

further straining the economic recovery. Additionally, the decrease in consumer spending within Hong Kong affects tax revenues, which in turn limits the government's ability to invest in public services and infrastructure (Pang et al., 2024). The economic challenges are compounded by the broader geopolitical context, including Beijing's tightening grip on Hong Kong, which has created an uncertain business environment. This has further dampened investor confidence and contributed to the economic difficulties faced by local enterprises (Maizland & Fong 2024).

DECLINING TOURISM IN HONG KONG

A Harrowing Plunge in Tourist Influx

The COVID-19 pandemic has severely impacted Hong Kong's tourism industry, leading to a significant decline in the number of visitors (Zhu et al., 2023). Stringent travel restrictions and quarantine measures implemented by the government to curb the spread of the virus have dramatically discouraged international tourists from visiting the city. Before the pandemic, Hong Kong was a popular tourist destination, attracting millions of visitors annually from around the world. However, the outbreak of COVID-19, coupled with subsequent lockdowns, border closures, and mandatory quarantine requirements, has dealt a severe blow to the city's tourism industry (Zhu et al., 2023). The dramatic decline in tourism has affected not only the hospitality and retail sectors but also the broader Hong Kong economy. Hotels, restaurants, and tourist attractions have been forced to lay off staff or shutter operations due to plummeting revenues. The tourism industry is a significant contributor to Hong Kong's GDP and employment, and its decline has had ripple effects throughout the city. Additional factors such as economic policy uncertainty, the Sino-US trade war, and social unrest have exacerbated the situation (Choy & Yeung, 2022; Liu et al., 2020; TAI et al., 2022). The decline in tourism in Hong Kong in 2024 can be attributed to a confluence of factors that have impacted the industry over recent years. One significant factor contributing to this decline is the influence of economic policy uncertainty on the relationship between tourism and economic growth. Mainland visitors historically flocked to Hong Kong for daily necessities, leading to price hikes and shortages, which deterred visitors (Liu et al., 2020). Moreover, the tourism industry in Hong Kong has faced a triple whammy of challenges including social unrest, the Sino-US trade war, and the COVID-19 pandemic, all of which have severely impacted the hospitality and tourism sector (Choy & Yeung, 2022). These challenges have created a turbulent environment for tourism, affecting the overall economic growth of the city (TAI et al., 2022).

Unprecedented Hurdles for Tourism-Dependent Industries

The COVID-19 pandemic has been a major disruptor, causing a significant decline in tourist numbers globally. In the case of Hong Kong, the pandemic has led to a substantial decrease in tourist arrivals, with a notable 81% drop from the previous year (Yong-lian et al., 2022). The pressure on the medical system due to the pandemic has also had a domino effect on various industries, including tourism, which is a key pillar of

Hong Kong's economy (Ye & Law, 2021). The disruptions caused by the pandemic have been particularly detrimental to Hong Kong, a prominent shopping destination, resulting in decreased tourist arrivals and retail sales (Yiu, 2023). Furthermore, the political landscape and social issues in Hong Kong have played a role in the decline of tourism. The protests and social unrest in the region have not only disrupted public order but have also negatively impacted the sentiment of Mainland Chinese tourists, a significant demographic for Hong Kong's tourism industry (Hao et al., 2020). Additionally, the rise of localism and concerns over the region's identity have led to tensions that have spilled over into the tourism sector, affecting the overall perception of Hong Kong as a tourist destination (Adorjan et al., 2021). The stagnation in tourism growth in Hong Kong, as indicated by the Tourism Area Life Cycle model, suggests that the city may be facing challenges in revitalizing its tourism sector (TAI et al., 2022). The high costs associated with accommodation in popular tourist areas like Causeway Bay have also deterred visitors, impacting the overall tourism demand in the city (Liu et al., 2020). Moreover, the limitations of medical tourism development in Hong Kong, including a lack of private sector interest and high costs, have hindered the potential for this sector to drive tourism growth (Kwan & Tavitiyaman, 2021). The decline in tourism has brought unprecedented challenges for companies that rely heavily on tourism, including hospitality, retail, and entertainment. Hotels have experienced a significant decrease in occupancy rates, leading to financial difficulties (Cheung & Yiu, 2023). Retail establishments, particularly those in popular tourist areas, have suffered from decreased visitor traffic, resulting in declining sales and profitability. Entertainment venues such as theme parks and museums have struggled to maintain their operations and revenues due to the lack of international and domestic tourists. Businesses have had to rethink their strategies, cut costs, and explore new ways to attract local customers to offset the loss of tourism-related income (Yiu, 2023). The political landscape and social issues in Hong Kong have played a role in the decline of tourism. Protests and social unrest have disrupted public order and negatively impacted the sentiment of Mainland Chinese tourists (Hao et al., 2020). The rise of localism and concerns over the region's identity have led to tensions that have affected the overall perception of Hong Kong as a tourist destination (Adorjan et al., 2021).

