

For Information

Legislative Council Panel on Economic Development

Hong Kong Tourism Board Work Plan for 2016-17

Purpose

The paper at Annex sets out the Hong Kong Tourism Board (HKTB)'s work plan for 2016-17 for Members' information.

Background

2. The HKTB is a statutory body established in 2001 under the Hong Kong Tourism Board Ordinance (Cap. 302). Its core function is to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination.

3. The HKTB's activities are primarily funded by the Government. Each year, the HKTB maps out its work plan for the year ahead, taking into account the macro environment and the tourism policy of the Government. In drawing up the work plan, the HKTB conducted extensive consultation with various tourism stakeholders, including travel agents, airlines, hotels, retailers, restaurants, attractions, as well as the academia. The work plan at the Annex has incorporated their views. The paper also gives an overview of the tourism performance in 2015.

4. The work plan will be submitted to the Secretary for Commerce and Economic Development for approval under Section 17B of the Hong Kong Tourism Board Ordinance. The subvention for the HKTB will form part of the Appropriation Bill, the passage of which is subject to the Legislative Council's approval.

5. Members are invited to note the HKTB's Work Plan for 2016-17 at the Annex.

**Tourism Commission
Commerce and Economic Development Bureau
February 2016**

HONG KONG TOURISM BOARD WORK PLAN FOR 2016-17

PURPOSE

1. This paper presents the work plan of the Hong Kong Tourism Board (HKTB) for 2016-17. It also gives an overview of Hong Kong's tourism industry in 2015 and the outlook for 2016, which form the background for developing the objectives, strategic focuses and key initiatives of the HKTB for 2016-17.

BACKGROUND

2. The HKTB is a statutory body tasked with marketing and promoting Hong Kong as a preferred travel destination worldwide. Each year, the HKTB undertakes a structured planning process to map out its strategies and initiatives for the year ahead, taking into account various factors in the macro environment, such as global economic conditions and market trends, as well as relevant policy directions of the Government. In 2016-17, the HKTB will take active steps to increase visitor arrivals by stepping up marketing efforts in source markets, organising mega events and promoting other tourism-related initiatives. The HKTB will also strive to maintain visitors' satisfaction and stimulate their spending to maximise the benefits brought by tourism to Hong Kong's economy and the community at large.

3. In devising the work plan for 2016-17, the HKTB has conducted a series of consultation with stakeholders of the local tourism industry, including travel agencies, airlines, hotel owners and management, retailers, food and beverage caterers, attraction operators, and academics.

OVERVIEW OF 2015 TOURISM PERFORMANCE

Total visitor arrivals

4. Affected by a volatile global economy and other macro-economic factors, visitor arrivals to Hong Kong in 2015 decreased 2.5% to 59.31 million. Details are as follows:

	Visitor arrivals		
	2015	2014	2015 vs. 2014
The Mainland China ('000)	45,842	47,248	-3.0%
Short-haul markets ^ ('000)	8,298	8,407	-1.3%
Long-haul markets * ('000)	4,284	4,269	+0.4%
New markets ** ('000)	883	915	-3.5%
Total ('000)	59,308	60,839	-2.5%

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

^ Excluding the Mainland, Vietnam and India

* Excluding markets in the Gulf Co-operation Council (GCC), the Netherlands and Russia

** New markets include India, the GCC markets, the Netherlands, Russia and Vietnam.

5. The Mainland of China continued to be the largest visitor source market for Hong Kong. However, a number of currencies such as Japanese Yen, Korean Won and Euro recorded depreciation during the year due to changes in macro-economic environment, making these destinations more appealing to Mainland visitors. Meanwhile, many countries and regions have relaxed their visa requirements for inbound travellers or rolled out tailored promotions in recent years to draw visitors from the Mainland, resulting in an increasingly fierce competition for Hong Kong in the Mainland market. In addition, protests against parallel traders and an unfortunate incident involving a Mainland visitor in 2015 impaired some Mainland consumers' impression towards Hong Kong. Slowdown of economic growth in the Mainland also affected consumers' spending pattern and their desire to travel. In addition, after local residents expressed concerns over their daily lives being affected by the rapid increase of visitors, the Central Government, upon receiving recommendations from the Hong Kong SAR government, made an adjustment to the policy on the Individual Visit Endorsements for permanent residents of Shenzhen from "multiple-entry" to "one visit per week" in April 2015. The impact of this policy change started to emerge during the year. All these factors contributed to a year-on-year decrease of 3.0% in total arrivals from the Mainland.

6. For short-haul markets, total arrivals declined 1.3% in 2015 though satisfactory growth was recorded for Thailand and the Philippines. Reasons for the decline include the Hong Kong dollar, which is pegged to the US dollar, has remained strong during the year and has resulted in the weakening of the currencies of various countries, including Japan, South Korea, Indonesia, Singapore and Malaysia, thereby affecting the desire of visitors from these

countries to travel to Hong Kong. Japanese Yen remained weak throughout the year which also diverted visitor traffic to Japan. The outbreak of Middle East Respiratory Syndrome (MERS) in South Korea, Hong Kong's third largest source market, led to a plunge in Korean arrivals from June to September, offsetting the growth recorded in the first five months of the year. Nevertheless, with the HKTB's strengthening of its promotion, arrivals from short-haul markets rebounded in the fourth quarter with a growth of 7%.

7. Arrivals from long-haul markets remained flat compared to 2014, among which the US was the best performer, with a year-on-year growth of 4.5%, while arrivals from Europe slightly decreased. For the new markets, India and Vietnam recorded healthy growth, whereas arrivals from Russia had a considerable drop mainly due to geopolitical tensions and a sharp depreciation of the Russian Ruble. Similar to the trend shown in short-haul markets, arrivals from long-haul markets also increased by around 4.6% in the fourth quarter.

Overnight visitor arrivals

8. In 2015, overnight visitor arrivals amounted to 26.69 million, 3.9% less than in 2014. Details are as follows:

	Overnight visitor arrivals		
	2015	2014	2015 vs. 2014
Mainland China ('000)	17,997	19,077	-5.7%
Short-haul markets ^ ('000)	5,047	5,029	+0.4%
Long-haul markets * ('000)	3,050	3,050	--
New markets ** ('000)	593	615	-3.6%
Total ('000)	26,686	27,770	-3.9%

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

^ Excluding Mainland China, Vietnam and India

* Excluding the GCC markets, the Netherlands and Russia

**New markets include India, the GCC markets, the Netherlands, Russia and Vietnam.

9. Performances of various market regions in respect of overnight arrivals are set out below:

- (A) The Mainland: As mentioned in paragraph 5, performance of the Mainland market was affected by currencies factors and a number of other factors. A decline of 5.7% in overnight arrivals was recorded.
- (B) Short-haul markets: Overnight arrivals from short-haul markets slightly increased by 0.4%, of which the Philippines (+12.1%), South Korea (+4.4%), Thailand (+4.2%) and Taiwan (+3.0%) recorded healthy growth; while arrivals from Indonesia (-14.3%), Singapore (-8.5%), Malaysia (-7.1%) and Japan (-0.5%) decreased.
- (C) Long-haul markets: Overnight arrivals from the long-haul markets remained at the same level as 2014. Benefitting from steady economic recovery and increased flight capacity, the US recorded a 4.7% increase in overnight arrivals. Europe, however, continued to be plagued by sluggish economic conditions and high unemployment rates, with overnight arrivals slightly up only by 0.4% (excluding Russia and the Netherlands).
- (D) New markets: Overnight arrivals from India and Vietnam recorded year-on-year growth of 4.4% and 8.2% respectively. Overnight arrivals from Russia declined by 30.1% due to uncertain economic outlook and a sharp depreciation of the Russian Ruble.

