China: Shandong Culture Heritage Sector Review

(P120553)

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I. Project Background

A. Qufu and Zoucheng

1. Qufu and Zoucheng are two neighboring county-level cities in Jining Municipality, a poor area in the South-West of Shandong Province. The area was home to some of China’s earliest civilizations, and rich in cultural heritage assets. Cultural heritage assets in the project area include the Confucius Temple, Kong family mansion, and burial grounds complex, a UNESCO World Heritage Site, as well as over 100 national-level cultural heritage assets.

2. Qufu has a population of 640,000, covers an area of 896 km², and is poor, with GDP per capita of Y31,767 (US$4,637), significantly lower than the average of Shandong Province. Zoucheng is located to the South of Qufu, and is both larger and somewhat more affluent, with a population of 1.1 million, a surface area of 1,613 km², and GDP per capita of Y39,790 (US$5,809). Zoucheng has a developed coal mining and power sector.

3. The number of tourists visiting the two historic cities of Qufu and Zoucheng has been steadily growing in recent years, reaching 9.7 million visitors in 2008, generating revenues of RMB 4.2 billion. In Qufu, tourism accounted for 15.1% of GDP and in Zoucheng for 3.6%. Of the tourists, approximately 40% of come from within Shandong Province, mainly on day trips by car, 40% come from other surrounding cities and provinces, usually by tour group, 16% come from other Chinese cities, and about 4% come from foreign countries.

4. Cultural heritage assets in Qufu and Zoucheng, include the Confucius Temple, Kong Family Mansion, and Burial Grounds Complex. These cultural heritage assets have been recognized as a UNESCO World Heritage Site, due to their “outstanding universal significance,” for “representing a masterpiece of human creative genius,” and for being “an architectural ensemble which illustrates a significant stage in human history.” In addition to these major sites, the two cities have over 100 national-level cultural heritage assets, including the ruins of the temple, mansion, and cemetery of Mencius; the birthplace of Confucius, with ancient temples and libraries; the two Ming Dynasty historic walled cities; and many other heritage assets relating to Confucianism and the roots of Chinese civilization.

5. Although tourist arrivals have been rapidly growing in recent years, visitors have little information, incentive or opportunity to spend more time and money. Out of 9.7 million tourists that visited the two cities in 2008, their average stay was only 0.6 days and average spending RMB 392 per stay. In Zoucheng, the average stay was only 0.3 days, spending RMB 200 per stay. The average annual per capita disposable income in Qufu was Y4,479 (US$654) in 2008, marginally below the poverty line of $2 per day, and lower than the average in Shandong Province, indicating that despite the large numbers of tourists, the local population derives limited benefits from tourism.

B. Historical Significance of Confucius and Mencius
1. Confucius (551-479 BC), born earlier than Socrates, and contemporary to Sakyamuni (Buddha), was one of the three philosophers considered as the world’s greatest ancient thinkers that profoundly influenced human history. Confucius was a renowned philosopher, politician, and educator in the Spring and Autumn Period. The system of belief that he created was adopted as the pre-eminent ideology in feudal Chinese society for more than two thousand years: he was the “Sacred First Teacher” and Sacred Model Teacher for Ten Thousand Years”. Confucius’ theories emphasized the importance of societal bonds and ethics.

2. Mencius was born 180 years after Confucius. He inherited and passed on Confucius’ thoughts, stressing benevolent government, thus putting Confucianism at the core of Chinese culture. Confucius’ and Mencius’ strain of Confucianism became mainstream Chinese culture by the time of the Han dynasty (206 BCE – 220 CE), particularly as it was transformed and re-explained by the rulers as national philosophy. As such, Confucianism shaped the culture of China and beyond, especially including also Japan and Korea. Therefore Confucianism is essential to understanding of Chinese traditional, and even contemporary, culture. The school of thought stands as the most important factor in ancient Chinese civilization, but at the same time has been held to be an obstruction in modern times, as Confucian thought has in the past been distorted and abused by those in power.

3. The lives and activities of Confucius and Mencius for the largest part took place in Qufu and Zoucheng. Qufu was the capital to the Lu state 3000 years ago, being China’s cultural and administrative center up to the Qin Dynasty. The space between Qufu and Zoucheng carries Confucius’ and Mencius’ culture through time, preserving profound and abundant heritage.