Governmental Endeavors to Resuscitate Tourism

To revitalize Hong Kong's tourism industry, the government has implemented measures to encourage domestic tourism. Specific tourism campaigns and incentives have been launched to inspire locals to discover the city's attractions (Zhu et al., 2023). The government initiated the "Night Vibes Hong Kong" program in mid-September 2023, extending across significant holidays until early Spring Festival 2024. The program includes entertainment, arts, culture, and consumerism for various demographic groups, with events such as concerts, drone performances, nocturnal discounts at cinemas, and extended hours for galleries and institutions. Over 80 malls organized nighttime events, including pop-up markets and sports screens, and offered dining and shopping benefits.

Traditional celebrations like the Wong Tai Sin Dragon Dance also resumed (HKSAR Government, 2023). To resume international travel and entice foreign tourists back to Hong Kong, the government has implemented proactive steps such as facilitating travel arrangements and establishing travel bubbles with adjacent countries. The substantial decrease in tourist numbers has adversely impacted various industries, but the government's efforts are focused on rejuvenating the business and aiding its recovery.

Multifaceted Challenges

Economic policy uncertainty has influenced the relationship between tourism and economic growth. Mainland visitors historically flocked to Hong Kong for daily necessities, leading to price hikes and shortages, which deterred visitors (Liu et al., 2020). The tourism industry in Hong Kong has faced social unrest, the Sino-US trade war, and the COVID-19 pandemic, creating a turbulent environment for tourism and affecting overall economic growth (Choy & Yeung, 2022; TAI et al., 2022). The COVID-19 pandemic caused a significant decline in tourist numbers globally, with an 81% drop in Hong Kong from the previous year (Yong-lian et al., 2022). The pressure on the medical system due to the pandemic has had a domino effect on various industries, including tourism (Ye & Law, 2021). Protests and social unrest have disrupted public order and negatively impacted Mainland Chinese tourists' sentiment (Hao et al., 2020). The rise of localism and concerns over the region's identity have led to tensions affecting the overall perception of Hong Kong as a tourist destination (Adorjan et al., 2021).

Economic Implications

The stagnation in tourism growth suggests challenges in revitalizing the tourism sector (TAI et al., 2022). High accommodation costs in popular areas like Causeway Bay have deterred visitors, impacting overall tourism demand (Liu et al., 2020). The limitations of medical tourism development, including a lack of private sector interest and high costs, have hindered the potential for this sector to drive tourism growth (Kwan & Tavitiyaman, 2021). Fluctuations in tourism demand have been linked to fluctuations in retail property prices, highlighting the interconnectedness of these sectors (Yang et al., 2020). The impact of tourism on unemployment rates has been a concern, as fluctuations in tourism development can affect the labor market and residents' quality of life (Qin et al., 2020). The decline in tourism has affected the rental market, with growth in tourism influencing flatted factory rent and residential market dynamics (Yiu & Chong, 2020). The decline in tourism in Hong Kong in 2024 can be attributed to a combination of factors including economic policy uncertainty, the impact of the COVID-19 pandemic, social unrest, and political tensions. These challenges have created a complex environment for the tourism industry in Hong Kong, affecting visitor numbers, retail property prices, unemployment rates, and overall economic growth. Addressing these multifaceted issues will be crucial for revitalizing the tourism sector in Hong Kong and restoring its position as a premier global destination. The decline in tourism in Hong

Kong in 2024 can be attributed to a combination of factors, including economic policy uncertainty, the impact of the COVID-19 pandemic, social unrest, and political tensions. These challenges have created a complex environment for the tourism industry, affecting visitor numbers, retail property prices, unemployment rates, and overall economic growth. Addressing these multifaceted issues will be crucial for revitalizing the tourism sector in Hong Kong and restoring its position as a premier global destination.

