

Speech by PSCIT at Opening Ceremony of the 22nd International Travel Expo and the 3rd MICE, Business & Incentive Travel Expo (English only)

Following is a speech by the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), Miss Yvonne Choi, at the opening ceremony of the 22nd International Travel Expo and the 3rd MICE, Business & Incentive Travel Expo this morning (June 12):

Mr Tong, distinguished guests, ladies and gentlemen,

It is a pleasure to join you this morning. A warm welcome to you all, especially those who have travelled a long way to be here to attend this expo. I hope you are well rested.

I am particularly delighted that so many friends return to this event each year. Your support is a huge vote of confidence in the expo, and for Hong Kong as a premier tourist destination.

Last year, we broke our own record by receiving over 28 million visitors, which is about four times our population. It represented 11.6% growth compared to 2006. Overnight arrivals alone grew by 8.4%, ahead of the average of 6% globally.

With a diversified portfolio of attractions such as Hong Kong Disneyland, Ocean Park, Ngong Ping 360 and the Wetland Park, more families are coming to Hong Kong.

Family visitors aside, the MICE sector - a sector of economic activities centred around meetings, incentive travel, conventions and exhibitions - is showing strong signs of growth. A rough estimate by the Hong Kong Tourism Board shows that, of the 28 million visitors last year, about 1.7 million were coming for MICE events. This expo is one of more than 300 international events that take place in Hong Kong each year at venues across the city.

Our status as an international commercial and financial centre has helped boost business travel. Also Hong Kong is now home to more than 3,800 international companies with regional operations. Our central location in East and Southeast Asia further puts us no more than five-hours flight time from half the world's population, not to mention our strategic gateway location to the Mainland of China. We offer a most business friendly environment, state-of-the-art infrastructure, a strong and

motivated workforce, high quality professional services, etc.

Of course, we are all working hard to do better, which is why this expo is such an important platform to share ideas, identify trends and - no doubt - size up the competition.

And I would like to fill you in on some of the things the Government and related bodies are doing to grow the tourism industry in Hong Kong, and in particular MICE tourism.

For one thing, we like to keep our business people happy, and a good way to do that is through a low and simple tax regime. Profits tax is capped at 16.5%, and salaries tax at 15%. There is no capital gains tax. No estate duty. No VAT. No GST.

In his budget in February, the Financial Secretary earmarked an additional HK\$150 million, or almost US\$20 million, to raise our MICE profile over the next five years. And, the Hong Kong Tourism Board will set up a new dedicated office under the name, Meetings and Exhibitions Hong Kong (or MEHK). This office will step up global publicity and provide a one-stop support service for event organisers.

The Financial Secretary also proposed to waive hotel accommodation tax, which will take effect next month after completion of the legislative process. Further, he scrapped duties on wine and beer, to help develop Hong Kong into a wine trading and distribution hub in Asia. The initial response from the trade has been very encouraging.

In January, CEI Asia Pacific Magazine named Hong Kong as the best MICE city in the region. Such recognition is due in no small measure to our core strengths, as well as the resilience, versatility and hospitality of our travel industry and our community. We are of course proud to gain such recognition. This makes us more determined to do even more to promote Hong Kong as an international convention, exhibition and event capital.

In this regard, I would like to congratulate Mr Tong and his team for putting together this wonderful event and I wish you all a successful and fruitful expo.

I look forward to seeing you back in Hong Kong soon. In particular, I hope some

of you will be able to join us again, in less than two months, for the Olympic events. On August 8, the Beijing Olympics will get under way, with Hong Kong as a co-host city, staging the Olympic Equestrian Events of the 2008 Games. It is a once-in-a-lifetime opportunity for us and we are determined to put on a good show.

Thank you very much.

Ends/Thursday, June 12, 2008