

A Critical Comparison of Tourism Policies of Hong Kong and Singapore — An Avenue to Mutual Learning

Emma P. Y. Wong*, Thomas G. Bauer and Kevin K. F. Wong

School of Hotel and Tourism Management, The Hong Kong Polytechnic University, Hong Kong SAR, China

ABSTRACT

This study examines how mutual learning can potentially enhance the destination competitiveness and sustainability of Hong Kong and Singapore. By comparing the recent tourism policies of the two city states, and by interviewing key government officials, major industrial players, academic experts and representatives of international tourism organisations, it was found that both governments can learn from each other in various aspects. The Hong Kong government can learn from its Singapore counterpart the recognition and proactive support it provides to the industry, its visionary leadership, and its eagerness to learn. At the same time, the Singapore government can learn from Hong Kong in promoting entrepreneurship within the tourism industry. Copyright © 2008 John Wiley & Sons, Ltd.

Received 28 February 2007; Revised 2 November 2007; Accepted 27 November 2007

Keywords: Hong Kong; Singapore; tourism policy; mutual learning.

1. INTRODUCTION

Economists, investors and academics often compare Hong Kong and Singapore in aspects of economic performance,

government efficiency, business efficiency and infrastructure (Healy, 1998; IMD, 2007). The comparison dates back to the 1960s when the economies of the two cities started to boom and as they evolved into the two major financial centres in Asia (Johnson-Hill and Tran, 1981; Andrews, 1997; Gapinski, 1999). Together with the Republic of Korea and Taiwan, they were acclaimed as ‘The Four Dragons/Tigers of Asia’ for their distinguished economic strengths in the region. In 2007, Singapore was ranked the second most competitive state whereas Hong Kong was ranked third by the Switzerland-based International Institute for Management Development (IMD, 2007).

From a policy study perspective, part of the rationale behind these comparisons is mutual learning. In other words, states can learn from each other and subsequently improve themselves by studying the policies adopted and the corresponding course of development of their counterpart. In policy research, comparison study is an important tool for policy analysis and devising policy recommendations. Richter (1989, p. 22) argues ‘those policymakers who make tourism policy by simply repeating a common formula may think they have provided an answer, but without comparing, searching, and probing the experience of other societies, that answer is surely limited and could well be wrong.’ Within the European Union, mutual learning is deemed so important that an institutional framework was established to facilitate the process (Nedergaard, 2006). But is mutual learning beneficial in the case of Hong Kong and Singapore? If it is, what can they learn from each other?

These two questions have become more relevant as the two city-states face escalating competition within the Asia Pacific region.

*Correspondence to: E. P.Y. Wong, School of Hospitality, Tourism and Marketing, Victoria University, PO Box 14428, VIC 8001, Australia.
E-mail: emmawong_99@yahoo.com

Since the emergence of low cost carriers, many resource-rich destinations such as Cambodia and Vietnam, which were once difficult to access and costly to travel to, have opened up. These little-yet-known destinations are exotic and appealing to travellers. With this challenge at hand, it is imperative for Hong Kong and Singapore to review their tourism policies and evaluate their respective competitiveness.

This study starts by comparing their respective policies implemented at the turn of the millennium, namely *Expanding the Horizons* (Hong Kong) and *Tourism 21* (Singapore). Specifically it examines the governments' visions in developing tourism and their policies on the private sector. It then goes on to investigate if mutual learning between the two destinations is beneficial using data collected from in-depth interviews. Some policy recommendations are given in the last section of the paper.

As tourism destinations, Singapore and Hong Kong differ in various aspects, but at the same time they also share similarities that warrant an exercise of comparison. From a destination management perspective they are similar in three main ways: (1) the nature of the destination, (2) the stage of development, and (3) the general strategic approach to development adopted.

First, as past British colonies with the majority of the population being Chinese, both offer to tourists the 'East meets West' cultural experiences and shopping, dining and sightseeing are major tourism activities in these two vibrant cities.

Second, both have reached similar stages of development. The number of tourist arrivals in Singapore grew from 2.5 million in 1979 to 9.7 million in 2007 (WTO, 1983; STB, 2007), whereas Hong Kong's jumped from 2.1 to 25.25 million in the same period (WTO, 1983; HKTB, 2007). It may seem Hong Kong has significantly outnumbered Singapore but the considerable gap in their recent arrival numbers is due to their different definitions of the term 'visitors'. The statistics that Hong Kong Tourism Board (HKTB) gathered included Mainland Chinese tourists arriving by land, whereas the Singapore Tourism Board (STB) excluded all Malaysian citizens arriving by land. In 2007, the number of Mainland Chinese tourists arriving in Hong Kong by land was 13.5 million (HKTB, 2007).

Taking it out of the 25.25 million figure, the Special Administrative Region (SAR) received 11.75 visitors in 2005. The difference in arrivals number between the two destinations is reduced to 2.05 million. In terms of infrastructure, both destinations have highly reputable international airports, efficient transportation networks, world-class hotels and state-of-the-art convention and exhibition facilities. Their economic competitiveness is ranked top three in the world and the two places have attained a similar state of development.

Third, with tourism contributing to at least 5% of the economies' GDP (HKCSO, 2006; Statistics Singapore, 2006), both governments have adopted a proactive approach to develop and manage the industry. At the turn of the millennium, the two cities' governments established new tourism policies and strategic frameworks for tourism development. In 1996, the Singapore Tourism Promotion Board¹ introduced 'Tourism 21 – Vision of a Tourism Capital'. The Republic aims to achieve the distinction as a 'must-see' destination, a tourism business centre, and an undisputed tourism hub for the Asia Pacific region (STB, 1997a). Four years later, the Tourism Commission (TC, 2000) developed a policy paper titled 'Hong Kong Tourism: Expanding the Horizons'. HKSAR (Hong Kong Special Administrative Region) has the vision of establishing and promoting itself as Asia's premier international city, a world-class destination for leisure and business visitors. As illustrated in the following sections, both governments recognise the economic importance of tourism and have taken up the role of facilitating, supporting and managing the development of the industry.

