

\$300m slump in Shenzhen tourism

By KENT CHEN
SHENZHEN, China's largest special economic region, has suffered a \$300 million drop in tourism following the Beijing massacre.

The sum accounts for nearly one-sixth of the total annual income from the economic region's tourist industry.
Shenzhen officials have admitted the industry has been badly hit by the military crackdown on the pro-democracy movement in Beijing.

"We have already lost about \$300 million in the last two months," Mr Li Ji,

the president of the official Shenzhen Tourist Association, told a group of Hongkong and Macau reporters.
"How long tourists' fears will sustain depends on the overall political atmosphere in China. But I assure you that Shenzhen is safe to tourists."
"The central Government had stated those who supported and took part in demonstrations will not be persecuted unless they were the main instigators."
"And Hongkong people who took part in the activities prompted by misunderstanding, will in no way be punished."

Despite repeated assurance from Chinese authorities, it may take years for the tourist industry to recover.
Although it is more than two months since the Tiananmen Square shootings, hotel occupancy rate is still 20 per cent lower than in the same period last year.
According to latest official figures, slightly more than 40,000 visitors visited Shenzhen in June, which is 53 per cent down from May.
The average 75 per cent hotel occupation rate in June dropped to its lowest - 59 per cent - in a month.
Shenzhen tourist authorities attributed the small

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for some time and may affect several major tourism development projects.

The immediate one is the mammoth Miniature Scenic Spot - Splendid China, which occupies more than 33 hectares near Shenzhen Bay.

Claimed to be the world's largest in terms of area and number of scenic features produced, it has already cost more than \$100 million.

Scheduled to be officially opened in November, the project originally expected to host up to 9,000 visitors a day.

But the general manager of Shenzhen Splendid China Development Company

Limited, Mr Li Riyu said management might be forced to revise its financial projection over the next five years.

Under the original plan, it was expected to start making a profit in about five years but in the wake of recent political turmoil in China, it will take longer to reach the break even point.

But Mr Li said the primary aim of the scenic spot was to serve the whole Shenzhen tourist industry.

He stressed that long-term prospects for the miniature scenic spot were still optimistic.

Mr Li Ji said it might take up to seven years to make up the losses.