

The tourism industry is one of the traditional pillar industries of Hong Kong. Before the outbreak of the COVID-19 pandemic in 2019, the industry contributed to around 3.6% of Hong Kong's GDP and employed around 232 700 persons, accounting for about 6.0% of total employment. Due to the protracted pandemic, in 2021, the industry's contribution to Hong Kong's GDP dropped to 0.1% and its employment figure shrank to around 22 500, accounting for about 0.6% of total employment.

Since Hong Kong's full resumption of normal travel with the Mainland and the rest of the world in early February 2023, the total visitor arrivals surged to about 9.5 million as at end May 2023, as compared to about 0.6 million for the whole year of 2022. The average daily visitor arrivals after resumption of normal travel has recovered to 47% of the pre-pandemic level¹.

Accommodation for visitors: By the end of April 2023, there were 319 hotels in Hong Kong, providing about 89 300 rooms. In 2022, the hotel room occupancy rate was 66%, 25 and 13 percentage points lower than those of 2018 and 2019 respectively. Following the full resumption of normal travel in early February 2023, the hotel room occupancy rate picked up to 78% in the first four months of 2023.

Accessing Hong Kong: The Government continues to enhance Hong Kong's accessibility by visitors. Nationals from about 170 countries and territories may visit Hong Kong visa free for periods ranging from seven to 180 days.

As for Mainland visitors to Hong Kong, the Individual Visit Scheme (IVS), allowing residents of designated Mainland cities to visit Hong Kong as independent visitors without joining group tours, has been gradually extended since its introduction in July 2003. It now covers 49 Mainland cities, namely all 21 cities in Guangdong Province, Shanghai, Beijing, Chongqing, Tianjin, Chengdu, Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and a total of nine cities in Fujian (Fuzhou, Xiamen, Quanzhou), Jiangsu (Nanjing, Suzhou, Wuxi) and Zhejiang (Hangzhou, Ningbo, Taizhou). The share of IVS arrivals increased from 35% of all Mainland arrivals in 2004 to 57% in 2019 before the COVID-19 pandemic. In the first four months of 2023, the share of IVS arrivals increased to 64% of all Mainland arrivals. As at the end of April 2023, there were over 299 million visitor arrivals from the Mainland through the IVS since its implementation.

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

The Government works hand in hand with the trade. The Government seeks views and works with the trade through various bodies such as the Hong Kong Tourism Board (HKTB), the Travel Industry Authority (TIA), the Travel Industry Council of Hong Kong (TIC), as well as advisory bodies such as the Tourism Strategy Group and the Advisory Committee on Cruise Industry.

Tourism Development Blueprint: In October 2017, the Government released the "Development Blueprint for Hong Kong's Tourism Industry". The blueprint sets out not only a clear vision and mission to develop Hong Kong into a world-class premier tourism destination and ensure the balanced, healthy and sustainable development of the industry, but also four development strategies based on which to formulate different tourism initiatives and measures.

Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors

Seizing opportunities arising from Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development: In August 2017, the Government and the then China National Tourism Administration (which merged with the national Ministry of Culture to form the national Ministry of Culture and Tourism in March 2018) signed the "Agreement on Further Enhancement of Tourism Co-operation between the Mainland and Hong Kong" to further strengthen mutual collaboration. Both sides are progressively taking forward the agreement, efforts including promoting Belt and Road countries/regions and Greater Bay Area cities to jointly develop "multi-destination" tourism products and itineraries with Hong Kong.

Both the Outline Development Plan for the Greater Bay Area promulgated in February 2019 and the Culture and Tourism Development Plan for the Greater Bay Area promulgated in December 2020 give a fresh impetus to the development of the tourism industry within the Area. With the platform of the Tourism Federation of Cities in the Greater Bay Area established in December 2017, the TC has been actively fostering co-operation with the tourism authorities of the Macao Special Administrative Region and the nine Mainland cities in the Greater Bay Area, with particular focuses on pursuing more facilitating measures for overseas visitors

¹ The pre-pandemic level refers to the average number of visitor arrivals in the first five months of 2017 to 2019.

travelling within the Greater Bay Area, strengthening co-operation in market regulation and publicity and promotion, and supporting the trade in developing more “multi-destination” tourism products, etc.

Promoting Hong Kong: The HKTB is a statutory body set up to promote Hong Kong globally as a world-class tourist destination and maximise the contribution of tourism to Hong Kong. In addition to its head office in Hong Kong, the HKTB has 22 worldwide offices and representative offices in six regions around the world.

The HKTB commissions market studies to gauge industry trends, and shares the information with its travel trade partners. Its promotional campaigns focus on 20 major source markets around the world.

