

Chapter 15

Travel and Tourism

By not resting on its laurels, Hong Kong has continued to be a compelling tourist destination. By keeping abreast of changing trends and by continually adding to — and enhancing — its infrastructure, services and many attractions, Hong Kong continues to live up to its reputation as a great place to visit for business or leisure.

Tourism is one of Hong Kong's major economic pillars. The industry performed strongly in 2007, with the number of arrivals soaring to a record high of 28.17 million, an increase of 11.6 per cent year-on-year. Arrivals from Mainland China chalked up a double-digit growth of 13.9 per cent, bringing the total to 15.49 million. The year also saw increases in arrivals from long-haul and short-haul markets.

The average hotel occupancy rate was 86 per cent in 2007. The number of room-nights rose by 9.3 per cent following an additional supply of some 4 400 rooms during the year.

The future looks bright. The wide range of attractions has helped position Hong Kong as a must-visit city. Popular attractions include The Peak, which provides a spectacular bird's eye view of Hong Kong Island and Kowloon, two theme parks (Hong Kong Ocean Park and Hong Kong Disneyland), the Guinness World Record-winning nightly light and sound show called 'A Symphony of Lights', the Hong Kong Wetland Park, and the Ngong Ping 360 cable car ride to a cultural and religious village at the foot of the majestic Tian Tan Buddha, the world's largest seated outdoor bronze Buddha statue at Po Lin Monastery, to name a few. The Government continues to develop Hong Kong's tourism infrastructure to maintain its position as a preferred tourist destination. New projects in the pipeline include the Ocean Park redevelopment plan and a world-class cruise terminal complete with state-of-the-art facilities.

Tourism Infrastructure, Facilities and Products

Ocean Park is being redeveloped as a world-class marine-themed park, featuring more than 70 attractions. The project is being implemented in eight phases between now and 2012–13, with new attractions to be introduced at each phase. The first to

come on stream was the 'SkyFair Plaza' which opened in February. In addition, the Ocean Park has been entrusted with the care of two giant pandas, Ying Ying and Le Le, which were given to Hong Kong by the Central People's Government as a gift to mark the 10th Anniversary of the establishment of Hong Kong as a Special Administrative Region of China. Ying Ying and Le Le are adapting very well to their new home.

Another attraction is the Hong Kong Wetland Park, a world-class conservation, education and tourism facility. It was planned meticulously to ensure that it blended well with the surrounding area and that the wildlife there was not disturbed. The park's design has been awarded the 'Medal of the Year', the highest honour bestowed by the Hong Kong Institute of Architects. Then in 2007, it won the Urban Land Institute Global Award for Excellence.

The Ngong Ping 360 cable car system takes visitors on a thrilling, scenic 20-minute ride high above sea and land between Tung Chung and the top of Lantau Island, where a Buddhist-themed village is located. It also provides visitors with an opportunity to visit the Tian Tan Buddha, commonly known as the 'Big Buddha', the Po Lin Monastery, the Wisdom Path, the quaint fishing village of Tai O and enticing beaches on the southern part of the island.

Also located on Lantau Island is Hong Kong Disneyland, an internationally renowned theme park. The park introduced two additional attractions during the summer of 2007: the Animation Academy and Mickey's Water Works. The park also enhanced its calendar of special events to include Chinese New Year festivities, and themed programmes such as 'Pirates of the Caribbean', 'Haunted Halloween' featuring a haunted hotel and a specially designed Halloween Space Mountain ride — the only Disney park to have it, and a sparkling and snowy Christmas scene. All of them were well received.

The Government will continue making capital of Hong Kong's appeal as a tourist destination by developing new infrastructure and improving existing facilities.

