

The tourism industry is one of the major pillars of the economy of Hong Kong. In 2016, it contributed to around 5% of Hong Kong's GDP and employed around 258 900 persons, accounting for about 7% of total employment.

In 2017, total visitor arrivals rebounded by 3.2% over 2016 to 58.5 million, of which overnight arrivals rose by 5.0%. The Mainland continued to be the largest source market of Hong Kong, accounting for around 76% of our visitors. The total number of visitors rose further by 9.6% in the first quarter of 2018 over the same period in 2017, mainly bolstered by a 12.6% growth in Mainland arrivals.

Accommodation for visitors: By end March 2018, there were 283 hotels, providing over 79 200 rooms, in Hong Kong. The average hotel room occupancy rate increased by 2 percentage points to 89% in 2017. In the first quarter of 2018, the occupancy rate leapt by 3 percentage points year-on-year to 91%. The Government has undertaken a number of initiatives to encourage the development of different types of hotels to meet the diversified needs of visitors. For example, a number of sites in different parts of Hong Kong were designated for "hotel only" sites in the past years. The Government has also included in the 2018-19 Land Sale Programme four commercial sites that allow for hotel development, of which the three sites at Kai Tak Development area are expected to provide about 1 770 hotel rooms.

Accessing Hong Kong: The Government continues to enhance Hong Kong's accessibility by visitors. Nationals from some 170 countries and territories may visit Hong Kong visa free for periods ranging from seven to 180 days.

As for Mainland visitors to Hong Kong, the Individual Visit Scheme (IVS), allowing residents of designated Mainland cities to visit Hong Kong as independent travellers without joining group tours, has been gradually extended since its introduction in July 2003. It now covers 49 Mainland cities, namely all 21 cities in Guangdong Province, Shanghai, Beijing, Chongqing, Tianjin, Chengdu, Dalian, Shenyang, Jinan, Nanchang, Changsha, Nanning, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and a total of nine cities in Fujian (Fuzhou, Xiamen, Quanzhou), Jiangsu (Nanjing, Suzhou, Wuxi) and Zhejiang (Hangzhou, Ningbo, Taizhou). IVS arrivals increased from 35% of all Mainland arrivals in 2004 to 57.1% in 2017. As at end December 2017, there were over 238.02 million visitor arrivals from the Mainland through the IVS since its implementation.

Tourism Commission (TC): The TC was established in May 1999 to co-ordinate within the government various tourism development efforts and to provide policy support and leadership on the development of tourism in Hong Kong.

The Government works hand in hand with the trade. The Tourism Strategy Group, comprising representatives from the Government, the Hong Kong Tourism Board (HKTB) and various sectors of the tourism industry, advises the Government on tourism development from a strategic perspective.

Tourism Development Blueprint: In October 2017, the Government released the "Development Blueprint for Hong Kong's Tourism Industry". The blueprint sets out not only a clear vision and mission to develop Hong Kong into a world-class premier tourism destination and ensure the balanced, healthy and sustainable development of the industry, but also four development strategies based on which to formulate different tourism initiatives and measures.

Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors

Seizing opportunities arising from Belt and Road Initiative and Guangdong-Hong Kong-Macao Bay Area (Bay Area) development: In August 2017, the Government and the then China National Tourism Administration (which merged with the Ministry of Culture to form the Ministry of Culture and Tourism in March 2018) signed the "Agreement on Further Enhancement of Tourism Co-operation between the Mainland and Hong Kong" to further strengthen mutual collaboration. Both sides are progressively taking forward the agreement, efforts including promoting Belt and Road countries/regions and Bay Area cities to jointly develop "multi-destination" tourism products and itineraries with Hong Kong.

Promoting Hong Kong: The HKTB is a statutory body set up to promote Hong Kong globally as a world-class tourist destination. In addition to its head office in Hong Kong, the HKTB has 21 offices and representatives in six regions around the world.

The HKTB commissions market studies to gauge industry trends, and shares the information with its travel trade partners. Its marketing campaigns focus on 20 major source markets, which account for about 96% of total visitor arrivals to Hong Kong.

