. Maintaining publicity and image 3. Stable visitors	1. Commercial loan 2. Stock market

Chapter 5 Overall Structure of the Master Plan

5.1 Basic Principles of the Master Plan

5.1.1 Basic Strategy

The master plan defines individual, practical plans corresponding to the basic strategies presented in the preceding chapter by applying basic strategies to the realities of Qinghai so that Qinghai can achieve the projected number of tourists as shown in Chapter 3. It is a master plan that takes into account the natural, as well as the social environment and enables sustainable development.

The demand projections presented in Chapter 3 are not at all a consequence of natural growth. Other provinces, autonomous regions, and tourism areas, which are competing with Qinghai, are making efforts in inducing more tourists, respectively. Qinghai, which is a latecomer in the game, must put in greater efforts than these areas so as to not be left further behind. As such, the master plan shows what must be done if it were to achieve a development speed exceeding that of the other areas mentioned.

This master plan is considered to be a plan that has authorization at the provincial level. After further deliberation, it is expected to be approved by the People's Committee of Qinghai.

5.1.2 Development Targets for Target Years

The target years for this plan are: (i) 2010 for the short-term; (ii) 2015 for the medium-term; and (iii) 2020 for the long-term. Development targets for the Greater Xining Area as a whole can change depending on changes in subject markets and in the Area itself. The demand projections shown in the preceding chapter are for the entire Qinghai province. However, they are used because nearly all tourists to Qinghai, at the very least, pass through Xining.

The following sections explain development targets by period.

Short-Term Development Targets

By 2010, an additional 4.73 million tourists would be added to the 5.12 million visitors in 2004 (currently dominated by intra-province tourists), for a total of 9.85 million. Principal markets then would be the growth markets of Beijing, Shanghai, Tianjin, and other seaboard cities, as well as cities in neighboring provinces and autonomous regions. The aim is to increase the number of out-of-Qinghai tourists (accounting for 700,000 in 2004) to some 1.18 million by 2010.

Growth in intra-Qinghai tourists would slow from an annual rate of 11% to 9% - although by 2010, the number of overnight tourists would grow to 2.37 million and the number of day tourists to 4.76 million. As such, intra-Qinghai tourists would continue to be the largest market.

The market for foreign tourists would still remain small in size (accounting for 30,000 visitors in 2004 - primarily made up of overseas Chinese (Hong Kong, Macau, and Taiwan) visitors), but increase six fold by 2010 (to 180,000 visitors). This result would create a growth market of Asian and Western visitors (spending at higher unit prices).

Medium-Term Development Targets

The aim for 2015 is some 11.1 million tourists, an increase of 1.24 million from 2010. Active marketing and market development efforts should be conducted for promising markets outside of Qinghai (thus resulting in 10.8 million domestic tourists (from provinces outside of Qinghai) and 300,000 foreigner tourists). At the same time, the development of higher unit price markets should be pursued.

As for the intra-Qinghai market, in addition to 4.87 million day tourists, the expansion of lodging-style tourism should be encouraged, with the aim of reaching 2.529 million overnight visitors.

Long-Term Targets

By 2020, Qinghai tourism will have reached a mature stage with slowing growth (from 11.1 million visitors in 2015 to 12.0 million in 2020, respectively). The lengthening of stays and higher unit prices should be pursued. At the same time, wide-area tourism corridors (i.e., Qinghai-Tibet, Tangfan Gudao (Old Road), the Silk Road, and Shangri-la) should be linked with Qinghai tourism assets to assist in the expansion and growth of the sector.

As for intra-Qinghai tourism, the shift towards quality over quantity should be promoted (resulting in 2.83 million overnight tourists and 4.9 million day tourists, respectively). Objectives for international and domestic tourists from outside of Qinghai are 50,000 and 3.79 million visitors, respectively. The Greater Xining Area is to be targeted as one of the principal tourist destinations (both nationally and internationally).

5.1.3 Selection of Priority Development Areas

The following procedures have been applied to substantiate the strategy of “strategic development of priority areas and priority matters”, one of the six basic development strategies.

- 1) Formulation of tourism product development strategy
- 2) Determination of tourism circuits in the Greater Xining Area
- 3) Determination of Xining as a Tourism Base and three tourism circuits (Qilianshan, Qinghai Lake, and the Yellow River), in accordance with the Greater Xining tourism development strategy, and the analysis of characteristics of each
- 4) Preparation of an exhaustive list of development projects for tourism products in the Xining Base City and in each of the tourism circuits

- 5) Determination of 41 important development areas and tourism products, taking into account the characteristics of respective tourism circuits
- 6) Selection of 14 priority candidate areas as principal tourism development areas
- 7) Application of a set of 19 detailed evaluation criteria and selection of three priorities

Procedures 1) to 6) are explained in Chapter 8 (Development of Priority Tourism Areas and Priority Matters), while Procedure 7) is described in Chapter 13 (Selection of Priority Projects). The process described above is illustrated in Figure 5.1.1.

