

LCQ4: Hong Kong's capacity to receive visitors

Following is a question by the Hon Jeffrey Lam and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (April 15):

Question:

The Commerce and Economic Development Bureau completed the Assessment Report on Hong Kong's Capacity to Receive Tourists (Report) in December 2013. The assessment areas covered by the Report included the handling capacity of the control points in Hong Kong as well as the tourist receiving capacity of tourism attractions, hotels, public transport, etc. The Report projected that the visitor arrivals to Hong Kong would exceed 70 million in 2017, and this projected number was taken as the basis for assessment of Hong Kong's capacity to receive tourists. The Report also pointed out that the Government would continue to enhance the overall receiving capacity of the tourism industry in Hong Kong. In this connection, will the Government inform this Council:

(1) of the measures that the Government will launch in the coming two years to enhance the handling capacity of various control points, and the anticipated effect of such measures;

(2) of the measures that the Government will launch in the coming two years to alleviate the following problems: a shortage of supply of hotel rooms, traffic congestion at tourist and shopping hotspots, as well as insufficient coach parking spaces in such locations;

(3) given that notwithstanding the Report's projection that the visitor arrivals to Hong Kong would exceed 70 million in 2017, some members of the tourism industry have pointed out that the recent protests against parallel traders have already tarnished Hong Kong's image as a hospitable city, whether the Government has revised such figure; if it has, of the details; if not, the reasons for that;

(4) whether it has estimated the manpower demand in the tourism industry in the coming two years; if it has, of the details; if not, the reasons for that; and

(5) whether the Government will launch measures in the coming two years to enhance

the tourist receiving capacity of the Northwest New Territories to a level sufficient to meet the demand; if it will, of the details; if not, the reasons for that?

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. Thus, regarding this issue, the HKSAR Government has been working on various fronts, including completing the Assessment Report on Hong Kong's Capacity to Receive Tourists (Assessment Report) in late 2013, relaying different views of the Hong Kong community to the Central Government, and raising the specific proposal of improving the "multiple-entry" policy by replacing it by "one trip per week" policy in June last year. The HKSAR Government is grateful for the Central Government, Guangdong Provincial and Shenzhen Municipal Government's understanding of Hong Kong's situation. The Bureau of Exit and Entry Administration of the Ministry of Public Security announced on April 13 that with immediate effect, the issuance of "multiple-entry" Individual Visit Endorsements for permanent residents of Shenzhen would be stopped. Instead, "one trip per week" Individual Visit Endorsements for permanent residents of Shenzhen would be issued. At the same time, the HKSAR Government is 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 Jeffrey Lam are as follows:

(1) In order to sustain efficient immigration clearance, the Immigration Department (ImmD) continues to adopt a multi-pronged approach and implement various measures to enhance service quality and optimise handling capacity of various control points. In addition to improvement works at existing control points, flexible manpower deployment and streamlining immigration clearance workflow, the ImmD will make further use of information technology, including launching a new immigration control system (ICONS) in 2016 by phase as planned. Under ICONS, the ImmD will upgrade all existing resident e-Channels to multi-purpose ones and install over 150 new

multi-purpose e-Channels to allow more flexible deployment of e-Channels and further enhance clearance efficiency.

Furthermore, to tie in with introduction of a new electronic Exit-Entry Permit for Travelling to and from Hong Kong and Macao (e-EEP) by Mainland authorities since May 20, 2014, the ImmD has extended e-Channel service to eligible e-EEP holders. A continuous increase in the number of visitors holding electronic travel documents (e-TD) is expected, with the percentage of visitors holding e-TDs exceeding 60 per cent of all visitor arrivals by 2016, increasing to over 90 per cent by 2020.

Separately, a number of new control points works projects are being carried out. Commissioning of these new control points in due course would alleviate the pressure on the existing ones.

(2 and 5) On the hotel supply front, there were a total of 244 hotels providing some 72 700 hotel rooms as at end 2014. The new hotel projects of our two flagship theme parks and the airport's North Commercial District will come on stream, providing a total of about 2 200 rooms. In addition, the HKSAR Government has included in the 2015-16 Land Sale Programme a hotel site within the "hotel belt" along the former Kai Tak Runway. This development is expected to provide some 500 hotel rooms. All in all, it is expected that more new hotels will be coming on stream in the years ahead and the total number of hotel room supply in 2017 will increase to around 84 000.