Business and MICE visitors

10. While vacation arrivals from the Mainland dropped, overnight Mainland business arrivals to Hong Kong in 2015 rose 11.4% due to vigorous commercial activities between the Mainland and Hong Kong, resulting in a growth of 3.3% in the total number of business arrivals to 8.03 million, of which overnight business arrivals increased by 4.3%. Meanwhile, overnight MICE arrivals from the Mainland remained unchanged. However, as the Hong Kong dollar remained relatively strong and various currencies in the region depreciated against the Hong Kong dollar, organising MICE events in Hong Kong was relatively more expensive compared to other destinations in the region, causing overnight MICE arrivals from both short-haul and long-haul markets to drop. Overnight MICE arrivals decreased 5.2% compared to 2014.

Please refer to Attachment I for a detailed breakdown of visitor arrivals from individual markets in 2015.

Visitor spending and average length of stay

11. Visitor spending and average length of stay of overnight visitors in 2015 are shown in the table below:

	2015	2014	2015 vs. 2014
Average length of stay of overnight visitors (nights)	3.3	3.3	unchanged
Per capita spending (PCS) by overnight visitors*(HK\$)	\$7,235	\$7,960	-9.1%
Total Expenditure Associated with Inbound Tourism (TEAIT) ^{1*} (HK\$ billion)	\$333.7	\$359.0	-7.0%
Visitor satisfaction* [^] (out of 10)	8.2	8.2	unchanged

* Projection made in January 2016

[^] Excluding same-day, in-town visitor arrivals

12. The average length of stay of overnight visitors was 3.3 nights, same as 2014. Mainland visitors spent an average of 3.2 nights in 2015 (from 3.3 nights in 2014), whereas the length of stay of overnight long-haul visitors also dropped by 0.1 night to 4.0 nights. Overnight short-haul visitors (excluding Mainland visitors) spent an average of 2.9 nights, same as in 2014.

13. The PCS of all overnight visitors decreased 9.1% to HK\$7,235 due to changing spending patterns among visitors, strong Hong Kong dollar and slowdown of economic growth in the Mainland. Spending on retail and hotel accommodation recorded a considerable drop. TEAIT decreased 7.0% year on year to HK\$333.7 billion. Meanwhile, visitor satisfaction remained unchanged at 8.2 points on a 10-point scale.

¹The tourism expenditure figures were calculated according to methodology recommended by the United Nations World Tourism Organization (UNWTO). The two components of TEAIT are: (1) Total Destination Consumption Expenditure – the sum of all payments made by visitors for goods and services consumed in Hong Kong, including accommodation, shopping, meals and entertainment. This information is collected from the HKTB's Departing Visitors Survey; (2) Passenger International Transportation Expenditure – receipts of Hong Kong-based carriers for cross-boundary transportation of non-resident passengers by air, sea or land. The data is provided by the Census and Statistics Department of the Hong Kong Special Administrative Region Government.

TOURISM OUTLOOK FOR 2016

Continued uncertainties in the global economy

14. Global economic growth is expected to be sluggish and uneven despite the steady recovery of the US economy. The International Monetary Fund (IMF)² projected that global GDP will grow 3.6% in 2016, while the Economist Intelligence Unit (EIU)³ projected a growth of 3.5%, versus the projection of 3.1% made by these two organisations in 2015. Nevertheless, the European economy is expected to remain weak and high unemployment rates will prevail. For some European countries, the influx of refugees and the aftermath of terrorist attacks may hurt their own economies.

15. After a long period of sustained growth, the Mainland's economy is beginning to show signs of slowdown. In face of the unfavourable macro-economic situations and transformation of economic structure, it is expected that the Mainland economy will experience pressure in the short run. However, the Central Government already put in place various measures and policies during last year so as to maintain steady economic growth in the Mainland.

16. In the short-haul region, the Japanese economy remained weak in 2015 despite the fiscal stimulus measures implemented in recent years. As the Japanese Yen continues to hover near its lows, Japanese consumers' desire to travel will be affected. It is also likely that Korean Won will remain low in 2016. In contrast, driven by domestic demand, economic growth is expected for Southeast Asian countries such as the Philippines.

17. Among the new markets, India is expected to see the best economic growth in 2016, thanks to the implementation of various large-scale infrastructural projects and steady economic development in recent years which has given rise to an expanding middle-class. On the contrary, the Russian economy is expected to be restrained by the country's tension with the European Union and the US which brought upon economic sanctions, and the drop in international oil prices which has affected its exports.

18. After several rounds of quantitative easing in the US, its economy has started to pick up. Thus, it is expected that the Federal Reserve may increase the interest rates again in 2016 and the US dollar will remain strong for a period of time. On the other hand, the European Central Bank is likely to expand its scale of quantitative easing in face of the risks of decline in economic growth and inflation, prompting a further depreciation of the Euro. The Mainland, Japan and South Korea may also relax their currency policies to adjust their respective

² According to the *World Economic Outlook* published by the IMF in October 2015.

³ Forecast made by the EIU in December 2015.

currencies downwards in order to stimulate exports. Should the above materialise, a number of currencies will depreciate against the Hong Kong dollar as the latter is pegged to the US dollar, thereby reducing the spending power of travellers from these markets. This will have negative impact on inbound travel to Hong Kong and visitors' spending.

19. According to a forecast by the UNWTO⁴, global tourism will grow mildly by 4% in 2016.

Ever-intensifying competition

20. Destinations from around the world are stepping up their marketing efforts on tourism industry, giving rise to fierce competition in the region. Several Asian destinations, including the Mainland, Taiwan, South Korea, Singapore and Malaysia, have been proactively developing tourism and launching large-scale marketing campaigns in recent years.

21. The significant depreciation of the Japanese Yen in 2015 made Japan a more appealing destination. In 2016, the relatively weak Yen and the possible relaxation of tax-refund limits are expected to boost Japan's inbound travel and tourists' spending.

22. Immediately after MERS subsided, South Korea launched large-scale marketing campaigns to revive its tourism industry. In 2016, the Korean Won is expected to drop further, and designated duty-free shops in-town will be allowed to offer instant tax refund, which will offer greater incentive to spend. All these factors will attract more visitors to South Korea and stimulate local spending.

23. According to the statistics of China Tourism Academy⁵, the number of departures from the Mainland exceeded 30 million in 2014 (excluding those visiting Hong Kong, Macau and Taiwan), with an annual growth rate of 16.0%. Meanwhile, the data from the UNWTO⁶ shows that the total tourism-related expenditure by Mainland visitors amounted to US\$164.9 billion in 2014. Many countries and regions will continue to proactively attract these high-spending Mainland visitors.

24. In addition, countries and regions such as Japan, South Korea, Singapore, Malaysia, Indonesia, Taiwan, the US, the UK, Australia and Canada, have relaxed visa requirements or simplified their visa application procedures for Mainland visitors to draw more tourist traffic.

⁴ Forecast made by the UNWTO in January 2016.

⁵ Data from China Tourism Academy in May 2015.

⁶ Data from the UNWTO in June 2015.

25. Currently, the Mainland's Approved Destination Status policy covers 120 destinations. In addition, as at December 2015, visitors from 47 Mainland cities could visit Taiwan as free independent travellers (FITs) under the Free and Independent Traveller Programme implemented by the Taiwan tourism authority in 2011. Daily quota on number of FITs from Mainland visiting Taiwan was increased from 4,000 to 5,000 in 2015. Greater choices of travel destinations for Mainland visitors means greater competition for Mainland visitors, especially those from areas other than South China.

