

TOURISM IN HONG KONG TO RECEIVE \$200 MILLION INVESTMENT



Bleak times came for tourism in Hong Kong, as arrivals are expected to continue on a declining trend in 2016, following a drop of 8% in the fourth quarter of 2015 alone. Based on the official numbers, the possibility that the 2.5% drop in arrivals registered last year will be repeated or even aggravated this year is quite real, according to experts.

During the Lunar New Year holiday, the amount of mainland Chinese visitors dropped by 11.7% year-on-year while the neighboring **Macao reported a 4.7% rise, compared to the holiday last year.**

There is more than one reason for the gloomy trend of tourism in Hong Kong, and while it is easy to say economic factors are to blame, the truth is the violent riots which have plagued the city during the Lunar New Year period, have affected Hong Kong not only inwardly, but also its international reputation, discouraging in-bound Chinese tourists, in particular.

Tourism is one of Hong Kong's key industries, contributing 5% to the overall GDP. However, given this doomsday scenario, economic measures will have to be taken, with great costs for the city's finances.

A hefty HK\$380million are expected to be spent by the government in actions meant to reestablish Hong Kong's international image, while another \$200million will be injected in the industry specifically.

Additional short, medium and long-term initiatives will also be put in place to aid the ailing tourism in Hong Kong, according to city's financial secretary John Tsang. This new strategy to be implemented by Hong Kong's government aims not only at recovering the sinking industry, but also at opening new markets, and it focuses heavily on overseas promotion meant to fix the city's image as well as encourage inbound activity by showcasing tourist attractions such as MICE tourism and "fly cruise" tours, among others.

The new measures to be implemented include waiving license fees for several of the industry's key players, as well as hosting important and exciting international events, meant to bring new and returning visitors to the Far Eastern city.

In the longer term, infrastructure is also expected to be updated, namely in Disneyland, one of Hong Kong's key attractions, which will soon be facing stiff competition from Disney's first resort in mainland China, which will not only be much bigger and more modern, but will also be quite a lot cheaper to attend.

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