Given the nature of the two destinations, their state of development and their general strategic approach to development, a comparison of the public policies relating to tourism development of the two destinations is warranted.

The core value in tourism development for a destination is achieving or enhancing destination competitiveness and sustainability. Government plays a crucial role in this. As Porter (1998) and the World Tourism Organization (WTO, 2000) noted, the public sector is one of the four key elements that shape destination competitiveness. It is the government that

plans and provides a framework for tourism, e.g. investment in tourism infrastructure and allocation of resources. The formulation of competitive tourism policies is, therefore, the key to success for a destination and hence the authors selected policy as the unit of analysis/comparison. The objectives of this study are (1) to compare the tourism policies of the two destinations; (2) to identify some aspects of destination management that Singapore and Hong Kong could learn from each other; and (3) to provide policy recommendations to enhance their destination competitiveness and sustainability.

In the existing literature, there is no study which compares the tourism policies of the two destinations formulated after 1996 in a holistic manner, neither is there any which examines mutual learning opportunities, although there is some research which compare the economies (e.g. Healy, 1998; Anon, 2000; Pritchard, 2001) and particular subsectors of the tourism industry (e.g. Wong and Kwan, 2001), and examine the use of tourism as a political and social tool (e.g. Hall and Oehlers, 2000; Henderson, 2002).

The authors are aware of the fact that since their launch, *Tourism 21* and *Expanding the Horizons* may have been reviewed. In the case of Singapore, STB introduced new vision and targets *Tourism (2015)* in January 2005; no new strategic plan has been released in Hong Kong since 2000. However, evaluation of policies requires a lapse of time in order to observe the outcome policies. Thus, there is little value in studying Singapore's *Tourism 2015* at the time of writing (two years after introduction). This study focuses on *Expanding the Horizons* and *Tourism 21* as they are the original blueprint for tourism development in both destinations and the root for further evolvement. The respective 6- and 10-year time elapsed since their introduction also allows a retrospective analysis of implementation and/or outcome of the policies.

2. METHODOLOGY

This study was conducted in two phases. First was to compare and contrast the tourism policies of Hong Kong and Singapore using secondary data. Sources used include publicly accessible policy documents published by the

two governments, academic journals as well as periodicals. The second phase of the study involves examining the value and opportunity of mutual learning between the two destinations using primary data, which were collected between October and December 2002 by means of face-to-face in-depth interviews (except three who replied in writing as they were based outside Hong Kong and Singapore). A total of 24 individuals participated: seven representing the public sector, 10 from the private sector, four from academia, and three from international tourism organisations. Table 1 shows a list of subsectors and organisations to which participants belonged. The interviewees were selected on the basis of their expertise in areas relevant to the research. They held managerial to directorial positions in their respective organisations, and/or were sufficiently experienced to provide insightful comments on the research questions.

In terms of possible resident bias, instead of speaking in favour of the city they reside in, respondents tend to be more critical of their own government. In fact, not including respondents outside Hong Kong and Singapore, all but two — an STB director and a policy maker at TC — gave rather strong criticism about their government. This may be explained by the fact that the respondents have only experienced the negative impact brought about by the policies of their own city but not the other's. Nevertheless, the critical angle taken by the interviewees helps increase the depth of the data.

In-depth interview was considered to be the most appropriate data collection tool for the second phase since this project involved evaluation of policies (i.e. what is worthwhile for mutual learning) and providing policy recommendation. There was a need to collect insightful professional opinions and comments from a group of experts and key stakeholders who are influential, prominent and well informed in their respective organisations or communities.

The interview questions were open-ended and provocative in nature. They asked if mutual learning between the two governments would be detrimental or beneficial to enhancing the respective destination competitiveness and why. Some *ad hoc* questions were also asked

Table 1. Sub-sectors and organizations to which participants belonged

The public sector	The private sector
<p>Participants based in Hong Kong and Singapore Number of participants: 7 Subsectors include:</p> <ul style="list-style-type: none"> • Policy-making body — Tourism Commission (HK); STB • Destination marketing body — Hong Kong Tourism Board; STB • Intergovernmental liaison representative — Hong Kong Economic and Trade Office in Singapore 	<p>Participants based in Hong Kong and Singapore Number of participants: 10 Subsectors include:</p> <ul style="list-style-type: none"> • Airlines — Cathay Pacific Airways • Hotels — Singapore Hotel Association; Hong Kong Hotels Association; Federation of Hong Kong Hotel Owners • Inbound travel agents — National Association of Travel Agents Singapore • Attractions — Sentosa Development Corporation; Ocean Park (HK) • Cruise lines — Star Cruise (HK) • Convention and exhibition centers — Suntec Singapore International CEC; Hong Kong Convention and Exhibition Center
Academia	ITOs
<p>Participants based in Hong Kong, Singapore and New Zealand Number of participants: 4 Scholars specialised in:</p> <ul style="list-style-type: none"> • Tourism policy and destination competitiveness — National University of Singapore; The Hong Kong Polytechnic University; University of Otago (New Zealand) 	<p>(which drive international cooperation in tourism) Participants based in Singapore and Thailand Number of participants: 3 Names of ITOs:</p> <ul style="list-style-type: none"> • Pacific Asia Travel Association^a • Asia Pacific Economic Cooperation Tourism Working Group • Tourism Unit of United Nations Economic and Social Commission for Asia and The Pacific

^aPacific Asia Travel Association was founded in 1951 with the mission to enhance the growth, value and quality of Pacific Asia travel and tourism for the benefit of its membership which include nearly 100 governments, state and city tourism bodies, airlines and cruise lines, and hundreds of travel industry companies (PATA, 2006).
STB, Singapore Tourism Board; ITOs, International Tourism Organizations; CEC, Convention and Exhibition Centre.

to probe into issues raised by the interviewee that were relevant to the research purpose. An interview was, in average, 40 minutes in length. All, except one telephone interview, were recorded using a digital voice recorder.

