

**Speech by the Secretary for Economic Development and Labour, Mr Stephen Ip
at 3rd HK Tourism Symposium**

Following are the closing remarks by Secretary for Economic Development and Labour, Mr Stephen Ip, at third Hong Kong Tourism Symposium : Quality and Diversity today (March 18) (English only):

Selina, Vincent, Eden, Duncan, Ladies and Gentlemen,

I am glad to be able to join you at the third Hong Kong Tourism Symposium. I see many familiar faces here and I understand you have had very useful discussion this morning on many issues facing the tourism industry. I would like to thank the moderators and the panellists for sharing with us their views and insights.

The tourism industry has gone through many challenges in recent years, some of which we have never encountered before. Yes, I am referring to terrorist attacks such as the 911 incident and the outbreak of SARS which seriously affected the confidence of tourists to travel. For Hong Kong, we are also facing keen competition from our neighbouring countries and cities. Amidst all these challenges, we have successfully maintained our status as the top city destination in Asia. This is no mean achievement and is all due to the hard work of everyone in Hong Kong's tourism industry.

Service Quality in Tourism

The theme of this year's symposium is "Quality and Diversity". Providing excellent service quality has been one of the key objectives of the travel and tourism sector in Hong Kong for many years. This is essential to maintaining our competitive edge as a preferred business and leisure destination in the region. As the Financial Secretary said earlier this morning, we must not under-estimate the importance of word of mouth, which has the power to build or destroy a reputation and it can be more effective than any other form of communication. Sub-standard service, malpractice and rudeness to our tourists can undermine our efforts to promote Hong Kong. The government will continue to work closely with the private sector and we will spare no efforts to promote the importance of quality service to our visitors.

The growing market of Mainland visitors

Let me now turn to the Mainland market. The number of Mainland visitors has grown at a remarkable rate over the past two years, from 4.4 million in 2001 to 8.46 million in 2003. The Hong Kong Tourism Board is forecasting that some 11.2 million Mainlanders will visit Hong Kong this year. Any further expansion of the Individual Visit Scheme will result in more Mainland visitors to come to Hong Kong. At present, there are 16 cities covered under the scheme. By May this year, the scheme will be extended to all of Guangdong. All of us would like to see the scheme extended to cover more cities in the near future, as this would mean enormous business opportunities to our tourism industry. To prepare for the new influx of Mainland visitors, we need to improve our infrastructure, beef up our staffing resources and simplify procedures at our boundary crossings and, needless to say, we need to make sure we have adequate tourism facilities such as hotel accommodation. We also need to provide quality tourism service and develop more tourism products to meet the demands of tourists and maximize the potential of this growing market. In this connection, I am glad to say that we have done a lot over the past few years to provide new tourist attractions, new hotel rooms, tourist facilities and, of course, quality service. We will continue to work together with the industry to offer the best of Hong Kong to our visitors.

Diversity in Tourism

To sustain market growth, we need to broaden the range of our tourism products. Apart from the major tourism projects already in the pipeline, including Hong Kong Disneyland and the Tung Chung Cable Car, we are looking for further diversity in the years ahead. Hong Kong offers a whole range of "niche" tourism opportunities such as green-tourism, cultural heritage products, spa facilities, etc. I understand that many of you who spoke today shared this view. The Tourism Commission will work with the industry and interested parties to take forward some of your bright ideas.

New resources

Ladies and gentlemen, I would also like to take this opportunity to reassure you that the government is committed to promoting tourism and will continue to invest heavily in tourism. As the Financial Secretary pointed out this morning, the government will inject additional resources to step up our marketing efforts in the Mainland; promote service quality and a hospitable culture in the industry and the community; provide training for graduates who aspire to pursue a career in the tourism field; and commission consultancy studies to help us formulate our strategy for future tourism

developments.

To conclude, I am very much encouraged by your active participation in the symposium today. I am glad to see a general consensus that close partnership and continuous dialogue between the government and the industry is the key to further development of the tourism industry. I can assure you that this type of dialogue will be ongoing. We value very much your input. You may wish to know that more than 90% of the comments and suggestions raised last time in the 2001 symposium have been taken forward. We have recorded all your views today and will study them closely. Your contributions today will help us as we devise new strategies and priorities to meet the challenges ahead.

Ladies and gentlemen, thank you once again for sharing your experience and insights with us.

Ends/ Thursday, March 18, 2004