

HONG KONG : THE FACTS

Tourism

The tourism industry is a major pillar of the economy of Hong Kong, contributing to 3.4% of our GDP. It employs over 190 000 persons, accounting for 5.6% of total employment.

Due to the global economic downturn and the impact of H1N1, visitor arrivals in the first half of 2009 dropped by 3.4% compared with the same period in 2008 to 13.7 million. The Mainland continued to be the largest source market with 8.3 million arrivals in the first half of 2009, representing an increase of 4.6% and accounting for more than 60% of total visitor arrivals.

Accommodation and Length of Stay: By end June 2009, Hong Kong had 158 hotels, with 57 588 rooms. Total room supply increased by 5 019 rooms or 9.5% than in June 2008, whilst the average occupancy rate noted a drop of 9% to 74% as compared with the same period last year. The average length of stay of overnight visitors in 2008 was 3.3 nights. To enhance the competitiveness of our hotel industry and entice visitors to lengthen their stay, we have waived the Hotel Accommodation Tax since July 1, 2008.

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

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

To fulfil this mission, it is essential for the trade and the Government to work closely together. A Tourism Strategy Group, comprising representatives from the Government, the Hong Kong Tourism Board (HKTB) and various sectors of the tourism industry, has been established to advise the Government on tourism development from a strategic perspective.

International Convention, Exhibition and Tourism Capital: The Government strives to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. Additional fund is earmarked to raise Hong Kong's MICE (meetings, incentive travels, conventions and exhibitions) profile and strengthen support to MICE events to be hosted in Hong Kong. To this end, the HKTB set up a dedicated office, entitled Meetings and Exhibitions Hong Kong (MEHK), in November 2008 to step up promotion work.

Our main venues for MICE events are the AsiaWorld-Expo near the airport, the Hong Kong Convention and Exhibition Centre (HKCEC) in the heart of the city, and the Hong Kong International Trade and Exhibition Centre in Kowloon Bay. The atrium link expansion of the HKCEC was completed in April 2009.

After the expansion, 19 400 m² of additional exhibition space was created, representing a 42% increase to accommodate approximately 1 000 additional booths.

In 2008, Hong Kong became the first duty-free wine port among major economies. Moreover, Hong Kong was chosen for the publication of a Michelin guide, which put Hong Kong on the global map of gourmets and connoisseurs. To step up the promotion of Hong Kong as Asia's wine and gourmet centre, the HKTB embarked on a series of food and wine promotions in 2009.

Tourist Attractions and Facilities: The Government continues 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.

The Ocean Park is implementing its redevelopment plans. Upon completion of this phased project by 2012, it will become a world-class marine-themed park featuring more than 70 attractions. New attractions will be introduced in each phase. In April 2009, the Park unveiled the world's first integrated indoor and outdoor multi-Asian-species exhibit – Amazing Asian Animals – and also welcomed four rare red pandas from the Mainland.

Hong Kong Disneyland, another popular theme park, will embark on its expansion plan which is expected to be completed in phases by 2014. It comprises three new themed areas, namely "Grizzly Trail" and "Mystic Point", which would be exclusive amongst Disney theme parks worldwide; and "Toy Story Land", which would be exclusive within the Asian region. The expansion will enlarge the existing theme park by 23%, adding more than 30 new attractions, entertainment, and interactive experiences, bringing the total number to over 100. The two hotels in Hong Kong Disneyland also offer unique venues for meetings and weddings.

The Hong Kong Wetland Park, opened in May 2006, is a world-class conservation, education and tourism facility. It consists of a 60-hectare outdoor wetland reserve and a 10 000 m² visitor centre with three exhibition galleries. As a major green tourism facility, it blends well with the surrounding.

Opened in September 2006, Ngong Ping 360 comprises a 5.7 km cableway ride lasting about 25 minutes, and a Buddhist themed village. The crystal cabin cable car ride launched in 2009 offers a spectacular panoramic view of the beautiful landscape of Lantau Island. It also provides convenient access for visitors to explore other intriguing parts of Lantau, including the Big Buddha, Po Lin Monastery, Wisdom Path, Tai O fish village and beautiful beaches on Southern Lantau.

Committed to developing Hong Kong into a leading regional cruise hub, the Government has decided to develop a world-class cruise terminal with two alongside berths capable of accommodating different types and sizes

of cruise vessels, including mega cruise vessels up to 110 000 displacement tonnes. The first berth is expected to commence operation in mid 2013. Upon completion of the new cruise terminal, together with the existing cruise terminal in Tsim Sha Tsui, Hong Kong will have four berths in total for cruise vessels.

In addition, 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, the Stanley Waterfront Improvement Project, the Peak Improvement Scheme, the Tsim Sha Tsui Promenade Beautification Project, the Transport Link in Tsim Sha Tsui East and the Avenue of Stars, which is a joint venture with the private sector. Projects in the pipeline include further enhancement of the facilities along Lei Yue Mun waterfront, development of a piazza at Tsim Sha Tsui, beautification of two footbridges in Tsim Sha Tsui East and the Visitor Signage Improvement Scheme Phase II.

"A Symphony of Lights", a nightly show on both sides of the Victoria Harbour launched by the Commission in early 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. At present, there are 44 participating buildings.

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 insight into the region's history. One fine example is the preservation and development of the former Marine Police Headquarters in Tsim Sha Tsui into a tourism facility by the private sector, which is recently opened to the public as "1881 Heritage". To better promote heritage tourism, the HKTB has enhanced its Cultural Kaleidoscope cultural experience programme with guided tour of Nan Lian Garden. It published a guidebook "Discover Hong Kong by Rail" to promote the attractions, including heritage sites along the MTR East and West Rails. To facilitate visitors to experience Hong Kong's fascinating culture, culinary delights and unique heritage, the HKTB has launched the "Ding Ding Hong Kong Tram Guide", which highlights the local attractions along the tramline. 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.