2.1 Primary data analysis

Qualitative data collection and analysis often go hand in hand to build a coherent interpretation of the data (Kvale, 1996; Taylor and Bogdan, 1998; Marshall and Rossman, 1999). Throughout the process of in-depth interviewing, the authors had been looking for emerging themes and keeping track of concepts or ideas in order to facilitate further, intensive analysis and interpretation of data, after all interviews

were conducted. The initial analysis was done by constructing simple charts and tables to highlight patterns in the data. For example, on the question of mutual learning, data were first categorised into 'for', 'against' and 'neutral'. Then, under the category 'for', suggested aspects for mutual learning were sorted and grouped. After two months of interviewing, the authors decided that additional interviews were not necessary as the degree of representation of participants was deemed wide enough, and that some repetitive patterns of data had emerged.

After all interviews were completed and written replies received, the authors went on to the second phase of data analysis. As suggested by Taylor and Bogdan (1998), the

qualitative data have to be read and reread. Not only would it help 'engage' the researcher with the data but also help him/her to continually discover new ideas and interpretations. In this study, three tables (general performance, destination competitiveness and mutual learning) were constructed based on the skeleton of inquiry. Recordings, field notes and written replies were revisited for at least three times to identify the standpoints of participants on each issue and to categorise them. Key points and quotes were noted in the tables. The consistency of terminology was observed. The findings are presented below.

3. COMPARISON OF TOURISM POLICIES

This section of the paper compares two significantly contrasting aspects of policies of Hong Kong and Singapore using secondary data: (1) vision for future tourism development and (2) policies on the private sector.

3.1 The compass of future development — contextual analysis of destination vision

A government's vision for tourism may depend very much on its vision for the state as a whole. Political scientist Linda K. Richter pointed out that 'tourism is a highly political phenomenon' (1989:2). Regardless of their ideological disposition, governments have frequently used tourism as a vehicle to advance other political agendas (Richter, 1989) and Hong Kong and Singapore are no exceptions. Therefore, to better understand the two cities' vision on tourism, one should start with the broader objectives of the governments.

In Singapore, the Singapore Tourism Promotion Board (STPB; the predecessor of STB) launched its master plan *Tourism 21: Vision of a Tourism Capital* in 1996. The tourism capital vision embodies three aspects: tourism destination, tourism business centre and tourism hub. In other words, Singapore does not only want to become an attractive destination, but also a location for tourism investments in and a vital link to the Asia Pacific region (STPB, 1996). The master plan and the marketing initiatives undertaken prior to the formulation of the plan were tailored to complement and

support the People's Action Party's (PAP)² pursuit of political goals both internally and externally. Internally, tourism was a tool to create a multicultural national identity and to manage domestic politics. In the 1960s, the racial diversity in Singapore was a threat to social and political stability. Each of the ethnic groups — Malay, Indian and Chinese — had its own language, dialects, believes in different religions and even maintains its own education system. Tourism then took on a propaganda role portraying the Lion City as an exotic island where many cultures and ethnic groups lived harmoniously together, and instilling pride and loyalty amongst Singaporeans to the ruling PAP. Externally, tourism emerged as an aspect of foreign policy, serving, for instance, to counter Western criticisms of Singapore's authoritarian politics by marketing the country as an island paradise. It was also integral to efforts to position Singapore within the region, spearheading a drive to gain economic advantage over neighbouring countries (Hall and Oehlers, 2000). This explains why the STPB emphasised so much in the master plan Singapore's position of being a hub in Asia.

Tourism plays dual economic and political roles in Hong Kong, too. Economically, the Hong Kong Government has strategically used tourism as an instrument for economic restructuring by establishing the TC in 1999. In the following year, the first tourism policy paper *Hong Kong Tourism: Expanding the Horizons* was launched. The Government's vision for tourism is 'to establish and promote Hong Kong as Asia's premier international city, a world-class destination for leisure and business visitors' (TC, 2000:1). Politically, the authorities have employed heritage tourism to strengthen the cultural identity of the local population during the time when the British had to hand over Hong Kong back to China in 1997. Henderson (2002, pp. 339–340) argues that several of the government's initiatives may be seen as 'an embodiment of the shared origins and destiny of China and Hong Kong, cementing ties and signifying the People's Republic as the motherland, leaving British rule a short interlude in a lengthy Chinese history'. Those initiatives include designating 1997–1998 as Heritage Year, and reopening the Hong Kong Museum

of History at an enlarged site in 2000. Tourism, therefore, has been used as both economic and socio-political tools in Hong Kong and Singapore.

When comparing the vision statements of the two destinations it can be noted that on one hand they are similar as both want to be an attractive destination. On the other hand, the scope of Singapore's vision statement is wider than that of Hong Kong's. The elements 'tourism business centre' and 'tourism hub' are unique to Singapore. In addition, the vision statement of Hong Kong is relatively vague and general — for example, the term 'international city' can be interpreted in many ways. The vision was only made clear in the part 'Strategy', where it says Hong Kong will be positioned as 'Asia's pre-eminent international and cosmopolitan city, preferred gateway to the region and the Chinese Mainland, premier business and services center in the region, events capital of Asia, and a kaleidoscope of attractions' (TC, 2000:1). The industry members may seem to share a similar sentiment. In late December 2002, the Joint Council of the Travel Industry of Hong Kong (JCTI) submitted a position paper to the Chief Executive seeking the creation of a 'Year (2020) Vision' (JCTI, 2002). Since the vision statement is the backbone of development and the current statement fails to provide a clear direction to the public, it is imperative for the Hong Kong Government to refine it as soon as possible.

