

LCQ4: Promotion of tourism

Following is a question by the Hon Holden Chow and a reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (June 28):

Question:

Regarding the promotion of tourism, will the Government inform this Council:

(1) of the top 10 key visitor source markets for tourism in Hong Kong in the 2016-2017 financial year, and the respective average per capita spending of the visitors from these markets;

(2) given that the numbers of visitors to Hong Kong from South Korea, Thailand and the Philippines have all increased over the past five years, whether the Government knows the reasons why the Hong Kong Tourism Board (HKTB) has budgeted a reduction in the marketing resources to be invested in the Asian visitor source markets for the current financial year as compared with HKTB's revised estimates in the previous year; whether the Government has plans to set up Economic and Trade Offices in those Asian countries which have shown a substantial increase in visitors to Hong Kong, with a view to strengthening the liaison between Hong Kong and such countries in respect of tourism, trade and economic activities; if so, of the details; if not, the reasons for that; and

(3) whether the Government has plans to host more events of distinct characteristics and mega sports events (such as motor racing, yacht racing and ball games) in the coming three years, so as to attract more tourists, in particular tourists from Asia, to visit Hong Kong; if so, of the details; if not, the reasons for that?

Reply:

President,

In recent years, the Government has emphasised that the tourism industry in Hong Kong should not merely look for increase in tourists figures but instead to pursue a balanced, healthy and sustainable development. With the funding support of

the Government, the Hong Kong Tourism Board (HKTB) has been promoting Hong Kong in 20 major visitor source markets around the world to maintain a balanced portfolio of tourists and to attract high spending overnight visitors with full marketing resources.

Replies to the questions are as follows:

(1) The information of top 10 visitor source markets of Hong Kong and the respective average spending per capita by overnight visitors in 2016 are provided at Annex I.

(2) To maintain a balanced visitor portfolio, the HKTB has been focusing its marketing resources on 20 key source markets, including short-haul markets such as South Korea, Thailand and the Philippines.

For example, in the South Korea market, the HKTB's estimated marketing budget in 2017/18 is 70 per cent higher than that in 2012/13. As regards Thailand and the Philippines markets, the 2017/18 marketing budget for them also increased by 287 per cent and 276 per cent respectively over that in 2012/13.

Overall speaking, the HKTB's total estimated marketing budget in 2017/18 is HK\$620 million, which is about 8 per cent higher than HK\$572 million in 2016/17. The budget is used for promoting Hong Kong's tourism image and enticing overnight visitor arrivals with the deployment of resources slightly different from that of previous year. In fact, the budget allocated in each source market will be adjusted according to tourism strategies, market demands and external environment. However, it does not represent a reduction of promotion efforts.

In 2017/18, the Government allocates additional funding to the HKTB to roll out a series of initiatives, such as a pilot scheme to provide promotional offers to attract transit visitors etc. The funding involves marketing and promotion expenses for different source markets. For short-haul markets, including South Korea, Thailand and the Philippines, the HKTB will continue to conduct a series of promotions which will include partnering with local TV stations and digital media to broadcast new brand videos; co-operating with trade partners, airlines, hotels and tourist attractions to roll out special tour products targeting families during school holidays; and launch attractive tour products for young visitors for short-break trips to Hong Kong.

As the tourism industry is susceptible to external factors, such as global

economic development and currency fluctuations, the HKTB will closely monitor the market situation and maintain high flexibility in the allocation of its resources. Where necessary, it will promptly adjust the marketing resources for each source market in response to any emergency and unforeseeable changes in the macro environment.

Regarding the establishment of Economic and Trade Offices, currently, Hong Kong has 12 overseas Economic and Trade Offices (ETOs) of which the main responsibilities are to enhance economic ties and cultural exchanges between Hong Kong and respective regions. As regards the three countries referred to in the question, viz South Korea, Thailand and the Philippines, the Jakarta ETO is responsible for enhancing economic ties and cultural exchanges between Hong Kong and the Philippines, while the Singapore ETO is responsible for strengthening ties and networks between Hong Kong and Thailand. In addition, we are actively preparing for the setting up of the Seoul ETO to strengthen bilateral ties and exchanges between Hong Kong and South Korea. We will continue to promote Hong Kong under existing resources of the ETOs, and will review at appropriate juncture the need for setting up ETOs in other cities.

(3) We have all along been supporting the staging of various types of major events in Hong Kong, including those organised by the HKTB, to enhance the tourism appeal of Hong Kong and enrich the experience of visitors.

In 2017-18, the Government has adopted a new strategy to encourage and support different organisations to stage events or activities in Hong Kong. The new strategy includes the following four aspects:

(i) providing "one-stop" support for large-scale commercial events with significant tourism merits, including co-ordinating communication between the event organisers and Government bureaux and departments, and facilitating the collaboration between event organisers and the tourism trade while the HKTB will also assist in the overseas promotion of these events;

(ii) cultivating home-grown events to enhance their status: to allocate resources to the HKTB to enhance some home-grown events with a view to marketing them as signature events in Asia;

(iii) supporting international events with significant branding impact on Hong Kong: through allocating funding to the HKTB to facilitate the events to take root in Hong

Kong; and

(iv) introducing a pilot scheme to support tourism activities showcasing Hong Kong's local characteristics to help diversify the events in Hong Kong. We shall allocate funding to the HKTB to introduce a pilot scheme for nurturing more local cultural, sports and entertainment activities containing local characteristics and with potential to become signature events in Asia.

In fact, apart from organising a number of mega events each year (such as the Hong Kong Wine & Dine Festival and the Hong Kong Cyclothon etc.), the HKTB has been actively assisting various event organisers in promoting local festivities, international mega events and sports events (such as the FIA Formula E Hong Kong ePrix, Hong Kong Open (golf), Tai Hang Fire Dragon Dance etc.) as well as exciting programmes of major attractions, with a view to strengthening Hong Kong's image as the Events Capital of Asia.

Besides, the Home Affairs Bureau has all along been promoting Hong Kong as a prime destination for hosting major international sports events. In 2004, the "M" Mark System and Support Package was established with a view to helping national sports associations to organise major sports events in Hong Kong. The number and the scale of these major sports events have been increasing over the years. For example, the number of "M" Mark events has increased from four in 2005 to 12 in 2017. Please refer to Annex II for the major sports events scheduled in 2017.

Thank you.

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