

HONG KONG STRUGGLES TO ATTRACT CHINESE TOURISTS



Experts attribute the decline in Hong Kong's appeal to Chinese tourists to a combination of factors. The COVID-19 pandemic, followed by the pro-democracy protests, has significantly impacted the city's tourism sector.

The rapid development of mainland China's cities has also diverted some of the tourism industry that once favored Hong Kong. Despite local authorities' optimistic projections of one million visitors during the 'Golden Week' in May, the actual number of tourists crossing the border from mainland China was lower than expected. **Hong Kong's rising costs and decreasing competitiveness in terms of value for money have further compounded the issue.**

Hong Kong faces challenges in reviving its tourism sector, which previously contributed around 5% of its GDP. The city is trying to make up for lost time following the pandemic and political turmoil in recent years. However, experts believe that Hong Kong is having difficulty catching up as visitors spend less due to the slowing economic growth in China, and Hongkongers prefer to spend their holidays in nearby Chinese cities.

After a three-year decline in tourism, Hong Kong received around 34 million visitors in 2023. However, this figure is still far from the peak of over 65 million visitors in 2018, who spent \$35 billion.

To make matters worse, official figures show a 73.5% decrease in spending by single-day Chinese tourists from the mainland, statistically the largest group of tourists. Hong Kong needs to work harder to develop unique and original offerings to attract visitors, as mainland visitors now prefer to have different experiences since they can shop on the mainland or online instead of relying on shopping in Hong Kong.

The Hong Kong dollar, pegged to the U.S. dollar, high prices, and competition from rivals such as Singapore and Japan have also contributed to the decline in tourism. **Hong Kong has a long way to go in terms of boosting its tourism sector and attracting visitors.**

Hong Kong is less appealing, even to its residents. Since China reopened its borders in February 2023, Hongkongers have traveled to nearby mainland cities like Shenzhen and Zhuhai for weekend outings. By the end of March, the number of daily departures had exceeded 760,000, three times the number of arrivals.

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