

The Impacts of Mainland Visitors to Hong Kong Economy and Society

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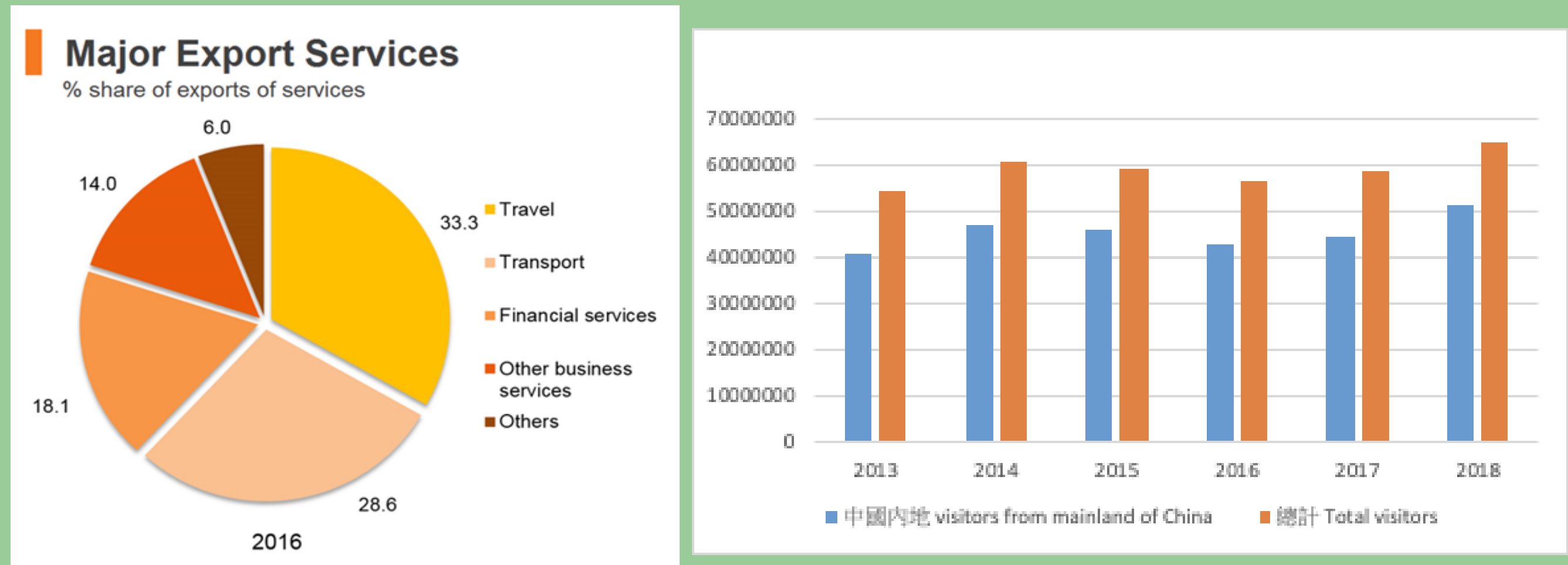


