

Speech by Commissioner for Tourism at 2008 Hong Kong Tourism Overview
(English only)

Following is a speech by the Commissioner for Tourism, Miss Au King-chi, at the 2008 Hong Kong Tourism Overview organised by the Hong Kong Tourism Board today (February 28):

Mr Anthony Lau, friends from the travel trade and colleagues from the Hong Kong Tourism Board, ladies and gentlemen,

Good morning to you all. It gives me great pleasure to attend this important travel industry engagement forum.

Thanks to the joint efforts of the tourism family, the performance of inbound tourism in 2007 was impressive. As mentioned by Mr Lau just now, visitor arrivals increased by 11.6% over 2006 and reached a record-breaking 28 million. Inbound tourism expenditure also increased by 15.7%, amounting to \$138 billion. Let's keep up our commitment to effective marketing and quality services, and together break a new record next year.

In a moment, you will hear from the Hong Kong Tourism Board its marketing and promotion strategy in the coming year. On the Government side, we will spare no effort in promoting and supporting further development of tourism in Hong Kong. Here allow me to update you on our efforts in four priority areas. They are:

First, developing tourism infrastructure;
second, growing high yield market segments;
third, enhancing quality of services; and
fourth, addressing bottleneck issues faced by the travel trade.

Over the past few years, we have launched major tourism infrastructure such as Hong Kong Disneyland, the Asia World Expo, the Wetland Park and the Ngong Ping 360. We shall continue to work with the private sector to invest over \$11 billion for tourism infrastructure development over the next five years, including the redevelopment of Ocean Park, the new cruise terminal, the atrium link extension of the Hong Kong Convention and Exhibition Centre, as well as enhancing the existing tourism facilities in various districts.

The redeveloped Ocean Park will double its attractions to 70, which will come into operation by phases from now till 2013. The park will invite open tender for developing three new hotels by end 2008. These will help enhance Hong Kong's position as the preferred destination for family visitors.

To capture the increasing popularity of cruise travel, we are according priority to the development of a world-class cruise terminal at Kai Tak. We shall close the open tender on March 7 and plan to award the tender by the second quarter. The first berth will commence operation in 2012. In parallel, we attach equal importance to the development of cruise market software. We have convened an Advisory Committee on Cruise Industry to gauge views from the travel industry and leading cruise line operators on the strategies for promoting cruise tourism, enhancing talent supply, and interim berthing arrangements.

In addition to the family and cruise segments, another priority segment is the high value-added MICE sector. This sector will not only promote Hong Kong's brand in the international market, but also draw many high yield visitors. In this connection, the Financial Secretary announced yesterday the allocation of a total of \$150 million over the next five years to enhance Hong Kong's appeal as an international convention and exhibition capital. We have invited the HKTB to take forward this Budget initiative. The extra funds will enable the board to provide one-stop support for MICE events, assist in the bidding for prestigious MICE events, generate attendance, promote cross-selling of tourism products, as well as promote our image as an ideal destination for MICE events worldwide.

We are mindful of the need to encourage the supply of quality talent for the MICE sector. To this end, we organised a MICEMan Workshop last November to provide a platform for industry professionals, academics, HKTB and various Government departments to exchange views and identify measures to promote the development of human resources for the MICE market. We are drawing up an action plan for taking forward these measures.

It is important for us to provide quality services and protect the consumer rights of our visitors to generate positive word of mouth and induce re-visits. The Government works closely with the HKTB and the trade on this front. Indeed more needs to be done to ensure that we will not fall behind the market. Thanks to the support of the retail sector, the QTS scheme is a strong selling point to our visitors in particular those from the Mainland, when we have to combat malpractices brought about by an unscrupulous minority in the trade.

We are looking into bottlenecks that deter visitors from coming into Hong Kong. Just to cite some examples, we are working on further relaxation of our visa policy to stimulate the growth of visitors from emerging markets, like Russia. On hotel supply, from now till 2010, we expect an increase of some 10,000 hotel rooms. However, we would need more to meet the growing market. To promote hotel development, the Financial Secretary has just announced that we will include 10 suitable sites in the 2008/09 Application List solely for hotel use. We shall also waive the Hotel Accommodation Tax, giving back \$470 million to the market every year.

Looking ahead, 2008 presents excellent opportunities in tourism, with Olympics Equestrian Events on top of the list. Colleagues in the HKTB will share with you shortly their marketing plan for this exciting year. We look forward to the continuous support of the trade for promoting our tourism facilities and providing quality service to our visitors. Ladies and gentlemen, each one of you plays a critical role in maintaining and enhancing Hong Kong's status as an attractive cosmopolitan destination, offering style, sophistication and fun that our visitors cannot resist.

Thank you very much.

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