



Issues Arising from the Rapid Growth of Tourists from China to Hong Kong, China between 2002 and 2013

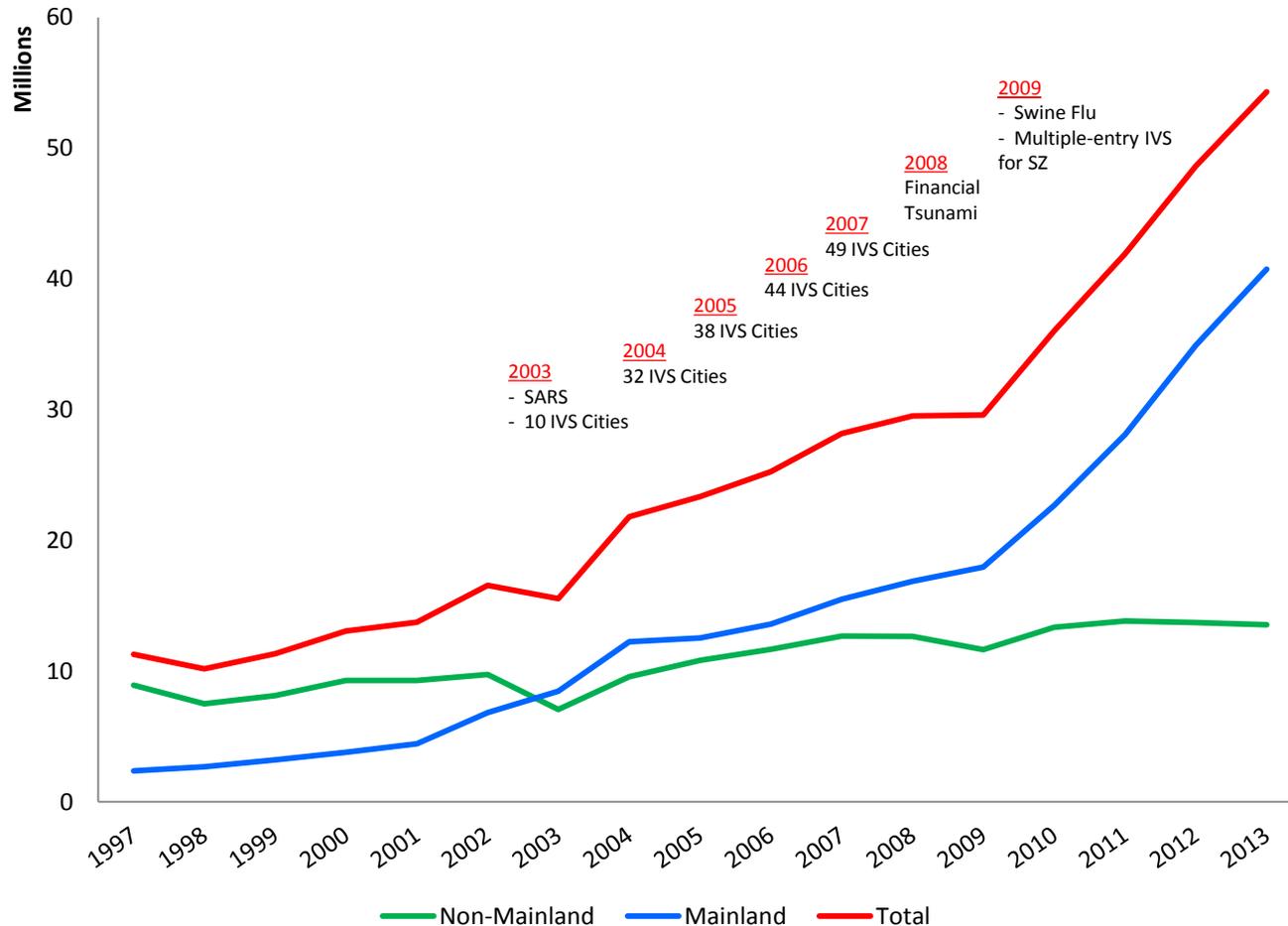
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Objectives of the research

- Outline the responses by both the private sector and the Hong Kong Government to the increase in tourists from China between 2002 and 2013;
- Outline how the Hong Kong community has responded to the rapid increase in Chinese visitation;
- Identify issues that should be considered by destinations when experiencing rapid inbound tourism growth of the nature experienced by Hong Kong with tourists from the China.

Average growth over the period 2002 -2013 was 11.3%



Factors that have assisted growth

- Hong Kong's free-market approach, minimal government intervention, low taxes, no subsidies and an efficient bureaucracy;
- The ability of the tourism sector to leverage its comparative advantages of location, efficient government, highly educated workforce and respond rapidly to changing market conditions;
- The close, co-operative links that have emerged between the private sector and the public sector;
- The willingness of the government to fund strategic investments in transport infrastructure (Hong Kong International Airport) and the attractions sector (e.g. Disneyland and Ocean Park)
- The development of a highly competitive tourism industry in the period prior to the emergence of the Chinese market growth;
- Introduction of the Individual Visitors Scheme (IVS) by China

Challenges that have emerged in the Chinese market since 2002

- Rapid growth has created social friction with ongoing complaints about the behavior of Chinese visitors.
- Shopping related issues continue to be a concern and have resulted in a fall in service standards.
- There is also concern that local prices may have risen because of the nature of Chinese demand.
- Hong Kong is in danger of becoming over-dependent on Chinese tourists.
- The success in attracting Chinese tourists may reduce efforts to develop non-Chinese markets.

Challenges

- No comprehensive long-term strategic tourism plan to provide guidance on issues such as social carrying capacity
- Over-reliance on the Chinese market may lead to problems if demand falls in the future.
- Poor enforcement of regulations has allowed the illegal accommodation sector to grow at the expense of legal operators.
- The need to pay greater attention to visitor management strategies in areas where there are high concentrations of tourists.

Maximizing potential to attract the Chinese outbound market

- Treat Chinese inbound tourism as a government-to-government diplomatic issue.
- Monitor the responses and views of the local community
- The Chinese market is large and diverse and consumer expectations vary between regions.
- Destinations need to formulate detailed strategies to receive Chinese tourists based on their comparative and competitive advantages.
- Careful consideration must be given to the need to develop effective and coordinated long-term tourism development strategies

Thank you