TRANSFORMATION OF LOCAL BUSINESSES IN HONG KONG

The dwindling number of tourists visiting Hong Kong has had a significant ripple effect on the local business landscape. As the city's appeal as a global tourist destination wanes, enterprises that have traditionally relied on tourism-driven revenue have been forced to adapt and transform their operations (Siu, Lee, & Leung, 2013; Fu, Ridderstaat, & Jia, 2020). This section will explore how local businesses, particularly in the retail and food service industries, are navigating this new reality and reshaping their strategies to remain competitive.

Transition from Traditional Retail to E-commerce

In the face of the global COVID-19 pandemic, businesses across the globe, including Hong Kong, were forced to undergo a radical digital transformation. As lockdown measures and social distancing protocols drove people to online platforms for their shopping needs, Hong Kong's local businesses found themselves navigating a new landscape. One of the most notable changes was the transition from conventional brick-and-mortar retail to the realm of e-commerce (Lim, 2022; Ye & Law, 2021).

E-commerce in Hong Kong experienced a dramatic upsurge, attributable to multiple factors. In the first place, the sheer convenience and accessibility of online shopping platforms appealed to consumers looking for a safer, more efficient way to acquire products (Kuah & Dillon, 2021). The ability to browse a vast array of products with a few simple clicks and have them delivered straight to their homes has played a significant role in propelling the growth of e-commerce in Hong Kong (Zhang et al., 2021). Secondly, the enforced closure of physical retail stores due to lockdowns and restrictions compelled many businesses to transition to online platforms to maintain their customer service (Kuah & Dillon, 2021). This move enabled businesses to continue functioning and reach a broader audience outside the limitations of a physical store. Consequently, even businesses that had previously been reluctant to venture into e-commerce found themselves forced to establish an online presence to remain viable in this new reality (Tsui et al., 2021). Finally, the availability of various digital payment methods, such as mobile wallets and online banking, further smoothed the transition to e-commerce. These payment options offer a secure, streamlined transaction experience, eliminating the need for physical cash or card payments, thereby boosting consumer confidence in online purchases and contributing to the growth of e-commerce in Hong Kong (Chan et al., 2021).

The Effect of Fluctuating HKD-RMB Exchange Rate on Transnational Shopping Habits

The fluctuation of the exchange rate between the Hong Kong Dollar (HKD) and the Renminbi (RMB) has a substantial impact on the purchasing behavior of Hong Kong residents across borders. Recently, the increasing interest rates in major nations have caused the Hong Kong Dollar (HKD) to gain value (Kwok & Koh, 2022). The United States is currently engaged in a struggle against significant inflation, which has prompted its central bank to adopt a proactive approach by increasing interest rates in a forceful manner. Due to Hong Kong's currency peg to the US Dollar, there has been a corresponding increase in interest rates in Hong Kong. Simultaneously, China aims to sustain a competitive Renminbi to bolster its export-oriented economy by gradually devaluing its currency (Kwok & Koh, 2022). The divergent monetary policies have bolstered the Hong Kong Dollar (HKD) in relation to the Renminbi (RMB). For consumers in Hong Kong, this results in a decrease in their ability to buy goods when shopping in mainland China. The prices of products and services seem comparatively higher when compared to local alternatives (Liu et al., 2023). Simultaneously, a devalued RMB increases the purchasing power of both domestic inhabitants and foreign tourists in mainland urban areas. This enhances the performance of the retail and hotel industries that serve customers from several countries. A decrease in the currency rate also enhances the global appeal of Chinese exports, so bolstering domestic economic expansion (Kwok & Koh, 2022; Wong, 2021). In general, changes in the relationship between the Hong Kong Dollar (HKD) and the Chinese Renminbi (RMB) caused by differences in interest rates have a significant effect on the cost competitiveness of spending that is influenced by exchange rates. This impacts the cross-border movement of goods and the buying behaviors between Hong Kong and mainland China (Kwok & Koh, 2022; Liu et al., 2023).