3.2 Government's most important partner — the private sector

3.2.1 *Provision of favourable business environment.*

Hong Kong and Singapore are two of the best places for business in the world. According to a forecast released by the Economic Intelligence Unit for 2002–2006, Singapore and Hong Kong were ranked the first and the second best Asian nations for business respectively, and ranked fifth and sixth globally. The basis for evaluation is a set of 70 factors that affect the opportunities for, and hindrances to, the conduct of business. In the previous forecast for 1997–2001, Hong Kong was in fact ranked number one and now Singapore has taken over

its regional reign. Hong Kong has lost most of its credits in the aspects of 'political effectiveness' and 'policy towards private enterprise'. Other major concerns were the deteriorating quality of the workforce, sluggish GDP growth and the budget deficits (in 2006 the budget returned to a surplus). In contrast, Singapore enjoys a 'much stronger underlying fiscal position'. In addition, the city state overtook the SAR in labour-market quality and in its policy towards private enterprise and competition (Lyne, 2002).

The Economic Development Board and InvestHK are the government departments responsible for promoting business investment in Singapore and Hong Kong respectively. However, in terms of promoting tourism investment, STB is the lead agency in Singapore. Hong Kong relies on InvestHK for which the former Tourism Commissioner, Mike Rowse, is Director General.

One of three elements of Singapore's vision in tourism is becoming a tourism business centre. As such, STB plays a major role in attracting tourism-related companies (both local and foreign ones) to invest in Singapore so that the development of new attractions and experiences is encouraged and new opportunities for the industry can be created (STB, 1997b). To achieve its goal, the STB is proactive in providing a supportive and favourable business environment to interested investors/companies. A two-pronged approach has been adopted. First, it tries to promote the development of new tourism products that are strategically targeted (e.g. healthcare services and education services) by providing both financial and non-financial assistance. Second, it endeavours to raise the standard of its tourism products by encouraging foreign enterprises of world-class standard to establish their operations in Singapore.

One of the most prominent initiatives in promoting new product development is the Tourism Development Assistance Scheme (TDAS). The scheme, which has been in place since 1998, provides financial support to companies to develop new tourism products, especially those that are targeted in STB's strategic plan (e.g. an agri-tourism development project in 2000). The pioneer farms that took part in

the project received grants from the scheme to partially defray the costs of enhancing visitor facilities such as story boards, briefing areas, toilets, sheltered walkways, lighting and rest and refreshment areas (STB, 2000). Research projects, resources allocation for expansion and improvement initiatives can also be funded under TDAS (STB, 1998). Apart from financial assistance, STB also offers support in marketing and human resources training. For instance, the spa sector is promoted worldwide through STB's network of overseas offices. The tourism board is also working with the Ministry of Manpower to help the sector build up a pool of trained and qualified spa professionals for long-term growth (Yeo, 2003).

In order to elevate Singapore's internal strengths and to establish its reputation in high quality services, foreign, world-class businesses are invited to establish their operations in the city state. In the hotel sector, hospitality management companies are encouraged to establish their Asia Pacific headquarters in Singapore. STB thus launched the 'Business Headquarters Program' where companies can take advantage of a range of 'Development and Expansion Tax Incentives'. Hotel group Hilton International Asia-Pacific, for example, was set up under this program in 1998 (STB, 1997b).

In Hong Kong, a more market-oriented approach is adopted. Tourism product development used to follow the demand-supply mechanism. The establishment of TC and the Hong Kong Disneyland bid in 1999 indicate that the Government is getting more involved in tourism, probably due to the fact that the industry is instrumental in its pursuit of other political/economic goals. However, those tailor-made, attractive incentives that Singapore provides to the private sector are not offered in Hong Kong.

3.2.2 Public-private sector cooperation. The governments of Hong Kong and Singapore have different governance philosophies towards general economic development. Hong Kong adopts a market-led approach. Even facing adverse economic situation, the former Chief Executive Tung Chee Hwa insisted that 'the

prime mover of economic restructuring rests mainly with the private sector' (Tung, 2003, p. 7). Singapore, on the other hand, believes in strategic pragmatism — 'the Government will intervene as and when necessary to correct market failures', and the intervention depends largely on market signals (Khan, 1998, p. 85).

The same governance philosophies apply to tourism development, which predominantly determine the nature of the public-private sector relationships. In Hong Kong, there has been a conspicuous shift in Hong Kong Government's attitude towards tourism since 1997–1998, when a decline in arrivals was recorded. The shift was marked by the establishment of the Tourism Task Force and TC in 1997 and 1999 respectively (HKTb, 2002), the agreement with the Walt Disney Corporation to build Hong Kong Disneyland in 1999 (it opened in September 2005), as well as the reconstitution of the Hong Kong Tourist Association to HKTb in 2001. Before 1997, virtually all tourism development was driven only by the private sector. The institutional and structural changes delineate the Government's initiative to participate more in tourism development. The relationship between the public and the private sectors has also become closer through constant consultation at the Tourism Strategy Group headed by the Tourism Commissioner.

Despite the positive changes in attitude, the SAR Government is still relatively reactive — they react when assistance is requested, but would rarely be anticipative and proactive. In fact, industrial players are still urging the Government for a long-term vision regarding the future of Hong Kong tourism. The JCTI submitted a position paper to the former Chief Executive in late December 2002, which sought essentially the creation of a 'Year (2020) Vision', a stronger partnership with the Government, greater transparency in the decision-making process along with policies that can foster a better environment for tourism development (JCTI, 2002). Another example that illustrates the reactivity of the Hong Kong Government is the development of a new cruise terminal. Due to the limited capacity of the 40-year-old Ocean Terminal in Tsim Sha Tsui, the industry has been calling for a major new terminal

since the late 1990s (Sinclair, 2003). However, after more than half a decade of industry lobbying, the Government was still exploring its options — in late 2004, the TC invited expressions of interest for *suggestions* for the development of new cruise terminal in Hong Kong (TC, 2005). The Government's action was far from proactive.

