

Chapter 15

Travel and Tourism

Hong Kong's reputation as a preferred travel destination was given a strong boost by its co-hosting of the Beijing Olympic and Paralympic Equestrian Events.

Tens of thousands of visitors converged on the city for a ringside seat to watch the contests, while millions others watched the action on television. Hong Kong benefited hugely from this exposure and shone as a dynamic, modern world city — and as a great place to visit.

Riding on 2007's good performance and boosted by the co-hosting of the Beijing Olympic and Paralympic Games, Hong Kong's tourism industry chalked up a strong 8.9 per cent growth in visitor arrivals in the first half of 2008, compared to the same period in the previous year. But the surge began slowing in September following the onset of the global financial crisis. Nevertheless, Hong Kong received 29.5 million visitors by year's end, a modest 4.7 per cent rise over 2007. The Mainland continued to be the largest source of visitors. A total of 16.9 million Mainlanders visited Hong Kong in 2008, a jump of 8.9 per cent over 2007.

High fuel costs in the first half of 2008, followed by the global financial slump in the second half, dealt a blow to long-haul travel, triggering a 1.2 per cent fall in visitors arriving by air. However, emerging source markets continued to perform well. Russia and India for example recorded double-digit growth.

Major Tourism Developments

Special attention was paid in 2008 to developing high-yield market segments such as MICE (meetings, incentive travel, conventions and exhibitions) and cruises. Emphasis was also placed on providing richer offerings to visitors.

MICE

Hong Kong's MICE sector grew at a steady pace in tandem with the city's growth as a hub for trade, business services, aviation and finance, as well as a world city.

Hong Kong's strategic location at the doorstep of the Mainland, one of the world's fastest growing economies, as well as its diversified offerings to visitors make it a preferred destination for MICE events.

In 2008, Hong Kong played host to more than 300 MICE events, which brought about one million visitors to the city. Major MICE events held in 2008 included the World Ophthalmology Congress 2008, the InfoComm Asia 2008, 2008 World Credit Union Conference, Clinton Global Initiative Asia Meeting, the Orient and South East Asia Lions Forum 2008. Several of these were held in Asia for the first time.

In his 2008-09 Budget, the Financial Secretary earmarked \$150 million to provide one-stop services for organisers of MICE events and to step up overseas promotion of Hong Kong as a preferred MICE destination. In November, the Hong Kong Tourism Board (HKTB) set up a 'Meetings and Exhibitions Hong Kong' office to promote MICE.

Cruise Tourism

The Government is also pressing ahead with developing Hong Kong as a major regional cruise hub. It will finance the building of a cruise terminal at the former Kai Tak airport, which will be leased to an operator on completion. The first berth is expected to commence operation in mid-2013. The Government also set up an 'Advisory Committee on Cruise Industry' in January for major stakeholders to formulate strategies for developing cruise tourism in Hong Kong and the region.

Cultural Tourism

A pilot scheme, established last year to enhance the promotion of cultural tourism in Hong Kong, is working well. Response from arts groups and the tourism industry is encouraging.

The scheme was drawn up by the Tourism Commission in collaboration with the HKTB, local performing arts groups, travel agents and hoteliers.

In addition, the HKTB's website was revamped to strengthen the industry's promotional efforts at home and abroad and to render greater assistance to those wishing to attend arts and cultural events in Hong Kong.

Wine and Dine

Hong Kong abolished duties on wine imports during the year, the first major economy to do so. Hong Kong's reputation as a preferred place for gourmets and food lovers was given a big lift in December by the publishers of the Michelin Guide, commonly called 'the international food bible', which featured the city's culinary skills and attractions. Equally significant, it was published in Chinese and English — Michelin's first bilingual guide.

Tourism Infrastructure, Facilities and Products

Hong Kong offers a wide range of attractions to its visitors. There is something for everyone — the sightseer, the food lover, the shopper, the family, the businessman, the leisurely traveller, the young and the old.

One of the more popular spots for sightseers is The Peak, which provides a panoramic view of Hong Kong Island, the Kowloon peninsula and the magnificent

Victoria Harbour. Visitors are taken to the top of the mountain in an iconic cable car, which celebrated its 120th Anniversary in June.

Other popular sites are the theme parks, temples, heritage sites, natural landscapes, and the numerous shops that have earned Hong Kong the reputation as a 'shoppers' paradise'.

Ocean Park

Ocean Park, which celebrated its 31st anniversary in 2008, received a record of over five million visitors during the 2007-08 fiscal year. Meanwhile, the \$5.55 billion Master Redevelopment Plan, which will double the number of attractions at the park from 35 to 70 by 2012, is progressing well.

The park plans to build three hotels on its grounds as part of its expansion plan.

