

LCQ7: Measures to improve the Individual Visit Scheme and diversify the sources of visitors to Hong Kong

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Following is a question by the Hon Claudia Mo and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (February 11):

Question:

After a meeting with the mainland authorities in Beijing held in June last year, the Secretary for Commerce and Economic Development said that he had discussed with the mainland authorities the Individual Visit Scheme (IVS), including the policy on one-year multiple-entry Individual Visit Endorsements (commonly known as "multiple-entry endorsements"), and would announce the improvement measures upon reaching a consensus. The Secretary also said that he would relay to the mainland authorities the views on IVS policies expressed by various sectors in Hong Kong, including the suggestion of changing the multiple-entry endorsements to "certain number of trips per endorsement". However, the Government has yet to give an account of the progress on this issue. In this connection, will the Government inform this Council:

(1) of the progress of its discussion with the mainland authorities on improving IVS and whether it has set a timetable for announcing the discussion outcome and the improvement measures;

(2) whether it has assessed the feasibility of requesting the mainland authorities to cancel the multiple-entry endorsements arrangement and setting a ceiling on the number of visitors under IVS; if it has assessed, of the details; if not, the reasons for that and whether it has considered other options; and

(3) of the specific new measures to diversify the sources of visitors, with a view to attracting visitors from long-haul markets (such as Europe, the United States and Australia, etc.) and short-haul markets in Asia (such as Taiwan, Japan and South Korea, etc.) to visit Hong Kong, so as to prevent the tourism industry from exceedingly relying on IVS?

Reply:

President,

The HKSAR Government attaches great importance to the long-term and healthy development of Hong Kong's tourism industry. At the same time, we understand the community's concern about the impact of the continuous growth in visitor arrivals on people's livelihood. The Chief Executive announced in September 2012 that the relevant Mainland authorities would liaise and work closely with the HKSAR Government to ascertain the receiving capacity of Hong Kong before considering implementing multiple-entry Individual Visit Endorsements for non-permanent residents of Shenzhen, and arranging the orderly issuance of exit endorsements for non-permanent residents in six cities. Moreover, the HKSAR Government finished the assessment on Hong Kong's capacity to receive tourists in late 2013, and is now making great efforts to enhance Hong Kong's capacity to receive tourists along the recommendations in the assessment report, including the expansion of the two theme parks, the commissioning of the second berth of the Kai Tak Cruise Terminal, etc. We will also continue to adopt a multi-pronged approach to increase the supply of hotel rooms.

Our replies to the questions raised by Hon Claudia Mo are as follows:

(1) & (2) Taking into account the community's continued concern about Hong Kong's capacity to receive tourists, the Chief Executive indicated in April 2014 that the HKSAR Government was looking into ways to adjust the growth in visitor arrivals and their composition, and would announce the outcome as soon as possible upon discussion with the Central Government and relevant Mainland authorities. The HKSAR Government met with the Hong Kong and Macao Affairs Office of the State Council in June 2014 and relayed different views of the Hong Kong community on the Individual Visit Scheme (IVS) to the Central Government.

As different adjustment measures will lead to different extent of reduction in visitor flow in different districts and different sectors, as well as bring about different economic impacts, we have to analyse objectively the impact of different adjustment measures on Hong Kong's overall economy. Our major premise is to ensure the stable and orderly development of the tourism industry, and at the same time minimise as far as possible the inconvenience caused by increasing visitor arrivals to local residents, with a view to striking a balance between the impact of the tourism industry on Hong Kong's economy and the livelihood of the community. For this reason, we have to take into account Hong Kong's latest developments, including the economy, livelihood of

the community, etc. We encourage different sectors of the community to continue to seize the time to have extensive and serious discussions and give specific recommendations.

The measures to fine-tune and improve the arrangements under the IVS are still being discussed and there is no conclusion reached at this stage. The HKSAR Government will continue to liaise and exchange views with the Central Government and relevant Mainland authorities and relay different views of the Hong Kong community to the Central Government comprehensively so that the adjustment measures eventually implemented by the Central Government would better meet the long-term and overall interests of Hong Kong.

(3) The Tourism Commission, through the Hong Kong Tourism Board (HKTB), has endeavoured to maintain a diverse visitor portfolio and uphold Hong Kong's image as the Asia's World City and a world-class travel destination. In recent years, the HKTB has focused its marketing investment on 20 key markets globally, of which around 75 per cent has been allocated to overseas markets (i.e. markets other than the Mainland). To tap new visitor sources, the HKTB has also explored new markets, including India, Russia, Vietnam, markets in the Gulf Co-operation Council and the Netherlands.

Targeting at short-haul markets, the HKTB, together with the local travel trade, has launched a series of overseas promotions on Hong Kong's Chinese New Year programmes and rolled out appealing tourism products in Taiwan, Japan, South Korea and various Southeast Asian markets in January and February this year to drive arrivals during the Chinese New Year period. In 2015-16, the HKTB will further increase its marketing investment in short-haul markets, especially in Taiwan, South Korea, the Philippines, Singapore and Indonesia, and focus its promotion during the summer and winter travel seasons. The HKTB will promote the unique experiences and tourism products offered in Hong Kong through advertisement, public relations initiatives, digital marketing and consumer shows to attract short-haul visitors.

For long-haul markets, since travel sentiments are impaired by the uncertain economic conditions, the HKTB will adopt a more cautious promotion strategy and focus its promotion in the spring and autumn travel seasons. The HKTB will maintain its presence in these markets through increased use of digital and social media marketing and public relations initiatives. In addition, the HKTB will work closely with the tourism authorities in the Mainland and Macau to promote multi-destination

itineraries and tourism products featuring Hong Kong to long-haul visitors to draw more long-haul arrivals.

Also, as regards the high-spending mid-career and achiever segments, the HKTB will continue to focus its promotion on Hong Kong's wine-and-dine offerings, arts and culture, green attractions, MICE (meetings, incentive travels, conventions and exhibitions) and cruise and other diversified appeal in order to attract more high-end visitors to Hong Kong.

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