Determinants of Tourism Arrivals in China

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ARTICLE DETAILS

ABSTRACT

The aim of study has to investigate behavior of tourism under the threat of CO2 release in case of China. The research work employed Secondary time-series-data over the time duration 1996-2019. The research work used tourism arrivals as dependent and CO2 emission, GDP growth Rate, tourism expenditure and trade are used as independent variables. The study also applied OLS is applies for the findings. The results of OLS indicate that, positive impact of CO2 emission on tourism arrivals in China. It means that, tourism increase with the increase in CO2 emission. While other variables, like GDPGR, tourism expenditure, and trade are positively increasing the Tourism.

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1. Introduction

Carbon dioxide is a chemical compound which is present in Earth's atmosphere as a gas (Chaudhry et al., 2020; Tanveer et al., 2021). It is exhaled by animals and used by plants in a process called photosynthesis. By trapping heat from the sun, carbon has kept Earth, climate habitable for humans and billions of other species. But accelerating carbon dioxide emission have periodically harmed environment by warming Earth’s temperature during ice age cycles over the past million years or more (Chaudhry et al., 2022; Faheem et al., 2022; Tanveer et al., 2022). Now CO2 is at its peak level than at any time in past 3 million years.

According to the Washington Post “Earth’s carbon dioxide level hit record high despite corona virus related emission drop” tourism industry is the combination of industries has a tendency to facilitate through imparting infrastructure, items and offerings and make feasible travelling for
unique functions and travelling to awesome locations of enjoyment and commercial enterprise interests’ tourism industry completely depends on environment and natural resources. For instance, heater climates are general favored environs for recreation and leisureliness (Farooq et al., 2020).

Preconditions for tourism are natural beauties such as pure water, biodiversity, sands and land escape. The loss of non-renewable resources, the unsustainable use of renewable resources, and the loss of biodiversity are some of the threats posed by global environmental changes to these bases of tourism (Gossling and Hall, 2015). CO2 emissions are positively and statistically strongly influenced by visitor arrival, tourism contribution is significant for CO2 emission in underdeveloped as well as developed economies.

However, richer countries are more affected than less developed ones. The UNWTO predicts that by 2030, there would be 1.8 billion foreign arrivals. It is predicted that through 2023, CO2 emissions from the tourism sector will increase by 2.5% year, there are some controversies. Tourism is an industry with low energy use, low emissions, and low carbon emissions. It is also competitive and has to deal with climatic change, energy conservation, and emission reduction (Chaudhry et al., 2022).

China is the fourth-most visited country in the world, according to the World Population Review. China’s total energy consumption from tourism in 2008 was 428.30 PJ, or 0.51% of the country’s overall energy consumption. China’s carbon dioxide emissions from tourism in 2008 were 51.34 Mt, or 0.86% of all national emissions, much below the average level for the world (5%). Tourism transport is the largest energy consumer and carbon dioxide discharger in the Chinese tourism. It consumes 72.08% energy and discharges 67.72% carbon dioxide of the total tourism industry (Wu and Shi, 2011; Faheem et al., 2020). In this regard of China tourism industry is facing many environmental threats as well as CO2 emission.

This research work has focused the economy of China to discover the behavior of tourism industry in this scenario to observe its harmful impacts on overall climate. The remaining parts of the article are organized as following. Section two designates the literature context of the research work. Part three presents the data sources. Section four converses the main results and implications of the results findings. Finally, Section five précises the contributions of the article.

2. Literature Review
Jermsittiparsert and Chankoson (2019) study the behavior of tourism industry underneath the situation of environmental threats and carbon emission: Time series Analysis from Thailand in view of these findings, it is inferred that for in general the travel industry, ecological elements are assuming their significant job as a rule. While inside and out examination demonstrates that elements like carbon emanation from assembling and development ventures and carbon outflow through different parts had their important and significant way on entirely components of the travel industry in the area of economy of Thailand. All these findings are giving sensible proof to their provincial and administrative ramifications as much significant consideration is mandatory to control the unsafe impact of natural pointers on the travel industry.

