

The Pros and Cons of Free Individual Tourism from China

| Iong-sheng Lin

At the very beginning of Chinese tourism to Taiwan, the government of President Ma Ying-jeou bragged that Chinese travelers would generate as much as NT\$149.2 billion in economic benefits within the first two years after the open of market. In his 2010 national day address a few months later, Ma still touted the economic benefits of Chinese tourists visiting Taiwan, but put them at a much lower NT\$91 billion. At the Straits Exchange Foundation (SEF) annual year-end press conference on Jan. 16 this year, SEF Vice Chairman and Secretary-General Kao Koong-lian stated that since the opening of Taiwan to Chinese tourists on July 18, 2008, up to the end of 2010, a total of 1.18 million Chinese had visited the island, including business and trade delegations. These visits had generated an estimated NT\$60 billion in economic benefits, which boils down to an annual average of just NT\$30 billion.

In a bid to magnify the economic effects of Chinese tourism to Taiwan, the Executive Yuan initially claimed that Chinese visitors would bring in NT\$74.6 billion worth of foreign currency in a single year, a projection that was based on the assumption of 3,000 visitors per day and an average period of stay lasting eight days and seven nights. But after examining the actually generated benefits in an evaluation report the Legislative Yuan's Budget Center last year flatly stated that Chinese tourist groups had generated foreign currency revenue of just NT\$65.8 billion in the two-year period between July 2008 and June 2010. This includes NT\$3.6 billion in the second half of 2008, NT\$32.6 billion for the entire year 2009, and NT\$29.6 billion in the first half of 2010. Reality shows that actual foreign currency revenue from visits to Taiwan by Chinese tourists is not even

half the amount that the Ma government initially estimated.

To make things worse, the tourism sector began to engage in price-cutting competition after the number of visiting Chinese tourists soared, which led to constant rumors of deteriorating quality. Although the Tourism Bureau has set a rule that package tours must cost a minimum of US\$60 per day per person, tour operators know how to get around these rules. Presently Chinese package tours in southern Taiwan can be booked for just US\$28 per day, and US\$35 per day in the north. It is pretty obvious what kind of people join such cheap package tours. A 2008 survey by the Tourism Bureau showed that Chinese tourists spent an average US\$295 per day, far behind the top ranked Japanese with daily expenses of US\$336. The latest survey for the first half of 2009 found that the average daily spending per Chinese tourist has declined to US\$234. Tourism Bureau statistics show that in 2010 the average room rate in tourism hotels stood at NT\$3,042, down 7 percent from NT\$3,255 in 2009. Total revenue from hotel rooms reached NT\$26.1 billion, down 10 percent from the NT\$28.7 billion posted in 2009.

This time when visits by individual Chinese tourists were allowed, the Ma government again launched a big media campaign to hail their countless advantages. Consistently adopting the same approach as before when package tours were allowed, it only reported the good news without reporting the drawbacks. But in reality Taiwan has become the place where Chinese visitors can most easily stay because, compared to other countries and areas, the Chinese and Taiwanese share the same language and ethical background which minimize language and communication problems.

Also, it cannot easily be told apart by their outer appearance. In Hong Kong, for example, the opening of the territory to a large influx of Chinese tourists in recent years has provided a stimulus for the local economy. But along with the tourists Hong Kong has seen abnormal phenomena such as illegal laborers, illegal prostitution and pregnant Chinese women traveling to Hong Kong to give birth there. Another example is Macao, which gave the green light to visits by individual Chinese tourists in 2005. Official Macao crime statistics show that in the first half of 2005 the number of reported cases jumped 10.8 percent to 5,139 from the same period during the previous year. At the time Cheong Kuoc Va, the Macau secretary of security, publicly stated that the rising number of crimes committed by Chinese in Macao was related to the opening of “individual visits” and that people overstaying their visas were the most severe problem. Among these the number of over stayers who were repatriated to China, excluding individual tourists, had risen 11.2 percent over the previous year to 2,750 people. And the number of individual tourists who were repatriated after overstaying their visits jumped 2.3 times to 1,007 people during the same period.

In fact, quite a number of Chinese, who visit Taiwan legally on dependent visas, come here to do whatever they can to find a job and make money. As a result, they accept wages that are even lower than the minimum wage, and some are ready to live at the construction site to be able to work overtime and make even more money. The above cases involve Chinese nationals who have “legally” come to Taiwan. With the launch of individual visits a wide avenue has been opened up for Chinese visitors who want to work in Taiwan. Sun Yu-lien, secretary-general of the Taiwan Labor Front, has also warned that due to the Ma

government’s excessive promotion of economic exchanges between Taiwan and China, Chinese nationals already account for the highest ratio of illegal migrant workers in Taiwan. Kenneth Shanghai Lin, professor at the Department of Economics of National Taiwan University, also predicts that Chinese visitors who illegal stay in Taiwan will cost the island dearly due to the emergence of an underground economy. It is doubtful whether the government has the ability to eliminate the risk of mainland visitors staying behind in Taiwan with bad intent.

Therefore, allowing in Chinese (package) tourists and expanding the scope to individual tourists does not only involve national security, but also social aspects such as all sorts of illegal work, sex, crime, gangs, demands for political protection and so on, which all affect social stability in Taiwan. The government should not habitually trumpet the advantages of welcoming Chinese tourists, but also alert the public to possible abuses. Moreover the government ought to come up with accompanying measures to deal with the possible negative implications, and get well prepared. **BT**