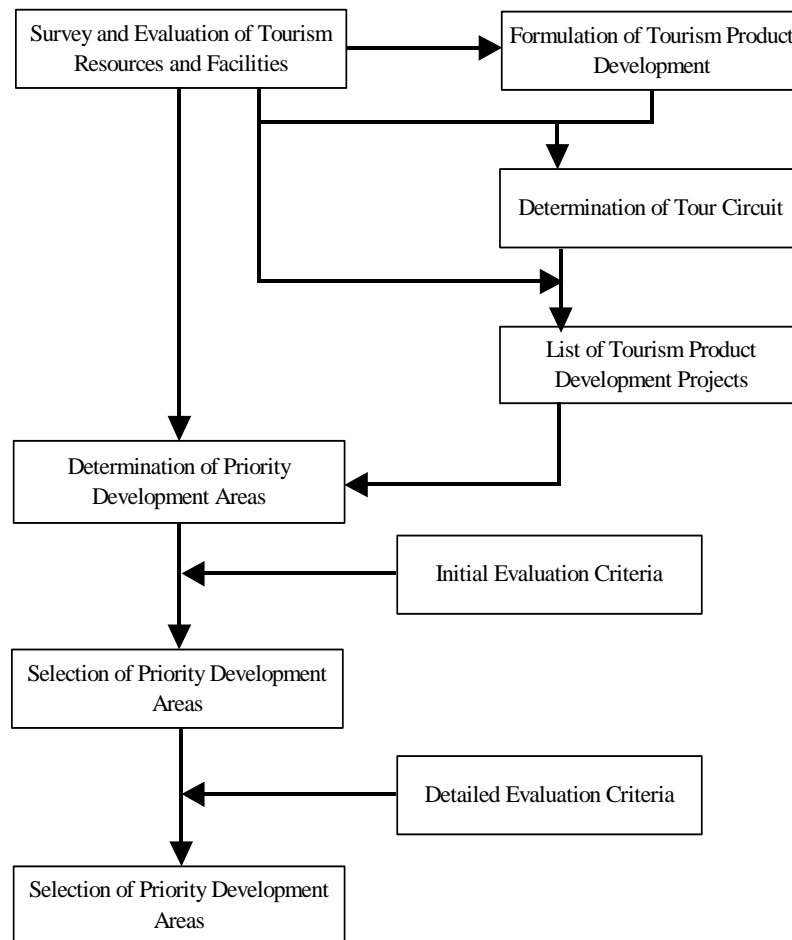


Figure 5.1.1 Selection Process for Priority Development Areas

5.2 Subject Area and Analysis Method

5.2.1 Geographic Information of Subject Area

Zoning for the preservation of natural environment exercise was carried out by collecting information on geographic data and tourism resources for the purpose of formulating a tourism development plan that fully accounts for the preservation of the natural environment. Table 5.2.1 shows the kinds of information collected, and subsequently integrated into zoning maps.

**Table 5.2.1 Principal Kinds of Information Collected for
Tourism Development Zoning Maps**

Environmental Preservation Zoning Map	Tourism Resources Map
<ul style="list-style-type: none"> - General map information <ul style="list-style-type: none"> • Administrative boundaries • Local capital - Nature protection zone (core zone, buffer zone) - Remote sensing data <ul style="list-style-type: none"> • Topography (slope) • Forest (coverage rate) • Grassland (coverage rate) - Land use (cultivated, wood, grass, artificial, water surface, unused, etc.) 	<ul style="list-style-type: none"> - Tourism priority areas <ul style="list-style-type: none"> • Nature preservation zones: (i) core and buffer zone – strict protection; and (ii) experimental zone – tourism utilization allowed. • Forest park: national and provincial class • Geological park - Tour circuit - View point

5.2.2 Methods Adopted in Zoning

For the purpose of tourism development with an emphasis on environmental preservation, the zoning work has been conducted with priorities as shown in 1) to 6) below. Items within parentheses correspond with those in Table 5.2.2. The top row in Table 5.2.2 indicates the information sources.

- 1) Core Zone and Buffer Zone within Nature Protection Zone (Strictly Protected Zone)
- 2) Area with relatively rich green coverage (Conservation Forest Zone, Preserved Grassland Zone, Preserved Cultivated Zone)
- 3) Area with little green coverage that is designated as characteristic for tourism (Zone of Difficult to Recover Vegetation)
- 4) Areas with priority for improving green coverage (Zone to Recover Vegetation (slope): zones with slopes causing difficulties in retaining water and soil, Zone to Recover Vegetation (flat): zones with gentle slopes with fewer problems in retaining water and soil and relative abundance of green coverage, and Desert Zone (zones of relative difficulty in green recovery))
- 5) Zone with less green coverage, but with little importance in green coverage improvement for water and soil retention (Existing Urban Zones)
- 6) Water surface (Water Surface)

5.2.3 Preparation of Tourism Development Zoning Map

Three maps (Figures 5.2.1, 5.2.2, and 5.2.3) have been prepared: (i) the environmental preservation zoning map; (ii) the tourism resources map (nature preservation zone map); and (iii) the tourism resources map (forest park, geological park, and scenic beauty zone). The tourism development zoning map of Figure 5.2.4 was then made by overlaying the three maps, a tool for tourism development planning and environmental management planning.