Introduction

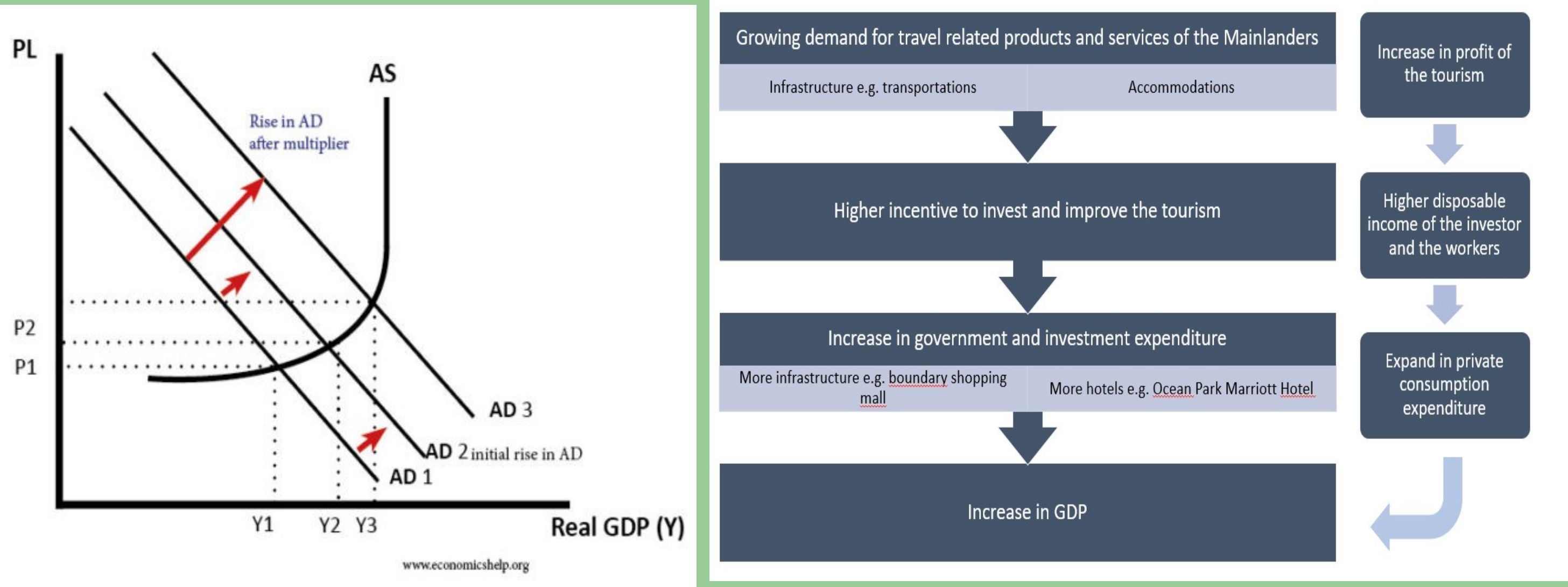
The tourism industry is one of the major pillars of the economy of Hong Kong. Since the introduction of the Individual Visit Scheme (IVS) in 2003, mainland tourists have become the largest market of the Hong Kong tourism industry.