Adaptation and Closure in the Restaurant Industry

The restaurant sector in Hong Kong has also witnessed significant changes in response to the challenges posed by the COVID-19 pandemic. With rigorous social distancing measures and restrictions on dine-in capacities, many restaurants had to revise their business models to stay afloat (Zhao et al., 2021). An essential adaptation was the introduction or expansion of takeaway and delivery services. Restaurants promptly established or increased their delivery capacities, partnering with third-party delivery platforms to serve customers who were unable or unwilling to dine in (Zhao et al., 2021). This change ensured some level of revenue during periods when dine-in services were restricted. Additionally, it opened up opportunities for restaurants to cater to a new customer base that values the convenience of home-delivered meals (Lee & Leung, 2022). However, despite these adaptations, many restaurants in Hong Kong could not sustain their operations and had to shut down permanently. The reduced footfall, restricted dine-in capacities, and increased operating costs due to health and safety measures imposed a heavy burden on businesses. Smaller, standalone restaurants were particularly vulnerable, lacking the financial resilience and brand

recognition to weather the storm. The resulting reshaping of the restaurant landscape in Hong Kong saw closures and consolidations become increasingly common (Liu et al., 2023).

Comparing the "Survival of the Fittest" in Hong Kong and Shenzhen's Restaurant Industries

The influence of the COVID-19 pandemic on the restaurant industry extended beyond Hong Kong. The city of Shenzhen, known for its dynamic culinary scene, also faced similar challenges. This scenario provides an opportunity for a comparative analysis between the two cities (Brouder et al., 2020; Chan et al., 2021). Despite facing a decline in the restaurant business during the pandemic, Shenzhen's restaurants were generally better equipped to adapt and survive due to its larger population and more diversified economy. Many restaurants in Shenzhen were able to use their existing customer base, delivery services, and creative marketing strategies to maintain their operations during these challenging times (Brouder et al., 2020). In contrast, Hong Kong's restaurant industry faced additional challenges due to its dependence on tourism and a smaller local population. The drop-in tourism compounded the challenges for restaurants, as they relied heavily on international tourists for revenue. The lack of international visitors significantly impacted the demand for dining experiences, leading to the closure of many establishments (Tsui et al., 2021). The comparison between the restaurant industries in Hong Kong and Shenzhen underscores the importance of resilience and adaptability in the face of adversity. The "survival of the fittest" mentality was particularly visible in Shenzhen, where restaurants that could innovate and cater to changing customer needs were more likely to remain operational. Conversely, the challenges faced by Hong Kong's restaurant industry highlight the need for strategic interventions and support to help businesses navigate through these difficult times (Brouder et al., 2020; Chan et al., 2021). In conclusion, the evolution of local businesses in Hong Kong in response to the post-COVID-19 landscape is characterized by a transition from brick-and-mortar retail to e-commerce and adaptations within the restaurant industry. The rise of e-commerce has streamlined shopping for consumers, while the restaurant industry has explored takeaway and delivery services to cope with dine-in restrictions. However, the challenges faced by the restaurant industry and the comparative analysis with Shenzhen underscore the importance of resilience and adaptability for Hong Kong businesses (Lim, 2022; Kuah & Dillon, 2021; Kwok & Koh, 2022).

