

Speech by the Secretary for Economic Development and Labour, Mr Stephen Ip, at the "Hong Kong Luncheon" for World Tourism Organisation (WTO) delegates in Beijing today (October 21, 2003) (English only):

Mr Frangialli, Chairman He, Excellencies, Ladies and Gentlemen,

First of all, let me welcome all of you to the "Hong Kong Luncheon" specially organised for the WTO delegates.

You may be wondering why the Hong Kong Special Administrative Region is hosting this lunch today. The reason is simple: since joining the WTO as an associate member back in 1999, we have come to value the support and assistance that the WTO has given to Hong Kong. We want to acknowledge WTO's support and thank WTO for its help, particularly during this difficult year for tourism.

We also want to support the hosts of the General Assembly and to thank Chairman He and the China National Tourism Administration for the support they have extended to Hong Kong.

The last two years have been traumatic for the tourism industry worldwide. War, terrorism and the outbreak of the SARS epidemic had a devastating effect on the tourism industry. Hong Kong has experienced the impact of SARS first-hand earlier this year.

Since the outbreak of SARS, we have used every means possible to explain to the world what was happening in Hong Kong. We were determined to be a responsible global citizen, providing up-to-date facts and figures on the SARS situation in Hong Kong. I would like to thank the World Tourism Organisation for acting as an important conduit for the dissemination of such information.

Apart from staying transparent, we also took active steps to plan for our recovery. We realised that it was important to work with other players in the region affected by SARS to overcome the situation. Again, the WTO supported us by helping to jointly host a major regional tourism conference in Hong Kong in July. This kicked off a series of promotional events that will run throughout the year.

Hong Kong's tourism revival is now evident from recent figures. August and September saw arrivals in the region of 1.5 million and the first week of October recorded a new record of nearly 400,000 arrivals, representing 6% growth compared with the same period last year.

There are a few key developments that help the revival of tourism in Hong Kong.

The most important development is that residents of eight cities in Guangdong as well as Shanghai and Beijing are now able to visit Hong Kong in their personal capacity. Since the introduction of this new Individual Visit Scheme in July, over 460,000 Mainland visitors have applied for the individual visit travel permits and over 200,000 visitors have visited Hong Kong on that basis. The scheme will be extended to the whole of Guangdong in May 2004.

There are clear signs of increasing confidence in both the short-haul and long-haul markets. Recent tracking surveys have shown that the travel intention in the next two years remained high in most markets. The impact of SARS appeared to be fading away and we are now on the road to recovery. With promotional activities and incentives offered, over half of the potential travellers in most markets would now reconsider travelling to Hong Kong or advancing their trip to Hong Kong.

One of the most heartening developments was the tremendous response from the travel and tourism sector in Hong Kong at the height of the SARS crisis to join hands and work together with the Government and the Tourism Board. The resulting incentive packages, including free flights and hotel rooms, discount offers and other special deals, all helped to boost arrivals and contributed to the speed of the recovery.

Hong Kong has learnt from the SARS experience. We understand how easily our tourism industry can be affected by incidents and events that occur in or outside Hong Kong. We understand that there is a need for closer co-operation between tourist destinations. We recognise the value of working together with organisations such as the WTO, and the importance of drawing on their resources and expertise.

Looking to the future, Hong Kong is fully committed to continuing our investment in the software and hardware of our tourism sector.

I am pleased to say that the Hong Kong Disneyland project is on target for completion in late 2005. This will be joined by a new Cable Car system leading to the Big

Buddah on Lantau Island and a Wetland Park in the New Territories. We are also working to revitalise some of our existing attractions such as the Tsim Sha Tsui Promenade that are at the heart of our city. We attach great importance to developing heritage and eco tourism. We are going to invite tenders for the conversion of some of our historic buildings in Hong Kong for tourism purposes. We are also investing in the training of our tour guides and improving language skills of our frontline staff.

Our investment shows clearly our confidence in the future of tourism in Hong Kong and the importance of tourism to our economy. We will continue to make every effort to strengthen Hong Kong's position as Asia's World City, with world-class attractions and a diverse range of experiences on offer to visitors from all over the world.

I am confident that tourism will continue to grow worldwide and all of you will stand to benefit.

Thank you.

Ends/Tuesday, October 21, 2003