Positive Impacts

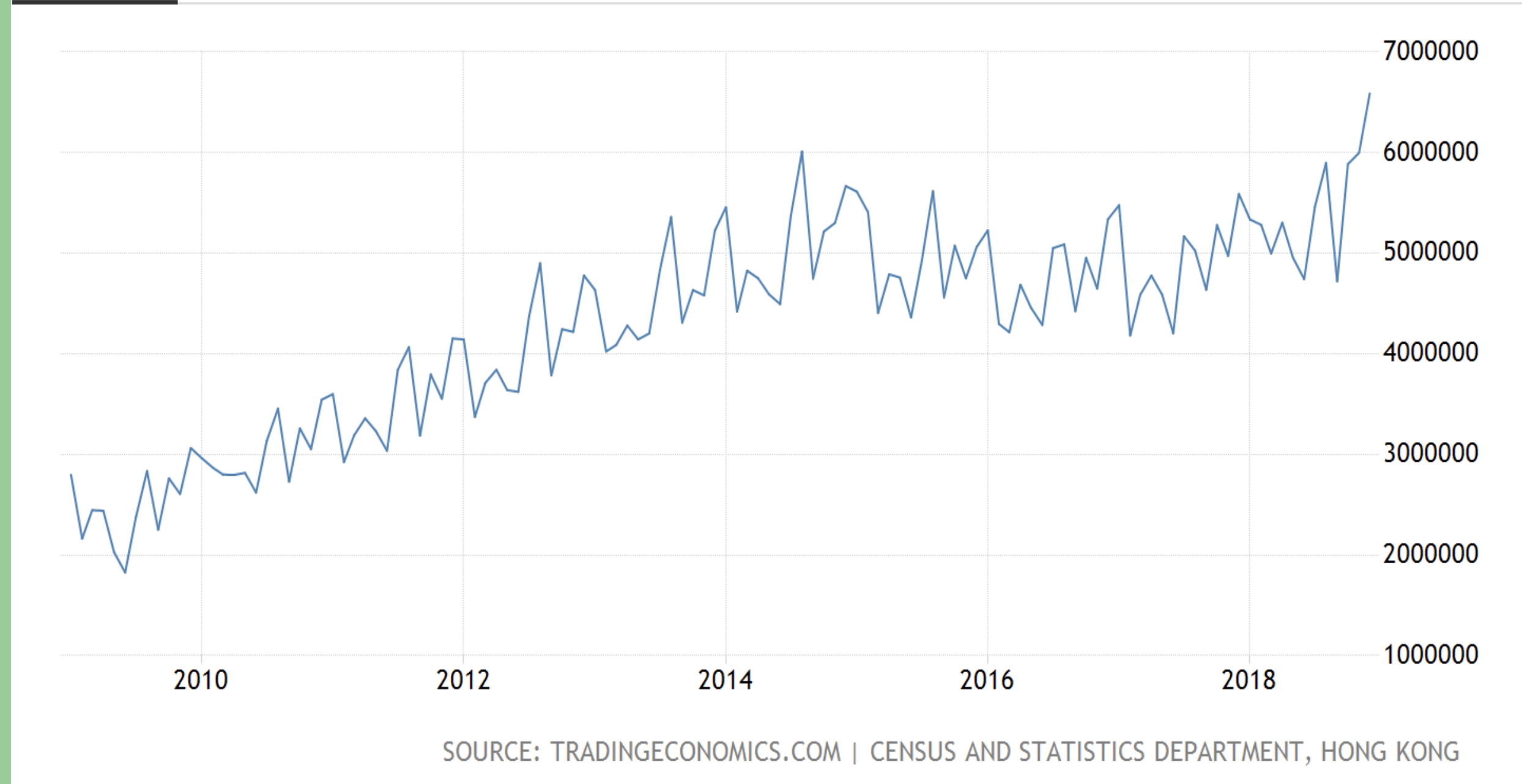
Increase in GDP



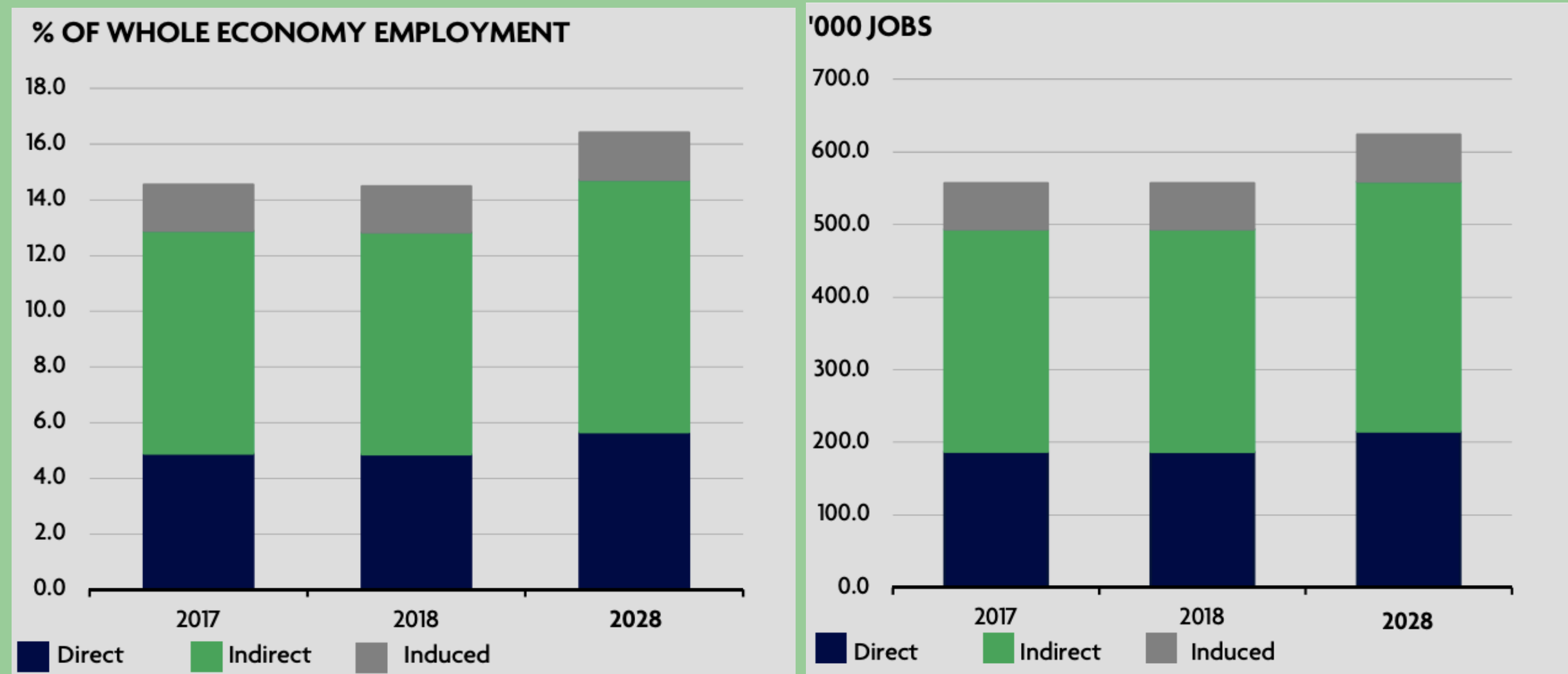
Tourism contributes a lot to Hong Kong economy. Visitors from mainland China has accounted for around **80%** of the total tourist in Hong Kong in the past few years, which means the mainland visitor has dominated the tourism market in Hong Kong. The consumption of overnight (~\$7000) and single-in-town (~\$2300) Mainland tourists are the highest among the consumption of visitors from other regions e.g. Taiwan, The Americas ∴ Mainland tourists tend to purchase luxury products ∴ The high spending power of Mainland tourists increase the export of service and then the GDP. Large amount of Mainland visitors lead to *Multiplier effect*



Employment



The number of tourists from the mainland to Hong Kong increase steadily in the past.