In allocating its marketing resources to different markets, the HKTB adopts a flexible approach so that it can swiftly respond to unforeseen circumstances in the macro environment and minimise risks. In addition to driving visitor arrivals from key markets, such as Taiwan, Southeast Asian countries and South Korea, the HKTB also strives to step up promotional efforts in new markets, including India, Russia, countries in the Gulf Co-operation Council, etc., capitalising on the economic growth and increased flight capacity of these

markets.

In 2016, the HKTB launched the “Best of all, it’s in Hong Kong” global brand campaign to promote the unique and diverse travel experiences of Hong Kong through various channels including digital platforms, public relations initiatives, consumer travel fairs, etc.

To promote Hong Kong’s tourist attractions to visitors worldwide, the HKTB has adopted an integrated approach that combines digital marketing, consumer promotions and public relations activities. The HKTB’s website (www.discoverhongkong.com) is now available in 15 languages and 22 market versions. In 2017, over 120 million visits to the website were recorded. To facilitate visitors’ pre-trip planning, from time to time, the HKTB improves the website to enhance browsing experience and updates its contents to better showcase Hong Kong’s core tourism strengths and happenings as “Asia’s World City”. Features added in recent years include a dedicated “Hong Kong Neighbourhoods” page and functionalities such as “My Hong Kong Guide” and “Nearby Points of Interest”. Meanwhile, the HKTB leverages social media and mobile platforms to promote Hong Kong, and collaborates with media and popular on-line celebrities to promote Hong Kong’s diverse tourism appeals through unique contents and videos.

The HKTB works very closely with its partners from the travel and related sectors. In 2017, it organised about 40 familiarisation trips to Hong Kong, involving about 580 trade representatives. It also works closely with different tourism administrations in the Mainland to promote “multi-destination” itineraries in various overseas markets to the trade and media thereof through different means, including organising roadshows, travel missions and familiarisation trips, staging joint participation in major international travel trade shows, putting up advertisements, etc.

Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics, including cultural tourism, heritage tourism, green tourism and creative tourism; and to consolidate and enhance Hong Kong’s status as a travel destination for Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism, regional cruise hub, and Events Capital of Asia

Wide variety of tourism genres: The Government has been spearheading the development of themed tourism in different districts to enrich tourists’ experience. For instance, in the Central and Western District, the revitalisation project of Dr Sun Yat-sen Historical Trail was completed in April 2018. The revitalised trail, together with PMQ and “Tai Kwun” (a new centre for heritage and arts situated at the restored Central Police Station Compound to be open in mid-2018), will further showcase a mix of historical and artistic elements in the Central and Western District. In the meantime, the HKTB has launched the “Old Town Central” district promotion campaign to repackage and position Central as a must-visit contemporary hub with contrasting elements of the arts and culture, historic architecture, food and wine, and entertainment. In 2018, the HKTB will promote the authentic

cultural experience in Sham Shui Po in order to enhance visitor’s experience of travelling like a local.

In promoting cultural tourism, the HKTB has rolled out various walking routes to help visitors explore Hong Kong’s fascinating culture, culinary delights and unique heritage in different districts, such as the walled village in Fanling, as well as the open-air markets in Yau Ma Tei and Mong Kok. The HKTB also works with the trade to promote traditional Chinese customs and festivals, such as the Tin Hau Festival parade in Yuen Long and Cha Kwo Ling, Tam Kung Festival in Shaukeiwan, Cheung Chau Bun Festival, Birthday of Lord Buddha celebrations at Po Lin Monastery, as well as the traditional fire dragon dance during the Mid-Autumn Festival.

Leveraging Hong Kong’s ecological richness and diversity, the TC has been promoting green tourism in Northeast New Territories and outlying islands, having regard to the principles of nature conservation and sustainable development. The HKTB has been promoting the Hong Kong UNESCO Global Geopark, the natural scenery of various outlying islands, popular hiking trails and other green attractions through the “Great Outdoors Hong Kong” marketing platform. In particular, the Hong Kong Wetland Park is a world-class conservation, education and tourism facility. It consists of a 60-hectare outdoor wetland reserve, as well as a visitor centre of 10 000 square metres with three exhibition galleries therein.

