

Tourism as a Stealth Weapon

by Mordechai Chaziza

China's enormous population and explosive economic growth has made it one of the world's largest exporters of international tourists. If today's trends continue, more than half of the Middle East's tourists may soon be Chinese nationals. Governments in the region need to be careful: Beijing has already used its unique ability to control its flow of tourists to pressure foreign capitals in ways the world has never seen before.



The Rise of Chinese Tourism

The substantial growth of Chinese international tourism started in the early 1990s as the country's economy mushroomed and the people and government opened themselves up to the world. By 2012, the Chinese had developed the world's fastest-growing outbound international tourist industry, and two years later it overtook the United States as the largest source of outbound tourism in terms of the number of

trips and the amount of money spent abroad.¹ Chinese tourism dollars surged from US\$13 billion in 2000, to \$55 billion in 2010, and to a staggering \$258 billion in 2017, making Beijing a key source market not only for destinations in Asia and the Pacific but also in Europe, the United States, and Australia.

¹ U.N. World Tourism Organization (UNWTO), Madrid, "[Penetrating the Chinese Outbound Tourism Market: Successful Practices and Solutions](#)," Sept. 2017.

By that time, Chinese tourists had outnumbered tourists from any other single country with nearly 130 million, spending nearly one-fifth of the world's tourist dollars. By 2020, some 190 million Chinese will travel internationally and spend \$350 billion per year,² as the number of Chinese passport holders is expected to double from the current 120 million (8.7 percent of the population) to 240 million.³ The exponential growth of the Chinese outbound travel market will generate tremendous business opportunities in international travel destinations as this large tourist population combines an appetite for shopping with substantial purchasing power⁴ and is warmly welcomed by most countries. After all, tourism does more than just boost the economy. In some countries, tourism is its backbone.

By 2020, some 190 million Chinese will travel internationally and spend \$350 billion per year.

In the Middle East

Over the past decade, outbound tourism from China to Middle East countries has steadily grown, in contrast to the steep decline in international travel to the region due to the surge in jihadist terrorism and the domestic turmoil attending the Arab uprisings, notably in Egypt, Tunisia, Yemen, Syria, and Libya.⁵ And while Chinese citizens

understandably hope they will not face any serious security risks when they travel, Chinese business, leisure, and religious travelers are

interested in the Middle East for its investment opportunities, international conferences and exhibitions, and luxury getaways that blend great hospitality, unique cultural experiences, shopping, and local cuisine.⁶

Though the Middle East is not one of the ten most popular destinations for Chinese travelers, 164,681 tourists traveled to Qatar in 2015, 64,455 to Saudi Arabia, 179,459 to Egypt, and 66,509 to Iran.⁷ In Israel, more than 113,600 Chinese traveled to the country in 2017, up 41 percent year-over-year. In 2017, the number of Chinese tourist arrivals in the United Arab Emirates (UAE) exceeded the one million mark for the first time in history, and about 3.5 million Chinese tourists transited through the emirate.⁸ Some 250,000 Chinese tourists visited Turkey in 2017, up 47 percent from 2016, and as many as 400,000 arrived in 2018.⁹ China seems poised to become one of Turkey's most important tourism partners in the very near future.

The Gulf Cooperation Council (GCC) monarchies currently attract 1.9 percent of China's total outbound market, up from 1.3

² UNWTO, "[2017 Annual Report](#)."

³ Ibid.; "[The Number of Potential Chinese Outbound Tourists Could Double by 2020 to 240 Million](#)," *Jing Travel* (New York), Jan. 26, 2018.

⁴ UNWTO, "[2017 Annual Report](#)."

⁵ UNWTO, "[Annual Report 2011](#)"; UNWTO, "[Chinese Outbound Travel to the Middle East and North Africa](#)," 2014.

⁶ UNWTO, "[2017 Annual Report](#)"; Mirek Dusek and Maroun Kairouz, "[Is China pivoting towards the Middle East?](#)" World Economic Forum, Cologny, Switzerland, Apr. 4, 2017.

⁷ UNWTO, *[Yearbook of Tourism Statistics, Data 2013-2017, 2019 Edition](#)*.