- The Government invited tenders for the development of a new cruise terminal at the former Kai Tak runway on November 9, 2007. The successful tenderer will form the site as well as design, build, operate, manage and maintain the new cruise terminal at its own expense. The new cruise terminal will include two berths that can cater for different types of vessels including the mega cruise vessels that have displacements of up to 110 000 tonnes. The first berth is expected to commence operation in 2012.
- Work on transforming the former Marine Police Headquarters compound in Tsim Sha Tsui into a heritage tourism facility is continuing and will be completed in 2008.
- The Government is implementing a green tourism programme in the northeastern part of the New Territories to help raise awareness of the natural environment there. Improvements to facilities for visitors at Plover Cove, Tolo Channel and Tung Ping Chau will be completed in mid-2008. Following

favourable response to a six-month trial run, the Hong Kong Tourism Board (HKTB) officially launched the 'Hong Kong Nature Kaleidoscope' programme, repackaging and introducing a range of eco-tours for visitors to appreciate Hong Kong's natural environment.

- The Government is continuing the Tourism District Enhancement Programme to further strengthen Hong Kong's appeal as a premier tourist destination. Projects completed under the programme include improvement to the Sai Kung and Lei Yue Mun waterfronts, the Central and Western District Enhancement Scheme, the Avenue of Stars — a joint venture with the private sector — the Tsim Sha Tsui Promenade Beautification Project and the Transport Link in Tsim Sha Tsui East. Most works under the Peak Improvement Scheme were completed in 2007, except at the Victoria Peak Garden where work was halted following the discovery in December 2006 of what is believed to be part of a former governor's summer residence. Subject to further archaeological findings, the plan for Victoria Peak Garden may need to be revised. Beautification works for the Stanley waterfront are in progress and will be completed in early 2008. Other projects on the drawing board include the Aberdeen Tourism Project which complements Ocean Park's redevelopment, further enhancement of the facilities along Lei Yue Mun waterfront and the development of a piazza in Tsim Sha Tsui.

Improving Tourist Appeal

Enhancement of Visitor Signage

To provide an easy-to-follow system of signs at popular tourist spots, the Tourism Commission introduced a Visitor Signage Improvement Scheme covering 18 districts in 2001. Phase I of the scheme was completed in December 2006 and Phase II is being implemented. The signage system comprises directional signs, mapboards and identification signs to guide visitors to popular tourist spots and provides interesting background information about the area.

Service Quality

The HKTB's Quality Tourism Services (QTS) Scheme, drawn up to promote quality service at shops, restaurants and visitor accommodation premises, is widely supported by the industry and has inspired many in the industry to improve their services. By the end of 2007, more than 1 300 retail and catering businesses, with over 6 500 outlets — 4 per cent more than the previous year — had earned QTS accreditation and were permitted to display the QTS logo in their premises.

During the year, the HKTB also stepped up promotion of the scheme abroad and at home, and continued to implement a series of training programmes to upgrade the standard of services provided by accredited merchants.

A hospitable community is essential to the development of the tourism industry. The Tourism Commission therefore continues to carry out a territory-wide public education campaign entitled 'A Hospitable Hong Kong'. One of the key programmes is the Hong Kong Young Ambassador Scheme, which nurtures a hospitality culture

among young people and teaches them how to promote Hong Kong. By the end of the year, there were more than 1 300 young ambassadors who, together, rendered more than 83 000 hours of service.

Easier Visitor Entry

The Individual Visit Scheme, introduced in 2003 by the Mainland authorities to allow its residents to visit Hong Kong in a personal capacity, has been well received. In 2007, more than 8.59 million Mainlanders visited Hong Kong under the scheme, which was extended to cover 49 cities, including all cities in Guangdong province, Beijing, Shanghai, Chongqing, Tianjin, Chengdu, Jinan, Dalian, Shenyang, Changsha, Nanchang, Nanning, Kunming, Guiyang, Haikou, Shijiazhuang, Zhengzhou, Changchun, Hefei, Wuhan and nine cities in Fujian, Jiangsu and Zhejiang provinces

New measures were also introduced during the year for Russian and Vietnamese business visitors to apply for multiple-journey visas that are valid for up to 24 months, with a length of stay of not more than 14 days per visit. In addition, a fast-track visa service was introduced to facilitate side-trips to Hong Kong for Russian tour groups, arranged by designated travel agents, visiting the Mainland.

