

# The Impact of COVID-19 on Tourism Industry

-- A Case Study of Hangzhou, China

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**Abstract:** In order to scientifically judge the impact of COVID-19 on the tourism industry, and find out the plan to stabilize the confidence of the city's tourism industry, restore the development of the tourism industry, and formulate policies, we studied the impact and impact of covid-19 on the tourism industry in Hangzhou City Based on the tourist population and income in each quarter from 2018 to 2021. The study found that in the first year, especially in the first half of the year, Hangzhou was greatly affected by the impact of the epidemic. Against the background of industrial recovery, Hangzhou's tourism industry recovered slightly in the following year. Improving the quality of digital tourism services, making rational use of rich resources and vigorously promoting economic policies will become the key to the recovery of the tourism industry.

**Keywords:** COVID-19, Tourism industry, Hangzhou, Recovery.

## 1. Introduction

In the Spring Festival of 2020, the sudden COVID-19 epidemic, as a major public health event, affected the whole world and had a great impact, threatening and injuring the development of human society. As an industry whose business is based on "travel" and "mobility", the tourism industry has suffered serious trauma. The whole tourism industry has been temporarily suspended, and the industry is facing a severe test. Experts in various fields predict that the domestic tourism industry will decline by a large margin in 2020, with a drop of more than 20% in the number of tourists and more than 15% in tourism revenue. According to experts' estimation, the direct loss of the whole tourism industry during the Spring Festival in 2020 is about 550 billion yuan. Wei Xiaolan, chief expert of the world tourism cities Federation, estimated that the total revenue of China's tourism industry in 2019 was 6.5 trillion yuan. According to this estimate, the tourism industry would lose 17.6 billion yuan if it stagnated for one day on average. As the COVID-19 epidemic has seriously interfered with the normal social

economy and life, it has a great impact on the tourism industry and other tertiary industries. The author's hometown, Hangzhou City, Zhejiang Province, as one of the most famous tourist cities in China, has also suffered a serious impact under the COVID-19 epidemic. This paper studies the impact and formation mechanism of COVID-19 on the tourism industry in Hangzhou by means of field research and literature analysis, hoping to explore the impact and impact of COVID-19 on the tourism industry in Hangzhou from various dimensions, and discuss the new changes and future prospects of the tourism industry.

## 2. Research Data

Because the occurrence of tourism activities is different and concentrated, it has been greatly affected. According to the official statistics website of Hangzhou culture and Tourism Bureau, the total tourism revenue of Hangzhou in the first quarter of 2020 decreased by 67.7% compared with the previous year. Among them, the number of tourists decreased by 74.10% in the first quarter of 2020; In 2020, tourism revenue decreased by 40% year on year.

**Table 1.** Tourism revenue of Hangzhou from 2018-2021

Date	Population (Ten Thousand)	Year on year Tourism Reception population growth (%)	Tourism Reception Population growth (Ten Thousand)	Revenue (100 million yuan)	Year on year growth of revenue (%)	Revenue growth (100 million yuan)
2018Q1th	3489.52	11.6	3489.52	579.72	14.5	579.72
2018Q2th	8266.5	0.1134	4776.98	1421.68	13	841.96
2018Q3th	11378.35		3111.85			
2018Q4th	18403.35	13	7025	3589.12	18.01	
2019Q1th	3739.5	9.4	3739.5	626.1	16	626.1
2019Q2th	9145.7	13.3	5406.2	1649.5	16	1023.4
2019Q3th	15790	13.38	6644.3	3003.245	18.58	1353.745
2019Q4th	20870.95	15.1	5080.95	4004.5	18.3	1001.255
2020Q1th	969.7	-74.10%	969.7	202.2	-67.70%	202.2
2020Q2th	4706.6	-48.50%	3736.9	898.62826	-45.50%	696.42826
2020Q3th	11916.9	-24.50%	7210.3	2195.4322	-27%	1296.80394
2020Q4th	17558.8	-15.2	5641.9	3335.3569	-16.7	1139.9247
2021Q1th	1728	126.1	1728	320.9	129.7	320.9
2021Q2th	4831.7	73.9	3103.7	884	74	
2021Q3th	7397.6	30.8	2565.9	1351.9	30.8	467.9

According to the above data, COVID-19 has a very serious impact on the tourism industry in the first year of COVID-19, especially in the first half of the year. In China, while the epidemic has been gradually controlled, the tourism industry has also experienced a short recovery, but there are still many drops compared with the previous one.

