

30pc growth seen in tourist industry

By ALAN HO

Tourists will spend approximately \$4.5 billion in Hongkong this year, the Executive Director of the Hongkong Tourist Association, Mr John Pain, predicted yesterday.

He estimated the net earnings for the Colony from the tourist industry last year to be \$3.8 billion, up 30 per cent from the \$3 billion in 1975.

Prospects for tourism this year are "very good" provided there are no earth-shaking political or economic upheavals, in Mr Pain's opinion.

"We can confidently look forward to a 10 per cent, or possibly 15 per cent, growth in the number of tourists and a two to three per cent growth in tourist spending in 1977," he said.

Tourism is one of the most important sources of invisible earnings for Hongkong.

About 1.53 million tourists visited Hongkong last year, up 20 per cent from the 1.3 million in 1975. If HKTA forecasts are realised, the number for this year will be between 1.68 million and 1.76 million tourists.

Mr Pain said the tourist industry generated about 14 per cent of Hongkong's total foreign earnings, and made up about seven per cent of the Colony's gross domestic product.

Last year's improvement over 1975 can be broken down into a roughly 20 per cent increase in tourist arrivals plus an approximately 10 per cent rise in expenditure per head, he said. The main reason for the upsurge was the improved world economy.

"The Japanese and the Americans together make up about 45 per cent of our visitors. After three years of economic downturn in the U.S., the number of American visitors registered good growth in 1976.

"Another 40 per cent is made up of people from Southeast Asia and Australasia.

"Assuming there are no major economic setbacks in the U.S. and Japan, there are no real clouds on the horizon, although I am a bit concerned about the Australian market after the devaluation of the Australian dollar."

Mr Pain said the Australians and Southeast Asians come here because geographically Hongkong is close enough to be attractive. Moreover, many visitors from Southeast Asia are overseas

Chinese with economic and ethnic ties with Hongkong.

He said 35 per cent of tourist expenditure in Hongkong accounts for accommodation, food, drinks and transport, while about 62 per cent goes into the Colony's shops.

He does not see the need for Hongkong to build too many hotels although he expects the Colony's hotel rooms to be full in April, early May, October and November.

"There are slack months like the summer. Our job is to fill in the 'troughs' between the peak seasons with such things as conventions, teachers' summer travelling groups and honeymoon groups.

"Hongkong's hoteliers have always been very shrewd in their planning. The present plans for hotel accommodation expansion are about right. There is a new wing to the Miramar Hotel which is being finished now, which will take in some extra heads this year.

"New World Development Ltd is building two hotels to cater to different income brackets at Holt's Wharf. They will take about two years to complete."

Mr Pain said that about three per cent of the Colony's visitors come from the UK, for business and family reasons, and between two and three per cent from West Germany, where people have money to travel. Other West European countries supply about three per cent.

"We are intensifying our promotional efforts in Western Europe. Traditionally, there has been a lot of internal travel within Europe by Europeans, and this has increased since the formation of the Common Market.

"Long-haul travelling was born in the 1960s, with the blossoming of cheaper air travel. But then the Europeans have a choice of going to America, the Middle East and other places rather than coming here.

"As far as the Orient is concerned, the thought for a European to fly to Hongkong is relatively new - Bangkok is a much better known name in Germany than Hongkong. The insurgency problem in Thailand is also well known there, of course, but it has only caused a hiccup in European travel to Thailand, which is recovering its tourist trade.

"Bangkok is regarded as the gateway to the Far East by Central Europeans

because it is possible to fly in bulk via such lines as Condor of Lufthansa and Belair of Swissair from Frankfurt to Bangkok, stay for 12 days and return to Europe for about \$2,000, food and hotel included."

The strategy of the HKTA is to co-operate with members of the East Asia Travel Association (EATA), including Singapore, Malaysia, Thailand, the Philippines, Taiwan, South Korea, Japan as well as Hongkong, to attract Europeans who have chosen to travel long distances to visit the Colony while they are seeing other places in the region, such as Thailand.

Mr Pain said Hongkong's competitors in tourism vary, depending on the routes taken by the visitors. On the Australian route the natural competitor would be Singapore. For the Japanese the alternative attraction would be South Korea, or Hawaii, if they want to travel farther.

In long-haul travel there are no regional competitors. If the Americans decide to tour abroad they will either choose the Far East or somewhere completely different like Latin America or Europe. Likewise, the Japanese, should they choose to visit Taiwan or other parts of Southeast Asia, will probably not miss Hongkong.

Mr Pain said Japan has become so expensive that it has become a competitor in a reverse sense. Americans wanting to see the Far East may be deterred by high costs in Japan so that they may decide not to come altogether.

The way out, he said, is for Far Eastern tours to be advertised in the U.S. with the pivotal stop in Hongkong, and an option for sightseers to go to Japan from here if they wish.

He said the Philippines will soon be a competitor to Hongkong's tourist industry, as the passage from Hongkong is cheap and lodgings are abundant in Manila, and tourists will reduce their days of stay in the Colony to hop over to the Philippines.

However, in two years' time, Mr Pain sees Hongkong and the Philippines working as natural partners, especially in long-haul travel.

"Hongkong, Macau and the Philippines can be advertised as a package as they have different cultures, different foods, different people and the money needed to take in the whole package is not much."