As regards public transport, the HKSAR Government has been adopting a three-pronged approach to tackle road traffic congestion, i.e. by improving transport infrastructure, expanding and improving the public transport system, and managing road use. The HKSAR Government will continue to monitor the road traffic condition in Hong Kong, and implement appropriate measures under the three-pronged approach.

As regards coach parking spaces, the HKSAR Government has been closely monitoring the demand and supply for coach parking spaces in various districts of Hong Kong. The HKSAR Government has been providing additional pick-up and drop-off spaces as well as parking spaces at appropriate locations (including tourist and shopping hotspots) for coaches, as long as road safety and other road users are not affected. We also provide parking of coaches through short-term tenancy car parks. In addition, we will request developers to provide specified number of parking spaces for coaches in suitable new developments after fully taking into account the nearby traffic conditions.

At the same time, the Tourism Commission (TC) has been maintaining close liaison with the tourism sector, including the Travel Industry Council of Hong Kong, as well as listening to their views and reviewing timely the provision of coach parking spaces and ancillary transport facilities in major tourist districts. In addition, the TC also co-ordinates relevant departments to keep in view and examine whether the existing ancillary transport facilities are effective and adequate, and will, in conjunction with the relevant departments, make appropriate adjustment and improvement measures as necessary. To address the problem of inadequate coach parking spaces, the TC and relevant departments, together with the tourism sector, have worked out some feasible improvement measures to increase coach parking spaces in major tourist districts, including Tsim Sha Tsui, Hung Hom, To Kwa Wan and North Point. We are actively taking forward these proposed measures.

As for the suggestion of developing a boundary shopping centre near the Lok Ma Chau border area, we consider it worth considering from the tourism perspective. If materialised, the development may help divert visitors in the short term and provide job opportunities to residents of the existing and planned new towns in the New Territories in the long run. Application for development of the boundary shopping centre should be implemented in accordance with the established statutory procedures on planning, land administration and other relevant aspects. The Commerce and Economic Development Bureau has been co-ordinating relevant Government departments to offer advice to the project proponent on the information required for its application and the relevant statutory procedures, etc. The HKSAR Government will keep a close watch on the progress of the project and continue to provide assistance to the proponent as appropriate.

On the other hand, the HKSAR Government is conducting the "Preliminary Feasibility Study on Developing the New Territories North". If there are suitable locations for developing shopping facilities at the boundary area, the HKSAR Government will examine the feasibility of the proposal accordingly.

(3) The violent and illegal acts in the recent anti-parallel trading protests have seriously damaged Hong Kong's reputation as a tourist destination. The HKSAR Government will definitely take resolute enforcement actions against illegal acts, which are by no means tolerated.

The HKSAR Government understands the trade's concern regarding the damage of

Hong Kong's hospitable culture by the anti-parallel trading protests. To rebuild visitors' confidence and entice them to visit Hong Kong, the Financial Secretary has announced in the 2015-16 Budget to provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) for strengthening the image of Hong Kong as a premier tourist destination. As regards promotional efforts in the Mainland, the HKTB will roll out new videos on its "My Time for Hong Kong" promotional platform in collaboration with nationwide media organisations and online video platforms in 2015-16, and broadcast them on TV and digital marketing channels to promote Hong Kong's hospitable culture and unique tourism experiences. The HKTB will also promote relevant themes to Mainland consumers through newspapers, magazines, outdoor promotions and other channels in the market.

As regards the Assessment Report finished in late 2013, we had made an assessment based on different factors at that time. The HKSAR Government will continue to closely monitor Hong Kong's situation on various fronts, and formulate relevant policies with the major premise of maintaining the long-term and healthy development of Hong Kong's tourism industry.

(4) The number of employees employed by the tourism industry and other relevant industries (e.g. retail industry, food and beverage services industry, etc.) depends on different factors of individual enterprises, including market operation, business model, business decisions, etc. Thus, the HKSAR Government does not possess estimates in this regard.

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