

HONG KONG : THE FACTS

Tourism

The tourism industry is one of the major pillars of the economy of Hong Kong. The total tourism expenditure associated to inbound tourism reached HK\$91.8 billion in 2004.

Visitor arrivals showed a strong recovery throughout 2004, reaching 21.81 million, a 40.4% year-on-year increase. This not only surpassed arrivals for the whole of 2003 but also topped the previous record of 16.57 million arrivals in a full year, set in 2002. Along with the strong growth in the number of Mainland visitors, most other long and short-haul markets are also performing healthily with double-digit growth over 2003. Some of our key source markets even achieved best-ever results in 2004 including the Mainland China, the US, Canada, Australia, South Korea, Singapore, Malaysia and India. In January 2005, visitor arrivals continued its growing momentum with an 8.3% growth and reached 1.89 million. Looking ahead, with the opening of the Hong Kong Disneyland in September 2005 and other major flagship tourism attractions in early 2006, the outlook of the tourism industry is expected to remain buoyant in the next two years. The Hong Kong Tourism Board (HKTB) forecasts total arrivals for 2005 to reach 23.4 million. The total tourism expenditure associated to inbound tourism is also expected to reach HK\$97.8 billion in 2005.

Accommodation and Length of Stay: At the end of 2004, Hong Kong had 101 hotels, with 39 128 rooms. The average occupancy rate for 2004 was 88%, an 18 percentage points growth compared with 2003. In January 2005, the average occupancy rate was 88%. The average length of stay of overnight visitors in 2004 was 3.7 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 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 a wide-range of diversified tourist attractions in Hong Kong with a view to enhancing our overall attractiveness as a premier tourist destination.

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 is essentially completed with a minor portion still subject to interfacing with another project in the same area. Beautification works for the Tsim Sha Tsui Promenade and Stanley waterfront are in progress and will be completed in 2006 and 2007 respectively. 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 mid-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 19 buildings on Hong Kong Island. It will be extended to cover over 30 buildings on both sides of the Harbour by December 2005 to further enhance the night vista of Hong Kong. *The Avenue of Stars*, another new tourist attraction has been very popular among both visitors and locals. Between its opening in April 2004 and the end of February 2005, 9.44 million people have visited the attraction.

Between late 2005 and early 2006, 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. The heritage tourism development at the former Marine Police Headquarters Compound is expected to be completed by 2008. The Government is now collecting public views on the development of the Central Police Station, Victoria Prison and the former Central Magistracy Compound into a heritage tourism attraction, with a view to finalizing the tendering arrangements. The Government is also working on the timely development of new cruise terminal facilities 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 also studying the long term development plan of the Ocean Park, which will form the basis for the development plan of the Aberdeen 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 enhanced its Cultural Kaleidoscope cultural experience programme with a guided tour of Hong Kong Museum of Art and jewellery appreciation classes. It is presently drawing up a railway sight-seeing guidebook to promote the cultural attractions and heritage sites along the KCR East and West Rails. In addition, the HKTB is continuing to work with trade operators to promote traditional Chinese rituals and festivals such as the Tin Hau Festival parade in Yuen Long, the Cheung Chau Bun Festival and the Birthday of Lord Buddha celebrations at Po Lin Monastery.

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 programme to develop green tourism in the Northern New Territories anchoring on 2 pilot projects in the Plover Cove and Tolo Channel area and on Tung Ping Chau respectively, with an emphasis on nature conservation and sustainable development. The HKTB has produced new publicity materials to promote 7 hiking tours, as well as a guidebook on bird watching hot spots in Hong Kong in collaboration with Hong Kong Bird Watching Society. The HKTB is also revamping the green tourism section of its website to make it more comprehensive and user friendly, and will step up relevant green promotion to complement Hong Kong Wetland Park's full completion in early 2006.

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 travel agents which carry on the business of providing inbound travel services. 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 was strengthened in 2003 to provide visitors with better quality assurance and a more comprehensive and effective complaint handling mechanism. By the end of February 2005, over 5,200 outlets had received QTS accreditation, an increase of more than 47% in 12 months, reflecting growing trade and visitor recognition of the scheme's value.

The China National Tourism Administration has also expressed its support for QTS. 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 is conducting a Service Quality Study, which aims to work out with the industries and related government departments service standards for each sector. 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, Chongqing, Tianjin and nine cities in Fujian, Jiangsu and Zhejiang. Over 5.89 million individual visitors have visited Hong Kong as at 28 February 2005.

Promoting Hong Kong: The HKTB is a statutory body set up to promote Hong Kong globally as a business and leisure destination and take initiatives to enhance the experience of visitors when they arrive. The HKTB continues to promote the destination to business and leisure travellers through its worldwide "Hong Kong – Live it, Love it!" campaign. It also organises a series of popular mega-events. During 2005, the HKTB will continue to place special emphasis on attracting more visitors in the high-yield business-cum-leisure and family markets.

Alongside promoting Hong Kong as a preferred tourist destination in Asia, the HKTB places emphasis on developing joint marketing efforts with strategic partners to promote multi-destination tourism and develop new markets. Building on the recent Pan-Pearl River Delta co-operation agreement, a series of joint overseas marketing initiatives is being conducted with Macau and the nine provincial tourism bureaux concerned. 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.