Tang et al. (2018) study the tourism-related CO2 emission and its decoupling effects in China: A Spatiotemporal angle at the national level, the all CO2 discharges of the travel industry expanded from 37.95 Mt in 2000 to 100.98 Mt in 2015 with a usual yearly development pace of 7.1%. The outcomes additionally demonstrated that carbon dioxide discharges of the travel industry in China’s economy were commanded by the travel industry transport; that represents over 83 percent of absolute
carbon dioxide outflows. At the commonplace level, the most noteworthy carbon emanations from the travel industry happened in Eastern, Shandong, Zhejiang, and Jiangsu.

Anser et al. (2020) study the Carbon discharges damage to international tourism: The necessity for carbon-free has been largely sparked by the United Nations' sustainable development programme. Creating green international tourism would make it viable to pursue tourism (INTL TOUR). Policies, environmentally sound production and consumption practises, green logistics management, and stringent environmental laws. These all factors contribute to paving the way for environmentally sustainable travel. The study used a sizable panel of diverse nations from 1995 to 2018 to calculate the cost of carbon emissions in INTL TOUR. Yin et al (2018) research work more about the Dynamic Analysis of Tourism Industrial Ecoligization in Central China: Its Stated and advancement the conventional exploration indicated that travel industry is "smokeless modern ecologization is a significant pattern of the travel industry. In addition, Tourism mechanical colorizations the most ideal decision and technique to accomplish the travel industry supportable turn of events.

Hong Xia (2014) study the Chinese public’s willingness to pay for CO2 discharge decrease: A case study from 4 provinces or cities. This examination set up that there is a huge distinction in members' WTP for carbon dioxide discharge decreases strategy between various societal gatherings in the four (4) districts. The outcome demonstrates the individuals whom were happy through their present life & who were emphatically mindful of environmental modification issues revealed a more significant level of WTP. Members who were youthful, male and individuals from the Communist Party were happy to pay a greater WTP.

Qiao and Gao (2017) investigated an application of norm activation theory was used to look at Chinese Tourists' Perceptions of Climate Change and Mitigation Behavior. It implies that tourists' perceptions of climate change (including Event and Anthropogenic Causation) and their observations of the travel industry's commitment to environmental change have a significant impact on the industry's standards for carbon reduction and energy conservation, which at that point expands their aim to embrace such practices. Mikayilov et al (2019) analyzed the effect of tourism on the assessment of the environment. Along with the traditional functional form and fixed coefficient methodologies, they conduct analyses of how tourism affects environmental degradation using a time-varying coefficient co-integration methodology, which is the first to be applied to the relationship between tourist’s ecological imprint.

Gosling et al., (2015) examine the variability among markets in the amount of CO2 emitted from the tourism industry. This article investigations the piece of universal the travel industry markets showing up via air and their individual commitment to discharges at 11 chose nations with particularly extraordinary the travel industry states. The ramifications of variations in the marketplace piece of the nation’s somewhere in the range of 1995 and 2010 for normal traveller carbon force and complete discharges are inspected. Results show varieties in between advertise outflow powers of up to a factor thirty (127–3930 kg carbon dioxide/traveller) if looking at singular markets for the entire scope of goals, and up to a factor five (370–1830 kg carbon dioxide/vacationer) if contrasting normal emanation powers between goals. Becken and Patterson (2006) examine a crucial step to achieving sustainable tourism is measuring national carbon dioxide discharges. This study recommends two methodologies for representing carbon release outflows towards the tourism; a base active investigation including industry & tourist analysis, and a top-down investigation utilizing ecological bookkeeping. Utilizing the contextual analysis of New Zealand, we exhibit that the two methodologies bring about comparative evaluations of how much the tourism adds to national carbon dioxide outflows. The base up
examination gives definite data on vitality end-utilizes, the principle teamsters of carbon dioxide discharges. These outcomes could be utilized for improvement of focused industry-based ozone depleting substance decrease procedures.

