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The Vladivostok Phenomenon: Should Russia Eliminate Visa Requirements for Chinese Tourists?

In the long run, Russia may lift the visa regime with China. But several issues stand in the way.

By Ivan Zuenko

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Andrei Nikerichev / Moskva News Agency

Four years ago, the Russian government did something surprisingly important: it launched a visa-free travel regime with South Korea for stays of up to 60 days. Since then, the economic windfall from that decision has far exceeded expectations — at least for Vladivostok. The Far Eastern port city has become a favored destination for Korean tourists, which has transformed the cityscape and helped to develop local business.

Since 2015, the number of South Korean visitors to the Primorsky region, where Vladivostok is located, has more than doubled each year. In the first 10 months of 2018, it grew 150

percent—by roughly 170,000 tourists out of a total of 290,000 South Korean visitors.

There are now 60 flights a week between Vladivostok and South Korean cities. Nine airlines—three Russian and six South Korean — currently operate flights to South Korea. In comparison, only three airlines fly to Japan (all of them Russian), and five fly to China (only one is Chinese). Vladivostok has more daily flights to Seoul than to Moscow— on average, seven and four, respectively.

Statistics show that tourism from South Korea is growing faster than from any other country, although it still tails China in absolute terms. This raises an important — and controversial —question for Russia: what would happen if Moscow eliminated visas for Chinese travelers?

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So far, there is no clear answer. Within Russia, a visa-free regime with China has both proponents and opponents. And while opponents appear to be the larger group, it is important to examine the broader situation and break down both sides' arguments to understand what is potentially at stake in Moscow's visa policy.

Currently, Russia has a working, albeit somewhat limiting, short-term visa policy with China. Tourist visas are issued for up to 30 days. So-called business visas, which require an invitation from an organization in Russia, are issued for a period of 30 to 90 days.

Additionally, some Chinese tourists already do not need visas to visit Russia. Since 2000, the two countries have had visa-free entry for certain organized tour groups. In July 2018, the requirements were simplified further: the minimum group size was reduced to three people and the maximum length of stay was increased to 21 days.

Starting in 2017, Russia also began issuing electronic visas to visit the "free port of Vladivostok." Four days after applying through the Russian Foreign Ministry's website, the applicant is emailed a form that replaces the visa at the border crossing. The government charges no consular fees, and the tourist can enter the country within 30 days of receiving the form.

The e-visa policy only applies to the citizens of 18 countries (including China and Japan, but not European states). The maximum length of stay is eight days, but the visitor is not allowed to leave the "free port." That said, apart from the city of Vladivostok, the port's territory encompasses most of the Far East —Sakhalin, Kamchatka, Chukotka, and the Primorsky and Khabarovsk regions.

However, visitors must enter and exit from the same point, which limits the positive effects of the e-visa regime. Statistics indicate that the short-stay term and geographical restrictions deter tourists from using the e-visa.

Thus, individual Chinese travelers must get traditional visas, which entail utilizing the paid services of a tourism firm and then paying roughly $90 for the most basic single-entry visa. These extra costs and red tape are the main reason why Chinese tourists prefer to enter Russia in visa-free tour groups. Unfortunately for the Russian economy, members of these groups

are under the complete control of Chinese tour guides, which means that most of their money goes to Chinese businesspeople in Russia.

There have long been discussions of liberalizing the visa regime between Russia and China. However, a serious roadblock stands in the way: Russia never unilaterally compromises on visa issues. Moscow believes that the elimination of short-term visas should be reciprocal. And while China's Foreign Ministry has indicated it would agree to reciprocally eliminate visas, this isn't a high priority for China. Russian visitors are still few and far between, and lobbyists for the Chinese tourism industry want to maintain the status quo to continue their industry's control of Chinese tourism abroad.

Moreover, Beijing is generally quite conservative on visa policies. China still maintains a visa regime with its closest ally, Pakistan. And according to the Henley Passport Index, which tracks freedom of movement, the Chinese passport is one of the most useless in the world for visa-free travel: 120 place in the ranking, on par with Saudi Arabia and Lesotho. But that doesn't seem to bother Beijing much.