⁸ "[Full text of Chinese President Xi's signed article on UAE media](#)," Ministry of Foreign Affairs, the People's Republic of China, July 18, 2018.

⁹ *The Daily Sabah* (Istanbul), [June 3, 2019](#).

percent in 2012, and Chinese arrivals are expected to increase 21 percent by 2021 to 2.5 million visitors annually.¹⁰ In the first two months of 2018, more than 86,000 Chinese tourists visited Abu Dhabi, up by 40.9 percent from 2017, and the emirate aims to attract 600,000 Chinese hotel guests each year by 2021.¹¹ The number of Chinese visitors to Dubai has increased by 119 percent since 2014, making China the emirate's fastest growing and fourth-largest source market. The first five months of 2018 closed with a record 400,547 Chinese visitors in the UAE.¹²

A Political Tool

More importantly, Beijing's Belt and Road Initiative, its global infrastructure development plan, which cuts through the Middle East, Asia, Europe, Africa, and the Americas, has the potential to put more of the region on the map for greater numbers of travel-savvy Chinese.

Tourism's economic and social importance has long made it a tool for achieving political goals. Governments can use it as a political weapon against other countries: They can use it to exert political pressure; they can use it to improve the

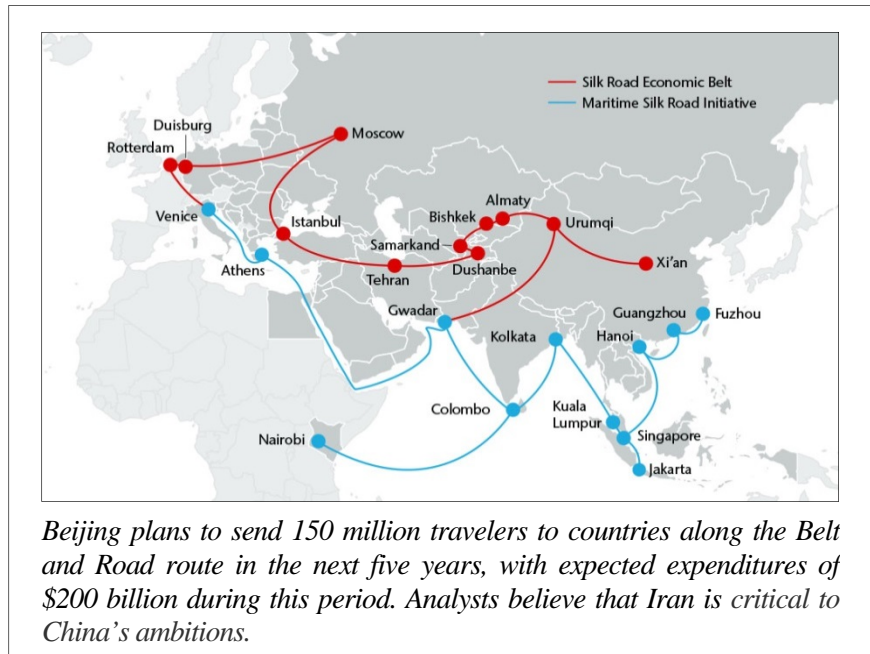


image of a troubled nation, and they can use it to sanction others.¹³ It can also be used to promote political ideologies (e.g., communist heritage trips in China) and to stimulate nationalist identity.¹⁴

Many countries maintain partial or complete control over tourism rather than leaving it to the free market, and this politicization sometimes produces tourism wars through aggressive marketing to divert or steal travelers from competitor

¹⁰ Xinhua News Agency (Beijing), [Jan. 22, 2018](#).

¹¹ *China Daily* (Beijing), [Apr. 2, 2018](#).

¹² *Gulf News* (Dubai), [July 18, 2018](#).

¹³ H. R. Seddighi, M. W. Nuttall and A. L. Theocharous, "Does Cultural Background of Tourists Influence the Destination Choice? An Empirical Study with Special Reference to Political Instability," *Tourism Management*, Apr. 2001, pp. 181-91.

