

HONG KONG : THE FACTS

Tourism

The tourism industry is a major pillar of the economy of Hong Kong. Total expenditure associated with inbound tourism amounted to HK\$130 billion in 2007.

The number of visitor arrivals in 2007 reached 28.17 million, an increase of 11.6% compared with 2006. The growth of visitor arrivals was recorded in almost all regions, with Europe, Australia & New Zealand and Mainland China markets registering double-digit increases over 2006. The Mainland continued to be the largest source market with arrivals of more than 15.49 million in 2007, representing an increase of 13.9% over 2006 and 55% of the total visitor arrivals. A number of major tourist attractions were completed in recent years, 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 continues to be positive.

Accommodation and Length of Stay: By end of December 2007, Hong Kong had 139 hotels, with 51 505 rooms. Even with an increase of some 4 400 rooms in total room supply or 9.3 per cent in 2007, the average occupancy rate only decreased by one percentage points to 86 per cent as compared with the same period last year. Total room-nights also rose. The average length of stay of overnight visitors in 2006 was 3.3 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, 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. Completed

projects include enhancement of the Sai Kung waterfront, minor improvements to Lei Yue Mun, enhancement of the Central and Western District including Dr Sun Yat-sen Historical Trail, Visitor Signage Improvement Scheme Phase I and the Avenue of Stars, which is a joint venture with the private sector. The new transport link in Tsim Sha Tsui East came into service in August 2007 and the Tsim Sha Tsui Beautification Project has been largely completed. The beautification works for Stanley waterfront and the Peak are scheduled for completion in end 2007 and early 2008 respectively. Projects in the pipeline include the Aberdeen Tourism Project to complement the redevelopment plan of Ocean Park, further enhancement of the facilities along Lei Yue Mun waterfront, development of a piazza at Tsim Sha Tsui, and the Visitor Signage Improvement Scheme Phase II.

"A Symphony of Lights", launched by the Commission in January 2004, is 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 the Kowloon side covering a total of 33 buildings on both sides of the Victoria Harbour in December 2005. The number of participating buildings further increased to 44 in October 2007 and the Show achieved a new world record.

Hong Kong Disneyland is an important part of our tourism infrastructure. The Park has been well received by local and overseas visitors since its opening in 2005. 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, which comprises a 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. These tourism attractions not only provide entertainment to our visitors, they also enhance the position of Hong Kong as a premier destination for family visitors in the region. Looking ahead, the heritage tourism development, which features a heritage hotel at the former Marine Police Headquarters Compound is expected to be completed by 2008. The Project is the first attempt to engage the private sector to preserve and develop buildings of historic significance into a heritage tourism facility.

The Government announced its plan to develop 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 park featuring more than 70 attractions to be delivered in eight phases by 2012-13. New products will be introduced in each phase and the first attraction was opened in February 2007.

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 Dr Sun Yat-sen Museum. It published a guidebook "Discover Hong Kong by Rail" to promote the attractions, including heritage sites along the MTR East and West Rails. In addition, the HKTB continues to work with the trade to promote traditional Chinese customs and festivals such as the Tin Hau Festival parade in Yuen Long and Cha Kwo Ling, 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 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 published "Discover Hong Kong Nature" to promote green tourism, which features 16 green attractions and hiking routes. With the success of the six-month pilot scheme of Nature Kaleidoscope programme launched last September, the HKTB has re-launched the scheme in April 2007 as a regular programme for the participation of overseas visitors. The programme includes guided visit to Kadoorie Farm and Botanic Garden; Eco-tour at Tai O on Lantau Island; guided walk at Wong Nai Chung Gap Trail; Hong Kong Wetland Park tour; Dolphin watching tour and hiking tours.