Opportunities arising from tourism-related policies and infrastructure development

26. As mentioned in this year's Policy Address, the Hong Kong SAR government's policy on tourism is to pursue balanced, healthy and long-term development, and move towards diversified and high value-added services. The government's focus is to highlight the unique and diversified experiences Hong Kong offers and showcase our gourmet culture. It will also promote cultural and creative tourism, organise mega events, and draw more conventions and exhibitions to Hong Kong. In this regard, the HKTB will, in line with the government's policy, enhance its promotion on Hong Kong's diversified tourism experiences, gourmet culture, and rich cultural and creative elements through marketing and PR initiatives and hosting mega events, in order to drive overnight arrivals. MICE and cruise tourism are also key focuses for the HKTB to bring in more high-yield visitors.

27. Sustained development of tourism-related infrastructure and attractions: Hong Kong's two major theme parks are undergoing continuous expansion. To celebrate its 10th anniversary, Hong Kong Disneyland kick-started its celebration activities last year, rolling out a new musical "Mickey and the Wondrous Book", a themed area "Fairy Tale Forest", and all new Castle Projection complementing the "Disney in the Stars" fireworks. The new themed area "Iron Man Experience" featuring the popular Marvel character, and a new hotel, Explorer's Lodge, will be opened in 2016 and 2017 respectively. In addition, the Hong Kong SAR government is in discussion with The Walt Disney Company for further development of the Hong Kong Disneyland Resort (including a phase 2 expansion). Ocean Park will open its first hotel and a new water park in 2017 and late 2018 respectively, after the opening of "Adventures in Australia" in March 2015. Apart from theme parks, the former Central Police Compound has been revitalised into a unique cultural space and will be opened to public later this year; while the West Kowloon Cultural District will commence operation in phases. All these projects will further enhance the city's appeals as a tourist destination.

28. **Enhanced transport network:** The connectivity between Hong Kong and the Mainland will be further enhanced in the coming few years. This will not only provide Mainland visitors with greater convenience to travel to Hong Kong, but also facilitate travel by overseas visitors to the Mainland via Hong Kong, consolidating Hong Kong's position as the gateway to the Mainland. In addition, the South Island line of the Mass Transit Railway which is expected to be completed in late 2016 will further enhance Hong Kong's intra-city transport network and offer visitors greater convenience.

29. **Increased hotel room supply:** Hotel occupancy rate in 2015 stood at above 80% despite a decline compared to the year before. By 2018, the total number of hotel rooms is expected to reach 84,066, approximately 9,700 more than in 2015.

PROJECTIONS FOR 2016

30. Having taken into account the above factors in the macro environment, including risks and opportunities, tourism-related policies, developments in visitor source markets, and the analyses and forecasts by international organisations, the HKTB has made the following projections for various key tourism performance indicators in 2016:

Key Tourism Performance Indicators	2016 Projections	Vs. 2015
Total visitor arrivals ('000)	58,268	-1.8%
Arrivals from the Mainland ('000)	44,353	-3.2%
Overnight arrivals	17,717	-1.6%
Same-day, in-town arrivals	26,636	-4.3%
Arrivals from short-haul markets ('000)	8,650	+4.2%
Arrivals from long-haul markets ('000)	4,370	+2.0%
Arrivals from new markets ('000)	894	+1.3%
Average length of stay of overnight visitors (nights)	3.3	unchanged
Visitor satisfaction [^] (out of 10)	8.2	unchanged
PCS by overnight visitors* (HK\$)	\$6,948	-4.0%
TEAIT* (HK\$ billion)	\$328.4	-1.6 %

[^] Excluding same-day, in-town visitors

* Comparison based on preliminary figures made in January 2016

FOCUSES OF 2016-17 WORK PLAN

31. The HKTB Work Plan 2016-17 has five focuses:
- (A) Focus 1: Concentrate resources on driving high-yield overnight arrivals.
 - (B) Focus 2: Uphold the city's image as a world-class travel destination.
 - (C) Focus 3: Strengthen trade support and generate new business opportunities through partnership.
 - (D) Focus 4: Promote MICE and cruise tourism.
 - (E) Focus 5: Strengthen corporate governance.

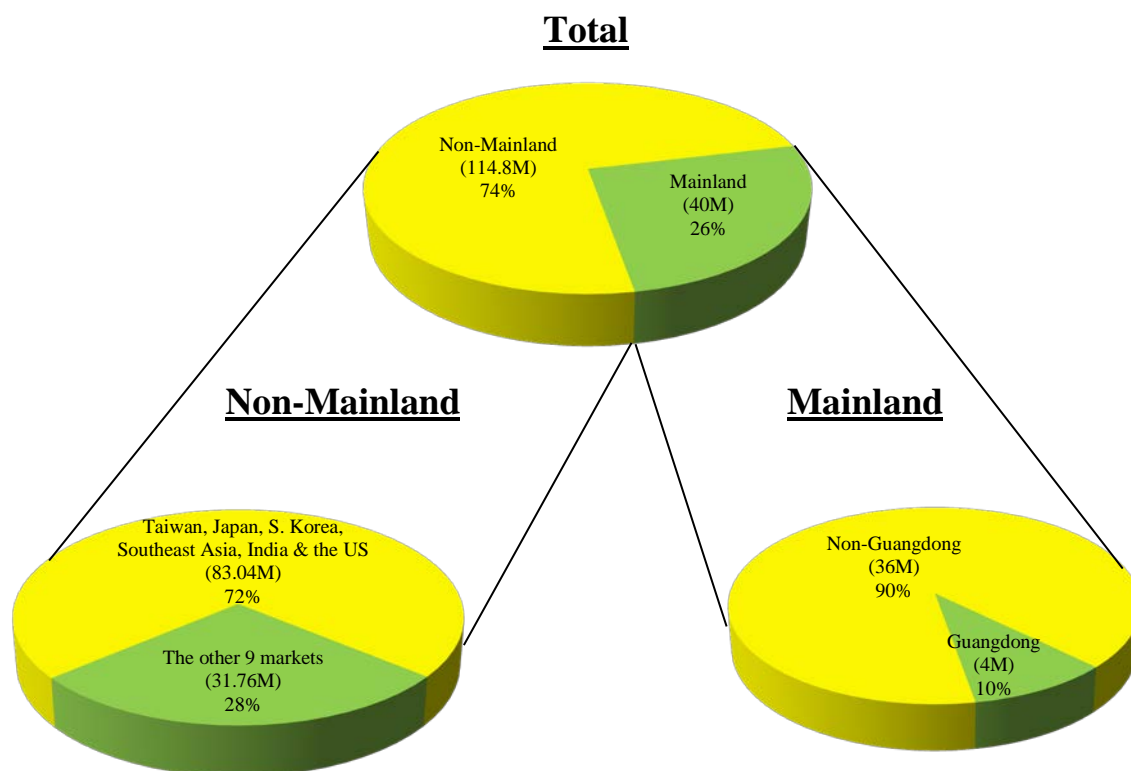
Focus 1: Concentrate resources on driving high-yield overnight arrivals

Spend 100% of resources on drawing overnight visitors

32. With changes in visitor structure and consumer spending pattern, and the intense competition in the region, development of diversified products and high-yield tourism are required for Hong Kong to stay ahead as a preferred travel destination in the region. The HKTB will focus its promotion on the diversified travel experiences one can get in Hong Kong, including wine and dine, arts and entertainment, living culture, sports and outdoor activities and attractions. The HKTB aims to attract high-yield visitors from different markets in order to maximise the economic benefits brought by the tourism industry.

33. In 2016-17, the HKTB will continue to focus its resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. To maintain a diverse market portfolio and uphold Hong Kong's image as Asia's world city and a world-class destination, the HKTB will invest most of its marketing budget in the international markets. The HKTB will regularly review its market priority and investments in different markets and report its findings to the Board. It will also maintain flexibility in its resource allocation in order to make adjustment in response to any unforeseeable changes in macro environment, step up its promotion in major markets and attract more visitors to Hong Kong.

