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A booming business that has come such a long way

NO ONE has done more in the last 35 years to put the territory on the tourism map than the remarkable 78-year-old Rudy Choy.

He is quite simply Hongkong's Mr. Tourism.

Mr. Choy was there at the beginning in the early 1950s, when about 30,000 visitors a year arrived in a low-key and low-rise Hongkong.

Today, that figure is exceeded every two days.

It was not unknown in those days for letters to arrive addressed to Hongkong, Japan.

Trained as a stock broker like his father before him, Mr. Choy got involved in tourism by accident when he was asked out of the blue to manage the Miramar Hotel.

He went on to become a founder member of the Hongkong Tourist Association in 1957 and was a member of the pioneering three-man band which went on the road to sell Hongkong.

Last month, having seen the industry grow incredibly, Mr Choy retired from the HKTA board on which he had sat since 1965.

But his roots run deep and, unofficially, Mr. Choy will always be selling the territory.

Nowadays, tourism is Hongkong's third largest foreign exchange earner behind textiles and the electronics industry.

Last year a staggering 5.6 million visitors — one visitor for every resident — arrived in the territory.

And they spent on average \$5,800 each, contributing more than \$33 billion in foreign exchange or 7.8 percent of Hongkong's gross domestic product.

And for every dollar the territory spent on its tourism industry, it got \$17 back.

But it was a very different story in 1956, the year a working committee suggested to the Legislative Council that a tourist association be formed.

The committee recommended that Government

Tourism in Hongkong is booming, records are being broken and the coffers are overflowing, writes BARRY GRINDROD in the second half of a special report.

grant \$3.7 million to finance the operation for the first three years. Of this it was suggested that \$300,000 be spent, as soon as possible, on promotions and \$100,000 on regional advertising.

On June 27, 1957, the HKTA was officially formed and, later that year, Major Harry Stanley, MC, was appointed executive director. He started work in a rented office in the Peninsula Hotel.

The association was up and running, although slowly. By the end of 1959, it had 105 members and today the figure stands at 1,753.

In 1959, membership included 18 travel agents, nine air carriers, 12 hotels and one tour operator.

Other members included 17 tailors, six restaurants and night clubs, six department stores and five jewellers.

The current figure includes 117 travel agents, 28 air carriers, 87 hotels and 113 tour operators.

Membership also includes 138 tailors, 331 jewellery and watch shops, 237 restaurants and places of entertainment and stores.

It's with great pride that I look back over the years, said Mr. Choy, who still works a full day as special assistant to the senior vice-president of United Airlines Pacific Division and, in summer, starts his day with a 5:30 am dip in the ocean.

In the early days of the association, he didn't have any overseas offices. It was left to the executive director, Major Stanley,

the proprietor of the largest travel agency in Hongkong at that time, Fred Clemons, and myself to go into the region and sell the territory.

The association's current executive director, Eugene Sullivan, says 1964 was an important year, the one when three major studies were made.

One was on the development of the convention market, which had long been recognised as a potential goldmine.

In the last six years, the convention and incentive travel business has been growing at the rate of 20 percent a year, people attending conferences tend to stay on average twice as long as the regular tourist and spend three times as much money.

The new Hongkong Convention and Exhibition has been hailed as possibly the best of its kind in the world.

A second report was on the feasibility of an oceanarium.

And, in 1970, when Hongkong was on the verge of hitting the magical million mark for visitors in a single year, the go-ahead was given for Ocean Park.

Last year 1.6 million people visited, the park with 35 percent of its income coming from tourists.

The third report was on the development of holiday resorts, but this failed to capture the imagination of private investors.

Mr. Sullivan cites the world recession in the 1970s and the shadow of 1997 in the 1980s as the stumbling blocks that mainly prevented the development of holiday resorts.

Today, the HKTA employs 10 people in its office.

Mr. Sullivan says the territory is a hot spot for the Far East, and that it will be a major focus of the nation's growth. He says that the territory is a hot spot for the Far East, and that it will be a major focus of the nation's growth.

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Government subsidies which are raised through a five percent room tax.

Last year, it amounted to \$15.13 billion out of a total income of \$17.63 billion.

The continued growth of Hongkong's tourism depends largely on two factors, more hotel rooms and a new airport or, in the short term at least, more aircraft bays at Kai Tak.

Although there are plans to provide more bays, it's estimated that Kai Tak will reach saturation point by 1996 at the latest.

All concerned agree that the Government's decision on a second airport is urgently needed.

A new airport must be operational within eight years, say the experts.

A former executive director of the HKTA, John Pain, has predicted disaster for the industry unless the Government gets its act together quickly.

He was appointed to a committee to consider a new airport site as far back as 1966. When he retired in 1987, no final decision had been made.

Meanwhile, the shortage of hotel rooms a few years ago is unlikely to occur again.

With the number of visitors leaping up from 3.7

million in 1986 to 4.5 million in 1987 and then 5.6 million last year, there have been times in peak season when hotels were booked solid.

Although 6.7 million visitors are expected in 1990 and 8.4 million in 1994, the association is sure new developments can cope with the influx.

Last year, nine new complexes opened providing another 4,000 rooms and this year another six are scheduled to open bring the number of rooms available to 27,000.

Next year is going to be a bumper one, says the executive director of the Hongkong Hotels Association, Manuel Woo. No fewer than 21 new hotels are scheduled to open their doors.

Even allowing for 20 percent of projects being behind schedule, it's estimated that Hongkong will have 34,000 rooms.

Given the present five percent labour shortage in the industry, it's a prospect that, says Mr Woo, frightens him to death.

There were fears of a very different kind for Mr Choy when he was thrust into the tourism game like how to run a hotel.

"I knew the owners of the Miramar and, when it was put on the market, a

bid was made by an order of Dominican monks who owned a lot of land in Hongkong at that time," said Mr Choy.

"The owners had previously made a promise to the Governor that whenever the hotel was sold it would stay in the same business.

"They were so anxious to have their promise fulfilled they said if I agreed to become general manager, they would knock the asking price down from \$21 million to \$18 million.

"So then I had to learn about the hotel business - in one month! I turned to my friends at the Peninsula for advice."

And those were the days when visitors were categorised by the authorities as from the United Kingdom, United States and "others."

Today the "others" are having quite an impact.

Japanese visitors topped a million for the first time in 1987 and last year reached 1.2 million.

And with the easing of travel restrictions in Taiwan, visitors from there last year increased 300 percent over 1986 to 1.1 million.

In the foreseeable future, the success of the industry seems assured.

The unforeseeable lies beyond 1997 which Mr Choy describes as "a mystery".

There is certainly little or no contact between the respective tourist organisations in China and Hongkong and, speaking to people like Messrs Sullivan, Woo and Choy, there doesn't seem to be a great willingness on this side of the border to foster significant ties.

At one time, said Mr Pain, many tourist delegations visited Hongkong from the mainland.

So many, in fact, that Hongkong reached a point where it decided it would have to charge China for its services.

"The delegations suddenly stopped," said Mr Pain.

So what will happen after 1997?

Mr Choy warns: "I only hope the people of Hongkong will be left alone to run the tourist industry for the 50 years after 1997 and that the principles of freedom of speech and freedom of travel will be allowed to continue.

"Without these the industry will be dead."

And so will Mr Choy's dream.