



Tourism

The tourism industry is a major pillar of the economy of Hong Kong. In 2009, it contributed to 3.3 per cent of Hong Kong's GDP. It employs over 193 200 persons, accounting for 5.5 per cent of total employment.

The global economic recovery has restored travel sentiment. Visitor arrivals in the first half of 2011 rose by 14.7 per cent compared with the same period in 2010 to 19.3 million, setting a new arrival record. The Mainland continued to be the largest source market with 12.7 million arrivals in the first half of 2011, representing an increase of 21.1 per cent and accounting for 65.7 per cent of total visitor arrivals.

Accommodation and Length of Stay: By end June 2011, Hong Kong had 184 hotels, with 61 828 rooms. Total room supply increased by 1 724 rooms or 2.9 per cent than in June 2010, whilst the average occupancy rate noted an increase of 4 percentage points to 88 per cent as compared with the same period last year. The average length of stay of overnight visitors in 2010 was 3.6 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. The Government has undertaken a number of initiatives to promote hotel development to meet the diversified needs of our visitors. For example, a number of sites in different parts of Hong Kong have been designated as "hotel use only". There are also initiatives to allow conversion of old industrial buildings and re-vitalisation of heritage buildings into hotels.

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 half of 2011, there were over 725 800 overnight MICE visitor arrivals to Hong Kong, an increase of 10.3 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 wine and cuisine, the HKTB has since 2009 organised the "Hong Kong Wine and Dine Festival" at the West Kowloon Waterfront Promenade and launched a variety of food and wine promotions together with the major dining districts.

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 past years include "Skyfair Celebration", "Amazing Asian Animals" and "Ocean Express". In January 2011, "Aqua City", consisting of one of the largest aquaria in Asia and an aquarium restaurant, was opened. Another new theme zone "Rainforest" featuring Expedition Trail and the Rapids, etc. was also opened in June the same year.

Hong Kong Disneyland, another popular theme park, is undertaking its expansion plan, which is expected to be completed in phases by 2013. Upon completion of the expansion, three brand new themed areas will be added to the park, namely "Toy Story Land", "Grizzly Gulch" and "Mystic Point". "Toy Story Land" is scheduled to open by the end of 2011. The expansion will enlarge the existing theme park by about 23 per cent, adding more than 30 new attractions, entertainment and interactive experiences, bringing the total number to over 100.

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.

The Government is committed to developing Hong Kong into a leading regional cruise hub, and is developing the new cruise terminal at Kai Tak in full swing. The terminal building and the first berth are expected to come into operation in mid-2013, and the second berth is expected to be completed in 2014. The HKTB will also continue to strengthen its promotion efforts and drive consumer demand for cruise tourism.

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. The construction works of the Aberdeen Tourism Project is expected to commence in late 2011 for phased completion between 2012 and 2014. The project scope includes improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. Projects in the pipeline include 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 promote cultural tourism, the HKTB runs a Cultural Kaleidoscope cultural experience programme, which features activities ranging from Chinese cake-making to tai chi practice and architecture walk. 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 Shaukeiwan, the Cheung Chau Bun Festival and the Birthday of Lord Buddha celebrations at Po Lin Monastery. These four traditional festivals were bundled under the "Hong Kong Cultural Celebrations" promotion in April and May 2010 and visitors were encouraged to take part in the celebrations in different districts.

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 launched the "Great Outdoors Hong Kong!" in 2009 to promote the Hong Kong National Geopark, the natural scenery of outlying islands, popular hiking trails and other green attractions. Guided tours were provided free of charge and participants were given a specially designed guidebook. The HKTB also actively promotes cultural and arts activities in Hong Kong, 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 districts, 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 6 313 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 July 2011, some 4 700 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.

With rapid development of the tourism sector in recent years, the public is generally concerned with whether the existing regulatory framework of the tourism sector could evolve with changing circumstances. To ensure its sustainable and healthy development, the Government is reviewing the operation and regulatory framework of the tourism sector in Hong Kong, with a view to formulating a reform proposal that is effective, practicable and can foster a consensus amongst stakeholders. The proposal will be announced in the fourth quarter of 2011.

The HKTB continues to implement the Quality Tourism Services (QTS) Scheme, which aims to enhance the overall service standards among retailers, restaurants, hair salons and visitor accommodations. The Scheme provides visitors with better service and quality assurance.

In mid-2011, a total of 7 242 retail, restaurant and hair salon outlets, as well as 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 be polite and helpful to visitors, as well as to promote a hospitality culture in schools and the community. 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 was launched in May 2009 to assist local non-profit organisations to host large-scale arts, cultural and sports events in Hong Kong for the following 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 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 Individual Visit Scheme (IVS) allowing residents of designated Mainland cities to visit Hong Kong as independent travellers, without joining group tours, 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 64.5 per cent in the first half of 2011. As at June 2011, there were over 68.39 million visitor arrivals from the Mainland through the 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 six 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 20 major source markets, which account for about 95 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.

Since 2011, the HKTB has adopted "Asia's World City" as its global marketing theme. Under the theme, promotions are launched in different source markets to highlight Hong Kong's international and cosmopolitan setting, its unique cultural fusion, vibrant lifestyle and a variety of attractions, as well as its trend-setting image.

In Hong Kong, the HKTB has further enhanced its year-round programme of mega events to attract visitors and give them the best possible experience during their stay. Altogether there are 10 major campaigns throughout the year, including the "Hong Kong Summer Spectacular" that featured the "Hong Kong Dragon Boat Carnival" in June, the "Hong Kong Mid-Autumn Festival" in September and "Hong Kong WinterFest" in December. 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's tourism attractions to visitors worldwide, the HKTB has adopted an integrated approach that combines 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 4.5 million visits per month. In order to expand the reach of its promotions, the HKTB has stepped up its digital marketing efforts. In May 2011, the HKTB launched the DiscoverHongKong Mobile App Series – one of the first smart phone travel application series in the world that makes use of the augmented reality technology.

The HKTB works very closely with its partners from the travel trade. In the first six months of 2011, it organised 36 familiarisation trips to Hong Kong, in which 422 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. Through collaboration with the Macau Government Tourist Office, Tourism Administration of Guangzhou Municipality, Zhongshan Municipal Tourism Bureau and Jiangmen Tourism Bureau, a series of roadshows were staged in Southeast Asia, Europe and North America to promote multi-destination travel packages featuring Hong Kong, Guangdong Province and Macau.