In allocating its marketing resources to different markets, the HKTB adopts a flexible approach so that it can swiftly respond to unforeseen circumstances in the macro environment and minimise risks.

The Government launched “Hello Hong Kong”, a large-scale global promotional campaign in February 2023. The HKTB rolled out a series of promotional activities to drive a speedy recovery of the tourism industry. The activities included inviting the trade, celebrities and key opinion leaders (KOLs) to take part in the production of video clips featuring Hong Kong’s travel experiences to keep spreading welcome message to the world; offering a series of exciting rewards to visitors including “Hong Kong Goodies” visitor consumption vouchers, inviting trade and media representatives, artists, celebrities, KOLs and “Hong Kong Super Fans” from all over the world to visit Hong Kong to generate more positive word-of-mouth and reviews, arranging trade representatives to participate in industry events on tourism trade shows in the Mainland and overseas markets to showcase the city’s tourism appeals, and assisting the trade in exploring more business opportunities.

To maintain Hong Kong’s international exposure among visitors worldwide, the HKTB has adopted an integrated approach that combined digital marketing, consumer promotions and public relations activities. The HKTB’s website (www.discoverhongkong.com) is now available in 15 languages and 22 market versions, while the mobile site comes in 11 versions to address increased demand for mobile browsing. The HKTB also creates and maintains dedicated content in response to the rapidly changing tourism landscape. Meanwhile, the HKTB leverages social media and mobile platforms to maintain Hong Kong’s global visibility, and collaborates with media and popular on-line celebrities to promote Hong Kong’s diverse tourism appeals through unique contents and videos in preparation for travel resumption.

Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism, heritage tourism, green tourism and creative tourism; and to consolidate and enhance Hong Kong’s status as a travel destination for Meetings, Incentive travels, Conventions and Exhibitions

(MICE) tourism, regional cruise hub, and Events Capital of Asia

Wide variety of tourism genres: The Government has been spearheading the development of themed tourism in different districts to enrich tourists’ experience. For instance, in the Central and Western District, the revitalisation project of Dr Sun Yat-sen Historical Trail, together with PMQ and “Tai Kwun” (a centre for heritage and arts situated at the restored Central Police Station Compound), further showcase a mix of historical and artistic elements in the Central and Western District. In the meantime, the HKTB has launched the “Hong Kong Neighbourhoods” promotions on “Old Town Central”, “Sham Shui Po and West Kowloon to repackage these districts as must-visit areas in Hong Kong with contrasting elements of the historic architecture, arts and culture, authentic lifestyles, food and wine, and entertainment. The TC, through collaboration with the creative and cultural sectors, has rolled out the creative tourism project “Design District Hong Kong (#ddHK)”, with a view to enriching the travel experience for visitors with creative and artistic elements and promoting the distinctiveness of local neighbourhoods. The TC also launched a tourism project entitled “City in Time” in Central, Jordan, the Peak, Sham Shui Po, Tsim Sha Tsui, Yau Ma Tei in March and April 2021. “City in Time” brings Hong Kong’s extraordinary history back to life by transforming smartphones into magical ‘augmented reality’ windows contrasting 360-degree panoramic images of old Hong Kong with today’s surroundings.

In view of the popularity of the three-year pilot arts cum cultural, historical and green tourism project “Yim Tin Tsai Arts Festival”, the TC rolls out the “Sai Kung Hoi Arts Festival” as Phase 2 of the “Yim Tin Tsai Arts Festival” between 2022 and 2024. Coverage of the Arts Festival gradually expands from Yim Tin Tsai to Sharp Island, Kau Sai Chau, and High Island to enrich visitors’ experience. The HKTB’s “Arts in Hong Kong” one-stop platform promotes the diverse art and cultural happenings in the city, including French May, Art Basel, and Art Central. The HKTB also works with the trade to promote traditional Chinese customs and festivals, such as Cheung Chau Bun Festival, Ap Lei Chau Hung Shing Culture Festival and many more.

Leveraging Hong Kong’s ecological richness and diversity, the TC has been promoting green tourism across the territory, having regard to the principles of nature conservation and sustainable development. To enhance the tourist-friendliness of hiking trails with good tourism potential, the TC, in collaboration with the Agriculture, Fisheries and Conservation Department has implemented the “Enhancement of Hiking Trails” project since 2018. So far, enhancement works to ten hiking trails have been completed. In tandem, HKTB has been promoting the Hong Kong UNESCO Global Geopark, the natural scenery of various outlying islands, popular hiking trails and those with tourism appeal potential, and other green attractions through its various marketing initiatives, including the “360 Hong Kong Moments” 360-degree VR promotions as well as “Hong Kong Great Outdoors” thematic promotion. In particular, the Hong Kong Wetland Park is a world-class conservation, education and tourism facility. It consists of a 60-hectare outdoor wetland

reserve, as well as a visitor centre of 10 000 square metres with five exhibition galleries therein. Upgrading works of the exhibition and visitor facilities continued in 2023 to enhance the park's appeal as an eco-tourism attraction.

