

Assessment completed on Hong Kong's capacity to receive tourists

The Government completed the Assessment Report on Hong Kong's Capacity to Receive Tourists at the end of 2013. The report concludes that, as a free port, Hong Kong treasures the freedom to enter or leave the region, and as a small and externally oriented economy, Hong Kong cannot and should not set a limit on the overall visitor arrivals.

Speaking at the press conference to elaborate on initiatives in the 2014 Policy Address today (January 17), the Secretary for Commerce and Economic Development, Mr Gregory So, said the assessment suggested that, on the basis that projected visitor arrivals would be over 70 million in 2017, Hong Kong would generally be able to receive the visitor arrivals in 2017, but hotel rooms would continue to be in tight supply.

"Given Hong Kong is small and densely populated, we cannot afford to put all our precious land resources into developing tourism facilities. We will therefore make good use of our resources to attract visitors belonging to the high value-added segments to visit Hong Kong. They include 'Achievers' and 'Mid-careers' among the overnight vacation visitors as well as overnight business and MICE (meetings, incentives, conventions and exhibitions) visitors.

"As mentioned in the Policy Address, the Working Group on Convention and Exhibition Industries and Tourism under the Economic Development Commission has pointed out in particular that we must devise and implement a visionary plan for the Kai Tak Fantasy project. We will also actively study the possibility of building more hotels and leisure tourism facilities on Lantau Island," Mr So said.

Mr So noted that while attaching importance to the healthy development of tourism in the long run, the Government looked into issues relating to tourism with a pragmatic attitude.

"The Government spares no effort in ensuring that people's livelihood will not be much affected by the growth in visitor arrivals. In view of the concern about the impact of the continuous growth in visitor arrivals on the livelihood of the community, the Chief Executive announced in September 2012 that the Government would conduct a comprehensive assessment of capacity to receive tourists," he said.

The areas assessed include the handling capacity of control points, the capacity of tourism attractions, the accommodation capacity of hotels, the carrying capacity of public transport networks, the impact on the livelihood of the community and the economic effects. The relevant bureaux and departments have conducted in-depth studies in these areas and also observed the situation in different periods and peak seasons.

"In the course of our assessment, the Government tightened the control of the export of powdered formula, and the Mainland implemented the Tourism Law. We have also observed the impact of these new developments," Mr So said.

On the way forward for the Individual Visit Scheme (IVS), Mr So said the Chief Executive had conveyed public concerns and other views about the continuous growth in visitor arrivals to the Central Government on a number of occasions. The Central Government agreed not to increase the number of pilot IVS cities and expand the scope of the multiple-entry permit arrangement at the current stage.

"The Government will continue to communicate and co-ordinate with the Mainland authorities to attract Mainland visitors in an appropriate and orderly manner in light of Hong Kong's economic and social situations," Mr So noted when speaking on the IVS.

The full text of the assessment report has been uploaded to the website of the Tourism Commission under the Commerce and Economic Development Bureau (CEDB)

at www.tourism.gov.hk/resources/english/paperreport_doc/misc/2014-01-17/Assessment_Report_eng.pdf.

Mr So added that the Government attached great importance to the reputation of the tourism sector, and the legislation to set up a Travel Industry Authority was being drafted for introduction of a bill into the Legislative Council in the next legislative session.

The Policy Address has also mentioned that the Government will re-initiate the setting up of an Innovation and Technology Bureau (ITB) and work with various sectors to formulate the objectives and policies for the development of innovation and technology in Hong Kong.

"The Government fully recognises the importance of innovation and technology in our economic development. The proposal to set up the new ITB will address the calls from the relevant sectors to set up a dedicated bureau to provide more dedicated and strategic focus to champion the promotion of innovation and technology in Hong Kong," Mr So said.

Under the proposal, the innovation and technology and the information technology policy portfolios of the existing CEDB will be transferred to the proposed ITB.

"We will announce the detailed plan as soon as practicable and will certainly consult the relevant panels of the Legislative Council," he said.

On development of Hong Kong's economy in the long run, Mr So said Hong Kong's development owed much to the Mainland's reform and opening up in the past, and the Third Plenary Session of the 18th Communist Party of China Central Committee had announced recently that the Mainland would comprehensively deepen reform and open up further.

Mr So said such a development would bring new opportunities for Hong Kong, and Hong Kong should capitalise on, consolidate and enhance the existing advantages, strengthen co-operation with the Mainland and overseas economies in every aspect, and foster diversity and robust growth in various industries.

"The Government will support the establishment of a free trade zone in Guangdong and work with the province and various municipalities towards mutual success," he said.

On external trade, Mr So pointed out that the Association of Southeast Asian Nations (ASEAN) provided impetus for regional economic growth in East Asia, and Hong Kong had secured ASEAN's consent to commence formal negotiations for a Hong Kong-ASEAN Free Trade Agreement early this year.

Moreover, the Government will consider increasing the number of Economic and Trade Offices in Asia. The Trade and Industry Department will also strengthen its liaison work and tap new markets.

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