



Research on Tourism Economic Development in Hainan Free Trade Port: Policy Innovation and Path Optimization

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KEYWORDS

Hainan free trade port;
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Policy innovation;
International tourism consumption center;
Comparative study

ABSTRACT

This study focuses on the tourism economic development under the background of the Hainan Free Trade Port. Through a systematic review of its current development status, analysis of its policy system, and horizontal comparison with similar domestic and international tourist destinations, it delves into Hainan's unique advantages, shortcomings, and challenges in this process. The study finds that Hainan, leveraging its dual strategic positioning as a "Free Trade Port" and an "International Tourism Consumption Center," has conducted numerous cutting-edge policy explorations in areas such as tourism opening-up and internationalization of consumption, resulting in a significant "policy synergy effect." However, its tourism product structure, service quality, and international competitiveness still need improvement. Based on this, this paper proposes targeted optimization schemes for the high-quality and sustainable development of Hainan's tourism economy from the dimensions of policy support, product innovation, service quality, and talent development.

INTRODUCTION

Since the central government entrusted Hainan with the significant historical mission of building a free trade pilot zone and a free trade port with Chinese characteristics in 2018, this tropical island has ushered in a golden opportunity in its development history. Among these opportunities, the clearly defined strategic positioning as an "international tourism consumption center" has propelled tourism to the core stage of Hainan's economic development. Recently, the formal implementation of the "Hainan Free Trade Port Tourism Regulations" has further consolidated the strategic position of the tourism industry through legislation and provided a solid legal guarantee for its development. Against this backdrop, in-depth research into the development path of Hainan Free Trade Port's tourism economy is not only crucial for the high-quality development of the regional economy but also has significant pioneering and demonstrative significance for China's tourism industry's exploration under a higher level of openness. This article, based on Hainan's provincial conditions and the latest policy developments, aims to outline the current landscape and

future direction of Hainan Free Trade Port's tourism economic development through comparative analysis

1. The Current State of Hainan's Tourism Economy: Opportunities and Challenges Coexist

1.1. Tourism Economy Scale and Growth Drivers

In recent years, Hainan's tourism economy has shown strong growth momentum, one of the core driving forces of which is the unique offshore duty-free policy. We have observed that with the continuous release of policy dividends, duty-free shopping has become a "golden signboard" to attract tourists. For example, during the recent National Day and Mid-Autumn Festival holidays, the sales amount of duty-free shopping in Hainan exceeded 944 million yuan, an increase of 13.6% year-on-year, and the number of shoppers exceeded 120,000. This set of impressive data directly

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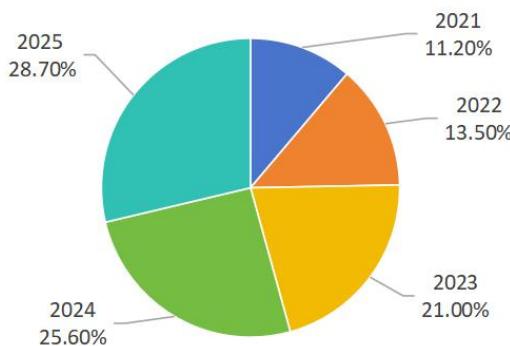
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confirms the strong traction of the policy on tourism consumption [1].

Meanwhile, Hainan's tourist source structure is showing a welcome international trend. Benefiting from the visa-free policy for citizens of 86 countries, Hainan's inbound tourism market continues to heat up. Related data shows that during the National Day holiday in 2025, Haikou entered the top ten most popular domestic cities for foreign tourists for the first time, which is undoubtedly a positive signal, indicating that Hainan's international attractiveness is steadily increasing.