¹⁴ Xiaobo Su and Peggy Teo, *The Politics of Heritage Tourism in China: A View from Lijiang* (London: Routledge, 2009); Craig Webster and Stanislav H. Ivanov, "Political ideologies as shapers of future tourism development," *Journal of Tourism Futures*, Sept. 2016, pp. 109-24.

destinations. Major tourist-generating countries such as the United States and China can use these wars to redirect dollars from one destination to another, leaving countries that depend heavily on tourism for employment and foreign exchange earnings highly vulnerable.¹⁵

With its unique ability to direct and regulate its steadily growing tourist flow, Beijing has been using international tourism as a key component of its soft-power diplomacy, punishing, deterring, or rewarding countries as it pursues foreign policy goals,¹⁶ and strengthening ties with Chinese diasporas to the government's benefit.¹⁷

Much of this activity has been carried out via the state-controlled China National Tourism Administration (CNTA). For while the government embraced free market reforms decades ago, the largely state-controlled tourism industry—foreign tour companies cannot operate services for Chinese nationals—has remained exempt with agencies more political and less focused on

Beijing can easily trigger political turmoil by reducing or cutting off the flow of tourism.

marketing.¹⁸ Of the top five Chinese tourism operators by revenue, three are state-owned and another is owned partly by the multi-

national investment conglomerate Tencent, which has a strong incentive to comply with government mandates.¹⁹

At the 2016 First World Conference on Tourism, the CNTA director admitted that Beijing used tourism to stimulate its slowing economy and to enhance its influence abroad, revealing that Beijing planned to send 150 million travelers to countries along the Belt and Road route in the next five years, with expected expenditures of \$200 billion during this period.²⁰

For China's neighbors, incoming tourists inject a substantial amount of cash into their economies, but they pose a substantial risk as well. Because of its size, Beijing can easily dominate the industry and trigger political turmoil by reducing or cutting off the flow whenever it wants using travel warnings, negative media attention, recommendations to tour operators, and its Approved Destination Status (ADS) program. Debuted in 1999 and controlling organizing parties

¹⁵ Webster and Ivanov, "Political ideologies."

¹⁶ Tony S.M. Tse, "Chinese outbound tourism as a form of diplomacy," *Tourism Planning & Development*, May 2013, pp. 149-58; Z.H. Qiu, "China's tourism policy review," *China Tourism Research*, 1 (2007): 83-96; Guo Yingzhi, Xiaoming Li, and Qiulin Wang, "Cultural soft power-based brand culture marketing strategies of tourist destinations," *Journal of Landscape Research*, 6 (2014): 51-2; Anna Kwek, Ying Wang, and David B. Weaver, "Retail tours in China for overseas Chinese: Soft power or hard sell?" *Annals of Tourism Research*, 44 (2014): 36-52.

¹⁷ Wolfgang Georg Arlt, *China's Outbound Tourism* (New York: Routledge, 2006), p. 80.

¹⁸ "[Beijing vs Foreign Capitalist Roaders, China uses antitrust as a tool of economic nationalism.](#)" *The Wall Street Journal*, Aug. 14, 2014; "[Is China attracting foreign visitors?](#)" *China Power*, Center for Strategic and International Studies, Washington, D.C., Aug. 11, 2017; Craig Webster and Stanislav Ivanov, "The Political Economy of Tourism in the Future," in James Leigh, Craig Webster, and Stanislav Ivanov, eds., *Future Tourism: Political, Social and Economic Challenges* (London: Routledge, 2012), pp. 21-34.

¹⁹ Evan Rees, "[China's Unlikely Weapon: Tourists.](#)" Stratfor, Austin, Tex., July 9, 2018.