Table 5.2.2 Procedures for Information Processing for the Preparation of Environmental Preservation Zoning Maps

Land Use	Unused	(Does not exist)	Hard Greenery Regeneration Area				
	Water Surface	(Does not exist)			Water Surface		
	Artificial	Existing Urban Zones					
	Grass Land	Preserved Grassland Zone	Zone to Recover Vegetation (slope)	Zone to Recover Vegetation (Flat)	(Does not exist)		Desert Zone
	Forest	Preserved Cultivated Zone	Over 5°	5° or less	Over 25°	5°- 25°	(Does not exist)
	Cultivated Land						
Slope		Over 5°	5° or less	Over 25°	5°- 25°	Less than 5°	
Green Coverage	Over 80%	50-80%		50% or less			
Special Geological Feature	Specific Area Vegetation			Zone of Difficult to Recover			
Forest Coverage	20% and over			Conservation Forest Zone			
Nature Preservation Zone	Core Zone, Buffer Zone			Strictly Protected Zone			

Source: JICA Study Team

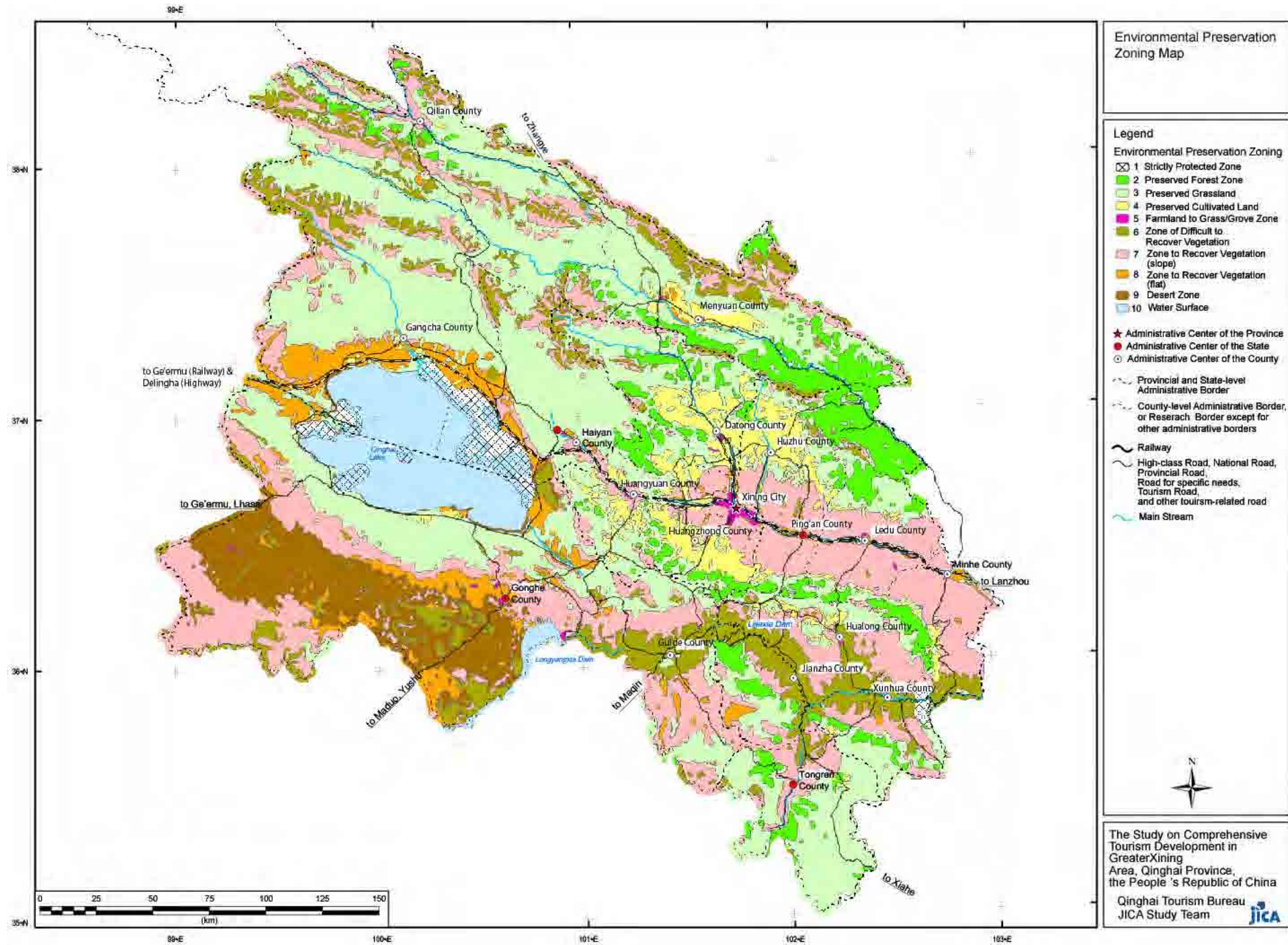


Figure 5.2.1 Environmental Preservation Zoning Map

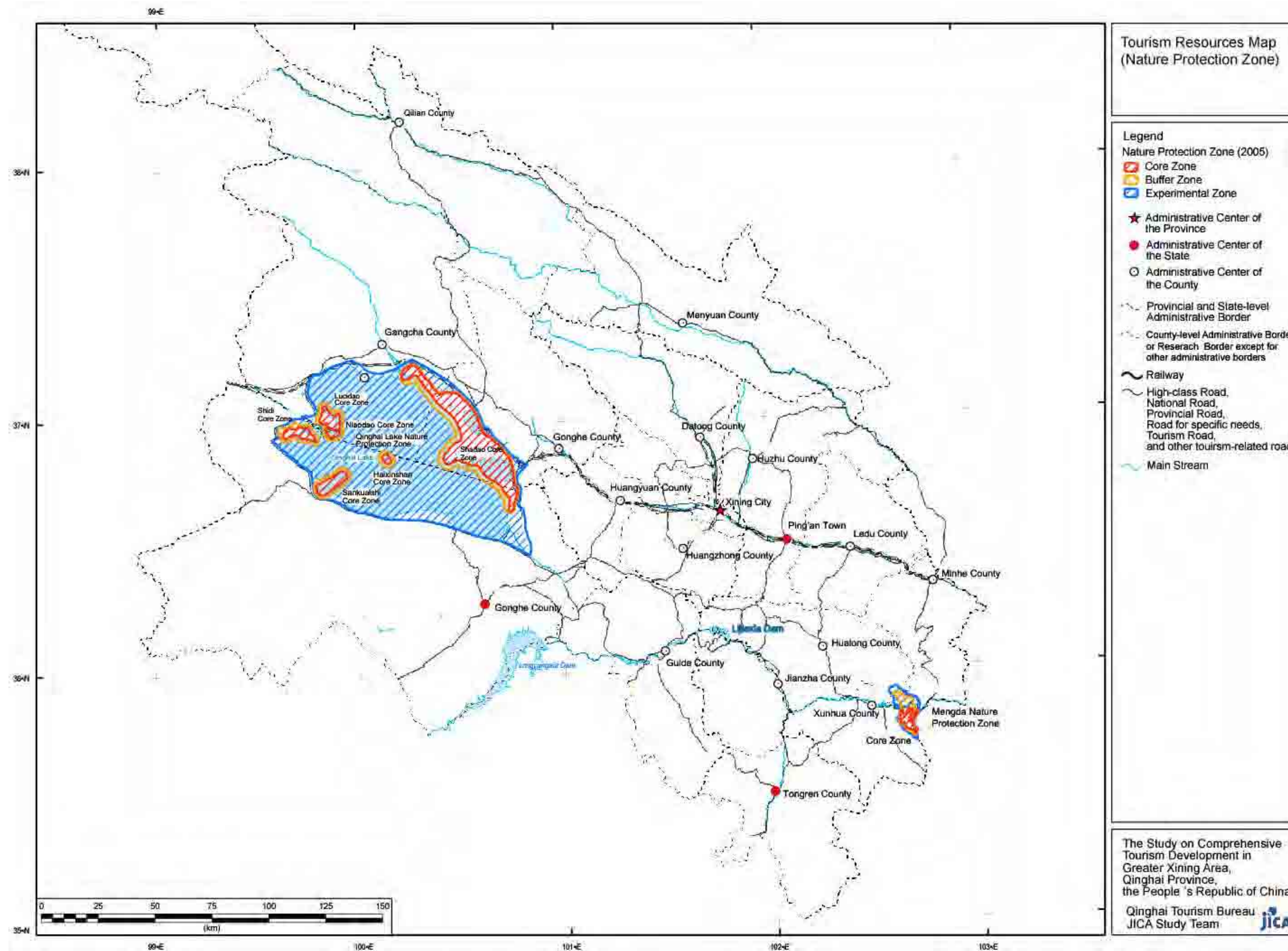


Figure 5.2.2 Tourism Resources Map (Nature Protection Zone)

