

Tourism Cooperation Imperative for Hong Kong, Macau and Zhuhai

Regional cooperation is vital to ensuring that tourism continues to boom in Hong Kong, Macau and Zhuhai argues the SHTM's Professor Cathy Hsu in a recently co-authored research article. Although the central government has created a process that will eventually lead a 'barrier-free' tourism zone in the Pan Pearl River Delta region, many difficulties remain. The researchers analyse the current state of complementarity and competition between the three cities, highlighting the importance of a comprehensive "joint regional plan" for tourism development.

Importance of Regional Cooperation

The researchers note that despite Macau's gambling boom, tourism growth in the city is restrained by a lack of land and labour. From this perspective alone, regional cooperation would be beneficial – Hong Kong supplies Macau's excess labour requirements and a substantial number of visitors, and Zhuhai is the gateway through which most mainland Chinese visitors arrive in Macau. The bridge that will connect the three cities by 2013 could bring benefits to each city, but also raises the spectre of increased competition.

"How to coordinate and harmonise tourism development in these destinations", write the researchers, "is becoming an urgent issue that deserves attention from the government, industry and scholars".

What form should this cooperation take? The researchers suggest that any regional cooperation should have five distinct features. These include capitalising on the region's overall strengths while emphasising the uniqueness of each destination, developing tourism in each destination equitably and complementarily, coordinating job creation and labour training to improve the entire region's tourism service, developing

infrastructure by collective effort and easing restrictions to facilitate travel throughout the region.

The major barriers to cooperation, argue the researchers, are unequal development within a region and the pursuit of local agendas. "Cooperation will be difficult", they note, "when each destination has its own plan to promote self-interests and benefits".

Experts Consulted

Given the lack of research into how these considerations might affect cooperation between Hong Kong, Macau and Zhuhai, the researchers conducted a series of face-to-face interviews with 30 government officials, industry executives and academics. Ten such experts from each destination agreed to be interviewed, with more than half of the interviewees drawn from the professional ranks of the tourism industry itself.

The objective of this exercise was to create a pool of information on which to conduct an analysis of the strengths, weaknesses, opportunities and threats facing tourism development in the three cities independently, and then for the region as a whole.

Tourism Contexts of the Individual Cities

The Hong Kong experts saw their city as a destination for "fine dining, shopping and family vacations", with Macau identified as one of its major competitors. The main weaknesses identified were the high cost of doing business and problems with accommodation capacity. The bridge linking Hong Kong to Zhuhai and Macau was seen as a major tourism opportunity in the near future, and the most significant threats were the loss of MICE tourism to other cities, and the specific loss of middle- and senior-level managers to Macau.

In Macau, the experts saw the focus on gaming as “the right direction” for the city’s tourism development, and identified Hong Kong amongst its major competitors. The major weaknesses were the lack of land and insufficient labour supply, which would be offset by the bridge to Zhuhai and Hong Kong and the liberalisation of the gaming industry. Significant threats were posed by casinos elsewhere in Asia and recently imposed travel restrictions on tourists from mainland China.

The experts in Zhuhai concurred that the city’s main strength was as a “destination for leisure and vacations”, combined with its proximity to Macau and Hong Kong, which would further benefit from the bridge linking the three cities. However, Zhuhai lacked funding for tourism development and qualified professionals, and it had a lodging overcapacity.

The Necessity of Cooperation

Given these local considerations, the researchers identify a range of reasons for the necessity of regional cooperation. Most significantly, there is a need to harness the gaming boom in Macau for the benefit of all three cities, and to lessen the existing competition between the hotels of the individual locations.

Cooperation will also be needed to “capitalise the opportunity provided by the bridge” that will soon link them. This sort of collaboration will also help the individual cities deal with problems that they cannot cope with on their own, such as the land and labour shortages in Macau. The result, argue the researchers, will be “a region stronger than the sum of individual destinations”.

Yet that result will only be achieved with the development of a joint regional plan to “coordinate tourism development in the three cities to reduce overlapping and substitutive projects and increase complementary ventures”. Such a plan would help to reduce the many immigration control points faced by tourist travelling between the cities, enhance the training of tourism professionals, regulate competition and address Macau’s labour and land shortages. Zhuhai’s help in developing

land bordering Macau would be particularly valuable in the latter scenario.

Coopetition for the Long Term

The researchers explain that the plan would require the three governments concerned to make appropriate policy decisions to allow the tourism industry in the three cities to cooperate “in terms of initiation, advising, implementation and evaluation”. To do so and step aside from current conflicts of interest, the three destinations will each need to develop “in a direction that does not duplicate the directions of its partners”.

Commenting that the cities “already have a good foundation for cooperation” in their existing complementary offerings, the researchers suggest that a form of ‘coopetition’, or simultaneous cooperation and competition, would be the best way of approaching tourism industry integration. “Regional cooperation could be a win-win situation for all parties involved”, they note, but only “with a long-term focus”.

Points to Note

- Regional cooperation is vital to continued tourism development in Hong Kong, Macau and Zhuhai.
- The three destinations could overcome current competition and threats collectively.
- Cooperation would harness Macau’s gaming boom and benefit from the inter-city bridge under construction.
- A regional plan should allow development in complementary directions.

Hsu, Cathy H. C. and Zheng, Gu (2010). Ride on the Gaming Boom: How can Hong Kong Macau and Zhuhai Join Hands to Develop Tourism in the Region? *Asia Pacific Journal of Tourism Research*, Vol. 15, No. 1, pp. 57-77.