4. Confucius was buried on the bank of the Si River, 1 km north of Qufu, beneath a tomb in the form of an axe, with a brick platform for sacrifices. When Emperor Wu Di of the Western Han Dynasty (206 BC-AD 24) accepted proposals to “eliminate the hundred schools of thought and respect only Confucianism”, the Tomb became an important place of veneration and pilgrimage, and was progressively enlarged and ornamented in the following centuries. By the 2nd century AD more than fifty tombs of Confucius’ descendants had accumulated around the main tomb. Stelae commemorating him began to be erected in 1244 and in 1331 Kong Sihui began building the wall and gate of the Cemetery, and this work continued with the addition of gate towers, arches, pavilions, and the access road from the north gate of the city of Qufu (1594). By the late 18th century the Cemetery was extended to cover an area of 3.6 km’, enclosed by a perimeter wall of over 7 km.

II. Key Development Issues

A. Physical Decay of Cultural Heritage Assets

6. The cultural heritage assets inside the walled cities of Qufu and Zoucheng are not adequately maintained, protected, or preserved. About two thirds of the temples and mansions of Confucius and Mencius have not been significantly repaired or maintained
since the Cultural Revolution in the 60s and the country’s liberation in the 40s; and about a third have had no repair since the Ming Dynasty (over 300 years ago).

7. From a technical point of view, about a third of the timber sections show signs of structural weakness (i.e., sagging) and serious weathering, and are in urgent need of stabilization and repair. The ancient paintings on the structures have badly weathered, and amateurish attempts at repainting are visible. Over 1,000 steles have serious weather damage. Few of the unique traditional buildings inside the walled cities remain, and some are under risk of collapse. Most other traditional buildings have been rebuilt, without any planning controls, as unattractive crowded houses devoid of the traditional architectural features necessary in a historic city.

8. Only a small fraction of the entrance fees is allocated to maintenance and repair of the cultural heritage assets (about 20% of the required budget). Ongoing repair programs are severely under-funded, and not managed with the necessary expertise.

9. **Cultural Heritage Preservation and Presentation.** The seven points below highlight issues and recommendations relating to cultural heritage preservation and presentation.

   (i) Overall, the cultural heritage assets are underutilized, the tourists spend only little time visiting them, and they are not linked to the daily life of the local citizens. Cultural heritage assets should thrive of life, events, and learning activities. Cultural heritage assets can be preserved effectively only if they are kept in use, otherwise any efforts to preserve them cannot be justified economically.

   (ii) Presentation of cultural heritage assets should be redesigned in its entirety, as the millions of tourists that visit them spend only little time enjoying their magnificent beauty. The local citizens and the tourists are not fully informed of the value of the cultural heritage assets, their visits are poorly managed and presentation needs strengthening.

   (iii) Much more attention should be paid to ensure a comprehensive experience to the visitors (arriving, learning, visiting, refreshing, and leaving), and commercial activities selling local products should be located nearby the cultural heritage assets, leveraging these assets as a branding opportunity for the entire territory in which they are located.

   (iv) Uncontrolled or poorly controlled urban development in the historic cities could compromise their cultural heritage assets and therefore should be avoided.

   (v) Urban development in historic cities inspired to mere reconstructions of old-style buildings should be avoided carefully, as such approach would create a pastiche, with negative consequence on the attractiveness of the historic cities and on the value of the existing historic buildings. Indeed, proper urban upgrading and block reconstruction is encouraged, but new buildings should sympathize with the ancient ones without imitating them. The Confucius Academy is a good example of a piece of architecture that looks at the tradition without replicating it. It “sympathizes” with the historic urban environment, but it has been built with modern techniques, forms, and colors. It has its own aesthetic dignity, and it is not a copy or a sterile replica of ancient styles. The same approach that inspired the design of this good building should be applied to any other redevelopment in the historic cities.
(vi) Fire dangers exist at the Mencius tomb and cemetery, as well as the Confucius cemetery.

B. Environmental Conditions in Historic Cities.

10. The three points below highlight issues relating to Environmental Conditions in Historic Cities.

(i) The environment around the cultural heritage assets is deteriorating. A decaying cultural heritage asset in the midst of a poor and deteriorating environment will continue to lose its appeal to visitors and potential to generate revenues. Maintenance of local, national, and World Heritage sites is not taking place properly, probably because annual and regular budgets are not available. Surrounding buildings do not meet acceptable standards and do not sympathize with the historic city. Poorly controlled development continues. The city moats have wastewater outfalls, solid waste collection is below standards, and plastic bags litter the moats and surrounding areas. Available development control regulations do not appear to be enforced. Decisive action is required to reverse the trend before the attractions of the historic cities disappear. Therefore, preservation and maintenance of cultural heritage assets, renewal of traditional housing and infrastructure, based on a long-term plan, are urgent, along with an effective development control regulations that includes enforcement.

(ii) The quality of the urban environment should be enhanced, and the poverty associated with the major urban heritage assets and buffer zones should be reduced. The cities are at a critical stage in their development and the areas around the cultural heritage assets will detract from the heritage values if there setting is not maintained. Tourists will be deterred from appreciating China’s greatest heritage, China’s reputation for presenting heritage to the world, and the intangible significance of its philosophers could be affected.