Hong Kong Tourism Board

The HKTB is a subvented organisation responsible for marketing and promoting Hong Kong around the world as a preferred destination for leisure and business. Its board of directors consists of 20 members representing a broad spectrum of tourism-related interests. It works from a head office in Hong Kong and has 15 other offices and six representative offices around the world.

The HKTB appointed its first official representative in Russia in August to capitalise on the Russian market's rapid development and growth potential. This enabled the HKTB to forge a more direct and closer relationship with the travel trade in Russia and to expand the HKTB's global reach.

The HKTB also commissions extensive market studies to gauge industry trends, overseas perception of Hong Kong and feedback from visitors. It shares information with the Government and with its industry partners to help the industry cater more effectively to tourists' needs and to make capital of new business opportunities.

A wide range of marketing strategies is employed to meet different market needs. The HKTB works closely with its overseas counterparts to develop tourism products. In 2007, it organised familiarisation trips to Hong Kong for more than 1 000 international media representatives and about 2 500 representatives of the travel trade.

Information Network

The HKTB operates two Visitor Information and Services Centres in Hong Kong: one in Causeway Bay on Hong Kong Island and the other in Tsim Sha Tsui in Kowloon, as well as information counters at the Hong Kong International Airport and Lo Wu boundary. In 2007, these centres assisted 1.7 million visitors, distributed 9.7

million leaflets and other visitor literature, and handled more than 73 000 enquiries through various channels, including the Visitor Hotline.

The www.discoverhongkong.com consumer website now receives more than 24 million page views per month. To help visitors make the most of their stay in Hong Kong, the HKTB introduced a new web-based Interactive Itinerary Planner in April. The service enables visitors to tailor itineraries according to their needs and interests prior to arrival, and is available in English, Traditional and Simplified Chinese.

Marketing

The HKTB keeps a diversified portfolio of visitors to Hong Kong. HKTB campaigns in 2007 paid special attention to 19 major tourist markets which together accounted for about 93 per cent of the total number of visitors to Hong Kong. The HKTB adopts a flexible and integrated approach to reaching different markets and meeting their needs, using electronic and print media advertising, trade and consumer promotions, trade and media events, online marketing and public relations campaigns.

To celebrate the 10th anniversary of the establishment of the Hong Kong as a Special Administrative Region of China, the HKTB launched a series of promotional activities. One of these was the '10-Year-Old Little Journalists' programme organised jointly with a national teenagers' magazine on the Mainland. One hundred Mainland primary school students, all born in 1997, came to Hong Kong for five days during which they acted as journalists reporting their Hong Kong experiences.

Other major events included the Hong Kong Shopping Festival, which ran from June to August, and a community programme entitled '50 Years of Tourism: Creating Milestones Together', which ran from July to December. The latter programme comprised a host of activities, including roving exhibitions, public competitions and a seminar reviewing the industry's achievements and challenges.

The HKTB started rolling out a series of equestrian-related activities in June to promote the Olympic equestrian event which will be held in Hong Kong in August 2008. Campaigns were also launched in countries where the sport is popular, such as New Zealand and the United Kingdom.

The HKTB organised for the first time a spectacular event called 'A Symphony of Lights — New Year Countdown' with pyrotechnic and special lighting effects which lit up the night sky over Victoria Harbour to celebrate the arrival of 2008.

Meetings, Incentive Travels, Conventions and Exhibitions (MICE)

Hong Kong is widely recognised as the conventions and exhibitions capital of Asia and it continues to attract top international events to its shores.

This sector continued to perform well in 2007 with the staging of about 300 conventions and exhibitions, bringing in more than 850 000 visitors. One of the year's major events was the Asian Aerospace International Expo & Congress, the world's largest commercial aerospace and civil aviation event. The four-day event attracted over 11 000 visitors from 69 countries.