²⁰ *China Daily*, [May 19, 2016](#).

including local travel agencies and international tour operators, the ADS has become an important tool used by the Chinese government to control and regulate tourism flow by determining where Chinese package tours can go and how they are marketed in mainland China.²¹ Countries without an ADS agreement are not allowed to accept tourist groups from China or promote their destination inside China. Travel is restricted to business and official travelers only.²² Middle East countries on Beijing's ADS list include Egypt, Iran, Israel, Lebanon, Oman, Syria, Turkey, Qatar, and the UAE.²³

Overseas pleasure travel, therefore, occurs only via tightly controlled groups to countries and territories approved by the state. Middle East governments need to be aware that Beijing has already used these weapons in its own neighborhood against Hong Kong, Macau, Taiwan, Japan, South Korea, Thailand, Indonesia, and Sri Lanka.²⁴ Indeed, travel bans have become one of Beijing's preferred methods to punish or pressure countries that refuse to toe its political line. Without attracting criticism from abroad, the government quietly and selectively imposes bans on overseas group travel to countries whose relations with



Middle East governments need to be aware that travel bans have become one of Beijing's preferred methods to punish or pressure countries that refuse to toe its political line.

Beijing have deteriorated.²⁵

The Chinese displeasure with Taiwan's new independence-leaning government has likewise led to sharp limitations on the number of Chinese group tours allowed to travel there. While Beijing has not publicly announced a restriction, it is understood that Chinese tour operators have been advised to restrict the number of tours during a time of "political uncertainty" when mainland Chinese nationals may be "unwelcome."²⁶ South Korea's decision to deploy the U.S. THAAD anti-ballistic missile system similarly resulted in a substantial reduction of incoming Chinese tourists.²⁷ As with Taiwan, Beijing's retaliation was not officially announced, but state media

²¹ Tse, "Chinese outbound tourism as a form of diplomacy."

²² *Bloomberg Business Week* (New York), Feb. 22, 2019.

²³ *The Peninsula Qatar Daily Newspaper* (Doha), [Sept. 12, 2017](#).

²⁴ Tse, "Chinese outbound tourism as a form of diplomacy"; Qiu, "China's tourism policy review."

²⁵ *CNN Travel*, [Sept. 13, 2012](#).

²⁶ *Jing Travel* (New York), [Mar. 7, 2018](#).

²⁷ Daniel Meesak, "[How China Uses Tourism as a Foreign Policy Tool in Asia](#)," *Jing Daily* (New York), Feb. 7, 2017.

repeatedly claimed that such a decision by Seoul would inspire Chinese tourists to go elsewhere. The CNTA instructed travel agencies to cut tours to South Korea by at least 20 percent.²⁸ By contrast, the Philippines and Malaysia enjoyed surges of Chinese tourists, the removal of travel warnings, and looser visa restrictions after cultivating stronger ties with Beijing.²⁹

As Beijing seeks to strengthen its partnership with Middle East countries, it will undoubtedly use these same weapons. Indeed, governments across the Middle East have already adjusted their visa and other regulations to welcome the rising tide of Chinese visitors, placing themselves in the same vulnerable position as China's neighbors in East Asia.

Leveraging Turkey and Israel

In fact, Beijing has already used its control and regulation of tourism flows to advance its political goals in the Middle East. In 2000, the Chinese attempted to bring a derelict Soviet vessel through the Bosphorus to use as a model for its first aircraft carrier, but Ankara blockaded the ship for sixteen months.³⁰ Beijing secured the ship's passage in part by exercising its tourism muscle, by promising to build two power plants in Turkey, and by agreeing to place the country

Middle East governments have adjusted their visa regulations to welcome Chinese visitors, placing these countries in vulnerable positions.

on its list of approved travel destinations.³¹

Governments commonly prohibit travel to war zones or to hostile nations where they cannot protect the lives and property of their citizens.

Western governments in particular routinely issue travel advisories that warn people to stay away from dangerous places. The Chinese government, though not impervious to these considerations, often uses such advisories to apply political pressure.

Thus, for example, Chinese tourism to Turkey expanded dramatically after the 2013 launch of the Belt and Road Initiative, rising from some 98,000 tourists in 2011 to 313,000 in 2015. Yet it dropped to 164,681 in 2016 after the Chinese embassy in Ankara issued a travel warning following an attack on Chinese tourists in Istanbul during protests over Beijing's treatment of its Turkic Uighur minority.³² On the face of it, the travel advisory was intended to protect Chinese citizens; in fact, it conveyed Beijing's anger and frustration at the Turkish interference in China's internal affairs.

