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\$2,000m tourist industry still in its infancy

by Christopher Marley

Hongkong, small, densely populated, and a centre of business, does not automatically spring to mind as a tourist attraction. Perhaps it is thought of as a giant out-of-town shopping centre, or a major rest and recreation port of call at the height of the Vietnam war. But as a resort? Well, the colony certainly has a right to take tourism seriously, and it is beginning to treat it as an explosive growth industry already making a major contribution to the national economy.

Last year 907,000 tourists visited Hongkong. Their contribution of some \$2,000m is treated in the statistics as an export, and tourism is in competition with manufacturing for government support. But despite the fact that these statistics represent 12 per cent of exports and perhaps some 7

per cent of the estimates of gross national product, tourism in Hongkong is in its infancy.

The analysis of tourist statistics is notoriously unreliable, but the figures do point to the way development can go. At the moment non-military Americans provide 23 per cent of the colony's visitors, and rest and recreation callers another 11 per cent. The Japanese come a close second to the Americans with 21 per cent, and the rest of South-east Asia accounts for 18 per cent. But the large European and the smaller Australian markets are relatively untouched, accounting for only 8 per cent and 5 per cent respectively.

Theoretically, of course, these tourists are bent on pleasure, not business. But it must be an open question how much their visits to Hongkong are financed by business. Visitors' surveys suggest that 70 per cent of tourists go to Hongkong, either entirely or

mainly for pleasure and only 30 per cent for business or business and pleasure. Significantly, it is also estimated that more than 40 per cent of Japanese visitors to Hongkong have their tickets paid by or are subsidized by their companies.

Whatever the true proportion of business-related and business-financed expenditure, Hongkong's tourists still treat the place as a large store. Shopping (tailoring, electrical goods, arts and crafts, and liquor) takes care of 60 per cent of tourist spending, hotel costs 16 per cent, and food and entertainment only 4 per cent each.

The fact is that although it has beaches and space outside the city, good scenery and a favourable climate, Hongkong is not in the resort league. Given that much of its business would always be local and regional, nobody would suggest

that development could be based on the Florida or Mediterranean pattern. But now that the colony's New Territories are scheduled for development, and after the vast rise in the number of tourists who stopped over in Hongkong en route to Expo '70 in Japan, there are feelers from Britain, the United States and Japan to exploit the colony's resort potential.

That potential is unlikely to draw much strength from the slow thaw in trade relations between China and the West. Hongkong may be a natural point of entry for the overseas Chinese in Asia in their dealings with South China; and it may be a natural break point for Australian-South African travel. But the colony is in fact a deviation from the natural East-West communications route of London-Moscow-Peking-San Francisco. No, it is the genuine tourist that Hongkong is out to attract, with a jealous eye on the charter market whose current South-east Asian home is Bangkok.

At present a 14-day package holiday from Frankfurt to Bangkok costs a mere £165, and Hongkong syphons off very little of that business. Half the visitors on charter packages to Bangkok stay there, and of the half that move on only 50 per cent pay a quick visit to Hongkong for shopping.

The colony is already well equipped with luxury hotels for the prosperous tourist and the businessman. And there is no problem about occupancy rates—the big new Trust Houses Forte luxury hotel, for example, is said to be fully booked long ahead of its opening. But hoteliers who turn their attention to resort facilities in conjunction with the airlines have every chance of doing well.