(iii) Insufficient city servicing and cleanliness can make the cities unattractive, especially the rivers and water systems.

C. Urban Design Considerations

11. Urban planning in historic cities needs to be modernized, while retaining compatibility with the traditional character of the historic cities, and new buildings should sympathize, but not imitate historic ones. Land values in the historic cities are low relative to their potential opportunity cost. With the allocation of more land for sustainable tourism functions under the historic cities plans, optimized use of the remaining residential land becomes a necessity. Land needs to be used more productively in any redevelopment planning. Prior to developing upgrading proposals for the blocks selected for the project, a development plan that optimizes land use for the entire historic cities needs to be designed. This plan would enable infrastructure planning and investigate the best density to maintain and enhance land values in the historic cities addressed by the project.

12. Lack of Development Control in Historic Cities. New construction within the walled historic cities takes place without conforming to any building standards or
architectural controls, and have a very low density. Development control is lacking even within the 200 m buffer zones around the heritage assets, for which there are requirements specified under the regulations of the State Administration of Cultural Heritage (SACH). The non-adherence to SACH guidelines and the lack of development controls and their enforcement is resulting in landscapes which are unattractive to domestic and international visitors and threatens to compromise the value of the cultural heritage and their potential to generate revenues.

13. **Engineering Design Considerations.** Key design issues that need to be addressed during project preparation include:

(i) Designing water supply and wastewater networks for the historic cities, using optimization techniques to determine the size of networks that will be installed in the selected project sites;
(ii) Arranging water supply and sewer connections to ensure early connections and utilization of services;
(iii) Studying the role of septic tanks with the availability of sewer systems;
(iv) Verifying the adequacy of off-site infrastructure facilities, e.g., adequate water supply, and wastewater treatment capacity; and
(v) Arranging accurate infrastructure mapping records.

D. Weak Tourism Management

14. The cultural heritage assets further suffer from poor presentation and interpretation, and lack of adequate tourist facilities. In Qufu, the Cultural Relics Management Commission is responsible for the protection, repair and management of cultural heritage assets. In Zoucheng, a Municipal Cultural Relic and Tourism Bureau is responsible for the protection of cultural heritage assets, as well as the development of the tourism industry. These institutions both lack the required financial resources, technical skills, information systems, and management skills to adequately preserve cultural heritage assets, and fail to manage them in such a way as to provide a satisfactory cultural education experience to tourists.

15. Current weaknesses in tourism management include: (i) visitors do not receive a comprehensive learning experience of the history, culture and teachings of Confucius; (ii) the signage, interpretation and presentation of the heritage assets is inadequate; (iii) signage for arrivals, departures, and orientation is inadequate; (iv) surrounding environments do not encourage visitors to venture outside the boundaries of the cultural heritage assets; (v) there is inadequate provision of tourist information on other attractions, facilities, local products and handicrafts, and facilities, e.g., shops, restaurants, cultural events, etc.

16. **Low Economic Benefits to Local Population.** The average annual income of residents inside the walled cities is about RMB 4,200, which is below the poverty line of US$2 per day, and substantially lower than the average for Jining Municipality. About 70% of residents in the historic cities are former farmers, who lack specific skills. The last 10 years has seen the farmlands of the city inhabitants swallowed up by new urban construction with little compensation. As few had made long-term preparations for the
eventuality of losing their farmland, the most important source of income for these people is now unskilled labor work.

17. Local communities derive little economic benefits from the large numbers of tourists. Allowing local communities to derive economic benefits from cultural heritage assets is not only beneficial to raising local standards of living, but it is also beneficial for the long-term preservation of the assets. It is necessary to provide skills training to local residents and engage them in work related to the tourism industry and the care and maintenance of the cultural heritage assets.

E. Insufficient Access to Basic Infrastructure Services

18. The surroundings of the cultural heritage assets are poorly maintained, and have open storm drains with stagnant smelly water. Portions of moat are badly silted, have drainage and wastewater outfalls, and are littered with waste. The resulting urban environment in the core heritage zones provides a very poor standard of living to residents. Reversal of the existing conditions would require improvement in the maintenance of services and awareness among residents to care for and maintain the environment.