34. The HKTB's total marketing budget in 2016-17 is estimated to be HK\$333 million, of which HK\$154.8 million will be invested in visitor source markets to drive overnight arrivals. Of this, 74% will be allocated to the international markets, about 70% of which will be invested in key potential markets such as Taiwan, Japan, South Korea, Southeast Asia, India and the US. The remaining 26% will be invested in the Mainland market, 90% of which will go behind the non-Guangdong areas for drawing overnight visitors with the rest to be invested in the Guangdong Province for tourism promotion. The diagram below shows the distribution of resources in different visitor source markets in 2016-17:



(A) The Mainland market

To increase Hong Kong's tourism receipts from this market, the HKTb will further expand its reach in the non-Guangdong regions in 2016-17 for attracting more overnight visitors. In 2015, some Mainland visitors encountered a few unfortunate incidents while they were visiting Hong Kong, which raised concerns in the press and consumers of the market. To address this issue, the HKTb will step up the promotion of Hong Kong's hospitable image and quality service culture, as well as Quality & Honest Hong Kong Tours (Q&H Tours). It will also continue to promote visitor offers provided by the local travel and related trade through different platforms, so as to open up more business opportunities. Initiatives include:

(i) Promote Hong Kong's hospitable image and quality service culture

- Work with personalities from Hong Kong and Mainland, including authors, cultural workers, food critics, artists and bloggers, to subtly promote Hong Kong's hospitable image and diverse tourism appeals through their online platforms. The HKTb will also collaborate with major Mainland media organisations based in Hong Kong to promote the city's hospitality and vibrant tourism experiences through news features and reports.

- Broadcast promotional videos through media in the Mainland to highlight the unique and diverse experiences offered by Hong Kong, and to deliver a message that Hong Kong welcomes all visitors.
- Collaborate with trade partners in the Mainland to promote Q&H Tours across the Mainland through major media organisations and travel websites. Consumer education will be conducted in various cities in Northeast, North and West China to encourage consumers to choose quality travel products.
- Organise road shows in various Mainland cities in collaboration with the Quality Tourism Services Association (QTSA), and raise consumers' awareness of the Quality Tourism Services (QTS) Scheme through digital marketing, social media and public relations initiatives.

(ii) Promote Hong Kong's image as a world-class travel destination

- Invite high-rating Mainland reality shows to film in Hong Kong, showcasing Hong Kong's vibrant and unique travel experiences. The HKTB will also collaborate with digital and social media platforms with a large number of subscribers, such as Alipay, Weibo, WeChat and Baidu, to facilitate the release of travel information and the promotion of diverse experiences offered by Hong Kong.

(iii) Attract visitors and stimulate spending

- In 2015, the HKTB built a strategic partnership with Alipay, a key online transaction platform in the Mainland, to extend its "Hong Kong Value Offer" app to the Alipay Service Counter. This app consolidates visitor offers provided by the local travel and related trade, as well as downloadable coupons for the convenience of visitors. The HKTB will further extend this type of strategic partnership with *Dianping*, a major consumer review website in the Mainland, to further expand promotion platforms for local merchants.
- The HKTB will step up collaborations with major online travel agencies in the Mainland to roll out special tour products targeting families and young segment to draw overnight visitors.

(B) Short-haul markets

- (i) The HKTB will focus on summer and winter promotions, and collaborate with local trade partners, hotels and tourist attractions to provide offers for family visitors during long school holidays in short-haul markets, such as Southeast Asia, South Korea and Taiwan. Proposed initiatives include waiver of attraction entry fees and accommodation fees of accompanying children.
- (ii) To attract the young segment, the HKTB will step up the promotion of Hong Kong as a desirable short-break getaway destination in regions such as Southeast Asia, Japan and South Korea. The HKTB also plans to work with the local trade partners, hotels and airlines to launch attractive tour products to draw young visitors to Hong Kong during their short breaks.

(C) Long-haul markets

- (i) It is expected that travel sentiments in many long-haul markets will continue to be impaired by uncertain economic conditions. The HKTB will approach these markets with caution, and make use of public relations initiatives and digital marketing channels to maintain Hong Kong's presence.
- (ii) In view of the popularity of multi-destination travel among long-haul visitors, the HKTB will work closely with other tourism authorities in the Pearl River Delta region to promote multi-destination itineraries and products featuring Hong Kong in long-haul markets. The HKTB will also continue to promote MICE business in Europe and the US to attract MICE event organisers and bring in more high-yield MICE visitors.

(D) New markets

In recent years, the HKTB has actively opened up new visitor sources, including India, Russia, the GCC markets, Vietnam and the Netherlands. In view of their performances in 2015, which varied due to economic and other reasons that are likely to continue in 2016, the HKTB has planned in 2016-17 to invest more resources reserved for new markets in India, which performed relatively well in 2015. The HKTB will work with the trade to roll out tour products targeting the family segment in India, and encourage young segment to visit during their short breaks. In addition, the HKTB will proactively promote MICE and cruise travel in the market, and will also continue to join hands with Macau and other Mainland cities to promote multi-destination itineraries and products featuring Hong Kong.

Attachment II shows the breakdown of the HKTB's investments by market.

Focus 2: Uphold the city's image as a world-class travel destination

Consolidate the city's image as the events capital of Asia

35. Each year, the HKTB stages a series of mega events and projects to promote the city's festive celebrations, international events, arts and cultural performances, sports events and programmes organised by major attractions so as to highlight Hong Kong's tourism appeals and enhance the city's image as the events capital of Asia. These mega events not only enrich visitors' experience, but also put Hong Kong under the international spotlight, as well as create business opportunities for merchants in local districts by diverting visitor traffic to those districts where these events are held.

36. In 2016-17, the HKTB will continue to host numerous mega events. Depending on the availability of additional funding, the HKTB will scale up and enhance the events with new elements. For example, the HKTB will consider extending the routes of the Hong Kong Cyclothon, enlarging the scale of the Hong Kong Wine & Dine Festival to be held at the New Central Harbourfront and introducing new programmes to the Hong Kong Dragon Boat Carnival to celebrate the 40th anniversary of the Hong Kong International Dragon Boat Races.

37. At the same time, the HKTB will continue to promote events and activities staged by other organisations and groups, such as the Hong Kong Sevens, Hong Kong Arts Festival, Art Basel, and the first FIA Formula E Championship – Hong Kong ePrix and Fête des Lumières to be held in October and November respectively this year. In 2016, the revitalised Central Police Station Compound is expected to open as a new centre for heritage and art. The HKTB plans to bundle this historical site together with PMQ and other arts & cultural attractions in Central and promote them as Hong Kong's arts and cultural landmarks to visitors and international media. In addition, the HKTB will also actively promote the Ani-Com Park@Harbour "Fun" located in Wanchai, which will also open in mid-year.

38. The following is a list of mega events organised and supported by the HKTB, covering Chinese and Western festivals, outdoors and sports activities, as well as arts, culture and entertainment.