"A Symphony of Lights", a nightly show on both sides of the Victoria Harbour first launched by the TC in early 2004 and further updated in late 2017, attracts over 1 million visitors per year. At present, there are 43 buildings and two attractions participating in the show to uplift the night vista of Victoria Harbour and provide visitors with enriched visual experience.

Theme parks and other attractions: The Government has been developing and enhancing various tourist attractions, including the two theme parks, to enhance Hong Kong's overall attractiveness as a premier tourist destination.

Ocean Park is a major resort and leisure destination in Hong Kong featuring a diverse selection of animal attractions, thrill rides, shows and an all-weather indoor and outdoor Water World. The Government and the Ocean Park Corporation have been actively implementing various initiatives under the future strategy for Ocean Park as announced in 2021, including reinforcing Ocean Park's conservation and education endeavours both inside and outside the park, trying out activities of different nature in the park, taking forward outsourcing arrangements for the different themed zones within the park, conducting technical studies for the pier projects at Deep Water Bay and Tai Shue Wan as well as providing temporary landing facility at Tai Shue Wan and launching marine tours, etc. The Park will transform into a destination which focuses on conservation and education, grounded in nature and complemented by adventure and leisure elements to enhance visitor's experience.

Hong Kong Disneyland Resort (HKDL) is taking forward its multi-year expansion and development plan, rolling out new attractions progressively, which include the "Moana: A Homecoming Celebration" stage show in 2018, the "Ant-Man and The Wasp: Nano Battle!" attraction in 2019, the "Castle of Magical Dreams" with its "Follow Your Dreams" daytime stage show and "Momentous" nighttime spectacular between 2020 and 2022, as well as the Frozen-themed area to be launched in November 2023. Other new offerings will be launched in the years to come.

Apart from the HKDL, Lantau Island is home to other attractions. Opened in September 2006, Ngong Ping 360 comprises a 5.7 km cableway ride lasting about 25 minutes, and a culturally themed village. In December 2022, a brand-new cabin type, "Crystal+" has been launched, offering visitors 80% visibility with unobstructed views of Lantau Island. Having visited the Ngong Ping Village, visitors can proceed to visit the Pai Lau, Bodhi Path, Di Tan and the Chinese landscaped garden in the 1.5-hectare Ngong Ping Piazza, which was opened in August 2010, as well as the tourist attractions nearby, such as the Big Buddha, Po Lin Monastery and Wisdom Path. In addition, visitors can explore other intriguing parts of Lantau, including Tai O fish village and beautiful beaches on Southern Lantau.

MICE tourism: The Government is committed to enhancing the appeal of Hong Kong as an ideal MICE destination in Asia.

The HKTB set up a dedicated office, entitled Meetings and Exhibitions Hong Kong, in November 2008. The Government has allocated an additional funding of about \$200 million to the HKTB in 2023-24 and 2024-25 to step up its efforts in securing the staging of more MICE events in Hong Kong, with a view to attracting more high value-added visitors and consolidating Hong Kong's position as the premier MICE destination in the region.

Hong Kong's main venues for MICE events are the AsiaWorld-Expo near the airport, the Hong Kong Convention and Exhibition Centre in the heart of the city, and the Kowloonbay International Trade and Exhibition Centre.

Cruise tourism: With its central location, global connectivity and attractive tourism offerings, Hong Kong has been a leading regional cruise hub providing a plethora of itineraries to visitors in Asia. Located at the former Kai Tak runway, the Kai Tak Cruise Terminal has come into operation since June 2013 and is capable of accommodating two largest cruise ships in the world simultaneously. It, together with the Ocean Terminal in Tsim Sha Tsui, provides the necessary infrastructure to reinforce Hong Kong's position.

New strategy to support staging events and activities: Since 2017, the Government has been adopting a new strategy to support the staging of events and activities of different scales and nature in Hong Kong, which covers providing "one-stop" support for large-scale events with significant tourism merits; enhancing home-grown events with a view to marketing them as signature events in Asia; supporting the marketing and publicity of international events with significant branding impact to be held continuously in Hong Kong; and supporting the HKTB to implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for events showcasing Hong Kong's local characteristics. Following the full resumption of normal travel in early February 2023, the Government has earmarked \$100 million in total in 2023-24 and 2024-25 for attracting more mega events with significant visitor appeal and tourism promotional effect to be staged in Hong Kong, especially those renowned or novel events which have never been staged in Hong Kong.

