

Mainland China Challenges and Opportunities

18 March, 2004

Opportunities

- Booming outbound market, averaging 20% growth per annum
- WTO accession, CEPA, RMB retail banking service
- Individual Visitors Scheme
- New tourism developments and transportation links
- 11.2M arrivals in 2004



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Challenges

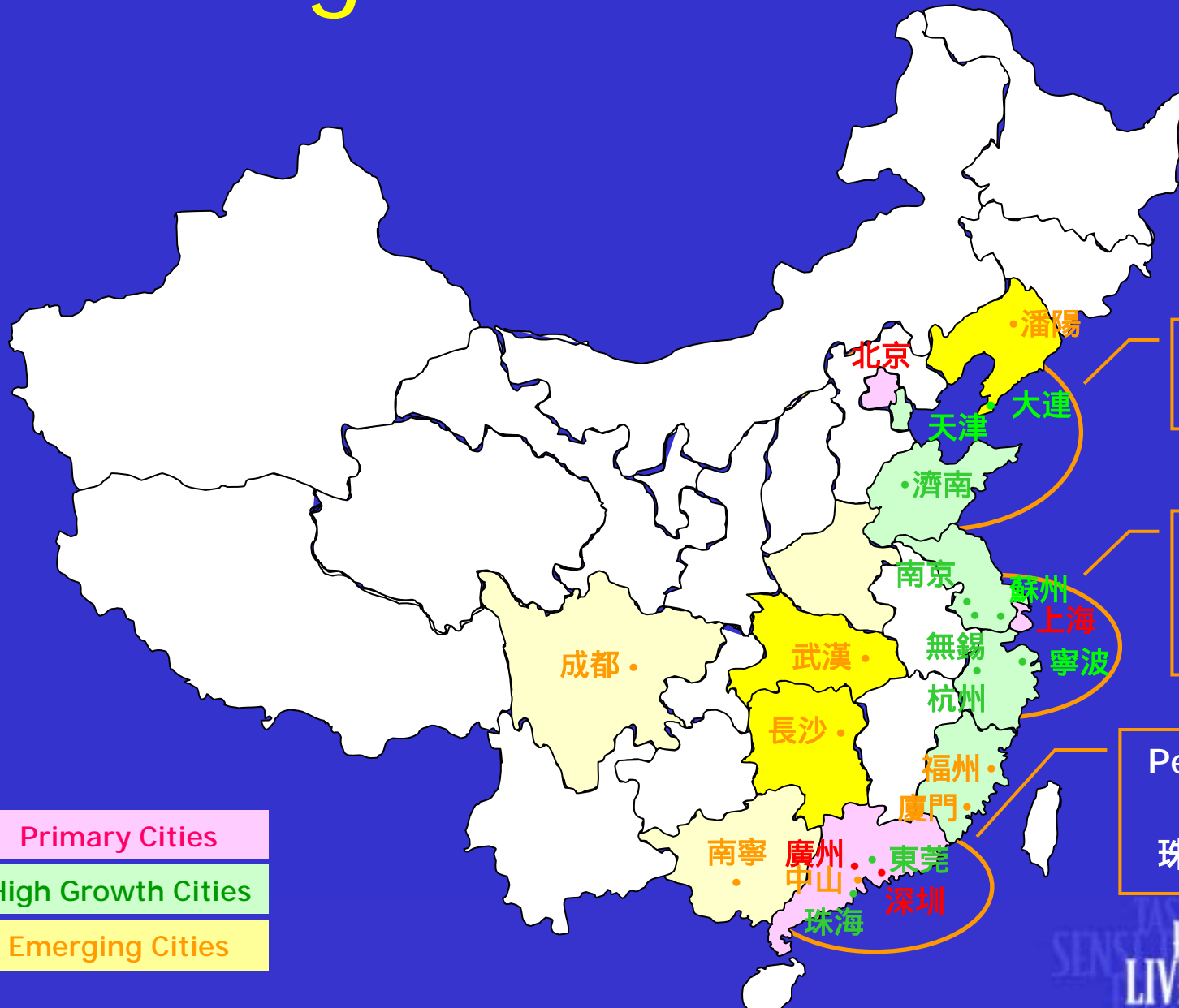
- Vast geographic size and population, varying stages of development and behaviour
- Increasing approved destinations, direct flights and competition
- Perceived narrowing gap between Hong Kong and Mainland
- Cross-boundary and destination facilities to support the fast pace of arrivals growth
- Long term vision versus short term gain



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Overcome Challenges,
Capture Opportunities,
Build for the Future

High Potential Cities



- Primary Cities
- High Growth Cities
- Emerging Cities

Bohai Rim
環渤海經濟區

Yangtze River Delta
長江三角洲

Pearl River Delta
珠江三角洲

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Region/City Priority

		PRD	YZD	BR	Other Key Cities
	Region Focus	Maximise immediate volume contributor	Grow high short to long term potential	Cultivate up & coming longer term potential	Cultivate up & coming longer term potential
Focus	Core segments	Families with Young Children, Middle-aged Couples			
	Growth segments	Young Office Ladies (YOL)			
	Emerging segments	Young Office Men (YOM)		Young Office Ladies/Men (YOL/YOM)	
City Priority	Core	Guangzhou, Shenzhen 廣州、深圳	Shanghai 上海	Beijing 北京	
	High Growth	Zhuhai, Dongguan 珠海、東莞	Hangzhou, Ningbo, Wuxi, Nanjing, Suzhou 杭州、寧波、無錫、南京、蘇州	Tianjian, Dalian, Jinan 天津、大連、濟南	
	Emerging	Zhongshan, Foshan, Shunde 中山、佛山、順德		Shenyang 瀋陽	Chengdu Fozhou, Xiamen, Wuhan, Chengsha, Nanning 成都、福州、廈門、武漢、長沙、南寧

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City Priority	<p>Maximise potential of PRD, SH and BJ</p> <p>Extend effort to YZD High Growth cities</p> <p>Explore and establish in BR and other Emerging Cities</p>				
			、南京、蘇州		
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Different regional emphasis

- PRD – shopping, relaxation and entertainment, hidden HK spots
- YZD – sophistication and advancement of HK
- BR & Other Key Cities – modernity, unique HK culture and lifestyle



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Maintain preference and aspiration for Hong Kong

- International city
- Modern, latest fashions and products
- High quality, refined
- Diversity, unique HK culture & lifestyle
- Shopping paradise



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Build on HK's unique appeal

- Shopping – authenticity, imported goods, latest fashions and products, variety, QTS
- Dining – seafood, unique HK food, quality & sophistication
- Sightseeing – extends to buildings/architecture, islands/beaches, race course, religious sights, HK success story and lifestyle/customs
- Events – WinterFest/Christmas lighting and International Chinese New Year Parade bundled with shopping (sale)

Develop new segments for further growth

- Families – safe and convenient to bring children, international exposure and bonding, shopping for parents
- Individual Visitors – mainly PRD and high end segment of SH/BJ in the short term, shopping, events and entertainment



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Working together for our future

- Enhance cross-boundary facilities
- Regular review of visitor accommodation supply
- Ensure high service standard and quality (Quality Tourism Service scheme)
- Leverage on upcoming new developments and transportation links
- Maximising opportunities from Mainland while maintaining a balanced portfolio of visitors from other markets

Thank You