Singapore's Government engagement in tourism development started much earlier than Hong Kong's, although it was not until 1983 when visitor arrivals declined for the first time (Khan, 1998). The master plan *Tourism 21 — Vision of a Tourism Capital* was launched in 1996 to serve as a blueprint for Singapore tourism development in the 21st century. In 2004, the STB completed a 10-year tourism accommodation development master plan, showing prospective hotel investors the vast investment opportunities in Singapore (Boey, 2003). These master plans indicate the proactiveness of the Government and that tourism development has been government-driven. Interviewees from the private sector in Singapore commented 'there is on-going dialogue with the private sector', and 'the Government has listened to and involved the private sector . . . they try to minimize intervention'.

Comparatively, the public-private sector partnership of Hong Kong may not be weaker than that of Singapore, but it is noted that the leadership role in tourism development rests on the private sector in Hong Kong whereas it is the public sector in Singapore. The question arises which relationship is better in shaping destination competitiveness. In well-developed, affluent destinations like the two being studied, it is believed that a balance should be sought. On one hand, due to its relatively rich resources, government would be in a better position than individual private companies to anticipate future trends of development and hence, in consultation with the industry, to formulate the vision. On the other hand, realisation of the vision should rest in the hands of the industry players because they are the ones who are abreast of the market trends. They know which ideas would work and which would not at a particular moment in time, and swiftly capture business opportunities. Given government bureaucracy, government does not have the luxury of doing that, but it may

act as a facilitator by removing institutional barriers for the industry.

4. TO LEARN OR NOT TO LEARN?

4.1 Don't let the tail wag the dog

Participants in this research were not unanimous on the notion that mutual learning between the governments of Hong Kong and Singapore is necessary or beneficial to enhancing their respective destinations competitiveness. Although most participants agreed, four (from both the public and private sectors) expressed that the governments should 'do things in their own way' due to the differences in political systems, governance philosophy, and destination uniqueness. An STB representative stated at the outset of the interview, 'We [Hong Kong and Singapore] should keep our uniqueness . . . our governments have different directions and we sell different products.' An interviewee from TC said, 'We don't usually study the policies of our competitors . . . we tend to look at processes of individual projects . . . and European, American, Australian and Chinese models on particular policy areas'. When being asked to suggest aspects of mutual learning between Hong Kong and Singapore governments, he refused to make any comments. 'Unlike Singapore, Hong Kong is not an independent nation. We have constraints that Singapore doesn't have', he added.

The data obtained from these STB and TC officials are incongruous with the facts revealed by other interviewees. Two participants from the private sector in Hong Kong and an academic unanimously said that the two governments tend to copy each other. The university academic explained that it is not easy for a government to admit 'your way is better than mine' or 'my strategy follows yours' because of the 'face' issue in the Asian culture.

Two interviewees from the private sector in Hong Kong also believed that the two governments should 'do things in their own way'. 'Although the two destinations are doing very similar things in enhancing their competitiveness, each can use its own way . . . Hong Kong and Singapore have different political systems, resources and destination uniqueness', one commented. Another advised, 'There are

always things that the two governments can learn from each other, but learning should not be the major thrust. Hong Kong may let the tail wag the dog as we try to be better than other cities'. He stressed that a destination should focus on improving itself.

4.2 It is foolish not to!

The majority of participants in this study agreed that mutual learning is beneficial to enhancing the destination competitiveness of Hong Kong and Singapore. Interviewees from the industry and academia pointed out that it is beneficial for all cities or countries to learn from each other so as to enhance their competitiveness. One said, 'We would be fools if we don't attempt mutual learning between Hong Kong and Singapore'.

Various aspects for mutual learning were specifically suggested. It is noted that the suggestions were predominantly given by the private sector. These interviewees were more critical to their own government and were eager to give recommendations on how it could learn from its counterpart. Another observation from the data is that the suggestions for Hong Kong learning from Singapore outnumbered those for Singapore learning from Hong Kong. Two interviewees from Hong Kong even explicitly said there was not much that Singapore could learn. 'A lot of good things have happened by default in Hong Kong', said one industry leader, inferring that the Hong Kong Government did not contribute much to its success in tourism.

4.2.1 Learning from Singapore. Specific suggestions on what Hong Kong can learn from Singapore can be categorised as **attitudinal aspect and strategic aspect**. The former is related to the mindset and attitude of decision makers in the governments. The latter is about strategic moves in specific areas, such as marketing and aviation. There are three recommendations in each aspect.

4.2.1.1 Attitudinal aspect. First, the recognition and proactive support that the Singapore Government offered to the tourism industry was the most common suggestion that the participants gave, and it was often the first thing

they mentioned when asked what Hong Kong can learn from Singapore. This may reflect that the partnership between the private and public sectors in Hong Kong is yet to be improved despite that effort made by the Government. 'They [Singapore Government] are very proactive . . . they formulate policies that would make Singapore tourist-friendly', said a former TC management respondent. Further positive comments were made by respondents from the airline, hotel and cruise sub-sectors in Hong Kong. 'Tourism policy is one of their [Singapore] national policies', A representative of Cathay Pacific explained, 'The Government tailor-made policies for Changi Airport and Singapore Airlines .. A lot of recognition and support are given to the tourism industry'. Two industry leaders, one of whom previously worked in the Singapore hotel sector said, 'the Singapore Government gave a lot of attention and recognition to the tourism industry . . . for example, there was great government support in the building of Esplanade and development of art tourism . . . they listen to what people want and then provide!' A director of Star Cruises, which also has prominent businesses in Singapore, noted, 'STB is proud of the cruise industry. They even gave us an award for our contribution to tourism in Singapore . . . Here [in Hong Kong], they [HKTBC and TC] have not recognized the cruise industry as part of the tourism industry!' Although he was disappointed and somewhat angry, he still hoped for a change in the Hong Kong Government's mindset. 'The Singapore Government started [tourism planning and development] earlier than Hong Kong', said a hotel association representative, 'they were aggressive and were well-aware of the importance of improving themselves'.

