

LCQ5: Tourism promotion projects and programmes

Following is a question by the Hon Yiu Si-wing and a reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (January 27):

Question:

According to the latest statistics, the total, mainland and non-mainland visitor arrivals last year decreased by 2.5 per cent, 2.9 per cent and 1.2 per cent respectively as compared with those of the year before, and the decrease in the second half of last year was higher than that in the first half. The business income of tourism-related industries, including the retail, catering and hotel industries, as well as tourist attractions has dropped significantly. Some members of the industries envisage that there is little sign of optimism this year. The Chief Executive has stated in the 2016 Policy Address that "[t]o move our tourism industry up the value chain, the Government will highlight the unique and diversified experiences Hong Kong offers and showcase our gourmet culture. It will also promote cultural and creative tourism, organise mega events, and draw more conventions and exhibitions to Hong Kong". However, the tourism promotion projects put forward in a paper submitted by the authorities to the Panel on Economic Development of this Council are all ongoing projects, except the theme-based exhibition area featuring local comic characters to be set up at the Golden Bauhinia Square, "Lumières Hong Kong" to be funded by the Mega Events Fund, the "Big Station" due to open soon in the Central and Western District, and the FIA Formula E Championship to be held in October which are new ones. Members of the tourism industry are therefore of the view that these projects would be of little help in enhancing the market competitiveness of the tourism industry. Quite a number of members of the tourism industry have relayed to me their hope that to allay their concern, the Government will give a clear account of the specific contents of the various tourism promotion projects and programmes which will be launched within this year. In this connection, will the Government inform this Council:

(1) whether it has formulated short, medium and long term targets and measures to move the tourism industry up the value chain; if it has, of the details; if not, the reasons for that;

(2) apart from the aforesaid tourism promotion projects, of the details of the tourism promotion projects and programmes which will be launched by the Government within

this year, including whether there are specific effectiveness indicators; if there are no indicators, of the reasons for that; and

(3) given that tourism-related industries are facing hardship amid a business downturn, whether the authorities have plans to allocate more resources to help those industries and the practitioners concerned to tide over the difficult times; if they do, of the details; if not, the reasons for that?

Reply:

President,

My consolidated reply to the three parts of the question raised by Hon Yiu Si-wing is as follows:

The tourism industry is a pillar industry of Hong Kong. It accounts for about five per cent of our Gross Domestic Product and provides about 270 000 employment opportunities at different levels, making significant contributions to Hong Kong's economy and employment. The Government has been attaching great importance and giving staunch support to the development of Hong Kong's tourism industry, and devoting substantial resources for this purpose.

After the rapid growth over the past 10 years, Hong Kong's tourism industry has entered a consolidation period. In view of the change in the mix and spending pattern of visitors to Hong Kong, coupled with the competition posed by neighbouring travel destinations, we need to review the development strategy of Hong Kong's tourism industry. As the Chief Executive emphasised in the Policy Address this year, Hong Kong's tourism industry should not merely focus on the growth in tourist numbers, but should move towards diversified and high value-added services. Our goal is to strive for more diversified visitor source markets and attract more high-spending overnight visitors to Hong Kong.

In the light of the challenges currently faced by the tourism and retail sectors, the Government allocated additional resources in response last year. Additional funding of \$80 million was allocated to the Hong Kong Tourism Board (HKTb) for stepping up overseas promotion efforts. Subsequently, another \$10 million was allocated for setting up a one-off matching fund to encourage local tourist attractions to launch distinctive tourism products in collaboration with hotels, travel agencies, retail

merchants, etc., with a view to drawing more high-spending overnight visitors to Hong Kong.

The Government will continue to pursue different short, medium and long-term measures to cope with the changing circumstances with a view to reinforcing our strength and instilling new momentum into Hong Kong's tourism industry.

One key area of our work this year is to reinvent the positioning of Hong Kong's tourism image. We have tasked the HKTb to change the focus of promotion efforts from shopping to Hong Kong's diversified travel experiences, including Hong Kong's gourmet culture. The HKTb is formulating a new promotion strategy on Hong Kong's tourism image. We hope to highlight the edges of Hong Kong's gourmet culture in future promotion efforts, such as featuring the attractiveness of Hong Kong's gourmet through international media, and inviting Hong Kong chefs to perform at overseas promotion activities of the HKTb.

In addition, we will further develop cultural and creative tourism. Initiatives to be launched this year include: the "Hong Kong Comic Garden", adjacent to the Golden Bauhinia Square, to be open in May; the "Lumières Hong Kong" to be staged in Hong Kong for the first time in November; and the "Big Station" in the Central District (i.e. the former Central Police Station Compound) to be open by phases this year. These initiatives showcase a mix of Hong Kong's history, culture and arts in different ways to give visitors diversified new experiences.

Different spectacular mega events will be held in town as well to attract more high-spending overnight visitors to Hong Kong, thereby bringing about more business opportunities for sectors including tourism, retail, food and beverage, hotels, etc. Of these, a series of sports mega events will take centre stage. In addition to the well-received events including the Hong Kong Sevens, the Hong Kong Cyclothon, etc., the FIA Formula E Championship will be held in the New Central Harbourfront for the first time in October as the first stop globally for the 2016/17 season. The HKTb will also continue to organise more large-scale mega events and strengthen promotion efforts. Furthermore, the Mega Events Fund is currently open to a new round of applications, and we hope that more mega arts, cultural, sports and entertainment events would be held in Hong Kong.

Some mega events, albeit existing ones, still play an important role in boosting Hong Kong's tourism industry. Events such as the International Chinese New Year

Parade, the Hong Kong Dragon Boat Carnival and the Hong Kong Wine and Dine Festival have gradually built up reputations. We should push ahead with existing mega events and encourage the trade to launch related distinctive tourism products. We should also strengthen promotion activities to create a strong ambience of mega events, with a view to attracting more visitors to Hong Kong and extending their stay here.

Meetings, Incentive travels, Conventions and Exhibitions (MICE) as well as cruise tourism also draws high value-added visitors to Hong Kong. The HKTb will continue to strengthen promotion towards MICE event organisers and partner with professional associations and convention organisers so as to attract more MICE events to Hong Kong. Events successfully secured include the 55th Orient and Southern Asian Lions Forum, the World Congress of Anaesthesiologists 2016, the 26th International Congress of The Transplantation Society, etc. Meanwhile, we will continue to promote cruise tourism through the HKTb.

The two theme parks of Hong Kong will also continue to take forward their respective development plans. For the Hong Kong Disneyland, a new themed area based on Marvel's "Iron Man" franchise and a new hotel with a theme dedicated to the spirit of exploration will be open in 2016 and 2017 respectively. As regards the Ocean Park, the first hotel and an all-weather waterpark are expected to be completed in 2017 and the second-half of 2018 respectively.

On medium-term development, the West Kowloon Cultural District will be in the spotlight of cultural tourism. Facilities such as the Xiqu Centre and the M+ museum for visual culture will be successively completed in the coming few years. On long-term development, the Government is planning the development concerning the tourism node of Kai Tak Fantasy and Lantau with a view to developing these new strategic locations into new tourist attractions. The Government will also continue the discussion on the further development of the Hong Kong Disneyland Resort (including the Phase 2 expansion) with The Walt Disney Company.

I believe Hong Kong is capable of providing visitors with unique and diversified travel experiences. The Government will maintain close collaboration with the trade, the HKTb and organisations related to the tourism sector and, subject to the needs of the industry, allocate additional resources as appropriate to support the further development of the tourism industry.

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