Leveraging Hong Kong's ecological richness and diversity, the Commission is promoting green tourism in Northeast New Territories and outlying islands having regard to the principles of nature conservation and sustainable development. The HKTB has published "Discover Hong Kong Nature" to promote green tourism, which features 16 green attractions and hiking routes. The HKTB also launched the Nature Kaleidoscope in April 2007 for overseas visitors. The programme includes Northeast New Territories Island Hopping Tour; 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; Ngong Ping Fun Walk; Dolphin watching tour and many other hiking tours.

The HKTB also promotes cultural and arts activities, such as the Hong Kong Arts Festival, Hong Kong International Film Festival and large-scale arts exhibitions in various local museums, so as to attract more tourists to Hong Kong. Moreover, the Commission, in collaboration with the HKTB, has joined hands with performing arts groups and the tourism sector to leverage on our arts and

cultural products to enrich visitors' nightlife and travel experience.

Standards and Performance: Apart from making available a wide range of attractions to enrich visitors' experience, 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 who provide inbound and outbound travel services. To ensure the quality of service to visitors, tourist guides are required to complete prescribed training course and pass an examination. They have to observe the "Code of Conduct for Tourist Guides" issued by the Travel Industry Council of Hong Kong (TIC). At present, we have 6 541 accredited tourist guides. As part of the efforts to help members of the travel agents trade to continuously upgrade their professional knowledge and the quality of their service, since mid-2006, the Government has subsidised a series of new specialised courses for them. By end June 2009, some 2 190 members of the travel agents trade have enrolled in the new courses. To further encourage tourist guides to continuously better equip themselves for meeting new market challenges, in July 2007, the TIC introduced a Continuous Professional Development Programme (CPD Programme) for tourist guides. Tourist guides are required to fulfil the training requirements of the CPD Programme for renewal of 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, restaurants and visitor accommodations. The Scheme provides visitors with better quality assurance and a more effective complaint-handling mechanism. 6 806 retail and restaurant outlets and 14 visitor accommodation premises covering 958 rooms had received QTS accreditation.

The promotion of a community-wide hospitality culture is essential to the sustainable development of the tourism industry. The Tourism Commission launched the "A Hospitable Hong Kong" campaign in 2001 to promote the hospitality culture. As one of the campaign's initiatives, the Hong Kong Young Ambassador Scheme has trained young people to greet visitors and foster a hospitality culture. The Commission also joined forces with the travel trade and related industries in carrying out a series of activities to improve service quality.

Mega Events Fund: Mega events not only add colour and vibrancy to our city, but also enrich the travel experience of visitors. The Government is committed to reinforcing Hong Kong's position as the events capital of Asia. A \$100 million Mega Events Fund will be launched in July 2009 to assist local non-profit organisations to host large-scale arts, cultural and sports events in Hong Kong over the next three years.

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. We have recently concluded a mutual visa-abolition agreement with Russia, which will take effect on 1 July 2009.

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 tours to Hong Kong has also increased significantly. The Individual Visit Scheme (IVS) allowing residents of designated cities to visit Hong Kong as Free and Independent Travellers, introduced in July 2003, has been gradually extended and now covers 49 Mainland cities, including all the 21 cities in Guangdong province, Shanghai, Beijing, Chongqing, Tianjin, Chengdu,

Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and a total of nine cities in Fujian (Fuzhou, Xiamen, Quanzhou), Jiangsu (Nanjing, Suzhou, Wuxi) and Zhejiang (Hangzhou, Ningbo, Taizhou). IVS arrivals have increased from 35% of all Mainland arrivals in 2004 to 57% in the first half of 2009. As at June 2009, there were over 40 million visitor arrivals from the Mainland through IVS since its implementation.

Promoting Hong Kong: The HKTB is a statutory body set up to promote Hong Kong globally as a world-class tourist destination. In addition to its head office in Hong Kong, the HKTB has 15 offices and five representative offices around the world.

The HKTB commissions market studies to gauge industry trends, and shares the information with its travel trade partners. Its marketing campaigns focus on 18 major source markets (which together account for about 93% of total visitor arrivals to Hong Kong).

In view of the economic downturn since the third quarter of 2008, the HKTB has re-deployed its marketing resources to focus on short-haul markets, including the Mainland, Taiwan and Southeast Asia. At the same time, it also expands its reach to emerging markets, such as India,

the Middle East and Russia.

Taking advantage of Hong Kong's core strength in dining and the Government's removal of the wine duty, alongside the publication of the *Michelin Guide* on Hong Kong, the HKTB has created a focused marketing platform – "Hong Kong Food and Wine Year" – to highlight Hong Kong's diverse culinary experiences. HKTB's promotions launched between April 2009 and March 2010 will feature elements of food and wine. Working closely with its trade partners, the HKTB will also create new tourism products, events and offers to cater for the needs and interests of different visitor segments.

To promote Hong Kong, the HKTB has adopted an integrated approach in its marketing — through the Internet, consumer promotions and public relations activities. The www.discoverhongkong.com consumer website is available in 12 languages and 18 versions, and records more than 24 million page views per month.

The HKTB works very closely with its partners from the travel trade. In the first six months of 2009, it organised 46 familiarisation trips to Hong Kong, in which 596 travel trade representatives took part. It also works closely with cities in the Pearl River Delta and other regional destinations to promote multi-destination itineraries that include Hong Kong.