

HONG KONG : THE FACTS

Tourism

The tourism industry is one of the major pillars of the economy of Hong Kong. In 2003, despite the impact of Severe Acute Respiratory Syndrome (SARS), the total tourism expenditure associated to inbound tourism was about HK\$74.9 billion.

Arrivals continued to recover this year and picked up to pre-SARS levels. Total visitor arrivals from January to June 2004 amounted to 10.01 million, up 68.3% compared with the same period last year and an increase of 32.2% compared to the 2002 level, showing that the recovery is well on track. Apart from the spectacular growth of the Mainland visitors, arrivals from major long-haul markets have also returned to pre-SARS level or close to full recovery. Given the stable worldwide outbound market situation, the Hong Kong Tourism Board (HKTB) forecasts overall visitor arrivals to reach 20.5 million in 2004, up 31.8% over 2003.

Accommodation and Length of Stay: At the end of June 2004, Hong Kong had 102 hotels, with 38 006 rooms. The average occupancy rate for January to June 2004 was 85%. The average length of stay of overnight visitors in 2003 was 4.1 nights.

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

The Commission's task is to establish and promote Hong Kong as Asia's premier international city, a world-class destination for leisure and business visitors.

To fulfill this mission systematically, the Commission needs to ensure that tourism receives proper recognition as one of the major sectors of the economy, with the industry, the HKTB and the Government working in harmony, and bringing in the community at large.

It is essential for both the trade and the Government to work closely together. A Tourism Strategy Group, comprising representatives from the Government, the HKTB and various sectors of the tourism industry, has been established to advise the Government on tourism development from a strategic perspective.

Tourist Attractions and Facilities: The Government has plans to develop five major tourism clusters in the territory with a view to enhancing the attractiveness of Hong Kong as a premier tourist destination. The five tourism clusters cover a wide range of projects, which are at various stages of development. A number of enhancement projects are being carried out to give a facelift to the existing popular tourist areas. Beautification of the Sai Kung waterfront and the first phase of Lei Yue Mun Improvement Project have been completed. The Central and Western District Enhancement Scheme will be completed in early 2005.

Beautification works for the Tsim Sha Tsui Promenade and Stanley waterfront have just commenced. Other projects being planned include an improvement project for the Peak, a new transport link in Tsim Sha Tsui East and the development of an open plaza outside the Tsim Sha Tsui Star Ferry Pier. The installation of newly designed visitor signage in all 18 districts will be completed in early 2005 to make Hong Kong more visitor-friendly.

In January 2004, the Commission launched a brand new tourism product - *A Symphony of Lights*. This is a world class multi-media light and sound show staged every night along the waterfront as a permanent night-time feature of the Victoria Harbour. At present, A Symphony of Lights is confined to 18 buildings on Hong Kong Island. It will be extended to cover more buildings on both sides of the Harbour by the end of 2005. "*The Avenue of Stars*", another new tourist attraction has been very popular among both visitors and locals. In the first two months since its opening in April 2004, over 2.3 million people have visited the attraction.

Within the next two years, a number of major projects, including Phase 1 of Hong Kong Disneyland, Tung Chung Cable Car System and Hong Kong Wetland Park, will be completed. To enrich our heritage tourism products, the Government has awarded to the private sector the development right to restore and convert the former Marine Police Headquarters compound into a tourism-themed development. The Government is also planning to tender the Central Police Station, Victoria Prison and the former Central Magistracy compound for development of a heritage tourism facility. The objective is to invite private sector resources to restore and develop the site to enable local residents and visitors alike to appreciate the unique cultural heritage of Hong Kong. The Government also intends to invite innovative proposals from the private sector for the timely development of a new cruise terminal facility in Hong Kong in order for Hong Kong to capitalize on the rapid growth of the cruise industry worldwide and in the region by developing herself into a regional cruise hub. The Government is working with the Ocean Park in the strategic development plan of the park, which will form the basis for the development plan of the Aberdeen Harbour tourism node.