DATA AND TRENDS ANALYSIS

Government Data on International Travel and Expenditure

Conducting an examination of official data on travel and expenditure is essential to comprehend consumption habits in Hong Kong after the outbreak. The statistics published by the Department of Census and Statistics of the Hong Kong Special Administrative Region offer valuable information. In December 2023, a study from HK01 revealed that due to the relaxation of travel restrictions, inhabitants of Hong Kong embarked on an unprecedented 71.92 million outbound excursions. This

significant increase occurred following the removal of the restrictions. Mainland China emerged as the top choice for visitors, with over 53 million journeys, constituting 75 percent of total outbound travel (HK01, 2023). Regarding expenses, Hong Kong residents reached unprecedented levels of spending on their excursions to the mainland. In January 2024, Radio Free Asia reported that the average per capita spending had risen to over HK\$200-300. This rise is indicative of the growing preference for recreational pursuits, retail experiences, and culinary indulgence transcending cultural barriers. However, the total spending of Chinese domestic tourists was still higher, amounting to around HK\$1450, and it was notably lower than the reported HK\$9000 in Hainan duty-free zones. The era of mainland tourists in Hong Kong who spend a significant amount of money may be ending, as the trend of "thrifty travel" becomes more widespread (Radio Free Asia, 2024b).

Insight into the Retail and Food Service Industry's Performance

The retail and food service industries in Hong Kong have experienced substantial fluctuations in performance throughout 2024, influenced by a combination of economic factors, consumer behavior changes, and external pressures. This analysis delves into the key trends and data points that define the current state of these sectors.

Retail Industry Performance

In the first half of 2024, Hong Kong's retail industry faced significant challenges, marked by a notable decline in sales. According to provisional figures released by the Census and Statistics Department, retail sales in March 2024 fell by 7% year-on-year, amounting to HK\$31.2 billion. This decline was the sharpest since March 2022 and was attributed to increased rent pressures and a shift in consumer spending patterns, particularly during the long Easter holiday (Yau, 2024a). The downturn continued into May 2024, with retail sales dropping by 11.5% year-on-year to HK\$30.5 billion. The government cited the strength of the Hong Kong dollar and rising cross-border spending as primary factors for this decline (Li, 2024). The trend of declining sales persisted into June 2024, with retail sales falling by 9.7% year-on-year to HK\$29.9 billion, marking the fourth consecutive month of decline. Despite the expansion of a solo traveler scheme aimed at boosting inbound tourism, the sector continued to struggle due to changing consumption patterns and the strong Hong Kong dollar. Sales contracted by 6.6% in the first half of the year compared to the same period in 2023 (Yau, 2024b).

Food Service Industry Dynamics

The food service industry in Hong Kong has also been impacted by various factors, including international travel restrictions and changing consumer preferences. The decline in tourist spending, particularly from mainland China, has led to reduced revenue for many food service establishments. However, the industry has seen some resilience with the emergence of new food enterprises, spurred by lower rental costs and increasing local demand (Colliers, 2024). The rise of digital food delivery

platforms has further reshaped the landscape, reducing the frequency of dining out and intensifying competition within the sector (Meituan, 2024).

Government and Industry Initiatives

In response to the ongoing challenges, both the government and industry stakeholders have launched various initiatives to stimulate consumer spending and support the retail and food service sectors. One such initiative is the "Reward Yourself, Recharge the City" campaign, a collaboration between HKT and ViuTV, which offers promotions and discounts across shopping centers, retailers, restaurants, and entertainment businesses. This campaign aims to encourage local spending and boost market sentiment (Yau, 2024a). Additionally, the Hong Kong Trade Development Council has organized a summer shopping festival, bringing together 5,000 merchants to offer HK\$1.2 billion worth of discounts and perks. This initiative is designed to drive consumer engagement and support the retail industry during the traditionally slower summer months (Cheung, 2024; Soriano, 2024).

ECONOMIC OUTLOOK

Looking ahead, the economic outlook for Hong Kong's retail and food service industries remains uncertain. While the revival of inbound tourism and rising household income may provide some support, the sectors will continue to face challenges from changing consumption patterns and external economic pressures. The government's efforts to promote a mega event economy and boost sentiment are expected to play a crucial role in navigating these challenges and fostering recovery (Colliers, 2024).