“A Symphony of Lights” (SoL), a nightly show on both sides of the Victoria Harbour launched by the TC in early 2004, attracts about 1.5 million visitors per year. An updated SoL was launched in December 2017 to uplift the night vista of Victoria Harbour and provide visitors with new experience.

Theme parks and other attractions: The Government has been developing and enhancing various tourist attractions, including the two theme parks, to enhance Hong Kong’s overall attractiveness as a premier tourist destination.

With the completion of the Master Redevelopment Plan, the Ocean Park has become a world-class marine-themed park featuring more than 80 attractions. To further enhance its overall attractiveness and receiving capacity, the Ocean Park is developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan, which is expected for completion in 2019. The Park’s two hotels, namely The Hong Kong Ocean Park Marriott Hotel and The Fullerton Ocean Park Hotel Hong Kong, are scheduled for completion in 2018 and 2021 respectively.

The Hong Kong Disneyland Resort (HKDL) introduced two major new offerings in 2017, namely the ride-through attraction “Iron Man Experience” featuring a story based in Hong Kong and the resort-style hotel “Disney Explorers Lodge”. Following the Legislative Council’s funding approval in May 2017, the HKDL is actively taking forward the expansion and development plan at the Phase 1 site, so that new attractions would be launched progressively from 2018 to 2023, including the first new attraction “Moana: A Homecoming Celebration” stage show to be launched in May 2018. Other new attractions coming on stream in the next few years include the transformed ride experience featuring

“Marvel” super heroes, namely “Ant-Man” and “Wasp”; the expanded and transformed Castle; another “reimagined” project; as well as two new themed areas based on “Frozen” and “Marvel”.

Apart from the HKDL, Lantau Island is home to other attractions. Opened in September 2006, Ngong Ping 360 comprises a 5.7 km cableway ride lasting about 25 minutes, and a Buddhist themed village. The crystal cabin cable car ride, launched in 2009, offers a spectacular panoramic view of the beautiful landscape of Lantau Island. Having visited the Buddhist themed village, visitors can proceed to visit the new Pai Lau, Bodhi Path, Di Tan and the Chinese landscaped garden in the 1.5-hectare Ngong Ping Piazza, which was opened in August 2010, as well as the tourist attractions nearby, such as Po Lin Monastery, Giant Buddha and Wisdom Path. In addition, visitors can explore other intriguing parts of Lantau, including Tai O fish village and beautiful beaches on Southern Lantau.

MICE tourism: The Government is committed to enhancing the appeal of Hong Kong as an ideal MICE destination in Asia. The HKTB set up a dedicated office, entitled Meetings and Exhibitions Hong Kong (MEHK), in November 2008. Additional fund is earmarked for the MEHK to raise Hong Kong’s MICE profile and strengthen support to MICE events to be hosted in Hong Kong. Overnight MICE arrivals recorded a 2% growth in 2017 to 1.93 million. In the first quarter of 2018, there were about 365 100 overnight MICE visitor arrivals to Hong Kong, representing a year-on-year increase of about 7%.

Hong Kong’s main venues for MICE events are the AsiaWorld-Expo (AWE) near the airport, the Hong Kong Convention and Exhibition Centre (HKCEC) in the heart of the city, and the Hong Kong International Trade and Exhibition Centre in Kowloon Bay. In 2018, the HKCEC and AWE are listed in the top three “Best Convention and Exhibition Centre in Asia-Pacific” in the CEI Readers’ Choice Awards conducted by CEI Asia magazine.

Cruise tourism: Located at the former Kai Tak runway, the Kai Tak Cruise Terminal has come into operation since June 2013 and can handle two largest cruise ships in the world simultaneously. It, together with the Ocean Terminal in Tsim Sha Tsui, provides the necessary infrastructure to reinforce Hong Kong’s position as a leading regional cruise hub. The HKTB will continue to strengthen its promotion efforts and attract more cruise ships to Hong Kong.

