

HONG KONG : THE FACTS



Tourism

The tourism industry is a major pillar of the economy of Hong Kong. In 2011, it contributed to 4.5 per cent of Hong Kong's GDP. It employs around 233 500 persons, accounting for 6.5 per cent of total employment.

In 2012, visitor arrivals registered an increase of 16 per cent over 2011 to a record-high of 48.6 million. In the first seven months of 2013, visitor arrivals increased by 13.1 per cent over the same period of 2012. The Mainland continued to be the largest source market with 22.6 million arrivals in the first seven months of 2013, representing an increase of 20 per cent and accounting for 74.8 per cent of total visitor arrivals.

Accommodation and Length of Stay: By end July 2013, Hong Kong had 217 hotels, with 68 753 rooms. Total room supply increased by 3 808 rooms or 5.9 per cent than in July 2012, whilst the average occupancy rate maintained at 87 per cent in the first seven months as compared with the same period last year. The average length of stay of overnight visitors in 2012 was 3.5 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 for "hotel only" site. 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 2013, there were some 720 000 overnight MICE visitor arrivals to Hong Kong, a slight decrease of 4.7 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. Both HKCEC and AWE have been listed in the top three 'Best Convention and Exhibition Centre' in the CEI Asia Industry Awards 2012 organised by CEI Asia, a prominent MICE publication.

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. The 2013 Festival will first be staged at a new location, the New Central Harbourfront. Participants can enjoy an attractive combination of fine wines, culinary delights and live entertainment against the backdrop of the stunning views of the iconic Victoria Harbour.

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.

Upon the completion of its \$5.55 billion Master Redevelopment Plan in 2012, Ocean Park is now a world-class marine-themed park featuring more than 80 attractions. In 2012, the Park won the Applause Award and became the first-ever Asian attraction to be recognised as the best park in the world. Its future plans include the development of the Ocean Hotel and a new integrated theme zone in the Tai Shue Wan area with the main focus on an all-weather indoor cum outdoor waterpark.

Regarding Hong Kong Disneyland (HKD), with the opening of the three new themed areas – 'Toy Story Land', 'Grizzly Gulch' and 'Mystic Point' between 2011 and 2013, HKD's previous phase of expansion has been completed. The expansion has enlarged the existing theme park by about 23 per cent and has added more than 30 new attractions, entertainment and interactive experiences, bringing the total number of attractions in HKD 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. Located at the former Kai Tak runway, the first berth of the Kai Tak Cruise Terminal started to receive cruise liners in June 2013. The second berth will be due for completion in 2014. The terminal will be able to accommodate the largest cruise ships in the world. 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, beautification of two footbridges in Tsim Sha Tsui East and the Avenue of Stars, which is a joint venture with the private sector. The Aberdeen Tourism Project, to be completed in phases by end 2014, 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. A project to further improve the facilities along Lei Yue Mun waterfront is also under planning.

"*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 45 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 programme, which features activities ranging from Chinese cake-making to tai chi practice, Cantonese opera appreciation and architecture walk. The HKTB also publishes the "Hong Kong Walks" guide, which features eight itineraries to help visitors explore Hong Kong's fascinating culture, culinary delights and unique heritage, such as the walled village in Fanling and the open-air markets in Yau Ma Tei and Mong Kok. 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. These four traditional festivals were bundled under the "Hong Kong Cultural Celebrations" promotion in April and May 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 has launched the "Great Outdoors Hong Kong!" since 2009 to promote the Hong Kong Global Geopark of China, 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 and happenings in different districts, the HKTB maintains a dedicated "Arts and Performance" section in its official website. 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 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). By mid-September 2013, Hong Kong have about 6 630 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 2013, some 5 300 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.

To promote the healthy and sustainable development of the tourism industry, the Government conducted a review of the operation and regulatory framework of the tourism sector in 2011 and decided to set up an independent statutory body, named the Travel Industry Authority (TIA), to take up the overall regulation of travel agents, tourist guides and tour escorts. The Tourism Commission has commenced the drafting of the new legislation and other relevant work for the establishment of the TIA. It is expected that the draft legislation could be introduced into the Legislative Council within 2014 and the TIA could come into operation in late 2015 at the earliest.

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 service and quality assurance. In August 2013, a total of 8 222 retail and restaurant outlets, as well as 11 visitor accommodation premises covering 774 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 instill in young people a sense of courtesy and helpfulness to visitors, as well as to promote a hospitality culture in schools and the community. The Commission also maintains liaison and co-operation with the travel and related industries, and tourism authorities in the Mainland to encourage exchange among frontline practitioners with a view to further improving service quality.

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 organizations to host large-scale events in Hong Kong for the following three years. In April 2012, a sum of \$150 million was approved to extend the operation of the Fund and modify the scheme into a two-tier system. The new system will provide financial incentive to attract new or established high profile mega events to Hong Kong, whilst at the same time continue to encourage the hosting of potential mega arts, cultural, sports and entertainment events in Hong Kong by local non-profit-making organizations.

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 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 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 67.1 per cent in the first seven months of 2013. As at July 2013, there were over 116.84 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 16 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 key markets, such as Mainland China, Taiwan and South Korea, the HKTB also strives to step up promotional efforts in the new 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 15 languages and 22 versions, and records more than 58.6 million visits in 2011. In order to expand the reach of its promotions, the HKTB has stepped up its digital marketing efforts. In August 2012, it launched the revamped website with new design highlighting the "Asia's world city" branding. Besides improving site usability to enhance browsing experience, the HKTB has overhauled the website content to better showcase Hong Kong's core tourism strengths and happenings. The site also includes new built-in features to facilitate consumer's pre-trip planning, such as the 'My Hong Kong Guide' and 'Nearby Points of Interest' functionalities. Meanwhile, the HKTB has been leveraging on the social media and mobile platforms to promote Hong Kong. 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 series include 'DiscoverHongKong • AR', 'DiscoverHongKong • City Walks' and 'DiscoverHongKong • Heritage Walks'.

The HKTB works very closely with its partners from the travel trade. In 2012, it organised 36 familiarisation trips to Hong Kong, in which 611 travel trade representatives took part. It also works closely with different tourism administrations in the Mainland, such as the Guangdong Provincial Tourism Administration (GDPTA), Shenzhen Municipal Bureau of Culture, Sport and Tourism and Macau Government Tourist Office (MGTO), to promote multi-destination itineraries that include Hong Kong, Guangdong Province and Macau through organising a series of roadshows and participation in major international travel trade shows. To introduce travel specialties of the Pearl River Delta to US consumers, the HKTB also collaborated with the GDPTA and MGTO on the production of a travelogue which was broadcast in February 2012.