Second, with regards to the reactivity of the Hong Kong Government and its lack of foresight, some respondents suggested that Singapore's visionary leadership was worth learning from. 'Singapore's leaders have tremendous foresight', said a Hong Kong industry veteran. He was also very impressed by the leaders' determination and efficiency in enhancing the Republic's competitiveness. 'They listen to what people want and then provide', he added. The interviewee from Star Cruise made a similar remark, 'STB thinks like

a corporation not a government, which makes them more proactive' . . . they listen then take action', he added. In his opinion, HKTB and TC were not effective and efficient enough. Another formerly high profile destination marketer, admitted, 'They [STB] have high quality leaders . . . two decades ago, potential leaders were sent overseas for education and training'. She thought that a government's vision and its commitment to long-term development were indispensable for a destination's success.

Third, Hong Kong can learn from Singapore's eagerness to learn attitude. 'Singapore is not shy to learn . . . [STB] has been sending people "spying" in Hong Kong all the time but Hong Kong is not learning anything!' said the Star Cruise director. Indeed, STB does send its staff to Hong Kong every now and then to gain a better understanding of the tourism industry. They visit individual companies as well as associations. In fact, two other Hong Kong industry participants were also approached. Just one day before the interview with the hotel sector veteran, the Chief Executive of STB had a meeting with him and Ms Clara Chong, Executive Director of HKTB, to exchange views on destination management and tourism development. In addition, STB's headquarter has a team that specialises in conducting competitive analyses of neighbouring countries. The team's manager was also interviewed in this study. Such attitude and eagerness to learn from others' experiences deserve contemplation by Hong Kong.

4.2.1.2 Strategic aspect. With regards to specific strategic moves, participants gave three recommendations that Hong Kong can learn from Singapore.

First, Hong Kong can learn from Singapore's experiences in being a hub in the Association of South East Asian Nations (ASEAN) region as well as in dealing with the ASEAN's outbound markets. A respondent pointed out that Singapore is widely recognised as a hub in the ASEAN region. 'Hong Kong can learn how to be a connecting nerve in the region to generate tourism business'. This statement has also captured the essence of Singapore's vision of becoming a 'Tourism Capital' — with a trinity of roles of tourist destination, tourism business

centre, and tourism hub. STB believes that such positioning can generate tremendous opportunities. With hitherto six years of experience in striving for its target, Singapore definitely has learnt lessons that Hong Kong should also learn from. The Republic is also knowledgeable in the ASEAN's outbound markets. 'Singapore has a much better grasp of the ASEAN market [than Hong Kong]', said a former HKTA director. She and an experienced researcher agreed that the SAR could gain better understanding of South East Asian outbound market from Singapore. Although Mainland China is Hong Kong's top source market, it should not neglect other parts of the region because over-dependence on one single market is unhealthy and risky.

Second, the Hong Kong Government should consider providing more subsidies to the private sector like other governments do, including Singapore. Such subsidies are not equivalent to its investments in large-scale attractions or infrastructure. 'The [Hong Kong] Government has been too dependent on the private sector [to develop tourism] . . . it should start providing more subsidies like other governments do, for example, by putting more money into promotion and building facilities'. Suggested by the Hong Kong convention centre director. Although he was not an advocate of mutual learning, he suggested one thing that the SAR can learn from the Republic as well as other administrations in the world.

Third, Hong Kong should try to liberalise its aviation policies further and Singapore would be a good example to learn from. An academic and the former HKTA (Hong Kong Tourist Association) director agreed that the Lion City has good open skies policies that have brought substantial economic benefits to the country. 'Singapore is very eager to improve itself . . . for example, their open skies policies with Australia'. As pointed out by an aviation consultant (Dodwell, 2001), the Hong Kong Government must be aggressive in liberalising its aviation policies in order to stay competitive and to stimulate the economy further.

4.2.2 Learning from Hong Kong. Specific suggestions on what Singapore can learn from Hong Kong can also be categorised as attitudinal aspect and strategic aspect. The former

is related to raising entrepreneurship in the country. The latter is pertinent to marketing.

4.2.2.1 Attitudinal aspect. The most common recommendation given was that Singapore could learn from how Hong Kong stimulates the private sector's interests in tourism development since Hong Kong has always had the image of being *laissez-faire*. 'Singaporeans are too dependent on their government . . . they are afraid of making mistakes and so they wait for orders', said the Singapore travel agents association representative. The Singapore Government has actually been aware of the problem and started to seriously look into the issue of raising entrepreneurship in the country since the new millennium (Lloyd-Smith, 2002). He added, 'The [Singapore] Government can see what to regulate or not, and where to stimulate people's interests to participate [in the case of Hong Kong]'. Meanwhile, the STB competitive analysis representative was also trying to investigate in his department in STB, various policies of Hong Kong, such as the land policies and the provision of tax incentives to the private sector. Taking a similar standpoint as the Singapore travel agents association, a Singapore academic and a director from Sentosa Island suggested that the Singapore Government should 'let loose' more by cutting back its stakes in the economy, and encourage the 'can do spirit' and entrepreneurship among its citizens; that is, to take bolder steps and to 'do whatever it takes' to seize business opportunities. 'Singapore should learn to be more market driven . . . so that the private sector can be more resilient to challenges', a manager from Cathay Pacific commented. The challenges she was referring to were like those the 9-11 incident in 2001 brought.

4.2.2.2 Strategic aspect. Singapore can also learn from Hong Kong's experiences in dealing with the Chinese outbound market. By 2020, China is expected to become the world's biggest source of outbound tourism, sending 115 million of its nationals abroad annually. Currently, about 75% of all Chinese tourists go to Hong Kong and Macau (Greenlees, 2005). There are plenty of lessons of marketing and visitors management in Hong Kong that Singapore can learn from. However, a former senior

Hong Kong destination marketer viewed that that 'in reality, Singapore is probably doing better [than Hong Kong]', in that Singaporeans' proficiency in Mandarin is generally better than people in Hong Kong. Singapore's Minister Mentor Lee Kuan Yew envisioned the economic importance of China long ago and made Mandarin one of the most important courses in schools. 'We have to ask ourselves, "Is Hong Kong really the expert [in the China market]?"' the destination marketer said. She added that Hong Kong should not be complacent about its natural geographical advantage but try to understand better the huge, diversified source market.