The travel and tourism industry directly supports **187,000 jobs** to Hong Kong, it accounts for **4.9%** of total employment and expected to rise by **1.4% to 215,000 jobs** in 2028. On the other hand, travel and tourism indirectly support **369,500 jobs** in Hong Kong and expect to rise by **10.6% to 409,000 jobs** in 2028. The total contribution including direct and indirect to the employment was **14.5%** of the labour market, which created **556,500 jobs**.

Objective

- (1) Find out the effects of mainland tourists on Hong Kong economy and society
- (2) Provide suggestions to improve the quality of Hong Kong's tourism industry

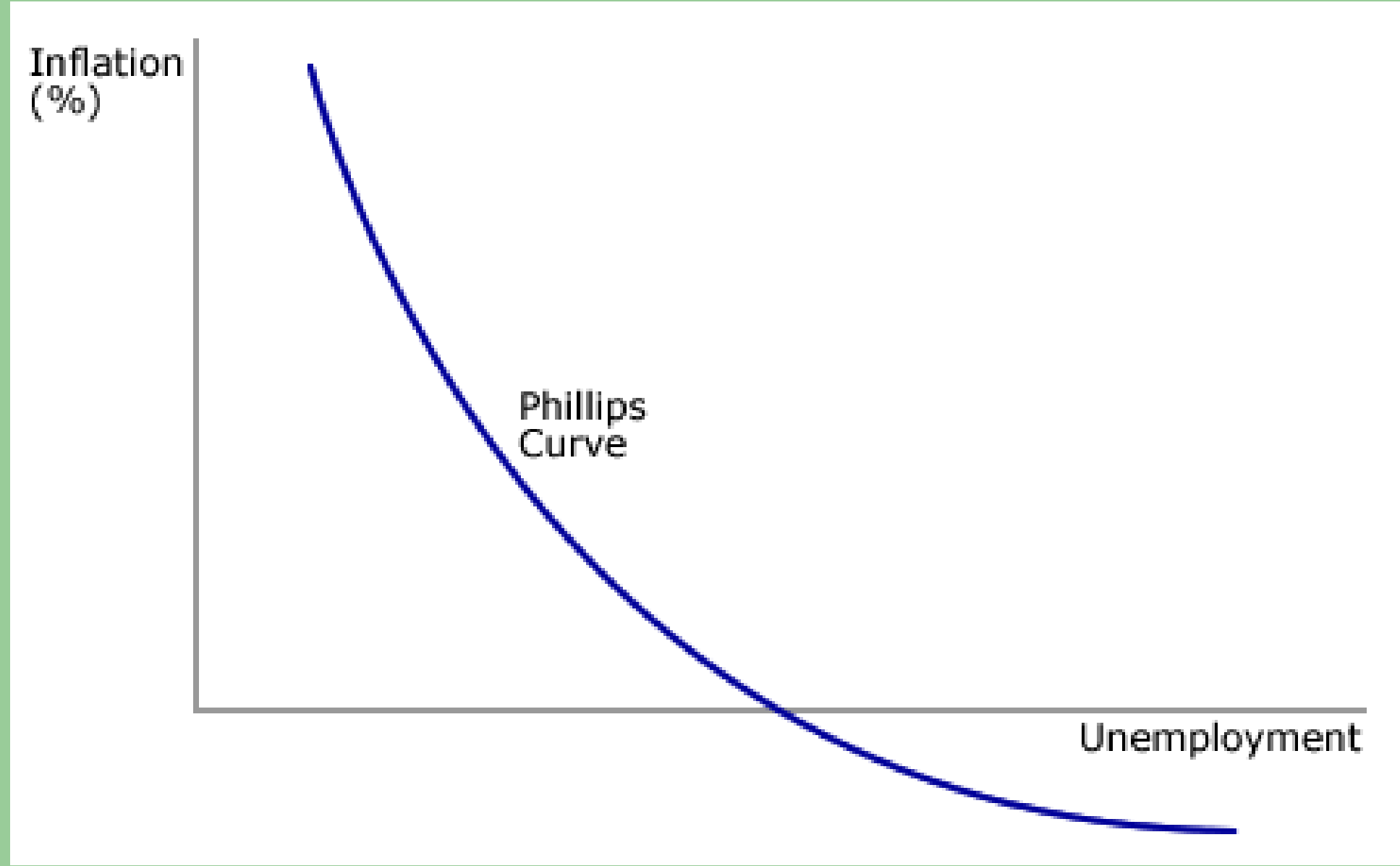
Methodology

Source: The Hong Kong Trade Development Council, The Hong Kong Tourism Board, World Travel and Tourism Council, and Census and Statistic Department of Hong Kong
Method: Impact analysis