Tourism strength(s) to be highlighted	Mega Events (Tentative Time)
Traditional festivals	<ul style="list-style-type: none"> • Cultural Celebrations (April to May) • Hong Kong Dragon Boat Carnival (June) • Mid-Autumn Festival (September) • Chinese New Year Celebrations (January 2017)
Western festivals	<ul style="list-style-type: none"> • Halloween Treats (October) • WinterFest and Countdown Celebrations (December) • The Great European Carnival (December to February 2017)
Shopping & entertainment	<ul style="list-style-type: none"> • Hong Kong International Film Festival (March to April) • Hong Kong Entertainment Expo (March to April) • Summer promotion (July to August) • Hong Kong Brands and Products Expo (December to January 2017)
Wine & Dine	<ul style="list-style-type: none"> • Taste of Hong Kong (March) • Hong Kong Food Expo (August) • Hong Kong Wine & Dine Festival (October) • Hong Kong Wine & Dine Month (November)
Sports & outdoor	<ul style="list-style-type: none"> • Hong Kong Sevens (April) • The FIA Formula E Championship – Hong Kong ePrix (October) • Hong Kong Cyclothon (October) • Hong Kong Tennis Open (October) • Hong Kong Open (golf) (December) • Great Outdoors Hong Kong (November to March 2017) • Hong Kong International Races (horseracing) (December) • Hong Kong Marathon (January 2017)
Arts & culture	<ul style="list-style-type: none"> • Hong Kong Book Fair (July) • Ani-Com & Games Hong Kong (July to August) • Clockenflap Hong Kong Music & Arts Festival (November) • Fête des Lumières (November) • Hong Kong Arts Festival (February to March 2017) • Art Basel Hong Kong (March 2017)

Showcase unique Hong Kong experiences

39. In 2014-15, the HKTB launched the “My Time for Hong Kong” global branding campaign to promote the diverse, unique experiences offered by Hong Kong through digital marketing, public relations and consumer shows. The HKTB’s strategy to anchor its promotions around experiences earned it numerous international marketing, digital marketing, and public relations awards.

Attachment III lists out the marketing, digital marketing and public relations awards won by the HKTB in 2015.

40. As focuses of Hong Kong’s inbound tourism is shifting from shopping to diversified tourism experiences, the HKTB will re-design its promotion with this new brand, to showcase the key elements of “non-stop intensity”, “compact variety”, “fascinating contrasts” and “distinctly trendy”. The HKTB will also launch tailored promotion according to the preference of different markets and visitor segments to attract more visitors to experience Hong Kong’s rich and diverse tourism appeals.

41. In 2016-17, the HKTB will, in line with the new phase of “My Time for Hong Kong” campaign, promote the core experiences Hong Kong offers in various visitor source markets, including dining and its food culture, shopping, night life, attractions, living culture, arts & entertainment, as well as sports & outdoor activities. To attract more visitors, a new series of videos tailored for different markets and segments will be produced and broadcast on numerous platforms including digital channels, social media and regional TV networks.

42. The HKTB will also actively promote the food culture in Hong Kong in the coming year. Initiatives include inviting international media and celebrities to experience different types of cuisines in Hong Kong, thereby promoting the food culture to the overseas consumers via TV programmes, news reports and other digital channels; and inviting local celebrity chefs to join HKTB’s overseas promotion to showcase culinary delights.

Extend reach through digital platforms

43. The HKTB will continue to utilise digital tools, including the internet, mobile applications and social media, to promote the diverse travel experiences offered by Hong Kong. The HKTB will enrich the contents on its digital platforms, and strengthen its collaboration with various major social and digital media to promote Hong Kong’s unique experience to visitors leveraging the media’s extensive reach. Related initiatives include:

- (A) Making use of user generated content to encourage local residents and visitors to share creative images and videos to promote the unique Hong Kong experiences. The HKTB will also roll out promotional campaigns with major social media channels such as YouTube and Facebook, and work with media outlets as well as online celebrities to engage more users through their contents and videos.
- (B) Increasing the use of the photo-sharing platform Instagram to promote the city through incredible images. The HKTB will also work with TripAdvisor and other popular travel websites to present featured contents introducing Hong Kong's tourism appeals and events in 9 languages, covering 16 countries in total.
- (C) Launching the DiscoverHongKong.com mobile site in phases, which will be available in 11 market versions and five languages. The site is designed to be simple, easy-to-use and easy-to-search, with optimised content display.
- (D) Highlighting the unique characteristics, main attractions, histories, living culture, as well as dining and shopping hotspots in different districts, and stories shared by local residents on the "Insider's Guide" webpage and mobile application. Using experience as the hook, the guide encourages visitors to explore Hong Kong in depth.

Maximise Hong Kong's presence through the extensive international media network

44. Leveraging the high penetration of TV, the HKTB has actively collaborated with major TV stations in different markets to promote the diverse features of Hong Kong. In 2016-17, the HKTB will continue to invite global and regional TV channels and TV production houses to film their programmes in Hong Kong. Through these programmes and online platforms of these media organisations, messages about Hong Kong can be reached to a bigger audience in a faster way.

45. Each year, the HKTB invites over 300 international media organisations to Hong Kong to experience the various appeals of Hong Kong according to the preference of different source markets and target segments. On top of the mega events organised by the HKTB, the media is invited to feature other local events, living culture and lesser-known tourism appeals. Through their reports and feature, overseas consumers can get a taste of the unique travel experiences of Hong Kong. In 2016-17, the HKTB will continue these initiatives to promote Hong Kong's diverse travel elements through international media channels.

46. In 2016-17, the HKTB plans to collaborate with the online platforms of some major international media organisations in developing dedicated web pages featuring Hong Kong. These pages will regularly release travel information and recommendations on exploring the city in depth, so as to attract more international visitors.

47. In addition, with a view to maximise Hong Kong's international exposure, the HKTB will continue to work with major newswires and stock photo agencies such as Reuters and Getty Images, and through their extensive network, disseminate stories, photos and videos capturing special moments and major events held in Hong Kong to other media organisations worldwide.

Enhance service quality to reinforce the city's image as a world-class travel destination

48. In 2016-17, the HKTB will continue to support local merchants to enhance their service standards and further expand the coverage of its visitor service. Related initiatives are as follows:

(A) Quality Tourism Services Scheme

- (i) The Quality Tourism Services (QTS) Scheme encourages merchants to raise their service standards. In December 2015, the Scheme had a total of 1,260 merchant members, covering 8,240 retail and dining outlets as well as visitor accommodation. In 2016-17, the HKTB will expand the scheme by acquiring new members, targeting especially shops in tourist districts and near newly established hotels.
- (ii) To raise visitors' awareness of the Scheme, the HKTB will step up promotion through road shows, digital marketing and public relations in the Mainland and short-haul markets. The HKTB will also help members of the scheme gain greater exposure by promoting their visitor offers through strategic partnership with Alipay, a popular online transaction platform, and *Dianping*, an online consumer review website in the Mainland.

(B) Visitor enquiry service

- (i) In late 2013, the HKTB set up a hotline dedicated to assisting the concierge of hotels and large shopping malls in Hong Kong in answering enquiries from visitors. By the end of 2015, 82 hotels, four QTS-accredited accommodation providers and eight shopping malls had subscribed to the hotline service. In 2016-17, the HKTB will expand the hotline service to cover major retail chains to provide visitors with greater convenience and assistance.

- (ii) Since 2009, the HKTB has been running the “Hong Kong Pals” programme, under which local volunteers are invited to serve as ambassadors at visitor centres and several mega events to offer assistance to visitors as local insiders, and to showcase the hospitality of locals. In 2016-17, it will continue to run this programme.

Focus 3: Strengthen trade support and generate new business opportunities through partnership

Foster closer collaboration to create business opportunities

49. In face of an uncertain global economy, fluctuating exchange rates and other macro-economic factors, Hong Kong’s inbound tourism and related trade are facing a challenging business environment. To open up business opportunities for its trade partners, the HKTB will continue to work with them closely on promotions in visitor source markets in 2016-17.

50. In 2016-17, the HKTB will take part in 46 travel trade events held in Hong Kong and 13 source markets. These events, including consumer shows, large-scale trade shows, cruise trade shows, trade missions and networking events, help open up business opportunities and facilitate exchanges between the local and overseas travel trade. The HKTB also plans to step up its scale of participation in consumer shows and overseas travel missions, such as expanding the HKTB booth, enhancing its setup and selecting larger event venues.

51. In addition, to enhance overseas travel trade and MICE partners’ understanding of Hong Kong’s tourism appeals and facilities for leisure and MICE travel, the HKTB will organise 44 familiarisation tours for the overseas travel trade in 2016-17, and networking events for overseas and local trade to strengthen their ties.