Table 1: Access to basic services in the historic cities of Qufu and Zoucheng (Ming Dynasty walled cities)

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Drinkable water sources</td>
<td>100%</td>
</tr>
<tr>
<td>Proper sanitation facilities</td>
<td>30%</td>
</tr>
<tr>
<td>All-season roads</td>
<td>40%</td>
</tr>
<tr>
<td>Regular solid waste collection</td>
<td>50%</td>
</tr>
<tr>
<td>Safe electricity connections</td>
<td>40%</td>
</tr>
</tbody>
</table>

III. Institutional Environment

A. National


20. National strategy of tourism industry development: along with the rapid improvements in standards of living in China, tourism has become a key growth industry in China. To promote strategic economic structural adjustments, the "Industrial
Restructuring Guiding Catalog (2005)," issued by the National Development and Reform Commission, states that projects involving the construction of tourism infrastructure and the comprehensive development of tourism resources are actively encouraged.

**B. Regional**

21. The Bank is glad to note that there is a Panel of Experts in Shandong Province to guide cultural heritage preservation programs, and strongly recommends to utilise this Panel of Experts to review all proposals for cultural heritage protection and development in Qufu and Zoucheng, to ensure that all Bank-financing for preservation of cultural heritage and historic city upgrading conforms to the Chinese laws on cultural heritage, guidelines from State Administration for Cultural Heritage (SACH).

**C. Local**

**Qufu**

22. The Qufu Cultural Relics Management Commission and the Zoucheng Municipal Cultural Relics and Tourism Bureau take the responsibilities for O&M of cultural heritage assets within Qufu City and Zoucheng City, respectively. Both the Commission and the Bureau are fully fiscally self-supporting institutions. Entrance fees were collected by Finance Bureaus of Qufu City and Zoucheng City. Every year the Finance Bureaus of Qufu City and Zoucheng City allocate fiscal funds for the preservation of cultural heritage assets based on the requests of Qufu Cultural Relics Management Commission and Zoucheng Cultural Relics and Tourism Bureau.

23. The Qufu City Cultural Relics Administration Committee has just established the World Heritage Monitoring Office to increase routine monitoring. At the same time, it has also consolidated and improved the responsibility system for cultural relic safety.

24. At present, the Qufu City Cultural Relics Administration Committee represents the government to exercise the administration over the cultural relics in the city. The admission management for the three property scenes is done by the Cultural Relics and Tourism Development Company and the Cultural Relics and Tourist Service Division. The management scope of the Cultural Relics and Tourism Development Company and Cultural Relics and Tourist Service Division, are separate from Committee, is: Confucius Temple, Forest and Mansion, Temple of Zhougong, Temple of Yan Hui, Shouqiu, Tomb of Shao Hao, Confucius Temple on Nishan Mountain, cultural relics store, Stele Garden of Analects, Tourist Service Company and ancient building repair team. Their main duties are: Responsible for the safety of the cultural relics in the scenic spots and on display; the opening of the scenic sorts and reception affairs; the sanitation and greening in the scenic spots; the management of the order in the opened scenic spots; the fire safety in the scenic spots; and the operation and management of the tertiary industry in the scenic spots.

25. To strengthen the management over the world heritage-Confucius Temple, Forest and Mansion, the government has made public the Explanations of Qufu City on the Protection Scope of Cultural Relics Units and on the Construction Control Zones according to the State and provincial laws and regulations on the protection of cultural
relics and in light of location conditions. The city has also issued the Measures of Qufu City for the Management and Protection of Cultural Relics and the Views of the Qufu City Government on Further Improving the Cultural Relics Work, and is at present drafting the Regulations on the Protection and Management of World Heritage -- Confucius Temple, Confucius Forest and Confucius Mansion.

Zoucheng

26. In July 2005, the former Zoucheng Municipal Tourism Bureau and Zoucheng Municipal Cultural Relic Bureau were merged into Zoucheng Municipal Cultural Relic and Tourism Bureau, a new public institution of the municipal government. It is responsible for the protection of cultural heritage assets in Zoucheng and the development of the tourism industry. The key cultural heritage assets under its jurisdiction include Zoucheng Museum, the Mencius temple, mansion and cemetery, Hunagwang Tomb and Iron Mountain. A detail account of the Profile of Zoucheng Municipal Cultural Relic and Tourism Bureau is provided in Annex 2.

IV. Qufu and Zoucheng tourism market analysis

A. Qufu tourism market analysis

27. In the decades following the cultural revolution, the numbers of tourists visiting Qufu have grown rapidly, reaching a total of 8.27 million in 2009. In 1979, about 300,000 tourists visited Qufu, which by 1984 rose to about 700,000. Between 1984 and 1989 growth was relatively slow, but picked up somewhat in 1990, to reach 1.69 million tourists by 1995. After that a period of rapid and sustained growth started, from 1.69 million in 1995 to 7.31 million tourists in 2009. The number of international tourists also started picking up from 1995 onwards, reaching 320,000 by 2009.

