

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 exceeded HK\$100 billion in 2005.

Visitor arrivals broke another new record with 23.36 million, up 7.1% year-on-year. Visitors from major long and short haul markets including the Americas, Europe, Australasia and South and Southeast Asian markets picked up strongly with double-digit growth. Mainland was still the largest source market with arrivals breaking another record with more than 12.5 million, increasing moderately by 2.4% over a year ago. The encouraging growth momentum in visitor arrivals continued in January – June 2006 with 12.19 million, an increase of 11.1% compared with the same period in 2005. Several major tourist attractions have been completed including Hong Kong Disneyland, A Symphony of Lights Phase II and the Hong Kong Wetland Park. Ngong Ping 360 will come into operation soon and together with the worldwide promotional initiatives and events staged by the Hong Kong Tourism Board, the outlook of the tourism industry of Hong Kong is expected to remain positive.

Accommodation and Length of Stay: By end 2005, Hong Kong had 118 hotels, with 43 866 rooms. The average occupancy rate for 2005 was 86 per cent, a mild drop of 2 percentage points as compared with 2004. The number of room nights has in fact risen due to the increase in hotel room supply by some 4 700 rooms or 12% during the same period. In January – June 2006, the average occupancy rate was 86 per cent. The average length of stay of overnight visitors in 2005 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 Hong Kong Tourism Board (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.

Enhancement projects are implemented to give a facelift to the existing popular tourist areas. The completed projects include enhancement of the Sai Kung waterfront, minor improvements to Lei Yue Mun, enhancement of the Central and Western District, and the Avenue of Stars which is a joint venture with the private sector. The Tsim Sha Tsui Beautification Project has been largely completed and re-opened for public use. We target to complete the enhancement works for Dr. Sun Yat-sen Historical Trail and the installation of visitor signage in all 18 districts by end 2006. The new transport link in Tsim Sha Tsui East, and the beautification works for Stanley waterfront and the Peak are scheduled for completion in 2007. Projects being planned include the Aberdeen Tourism Project to complement the redevelopment plan of Ocean Park, further enhancement of the facilities along Lei Yue Mun waterfront and the development of a piazza at Tsim Sha Tsui.

"A *Symphony of Lights*", launched by the Commission in January 2004, has been very well received by both visitors and locals. It was awarded the world's "Largest Permanent Light and Sound Show" by Guinness World Records in November 2005, accredited on the basis of the 20 buildings on Hong Kong Island jointly performing in a fully synchronized light and sound show every night. The Show has been extended to Kowloon side covering a total of 33 buildings on both sides of the Victoria Harbour in December 2005.

The opening of Hong Kong Disneyland in September 2005 is a milestone in Hong Kong's tourism development. It helps reposition Hong Kong as a premium destination for family tourists in Asia, and promises to bring net economic benefits of HK\$148 billion over the next 40 years. Opened in 2006 are two other major projects, namely the Hong Kong Wetland Park and Ngong Ping 360 (which includes the Ngong Ping Skyrail and Ngong Ping Village) and the Hong Kong Wetland Park were opened in 2006. The heritage tourism development at the former Marine Police Headquarters Compound is expected to be completed by 2008. The Government is examining views collected from the public in deciding the way forward for the development of the Central Police Station, Victoria Prison and the former Central Magistracy Compound into a heritage tourism attraction. 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 has endorsed the redevelopment plans of the Ocean Park, which will form the basis for the development plan of the Aberdeen tourism node. The Government is considering the proposal on the development of hotels at the Ocean Park from legal, financial, operational and institutional aspects. The hotel development will further enhance the attractiveness of the Park and induce longer stay.

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, Hong Kong Maritime Museum, Chinese cake-making and Chinese medicine classes. It published "Discover Hong Kong by Rail" to promote the attractions, including heritage sites along the KCR East and West Rails. In addition, the HKTb continues to work with trade operators to promote traditional Chinese customs and festivals such as the Tin Hau Festival parade in Yuen Long, Tam Kung Festival in Shaueiwan, 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 taking forward a pilot scheme to promote green tourism in the Northeast New Territories. The scheme includes a works programme in the Plover Cove and Tolo Channel area involving minor enhancement of basic facilities, promotion of an island-hopping sea tour, and complementary conservation and educational initiatives. The Commission will also suitably promote green tourism in Tung Ping Chau under the principle of sustainable development. The HKTb has produced a publication to promote green tourism and it features seven 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 has also revamped the green tourism section of its website to make it more comprehensive and user friendly. With the opening of Hong Kong Wetland Park and development of green tourism in Northern New Territories, the HKTb will step up promotion of green tourism and launch a Nature Kaleidoscope programme in September 2006 for a 6-month period as pilot scheme for the participation of overseas visitors. The programme includes guided visit to Kadoorie Farm and Botanic Garden and Hong Kong Wetland Park; morning bird watching activities at Hong Kong Park and Kowloon Park; Eco-tour at Tai O on Lantau Island; Islands hopping tour in Northeast New Territories and guided walk at Wong Nai Chung Gap Trail.

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 Ordinance puts in place a licensing scheme to regulate travel agents which carry on the business of providing inbound and outbound travel services. Parallel with this, to ensure the quality service provided to the visitors, the training programme for serving tourist guides with subsidy from the Government has provided training to about 9 100 tourist guides since its commencement in July 2002. 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. As part of the efforts to help members of the travel agents trade to seek continuous improvement in the area of professional knowledge and skills and the quality of their service, the Government has approved a new funding to subsidize the launching of new courses commencing in mid-2006 for members of the travel agents trade.

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 June 2006, around 6 200 outlets had received QTS accreditation, an increase of more than 11 per cent 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" to promote a hospitality culture. This campaign comprises a series of programmes and activities, including the Hong Kong Young Ambassador Scheme, general publicity scheme, service quality seminars and campaigns. The Service Quality Study, which was completed in 2005, aims to work out with the tourism and related industries and relevant 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: The Government continues to ensure Hong Kong's accessibility. Nationals from some 170 countries can visit Hong Kong visa free for period from seven to 180 days.

As for Mainland visitors, 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 Individual Visit Scheme was introduced on July 28, 2003. The Scheme has been gradually extended and now covers Guangdong province, Shanghai, Beijing, Chongqing, Tianjian, Chengdu, Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming and nine cities in Fujian, Jiangsu and Zhejiang. Over 13.6 million individual visitors have visited Hong Kong as at June 30, 2006.

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. In 2006, the HKTb will continue to place special emphasis on attracting more visitors in the high-yield business-cum-leisure and family segments.

Leveraging on the opening of several new attractions from 2005 onwards, the HKTb has designated 2006 as Discover Hong Kong Year. This global marketing campaign makes use of a series of strategic promotions and popular Mega Events to showcase the new image of Hong Kong and promote it as a "must-visit" destination in 2006. The HKTb has already started promotions to the travel trade in May 2005 and rolled out the campaign in various long-haul markets by the end of 2005 and from the beginning of 2006 in short haul 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 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.