

# Reflection paper on hong kong tourism



**ASSIGN  
BUSTER**

Hong Kong tourism is one of the four pillars in its economy. With its image as a cosmopolitan city, Hong Kong has attracted millions of tourists each year. However there are tourism issues that should not be overlooked by the government and the Hong Kong Tourism Commission (HKTC) in order to develop strategies to maintain the long term sustainability of Hong Kong tourism. In this paper, a situation assessment is presented and key tourism issues are identified together with the problems associated and relevant strategies to overcome these problems identified.

After the handover of Hong Kong back to the hands of China in 1997, Hong Kong developed its strong links with China. Tourism is with no exception. In 2010, Hong Kong recorded 36 million visitors with more than 60% of visitors coming from Mainland China (HKTB, 2011). This was the result of the extension of Individual Visit Scheme (IVS) and the relaxation of visa arrangement that stimulate the demand. In the coming future, demand from Chinese tourists is still in a grow.

Despite the stable demand from Chinese tourists, Hong Kong faces huge challenges from nearby destinations. Hong Kong is used to have being a shopping paradise and being a MICE destination as its competitive edges, however these edges seem to be narrowing down. Hainan province in China has launched a shopping tax refund program to attract non-residents to spend in shopping (People's Daily, 2011). Singapore and Macau have developed casino resorts together with MICE facilities to attract business tourism.

Despite all these, Hong Kong still has its advantage on its geographic location to be a gateway to China which attracts millions of people in and out of Hong Kong as a hub. Besides, Hong Kong is a cosmopolitan city and an “Asia’s world city” which contains characteristics of the West and the East, tradition and contemporary which is appealing to overseas tourists. Its financial position in Hong Kong has attracted many business travelers to come to Hong Kong for business purpose and its image of being a Shopping and Food Paradise has also attracted many leisure tourists.

Though Hong Kong still has these advantages, these competitions should not be overlooked in order to strategically maintain its long term sustainability.

#### Tourism Issue 1 – Reliance on Chinese tourists

In the light of the huge share of Chinese tourists in the mix of Hong Kong tourist arrivals, it is an issue of whether Hong Kong tourism should rely that much on the Chinese market.

Some supporters would say the huge supply and spending of Chinese tourists has stabilized Hong Kong tourism demand. From the statistics obtained by HKTB (2011), while the numbers of short haul tourists from Taiwan and Japan and that of long haul tourists from Europe and USA declined in the past 10 years, the visitor number from Mainland China grew rapidly. It can be said that Chinese tourists have sustained Hong Kong tourism.

Moreover, according to another statistics from HKTB (2011), Chinese tourists were big spenders that have accounted for 69% of the total visitors spending

in 2010. All these reasons have led Hong Kong to develop tourism policy especially for this group of tourists.

However, over reliance on the Chinese market would create problems as well. In case of external forces or simply the change of taste of Chinese tourist would pose difficulties for Hong Kong to maintain its visitors' number.

The 12th National 5-Year Plan released by the Chinese government is one of the external forces mentioned. It was the first time that Hong Kong tourism was not highlighted in the plan, instead the Chinese government intended to develop Macau as a world-class tourism and leisure center (Hong Kong's Information Services Department, 2011). With this aim, the Chinese government might be policies that favor that development of Macau tourism. In that case, more Chinese tourists would be encouraged to go to Macau instead of Hong Kong.

Back to Hong Kong, cases like Ah Zhen incident that happened recently would discourage Chinese tourists to travel to Hong Kong. Ah Zhen has been accused to have damaged Hong Kong's reputation as Shopping Paradise by blaming Chinese tourists for not purchasing souvenirs from designated shops. Similar incidents have also happened after this (Wall Street Journal, 2010). These incidents would hinder more Chinese tourists to travel to Hong Kong for shopping. In the long run, this would pose challenges to Hong Kong tourism.

China is a huge market that would supply sufficient demand for Hong Kong tourism, Hong Kong government should continue retaining this group of

guests to come to Hong Kong. In order to achieve this, there are several recommendations to protect the interests of these guests.

Firstly, the government could expand its “ Quality and Honest Hong Kong Tours’ Programme” to continue strengthening Hong Kong’s image as a quality and value for money destination. At the moment, the programme has been carried out in 27 Mainland cities and also in the virtual world on the Internet. Participating travel agents in the scheme have to commit that their itineraries should not contain designated shopping stops and forced shopping and forced self-paid activities. In the new expansion of the programme, the government can promote these tours together with its benefits in more cities in China. Besides, the government can also promote them more extensively via different communication channels, e. g. TV advertisement, social media, etc.