28. Despite the impressive numbers, 90% of tourists only visit the Temple, mansion and cemetery of Confucius, which are all located in the old city of Qufu, but the other assets remain under-utilized. The average duration per visit in Qufu is only 0.6 days. By improving the conditions in the old city, Qufu could be transformed into a true destination city, including accommodation, shopping, restaurants etc. To achieve this, the old city must be regenerated to its unique character, including elegant environment and cleanliness.

29. Domestic tourism (96%):

a. Tourism from within Shandong (about 40%): Due to Shandong’s large population (90 million), and its excellent transportation infrastructure, tourists from within Shandong can visit Qufu and return home on the same day. Qufu is positioned along an intersection of North-South and East-West highways, making it even more accessible. About 40% of all tourists come from within Shandong, and many are return visitors. Most come by car, particularly on weekends, and are characterized by short stays.

b. Surrounding tourism markets (about 40%): Other nearby population centers include Beijing, Tianjin, Henan, Hebei, Jiangsu, and Anhui, with a combined population of
300 million people. Visits by this group are often part of a larger trip, many come by
tour group, and stay are on average slightly longer than tourists from within Shandong.
c. Other domestic tourism (about 15%)?: Due to improvements in transportation
infrastructure and promotion efforts, a large increase has occurred in recent years in
tourists from Guangdong, Fujian, Shaanxi, and the North-East of China.

27. International tourism (4%):

a. Korea and Japan (45%): Due to similarities in culture and close geographic proximity,
Korea and Japan have long been the largest tourism market for Shandong. It is also the
most important international tourism market for Qufu, with 45% share of international
tourists. Korea took over from Japan in 1997 as the most important market. The
financial crisis and several virus outbreaks have had a very large impact on
international tourism.
b. Hong Kong, Macao and Taiwan (25%): Hong Kong is the most important of these
three, followed by Taiwan and Macao.
c. South-East Asia (5%): Since 1995, Qufu has started to develop the South-East Asia
tourism market. Although numbers have increased, the recent political difficulties in
markets such as Thailand have affected tourism.
d. Europe, USA and other markets (25%): Partly due to the increased influence of
Confucian thought in the USA and Europe, the numbers of tourists from these markets
has increased rapidly in the past years.

B. Zoucheng tourism market analysis

28. The tourism market in Zoucheng has the following characteristics:

a. Overshadowed by Qufu. Although Zoucheng is rich in cultural heritage assets, it
doesn’t get very large numbers of tourists. This is because the Confucius temple,
mansion and cemetery in Qufu are much more famous, and are therefore the first and
foremost destination of tourist visits to the area. On top of that, the architecture of the
Mencius temple, mansion and cemetery are very similar to those of Confucius, so most
visitors do not extend their visit to Zoucheng.

b. Young and Middle-aged Visitors. Most visitors to Zoucheng are young or middle
aged. This is because the Mencius temple, mansion and cemetery are visited mainly by
students and their teachers. The other main tourist attraction, Yishan, is regularly
visited for company team building activities and the like. To further develop the
tourism market, the emphasis should be on providing a more diverse range of goods
and services targeted at young and middle aged visitors, while also further developing
goods and services to satisfy the needs of a broader range of visitor age groups.

c. Highly Educated. Many of the visitors who do visit Zoucheng tend to be those who are
relatively well-cultured and educated, such as scholars or poets. However, also among
this group, the Confucius cultural heritage assets in Qufu are more popular.

d. Mainly Tour Groups. According to statistics, tourists from tour groups are the main
type in Zoucheng.
## Annex 1: Key Data

Table 2. Economic Indicators for Shandong, Jining, Qufu and Zoucheng (year: 2008 unless mentioned otherwise)