5. CONCLUSION

It was their similarities that brought Hong Kong and Singapore onto the table of comparison — their British colonial history, their struggle to economic success and the urban tourism experiences they offer to travellers. In both city states, tourism has been used as an economic development tool and a socio-political instrument. Yet, this study also reveals the differences between their vision for future tourism development and their policies on the private sector. The SAR government has a relatively vague and general vision and is rather reactive to industry needs. On the contrary, Singapore is more focused in defining its vision for the future and has adopted a strategic pragmatism approach where the government would intervene as and when necessary to correct market failures.

Do the differences identified imply mutual learning? The study participants were not unanimous on the notions that mutual learning between the governments of Hong Kong and Singapore is feasible or beneficial to enhancing their respective destination competitiveness.

Some interviewees expressed that the governments should 'do things in their own way' due to the differences in political systems, governance philosophy and destination uniqueness. Others agreed that they should learn from each other in order to enhance competitiveness. Specific suggestions categorised into attitudinal and strategic aspects were given, which are summarised in the following section. Despite the differences in opinions, mutual learning

was not viewed as detrimental to Hong Kong's or Singapore's destination competitiveness. It can be argued that mutual learning is not copying and that learning from a well-performing counterpart is an important way of improving oneself. A recent study conducted by the UNWTO (United Nations World Tourism Organization) identifies that the trend of both competition and cooperation is likely to continue as tourists are becoming 'more experienced, savvy and look for more diversity' (WTO, 2006, p. 17). Cooperation with other destinations is deemed crucial for gateway cities and mature destinations such as Hong Kong SAR and Singapore, where natural attractions are limited. In doing so, they can diversify their offerings and maintain their competitive edge in attracting tourists.

This study has addressed essential public sector tourism management issues. Based on the policy comparison exercise and respondents' suggestions on mutual learning, recommendations to the governments are summarised below.

6. RECOMMENDATIONS

6.1 Recommendations to the Hong Kong Government

A good master plan needs well-formulated objectives. At this stage, Hong Kong is still lacking a clear, well-defined vision statement to serve as the backbone of future development. With the private sector, the government

can learn from its Singapore counterpart their proactive attitude. More recognition should be given to different levels of industry stakeholders by being more supportive and responsive to their needs, if not being more visionary and anticipative. The previous example of building a new cruise terminal illustrated how the government was out of sync with the pace of industry development. However, the establishment of the TC, which is responsible for cutting red tape within the government to facilitate tourism development, is a big step forward to becoming more proactive.

Other mutual learning recommendations given by the respondents include further liberalisation of aviation policies, and learning from Singapore's experience in dealing with the ASEAN outbound market. Yet, the eagerness to learn attitude requires a change of mindset of policy-makers, and that change has to come from the top of the hierarchy.

6.2 Recommendations to the Singapore Government

Singapore can learn from Hong Kong in terms of nurturing entrepreneurship, that is, to encourage its people to take bolder steps and to 'do whatever it takes' to seize business opportunities. Such entrepreneurship culture is slowly growing in the country. Finally, Singapore can also learn from Hong Kong's experience in dealing with the Chinese outbound market (see also Table 2).

Table 2. Summary of suggestions on mutual learning

	Hong Kong learning from Singapore	Singapore learning from Hong Kong
Attitudinal Aspect	<ul style="list-style-type: none"> Recognition and proactive support to the industry Government's visionary leadership Eagerness to learn 	<ul style="list-style-type: none"> Promoting entrepreneurship
Strategic Aspect	<ul style="list-style-type: none"> Experiences of being a tourism hub in ASEAN Knowledge in ASEAN's outbound markets Provision of subsidies to the private sector Air liberalisation and open skies policies 	<ul style="list-style-type: none"> Knowledge in China's outbound market

ASEAN, Association of South East Asian Nations.

6.3 Lessons for other destinations

Although the context of this research is specific to Hong Kong and Singapore, three lessons can be learnt by other destinations in general.

First is the importance of government's recognition of the economic, social and environmental impacts tourism brings, and hence, formulating long-term vision as well as development strategies for the industry.

Second is the importance of striking a balance of roles between the public and private sectors. In developed destinations, the public sector should be a proactive, anticipative facilitator and regulator, while its leadership role should predominate in formulating long-term plans.

In other words, tourism should be private-sector-driven. In addition, the government and the industry must maintain close partnership in order to continuously enhance the competitiveness and sustainability of the destination. Finally, destinations should be eager to learn from their counterparts, either from others' mistakes or success, as one way to improving oneself.