A Symphony of Lights

Another attraction that has captivated visitors is the nightly show, 'A Symphony of Lights', which the Guinness World Records describes as the world's 'largest permanent light and sound show'. The display features interactive lights beamed with music from 44 buildings on both sides of the harbour, revealing a vibrant, stunning Victoria Harbour at night.

Hong Kong Disneyland

Hong Kong Disneyland, located on Lantau Island, has received over 15 million visitors since it opened in September 2005. More rides and attractions were added to the park in 2008, including the iconic 'it's a small world' among others. Since its opening, Hong Kong Disneyland has won 28 awards for being the most popular and the best themed resort in Asia.

Wetland Park

The Hong Kong Wetland Park is a world-class ecotourism facility, promoting green tourism, environmental protection and wetland conservation. It is located in the northwestern part of the New Territories, and is home to a wide assortment of wildlife, including birds, dragonflies, amphibians, mammals, reptiles, butterflies and fish. The park comprises 60 hectares of re-created wetland, a 10 000 square metre visitor centre, exhibition galleries, a theatre and other facilities all of which underline the importance of wetland to biodiversity, civilisation and conservation. More than 430 000 people visited the park during the year.

Ngong Ping 360

The Ngong Ping 360 cable car takes visitors on a scenic 25-minute ride above sea and land between Tung Chung and the top of Lantau Island, where a Buddhist-themed village is located. It also links up other famous tourist attractions such as 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.

In May, visitors to the Ngong Ping village witnessed a new Guinness record for 'Most people playing wood block/Chinese block' during a celebration marking Buddha's Birthday. In November, Ngong Ping 360 won the prestigious 'Globe Award for Major New Tourism Projects Worldwide' presented by the British Guild of Travel Writers.

Projects in the Pipeline

Apart from the cruise terminal, the Government is working on making tourist spots across Hong Kong more attractive. Work on a piazza and garden at Ngong Ping is expected to be completed in early 2010, and will link Ngong Ping Village to Po Lin Monastery and the site of the Tian Tan Buddha.

Plans are also in hand for a promenade to be built on the waterfront at Lei Yue Mun and steps for people disembarking there from small boats. Lei Yue Mun is a former fishing village famous for its seafood restaurants, well patronised by local and overseas visitors.

Another project being planned is a piazza to be built at the bus terminus site outside the Tsim Sha Tsui Star Ferry Pier. It will link up the attractions, cultural facilities and activity in the vicinity. Fronted by Victoria Harbour, the piazza is expected to become a prime attraction and landmark. An open design competition is being organised and the winning work will be adopted for the piazza.

Hong Kong Tourism Board

The Hong Kong Tourism Board is a statutory Government subvented organisation, responsible for marketing and promoting Hong Kong around the world as a preferred travel destination. Its board of directors consists of 20 members, representing tourism-related interests and community leaders. It works from a head office in Hong Kong and has 15 branch offices and six representative offices around the world.

Information Network

The HKTB mans three visitor centres in Hong Kong, on the Peak, in Causeway Bay and Tsim Sha Tsui. It also has information counters at the Hong Kong International Airport and the Lo Wu boundary crossing.

Its website www.discoverhongkong.com receives more than 24 million page views per month. To help visitors make the most of their stay in Hong Kong, the website provides an 'Interactive Itinerary Planner' which enables visitors to tailor itineraries according to their needs and interests before departing for Hong Kong. The HKTB continues to promote Hong Kong through different communication channels such as Facebook and Youtube.

Marketing

The HKTB spearheads Hong Kong's promotional programmes in major source markets. The board is continually looking for new sources of travellers such as those in Russia and the Middle East. It also targets specific groups of travellers such as Japan's senior citizens, families in India as well as Taiwan's young travellers. The

HKTB continues to hold and support mega events in Hong Kong to enrich the visitor experience. The events include the highly popular Chinese New Year Parade which features local and overseas floats and performers.

The HKTB also launched an online guide called the 'Ding Ding Hong Kong Tram Guide' in November which provides easy-to-follow information about Hong Kong culture, heritage, restaurants, shops and its numerous entertainment spots, many of which can be seen while riding across Hong Kong Island in an iconic tram.

Service Quality

Quality Tourism Services

The HKTB's Quality Tourism Services (QTS) Scheme for promoting quality service in shops, restaurants and tourist lodgings, is widely supported by the industry and has encouraged many in the industry to improve their services. At the end of 2008, more than 1 300 retail, catering, and tourist lodgings, with over 6 600 outlets, had earned QTS accreditation.

The HKTB waived the renewal fee for QTS accredited merchants in November to help its trade partners during the economic downturn.

Honest and Quality Tourism

The Government works closely with the tourism industry and related organisations to promote honest tourism. Under a 'Refund Protection Scheme (Registered Shops)', Mainland visitors travelling in tour groups organised by registered tour companies may return goods bought from registered shops and seek refund within six months of purchase, provided the goods are in good condition.

