The recent development of China’s hot spring industry: transformation from hot spring tourism to health and wellness hot spring

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Objective: The aim of this presentation is to briefly introduce current situation and trends of China’s hot spring industry, and try to describe a rough profile of the industry against the backdrop of industrial transformation from tourism oriented one to wellness & health oriented one. Meanwhile, the presenter, on behalf of China Hot Spring Tourism Association, calls for supports, collaboration and cooperation from ISMH and BCPM.

Abstract: China is one of the countries abundant in hot spring resources. There are more than 4,000 hot spring resources consisting of two types: the natural hot spring and the developed hot spring. Yet, there are still many more hot spring resources to be explored and developed. To the end of 2013, there were around 1,000 hot spring tourism facilities or projects in operation. The yearly number of visitors to hot spring tourism facilities reached over 60,000,000 by the end of 2012.

Although China has a long history of taking hot spring as a gift the Nature for bathing and healing, in ancient China, hot spring was never integrated into the mainstream traditional Chinese medicine (TCM), medication and practices.

Thermalism and balneotherapy was introduced into China in 1920s. In 1940, Professor Chen Yanbing (1903–1996), the founder of the modern thermalism and hot spring medicine of China (thanks to Japan, Prof. Chen Yanbing used to study in medical college where he studied hot spring medicine, Keio University during 1928–1932) published a book on hot spring and medicine. It was the first book of its kind in China. In 1959, he established the first medical institute on hot spring study at the medical school of Sun Yat- Sen University, Canton province.

Around the year of 1949, the concept of hot spring hospital (sanatorium) and thermalism was officially introduced into China from former Soviet Union and Eastern European socialist countries, and regarded as an important part of national healthcare system. The first hot spring sanatorium, now named Tanggangzi hot spring hospital, was soon opened in 1950, modeled after the hot spring sanatorium of Soviet Union.

At its heyday of the sanatorium business in 1980s, there were more than 300 hot spring sanatoria and hospitals all over China. Under the centralized social and economical plan system during 1950s to 1980s, all the sanatoria were state-owned and state-run.

When most of the sanatoria were falling down rapidly in mid 1990s, a new business model of hot spring so called hot spring tourism was rising and developing rapidly.
The hot spring tourism is a new product type that consists of different kinds and sizes of indoor and outdoor hot spring pools in man-made garden or natural landscaping surroundings, and it usually combines with hotel, restaurant, massage house, theaters, KARAOKE, water park, ski field and other entertainment facilities. The main purposes that visitors come to hot springs are relaxation, social activity, entertainment and health keeping.

Almost all the hot spring tourism facilities are commercially invested and operated, and none of them is integrated into social health system, or even commercial health system, thus they cannot be reimbursed at all.

During 1997 to 2012, hot spring tourism developed rapidly all over the country and became the mainstay of hot spring industry in China.

In 2009, China Hot Spring Tourism Association (CHSTA) was established under the China Tourism Association. Soon after the establishment, the association applied for joining FEMTEC and being approved in a short time, and became the vice chairman membership country of FEMTEC.

So far, CHSTA has co-organized together with the FEMTEC through two annual congresses of FEMTEC separately held in 2008 and 2012 in China. Because of the influences of the two congresses and CHSTA’s continuing promotion, the concept of modern Thermalism especially balneotherapy and climatology has been widely accepted by scholars, professionals, investors and managers from the whole hot spring industry.

Although TCM is now being widely used in the hot spring tourism facilities, it still does not play a major role in the mix of products and services.

While China’s hot spring industry is continuing to develop and improve the hot spring tourism, some investors and operators have begun realizing that the core value of hot spring is health, thus they desire to develop the new type of hot spring — health hot spring resort — try to combine European style thermalism with TCM.

In recent years, the hot spring health resort has been widely accepted and becomes a new investment hot spot such as the case of Heungkong Health Valley near Guangzhou city.

The coming of international brands: in recent years, some famous international spa, thermalism brands and entities have entered China market, such as Vichy group of France (VSI: Vichy Spa International).

What are new opportunities for hot spring industry of China to develop health related facilities?
1. The coming of aging society.
   China is becoming rapidly an aging society. A new type of real estate business called “elderly health property” is rising, and the hot spring industry is facing a new huge market to explore.
2. The awakening of health management among most of population of China. More and more Chinese people, especially middle class and up, are embracing health life style and practicing different kinds of regimen, including spa & balneotherapy.
3. More and more opening policies of the central government for private sectors to enter the health market, and some hot spring enterprises have got the operation permits for hospital and clinic.

What are the major obstacles?
1. The hospital license control.
2. The social and medical insurance payment and reimbursement system (both public and commercial).
3. The faith and trust to hot spring health facility by customers.
4. Lacking of talents and expertise of balneotherapy.
5. Lacking of the related law and specific policy.

**Conclusion:** China is just at the starting line for developing a health and wellness oriented hot spring industry. China’s hot spring industry is calling for international cooperation, collaboration and technical assistances to develop hot spring as a means of healthcare and an integrate part of the national healthcare system.

**Keywords:** China hot spring industry, transformation, tourism wellness & health