Negative Impacts

Inflation

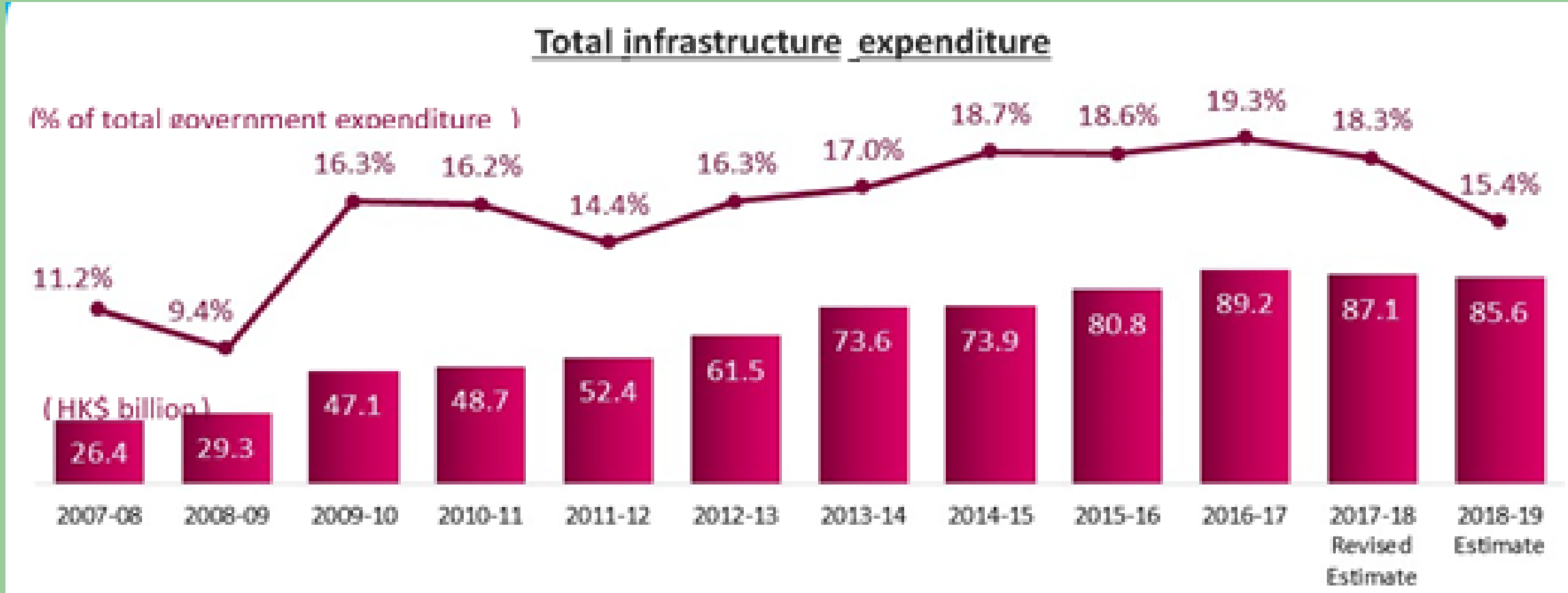
The number of employed ↑ unemployment rate ↓ inflation rate ↑



Over-dependence on mainland market

Mainlanders account for more than **70%** of tourism market in Hong Kong
If Chinese economy breaks down,
Mainlander's income down
→ decrease in demand for Hong Kong tour
AND
Exchange rate depreciate → cost rise → decrease in demand
∴ **A great shock to Hong Kong tourism market**

Tourism development of infrastructure



The infrastructure cost was **triple** in 2017-2018 compared to 2007-2008.
The percentages of infrastructure spending to total government expenditure increased from **11.2% to 18.3%** from 2007-2008 to 2017-2018.

Suggestion

- Reduce over-reliance on the mainland market
- Spend less investment in infrastructure connecting mainland and Hong Kong
- Diversifying passenger routes and attracting more tourists from other regions
- Developing more cultural and environmental sightseeing spots

