

LCQ17: Hong Kong Tourism Board's partnership with local travel trade

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Following is a written reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, to a question by the Hon Paul Tse in the Legislative Council today (December 8):

Question:

The Hong Kong Tourism Board (HKTB) launches a number of large-scale marketing campaigns every year with a view to attracting visitors to Hong Kong. Regarding HKTB's provision of sponsorship to local travel agencies when launching such campaigns, will the Government inform this Council if it knows:

- (a) whether HKTB has sponsored the advertisement and promotion expenses of any local travel agency (including placing and broadcasting publicity advertisements locally and overseas); if so, which promotional events of HKTB in the past three years had involved similar sponsorships; the public funding spent on sponsoring advertisement expenses of travel agencies in Hong Kong each year, the names of all travel agencies with advertisement expenses sponsored and the amount of sponsorship;
- (b) as it was reported that a staff member of HKTB had pointed out that when the Summer Pop - Live in Hong Kong was first launched in 2009, HKTB had sponsored only one travel agency half of the expenses of its advertisement placed overseas, while other travel agencies did not even have the chance to apply for the sponsorship, and such arrangement was alleged to have violated the principle of fairness, openness and justice, whether the authorities have investigated thoroughly and followed up the case; if so, of the details, if not, the reasons for that;
- (c) the reasons for HKTB to sponsor the advertisement expenses of travel agencies;
- (d) whether HKTB has any established procedure for processing applications and vetting and approving the aforesaid sponsorships; if so, of the details; whether HKTB has any criteria to ensure that funding will be granted in a fair, just and reasonable manner;
- (e) whether it has regularly made public, through open and appropriate channels, the expenditure on the aforesaid sponsorships; if so, of the details; if not, the reasons for that; and

(f) whether it has announced the procedure and criteria in (d), so that all travel agencies in Hong Kong are aware of the circumstances under which they can apply for sponsorships and the procedures they need to follow in applying for sponsorship; if so, of the details, if not, the reasons for that?

Reply:

President,

My reply to the six parts of the question is as follows:

(a) The Hong Kong Tourism Board (HKTB) partners with the local travel trade on the promotion of major marketing campaigns and mega events, such as the Hong Kong Food and Wine Year and the Festive Hong Kong Year, with a view to attracting participation by more tourists. The mode of partnership includes sharing advertising costs, joint production of publicity materials, etc.

The expenditure incurred by HKTB on partnership with local travel trade on promotions in the past three years is set out in Annex.

During the period, HKTB conducted co-operative promotions with seven local travel agencies. Formal agreements were signed with these agencies. The confidentiality clause in these agreements did not allow disclosure of any information relating to the partnership without the consent of both parties. HKTB had consulted all seven travel agencies, but none agreed to disclose its name and other information in the agreement.

(b) HKTB always welcomes proposals for co-operative promotion on HKTB's activities from all travel trade partners. For the "Summer Pop - Live in Hong Kong" concert in 2009, HKTB explained that it had only received one local travel agency's proposal. HKTB stressed that it had conducted an investigation on the above partnership arrangement and found no irregularity. The approval procedures were in compliance with the established financial policies and procedures of HKTB.

(c) Leveraging on the promotion and sales networks of travel trade partners, HKTB hopes to disseminate information on its activities to more visitors directly in order to attract them to Hong Kong.

(d) HKTB stages the Hong Kong Tourism Overview session each year, during which HKTB introduces its work plan for the coming year to all local travel trade partners, organisations and companies and invite their collaboration on promotions. Upon receiving a proposal for co-operative promotion, HKTB will consider whether the proposal is in line with its promotion strategies and objectives, and whether the proposal will help enhance the effectiveness of its promotions of Hong Kong as a travel destination and encouraging visitors to purchase tour products of Hong Kong. If the travel trade's proposal fulfills the above criteria, it will be processed in accordance with HKTB's existing financial policies and procedures which specify the different levels of approving authority. The HKTB management at the appropriate level would then approve the contractual sums and enter into a contractual agreement with the trade partner concerned to confirm the co-operation.

(e) Since 2008, HKTB has, on an annual basis, submitted its work plan and proposed marketing budget for the coming year to the Economic Development Panel of the Legislative Council. The marketing budget sets out the proposed expenditure for different strategic focuses, including that for "further fostering strong partnership with the trade" which already comprises co-operative promotions with the local travel trade. Currently, the breakdown of expenditure on co-operative promotions with the local travel trade is not listed in the financial statements of the HKTB Annual Report. HKTB will consider how such information may be released in the future.

(f) In addition to the annual Hong Kong Tourism Overview, HKTB plans to make use of its new PartnerNet website to be launched early next year for further enhancing the existing mechanism for partnership with the local travel trade. Through this website, HKTB will invite the travel trade to submit co-operation proposals taking into account the different marketing initiatives of HKTB throughout the year. HKTB will tidy up the relevant application procedures and approval criteria, and disseminate the information to all local trade partners through e-mail circulars and uploading onto the PartnerNet website. The PartnerNet is a free online platform provided by HKTB to the tourism industry partners in Hong Kong and other visitor source markets. The website includes details of HKTB's promotions and events, travel-related products and latest information about Hong Kong to facilitate the travel trade to market Hong Kong.

Ends/Wednesday, December 8, 2010

Issued at HKT 16:21