The promotion of tourism is not simply about construction of new facilities. The Government has not lost sight of the fact that Hong Kong's traditional relics and assets, some of which date back six thousand years, offer visitors a fascinating insight into the region's history. To better explore heritage tourism, the HKTB has developed an Architecture Walk in collaboration with the Hong Kong Institute of Architects whereby visitors can appreciate historical and modern landmarks with knowledge shared by a local architect. This and other heritage attractions are promoted through different channels including publications, the Internet, etc. The HKTB also offers a culture and

lifestyle experience programme called Cultural Kaleidoscope, enabling visitors to try out *tai chi* and *kung fu*, or appreciate the arts of Cantonese opera, Chinese tea preparation, Chinese antiques and *feng shui*.

The ecological richness and diversity of Hong Kong is also quite unexpected and is another aspect which has not hitherto been fully recognised. The Commission is looking systematically into how to open up the countryside and make sensible and sustainable use of natural resources to promote green tourism, using a combination of information, access, signage and, where necessary, minor works programmes. The Government is taking forward a pilot programme to develop tourism in the Northern New Territories on the basis of the recommendations of a consultancy study. The pilot programme focuses on Tung Ping Chau and the north shore of Tolo Channel and Plover Cove Reservoir, with an emphasis on their natural and cultural interests.

Standards and Performance: Apart from making available a wide range of attractions to enrich the experience of tourists, it is equally important to enhance the standard of service offered. The Travel Agents (Amendment) Ordinance 2002 has taken effect since November 1, 2002 to put in place a licensing scheme to regulate the inbound travel agents. Parallel with this, to ensure the quality service provided to the visitors, the training of serving tourist guides has commenced in July 2002 with subsidy from the Government. Any serving tourist guide who has completed the prescribed training course and passed the required examination will be issued with a "Tourist Guide Pass". They are required to observe the "Code of Conduct for Tourist Guides" issued by the Travel Industry Council of Hong Kong. With effect from July 1, 2004 all travel agents are required to assign only those tourist guides with a valid "Tourist Guide Pass" to receive visitors to Hong Kong. The HKTB continues to implement the Quality Tourism Services (QTS) Scheme, which aims to enhance the overall service standards among retailers and restaurants. The Scheme has been recently strengthened to provide visitors with better quality assurance and a more comprehensive and effective complaint handling mechanism. A series of promotional programmes has also been implemented at major entry points and key in-town locations, capitalizing on the HKTB's mega-events to stimulate patronage of QTS outlets and raise awareness of the scheme among visitors and local residents. The HKTB, with funding from the Government, has also been running a Tourism Orientation Programme. The programme, started in 2002, aims to

provide participants with practical and structured training in hospitality services.

The promotion of a community-wide hospitality culture is essential to the sustainable development of the tourism industry. The Tourism Commission will continue to run the territory-wide public education campaign entitled "A Hospitable Hong Kong" for another two years to promote a hospitality culture. This campaign will comprise of a series of programmes and activities, including the Hong Kong Young Ambassador Scheme, general publicity scheme, service quality seminars and campaigns. The Commission shall also conduct a Service Quality Study, which aims to work with the industries to work out service standard, for each tourism-related industries. It will also exemplify the best practice and service excellence attained and help promote service quality generally.

Accessing Hong Kong: To facilitate entry of visitors, various measures were introduced in 2002. The quota of the Hong Kong Tour Group Scheme of Mainland visitors has been abolished since January 2002. The number of Mainland travel agents authorised to organise such tours has also increased significantly. The Government will continue to ensure Hong Kong remains easy to visit. Beyond this, nationals from some 170 countries can visit Hong Kong visa free for period from seven days to 180 days.

The Individual Visit Scheme was introduced on July 28, 2003. The Scheme has been gradually extended and now covers Guangdong province, Shanghai, Beijing and nine cities in Fujian, Jiangsu and Zhejiang. Over 2.27 million of individual visitors arrived Hong Kong as at June 30, 2004.

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

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

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