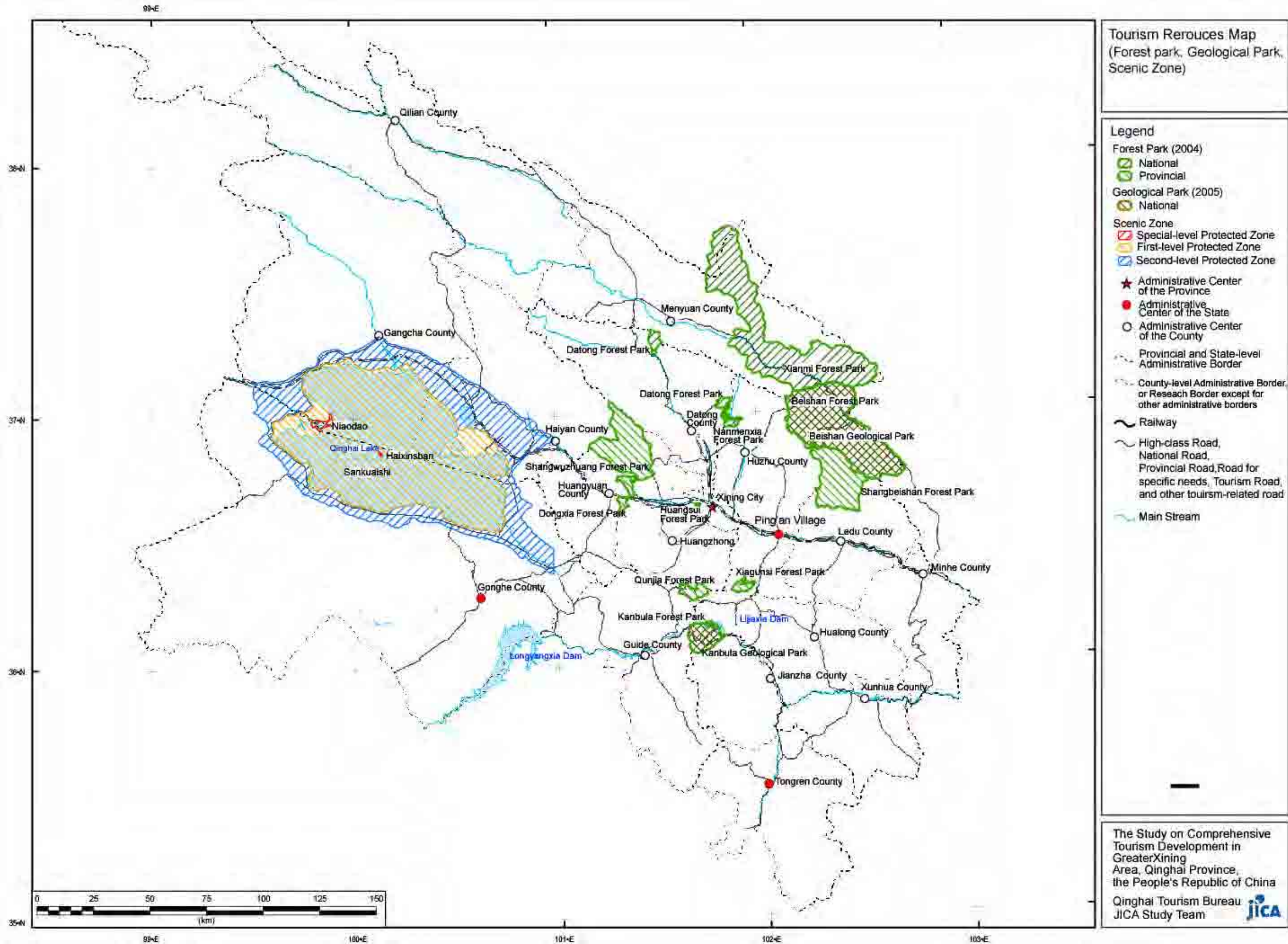


Figure 5.2.3 Tourism Resources Map (Forest Park, Geological Park, Scenic Zone)