The HKTB, working closely with overseas business communities, continues to promote Hong Kong around the world as an ideal place for corporate meetings and incentive travels. To encourage international groups to choose Hong Kong for their meetings, the HKTB ran a worldwide convention programme called 'Hong Kong — Meeting Your Choice' in February, offering delegates from around the world a networking platform and a chance to experience the special privileges Hong Kong offers to convention organisers. To strengthen Hong Kong's edge as a preferred destination for MICE events, the Financial Secretary and the Secretary for Commerce and Economic Development are leading a cross-sector steering committee comprising government and trade representatives to conduct a comprehensive review on how best to reinforce Hong Kong's strengths and devise strategies to underpin MICE development in the years ahead.

Cruise Tourism

Cruise travel is another important, high-yield sector of the tourism industry. In 2007, the throughput of overseas cruise passengers to Hong Kong increased by 52 per cent to more than 626 000. The number of cruise ships that called at Hong Kong in 2007 was 49, an 11 per cent increase over the previous year, highlighting Hong Kong's popularity as a hub for world cruise ships. The Government plans to make Hong Kong a leading regional cruise hub. It has invited tender for the development of a state-of-the-art cruise terminal at the tip of the former Kai Tak runway, with the first berth to commence operation in February 2012.

Protection of Travellers

Travel agents are regulated by the Travel Agents Ordinance. The aim of the ordinance is to prevent fraud and minimise loss to travellers in the event of defaults by outbound travel agents, and to protect the interests of visitors by enhancing the service standard of inbound travel agents. The present regulatory system is made up of two components: a licensing system and a self-regulatory mechanism.

The licensing function is performed by the Registrar of Travel Agents. All travel agents providing outbound or inbound services must be licensed under the ordinance. At year-end, the number of licensed travel agents totalled 1 440.

The trade's self-regulatory function is performed by the Travel Industry Council of Hong Kong (TIC), an approved organisation under the ordinance. Travel agents must be members of the TIC to obtain a licence issued by the Registrar of Travel Agents. The TIC sets and enforces codes of conduct and issues directives to ensure proper practices. It also handles complaints against member travel agents. Those who breach the TIC's rules are subject to disciplinary action.

A Travel Industry Compensation Fund (TICF) has been set up under the ordinance to provide ex gratia payments of up to 90 per cent of the loss of tour fares to outbound travellers in the event of a default by an outbound travel agent. There were three default cases during the year which affected about 455 travellers involving ex gratia payment of about \$960,000.

The TICF also provides urgent financial assistance to outbound travellers injured or killed in accidents in the course of an activity arranged or organised by a Hong Kong travel agent. There were seven such accidents in 2007. Applications for financial assistance in relation to those accidents have not yet been submitted.

A training and accreditation system created by the TIC to ensure the service quality of tourist guides took effect on November 1, 2002. Since July 1, 2004, travel agents were required to assign only tourist guides with a Tourist Guide Pass to receive visitors to Hong Kong.

Honest and Quality Tourism

The Government is committed to promoting 'honest and quality tourism' to protect visitors' consumer interests. It is working closely with the TIC, the HKTB and the Consumer Council to step up law enforcement, review consumer protection laws, strengthen industry regulation, promote quality tourism products and publicise smart consumption practices.

In June, the TIC introduced a new Refund Protection Scheme (Registered Shops) for Mainland tour groups visiting Hong Kong. Under the scheme, visitors can seek refund for items purchased from registered shops within six months of purchase. The TIC also requires travel agents to register the itineraries for inbound Mainland tour groups to facilitate more effective monitoring.

The HKTB also brought out in 2007 a programme called 'Quality & Honest Hong Kong Tour', which emphasised high quality itineraries without designated shopping, surcharges or self-paid activities. It was well received by Mainland visitors and has now been extended to nine Mainland cities.

In September, the Consumer Council set up a website designed specially for Mainland visitors to help them shop smartly in Hong Kong. The website provides information on popular consumption goods and the services on offer in Hong Kong.

The Government is also reviewing the Trade Descriptions Ordinance to better protect consumers from misleading product information and undesirable sales practices. A Trade Descriptions (Amendment) Bill will be put before the Legislative Council in early 2008.

Websites

Tourism Commission: www.tourism.gov.hk

Hong Kong Tourism Board: www.discoverhongkong.com