

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\$110 billion in 2006.

The encouraging growth momentum in visitor arrivals continued in 2006 with 25.25 million, an increase of 8.1% compared with the same period in 2005. All market regions recorded positive growth, with Europe and South and Southeast Asia registering double-digit increases compared with 2005. Mainland was still the largest source market with arrivals breaking another record with more than 13.59 million, increasing by 8.4% over a year ago. Several major tourist attractions have been completed including Hong Kong Disneyland, A Symphony of Lights Phase II, Hong Kong Wetland Park and Ngong Ping 360. 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 the end of 2006, Hong Kong had 126 hotels, with 47 128 rooms. The average occupancy rate for 2006 was 87 per cent, an increase of one percentage point as compared with 2005. Total room-nights rise too as the total stock of hotel room supply increased by some 3 200 rooms or 7.4 per cent during the year. 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 and the installation of visitor signage in all 18 districts have been largely completed. We target to complete the enhancement works for Dr. Sun Yat-sen Historical Trail in early 2007. 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 was extended to Kowloon side covering a total of 33 buildings on both sides of the Victoria Harbour in December 2005 and successfully achieved a new world record.

Hong Kong Disneyland is an important part of our tourism infrastructure. Together with other tourism attractions in Hong Kong, it helps promote Hong Kong as the premier destination for family tourists in the region. The park received over five million visitors during its first year of operation. Two other major projects, namely the Hong Kong Wetland Park and Ngong Ping 360 were opened in 2006. Hong Kong Wetland Park is a world-class conservation, education and tourism facility. Ngong Ping 360, comprises a 20-minute cable car ride offering a spectacular panoramic view of the beautiful landscape of Lantau Island, and a traditional Chinese and Buddhist themed village, also provides a convenient access for visitors to explore other intriguing parts of Lantau. The heritage tourism development at the former Marine Police Headquarters Compound is expected to be completed by 2008. The Government is collecting views from the public on the way forward for the preservation, restoration and development of the Central Police Station, Victoria Prison and the former Central Magistracy Compound.

The Government has announced its plan for developing new cruise terminal facilities at Kai Tak in October 2006. The Government will offer the 7.6 hectares of land at the southern end of the former runway at the Kai Tak Development to the market through an open land tender. The Government intends to award the tender in the

second quarter of 2008. The successful bidder will need to form the site as well as design, build, and operate the cruise terminal at its own cost. It is expected that the first berth at the Kai Tak Development will be completed in 2012. The Government is also working with the Ocean Park to implement its redevelopment plans which aim to turn the Ocean Park into a world-class marine-themed attraction. Works of the redevelopment will be delivered in phases, new products will be introduced in each phase with the first product being made available by early 2007 and other rides/attractions in phases by 2012/13. 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 guided tours 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 promoting green tourism in the Northeast New Territories under the principles of nature conservation and sustainable development. The project in the Plover Cove and Tolo Channel area and Tung Ping Chau includes minor enhancement of basic facilities, promotion of an island-hopping sea tour, and complementary conservation and educational initiatives. 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 has also launched the 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 had subsidized the launching of a series of new specialized courses commencing in mid-2006 for members of the travel agents trade. By end November 2006, some 390 members of the travel agents trade have enrolled in the new courses.

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 2006 to include visitor accommodation in the scheme, aiming to provide visitors with better quality assurance and a more comprehensive and effective complaint handling mechanism. By the end of 2006, over 6 300 outlets had received QTS accreditation, an increase of nearly 6 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 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. Near 17.2 million individual visitors have visited Hong Kong as at December 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 continues 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.