Kapeller et al. (2019) study the Holiday Travel Behaviour and Correlated CO2 Emissions in Austrian tourist. The impression of the travel industry through movement is paying essentially to amassing of human made CO2. Because of various choices in transportation, coming about outflows rely firmly upon the selections of people on the most proficient method to traveling. land travel is the principle method of transportsations, despite the fact that air travel had indicated a huge increment through the most recent decades, in Austria. Li et al. (2019) study the balancing tourism’s economic benefit and carbon dioxide discharges. In the exact examination, the proposed strategy is executed to investigate the harmony between monetary development and the CO2 discharges of the travel industry segments in Beijing for 2007–2012, and gives viable approaches to advance higher pay and low carbon the travel industry improvement. In like manner, to accomplish the decrease in the sectoral outflows force, advancement to a progression of linked measures are suggested that would viably progress the allot discharges power to the travel business industry, along these lines lessening Beijing’s CO2 emanations. For the most part, Beijing’s travel industry shows powerful financial development and encountered a huge diminishing in CO2 emanations during the time of 2007–2012.

Sunlu, (2003) explored tourisms effects on environment. The study focuses that tourism has to comprise the concepts and performs of sustainable consumption. Sustainable intake contains of constructing customer call for products which had been made the usage of cleanser manufacturing methods, and for offerings together through tourism offerings which could be well-appointed in a manner that diminishes environmental effects. The tourism enterprise could play a main role in imparting eco-friendly statistics and uplifting focus between vacationists of the environmental effects in their works. Tourists and tourism related organizations devour a sizeable quantity of goods and offerings; transferring them closer to the usage of the ones which could be produced and furnished in an environmentally sustainable way may want to have a sizeable tremendous outcome at the planet’s environment.

Zhu et al (2017) studied low level of carbon conversion and path of sustainable progress of tourism industry. First of all, the study explores the ties among low carbon and sustainable progress, along with investigating current challenges faced by tourism sustainable development. At the end, this study suggests for tourism industry to adopt a low carbon transition. The study offers a comprehensive plan for sustainable development including maximum use of renewable energy, adopting green building constriction to save energy, accelerating green investment, following a consumption and production path which is sustainable, to enhance energy and efficiency off water, waste disposal, and reduction in GHG release and in due course develop its sustainability.

Peters (2010) observes the traveller transport, co2 emission and factors of technology. His recommendations are that final effect of energy consumption significantly relays upon negative as well as positive response from the expertise in tourism transport. For the best future consequences in tourism industry, the paper proposed that special emphasis is needed to the technological development in the tourism transportation and associated matters. Bahram et al (2017) looked into the link between CO2 emissions and the growth of tourism. In order to determine the long-term equilibrium dating and the causal relationship between tourism development and carbon dioxide emissions, this paper empirically examined the tourism-related CO2 emissions in Asia Pacific countries from 1995 to 2013 through the channels of energy consumption and actual profit growth. Even in the long run, tourism
arrivals have a statistically significant negative impact on the level of carbon dioxide emissions. The results support the argument that tourism in the Asia-Pacific region prompted EKC. In this empirical evaluation, the theoretical EKC framework has been taken into account.

3. Data & Methodology

Time series data from 1996 to 2019 were employed in the current investigation to find out the bond among dependent variable and independent variables. The data of Tourism Arrival, CO2 Emission, GDP Growth Rate, Total Export, and Trade are collected from World Development Indicator (WDI). The Ordinary Least Square (OLS) technique was used in the current investigation to determine the bondings among the dependent and independent variables. An approach for estimating unknown parameters in a linear regression model is called Ordinary least squared. Previous literature used different methods to prove different theories (Amjad et al., 2015; Aftab et al., 2015; Anwar et al., 2016; Chaudhry et al., 2019; Chaudhry et al., 2021; Faheem et al., 2019; Faheem et al., 2020; Faheem et al., 2021; Faheem et al., 2022; Farooq et al., 2021). The information is expressed in logarithm form for both dependent and independent variables. Formulate the approximated equation as follows:

\[ TI = f (CO2, GDPGR, TEXP, TRD) \]

The econometric Model is Log-Log Model, it means that DV and IVs are in Logarithm form. The following is the study’s multiple regression model:

\[ TI = \beta_0 + \beta_1CO2 + \beta_2GDPGR + \beta_3TEXP + \beta_4TRD + \mu_i \]

\[ TI = \text{Tourists Arrivals} \]
\[ CO2 = \text{Carbon Dioxide Emission} \]
\[ GDPGR = \text{GDP Growth Rate} \]
\[ TEXP = \text{Total Expenditures on Tourism} \]
\[ TRD = \text{Trade} \]
\[ \mu_i = \text{Error Term} \]

4. Results and Discussion

Recent section of research paper, analysis of empirical data would be present.