Step up promotion to attract families and young segment

52. To promote Hong Kong as a preferred travel destination for families in the region, in 2016-17, the HKTB will partner with travel agents, tourist attractions, hotels and other travel and related trade partners to roll out special tour products targeting families in the Mainland, Southeast Asia, Taiwan, South Korea and India. These offers include waiver of entry fees of attractions and accommodation fees of accompanying children. The packages will be launched at times to match with local school holidays to attract more family visitors, and the HKTB will also concurrently carry out promotions in these markets to maximize marketing results.

53. Similar collaboration will be set up with trade partners to target young segment. Working with travel agents, hotels, airlines and other travel and related trade partners, special tour packages for young travellers from the Mainland and various short-haul markets, including Southeast Asia, Japan and South Korea will be introduced. Offers such as deals on hotels, tourist attractions and major events aim to attract young travellers in these markets to visit and experience the vibrant city of Hong Kong during their short breaks, thus creating more business opportunities for related industries.

Support local travel trade to develop new tour products

54. In order to enrich visitors’ experience in town, in 2012-13, the HKTB launched the “New Tour Product Development Scheme”⁷, which aims at encouraging local travel trade to develop new themed tour products through subsidising part of the costs for marketing the tours. By late 2015, the scheme had subsidised 22 tour products. The HKTB will continue to run this scheme in 2016-17 covering the following themes.

Themes for 2016-17	
• HKTB mega events	• Luxury
• Wine and dine	• Heritage
• Multi-destination	• Arts and culture
• Land excursions for cruise passengers	• Local living culture
• Products customised for new markets	• Green tourism
• Night tours	

55. In 2016-17, the HKTB will continue to promote the tour products developed under the “New Tour Product Development Scheme” on its DiscoverHongKong.com website, PartnerNet website, public relations initiatives, as well as trade co-op platforms such as trade familiarisation tours and trade shows, both locally and in visitor source markets. It will also partner with major online travel portals and online travel agents to promote these new tour products internationally so as to attract more visitors to explore the dynamic experiences Hong Kong offers.

56. Besides, the HKTB will also promote relevant tour products developed by the local travel trade through its “Explore Hong Kong Tours” platform to give visitors more choices.

⁷ Under the New Tour Product Development Scheme, successful applicants, selected by an evaluation panel, will receive dollar-for-dollar subsidies from the HKTB, amounting to no more than HK\$500,000, for one to three years for marketing the approved products.

Encourage the use of PartnerNet

57. In 2012, the HKTB re-launched its PartnerNet website, a business-to-business portal, to provide better support for its trade partners and facilitate business building. As of today, 14 market versions in eight languages have been launched.

58. In 2016-17, the HKTB will step up promotion of PartnerNet. In particular, it will encourage the travel trade to make use of the e-marketplace where they can set up and update their company profiles and identify industry partners for business collaboration. It will also highlight the “Hong Kong Specialist” on the website, a training programme designed for members of the travel trade to deepen their understanding of Hong Kong’s history, culture, attractions, events and other tourism-related aspects.

Consolidate Hong Kong’s hub position in multi-destination travel

59. Favourable visa policies, including the “144-hour facilitation visa” applicable to Guangdong Province, and the “Beijing / Shanghai / Guangzhou / Chengdu / Chongqing / Shenyang / Dalian / Xi’an / Guilin / Kunming / Hangzhou / Wuhan / Tianjin / Harbin / Nanjing / Qingdao / Changsha 72-hour Transit Visa-free”⁸ policy, facilitate the development of multi-destination itineraries featuring Hong Kong.

60. In 2016-17, the HKTB will continue to strengthen its partnership with destinations in the Pearl River Delta to promote multi-destination itineraries and products featuring Hong Kong, so as to consolidate the city’s position as the travel hub in the region. Meanwhile, the HKTB will explore opportunities brought about by the “One Belt, One Road” initiative to boost multi-destination travel. Key initiatives are as follows:

(A) Collaboration with Guangdong and Macau

- (i) Work with Guangdong Province and the Macau Government Tourism Office (MGTO) to promote multi-destination itineraries combining the travel experiences offered by the three destinations in long-haul markets through the Guangdong, Hong Kong and Macau Tourism Marketing Organisation.
- (ii) Continue to roll out joint promotions with MGTO in various markets, including Southeast Asia and India, to market multi-destination itineraries and products featuring Hong Kong.

⁸ As at November 2015

(B) Collaboration with Shenzhen

- (i) Conduct joint promotions with the Shenzhen Municipal Bureau of Culture, Sports and Tourism in short-haul markets, and work with the travel trade to roll out tactical packages featuring the two destinations.
- (ii) Plan and organise familiarisation tours to Hong Kong and Shenzhen for the international media and travel trade to enhance consumers' and trade partners' awareness of the tourism offerings of the two destinations, and encourage the overseas travel trade to develop Hong Kong-Shenzhen itineraries.

(C) Collaboration with Zhuhai

Since the Hong Kong-Zhuhai-Macao Bridge will be completed soon, the HKTB will establish a co-operation platform with the Zhuhai Municipal Bureau of Culture, Sports and Tourism to pave the way for promoting multi-destination travel to Hong Kong and Zhuhai.

(D) Strengthen the collaboration with other Asian countries and regions

In the long run, the HKTB plans to strengthen its collaboration with neighbouring countries and regions, including Taiwan, South Korea and Southeast Asia, to explore opportunities of promoting multi-destination itineraries featuring Hong Kong and these destinations in long-haul markets, so as to draw international visitors to Hong Kong as well as other neighbouring destinations.

Focus 4: Promote MICE and cruise tourism

Actively bring MICE events to Hong Kong

61. One of the HKTB's main work focuses is to promote MICE tourism. In 2016-17, the HKTB will continue to introduce tailored strategies for the various MICE segments to attract high-spending MICE visitors to Hong Kong. It will also provide MICE organisers and visitors with customised support and attractive offers to bring in international MICE events of different scales, thereby consolidating Hong Kong's image as the world's meeting place. Its key strategies for the various MICE segments in 2016-17 are as follows:

(A) Meetings and incentive travel

- (i) Focus on short-haul markets such as South Korea, the Mainland, India and Indonesia, and reach out to selected strategic sectors, namely the direct selling, finance and insurance, information technology, manufacturing and pharmaceutical sectors.
- (ii) Strengthen connection with large-scale corporations with a dedicated department for organising meetings and incentive trips, and attract them to Hong Kong; through large-scale trade shows, briefing sessions and other industry events, establish closer business relationship with MICE event organisers and bring in more meetings and incentive activities to Hong Kong leveraging their business network.
- (iii) Foster closer relationship with MICE event organisers by participating large-scale MICE travel shows, and organising familiarisation tours to Hong Kong and travel missions. The HKTB will also actively showcase the strengths and characteristics of Hong Kong as a MICE destination.
- (iv) Through an award programme, motivate travel agents to promote Hong Kong as the ideal destination for meetings and incentive trips to their corporate clients.

(B) Conventions

- (i) Focus on the US and Europe, and reach out to six strategic sectors, namely science, medical science, engineering, social science, technology, and commerce to bring large-scale or major conventions to Hong Kong.
- (ii) Form strategic partnerships with professional associations and professional conference organisers in Europe and the US and proactively reach out to and persuade their members to choose Hong Kong for large-scale conferences and smaller-scale, recurrent business conferences.
- (iii) Leverage on industry events such as IMEX as outreach platforms to engage key associations and conference organisers in Europe and the US.
- (iv) Participate in various international MICE trade shows in Europe and the US together with local travel trade, and strengthen the connection

between the local trade and professional conference organisers through different networking activities held at these trade shows.

- (v) Strengthen the connection between associations in the Mainland and their corresponding local chapters in Hong Kong, and organise familiarisation tours for their representatives to gain better understanding of Hong Kong's edges as a MICE destination, thereby encouraging them to organise conventions in Hong Kong.