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Shandong</th>
<th>Jining</th>
<th>Qufu</th>
<th>Zoucheng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area (km²)</td>
<td>156,700</td>
<td>10,686</td>
<td>896</td>
<td>1,619</td>
</tr>
<tr>
<td>Population</td>
<td>94.17 million</td>
<td>8.23 million</td>
<td>637,300</td>
<td>1,141,400</td>
</tr>
<tr>
<td>GDP (million RMB)</td>
<td>3,380,530</td>
<td>212,216</td>
<td>20,053</td>
<td>44,696</td>
</tr>
<tr>
<td>Per capita GDP (RMB per year)</td>
<td>35,898</td>
<td>26,721</td>
<td>31,767</td>
<td>39,790</td>
</tr>
<tr>
<td>Average disposable income (RMB per year)</td>
<td>Urban 17,811 Rural 6,119</td>
<td>Urban 13,631 Rural 4,701</td>
<td>Urban 11,538 Rural 3,981</td>
<td>Urban 15,985 Rural 5,515</td>
</tr>
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<td>Fiscal revenues (million RMB)</td>
<td>219,850</td>
<td>21,709</td>
<td>1,550</td>
<td>3,073</td>
</tr>
<tr>
<td>Fiscal budget revenues (million RMB)</td>
<td>195,705</td>
<td>19,459</td>
<td>1,406</td>
<td>2,959</td>
</tr>
<tr>
<td>Fiscal budget expenditures (million RMB)</td>
<td>270,466</td>
<td>18,685</td>
<td>1,379</td>
<td>2,899</td>
</tr>
<tr>
<td>Ratio of industries (% primary / secondary / tertiary)</td>
<td>9.6% / 57.0% / 33.4%</td>
<td>12.1% / 55.8% / 32.1%</td>
<td>9.2% / 44.9% / 45.9%</td>
<td>6.8% / 63.0% / 30.2%</td>
</tr>
<tr>
<td>Industrial output (million RMB)</td>
<td>6,295,853</td>
<td>110,088</td>
<td>8,343</td>
<td>27,121</td>
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<tr>
<td>Agricultural output (million RMB)</td>
<td>289,568</td>
<td>25,681</td>
<td>1,837</td>
<td>3,043</td>
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<tr>
<td>Tourism industry as % of GDP</td>
<td></td>
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Table 3. Tourism Industry Statistics of Qufu City (2004 – 2009)

<table>
<thead>
<tr>
<th>Statistic</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td>Total Visitors (million)</td>
<td>4.00</td>
<td>4.60</td>
<td>5.50</td>
<td>6.30</td>
<td>7.31</td>
<td>8.27</td>
</tr>
<tr>
<td>Among which local tourists (million)</td>
<td>3.84</td>
<td>4.43</td>
<td>5.28</td>
<td>6.05</td>
<td>7.02</td>
<td>7.95</td>
</tr>
<tr>
<td>Among which foreign tourists (million)</td>
<td>0.16</td>
<td>0.17</td>
<td>0.22</td>
<td>0.25</td>
<td>0.288</td>
<td>0.32</td>
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<tr>
<td>Tourist growth rate (%)</td>
<td></td>
<td>15.0</td>
<td>19.6</td>
<td>14.6</td>
<td>16.0</td>
<td>13.2</td>
</tr>
<tr>
<td>Gate receipts (million RMB)</td>
<td>98</td>
<td>102</td>
<td>128</td>
<td>139</td>
<td>158</td>
<td>167</td>
</tr>
<tr>
<td>Revenue of tourism-related business (billion RMB)</td>
<td>1.14</td>
<td>1.30</td>
<td>1.70</td>
<td>2.01</td>
<td>2.70</td>
<td>3.24</td>
</tr>
<tr>
<td>Growth rate of tourism-related business (%)</td>
<td>14.1</td>
<td>30.7</td>
<td>18.2</td>
<td>34.3</td>
<td></td>
<td>20.0</td>
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<tr>
<td>Weight of tourism revenue to GDP (%)</td>
<td>9.1</td>
<td>10.0</td>
<td>11.4</td>
<td>11.5</td>
<td>13.5</td>
<td>15.0</td>
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<th>Statistic</th>
<th>2004</th>
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<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>Total Visitors (million)</td>
<td>1.89</td>
<td>2.09</td>
<td>2.15</td>
<td>2.28</td>
<td>2.40</td>
<td>2.58</td>
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<td>Among which local tourists (million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.37</td>
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<td>Among which foreign tourists (million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.10</td>
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<tr>
<td>Tourist growth rate (%)</td>
<td>10.2</td>
<td>3.0</td>
<td>6.0</td>
<td>5.3</td>
<td>7.7</td>
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<tr>
<td>Gate receipts (million RMB)</td>
<td>132</td>
<td>158</td>
<td>189</td>
<td>192</td>
<td>198</td>
<td>205</td>
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<tr>
<td>Revenue of tourism-related business (billion RMB)</td>
<td>0.97</td>
<td>0.99</td>
<td>1.08</td>
<td>1.38</td>
<td>1.50</td>
<td>1.60</td>
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<tr>
<td>Growth rate of tourism-related business (%)</td>
<td>2.4</td>
<td>9.3</td>
<td>27.8</td>
<td>8.8</td>
<td>6.9</td>
<td></td>
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<tr>
<td>Weight of tourism revenue to GDP (%)</td>
<td>3.0</td>
<td>3.1</td>
<td>3.2</td>
<td>3.5</td>
<td>3.4</td>
<td>3.6</td>
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Annex 2: Profile of Zoucheng Municipal Cultural Relic and Tourism Bureau

In July 2005, the former Zoucheng Municipal Tourism Bureau and Zoucheng Municipal Cultural Relic Bureau were merged into Zoucheng Municipal Cultural Relic and Tourism Bureau, a new public institution of the municipal government.