4.1 Descriptive Stat;

In this present study will be done to analyze the empirical data. Reviewing certain fundamental characteristics of dependent and independent variables is necessary for this research work.

<table>
<thead>
<tr>
<th></th>
<th>TI</th>
<th>CO2</th>
<th>GDPGR</th>
<th>TEXP</th>
<th>TRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>44.79967</td>
<td>5.202254</td>
<td>9.060774</td>
<td>6.981523</td>
<td>44.92228</td>
</tr>
<tr>
<td>Median</td>
<td>50.875</td>
<td>5.33491</td>
<td>9.130646</td>
<td>6.06429</td>
<td>42.7474</td>
</tr>
<tr>
<td>Maximum</td>
<td>59.27</td>
<td>7.557211</td>
<td>14.23139</td>
<td>13.44511</td>
<td>64.47888</td>
</tr>
<tr>
<td>Minimum</td>
<td>20.034</td>
<td>2.648649</td>
<td>6.7</td>
<td>2.726149</td>
<td>32.4247</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>13.71131</td>
<td>2.050316</td>
<td>1.935358</td>
<td>3.604283</td>
<td>9.940188</td>
</tr>
<tr>
<td>Skewness:</td>
<td>-0.56463</td>
<td>-0.06834</td>
<td>0.855237</td>
<td>0.291707</td>
<td>0.623951</td>
</tr>
<tr>
<td>Kurtosis:</td>
<td>1.69836</td>
<td>1.310431</td>
<td>3.35462</td>
<td>1.565372</td>
<td>2.176447</td>
</tr>
<tr>
<td>Observations:</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

Data-source; calculations done by E-views-9
In the table above, descriptive statistics of 24 observations are summarized. The very 1st row displays the average values for TI, CO2, GDPGR, TEX, and TRADE, which are, respectively, (44.79967), (5.202254), (9.060774), (6.981523), and (44.92228). The table’s second-to-last row contains the skewness values. Skewness is a measure of the data distribution’s asymmetry and equity relative to its mean. The data distribution is skewed if the mean, median, and mode all fall inside the middle and top points of the bell curve. Here can observe from the table that TI and CO2 are negatively skewed since their mean values are lower than their median values. GDPGR, TEX, and TRADE, on the other hand, are positively skewed since their mean values are higher than their median values. The values of Kurtosis in the second last row illustrate the flatness and peakness of the data to the normal distribution. If the probability distribution is extremely peaked and the value of Kurtosis is larger than 3, the distribution is known as Leptokurtic. If the probability distribution displays flatness of the data and the value of Kurtosis is less than 3, the distribution is unknown as platykurtic. The values of TI, CO2, TEX, and TRADE in the table below are less than 3, indicating that these variables are platykurtic, whereas the value of GDPGR is larger than 3, indicating that these variables are leptokurtic.

4.2 Pairwise Correlation
The problem of multicollinearity between variables is commonly identified by Pairwise coefficients of correlation. The presence of multicollinearity is demonstrated by strong coefficients of correlation for multiple variables.

<table>
<thead>
<tr>
<th>Varb</th>
<th>TI</th>
<th>CO2</th>
<th>GDPGR</th>
<th>TEX</th>
<th>TRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI:</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO2:</td>
<td>0.038874</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDPGR:</td>
<td>-0.34895</td>
<td>0.053329</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEX:</td>
<td>0.253338</td>
<td>-0.81769</td>
<td>0.026963</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>TRADE:</td>
<td>0.184698</td>
<td>0.6739</td>
<td>-0.63156</td>
<td>0.184675</td>
<td>1</td>
</tr>
</tbody>
</table>

Data-sources; Calculated by Using E-views-9

The correlation-matrix of all factors considered in this study is shown in the present study table above. The correlation matrix depicts the pair-wise correlation. It demonstrates that CO2 is correlated to GDPGR (-0.34895) which is negative correlation. While CO2 is positively correlated with TEXP and Trade about (0.253338) and (0.184698) points so, ER and correlation are less.

