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Difficulties in visiting a rich uncle's home, CHINA DAILY HK EDITION

By N.Balakrishnan

Most of us have had the experience of visiting a rich uncle's household during a festive time. As long as the unwritten rules for such occasions are observed, the occasion can be rewarding for both parties. The poorer wing of the family gets to observe first hand a different and at least materially a better way of life and possibly some "free" gifts.



N. Balakrishnan

The "richer" wing of the family gets to meet other sections of the society that they don't always mix with and have the satisfaction of being benefactors and showing off one's "refined" way of life at the same time.

But it is important to observe the unwritten rules which define optimal behavior from both sides for these "visits" to be successful. If the poorer cousins start "visiting" too often or start demanding gifts instead of just waiting for them that would be breaking rule number one. If the richer uncles start treating the poorer visitors shabbily or being too crude in showing off and too stingy with the red packets or other gifts, that would also be breaking an unspoken rule.

Most families manage to maintain the delicate balance demanded by the unwritten rules and soldier on, though severe breakdowns in relations are also common, when one or the other or both parties flagrantly violated the unwritten rules.

When I read about the news that Hong Kong may one day be receiving 100 million visitors from the mainland and the protests from some sections of the Hong Kong worried about such an overwhelming prospect, I was reminded how Hong Kong and the mainland maybe, unwittingly, are starting to violate the tacit visiting rules described above.

No doubt the visitors from the mainland to Hong Kong, even in large numbers, are good for Hong Kong's economy — especially for shopkeepers. But there is an optimal point for most things in life, after which the law of diminishing returns sets in. When one attempts to squeeze 100 million visitors into a city

designed for 7 million residents, one really is testing both hospitality and infrastructure beyond breaking point.

If you spread 100 million people over 365 days evenly, it means that the city's population will be just a few percentage points more than the visitors. In reality though, the visitor numbers will peak during holidays and other special occasions, forcing the city's population to swell by as much as 10 percent abruptly at times, causing congestion in many areas of life in the city.

Rather than indiscriminately denouncing the largely well-behaved and high-spending visitors from the mainland as some sort of hostile force, common sense dictates that some practical rationing system must be put in place to regulate the flow of visitors, taking into account Hong Kong's capacity to receive them. Rations may evoke memories of bad old days of central planning, but capitalist societies also engage in price-based rationing all the time. In particular small tourist spots, which are seen as very desirable places to visit, e.g. Maldives and Bhutan, engage in rationing when it comes to visitor numbers.

Long ago the small island chain of Maldives in the Indian Ocean decided it could not absorb large numbers of tourists because it had limited land and labor. Maldives also decided that millions of tourists trampling around its shores will destroy its pristine beaches and the very thing that the visitors come for. So Maldives allows only expensive resorts where visitors, after spending an arm and a leg just to book into the hotel, also realize, perhaps too late, that they have to spend an equal amount in the "captive" Robinson Crusoe islands, for food and drinks. It does have a deterrent effect on unlimited tourist arrivals.

Bhutan, the supposed mountain Shangri-la, where we are told Gross National Happiness is as important as GDP, has resorted to a very effective surcharge of \$250 a day on all visitors to ensure it only attracts high-end visitors. If these two tiny tourist spots with only a small number of policymakers can figure out that 10 visitors spending \$100 each is better than 100 visitors spending \$10 each then surely Hong Kong government can find an equally effective yet lucrative regulatory scheme to manage visitor numbers.

Hong Kong's policy makers and businessmen are used to evoking the bogey of competition from the likes of Singapore when it comes to business and financial industries. When it comes to tourism, perhaps they would be better off going further afield to emulate Maldives, Mauritius or Bhutan and avoid the perils of mass tourism. It is possible to make the same amount of money and

provide a better quality of life for both local residents and tourists. I for one would support it if Hong Kong's executive councilors schedule their next meeting to discuss Hong Kong tourism policy in Maldives or Mauritius.

The author has been living and working in Hong Kong for the past two decades and spent his earlier years writing for various leading publications in Asia. He is currently the CEO of a company listed on the Hong Kong Stock Exchange.