New strategy to support staging events and activities: In 2017, the Government adopted a new strategy to support the staging of events and activities of different scales and nature in Hong Kong, which covers: providing “one-stop” support for large-scale commercial events with significant tourism merits; enhancing home-grown events with a view to marketing them as signature events in Asia; supporting the marketing and publicity of international events with significant branding impact to be held continuously in Hong Kong; and supporting the HKTB to implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts,

cultural, festivals, dining or sports events with Hong Kong’s local characteristics and unique attributes.

The HKTB strives to offer a year-round programme of mega events to offer visitors indelible travel experience during their stay in Hong Kong. Major campaigns are “International Chinese New Year Parade”, “Hong Kong Summer Fun”, “Hong Kong Dragon Boat Carnival”, “Hong Kong Cyclothon”, “Hong Kong Wine and Dine Festival”, “Great Outdoors Hong Kong”, “Hong Kong WinterFest” and “Hong Kong New Year Countdown Celebrations”. In recent years, the HKTB also stages the “Hong Kong Pulse Light Show” in line with its mega events in summer and winter to showcase the magnificent night view of the Victoria Harbour. These events are promoted along with traditional festivals and cultural celebrations, as well as major events launched by other organisations, with the objectives of enriching visitors’ experience and reinforcing Hong Kong’s image as the Events Capital of Asia. Working closely with its trade partners, the HKTB develops new tourism products, events and offers to cater for the needs and interests of different visitor segments.

Strategy 3: To develop smart tourism

Smart tourism: The Government will make use of smart technology to enhance visitors’ travel experience, provide better tourist services, and encourage the industry to make good use of innovative technology to enhance their competitiveness.

The TC joins hands with the Government’s relevant departments to explore providing Wi-Fi spots in various tourist attractions in Hong Kong as well as enhancing the speed, information security and the like of the services to facilitate visitors’ use of free public Wi-Fi services. We will also explore different smart tourism measures and initiatives, such as launching a new “Smart Travel” landing page in 2018 for incorporation into the Wi-Fi services provided at the Hong Kong International Airport, West Kowloon Station of Guangzhou-Shenzhen-Hong Kong Express Rail Link, and Hong Kong Boundary Crossing Facilities of Hong Kong-Zhuhai-Macao Bridge, with useful tourist information about terminal facilities, transport on to/from tourist attractions, hotels and retail outlets, to facilitate their itinerary planning and ease of travelling in the city. Other efforts include encouraging the industry to make good use of innovative technology to enhance their competitiveness, manage visitor flow and provide more personalised tourist services, carry on marketing and promotion, etc.

Strategy 4: To upgrade the service quality of the tourism industry and encourage the trade in adopting good trade practices

Trade regulation: At present, the travel industry adopts a two-tier regulatory regime. On the one hand, the Travel Industry Council of Hong Kong (TIC) is responsible for trade self-regulation. Through promulgating codes of conduct and directives and putting in place a disciplinary mechanism, it regulates travel agents, tourist guides and tour escorts. On the other hand, the Travel Agents Registry under the TC is

responsible for issuing travel agents' licences and the related work, including monitoring the financial position of travel agents, under the Travel Agents Ordinance. By end March 2018, there were about 1 740 travel agents licensed by the Travel Agents Registry, as well as 6 280 tourist guides and about 17 740 tour escorts accredited by TIC.

As regards the future regulatory regime, the Government introduced into the Legislative Council the Travel Industry Bill in March 2017, which provides for setting up the statutory body Travel Industry Authority to regulate travel agents, tourist guides and tour escorts in a holistic manner. The bill is currently under the scrutiny of the Bills Committee.

Improving service quality: The HKTB has been promoting the Quality Tourism Services (QTS) Scheme, which aims to

encourage retailers, restaurants and visitor accommodations to elevate their service standards, thereby giving quality assurance to visitors. As at end 2017, about 1 250 local businesses with over 8 000 retail and restaurant outlets, as well as visitor accommodation premises received QTS accreditation.

The TC launched the Hong Kong Young Ambassador Scheme in 2001 to inspire young people with a sense of courtesy and helpfulness to visitors, as well as to promote a hospitality culture in schools and the community. The TC also maintains liaison and co-operation with the travel and related trades, as well as tourism authorities in the Mainland, to encourage exchange among frontline practitioners and further enhance service quality.