

LCQ1: Decline in number of visitors to Hong Kong

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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 29):

Question:

It has been reported that the number of visitors to Hong Kong in recent months has declined evidently, resulting in decreases in the receipts of the tourism, catering and retail industries. Some members from these industries have pointed out that the decline in the number of visitors to Hong Kong is related to the earlier protests against parallel traders. In this connection, will the Government inform this Council:

(1) of the number of visitor arrivals to Hong Kong in each of the past six months and, among such arrivals, the respective numbers of those from the Mainland, Southeast Asia and long-haul markets; of the regions which had greater rates of decrease in numbers of visitors to Hong Kong, and the respective per capita spending in Hong Kong by visitors from such regions, as well as the rates of decrease in the receipts of Hong Kong's tourism and retail industries caused by the decline in the number of such visitors;

(2) according to the authorities' assessment, of the causes for the decline in the number of visitor arrivals to Hong Kong and, in case such situation persists, the impacts it may have on Hong Kong's tourism and retail industries, employment rate as well as overall economy; and

(3) what new measures the authorities will introduce to attract more visitors to Hong Kong and stimulate the growth in the retail industry; whether the authorities will step up efforts to maintain order in respect of protests against parallel traders, and step up publicity work outside Hong Kong to convey the messages that the impoliteness towards or violence against visitors happened earlier were only isolated incidents and that Hong Kong is still a hospitable city?

Reply:

President,

The tourism industry is one of the four pillar industries in Hong Kong. It accounts for 5 per cent of our Gross Domestic Product and offers 270 000 direct employment opportunities, of which around 240 000 are related to inbound tourism, and most of the jobs are for the grassroot and with relatively lower skill requirements. It can be seen that inbound tourism contributes significantly to Hong Kong's economy and employment opportunities. The HKSAR Government also attaches great importance to the long-term and healthy development of the tourism industry.

Our replies to the questions raised by Hon Jeffrey Lam are as follows:

(1) and (2) Various factors have affected the desire of visitors to travel to Hong Kong in recent months, such as the persisting uncertain outlook for the global economy, continued strengthening of the Hong Kong dollar as well as depreciation of currencies and relaxation of visa policies of other popular tourist destinations (e.g. Europe, Japan, South Korea, etc.). Furthermore, the anti-parallel trading protests in recent months have also damaged Hong Kong's hospitable image and affected the desire of visitors (especially Mainland visitors) to travel to Hong Kong.

According to the statistics provided by the Hong Kong Tourism Board (HKTB), the total visitor arrivals and visitor arrivals from the Mainland, Southeast Asia and long-haul markets respectively in the past six months are set out in Annex 1.

In the past six months, amongst the visitor arrivals from the three sources mentioned above, the drop in Southeast Asian visitor arrivals was relatively bigger, followed by the visitor arrivals from long-haul markets. Both the visitor arrivals from Southeast Asia and long-haul markets recorded the biggest drop in February 2015 over the last six months.

According to the statistics provided by the HKTB, the average per capita spending of Southeast Asian and long-haul visitors in 2014 are set out in Annex 2.

As visitor arrivals decrease, the direct spending and employment opportunities brought about by the visitors for the tourism industry and relevant industries (e.g. retail industry, food and beverage services industry, hotel industry, etc.) in Hong Kong will drop correspondingly. If visitor arrivals continue to drop, it is expected that the business environment and livelihood of the practitioners of the relevant industries will be affected more severely. It may even bring about a more unfavourable impact on the overall economy of Hong Kong. As regards the specific extent of impact on the relevant

industries, it will depend on the actual change in visitor arrivals and average per capita spending in the future. The HKSAR Government will continue to monitor the relevant situation closely.

(3) In response to recent protests against parallel traders, the Police have strengthened their manpower and made corresponding deployment in districts with higher risk, such as mobilising police manpower of various regions to deal with emergencies. Deployment is also strengthened during holidays at places more frequented by visitors and in districts clustered by protesters. In addition, the Police have enhanced communications with shopping malls, shop operators and public transport companies etc. in districts with higher risk for minimising the impact on personal safety, public order and public transport services during such protests. In the period ahead, the Police will continue to keep a close watch on the situation and adopt all necessary measures to ensure public order and public safety.

To rebuild the positive image of Hong Kong as a hospitable travel destination, the HKTB has already joined hands with the local travel trade to launch promotions in various short-haul markets, including Japan, South Korea and Singapore in early 2015.

In the 2015-16 Budget, the Financial Secretary has also allocated an additional \$80 million to the HKTB for strengthening the image of Hong Kong as a premier tourist destination. The HKTB will make use of the funding to roll out two rounds of spending-stimulation promotion in partnership with the retail and catering trades. The first round of promotion is to support the "Happy@hongkong Super JETSO" campaign organised by the Quality Tourism Services Association from April 27 to May 28, which aims at stimulating visitor and local spending through providing spending offers from local merchants. The second round of promotion will be the HKTB's annual summer promotion, the "Hong Kong Summer Fun" from June to August, which will include stepping up promotions in short-haul markets, provision of various visitor offers from the travel trade and staging a large-scale lucky draw to attract overnight visitors. Besides, the HKTB will arrange large-scale familiarisation tours for overseas travel trade, expand the scale of overseas promotion fairs and waive local traders' participation fees.

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 image

and unique tourism experiences. The HKTB will also enhance promotion of these themes to consumers through newspapers, magazines and outdoor promotions in the Mainland.

Ends/Wednesday, April 29, 2015