

HONG KONG : THE FACTS

Tourism

The tourism industry is a major pillar of the economy of Hong Kong. In 2008, it contributed to 2.8 per cent of Hong Kong's GDP. It employs over 197 000 persons, accounting for 5.6 per cent of total employment.

The global economic recovery has restored travel sentiment. Visitor arrivals in the first half of 2010 rose by 23.1 per cent compared with the same period in 2009 to 16.9 million, setting a new arrival record. The Mainland continued to be the largest source market with 10.5 million arrivals in the first half of 2010, representing an increase of 26.9 per cent and accounting for more than 60 per cent of total visitor arrivals.

Accommodation and Length of Stay: By end June 2010, Hong Kong had 173 hotels, with 60 104 rooms. Total room supply increased by 2 516 rooms or 4.4 per cent than in June 2009, whilst the average occupancy rate noted an increase of 10 percentage points to 84 per cent as compared with the same period last year. The average length of stay of overnight visitors in 2009 was 3.2 nights. To enhance the competitiveness of the hotel industry and entice visitors to lengthen their stay, the Hotel Accommodation Tax has been waived 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, and 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. The Tourism Strategy Group, comprising representatives from the Government, the Hong Kong Tourism Board (HKTB) and various sectors of the tourism industry, advises 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. In the first quarter of 2010, there were over 280 000 overnight MICE visitor arrivals to Hong Kong, an increase of 29 per cent over the same period last year.

Hong Kong's main venues for MICE events are the AsiaWorld-Expo (AWE) 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 square metres of additional exhibition space was created, representing a 42 per cent increase to accommodate approximately 1 000 additional booths. The AWE has also upgraded its facilities to better serve the needs of convention organisers.

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 further showcase Hong Kong as the premier destination for visitors to enjoy fine food and wine, the HKTB has embarked on a series of food and wine promotions since 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 Hong Kong's 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 opened in 2007-2009 include "SkyFair", "Amazing Asian Animals" and "Ocean Express". Following the opening of the new Chinese Sturgeon Aquarium, Yangtze Exploration, in June 2010, new attraction "Aqua City" consisting of the largest aquarium in Asia and an aquarium restaurant will be completed by end-2010.

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 per cent, 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 square metres 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. Having visited the Buddhist themed village, visitors can proceed to visit the new Pai Lau, Bodhi Path, Di Tan and the Chinese landscaped garden in the 1.5-hectare Ngong Ping Piazza which was opened in August 2010, as well as the tourist attractions nearby, such as the Po Lin Monastery, Giant Buddha, and Wisdom Path. In addition, visitors can explore other intriguing parts of Lantau, including Tai O fish village and beautiful beaches on Southern Lantau.

Committed to developing Hong Kong into a leading regional cruise hub, the Government is developing 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 and the terminal building are 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, 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 Aberdeen Tourism Project, beautification of two footbridges in Tsim Sha Tsui East, development of a piazza at Tsim Sha Tsui and further enhancement of the facilities along Lei Yue Mun waterfront.

"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. A guidebook "Discover Hong Kong by Rail" has also been uploaded on its website www.discoverhongkong.com to promote the heritage sites and other attractions 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 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. In April 2010, it launched the "Hong Kong Cultural Celebrations" promotion to highlight these four traditional festivals and encourage visitors to take part in the celebrations.

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 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. Information about the programme, as well as a range of green attractions and hiking routes included in the "Discover Hong Kong Nature" guide, can be found at the HKTB website. In October 2009, the HKTB organised a brand new event "Great Outdoors Hong Kong!" to showcase Hong Kong's hiking trails and nature attractions. The Hong Kong National Geopark has been well received by overseas visitors since its opening in November 2009. The HKTB has joined hands with the tourism industry to reinforce the Geopark itineraries in green tourism guided tours in which visitors can enjoy the geological landscapes of Tolo Channel, Double Haven, Sai Kung islands and the Ung Kong Group.

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. To introduce to visitors Hong Kong's arts and cultural attractions in different markets, the HKTB published "A Guide to Hong Kong Arts and Culture" in the second quarter of 2010. Moreover, the Commission, in collaboration with the HKTB, has joined hands with performing arts groups and the tourism sector to leverage on 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 regime 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 5 538 accredited tourist guides. As part of the efforts to help members of the travel agents trade to continuously upgrade their professional knowledge and quality of service, since mid-2006, the Government has subsidised a series of new specialised courses for them. By the end of June 2010, some 3 800 members of the travel agents trade have enrolled in the new courses. To further encourage tourist guides to continuously better equip themselves to meet 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. In mid-2010, a total of 7 103 retail and restaurant outlets and 9 visitor accommodation premises covering 713 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 Hong Kong Young Ambassador Scheme in 2001 to train young people to greet visitors and foster a hospitality culture. From time to time, the Commission also co-organises

activities with the travel and related industries to encourage further improvement in the quality of service for our tourists.

Mega Events Fund: Mega events not only add colour and vibrancy to the 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 has been launched in May 2009 to assist local non-profit organisations to host large-scale arts, cultural and sports events in Hong Kong for the period up to the end of March 2012.

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 concluded a mutual visa-abolition agreement with Russia, which started on July 1, 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 per cent of all Mainland arrivals in 2004 to 60.8 per cent in the first half of 2010. As at June 2010, there were over 52 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 representatives in five markets 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 account for about 94 per cent of total visitor arrivals to Hong Kong.

In allocating its marketing resources to different markets, the HKTB adopts a flexible approach so that it can swiftly respond to unforeseen circumstances in the macro environment and minimise the risks. In addition to driving visitor arrivals from the growth markets, such as Mainland China, Taiwan and South Korea, the HKTB also strives to step up promotional efforts in the emerging markets, namely India, Russia and the Middle East, capitalising on the economic growth and increased flight capacity of these markets.

Following the "Hong Kong Food and Wine Year" in 2009, the HKTB adopts a new marketing theme "Festive Hong Kong" in 2010 to encourage visitors to come experience the unique culture, as well as colourful fusion of Chinese and Western festivities that could only be found in Hong Kong. A series of mega events are staged throughout the year, including the anchor event "Hong Kong Dragon Boat Carnival" in July 2010. These events are promoted along with traditional festivals and cultural celebrations, as well as major events launched by third parties, with the objectives of enriching visitors' experience and reinforcing Hong Kong's image as the Events Capital of Asia. 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 14 languages and 20 versions, and records more than 4 million visits per month.

The HKTB works very closely with its partners from the travel trade. In the first six months of 2010, it organised 36 familiarisation trips to Hong Kong, in which 652 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. Capitalising on the "2010 Chinese and Ethnic Chinese Tourism Year" by the Tourism Administration of Guangdong Province, the HKTB teamed up with the Administration, as well as the Macau Government Tourist Office to stage a series of roadshows in North America and Europe in the second quarter of 2010 to promote multi-destination travel packages featuring Hong Kong, Guangdong Province and Macau.