Mega events can create positive local ambience while showcasing Hong Kong's unique appeals. At the same time, they can also provide visitors with rich and diverse experiences. The HKTB will continue to organise flagship events, including Hong Kong International Dragon Boat Races, Hong Kong Cyclothon, Hong Kong Wine & Dine Festival, Hong Kong WinterFest, Hong Kong New Year Countdown Celebrations and Hong Kong Chinese New Year Celebrations. The HKTB will also support various international events in town and provide promotion support.

Strategy 3: To develop smart tourism

Smart tourism: The Government aims to make use of smart technology to enhance visitors' travel experience, provide better tourist services, and encourage the industry to make good use of innovative technology to enhance their competitiveness.

The TC joins hands with relevant Government's departments to explore providing more free Wi-Fi hotspots in tourist attractions as well as enhancing the connection speed and stability of the services to facilitate visitors' use of free public Wi-Fi services. On travel facilitation service, the HKTB has been enhancing its website "Discover Hong Kong" as a one-stop digital platform for visitors to access comprehensive tourism information and services. The hyperlink to HKTB's website has been added to the login page of the free Wi-Fi service "Wi-Fi.HK" available at some boundary control points to facilitate visitors' access to the website.

The Government has been incorporating smart elements in different tourism projects. For example, virtual tour with a 360-degree virtual reality function is available on the website of the Sai Kung Hoi Arts Festival, while the City in Time project has made use of augmented reality and arts of creative media to unfold to visitors historical panoramas at designated locations in Hong Kong.

The Pilot Information Technology Development Matching Fund Scheme for Travel Agents was launched in 2016-2017 to encourage the travel industry to undergo upgrading and transformation by making use of technology, and to enhance travel agents' ability to expand their business through information technology. An additional funding of \$30 million will be provided to the Scheme to support its operation for two years from 2023-24 to 2024-25.

With the completion of a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong in 2022, the Government and HKTB are taking forward different initiatives having regard to the recommendations of the consultancy study.

Strategy 4: To upgrade the service quality of the tourism industry and encourage the trade in adopting good trade practices

Trade regulation: The Travel Industry Ordinance (Cap. 634) (TIO) was implemented in full on September 1, 2022. The TIA is a statutory regulatory body established in accordance with the TIO, mainly responsible for the licensing and regulation of travel agents, tourist guides, and tour escorts, as well as functions such as supporting the sustainable development of the industry, strengthening and enhancing the professional standards and service quality of the tourism industry, etc., replacing the previous industry self-regulatory regime. By the end of May 2023, there were about 1 620 licensed travel agents, as well as about 5 370 licensed tourist guides and 13 190 licensed tour escorts.

Under the new regulatory regime, some malpractice in the past, such as coerced shopping and abandoning tourists, etc., have been criminalised. Besides, the TIA issued the Directives for Licensees to require Hong Kong travel agents to register itineraries for all Mainland inbound tour groups with the TIA, including shopping trips, meal arrangements, etc., for the TIA's inspections; and tourist guides must distribute the itinerary to each tour group participant upon their arrival in Hong Kong which should specify details on the fees of all self-paid activities, service charges and any other charges.

The Government will continue to maintain close cooperation with the TIA to ensure the orderly implementation of the new regulatory regime and provide a solid foundation for the healthy development of the industry.

Improving service quality: The HKTB has been promoting the Quality Tourism Services (QTS) Scheme, which aims to encourage retailers, restaurants and visitor accommodations to elevate their service standards, thereby giving quality assurance to visitors. As at April 2023, 1 131 establishments with 7 660 outlets and 228 rooms had earned QTS accreditation.

Sustainability of tourism development: The TC launched the Hong Kong Young Ambassador Scheme in 2001 to inspire young people with a sense of courtesy and helpfulness to visitors, as well as to promote a hospitality culture in schools and the community. The HKTB also launched the HKTB Youth Academy to connect Hong Kong's younger generation with the tourism industry through nurturing an accurate understanding, education and a series of creative engagement activities to rekindle their interests in tourism in Hong Kong. In February 2023, the Academy partnered with the Education Bureau to host the first-ever Hong Kong Tourism Industry Student Summit, providing a constructive platform for students and teachers of Tourism and Hospitality Studies to interact and exchange directly with practicing industry leaders.

The TC also maintains liaison and co-operation with the travel and related trades, as well as culture and tourism authorities in the Mainland, to encourage exchange among frontline practitioners and further enhance service quality.