

For discussion
3 November 2003

Legislative Council Panel on Economic Services

Progress Report on the Global Tourism Revival Campaign

Purpose

This paper reports the progress of the Global Tourism Revival Campaign (the Campaign) implemented by the Hong Kong Tourism Board (HKTB) as part of the Economic Relaunch Programme promulgated in the wake of SARS during the second quarter of 2003.

Background

2 At the meeting of the LegCo Panel on Economic Services held on 12 June 2003, Members were briefed on the proposals to attract tourists to Hong Kong with a view to achieving recovery in the tourism and related industries. The Campaign was launched on 23 June 2003 upon Hong Kong's delisting as a SARS affected area by the World Health Organization.

The Campaign

3. The Campaign is implemented in two phases. Phase 1 covered various promotional activities between 23 June and 15 September 2003, including the following –

- to publicise the delisting of Hong Kong as a SARS affected area internationally
- to generate positive media coverage
- to organize familiarization visits for the trade and media groups
- to participate in major international trade shows
- to promote Hong Kong's strength as a convention / exhibition destination

- to run the “Hong Kong Welcomes You!” promotion to attract visitors back with travel offers
- to stage two mega-events (Strato-Fantasia and Mid-Autumn Lantern Celebration)

4. The launching of a new global advertising campaign “Hong Kong – Live it, Love it!” in mid September 2003 kick-started Phase 2 of the Campaign, comprising various consumer and trade promotion programmes. A number of mega-events have been held or are being planned, including the Hong Kong International Musical Fireworks Competition in October 2003, Hong Kong Winterfest in December 2003 and the International Chinese New Year Night Parade in late January 2004.

5. A total of HK\$379 million has been allocated to the HKTb for the Campaign under the Economic Relaunch Programme. For Members’ information, the Hong Kong Tourism Board has prepared at Annex A, a rundown of this campaign and the progress so far.

6. In response to the request by the LegCo Panel on Financial Affairs (further to the special meeting held on 11 October) to provide more details of the project items covered by Economic Relaunch Programme, we have prepared a breakdown of the \$379M funding and the actual spending as at 15 September at Annex B for Members’ information. The Campaign is still underway. Funds are already earmarked for forthcoming programmes as part of the overall allocation.

Recent tourism performance

7. The tourism sector has rebounded very quickly since the SARS was over. HKTb’s promotional efforts have proved to be successful in restoring visitors’ confidence and tourist arrivals to pre-SARS level within a short period of time. The tourism industry has been hard-hit by SARS as visitor arrivals dropped significantly by 65% and 68% in April and May 2003 respectively as compared to same period last year. By July, we welcomed over 1.29 million visitors, which was an increase of almost 80% over June. In August, we welcomed over 1.64 million visitors, a growth of 9.6% from August 2002 and it was the second highest monthly arrival on record. The growth momentum sustained in September and visitor arrivals continued to grow by 8% as

compared to the same month last year. This was record setting for that month. Hotel occupancy has also climbed up from 18% in May to 88% in August.

8. While there has been a significant increase in Mainland visitors in the past few months due to pent-up demand and the implementation of the Individual Visit Scheme, our long-haul markets have yet to recover fully. In August, except for Mainland China, all other markets still recorded a reduction in visitor arrivals by 13% - 29% as compared with the same period last year. It is therefore necessary to continue our promotional efforts to ensure sustainable recovery and reinforce Hong Kong's position as the leading destination in Asia.

Advice Sought

9. Members are invited to note the progress report.

Tourism Commission
Economic Development and Labour Bureau
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