(C) Exhibitions

- (i) Showcase Hong Kong's core strengths at international industry events with key partners from the local exhibition sector and uphold the city's image as Asia's fair capital.
- (ii) Offer exhibition organisers marketing support and work with the travel trade to provide exhibition visitors with customised travel packages, special offers and hospitality support to retain recurrent events and attract new ones.

Strengthen Hong Kong's image as Asia's cruise hub

62. In 2016-17, the HKTB will continue to promote Hong Kong's appeal as a cruise destination and raise the city's profile as Asia's cruise hub at large-scale international industry events, including Seatrade Cruise Global, the world's biggest cruise conference and exhibition, whose 2016 edition will be held in March in Florida, the US. During the event, the HKTB will meet with senior members of international cruise lines to present the latest updates and development potential of Hong Kong's cruise tourism, and encourage them to include Hong Kong in their itineraries.

63. Through reaching out to high-end European and US cruise lines with new cruise ships coming into service in the next few years, the HKTB will promote to them the enormous potential of the Asian cruise market as well as Hong Kong's strengths as Asia's cruise hub, thereby attracting them to deploy more cruise ships to the ports in the region, especially to Hong Kong.

64. Upon receiving recommendations from the Hong Kong SAR government, the Central Government permitted Mainland tour groups to take cruises from Hong Kong to Taiwan, from where they can proceed to Japan or South Korea on the same cruises before returning to the Mainland. This policy facilitates the development of cruise products for attracting more Mainland visitors to take cruises from Hong Kong.

Raise consumer awareness of and demand for cruise travel

65. Since cruise travel is still a relatively new travel concept for Asian consumers, the HKTB will step up consumer promotion and raise Hong Kong's profile as the preferred cruise destination in various major markets, including South and West China, Southeast Asia, India, Taiwan, Japan and South Korea, through public relations initiatives, digital marketing and other channels.

66. The HKTB will work with the cruise travel trade to roll out tactical cruise packages featuring Hong Kong in various source markets, and encourage the inclusion of local excursion itineraries before and after the cruise trips or hotel accommodation options, in order to attract more cruise visitors and extend their stay.

67. When planning their deployment of cruise ships, cruise lines usually consider the market potential of the ports. In 2016-17, the HKTB will promote cruise travel and cruise itineraries with Hong Kong as homeport to local residents through media and digital platforms, so as to raise local consumers' interests in and demand for such tours, thereby enhancing Hong Kong's cruise market development potential. In the long run, this will attract cruise lines to choose Hong Kong as their homeport.

Foster regional co-operation

68. In April 2014, the HKTB and the Taiwan Tourism Bureau set up the Asia Cruise Fund, which aims at promoting co-operation among ports in the region and the development of Asian cruise tourism by pooling resources to subsidise cruise lines in developing and marketing cruise products featuring the member ports. Since the establishment of the fund, Hainan, the Philippines and Xiamen have joined the Fund, further bolstering the strategic alliance.

69. In 2016-17, the HKTB will step up our partnership with member ports to form an Asia Cruise Alliance. Through joint promotion and participation in large-scale industry events, the Alliance will promote tourism infrastructure and destination appeals of the member ports to cruise lines to further encourage cruise lines to include member ports in their itineraries.

Focus 5: Strengthen corporate governance

Setting objectives

70. While carrying out its work in visitor source markets, the HKTB strives to enhance its corporate governance continuously by regularly conducting audits and reviews of its financial policies and procedures to ascertain compliance and ensure stringent internal controls. It also identifies areas for

improvement and enhances its accountability through consultation with academics and other stakeholders. To ensure the effective use of public resources, the HKTB has drawn up a set of objectives for measuring the effectiveness of its promotions based on the strategic focuses of 2016-17.

71. Given that the global economic and tourism environments are volatile, the HKTB will review regularly the developments and its investments in individual source markets, and flexibly adjust its investments and strategies when required after consulting the Board.

Cost management

72. The HKTB's projected marketing budget for the Mainland, overseas markets and the Head Office in 2016-17 is approximately HK\$333 million, of which about HK\$154.8 million (approximate 46%) will be allocated to promotions by its Worldwide Offices.

73. The remaining portion of the budget, which is around HK\$178.2 million, will be used mainly by the Head Office for global and regional promotions, and for implementing mega events and other initiatives, such as marketing of the QTS Scheme and providing visitor information and service in Hong Kong. Attachment IV sets out the detailed breakdown.

74. The HKTB will continue to exercise caution in investing its marketing resources and vigorously control costs. Currently, the HKTB has a worldwide network of 15 offices and representatives in 6 markets. In 2016-17, the headcount of the HKTB in its Head Office and Worldwide Offices will be maintained as 377.

Finding new sources of income

75. In addition to enhancing its promotional activities through innovative and cost-effective methods, the HKTB will continue to solicit sponsorship for its mega events and other promotions, as well as increase the revenue from advertising on its websites and in its publications.

76. The HKTB has an established mechanism for seeking sponsorship for mega events. In addition, after staging each mega event, the HKTB immediately follows up with the sponsoring organisations and discusses further co-operation, with the objective of securing sponsorship agreements lasting more than one year. The HKTB has already started discussions with different organisations on sponsorship for the mega events in 2016-17. The HKTB aims to generate around HK\$43 million in cash sponsorship and other commercial sponsorship income in 2016-17. In the event that the HKTB is unable to identify suitable sponsors before the promotion of a mega event starts, it will kick-start the contingency

mechanism in place and consult the Board and its Product and Event Committee regarding alternative strategies.

CONCLUSION

77. In conclusion, the HKTB will continue to invest prudently according to its market prioritisation model and flexibly deploy its resources to maintain a diverse visitor portfolio. In 2016-17, the HKTB will concentrate on highlighting Hong Kong's diverse experience and drawing overnight visitors to maximise the economic benefits brought by tourism. In addition, the HKTB will continue to grow its MICE and cruise businesses to attract more high-yield visitors.

78. While the external environment in 2016 is expected to be challenging, the HKTB believes that there are still ample opportunities for the local tourism industry. Leveraging these opportunities, the HKTB will continue to work closely with the travel trade and related sectors to attract more overnight visitors and support the business growth by undertaking various promotion initiatives in local and source markets. The HKTB will also join hands with the travel trade to provide visitors with quality tourism service so as to uphold Hong Kong's image as a preferred travel destination and maintain its long-term competitive edge.

Hong Kong Tourism Board
February 2016

2015 Visitor Arrivals by Market

(’000)	2015	2014	2014 vs. 2015
The US	1,181	1,131	+4.5%
Canada	358	354	+1.1%
Central and South Americas	189	194	(2.8%)
Europe	1,829	1,863	(1.8%)
The UK	530	521	+1.7%
The Netherlands	92	93	(1.3%)
Nordic Countries	124	118	+4.8%
Germany	214	219	(2.2%)
France	210	217	(3.3%)
Italy	108	112	(3.4%)
Iberia	85	82	+3.9%
Russia	151	202	(25.1%)
Europe Others	316	299	+5.4%
South Africa	71	71	+0.6%
Africa Others	86	96	(10.1%)
The Middle East	180	189	(4.3%)
GCC Markets	49	49	(0.3%)
Non-GCC Markets	131	139	(5.7%)
Australia	574	604	(4.9%)
New Zealand	96	101	(5.2%)
South Pacific Others	11	11	+4.3%
Japan	1,049	1,079	(2.7%)
South Korea	1,243	1,251	(0.6%)
Southeast Asia	2,966	3,032	(2.2%)
Indonesia	414	492	(15.9%)
Malaysia	545	590	(7.7%)
The Philippines	704	635	+10.9%
Singapore	675	738	(8.5%)
Thailand	529	485	+9.1%
Vietnam	59	55	+7.2%
SEA Others	40	37	+6.0%
India	532	516	+3.0%
Other Asian & Indian Sub.	62	67	(7.7%)
Taiwan	2,016	2,032	(0.8%)
Macau SAR	1,021	1,002	+2.0%
The Mainland	45,842	47,248	(3.0%)
Non-Guangdong	10,624	11,666	(8.9%)
Guangdong	35,218	35,582	(1.0%)
Total	59,308	60,839	(2.5%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