NOTES

1. The predecessor of the STB.
2. PAP is the political party in power in Singapore since 1959.

REFERENCES

- Andrews J. 1997. *The Economist — Pocket Asia*. Profile Books Ltd: London.
- Anon. 2000. Leader of the pack — a note on Hong Kong and Singapore. *Amcham* 32(2, February 2000): 20.
- Boey C. 2003. *Accommodation masterplan for Lion City*. TTG Daily News 24 July 2003. Available at <http://www.ttgtravelhub.net/TTG/index.php> (accessed 24 July 2003).
- Dodwell D. 2001. Hong Kong's aviation policy. *Newsline* — an ATV television program, broadcast on 5 August 2001, Hong Kong.
- Gapinski J. 1999. *Economic Growth in the Asia Pacific Region*. St. Martin's Press: New York.
- Greenlees D. 2005. The subtle power of Chinese tourists. *International Herald Tribune*, 6(October 2005): 1.
- Hall CM, Oehlers AL. 2000. Tourism and politics in South and Southeast Asia: political instability and policy. In *Tourism in South and SouthEast Asia — Issues and Cases*, Hall CM, Page S (eds). Butterworth-Heinemann: Woburn, MA; 77–93.
- Healy T. 1998. Singapore versus Hong kong. *Asiaweek* 11 December 1998: 66–70.
- Henderson JC. 2002. Heritage attractions and tourism development in Asia: a comparative study of Hong Kong and Singapore. *The International Journal of Tourism Research* 4(5, Sep/Oct 2002): 337–344.
- Hong Kong Census and Statistics Department. 2006. *Key economic and social indicators*. Available at http://www.censtatd.gov.hk/hong_kong_statistics/key_economic_and_social_indicators/index.jsp (accessed on 10 March 2006).
- Hong Kong Tourism Board (HKTb). 2002. *Annual Report*. Hong Kong Tourism Board: Hong Kong.
- Hong Kong Tourism Board (HKTb). 2007. *Hong Kong Tourism Sees Steady Growth in 2006*. Media Release 22 January 2007. Hong Kong Tourism Board: Hong Kong.
- IMD. 2007. *The world competitiveness scoreboard 2007*. Available at <http://www.imd.ch/research/publications/wcy/upload/scoreboard.pdf> (accessed on 1 November 2007).
- Johnson-Hill N, Tran D. 1981. *Asian Economies in Perspective*. Hoare Govett Ltd: London.
- Joint Council of the Travel Industry of Hong Kong (JCTI). 2002. *The future of tourism lies in* Available at http://www.hkha.com.hk/hkha_news/tourismpaper.htm (accessed on 14 March 2003).
- Khan H. 1998. The tourism explosion: policy decisions facing Singapore. In *Managing Tourism in Cities*, Tyler D, Guerrier Y, Robertson M (eds). John Wiley & Sons Ltd: New York; 65–88.
- Kvale S. 1996. *Interviews: An Introduction to Qualitative Research Interviewing*. Sage Publications Inc: Thousand Oaks, CA.
- Lloyd-Smith, J. 2002. Singapore faces the dawning of a new age. *South China Morning Post* 9 May.
- Lyne J. 2002. *Singapore Bumps Hong Kong for No. 1 Spot*, *EIU Reports*. Available at <http://www.conway.com/ssinsider/snapshot/sf020520.htm> (accessed on 20 May 2003).
- Marshall C, Rossman G. 1999. *Designing Qualitative Research*. 3rd edn. Sage Publications Inc: Thousand Oaks, CA.
- Nedergaard P. 2006. Policy learning in the European Union: the case of the European Employment Strategy. *Policy Studies* 27(4): 311–324.
- Pacific Asia Travel Association (PATA). 2006. *About PATA*. Available at <http://www.pata.org/patasite/index.php?id=9> (accessed on 10 March 2006).

- Porter M. 1998. *The Competitive Advantage of Nations*. MacMillan Press Ltd: Hampshire.
- Pritchard S. 2001. Troubled tale of two cities. *South China Morning Post* 16 October 2001: 1.
- Richter LK. 1989. *The Politics of Tourism in Asia*. University of Hawaii Press: Honolulu.
- Sinclair K. 2003. Sino Land makes surprise pitch for cruise liner terminal. *South China Morning Post* 12 May 2003: 1.
- Singapore Tourism Board (STB). 1997a. *Tourism 21*. Available at <http://www.stb.com.sg/t21> (accessed on 1 June 2002).
- Singapore Tourism Board (STB). 1997b. *What We Do*. Available at <http://www.stb.com.sg/services/index.stm> (accessed on 4 April 2002).
- Singapore Tourism Board (STB). 1998. SSTB launches financial assistance scheme to help local tourism business upgrade. *Press Release* 30 April 1998.
- Singapore Tourism Board (STB). 2000. Agri-tourism: nature trails in New Asia — Singapore. *Press Release* 19 May 2000.
- Singapore Tourism Board (STB). 2007. Record year as tourism exceeds 2006 targets with S\$12.4 billion tourism receipts and 9.7 million visitor arrivals. *Media Release* 31 January 2007.
- Singapore Tourism Promotion Board (STPB). 1996. *Tourism 21 — Vision of a Tourism Capital*. Pagesetter Services Pte Ltd: Singapore.
- Statistics Singapore. 2006. *Gross Domestic Product by Industry*. Available at <http://www.singstat.gov.sg/keystats/mqstats/ess/aesa11.pdf> (accessed on 10 March 2006).
- Taylor S, Bogdan R. 1998. *Introduction to Qualitative Research Methods: A Guidebook and Resource*. 3rd edn. John Wiley & Sons Inc.: New York.
- Tourism Commission, Hong Kong (TC). 2000. *Hong Kong Tourism: Expanding the Horizons*. Economic Services Bureau: Hong Kong.
- Tourism Commission, Hong Kong (TC). 2005. Invitation for expressions of interest: Suggestions for development of new cruise terminal in Hong Kong. *Press Release* 3 November 2005.
- Tung CH. 2003. *Chief Executive Policy Address 2003*. Hong Kong SAR Government: Hong Kong.
- Wong KF, Kwan C. 2001. An analysis of the competitive strategies of hotels and travel agents in Hong Kong and Singapore. *International Journal of Contemporary Hospitality Management* **13**(6): 293–303.
- World Tourism Organization (WTO). 1983. *Tourism Compendium*. International Union of Official Travel Organizations: Geneva.
- World Tourism Organization (WTO). 2000. *Public-Private Sector Cooperation — Enhancing Tourism Competitiveness*. World Tourism Organization Business Council: Madrid.
- World Tourism Organization (WTO). 2006. *Mega-Trends of Tourism in Asia-Pacific (June 2006)*. World Tourism Organization: Madrid.
- Yeo G. 2003. Speech by George Yeo, Minister for Trade & Industry, at the official renaming of the Beaufort to “The Sentosa Resort & Spa — A Beaufort Hotel” on 3 March 2003 at 8 pm. *Singapore Government Press Release* 3 March 2003.