Citizen Surveys on Post-Pandemic Consumer Attitudes

The Shenzhen Specialized Retail Industry Association (2024) conducted a comprehensive "Satisfaction Survey on Consumption in Shenzhen and Hong Kong," which gathered insights from consumers in Hong Kong. The findings revealed an extraordinarily high level of total satisfaction, reaching 97.14%, with the retail offers in Shenzhen. Out of all the dimensions that were examined, "Merchant Services" obtained the greatest level of acceptance, with a rating of 92.38% according to the Shenzhen Specialized Retail Industry Association in 2024. In On.cc Daily News' (2024) comprehensive poll of approximately 1,000 Hong Kong residents, a significant pattern was observed, with 95.24% of respondents indicating that they regularly visit Shenzhen for shopping purposes. Shenzhen's key motivations revolve around its comparatively lower prices, which result in better value due to cost savings. Additionally, the city offers a wider range of goods and products, providing more options to meet various consumer needs and preferences. Shenzhen also boasts convenient infrastructure, such as streamlined transportation, which enhances the overall shopping experience from beginning to end (On.cc Daily News, 2024). In addition to the comprehensive poll results, there is significant improvement in transportation links due to quick train connectivity. This has made travel between Hong Kong and several cities in Guangdong Province, particularly Shenzhen, much easier (HKTDC

Research, 2020). The survey revealed high satisfaction with Shenzhen's retail offers, particularly in merchant services. A significant number of Hong Kong residents regularly shop in Shenzhen, motivated by lower prices, a wider range of products, and improved transportation infrastructure. Enhanced quick train connectivity has made travel between Hong Kong and Shenzhen more convenient, boosting the overall shopping experience. By the data above, it was found that Shenzhen's retail market holds a competitive edge due to superior service quality and accessibility.

DISCUSSION

Shifts in Consumer Behavior and Their Implications for Hong Kong's Economy

The study reveals a significant shift in the habits of Hong Kong residents post-COVID-19. There is a clear trend of favoring recreational travel and retail activities in Mainland China, particularly Shenzhen, over local options. This shift has profound implications for Hong Kong's economy. One major driver of this change is the lower prices and wider variety of products available in Mainland China. This phenomenon can be partially understood through the lens of consumer responsiveness to price differences and the convenience of cross-border shopping facilitated by improved transportation and digital platforms (Kotler & Keller, 2016). For instance, a family in Hong Kong might choose to spend a weekend shopping in Shenzhen, where they perceive they can get better deals and a broader selection of goods. This shift is further supported by the ease of travel, with high-speed rail and efficient border crossings making such trips more convenient than ever before. This trend poses serious challenges for Hong Kong's economy. Local businesses, especially in retail, hospitality, and tourism, are struggling as consumer spending shifts away. This could lead to reduced revenues, job losses, and even business closures for those unable to adapt. The broader economic implications are significant, as decreased consumer spending locally can have a ripple effect, impacting various sectors (Samuelson & Nordhaus, 2010). To counter this, policymakers and business leaders in Hong Kong need to take proactive steps. These could include enhancing the brand appeal of local products, investing in omnichannel shopping experiences, and forming partnerships with Mainland businesses to create joint offerings that align with evolving consumer preferences. Additionally, the government should consider incentives to stimulate domestic consumption, such as tax refunds, consumer vouchers, or targeted marketing campaigns (Drucker, 1985).

Enhancing Brand Appeal, Investing in Omnichannel Shopping Experiences, and Forming Partnerships

Enhancing the brand appeal of local products can be achieved through quality certification and branding campaigns. For instance, Taiwan's "MIT Smile" certification ensures products meet specific quality standards, boosting consumer confidence and brand appeal. Hong Kong can introduce a similar certification program for locally produced goods, coupled with a marketing campaign highlighting the quality and uniqueness of Hong Kong-made products (Taiwan External Trade