1. Key Responsibilities

(1) To disseminate and implement the laws, regulations and policies issued by the state, provincial and municipal governments relating to cultural relic protection, developing measures and plans for cultural relic protection in Zoucheng and supervising execution thereof.

(2) To be responsible for protecting, developing and making use of cultural relic in Zoucheng, indemnifying the same from damaging, and fighting against, according to legal provisions and jointly with relevant government authorities, unlawful acts such as stealing, trafficking and vandalizing of cultural relic.

(3) To be responsible for exploration, unearthing, identification, protective collection and exhibition of cultural relic under jurisdiction of Zoucheng, so as to serve the material and ethical progress of Zoucheng municipality.

(4) To carry through laws, regulations and policies issued by the state, provincial and municipal governments relating to administration of tourism industry, developing corresponding measures and methods, organizing the implementation of such measures and methods, and supervising the implementation status.

(5) To study and map out Zoucheng’s tourism development strategy, working out the medium and long term as well as annual plan for tourism development, and providing directions on statistical works of Zoucheng’s tourism industry.

(6) To study and map out marketing strategy for Zoucheng’s tourism industry, organizing external publicity for the city’s overall image and key promotional activities, guiding development of crucial tourism products and routes, and strengthening directions on market information.

(7) To push forward actively the integrated development of international travel, domestic travel and outbound travel.

(8) To extend supervision and inspection on tourism market of Zoucheng and quality of services, attending complaints/grievances raised by tourists, and protecting in accordance with legal provisions the lawful rights/interests of both tourists and tourism operators.

(9) To extend administration, supervision and inspection on safety/security of tourism hotels, travel agencies, tourism restaurants, tourist attractions, tourism-related bus/shipping companies.

(10) To lead the general survey on tourism resources of Zoucheng; to participate in planning and approval-acquisition with respect to tourism development, tourism infrastructure construction and tourism environmental improvement; to be responsible for administration, development and protection of tourist attractions and vacation resorts of Zoucheng; to apply for approval on key tourism infrastructure projects funded by state and provincial governments and take part in administration thereof; to administrate and take use of in appropriate manner tourism development funds and other funds levied in accordance with regulations.
(11) To conduct industrial administration on all tourism-related entities of Zoucheng and carry out initial review on establishment of star-rated hotels, star-rated restaurants, travel agencies, Class A tourist attractions and tourism-related bus/shipping companies. To study and provide guidance on structural reform of tourism of Zoucheng.
(12) To supervise and extend coordination to travel prices along with relevant governmental authorities.
(13) To develop training plan and strengthen vocational training for tourism operators; to apply occupational qualification system and qualification rating system among tourism operators.
(14) To guide ethical progress in Zoucheng’s tourism industry.
(15) To implement other tasks assigned by the municipal government.

2. Organizational Structure

(1) Party affairs and administrative office
(2) Tourism administration section
(3) Cultural relic administration office
(4) Marketing section
(5) Safety and security section
(6) Service quality supervision and administration office
(7) Law enforcement team for cultural relic and tourism
(8) Mencius research society

3. Affiliated Public Institutions

(1) Zoucheng Museum
Key responsibilities: Collection, identification, recovery, filing and safekeeping of its cultural relic collections; cultural relic exhibition, external business exchange, disseminating historic and scientific knowledge, and building the museum into a patriotism and socialism education base.

(2) Mencius Temple and Mencius Mansion Administration Department
Key responsibilities: routine administration and safety/security of Mencius Temple and Mencius Mansion, tourism product development, dissemination and marketing.

(3) Huangwang Tomb Administration Office
Key responsibilities: routine administration and safety/security of the Huangwang Tomb.

(4) Mencius Cemetery Administration Office
Key responsibilities: routine administration and safety/security of Mencius Cemetery.

(5) Tieshan (Iron Mountain) Cultural Relic Administration Office
Key responsibilities: administration and safety/security of cultural relic within Tieshan and Gangshan areas.

(6) Zoucheng Municipal Travel Agency

Key responsibilities: reception of group tourists and other guests.

4. Direct Affiliated Enterprise: Cultural Relic and Tourism Service Centre

Key responsibilities: development and sales of tourism souvenirs and products.
Annex 3: UNESCO World Heritage Site Advisory Body Evaluation of the Temple of Confucius, the Cemetery of Confucius, and the Kong Family Mansion in Qufu

1. The Temple of Confucius was built to commemorate and offer sacrifices to Confucius, the Cemetery of Confucius was where he and his descendants were buried, and the Kong Family Mansion was the aristocratic mansion built by his male direct descendants on the orders of the Imperial family. All relate to the great thinker, philosopher, and educator, the founder of Confucianism and one of the greatest figures in world history.