### 3. Exploring Mechanism

According to the survey results of 995 small and medium-sized enterprises conducted by Tsinghua University and Peking University, 34% of the enterprises in the tourism industry have only one month's account balance, and 33% have only two months' account balance. 179% is only enough for three months ②. Under normal business conditions, the profit of travel agencies in Zhejiang Province is only 5%, and the return and reform fund for Spring Festival is 9600 million yuan, making the economic situation worse. In the first quarter, most travel agencies have applied for the return of 4.24 million yuan of bank guarantee deposits allowed by the national policies, accounting for 80% of the total amount of refundable guarantee deposits3% 。 The fourth quarter is the off-season for tourism. Although the tourism industry gradually recovers in the second half of the year, it is still in a loss state as a whole; Under the background of the COVID-19 epidemic, the Bureau of culture and tourism of Hangzhou city has taken a series of policies and measures to support the development of tourism enterprises in response to the epidemic, especially for local tourism enterprises that are affected by the epidemic and have difficulties in operation. The specific measures include: establishing special support funds; Timely issuance of bonus funds; Strengthening financial policy support; Implement tax reduction and postponement; Reduction or exemption of sea area use fees; Deferred payment of water, electricity and other expenses; Reduce the burden of enterprises; Reduce enterprise rent; Support enterprises not to lay off staff.

### 4. New ideas for Tourism Development After the Epidemic

Tourism is a unique industry, covering the primary, secondary and tertiary industries. It is a comprehensive industry of the national economy. It overlaps with commerce, industry and agriculture, and is closely related to catering and accommodation in the service industry. The so-called food, accommodation, travel, shopping and entertainment constitute the five elements of modern tourism. The restoration of tourism is of great importance to the development of the national economic complex. The Ministry of culture and tourism has always supported the medium - and low-risk areas of the epidemic to gradually restore the opening-up of tourism from strict control to the implementation of subregional sub projects according to the local actual conditions. At the beginning of March 2020, well-known scenic spots including Hongdong great Huaishu scenic spot, Yunqiu mountain scenic spot, Luoyang Longmen Grottoes, Anhui Tianzhu Mountain, Lijiang ancient city, Lugu Lake scenic spot, etc. were opened after being closed. However, at that time, the golden period of the spring festival tourism had ended, and the subsequent rebound of the tourism industry had never returned to the level of that year. For example, in Hangzhou, under the premise that international tourism was not open to the outside world, more people chose to travel around, which to a certain extent stimulated the development of the local tourism industry in Hangzhou. According to the official data provided by Hangzhou Wenju, the author compares and analyzes the data of 2021 and 2019. It is found that the number of tourists received in Hangzhou in the first, second and third quarters of 2021 decreased by 53.79%, 47.17% and 53.15% respectively compared with the first, second and third quarters of 2019. In terms of tourism revenue, it is found that the tourism revenue of Hangzhou in the first, second and third quarters of 2021 decreased by 48.75%, 46.41% and 54.99% respectively compared with the first, second and third quarters of 2019.