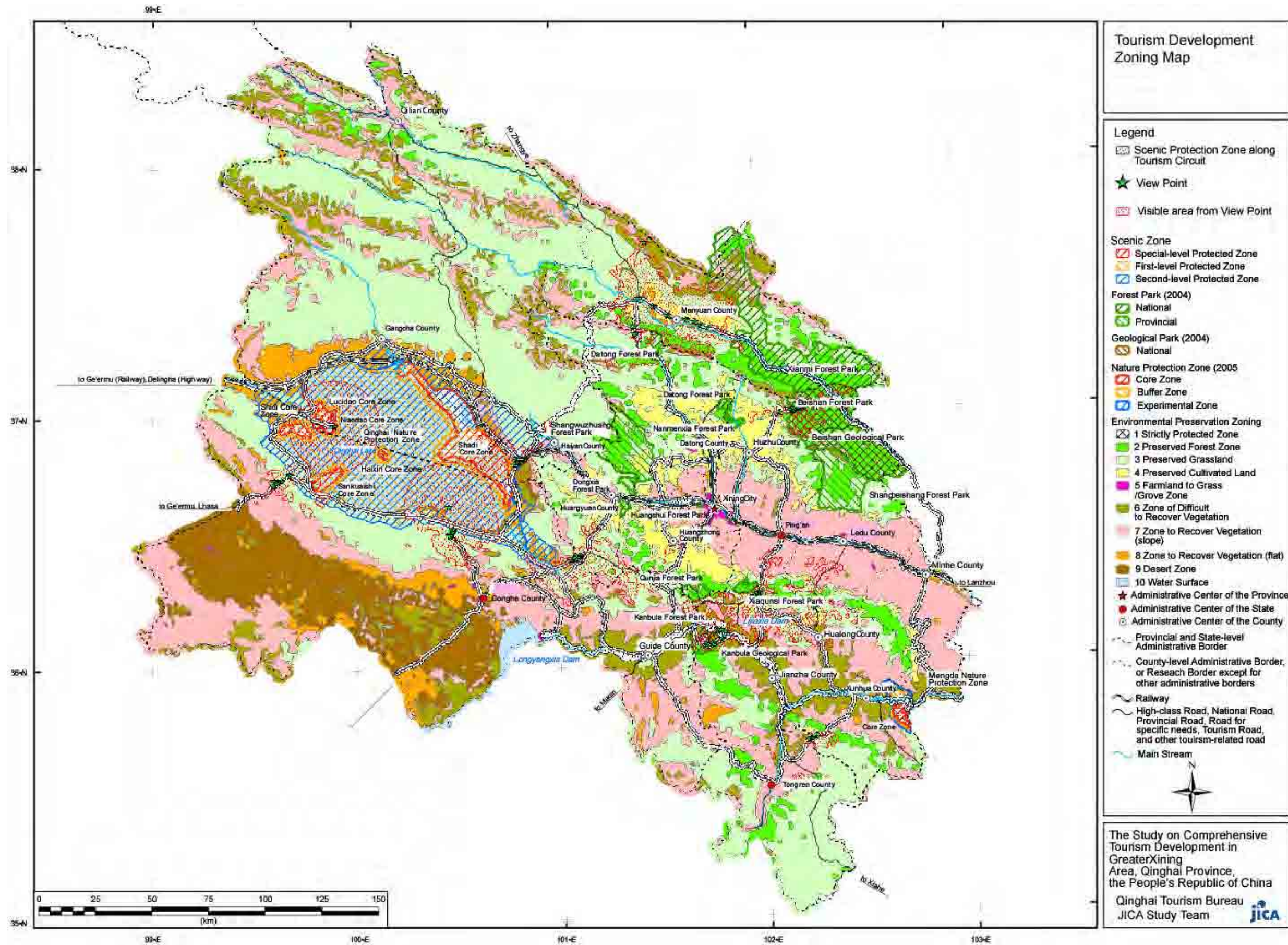


Figure 5.2.4 Tourism Development Zoning Map

Chapter 6 Integration of Environmental Management and Tourism Promotion

6.1 Natural Environment Preservation Plan

6.1.1 Environmental Preservation Management Plan

Basic Plan for Greater Xining Area

The tourism development zoning exercise of the Greater Xining Area resulted in the classification of 10 zones of environmental preservation zoning areas into three zones as shown in Table 6.1.1: (i) a nature preservation zone; (ii) a limited land use zone; and (iii) a priority development zone. It clarifies the basic strategies for tourism development and management of the area for the future. Table 6.1.2 shows the distribution of each zone.

Table 6.1.1 Zone Classification and Relationship with Actual Areas

Zone	Measure	Area
Nature Preservation Area 148,000 ha, 2.1%	Strict Preservation, Core Zone (IUCN Category)	Strictly Protected Zone (Core Zone, Buffer Zone) (2.1%)
Limited Use Area 6.661 million ha, 92.6%	Buffer Zone in Broad Definition (IUCN Category)	Tourism development continued under the preservation of the existing land (57.5%): Conservation Forest Zone, Grassland preservation zone, Preserved Grassland Zone, and Water surface Area unsuitable for tourism development (35.0%): Zone to Recover Vegetation (slope), Zone to Recover Vegetation (flat), and Desert zone
Priority Development Area 385,000 ha, 5.4%	Area with land use following proper management plan	Preserved Cultivated Zone, Existing Urban Areas (5.4%)

Source: JICA Study Team

Table 6.1.2 Distribution of Preservation Zones and Basic Management Strategies

Zone	Main Subject Areas
Strictly Protected Zone	- Core Zone and Buffer Zone of Qinghai Lake Nature Reserve and Mengda Nature Protection Zone
Conservation Forest Zone	- Concentrated area: Northern part of Huzhu (Biaxial Forest Park), and southeast of Menyuan (Xianmi Forest Park) - Sparse area: North part of Datong, mountainous area of Huangshuigu (Huangzhong, Ping'an, Ledu, and Minhe), Jianzha Kanbula, Xunhua, and mountains in southern Tongren
Preserved Grassland Zone	- Along the Datong River (Qilian, Menyuan County), around Qinghai Lake (center of Gangcha and Haiyan), the southshore of Qinghai Lake (Gonghe), and Tongren
Preserved Cultivated Zone	- Around Menyuan County, southern part of Datong, central part of Huzhu, central part of Huangzhong, and western part of Xining
Existing Urban Areas	- Cities such as Xining in the valley of Huangshui

Zone	Main Subject Areas
Zone of Difficult to Recover Vegetation	- High mountains (Qilian, Menyuan, border of Haiyan, border between Haibei and Hainan, and northern part of Gangcha), sand areas (Qinghai Lake Shadao and east of Gonghe), Red Mountains (Kanbula), mountains along the Yellow River (Guide, Jianzha, Hualong, and Xunhua)
Zone to Recover Vegetation (slope)	- Desert by dryness: Gonghe and mountains in Guide - Over-farming, Cultivation, Cutting: Huangshui Valley (Xining, Ping'an, An, Ledu, and Minhe) and along the Yellow River and its branch (the Lungwu River) (Guide, Jianzha, Hualong, and Xunhua), over-farming in the mountains in the north: Four counties of Haibei State (Qilian, Menyuan, Gangcha, and Haiyan)
Zone to Recover Vegetation (flat)	- Dryness and over-farming: from the northern shore of Qinghai Lake (Gangcha) to the east of Shadao (Haiyan and Gonghe), Guide, and Jianzha - Over-use (Xining, Ledu, Ping'an)
Desert Zone	- Desert by dryness: Gonghe County
Water Surface	- Qinghai Lake (Gangcha County, Haiyan County, and Gonghe County)

6.1.2 Integrating Environmental Preservation and Tourism Promotion

Establishment of Environmental Management Entity at Tourism Site

For sustainable tourism development in the Greater Xining Area, it is indispensable that greenery recovers in already deteriorated areas and that good forests and grasslands are preserved. The environmental management entity in the tourism area, consisting of the local community and associations as well as administrative bodies of environmental management and tourism development needs to be established. The management entity would collect entrance fees from tourists and/or be paid by the government for the supervision of government environmental protection projects and eco-system monitoring. Such activities would lead to the expansion of employment opportunities.