Release of Hainan Off-Island Duty-Free Shopper Numbers (2021-2025)



Hainan Off-Island Duty-Free Sales Total Release (2021-2025)

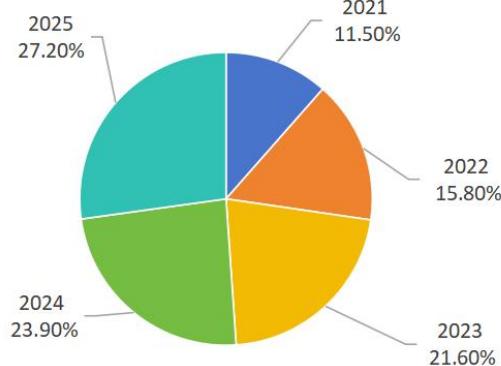


Fig.1.Growth Trends in Hainan's Offshore Duty-Free Sales and Tourist Numbers (2021-2025)

Chart description: This chart intuitively reflects the strong driving effect of the offshore duty-free policy on Hainan's tourism economy. Data shows that duty-free sales and the number of shoppers have shown a continuous and rapid growth trend, especially after 2023, the growth rate has accelerated, highlighting the policy dividend release effect [2].

Data source: Compiled from publicly available data released by the Hainan Provincial Department of Tourism, Culture, Radio, Television and Sports and Haikou Customs over the

years.

1.2.Diverse Business Formats and Structural Characteristics

After years of development, Hainan has gradually broken away from its past development model that relied solely on coastal tourism, and has initially formed an industrial pattern in which coastal resorts are the leading sector, with duty-free shopping, medical and health care, and convention and exhibition businesses developing in synergy. Taking Sanya, a major tourist city, as an example, its Haitang District, Jiyang District, and Tianya District have all been selected as among the top 100 districts in China in terms of tourism competitiveness. The average number of tourists received and the total tourism revenue have all achieved double-digit growth, leading the national average growth rate and becoming an important engine for driving Hainan's tourism economic growth.

Specifically, each region has developed its own differentiated development path based on its own resources: Haitang District has gathered high-end projects such as Atlantis and Sanya International Duty-Free City, becoming a luxury resort and shopping paradise; Tianya District focuses on developing new and trendy industries such as cruise ships, yachts, and low-altitude flights; and Jiyang District explores the integration model of "agriculture + tourism", presenting a diversified panoramic view of Hainan tourism.

Hainan Tourism Revenue Composition Analysis (2025 Estimate)

■ Accommodation & Catering	■ Shopping Spending (including Duty-Free)
■ Transportation	■ Scenic Area Visits
■ Cultural Entertainment & Others	

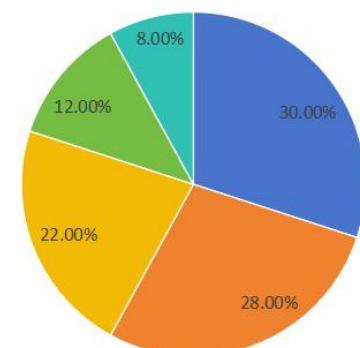


Fig.2.Analysis of Hainan Tourism Revenue Composition Chart (2025 Forecast)

Chart Description: This chart shows the revenue structure of Hainan's tourism economy. Although traditional basic



consumption of "eating, accommodation and transportation" still accounts for the majority, "shopping" consumption with duty-free shopping on the island as the core has become the second largest source of income, while the proportion of in-depth experience consumption such as "culture, entertainment and leisure" is still relatively small, clearly revealing the advantages and disadvantages of Hainan's tourism economy in terms of consumption structure [3].

Data source: Based on historical data and development trend forecasts from Hainan Provincial Bureau of Statistics and Hainan Provincial Department of Tourism, Culture, Radio, Television and Sports.

1.3. Spatial layout and Coordinated Regional Development

From a spatial perspective, Hainan's tourism economy presents a clear pattern of "comprehensive tourism in the north, resort tourism in the south, and east-west corridors." This layout is both a rational response to its resource endowment and a reflection of the guiding role of strategic planning.

However, we must be soberly aware that the problem of unbalanced regional development still exists. Tourism resources and development enthusiasm are highly concentrated in the southeast coastal areas, while the potential of the central and western regions has not yet been fully released. It is gratifying that with the advancement of major infrastructure projects such as the island ring road and the tropical rainforest national park road, this situation of "hot in the east and cold in the west" is expected to be broken, creating new possibilities for the balanced development of tourism across Hainan [4-5].