Beijing did something similar to Israel more recently. Two days after U.S. president Donald Trump recognized Jerusalem as Israel's capital and announced plans to move the U.S. embassy there from Tel Aviv, China's foreign ministry issued a travel advisory to its citizens. It warned those visiting Israel to "stay vigilant, keep watch, and be cautious when traveling to conflicted areas in Israel and Palestine, including the Old City of Jerusalem

²⁸ Reuters, [Jan. 22, 2017](#).

²⁹ Meesak, "[How China Uses Tourism as a Foreign Policy Tool in Asia](#)."

³⁰ Rees, "[China's Unlikely Weapon: Tourists](#)."

³¹ *The Telegraph* (London), [Sept. 2, 2001](#).

³² UNWTO, "[Yearbook of Tourism Statistics dataset](#)," 2016; Rees, "[China's Unlikely Weapon: Tourists](#)."

and its neighboring areas.”³³ The alert was intended to warn Chinese citizens about potential violence, but it also conveyed anger at Washington for harming Beijing’s interests in the region, including planned business investments that might be harmed by another round of conflict.

Between 10 percent and 20 percent of the capital in Israel’s high-tech sector comes from Chinese investors and companies.³⁴ And the travel advisory, which lasted until January 10, 2018, led to the cancellation of several Chinese business delegations to Israel. Shen Haiyin, CEO and founder of Singulato, developer of new energy vehicles, scuttled his planned visits with Israeli high-tech companies. A delegation from Tencent, likewise, called off its scheduled visit.

The number of Chinese tourists also dropped sharply in the first half of 2018. In 2017, 113,600 Chinese travelled to Israel, a 41 percent increase from the 85,500 who arrived in 2016 and a whopping 530 percent increase from five years earlier when only 19,500 tourists visited. In January 2018, the number of Chinese tourists to Israel dropped by 27 percent, and the decline continued until July with a sharp drop of 17 percent from the previous year. The data showed that only 65,500 tourists from China visited Israel from January to August 2018. It is important to note that the decline in the number of Chinese tourists also stems from the

³³ *South China Morning Post* (Hong Kong), [Dec. 9, 2017](#).

³⁴ *Haaretz* (Tel Aviv), [Dec. 9, 2017](#).



Israeli minister of health Yaakov Litzman and Prime Minister Benjamin Netanyahu attend the China-Israel Joint Committee on Innovation Cooperation, March 2016. After President Donald Trump recognized Jerusalem as Israel’s capital, China’s foreign ministry issued a travel advisory to its citizens. Some Chinese business leaders then canceled scheduled visits.

perception that Jerusalem may be roiled by unrest. Only after intense lobbying by the Israeli foreign ministry and the Israeli embassy in Beijing did China’s own foreign ministry cancel the travel advisory to Israel.³⁵

Conclusion

Beijing’s use of outbound tourism to extract policy concessions from Middle East governments will likely increase as its share of the tourist industry expands. If even a small fraction of its 130 million travelers can be discouraged from visiting a country, the devastating results could lead to economic and political turmoil. Consider the travel ban on South Korea, which, according to a Bank of Korea estimate, cost the country some \$4.5 billion in lost revenue for the tourism

³⁵ Xinhua News Agency, [Sept. 24, 2018](#).

industry.³⁶ Similar damage could be wrought on Middle East states were they to become overly reliant on Chinese tourism.

China's rise and the growth of its consumer markets are expected to continue in the coming decades, increasing Beijing's already impressive influence on the world stage. In the future, Middle East states will need to factor in tourism as a significant component of their relations with Beijing.

Mordechai Chaziza holds a Ph.D. from Bar-Ilan University and specializes in Chinese foreign and strategic relations with a focus on China's foreign policy in the Middle East and North Africa. He is a senior lecturer at the Department of Politics and Governance at Ashkelon Academic College, Israel.



³⁶ Laura Zhou, "Promises, promises ... but still no end to China's ban on group tours to South Korea," *South China Morning Post*, Dec. 20, 2017.