Hong Kong's Consumer Council continues to work with its Mainland counterpart, the China Consumers' Association, to inform Mainlanders of their consumer rights and to provide them with tips on smart shopping.

The HKTB also introduced in 2006 the 'Quality and Honest Hong Kong Tour' product in the Mainland. This product is guaranteed free from compulsory self-paid activities, guided shopping and imposition of surcharge. At year's end, it was offered at 32 counters in 16 Mainland cities plus an online travel portal.

Hospitality Initiatives

Good hospitality is essential to sustaining tourism. The Government runs a 'Hospitable Hong Kong' campaign to develop a strong hospitality culture in Hong Kong. A programme, called 'Hong Kong Young Ambassador Scheme', is in place for training young people to be polite and helpful to visitors. More than 1 500 young people have joined it so far and rendered over 113 000 hours of ambassadorial service.

As part of the campaign, the Tourism Commission joined forces with travel agencies, hotels, and retailers in carrying out a series of activities to improve service quality and customer care.

Easier Entry for Visitors

Hong Kong is one of the world's most immigration-friendly cities. Travellers from some 170 countries and territories enjoy visa-free access to the city for stays of between seven and 180 days.

The Individual Visit Scheme (IVS), introduced by the Mainland in 2003, permitting citizens of 49 Mainland cities to visit Hong Kong on their own instead of in groups, is becoming increasingly popular. More than nine million Mainlanders visited Hong Kong under it in 2008, representing 57 per cent of all Mainland arrivals.

One new arrangement for group tours was introduced this year while two for IVS were announced to enable more Mainland residents to visit Hong Kong.

The new measure already introduced permits Mainland-approved Hong Kong tour operators to organise group visits to Hong Kong for non-permanent Shenzhen citizens who have resided in the city for one year or more and have proper jobs there. The first such tour was conducted on December 22.

Of the two measures announced, one allows Shenzhen residents to make multiple visits to Hong Kong during a one-year period with a single IVS endorsement. The other permits non-Guangdong residents living in Shenzhen to apply for IVS endorsements in Shenzhen to visit Hong Kong instead of requiring them to return to their cities of origin to do so.

Protection of Travellers

Travel agents have to follow a licensing regime prescribed by the Travel Agents Ordinance. The Registrar of Travel Agents issues licences to bona fide travel agents. In addition, the Travel Industry Council (TIC) enforces codes of conduct for travel agents and issues directives to ensure they observe proper practices. It also handles complaints against member travel agents and disciplines those who break the rules. There were 1 480 licensed travel agents at year's end.

A Travel Industry Compensation Fund (TICF) provides *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 a travel agent. There were three such cases during the year which affected some 110 travellers to whom *ex gratia* payments amounting to about \$221,000 were paid.

The fund also provides emergency 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 two such accidents in 2008.

Travel agents are allowed to assign only registered tour guides to receive visitors. At year's end, there were 6 360 registered guides in Hong Kong.

Tourism Co-operation

Mainland

The Tourism Commission maintains close liaison with the Mainland tourism authorities to promote and develop 'multi-destination' travel and quality tourism. Meetings are held regularly between the Tourism Commission and relevant tourism authorities in the Mainland, particularly those in Guangdong Province. A number of tourism co-operation accords were signed during the year between the tourism authorities and organisations in Hong Kong and their counterparts in Guangdong, Hainan, Qinghai, Yunnan and Shenzhen.

Macao

In April, Hong Kong and Macao held their first annual meeting to discuss tourism matters such as joint promotions of 'multi-destination' travel, communication in the event of travel incidents involving both cities, and promotion of quality tourism.

CEPA and Pilot Measures for Implementation in Guangdong

In July, further liberalisation measures under CEPA (Mainland and Hong Kong Closer Economic Partnership Arrangement) were announced. These include the Central People's Government delegating to Guangdong the authority to approve applications of Hong Kong travel agents to operate in the province; and allowing Hong Kong residents to take the Mainland's tourist guide qualification examination. In addition, two measures were announced for pilot implementation in Guangdong. These include extending to the whole of Guangdong the simplified entry arrangement for 144-hour travel in the Mainland for overseas visitors; and allowing Mainland-authorised Hong Kong travel enterprises to operate group tours to Hong Kong for Shenzhen non-permanent residents.

Co-operation with Other Countries

In 2008, Hong Kong signed agreements with a number of countries, including Peru, France and Spain to co-operate in promoting tourism universally. The agreements with France and Spain focus mainly on promoting Hong Kong as a centre for fine wines. On October 31, Hong Kong and Japan agreed to designate 2009 as the 'Hong Kong-Japan Tourism Exchange Year', to boost two-way tourism and to enhance cultural exchanges.

Websites

Tourism Commission: www.tourism.gov.hk

Hong Kong Tourism Board: www.discoverhongkong.com

Meetings and Exhibitions Hong Kong: www.mehongkong.com