2. SWOT Analysis of Hainan Free Trade Port Tourism Policy

2.1. Advantages

Hainan Province is located at the southernmost tip of China and is the only tropical island province. It has a unique geographical location and a pleasant climate. Hainan's tourism industry started early and has accumulated rich industry experience. It attracts a large number of tourists every year and has formed a relatively complete tourism ecosystem. Hainan Province's geographical advantage of

being surrounded by the sea on all sides provides excellent conditions for the development of water sports. Diving, surfing and other water sports have therefore become popular features among tourists. With the in-depth advancement of the construction of the free trade port and the continuous improvement of the duty-free shopping policy, the offshore duty-free has become a very attractive feature of Hainan in the domestic tourism market, and its irreplaceable nature continues to stand out [6].

Against the backdrop of the construction of the Hainan Free Trade Port, a series of supporting policies and measures introduced by the national and local governments have provided solid institutional support for the high-quality development of the tourism industry. For example, preferential policies in areas such as financial support, tax breaks, and land supply have created a favorable policy environment for investment and project implementation in Hainan's tourism industry. The continued implementation of these policies has not only effectively guided more social capital towards the development and construction of high-quality tourism projects in Hainan, but also promoted collaborative innovation and coordinated development among upstream and downstream enterprises in the tourism industry chain, significantly enhancing the overall competitiveness and brand influence of Hainan's tourism industry in domestic and international markets.

2.2. Disadvantages

The tourism industry in Hainan is affected by the geographical environment and has obvious seasonal characteristics and a relatively simple tourism product structure. In the existing product system, there is still a lack of in-depth experience projects and differentiated design projects, which to some extent affects its attractiveness to tourists who pursue diversified experiences. Although Hainan has rich natural landscapes and unique cultural resources, the existing tourism products are still too concentrated on the traditional seaside sightseeing model, and the in-depth exploration of cultural connotations and the full release of characteristic experience value are still insufficient. For example, although water sports such as diving and surfing have market potential, due to the need to improve the development level and the lack of a cluster of characteristic brands with widespread recognition, it is difficult to fully meet the growing diversified and quality



needs of tourists. In addition, the planning and development of festival tourism products are relatively weak, and the local cultural resources have not been fully utilized for effective integration and innovation, resulting in a relatively obvious phenomenon of tourism product homogenization [7]. This relatively simple product structure may not only limit the length of stay and consumption intention of tourists, but also put Hainan under certain pressure in the differentiated competition of the international tourism market.

In terms of marketing, Hainan Province faces challenges such as insufficient marketing precision, weak brand promotion, and unclear domestic and international market positioning, which hinder the growth of tourism revenue. Firstly, Hainan's ability to accurately target markets using big data technology is inadequate, affecting the efficiency of marketing resource allocation. Secondly, brand promotion efforts are insufficient, particularly in enhancing international brand awareness and influence, failing to effectively cultivate an attractive cultural tourism brand image. Finally, Hainan's positioning in domestic and international markets is unclear; it has neither fully tapped into the needs of high-end domestic consumers nor developed differentiated marketing strategies for the international market, which to some extent affects the effectiveness of customer acquisition. These marketing shortcomings not only restrict the expansion of Hainan's tourism market but also hinder the release of its international tourism revenue potential.

2.3. Opportunities

Against the backdrop of the new development pattern of "dual circulation" and the in-depth advancement of the construction of Hainan Free Trade Port, Hainan's tourism industry has ushered in multiple development opportunities. First, the strengthening of the domestic circulation has provided Hainan with a continuously growing source of tourists. The trend of upgrading domestic residents' consumption is obvious, and the demand for high-quality, diversified, and experiential tourism is increasingly strong. As a popular domestic tourist destination, Hainan's unique resources such as coastal resorts, tropical rainforests, and duty-free shopping are highly compatible with this demand upgrading direction. Second, the window of opportunity for international circulation is opening. The policy dividends of