2. Confucianism was considered to be the paramount philosophy of feudal society in Korea, Japan, Vietnam, and other countries, as well as China. It had a positive influence on the Enlightenment of 18th century Europe. Nowadays many developed countries are studying Confucianism to discover ways of combating the abuses of modern civilization.

3. More than two thousand Confucian temples have been built in the Asian world, and the temple at Qufu is the largest of these. The original three-room dwelling of the sage was expanded into a complex as large as the Imperial Palace in Beijing. Similarly, the family Cemetery was extended to over 2 million m2, protected by the State, and the Kong Family Mansion grew from a simple dwelling house to a noble mansion with more than 560 rooms. These developments illustrate the great veneration accorded to Confucius and Confucianism by the feudal dynasties. The Confucian style had a profound influence on eastern architecture, and it occupies an important position in the evolution of Chinese architecture. Above all, it remains purely oriental and traditional, without external influences.

4. The Temple, Cemetery, and Mansion are famous for their uniqueness and long history. In its 2500 years of history the Temple has been damaged or destroyed by man or nature many times, only to be rebuilt each time on a larger and more magnificent scale. The buildings were designed and built with meticulous care according to the ideas of Confucianism. They are masterpieces that embody the highest achievements of Chinese architecture and art. In the Ming Period many outstanding artists and craftsmen were employed to apply their great skills in the adornment of the Temple. Similarly, in the most prosperous period of the Qing Dynasty Imperial craftsmen were assigned to build the Dacheng Hall and Gate and the Qin Hall, which are universally considered to represent the pinnacle of Qing art and architecture.

5. The layout of the Temple is designed to focus upon the main building. The complex is intimately linked with its surrounding wooded landscape, whilst within there is an elaborate hierarchy in the disposition of the individual components. Above all, harmony prevails, illustrating the Confucian ideal of harmony in every aspect of life - philosophy, politics, and ethics, as well as the material world - combined with honesty, sincerity, and moderation.

6. Although Confucius died over 2400 years ago, his philosophy still exerts a profound influence, not only in China but also in all parts of the world. The essence of his creed is the system of benevolence, to meet the needs of human existence and evolution. The declaration of the 1988 Nobel Prize ceremony asserted that “If mankind wishes to survive
into the 21st century, they must go back 2500 years to draw upon the wisdom of Confucius”.

7. The Temple of Confucius, the Cemetery of Confucius, and the Kong Family Mansion are not only outstanding representatives of oriental architectural skills, but they also have a deep historical content and are an important part of the cultural heritage of mankind. The enduring and rich cultural heritage of Confucianism will assuredly bring valuable enlightenment to bear on global development and the social advancement of mankind.

8. The protection of Confucius Temple, Confucius Forest and Confucius Mansion could be traced back to more than 2,000 years ago. Since Han Dynasty (2nd Century B.C.), they have been under the state protection. Confucius Temple underwent more than 90 times Confucius, Forest more than 30 times and Confucius Mansion more than 20 times of expansion and repairs. In 1513 (8th year of Zhengde in Ming Dynasty), the seat of the county was moved for the purpose of guarding the Confucius Temple, thus the position of the temple in the central part of the city was highlighted.

9. Since 1949, especially since 1978, the State and local governments have not only worked to protect the cultural relics, but also put in huge sum of investment into the maintenance of ancient buildings. They have also paid great attention to the protection of the general background of the cultural relics. In 1982, the State Council of the People’s Republic of China designated Qufu as one of the first batch of national-level famous historical and cultural cities. In 1987, the city delimited the protection scope and construction control zones for Confucius Temple, Confucius Forest and Confucius Mansion. In August 1994, the government made known and reiterated the protection scopes and construction zones for the cultural relic sites. The Measures of Qufu City for the Protection and Management of Cultural Relics issued in May 1995 also had the similar provisions.

10. In May 2001, the city government in 1995 passed the Views of the Qufu City People’s Government on Further Improving the Cultural Relics Work. Therefore, the legal protection over the property has been active and effective. There does not exist the pressure from dismantling or rebuilding, or the possibility that may affect the authenticity or integrity due to social development.
Annex 4: Maps of the Project Area

Map 1. China, Shandong Province highlighted in red

Map 2. Shandong Province, Jining Municipality highlighted in dark blue below:
Map 3. Project area, highlighting Qufu and Zoucheng. The distance between the two cities is about 20 km.

Map 4. Detailed map of Ming Dynasty walled city of Qufu, covering an area of 1.67 km².