

Letting go of Chinese tour groups

Written by Fan Shih-ping 范石平

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Tourism industry operators were scheduled to hold a rally today to demand that the government address the declining number of Chinese tourists. If they are only concerned with their own selfish interests rather than the public interest, or if the protest deteriorates into a standoff between the pan-blue and the pan-green camps, it would lose much of its legitimacy. It would then be a repetition of last week's disastrous demonstration by civil servants, public-school teachers and military personnel; a venting of anger that would not receive wide public support.

The tour operators preparing to take to the streets have a vested interest — most of them are the same people who have benefited from the opening up of Taiwan's tourism industry to Chinese tourists over the past eight years. They were quiet when they were raking in cash, but now that the easy money has dried up, they are taking to the streets: Where is the logic in that?

These operators should not have hitched themselves to the “one-dragon” wagon — Chinese companies organizing the transportation, shopping, meals, accommodation and other services catering to Chinese tour groups — but instead embraced a fairer model allowing more Taiwanese to benefit from the influx of Chinese tourists — thus showing the supposed superiority of the Chinese Nationalist Party's (KMT) cross-strait policy.

If they had done that, perhaps the Democratic Progressive Party would not have won the election and those in the tourism industry would have been able to continue silently enriching themselves. They only have themselves to blame.

In addition, why are the tour operators directing their protests at President Tsai Ing-wen's (蔡英文) government? Tsai's administration has not placed any restrictions on the number of tourists that come to Taiwan. To this day, China still refuses to admit that it has imposed limits on Chinese tourists visiting the nation, instead saying the reduction is the result of “market forces.”

In addition, from January to July, the total number of Chinese tourists coming to Taiwan actually increased by 0.4 percent year-on-year. It is the tour groups — not the number of Chinese tourists — that have decreased.

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In the May-to-July period, with Tsai taking office in May, the number of independent Chinese tourists visiting Taiwan increased by 12 percent annually. Tour operators should be asking themselves why Chinese tourists have chosen to come independently instead of in tour groups.

On July 19, a Chinese tour group's bus caught fire; 26 tourists lost their lives in the inferno. Last month, last month the number of Chinese tourists abruptly dropped. In fact, since 2008, when Chinese tourists started coming to Taiwan, 390 have been injured and 90 have died. Do tour operators believe there is no connection between the long-standing abnormal business model of their cut-price tour groups and these statistics? Have they even bothered to reflect on this?

On Sept. 2, Taiwan Tourism Association Headquarters director Su Chia-nan (蘇啟南) launched a petition entitled: "Tsai might not want the [so-called] '1992-consensus,' but I do!"

Such a nakedly political demand leaves one wondering whether there is in fact a political force operating behind the wings. Perhaps the protest is even being supported by China. Could it be that the real reason tour operators are taking to the streets today is to force Tsai to accept the "1992 consensus"?

According to an opinion poll released on Aug. 29 by the Taiwan Public Opinion Foundation, 70 percent of the public supports Tsai's policy of distancing her government from the "1992 consensus."

Even United Microelectronics Corp founder and former chairman Robert Tsao (蔡力行) publicly questions the "1992 consensus," and Tsai was able to win the support of 6.89 million voters without coming out in support of it. Do the tour operators really believe they can force Tsai to change her policy with their street demonstration?

In fact, tour operators are well aware that Chinese tourists are being used by Beijing as a political tool. Taiwan's tourist market could never be considered a free market, as Beijing is able to prevent Chinese tourists from coming at any time. It is fraught with political danger.

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Hong Kong is a living example of this phenomenon; if you do not behave yourself, Beijing will stop allowing Chinese tourists to come — and they will decide what constitutes good behavior. Therefore, even if Tsai decided to throw her support behind the “1992 consensus” today, if she said something tomorrow that Beijing disagreed with, the tourists would stop coming. Chinese tourism really has become a curse for Taiwan.

Last year, Chinese tourists descended on Japan in large numbers and went on a buying frenzy. In Japan, a new word, bakugai, or “explosive buying,” was invented to describe the phenomenon. Japanese businesses reacted calmly, and certainly did not — unlike their Taiwanese counterparts — believe this was a normal state of affairs and scramble to borrow money from underground money lenders in order to increase their investments.

In recent times, due to the dispute between China and Japan over the Diaoyutai Islands (釣魚台) — known as the Senkakus in Japan — and tension between Beijing and South Korea over Seoul’s plans to install the US-made Terminal High Altitude Area Defense (THAAD) missile defense system, Chinese tourist numbers to both countries have dropped. Despite this, the Japanese and South Korean tourism industries have not taken to the streets, nor have they demanded that their respective governments abandon their claim to the Senkakus or halt installation of THAAD. This is because they place the interests of their nations ahead of making money.

It is undeniable that Chinese tourists are a source of easy money. Still, there is also no such thing as a free lunch. This easy money is inherently unstable and it is for this reason that both Japan and Thailand already have set aside the equivalent of NT\$1.6 billion (US\$50.7 million) to attract tourists from Muslim countries.

Tainan’s tourism industry has not felt the effects of the reduced number of Chinese tourists. Overall, the total number of foreign tourists who went to Tainan from January to July went up 8 percent, with 18 percent of the increase made up of tourists from Japan, 29 percent from South Korea and 9 percent from Southeast Asian countries. This clearly shows the value of market diversification.

When Thai Prime Minister Prayuth Chan-ocha took the decision to clamp down on the problem of Chinese-funded “one-dragon” and “zero-commission” tour groups, Russian tour operators also started to vent their anger at these types of abnormal business practices. Meanwhile, their Taiwanese counterparts are engaged in a futile attempt to bring back the good old days. They

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are wasting their time.

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