Hainan Free Trade Port, such as more open air rights policies, visa-free policies, and optimized offshore duty-free policies, have significantly enhanced its international attractiveness and created favorable conditions for developing the international high-end tourist market and deepening cooperation with international tourism organizations and enterprises. The recovery trend of the global tourism market has also provided Hainan with an opportunity to attract international tourists. Third, the accelerated process of regional economic integration, especially the deepening of cooperation with Southeast Asian countries, has provided potential opportunities for Hainan to develop cruise tourism, cross-border tourism, and build a regional tourism hub. Finally, the continuous focus of national strategies has provided strong support for the development of Hainan's tourism industry [8]. The convergence of a series of national strategies, including the "dual-ring" development strategy, the construction of an international tourism consumption center, and the development of a free trade port, has endowed Hainan with unique advantages in policy innovation, industrial openness, and resource aggregation, opening up vast space for the transformation, upgrading, and international development of the tourism industry. These opportunities collectively constitute a favorable external environment for Hainan's tourism economy to achieve high-quality development under the new "dual-ring" development pattern.

2.4. Threats

Against the backdrop of the new "dual circulation" development pattern and the construction of the Hainan Free Trade Port, Hainan Province's tourism industry has achieved remarkable results, but it still faces challenges. How to effectively utilize policy advantages, while adhering to the principles of rational resource utilization and green innovation, to improve the industrial structure and promote high-quality development is one of the key challenges related to the success of the Hainan Free Trade Port construction.



3. Strategies for Building a Health Tourism Model in Hainan under the Background of the Hainan Free Trade Port

3.1. Rational Use of Resources

Hainan Free Trade Port boasts a superior ecological environment and abundant medicinal plant and animal resources, which are conducive to the management and improvement of various chronic diseases. This supports the development of health-related industries such as health care products and agriculture. Furthermore, during the construction of the Free Trade Port, various transportation facilities, such as the island ring road and transportation hubs, have been gradually improved, providing the necessary infrastructure for tourism development. In addition, the Free Trade Port's significant policy advantages facilitate the aggregation of information, capital, and other resources to local industries, providing strong support for the development of health tourism models. In terms of resource utilization, Hainan possesses 1944 kilometers of coastal natural ecological resources, allowing for the design of marine-themed health tourism activities. It can also leverage Hainan's rich tropical rainforest resources to develop health tourism projects such as forest oxygen bar therapy, creating a unique Hainan health tourism model based on local ecological and natural resources. In this process, advanced medical industry resources can be introduced to build a number of ecological health and wellness bases in Hainan, providing one-stop services such as ecological health management and medical services. For example, in June 2024, Boao Lecheng launched the "Healthy Island, Happy City" medical tourism brand. This brand combines physical and mental healing with local coastal environmental resources to create a coastal healing health tourism product. It integrates local medical and tourism resources, allowing tourists to not only play in the surrounding scenic spots but also enjoy high-end health and wellness services, forming a health tourism model with Hainan characteristics. However, in the process of utilizing natural and ecological resources, we should adhere to the concepts of green, low-carbon, and environmental protection, strengthen tourists' environmental awareness education, advocate green tourism and civilized tourism, and realize the green development of Hainan's health tourism model in all aspects [9].

The cultures of the Li and Miao ethnic groups in Hainan, as

well as the Qiong culture and the culture of Lady Xian, are highly distinctive regional features. These high-quality cultural resources can be utilized to integrate into health tourism through experiential tours and performances, adding tourism projects with Hainan cultural characteristics to tourism products and creating local health and cultural tourism products.