Development Council, 2024). Additionally, cultural integration can play a significant role. Japan's use of traditional crafts and local materials in modern products, such as the collaboration between traditional kimono makers and contemporary fashion designers, serves as an example. Hong Kong can promote products that incorporate its unique cultural elements, such as traditional craftsmanship or local ingredients, creating a distinct brand identity that appeals to both local and international markets (SVA Destinations, 2019). Investing in omnichannel shopping experiences is another crucial strategy. South Korea's "smart stores," where customers can use mobile apps to scan products, get detailed information, and make purchases either in-store or online, exemplify seamless online and offline integration. Hong Kong can develop similar smart retail solutions to enhance convenience and customer satisfaction (JoongAng Daily, 2023). Additionally, Singapore's use of AI and big data to provide personalized shopping recommendations and experiences both online and in physical stores can serve as a model. Hong Kong can invest in AI-driven platforms that analyze consumer behavior to offer personalized recommendations and promotions, enhancing customer engagement and loyalty (ScienceDirect, 2020). Forming partnerships with Mainland businesses is also essential. The partnership between Alibaba and Hong Kong-based companies to integrate logistics and e-commerce platforms illustrates this approach. Encouraging more joint ventures between Hong Kong and Mainland businesses, focusing on areas like technology, logistics, and retail, can create synergistic offerings that appeal to consumers from both regions (Alibaba Cloud, 2024). Additionally, launching cross-border marketing campaigns in partnership with Mainland businesses to promote Hong Kong as a shopping and leisure destination can highlight unique experiences and products available in the city.

Seasonal Events and Mega Events to Boost Economy

Organizing seasonal events and mega events can significantly boost Hong Kong's economy. For example, the Da Nang International Fireworks Festival (DIFF) in Vietnam attracts thousands of visitors annually, significantly boosting tourism and related industries. Hong Kong can organize an annual international fireworks competition in Victoria Harbor, drawing tourists and creating a vibrant atmosphere that encourages spending in local businesses (DIFF, 2023). Similarly, Japan's Hanabi Taikai (fireworks festivals) during summer attract millions of spectators and boost local economies through increased spending on food, accommodation, and transportation (Hanabi Taikai, 2020). Hong Kong can develop seasonal cultural festivals celebrating its heritage, such as a Mid-Autumn Festival with traditional performances and local delicacies. Mega events like the Olympics, such as Tokyo 2020, significantly boosted Japan's economy through infrastructure development, tourism, and global exposure (Tokyo 2020, 2021). Hong Kong can bid for and host international events like the Busan International Film Festival (BIFF) to attract global audiences and create long-term economic benefits (Busan International Film Festival, 2024). Additionally, hosting unique events such as the Doraemon drone show in Victoria Harbor can draw significant

media attention and tourist visits, further boosting the local economy (The Standard, 2024).

CONCLUSION

Our narrative centers around the analysis of the post-effects of the COVID-19 epidemic, specifically examining the changing spending patterns of Hong Kong people and the ongoing challenges faced by the city's tourism industry. The preference of Hong Kong's population for mainland China as a source for their consumption requirements has had a detrimental impact on local firms, greatly impeding their growth and long-term viability. In addition to this, the decrease in the number of tourists has presented unprecedented difficulties for industries that are largely dependent on tourism. An important topic of discussion is the transformation of local business. The once busy physical stores are now being substituted by flourishing online platforms, and the culinary industry is also adjusting to the evolving era. The contrasting survival methods employed by eateries in Hong Kong and Shenzhen offer a compelling subject of research in this context. The significance of volatile currency rates between the Hong Kong Dollar and the Renminbi in influencing cross-border shopping patterns should not be underestimated. The current emphasis is on stabilizing these rates by implementing suitable government initiatives to affect and stabilize consumption patterns. The research has extensively explored the realm of official statistics, namely examining data on cross-border expenditure and migration, as well as evaluating the performance of the retail and dining sectors. In addition, we have integrated public polls to acquire a more profound comprehension of consumer feelings in the aftermath of the pandemic. Our data indicate that consumer behavior in Hong Kong has undergone considerable changes following the COVID-19 outbreak. These developments have significant ramifications for the city's economic prospects, resulting in widespread consequences that may need enduring adjustments in consumer behavior and corporate flexibility. In light of these patterns and difficulties, it is crucial for Hong Kong's policymakers to prioritize initiatives that enhance domestic consumption, facilitate the revival of tourism, and establish a robust business climate. By tackling these challenges and taking advantage of new possibilities, Hong Kong can navigate its way through these tumultuous times and establish itself as a world-class city that is resilient and adaptable to change.

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