

LCQ6: Helping local tourism industry

Following is a question by the Hon Yiu Si-wing and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (December 11):

Question:

Since the eruption of the disturbances arising from the opposition to the proposed legislative amendments in June this year, the number of visitor arrivals to Hong Kong has plummeted and the tourism industry has been hard hit by that. The Hong Kong Tourism Board (HKTB) has already cancelled the Hong Kong Cyclothon, Hong Kong Wine & Dine Festival and Chinese New Year Night Parade for this financial year. Regarding the measures to assist the tourism industry in tapping business opportunities, will the Government inform this Council:

(1) whether it knows HKTB's original and latest estimates of expenditures on promotional activities for the second half of this year and the first half of next year respectively, with a breakdown by Mainland and non-Mainland visitor source markets;

(2) given that HKTB will complement the Government's implementation of the Travel Agents Incentive Scheme, and waive the participation fees of the trade for joining the trade fairs and travel missions organised by HKTB in the Mainland and overseas, whether the Government will review the effectiveness of such measures jointly with HKTB, and consider raising the amount of subsidy and streamlining the application procedure; if so, of the details; if not, the reasons for that; and

(3) given that HKTB has, in recent years, endeavoured to promote in-depth district tourism, including introducing to tourists neighbourhoods such as Old Town Central and Sham Shui Po under the theme of "Hong Kong Neighbourhoods", whether it knows if HKTB will roll out more in-depth district tourism initiatives and tap local visitor source, so as to boost local consumption and drive the recovery of the economy; if HKTB will, of the details; if not, the reasons for that?

Reply:

President,

Tourism is a key sector of the Hong Kong economy. In 2018, tourism employed around 260 000 persons and accounted for 4.5 per cent of Gross Domestic Product. The industry is one of the sectors that is hard hit by the continuous social events recently. Visitor arrivals declined significantly since July. Meanwhile, around 40 countries have issued travel advisories on visiting Hong Kong, which has affected Hong Kong's international image and severely hit the tourism and related industries.

The Government has been closely monitoring the development of the situation and maintaining close communication with Hong Kong Tourism Board (HKTB), Travel Industry Council of Hong Kong (TIC) and the tourism sector, etc. In view of the impact of social events on the travel trade, the Government has rolled out several rounds of support measures to alleviate the operating pressure of the industry. Also, the Government will continue to support HKTB's promotion work in overseas and the Mainland markets to restore visitors' confidence in visiting Hong Kong.

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

(1) and (2) According to HKTB's original work plan, the total marketing budget in 2019-20 was estimated at about \$433 million, of which about \$169 million was planned for use in visitor source markets. Of this, 77 per cent was to be allocated to non-Mainland markets and 23 per cent to the Mainland market. In addition, the Government allocated additional funding of \$326 million in the 2019-20 Budget to HKTB to strengthen the promotion of Hong Kong.

The protests in recent months have seriously damaged Hong Kong's destination image, resulting in a decline in visitor arrivals. In response to this situation, HKTB suspended its large-scale promotion work in the Mainland and overseas markets in the second half of the year, and cancelled after careful consideration large scale events including the Hong Kong Dragon Boat Carnival, the Hong Kong Cyclothon, and the Hong Kong Wine & Dine Festival. According to the HKTB's latest estimate, the total expenditure of this financial year will be about \$200 million less than the original estimate. HKTB has been actively preparing for both short and long-term promotion plans, which will be rolled out gradually at opportune time and will make the best use of its resources to re-allocate the unused funding. Amongst these, the tactical initiatives include:

- Rolling out promotion plans gradually in international short haul source markets,

including launching a common platform for businesses from all sectors in the city to promote enticing offers to visitors and locals. Leveraging the influence of local residents, the programme aims to attract overseas relatives and friends, as well as fans of Hong Kong, to stimulate spending and generate business for travel agents, hotels, attractions, catering, retail, etc.

- Strengthening the promotion or enhancing contents of various mega events, such as injecting new elements into the International Chinese New Year Carnival to be held during Chinese Lunar New Year, and stepping up overseas promotion of the Hong Kong Sevens, scheduled for April 2020, etc.

To support the travel trade, HKTB has rolled out a series of relief and incentive measures, including:

(i) From October 1, 2019 to March 31, 2020, HKTB has waived the participation fee for members of the travel trade to join trade fairs and travel missions organised by HKTB in the Mainland and overseas; and

(ii) From October 1, 2019 to September 30, 2020, all merchants (over 8 000 outlets) accredited under HKTB's Quality Tourism Services Scheme can have their full renewal fees waived for one year, and new applicants to the Scheme can enjoy a 50 per cent reduction on the application fee.

Besides, the Government, jointly with HKTB and TIC, has launched the Travel Agents Incentive Scheme to provide cash incentives to travel agents based on the number of inbound and outbound overnight travellers they serve. Upon the launch of the Scheme on November 18, HKTB and TIC organised four briefings for the trade from end November to early December to facilitate their understanding of the application procedures. As at November 30, HKTB and TIC received about 100 travel agents' applications involving close to 15 000 travellers, which included 56 travel agents' applications received by HKTB involving 10 890 inbound travellers in total. Overall, the Scheme is well received by the trade. We will maintain close liaison with HKTB, TIC and the travel trade, etc., to closely monitor the implementation of the Scheme and consider enhancement measures as required.

(3) In recent years, HKTB launched two district programmes in Central and Sham Shui Po and received positive feedback from the travel trade and visitors. HKTB will continue to enrich the contents of the Old Town Central and Sham Shui Po promotions,

leveraging new attractions and new elements in Central and Sheung Wan as well as Sham Shui Po, inviting visitors and locals to explore the districts.

In addition, the Tourism Commission is organising a three-year pilot scheme integrating various tourism elements and the first event, namely the Yim Tin Tsai Arts Festival 2019, has been launched on November 30. Co-created by local artists, youngsters and villagers, the island has been turned into an open museum, showcasing the co-existence of Roman Catholicism and traditional Hakka culture, and the spectacular natural landscape with installation art. Guided tours and activities covering the history, culture, ecology and religion of Yim Tin Tsai will be held for both visitors and locals to explore this unique heritage of Hong Kong. HKTB is actively promoting the Arts Festival to visitors through different channels, including its website, visitor centres and social media platforms, as well as inviting overseas media coverage of the Festival. During the Festival, HKTB has also set up an exhibition in Sai Kung Waterfront Park for visitors to explore the attractions and natural landscape of Sai Kung.

In the future, HKTB will continue to develop in-depth local tourism. HKTB will take the distribution of tourism resources in different districts into consideration and communicate thoroughly with district stakeholders when conducting district promotions and designing project details.

Thank you, President.

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