The HKTB also promotes cultural and arts activities, such as the Hong Kong Arts Festival, Hong Kong Asian Film Festival and large-scale arts exhibitions in various local museums, so as to enrich visitors' nightlife and travel experience with a view to attracting more tourists, especially business travellers to Hong Kong. The Commission has been working in close collaboration with major arts groups and the tourism sector to implement a pilot scheme for establishing an effective marketing platform to enhance the development and promotion of cultural tourism.

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 of service provided to visitors, the training programme for serving tourist guides with subsidy from the Government has trained some 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 (TIC). With effect from July 1, 2004, all travel agents are required to arrange 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 continuously upgrade their professional knowledge and skills and the quality of their service, since mid-2006, the Government has subsidized the launching of a series of new specialized courses for members of the travel agents trade. By end September 2007, some 780 travel agents have enrolled in the new courses. To further encourage tourist guides to continuously better equip themselves for meeting new market challenges, the TIC introduced in July 2007 a Continuous Professional Development Programme (CPD Programme) for tourist guides. Tourist guides are required to fulfill the training requirements of the CPD Programme for the renewal of their Tourist Guide Pass. This aims to ensure the continuous enhancement of the quality of tourist guide service.

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 provide visitors with better quality assurance and a more comprehensive and effective complaint handling mechanism. As of September 30, 2007, 6,552 outlets had received QTS accreditation, representing an increase of nearly 5.7% 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 has embarked on the territory-wide public education campaign entitled "A Hospitable Hong Kong" since 2001 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 enhance Hong Kong's accessibility. Nationals from some 170 countries can visit Hong Kong visa free for periods ranging from seven to 180 days.

As for Mainland visitors, the quota of the Hong Kong Tour Group Scheme of Mainland visitors was abolished in January 2002. The number of Mainland travel agents authorised to organise such tours has also increased significantly. The Individual Visit Scheme, introduced on July 28, 2003, has been gradually extended and now covers 49 Mainland cities including the whole of Guangdong province (all 21 cities), Shanghai, Beijing, Chongqing, Tianjian, Chengdu, Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and nine cities in Fujian (Fuzhou, Xiamen, Quanzhou), Jiangsu (Nanjing, Suzhou, Wuxi) and Zhejiang (Hangzhou, Ningbo, Taizhou). As at December 2007, near 25.7 million individual visitors visited Hong Kong under the Scheme.

International Convention, Exhibition and Tourism Capital: In view of intensifying regional competition, the Government will enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and work closely with the industry to improve our competitive advantages and promote exhibition and convention tourism through provision of more quality

facilities, services and entertainment. The Financial Secretary and the Secretary for Commerce and Economic Development lead a cross-sector steering committee comprising government and trade representatives to conduct a comprehensive review and formulate relevant development strategies.

Hong Kong will become a focus of world attention as the city hosting the 2008 Olympic Equestrian Events. We will make use of this opportunity to brand Hong Kong as a vibrant city and an events capital.

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. In 2007, the HKTB continues to place special emphasis on attracting more visitors in the high-yield business-cum-leisure and family segments. The HKTB aims to maximise the yield of the tourism industry and its contribution to the overall economy.

To attract more business arrivals, the HKTB is stepping up efforts to promote Hong Kong as a leading destination for meetings, incentives, conventions and exhibitions (MICE) through promotions targeting event organisers, international organisations and potential visitors. Leveraging the 10th anniversary of the

establishment of the Hong Kong SAR, the 2008 Beijing Olympics and equestrian events in Hong Kong, the HKTB is drumming up publicity for Hong Kong and encouraging more corporations to hold events in the city in 2007 and 2008. As for family visitors, the HKTB continues to collaborate with various attractions to develop and offer a series of "edu-tainment" products and activities. The HKTB is also organising a series of mega events to attract family visitors.

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. Capitalising on the strong growth of the Mainland inbound travel market, HKTB collaborates with Macao and the nine provincial tourism bureaux under the Pan-Pearl River Delta co-operation agreement framework to develop a series of promotions so as to ensure that Hong Kong is a "must-visit" stop in all multi/combo-destination itineraries. 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.