4.3 Ordinary Least Squared Results;
The effect of IV’s on DV’s is shown in the table below.

<table>
<thead>
<tr>
<th>Varb</th>
<th>Coeff’s</th>
<th>Std. E</th>
<th>t-Stats</th>
<th>prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2:</td>
<td>0.232095</td>
<td>0.055982</td>
<td>4.14586</td>
<td>0.0006</td>
</tr>
<tr>
<td>GDPGR:</td>
<td>0.108812</td>
<td>0.088784</td>
<td>1.225582</td>
<td>0.2362</td>
</tr>
<tr>
<td>TEX:</td>
<td>0.088906</td>
<td>0.039847</td>
<td>2.231196</td>
<td>0.0386</td>
</tr>
<tr>
<td>TRADE:</td>
<td>0.294638</td>
<td>0.075688</td>
<td>3.892792</td>
<td>0.0011</td>
</tr>
<tr>
<td>TI(-1)</td>
<td>0.569212</td>
<td>0.080722</td>
<td>7.051547</td>
<td>0.0000</td>
</tr>
<tr>
<td>C:</td>
<td>-0.23316</td>
<td>0.171896</td>
<td>-1.356405</td>
<td>0.1917</td>
</tr>
<tr>
<td>R²:</td>
<td>0.974974</td>
<td>Durbin-Watson Test:</td>
<td>2.27916</td>
<td></td>
</tr>
<tr>
<td>Adjusted R²:</td>
<td>0.968022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Sources; Calculations by using E-views_9
The findings indicate that the coefficient of CO2 emission has a positive but insignificant influence on tourism. It displays that a 1 percent rise into CO2, (0.232095) unit increase in tourism. The GDPGR coefficient has a positive and insignificant influence on tourism. Uncertainty 1% increases in GDPGR, (0.108812) units upsurge in Tourism. The TEX coefficient has a positive and considerable effect on tourism. It demonstrates that a 1% increase in TEX leads to a (0.088906) unit increase in Tourism. The value of coefficient of Trade is also indicates positive but significant influence on Tourism. It displays that one percent rise in Trade it would get (0.294638) units upsurge in Tourism.

The autocorrelation problem is tested using the Breusch - Godfrey Serial Correlation LM test. The findings of the Breusch-Godfrey Serial Correlation LM test are shown in the table below.

<table>
<thead>
<tr>
<th>B_G Serial Corrl LM Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>F_Statistic</td>
</tr>
<tr>
<td>prob.</td>
</tr>
</tbody>
</table>

**Data source; calculations Using E-views_9**

The autocorrelation problem is approached by using the lag of the dependent variable. Because the probability value seems insignificant, no autocorrelation exists. The heteroskedasticity problem is tested using the Breusch-Godfrey test. The findings of the Breusch-Godfrey test for heteroskedasticity is shown in the table below.

<table>
<thead>
<tr>
<th>Hetero_Test B_P_G</th>
</tr>
</thead>
<tbody>
<tr>
<td>F_Stats</td>
</tr>
<tr>
<td>prob.</td>
</tr>
</tbody>
</table>

**Data source’ Calculations using E-views_9**

The results of the Breusch - Pagan - Godfrey test for heteroskedasticity is shown in the table above. The probability value is negligible, insignificant indicating that the data is homoskedastic.

5. Conclusion

The goal of this research is to investigate the behaviour of the tourism business in the face of environmental challenges and CO2 emissions. Annual time series data from 1996 to 2019 are used to investigate the association between the dependent variable Tourist Industry and the independent variables Co2, GDP Growth rate, international tourism expenditures (% of total imports), and Trade (% of GDP). OLS approach is applied to evaluate the long run relationship among DV and IV’s. The results express that Co2, International tourism expenditure and Trade show the positive and significant relationship with dependent variable tourism. While Gross domestic product growth has positive and statistically insignificant impact on tourism industry of china.

References


Jermsittiparsert, K., & Chankoson, T. (2019). Behavior of Tourism Industry under the Situation of...