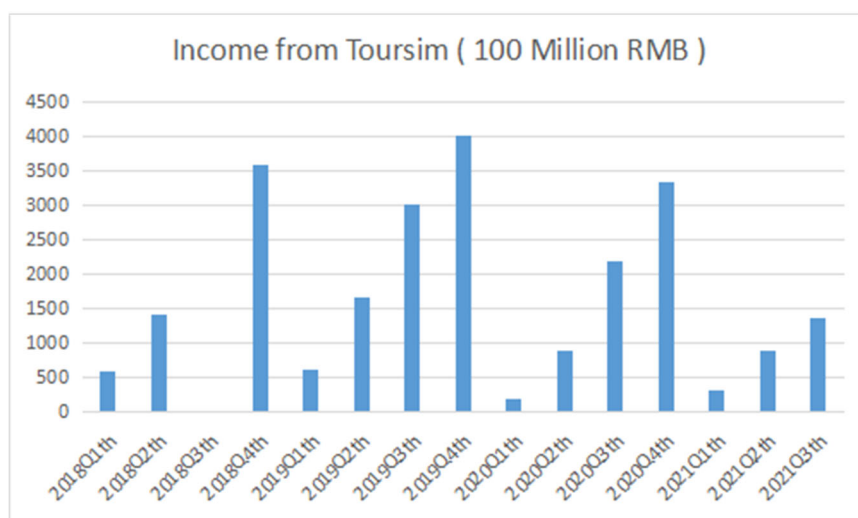


Figure 2. Income From Tourism (100 Million RMB)

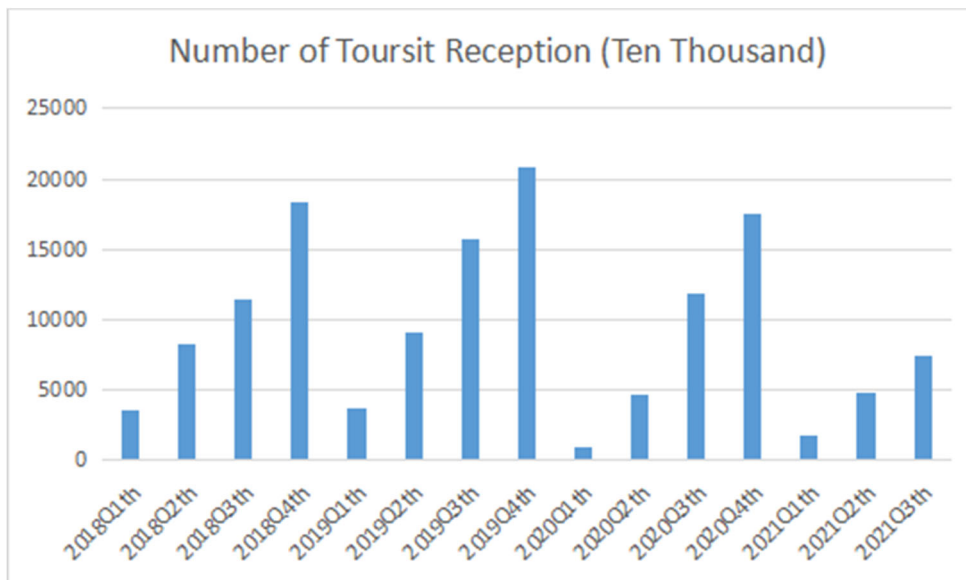


Figure 3. Number of Tourist Reception (Ten Thousand)

Under this situation, colleagues in the tourism industry must expand their thinking to find breakthroughs and new development opportunities.

Hangzhou culture and Tourism Bureau has been cooperating with Zhengzhou in Henan Province to promote the song rhyme culture (Hangzhou was the capital of the Southern Song Dynasty in History), and launched the song rhyme wonderful night in 2022. It has carried out several online and offline activities in conjunction with the museum, which has made great contributions to promoting the development of the tourism industry. Other large museums across the country have also made actions worthy of reference. At the beginning of the outbreak of the epidemic, major museums have canceled their activities in the museum; After the outbreak was serious, the news of the closure of the museum was quickly released, and various "cloud exhibitions" and "cloud activities" were successively promoted through their official platforms. For example, the National Museum of China's "evidence of ancient and modern - oracle bone inscriptions"