Moreover, secret shopper campaign should be continued and done more extensively to spot out illegal or unethical behaviors of travel guides to maintain a satisfactory level of services. This campaign can be used to facilitate the implementation of the “ Quality and Honest Hong Kong Tours’ Programme” as well to make sure the travel agencies in China and in Hong Kong if they are following the guidelines offered by Travel Industry Council of Hong Kong (TIC) and the Hong Kong Tourism Commission (HKTC). It is hoped that by this campaign, travel agencies would self regulate themselves in service delivery and provision.

Travel Industry Council of Hong Kong (TIC) should develop a more regulatory system to warn and punish travel agencies or tourist guides once illegal or

unethical behaviors have been spotted out. In the case of Ah Zhen, originally she was suspended from being a tour guide after the case discovered, however, after her appeal to TIC, she is now suspended for only half year. This indicates the ineffectiveness of the existing system which could allow similar incidents to happen in the future. TIC should be more careful in designing its regulatory system in order to exercise more regulatory power and punishment on Hong Kong tour operators and tour guides who have offended the rules and gives more confidence to Chinese tourists, thus remedy the bad reputation built.

However, for the long term benefit of Hong Kong tourism, over focusing on one market segment could be dangerous, Hong Kong government should also find ways to attract other markets.

## Issue 2 – Sustainability of cultural and heritage attractions

In view of this and the keen competition from neighboring destinations, Hong Kong has tried its best to develop new tourism products to overcome these challenges. Cultural attractions are popular among these new attractions in recent years to improve Hong Kong's cultural image. Tsim Sha Tsui piazza and the West Kowloon Cultural District are two of the big projects that the government has under taken as new tourism attractions. Besides, the government has also emphasized in developing heritages to showcase Hong Kong's mixed culture. Examples are the former Marine Police Headquarter in Tsim Sha Tsui which has renovated to become a square “ 1881 Heritage” and a boutique hotel named “ Hullett House”. Another example would be the Central market which will be developed into Central Oasis and the project of

revitalizing the Former Police Station is Central. One key issue that can be identified among all these projects is whether they could enhance sustainability.

According to the Chief Executive in 1999 (Hong Kong Sustainable Department, 2008), the Hong Kong government would ensure a sustainable development to bring about full integration of economic and social development with conservation of environment. In order to achieve this, local participation is very important in leading to sustainable development which gives win-win situation to all parties of the society.

However, one common key critics faced by the government in these big projects is lack of transparency. For example, in the case of Tsim Sha Tsui Piazza, a workshop that aims to gather opinions from different parties was subjected to question as these parties were mostly come from the government or government-related organizations (Tourism Commission, 2007). Another example is from another big project, the West Kowloon Cultural District. The management authority of the project is questioned as all of the 15 members from the authority were appointed by the government. Therefore, it is commonly believed that due to lack of transparency, the interest of the government might have affected the management. For heritage sites development, given that the Heritage Tourism Task Force was set up in 1998, it was blamed to be lack of leadership and lack of influence in the government bureaucracy (Chu and Uebegang, 2002).

The essence of sustainable tourism development is how to balance different views from different parties which is actually a huge challenge that the

government has to face in planning and developing tourist attractions. In order to fully implement sustainable tourism development, a bottom-up approach has to be adopted to collect more objective views from all sectors in Hong Kong so that specific needs could be satisfied and win-win situation for tourists and locals could be achieved. Cooperation with and involvement of locals or significant cultural group should be guaranteed and local community should be involved at the beginning stage of planning and operation to avoid these heritages to lose its original value, especially to the locals who have grown up with these heritage sites. It is hoped that by this approach, the integrity and authenticity of the heritage could be maintained while new elements like environmental friendly designs could be also involved in the new design.

Another problem raised from sustainability is whether these new attractions could showcase the local elements. Perhaps due to the image of Hong Kong as being an international city, projecting an image of East-meet-West, attractions are often blamed to be lack of local characteristics. For example, in the case of West Kowloon Cultural District, even one of the advisory committees of the project criticized that the design is lack of local elements (HKheadline, 2011). This problem has to be dealt properly, or else every new attraction in Hong Kong would deliver similar image to tourists, especially for revitalized heritage attractions which are supposed to deliver a unique image and background knowledge of Hong Kong so that visitors could appreciate and understand more about Hong Kong. One of the solutions is to keep up with public consultations and gather opinions of the public about the kind of



local culture to be included in the design of new attractions. By that, local culture could be incorporated into the design and would not be missed out.

## Conclusion

With its strong link to China, Hong Kong relies on the supply of Chinese tourists to sustain tourism. Though the huge number of Chinese tourists remains a consistent supply, there are risks associated with it and as a government body, HKTC should develop measures to also attract other markets and diversify the profile of Hong Kong visitors. On the other hand, sustainable tourism development is often questioned due to lack of transparency and overlook of Hong Kong local elements in development new attractions. HKTC and the government should involve a more transparent public consultation and public engagement so as to guarantee a more sustainable tourism planning and development.