2016-17 Proposed Marketing Budget

	2016-17 Proposed Budget (HK\$M)	2015-16 Revised Estimates (HK\$M)
<i>The Mainland</i>	40.0	40.0
South China		
Non-Guangdong	6.2	6.7
Guangdong	4.1	2.6
Central China	8.0	10.1
East China	10.1	9.8
North China	11.7	10.8
<i>Short-haul Markets</i>	57.3	100.1
Japan	12.4	14.7
Taiwan	10.8	18.0
South Korea	13.9	20.0
Singapore	3.5	7.7
The Philippines	7.8	14.6
Malaysia	2.5	10.2
Indonesia	2.4	6.4
Thailand	3.9	8.4
<i>Long-haul Markets</i>	42.0	41.2
The US	15.0	14.6
Australia	9.0	8.4
The UK	8.5	7.4
Canada	3.2	3.2
Germany	3.6	4.5
France	2.8	3.1
<i>New Markets</i>	15.5	18.7
India	10.8	13.3
Russia	3.2	3.3
The GCC Markets	1.0	1.7
Vietnam	0.3	0.3
The Netherlands	0.2	0.1
Total Marketing Budget for Source Markets	154.8	200.0
Total Marketing Budget for Head Office	178.2	262.4
Total Proposed Marketing Budget	333.0[#]	462.4[*]

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This amount includes a reduction of HK\$6.56 million arising from the Hong Kong SAR government's envelope saving programme, but does not include projection of any other additional fund that might be allocated by the government.

* The revised estimates include the additional funding of HK\$90 million from the government. Of which HK\$10 million was allocated to "Matching Fund for Overseas Tourism Promotion by Tourist Attractions", and HK\$80 million was used in promotions to consolidate Hong Kong's position as the preferred destination, including enhanced media publicity in short-haul markets; spending stimulation campaign organised together with retail industry; large-scale familiarisation tours for overseas trade and expansion of the scale of overseas promotion fairs and waiver of local traders' participation fee.

Marketing, digital marketing and PR awards won by the HKTB in 2015

Category	Initiative	Award
Marketing	“My Time for Hong Kong” Campaign	<ul style="list-style-type: none"> • PATA Gold Awards 2015: Gold Award in the “Marketing – Primary Government Destination” category • Astrid Awards 2015: Silver Award in the “Campaigns” category
	“Taiwan's Next Stop, Hong Kong” Campaign	<ul style="list-style-type: none"> • 2015 International Business Award: Gold Stevie Award in the “Marketing Campaign of the Year - Transportation & Travel / Tourism / Destination” category
	“Turbocharging Travelzoo!” Campaign in the US	<ul style="list-style-type: none"> • 2015 Travel Weekly Magellan Awards: Gold Award in “Destination Marketing – Web Marketing/ Advertising” category
Digital Marketing	“My Hong Kong Guide” Mobile Application	<ul style="list-style-type: none"> • PATA Gold Awards 2015: Gold Award in the “Marketing Media – Mobile Travel Application” category • Astrid Awards 2015: Bronze Award in the “Non-Profit Organisation” category • MARKies Awards 2015: Bronze Award in the “Best Use of Apps” category • Mob-Ex Awards 2015: Silver Award in “Best App – Government/Community” category
	The HKTB’s website DiscoverHongKong.com	<ul style="list-style-type: none"> • PATA Gold Awards 2015: Gold Award in the “Marketing Media – Web Site” category • iNOVA Awards 2015: Silver Award in “Redesign / Relaunch” category • Astrid Awards 2015: Bronze Award in “Websites: Redesign/Re-launch” category • Silver Award in the Web Accessibility Recognition Scheme 2015
	“Discover Hong Kong” Facebook Fan Pages	<ul style="list-style-type: none"> • Astrid Awards 2015: Gold Award in the “Facebook Page” category • 2014/2015 Mercury Awards: Silver Award in the “Social Media” category

	The HKTB's Weibo social media account	<ul style="list-style-type: none"> Sina Weibo: 1st in "Top 10 Social Media Account of Travel Destinations" and 4th in "Top 10 Influential Official Travel Destination Weibo Account Outside Mainland"
	"My Hong Kong Guide" Launch Campaign	<ul style="list-style-type: none"> Astrid Awards 2015: Honours Award in the "Promotion – Product Launch" category
	"Hong Kong Insider's Guide" Project	<ul style="list-style-type: none"> Astrid Awards 2015: Honours in the "Non-Profit Organisation" category Galaxy Award 2015: Honours in the "Mobile Media: iPad App" category
	"Ask the Boss" Campaign	<ul style="list-style-type: none"> 2014/2015 Mercury Awards: Honours in the "Promotion/Marketing: Social Media Campaigns" category
PR	"A Taste of Hong Kong" Season 1 & 2 Regional Campaign	<ul style="list-style-type: none"> Marketing Excellence Awards 2015: Gold Award in the "Excellence in Public Relations" category
	The HKTB's Engagement Case "Relocation of Hong Kong Wine & Dine Festival"	<ul style="list-style-type: none"> PR Awards 2015: Bronze Award in the "Best Engagement- Mass Community" category PR Week Awards Asia 2015: Bronze Award in "Crisis or Issues Management Campaign of the Year" category
	"Follow Me to Discover Hong Kong" Campaign	<ul style="list-style-type: none"> PATA Grand Awards 2015: Grand Award in the "Marketing" category Astrid Awards 2015: Gold Award in the "Campaigns" category 2014/2015 Mercury Awards: Silver Award in the "Publicity: Social Media Influencers" category

**2016-17 Proposed Marketing Budget
(By Strategic Focus)**

Strategic Focus	Head Office (HK\$M)	Worldwide Offices (HK\$M)	Total (HK\$M)	2015-16 Revised Estimates (HK\$M)
1. Consolidate “Hong Kong · Asia’s world city” brand and step up public relations promotions	16.6	35.0	51.6	66.4
2. Intensify digital marketing	17.5	38.7	56.2	70.8
3. Strengthen the appeal of mega events	68.9	16.0	84.9	169.6
4. Promote Hong Kong as the hub for multi-destination travel in the region	1.2	1.8	3.0	4.4
5. Drive MICE business	23.9	15.6	39.5	32.6
6. Build cruise demand	9.3	5.8	15.1	15.2
7. Strengthen trade support and partnerships	10.9	35.3	46.3	68.9
8. Maintain quality service	12.4	-	12.4	11.4
9. Uphold corporate governance (Includes resource management, financial management, application of information technology, visitor surveys and strategic planning)	17.4	2.3	19.7	18.7
10. Others	-	4.4	4.4	4.4
Grand Total	178.2	154.8	333.0[#]	462.4[*]

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This amount includes a reduction of HK\$6.56 million arising from the Hong Kong SAR government’s envelope saving programme, but does not include projection of any other additional fund that might be allocated by the government.

*The revised estimates include the additional funding of HK\$90 million from the government. Of which HK\$10 million was allocated to “Matching Fund for Overseas Tourism Promotion by Tourist Attractions”, and HK\$80 million was used in promotions to consolidate Hong Kong’s position as the preferred destination, including enhanced media publicity in short-haul markets; spending stimulation campaign organised together with retail industry; large-scale familiarisation tours for overseas trade and expansion of the scale of overseas promotion fairs and waiver of local traders’ participation fee.