Establishment of Rural Tourism “Nongjiale (Farm Stay)”

Nongjiale (Farm Stay) is private hotel that provides traditional homemade meals and accommodations. To upgrade each level, the provision of assistance, advice, and guidance by experts is required. To elevate the level of service at the Farm Stay, individual farmers should form a “Farm Stay Association” and “Village Tourism Association” which will include the exchange of information and encourage competition as high-level farm tourism business entities. Those associations can introduce marketing /advertisement activities and reservation system as entities, which is expected to ensure a stable amount of guests. It is necessary for the Tourism Bureaus at the province, state, and county levels to guide them forming associations in order to elevate of nonjiale in tourist areas as well as to establish a permit system and a guidance system to prevent the widespread appearance of low-level tourism farmers.

6.2 Environmental and Social Action Plan

Based on the results of an Initial Environmental Examination (IEE) carried out in this Study in line with JICA Environmental Consideration Guidelines for the Tourism Sector, the following three aspects as social/economic effects of tourism are described below.

Increase in Local Employment

The subject area of this master plan contains many “poverty-stricken areas” such as grazing areas and ethnic minority subregions. One of the most important purposes of tourism development is how to increase the monetary income of local farmers and ethnic minorities in such areas so that they can lift themselves out of poverty. It is expected that the implementation of the master plan will generate new employment opportunities for local farmers and ethnic minorities as well as develop local industry through the participation of the local community in tourism industry.

Introduction of Cooperative Management

A system of cooperative management is proposed for the development of tourism/accommodation areas in Qinghai for the purpose of integrating environmental preservation into tourism development. Such co-management is expected to include local residents, government offices, the tourism industry, and research agencies for environment management and tourism development. The goal of this is to provide effective solutions to various issues and problems that confront tourism development in Qinghai.

Equal Exchange of Minds between Residents and Tourists

Many priority tourism development areas in Greater Xining are located in grazing areas and minority groups' subregions, where isolation is often considered problematic. Programs for environmental education as well as tourism education should be conducted for residents so that they can deepen their understanding of tourism and the environment and consequently enhance their hospitality towards tourists. Residents do not just serve tourists but also incorporate their own traditions of hospitality as hosts to their guests, which stimulates pride of the area. It promotes the equal exchange of minds and ideas between local residents and tourists.

6.3 Historical and Cultural Heritage Preservation Plan

The historical, cultural, and religious heritage of Qinghai should be passed on to future generations. At the same time, such heritage should be taken advantage of as a tourism resource to contribute to socio-economic development of Qinghai.

Designated historical ruins, buildings, religious facilities, and the like not only require maintenance, management, repair, and restoration, but also require the preservation of their

surrounding environments in order to protect them as living tourism resources. Therefore, it is essential for nearby residents to understand the value of such heritage, so that they become active in preserving streetscapes, landscapes, and sceneries, as well as achieve a high level of preservation, even among visitors themselves.

6.3.1 Repair and Preservation of Traditional Buddhist Temples and Their Use in Tourism

In large-scale temples that are famous and important tourism spots, the living quarters of the monks and the walking paths for visitors should be separated to better achieve a high preservation level of historic heritages – to produce a better tourism spot. It is advisable that the operational plans for such temples be designed in cooperation effort (including involvement from the Tourism Bureau).

6.3.2 Preservation of Historic Heritage and Their Use (Culture Bureau)

Heritage tourism sites with potential new development include ruins in Tibet and Tuguhun, in western Qinghai, as well as large-scale castle ruins dotted along the Southern Silk Road. These should be attractive to visitors from outside of Qinghai (both domestic and international). Proposals to take advantage of such resources are detailed below:

- Implementation of archeological surveys and formulation of preservation plans by the Culture Bureau;
- Preparation of preservation plan for historical environment and scenery, as well as implementation of preservation and repair works; and
- Preparation of plan and provision for walking paths, benches, and information boards, as well as the repair of the area and the operation and maintenance of the site.

The Culture Bureau, in cooperation with the Tourism Bureau and Construction Bureau, should prepare plans for improving the site, implementing the plan, and operating/managing the site. Such work may differ depending on the number of visitors and their length of stay.

6.3.3 Preservation and Use of Historic Buildings and Streets (Culture Bureau)

Preservation of street landscapes can be accomplished by agreeing on building specifications with residents on aspects such as height, facade, materials, color, and purpose. It is proposed that a system of assistance and subsidies be introduced in return for the implementation of such restrictions on residents for their buildings.

