The tourism industry is one of the major pillars of the economy of Hong Kong.

The industry performance in 2002 has been strong with 16.57 million visitors coming to Hong Kong, which was 20.7 per cent higher than that in 2001. From January to February 2003, visitor arrivals increased 28.6% over same period in 2002. With the impact of Severe Acute Respiratory Syndrome (SARS), visitor arrivals dropped substantially from March to May 2003. From January to May 2003, visitor arrivals were 5.22 million (a drop of 17.5% over same period in 2002). Visitor arrivals increased by nearly 70 per cent to 730,000 from May to June. In July visitor arrivals were further increased to 1.3 million.

Tourism Commission: The Tourism Commission (TC) was established in May 1999 to coordinate within government various tourism development efforts and to provide better policy support and leadership on the part of government to the development of tourism in Hong Kong.

The commission’s task is to establish and promote Hong Kong as Asia’s premier international city, a world-class destination for leisure and business visitors. To fulfill this mission systematically, the commission has recently completed a consultancy study on the development of tourism in the northern New Territories and is following up the recommendations as appropriate.

Accommodation and Length of Stay: At the end of May 2003, Hong Kong had 94 hotels, with 37,277 rooms. The average occupancy rate for first five months of 2003 was 58 per cent. Approved plans for new hotels (as at March 2003) will bring the total number of rooms available to 50,345 by the end of 2006. The average length of stay of all visitors in 2002 was 3.6 nights.

Tourist Attractions and Facilities: The Government has plans to develop five major tourism clusters in the territory with a view to enhancing the attractiveness of Hong Kong as a premier tourist destination. The five tourism clusters cover a wide range of projects, which are at various stages of development. A number of enhancement projects are being carried out to give a facelift to the existing popular tourist areas including the Central and Western District, Sai Kung waterfront and Lei Yue Mun. Other improvement schemes coming on stream include those at the Tsim Sha Tsui Promenade, Stanley waterfront and the Peak. Visitor signage is being installed in all 18 districts to make Hong Kong more user friendly.

A number of major projects are under way. Phase 1 of Hong Kong Disneyland, Tung Chung Cable Car and Hong Kong Wetland Park are all scheduled for completion in 2005. To enrich our heritage tourism products, the Government has awarded to the private sector the development right to restore and convert the former Marine Police Headquarters (MPHQ) compound into a tourism-themed development. The objective is to enable local residents and visitors alike to appreciate the unique cultural heritage of Hong Kong. Planning work is being conducted for the development of the south-east Kowloon tourism node, the integrated arts, cultural and entertainment district at West Kowloon Reclamation and the preservation and conservation of the Central Police Station, Victoria Prison and the former Central Magistracy compound into a heritage-themed development. We are working with the Ocean Park in the strategic development plan of the park, which will form the basis for the development plan of the Aberdeen Harbour tourism node. We are also taking forward a Harbour Lighting Plan to enhance the night vista of Victoria Harbour with the use of modern, energy efficient technology.

The promotion of tourism is not simply about construction of new facilities. The Government has not lost sight of the fact that Hong Kong’s traditional relics and assets, some of which date back six thousand years, offer visitors a fascinating insight into the region’s history. To better explore heritage tourism, Heritage and Architectural Walks have been launched on Hong Kong Island, in Kowloon and in the New Territories to introduce interesting historical and heritage features to visitors. These and other heritage attractions are promoted through different channels including publications, the Internet, etc. The HKTB also offers a culture and lifestyle experience programme called Cultural Kaleidoscope, enabling visitors to try out tai chi and kung fu, or appreciate the arts of Cantonese opera, Chinese tea preparation, Chinese antiques and feng shui.

The ecological richness and diversity of Hong Kong is also quite unexpected and is another aspect which has not hitherto been fully recognised. The commission is looking systematically at how to open up the countryside and make sensible and sustainable use of natural resources to promote green tourism, using a combination of information, access, signage and, where necessary, minor works programmes. To explore new opportunities, the commission has recently completed a consultancy study on the development of tourism in the northern New Territories and is following up the recommendations as appropriate.

Reviving the Tourism Industry: The SARS breakout in early 2003 hard hit the tourism industry and various
sectors in Hong Kong. The Tourism Commission and the HKTB are launching a series of destination events and promotions to attract tourists and encourage local consumption.

**Standards and Performance:** Apart from making available a wide range of attractions to enrich the experience of tourists, it is equally important to enhance the standard of service offered. The Travel Agents (Amendment) Ordinance 2002 has taken effect since November 1, 2002 to put in place a licensing scheme to regulate the inbound travel agents. Parallel with this, to ensure the quality service provided to the visitors, the training of serving tourist guides has commenced in July 2002 with subsidy from the Government. When the training is completed in about two years’ time, only those who have completed the training and passed the examination can work as a Tourist Guide. The HKTB continues to implement a Quality Tourism Services Scheme, which aims to improve the overall service standards among retailers and restaurants. It plans to expand and re-launch the scheme to enhance awareness of the scheme among visitors and local residents. The HKTB, with funding from the Government, has also been running a two-year Tourism Orientation Programme since 2002 to provide practical training to participants and value-added services to visitors.

The promotion of a community-wide hospitality culture is essential to the sustainable development of the tourism industry. The Tourism Commission launched a territory-wide public education campaign to promote a hospitality culture in 2001. This two-year campaign entitled “A Hospitable Hong Kong” comprised a series of programmes and activities, such as the Hong Kong Young Ambassador Scheme, TV quiz game show named “Be a Good Host Hunt”, an education kit for secondary schools and a short series of TV announcement to promote hospitality culture among the general public.

**Accessing Hong Kong:** To facilitate entry of visitors, various measures have been introduced in 2002. The quota of the Hong Kong Tour Group Scheme of Mainland visitors has been abolished since January 2002. The number of Mainland travel agents authorised to organise such tours has also increased significantly. The Government will continue to ensure Hong Kong remains easy to visit. Beyond this, nationals from some 170 countries can visit Hong Kong visa free for period from seven days to six months. From July 28 onwards, residents of four Guangdong cities (Dongguan, Foshan, Jiangmen and Zhongshan) can apply to visit Hong Kong in their individual capacity. The scheme was extended to cover Guangzhou, Shenzhen, Zhuhai and Huizhou on 20 August; and to Beijing and Shanghai on 1 September. It will be extended to the whole of Guangdong no later than May 2004.

**Marketing Hong Kong:** The HKTB is a statutory body set up to promote Hong Kong globally as a tourist destination and take initiatives to enhance the experience of visitors when they arrive. The HKTB continues to promote Hong Kong through various means including expanding the use of e-marketing.

Alongside promoting Hong Kong as a destination in Asia, the HKTB also places emphasis on developing joint marketing efforts with strategic partners to promote multi-destination tourism and develop new markets. The Government supports the HKTB and the tourism industry to further these efforts.

In the years ahead, the Government will continue to work closely with the HKTB and the trade to maintain Hong Kong’s status as Asia’s World City.