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Russia also retains visa requirements for most countries except South American states, members of the Commonwealth of Independent States, and a few miscellaneous others. However, visa requirements were lifted for China's special administrative regions — Macau and Hong Kong — which have their own visa policies. Reciprocity seems to be the principle here; if countries interested in Russian tourists are ready to lift their visa requirements, Moscow doesn't mind doing the same.

The case of visa-free travel with South Korea demonstrates what can happen when this approach works with large neighboring states. Both sides are now reaping the benefits of the ensuing tourism boom, which South Korean researchers termed "the Vladivostok phenomenon." Koreans get an inexpensive and interesting vacation just two hours from Seoul, while Vladivostok residents gain access to a developed air traffic network and a service industry boom. This is especially apparent in the restaurant industry: thanks to South Koreans, booking.com users recognized Vladivostok as "Russia's gastronomical capital" in 2017.

South Koreans clearly differ from Chinese tourists. They don't walk around in groups and prefer to spend money in regular local eateries, not closed restaurants for tourists. You can't fool business: for all the talk of mutual cooperation and "China-friendly" companies, Korean signs and menus are a much more frequent sight in Vladivostok than Chinese ones. Businesses cater to those who actually pay, and it's Koreans who are currently boosting profits for local businesses.

But is South Korea a test case for visa-free travel with China? That remains unclear. It is difficult to find statistical evidence of how lifting the visa regime with China would help Russia's economy. Russia lacks a methodology to account for the economic effect of different tourism segments. Most data come either from the Border Control Service or focus on tax revenues from hotels and large tourist facilities. All the rest are guesstimates.

However, the arguments against lifting visa requirements are even more speculative. First, some fear that a visa-free regime would bring uncontrollable immigration. Alarmists say an inflow of Chinese could lead to "ethnic crime," environmental catastrophes, and even the Far East's secession from Russia. This fear is so strong that it eclipses the obvious: consular workers issuing visas have no instruments to control immigration or the crime threat.

The second argument is economic. Visa centers and consulting firms make their living assisting travelers with visa documents.

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Regular Russian travel agencies are also interested in preserving the visa regime, since they often specialize exclusively on issuing tourism vouchers for their Chinese partners, which generates a small, but stable income. The fall of the visa curtain would destroy a large segment of the Russian tourism industry.

Thus, there is no obvious answer to the visa question. It touches everything: the restaurant business, tour firm lobbies, high politics, and even issues like national prestige.

In this situation, some nonstandard approaches to visa liberalization may prove helpful. For example, in September 2018, Taiwan launched a pilot program that lifted the visa requirement for Russians until July 31, 2019. What prevents Russia from doing the same? If the initiative doesn't live up to expectations, it can be postponed until a more opportune time.

China also provides a clear example. Although the country is reluctant to eliminate its visa regime, it has been consistently expanding opportunities for visa-free transit. It allowed 24-hour visa-free transit in practically all of its international airports. And in sixteen cities, the period can last 72 hours, while in the Shanghai–Hangzhou–Nanjing triangle it can be as long as 144 hours (six days). Moreover, visitors are allowed to enter and exit through different airports.

Due to the falling ruble, Russia is increasingly turning into a transportation hub en route from Asia. As a result, this could be quite an attractive option—especially because Russia already considered legislation on this issue in 2013–2015. Airlines, restaurants, and luxury goods vendors are certain to benefit from it.

Besides, an eight-day e-visa stay was successfully tested in Vladivostok. What if this practice were expanded to other Russian regions? The Kaliningrad region can be the first (incidentally, it previously had a special 72-hour visa regime). Novosibirsk, Yekaterinburg, and Murmansk, which are popular spots for Chinese tourists to view the Northern Lights, can come next. In the long run, "the free port of Russia" may not be out of the question.

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