

Hong Kong and China mainland to boost tourism industry

Description

China's next premier Li Keqiang has offered this special administrative region a number of gifts during his tour to Hong Kong.

One of the sectors that emerges favored by China mainland is tourism. Mr. Li made clear in one of his keynote speeches that Hong Kong is welcome to set up more travel agencies in mainland.

Ever since China lowered the threshold for foreign invested travel agency in 2009, foreign investment in this tourism has been expected to hike exponentially, esp the inbound travel sector that is encouraged by Chinese government. As a business lawyer, Mr. Jason Tian has been keeping close eyes on the development of foreign investment in the travel industry. However, the progress is not very inspiring largely due to opaque approving procedures and restrictions on investors. At least, from what I have observed in Shanghai, so far there is only one foreign invested travel agency that is set up in accordance with the 2009 new regulation. Quite strange considering that Shanghai is apparently a popular travel destinations in either domestic and international market.

With this new promise from central government, we may reasonably anticipate moderate increase in tourism industry by capital from Hong Kong. As the setup of foreign invested travel agencies are all approved and registered by departments at the ministerial level of central government. I believe that State Administration of Tourism will grant more approval (the Travel Agency Business Permit) to investors from Hong Kong.

It is not sure whether further access into the outbound travel market will be given to Hong Kong investors in the future.

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