Cultural exhibition, Guangdong Provincial Museum's "reaching the highest beauty - Guangzhou enamel special exhibition", Shandong museum's "African wildlife migration" and other live programs; Shanxi Museum's online explanations of "painting the soul of Jin - we tell stories like this" and "heaven and earth on the wall - Shanxi Northern Dynasty tomb mural art exhibition"; Shanxi Museum Association launched the "Shanxi Museum Tour of Jindi treasure"; The online exhibitions launched by the Jin Museum, such as the series of activities of "saying the twelve zodiac animals in the new year", "the title of the golden list", "the micro class of Jin Bo - the series of historical figures of Jin", and "talking about Chinese idioms and stories in the name of Jin bronzes". The various activities carried out by the major museums have a lively atmosphere and rich knowledge points. The activities have won praise from netizens. During the epidemic period, these museums filled the eyes of Museum enthusiasts, and after the epidemic, there must be field experiences for followers. Of course, the ability of museums to carry out these activities has a great relationship with the daily operation of museums. Most museums have digital exhibition halls or digital exhibitions, and they are also doing platform publicity and education activities. However, this is

undoubtedly an innovative idea for the tourism industry. By using the practices of the museum system for reference, we will develop characteristic tourism platforms and tourism products suitable for our own scenic spots to support the construction of smart tourism.

The modern tourism industry can hold large-scale festivals, conferences and exhibitions and other policies and financial support to attract various tourist activities after the epidemic. It can also carry out various marketing activities such as discount week, discount month, discount season and online promotion. The tourism industry is entering the era of global tourism. Facing the crisis, the transformation of the tourism industry has just begun. The recovery of the tourism industry needs the joint efforts of all parties. To objectively and comprehensively analyze the impact of the epidemic on various industries in the tourism industry, so that various industries in the tourism industry can survive during the epidemic period, reduce losses and develop new business forms by digital means are urgent issues to be solved.

## 5. Future Outlook

1. The situation of epidemic prevention and control continues to improve

Through continuous efforts, the current situation of epidemic prevention and control in China is getting better. It is becoming an important goal for all parts of the country to coordinate the epidemic prevention and control and economic and social development. Hangzhou government departments are vigorously encouraging and stimulating the surrounding tourism consumption, which provides a better development environment and growth space for accelerating the development of the surrounding tourism market.

2. The government has issued multiple favorable policies

Affected by the epidemic, the resumption of work and production of tourism enterprises and the opening of tourist attractions need the support and guidance of government departments. With the improvement of the epidemic situation, Hangzhou scenic spots, hotels and guesthouses have been opened to business, and the consumption potential of surrounding tourism is accelerating. In order to boost consumer confidence and stimulate the consumption potential of culture and tourism, Hangzhou culture and Tourism Bureau has issued a series of favorable policies to stimulate tourism

consumption and provide policy support for surrounding tourism. Hangzhou also held the theme activities such as the launching ceremony of the Zhejiang cultural and tourism consumption season of "spring and Jingming · green water and green mountains" on the Bank of Qiandao Lake. These measures have provided very good policy conditions for Hangzhou to carry out peripheral tourism, and promoted the steady and orderly growth of consumption potential of peripheral tourism.

3. Hangzhou is rich in tourism resources and has the unique advantage of health care

In terms of historical and cultural resources, Hangzhou has rich cultural deposits such as Hemudu culture and Liangzhu culture. In terms of natural scenery resources, Hangzhou's forest coverage rate and other ecological indicators are among the top in the country, and it has great resource advantages in developing ecological health tourism. At present, the ecological health tourism in Hangzhou has become a new hot spot, such as Tonglu, Qiandao Lake and other areas have become hot investment places for many health enterprises. Due to the fast pace of life and great pressure, more and more people suffer from chronic diseases, occupational diseases and sub-health. Moreover, affected by the epidemic, the public will pay more attention to their own health. Health tourism, which integrates leisure and relaxation, fitness, physical recuperation and other functions, will become the choice for more people to travel around. Eco health tourism will occupy more shares in the future tourism market and become a new hot spot in the tourism economy for a long time in the future. At the same time, due to the reform and opening up, the consumption strength of residents is strong, and there is a great demand for ecological health tourism, which lays a foundation for Hangzhou to exhibit ecological health tourism.

The short-term epidemic will only hit the tourism industry in the short term, but it will never last long. China's economy

is developing at a high speed, and tourism will continue to develop at a high speed. Hangzhou's tourism industry is bound to build another brilliant future.

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