3.2. Improve Industrial Layout

To address Hainan's past reliance on a single industrial structure and excessive dependence on tourism, the development of a health tourism model should be leveraged to actively connect tourism with other industries, allowing tourism to drive the development of other sectors and enhance the overall effectiveness of health tourism development. In this context, the industrial layout should be actively improved, and the integration of health tourism with medical, elderly care, and sports industries should be promoted to build a complete industrial chain and cluster. This will leverage the synergistic effect of industrial development, enhance the overall effectiveness of the health tourism model, and better promote local economic development. Currently, the Hainan Free Trade Port possesses core policies of "zero tariffs, low tax rates, simplified tax system, and five freedoms and conveniences, and one safe and orderly flow." In terms of industrial layout, we should make full use of the above-mentioned policy advantages, attract international advanced medical equipment, medicines and traditional Chinese medicine technology to Hainan, improve the level of medical care, support the integration of medical care and tourism industries, improve the quality of health tourism products, actively introduce intelligent and information technology, create intelligent and convenient elderly care service facilities, build a number of health towns, health communities and health resorts, provide high-quality health and elderly care services for sub-healthy people and elderly tourists, thereby promoting the integrated development of tourism industry and elderly care industry, while actively promoting the integration of medical services and elderly care services to achieve the sharing and optimization of medical and elderly care resources, improve the quality and professionalism of elderly services, and create more high-quality health tourism products. In addition, Hainan's natural resources and climate conditions can also promote



sports tourism, build and develop water sports, mountain sports, outdoor expansion and other sports tourism projects, combine tourism and sports industry by building sports venues, sports bases and hosting international sports events, form a strong sports tourism brand, develop a variety of health tourism products, and improve the market competitiveness of Hainan's health tourism [10]. Ultimately, the goal is to develop Hainan's health tourism industry towards high-end, intelligent, and green development, cultivate a number of internationally competitive health tourism enterprises, achieve industrial clusters, and improve the overall development efficiency of Hainan.

3.3. Strengthen the Development of Tourism Products

In developing specific tourism products, consideration can be given to focusing on the six key elements of food, accommodation, transportation, sightseeing, shopping, and entertainment, designing rich and diverse health tourism projects to provide tourists with a comprehensive and high-quality health tourism experience. In the development of tourism products, the abundant local tropical fruits, seafood, and other specialty ingredients should be fully utilized to develop healthy and nourishing cuisine, introducing international healthy eating concepts to create high-quality catering solutions. Dedicated healthy dining areas should be set up in scenic spots, hotels, and other tourist venues to provide tourists with a high-quality and convenient healthy dining experience. By holding healthy food festivals, cooking competitions, and other activities, tourists can be attracted while enriching the depth and breadth of tourism products. Regarding accommodation, leveraging the local natural environment advantages, clusters of health and wellness hotels and resorts should be developed, introducing intelligent and green health and wellness accommodations to further optimize the quality of tourism products. In terms of transportation, more health walking trails and cycling paths should be built to provide convenience for citizens and tourists to exercise and relax, and facilities such as health stations should be built along the coastal highways of Hainan Island to further enhance the tourist travel experience. In terms of scenic tourism, local culture and natural resources can be fully utilized to create health-themed scenic areas and related activities, and to organize health tourism festivals to enrich tourists'

experiences. Regarding shopping, local characteristics should be leveraged to develop health-themed tourism products, such as organic foods, and dedicated shopping areas should be set up in various tourist and shopping venues. The duty-free shopping policy of the Hainan Free Trade Port should also be actively utilized to improve supporting duty-free shopping facilities, accelerate the improvement of shopping services, and optimize the shopping environment to better meet tourists' shopping needs. In terms of entertainment, diverse health-themed recreational activities should be designed, such as beach yoga. By developing in a coordinated manner across the six aspects of food, accommodation, transportation, sightseeing, shopping, and entertainment, the quality of tourism products can be further optimized to provide tourists with more healthy tourism experiences.

Conclusion and Outlook

In conclusion, the establishment of the Hainan Free Trade Port has provided significant support for the development of Hainan's tourism industry in multiple aspects, including policy, transportation, and healthcare. Looking back, by implementing the aforementioned optimization strategies, the possibility of Hainan's tourism industry achieving leapfrog development in terms of scale, quality, and efficiency will be significantly enhanced. Based on the new development pattern of "digital economy and green tourism," Hainan should fully unleash its potential as an international tourism island. Strengthening tourism talent cultivation and improving the service standardization system will effectively improve the quality of tourism services, increase tourist satisfaction and repeat visit rates, thereby promoting the transformation of Hainan's cultural and tourism industry towards high-quality development and accelerating the construction of the Hainan Free Trade Port.

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