When such street landscape preservation schemes are set in motion and residents start to reap additional benefits from the increase in tourists, there will be a positive feedback cycle in which additional residents will participate in such a scheme.

6.4 Landscape Preservation Plan and Formation of Landscape for Tourism Site

6.4.1 Types of Landscape and Principles of Landscape Formation

Landscape depends on the time, location, and angle of observation. Landscape types are generally classified into distant observation types/routes, while surrounding observation types are from the viewpoints of visitors. The psychological impression of a site (including its notoriety and history), may also be counted.

Landscape can be formed as a point, a line, or a area, corresponding to near-, middle-, and far-viewing. Landscape preservation is analyzed according to the following classifications:

- Point scenery (for example a traditional or historical building) - scenery that can be a focal point within the view of tourist;
- Line scenery (for example a tourist street, a mountain range, or a large river) – something that forms the basic structure of a tourist's view; and
- Plane scenery (for example a natural area scenery such as greenery, water surfaces, grasslands, and deserts, as well as man-made plane scenery such as flower fields, urban centers, villages, and historic areas).

Table 6.4.1 shows the structural classification of scenery. Figure 6.4.1 illustrates how these types of scenery are located relative to each other, in terms of the location from which a tourist observes the scenery. The following two factors are important in the preservation of scenery (and in the figure).

- Preservation of near- and middle-sights from moving vehicle windows, while on a circuit.
- Preservation of near- sights viewed at lookout places or rest points around the site, and middle- and far-sights.

Table 6.4.1 Structural Classification of Landscape

Landscape Type from the Viewpoint of the Visitor	Landscape Types According to Sight Distance	Landscape Composition	Landscape Elements and Resources (Subjects for Preservation)
Outlook Type	Far-Sight	Axial Landscape	<ul style="list-style-type: none"> • River, valley • Mountain range • Hill, pasture
	Middle-Sight	Plane Landscape	<ul style="list-style-type: none"> • Main street • Large structure • Lake surface • Pasture, farmland • Dune • Forest
Vista	Near-Sight	Point Landscape	<ul style="list-style-type: none"> • Traditional historical street and quarter • Commercial business quarter • Residential quarter • Park and greenery • Traditional historical building • Public building

Source: JICA Study Team

Viewing Activity	Still	Moving		
		Slow Speed	Medium Speed	High Speed
Sight Distance (Viewing Point)	Lookout, Info. Booth, Rest house, and Restaurant	On foot	Bicycle, Horse	Moving Vehicle (Automobile, Train, etc.)
Near Sight (Surrounding)	<p>The diagram consists of three overlapping dashed circles. The leftmost circle is labeled 'Point Landscape' and overlaps the 'Still' column and the 'Slow Speed' moving column. The middle circle is labeled 'Plane Landscape' and overlaps the 'Slow Speed' and 'Medium Speed' moving columns. The rightmost circle is labeled 'Axial Landscape' and overlaps the 'Medium Speed' and 'High Speed' moving columns. The circles overlap in the 'Middle' and 'Far' sight distance rows.</p>			
Middle (Outlook)				
Far				
Priority Measures		Lookout facility and landscape preservation	Landscape preservation along tourism circuits (greenery preservation and regeneration, waste disposal, and building appearance)	

- : Still landscape→ priority preservation
- : Slow-moving landscape→ priority preservation
- : Relatively fast-moving landscape
- : Fast-moving landscape

Source: JICA Study Team

Figure 6.4.1 Classification of Landscape

6.4.2 Landscape Preservation Plan

Preservation of Landscape and Facility Plan

Measures to restrict and also encourage should be introduced for the preservation of scenery at lookout and noted places, depending on the near-, middle-, and far-sights, as well as on the types of landscapes (such as nature, traditional village, and/or historic urban). For far-viewing scenery, the natural scenery of Qinghai excels and can be preserved by controlling land use in areas within eyesight. Within 500 meters (defined as middle-sight), restriction and inducement measures can be applied, depending on the type of subject scenery. Within 100 meters (defined as near-sight), appropriate detailed restriction and inducement measures are also needed, depending on the finely classified subject scenery.

Roadside Landscape Preservation Plan along Tourism Circuits

The objects of roadside scenery preservation along tourism circuits are middle- and near-sights along the road, railway, and river. Within a range of 500 meters (of both sides of a road, railway, and/or river), middle sight preservation can be accomplished with restrictions and inducements. Within a 100 meter range, new sight preservation measures should be applied.

6.4.3 Roles of Residents, Businesses, and Administration in Landscape Preservation

Land and buildings under private control forms a part of the scenery of Qinghai (such as houses, pasture, and agricultural fields). Therefore, cooperation of private residents and businesses is essential for scenery preservation, not just administration.

The role of private residents in scenery preservation is first of all to uphold the public moral in terms of keeping sights clean and beautiful. Preventing ugly billboards, stacks of goods on the street, and random dumping of garbage onto the street or into the river require reformation to the consciousness of residents. People should recognize that private space can also form a part of the scenery and needs to be aesthetically appealing.

The administration should recognize that preservation and improvement of scenery are essential parts of tourism promotion. Residents and businesses must be appropriately educated for the purpose. The administration should make them understand this properly and assist such efforts on their side.

