

LEGISLATIVE COUNCIL PANEL ON HOME AFFAIRS

Report on the campaign to relaunch Hong Kong's economy

PURPOSE

This paper summarizes the progress of a series of projects organized/supported by Home Affairs Bureau (HAB), Home Affairs Department (HAD) and Leisure & Cultural Services Department (LCSD) to relaunch Hong Kong's economy after the outbreak of Severe Acute Respiratory Syndrome (SARS).

BACKGROUND

2 The outbreak of SARS in March 2003 dealt a serious blow to Hong Kong's economy. The Chief Executive announced on 23 April a package of relief measures amounting to \$11.8 billion to revive the economy. Among this, \$1 billion was set aside to launch large-scale local and international programmes for bringing various economic activities back to normal. Two ad hoc bodies, namely the Economic Relaunch Working Group (ERWG) and the Economic Relaunch Strategy Group (ERSG), chaired by the Financial Secretary, were set up to advise on and help oversee the implementation of the economic relaunch programme.

STRATEGIC APPROACH

3. On the advice of the ERSG, the government had put in place a substantive programme focusing on the following three strategic areas –

- (a) promoting local and international confidence in Hong Kong;
- (b) promoting business, tourism and local consumption; and
- (c) attracting international business.

4. To achieve objectives (a) & (b) which fall within our ambit of responsibility, HAB, HAD and LCSD secured funding support for a total of 26 projects from the ERWG, 17 of which have been completed. The list of events and the related information is at Annex A.

Promoting local and international confidence in Hong Kong

5. Since the blow of SARS in March this year, normal activities of the community were severely affected. Following the lift of the WHO's travel advisory against Hong Kong on 23 May 2003, we aimed to encourage people to return to normal activities and lead an active and healthy lifestyle. Participation in sports and appreciation of the arts is significant to our quality of life and we included the following programmes as part of the Economic Relaunch Programme –

- (a) at the **Exercise for All Day** event, over 18,000 members of the public were attracted to exercise together at the Hong Kong Stadium;

- (b) through the **Shaolin Wushu Performance cum promotional scheme**, we have organized a series of promotional activities including performances, training camps and courses, aiming at promoting the practice of Shaolin Wushu as a healthy exercise. Over 13,000 audiences attended the roving demonstration in July and another 760 took part in the Shaolin wushu training camps to learn the martial art. Some 90 training courses are being held from August to December to give more advanced training in Shaolin wushu.
- (c) The most prominent event was the joint project with Invest Hong Kong - **Real Madrid match in Hong Kong**. While 40,000 audiences at the Hong Kong Stadium cheered for the teams, over 3.2 million local residents enjoyed live coverage of the match, which was the highest TV rating ever recorded. The match was also broadcasted by 23 overseas TV stations.
- (d) **The opening rally of the Drum Festival at the Victoria Park** was another event that helped boost the morale of Hong Kong. With the exciting drum music at the open-air Victoria Park, we had shown to the world and our guests of the Bo'-ao Tourism Forum the spirit and vitality of Hong Kong people. International media including CNN, Associated Press, XinHua News Agency, CCTV, TVE (a Spanish TV station) covered the event.

We had also made three world records in this event, including staging the biggest Chinese Drum of 3.47m in diameter and the biggest gong of 1.55 m in diameter, as well as presenting the largest ensemble of 3,140 drummers playing Chinese drums.

- (e) By bringing the **Hong Kong Ballet on a North American tour** to Vancouver, Toronto, San Jose and Washington D.C. to present its latest work "Legend of the Great Archer", the LCSD and the Economic and Trade Offices (ETO) aim to reinforce the image of Hong Kong as an energetic cosmopolis blending the cultures of the east and west. The appearance of the Ballet will attract mainstream audience, the North American arts circle, the politicians and Congressmen as well as the communities of the cities toured. The ETOs would take the opportunity to further develop their contacts with the North American business communities and obtain media attention to Hong Kong from the cultural and creativity perspective.

- (f) In the **Disney Family Movie Night – “A Celebration of Life”**, more than 23,000 people including more than 1,000 underprivileged and SARs-affected children attended the show. The children and their families enjoyed so much the joy, fun and laughter brought by Mickey and his friends.

6. Since the WHO imposed a travel advisory on Hong Kong, there were

a number of proscriptions from the international community forbidding us to take part in or host international events. To quote some examples, the Irish health authority had requested Hong Kong athletes to take quarantine for 10 days before entering the country to take part in the Irish Special Olympics. The Federation International De Volleyball cancelled one of the stops of the World Grand Prix in Hong Kong in July.

7. In view of these proscriptions, we saw a need to actively pursue the staging of world recognized events in Hong Kong after the lifting of WHO's travel advisory on Hong Kong. The visit of world-renowned athletes and VIP guests from Asian economies had also helped publicize Hong Kong as a safe place to visit, with rewarding experience. With funding support from the ERWG, we were able to present:

- (g) Snooker masters from Europe and Asia participated in the **Euro-Asia Snooker Masters Challenge** and the programme were broadcasted in several countries and successfully raised the profile of Hong Kong as a major sports events capital in Asia.
- (h) **International Super Stars Diving & Synchronized Swimming Show** – divers and swimmers from Australia, Russia, China and Canada gave three diving and synchronized swimming performance with positive international media coverage.
- (i) **Chinese Basketball National Teams** and Australian Melbourne Tigers gave a high standard basketball match that generated

extensive publicity for Hong Kong internationally.

- (j) **Volleyball Superchallenge** – national teams of China, Korea, Dominican Republic and Australia participated in this volleyball tournament.
- (k) Over 300 world class yachting, windsurfing and rowing sportsmen set sail in our Victoria Harbour in the **Around the Island Race**.
- (l) World class badminton athletes gathered in Hong Kong for the star-studded **Hong Kong Open Badminton Championship**.
- (m) **Omega Hong Kong Open** attracted the big name golf players to compete in the Hong Kong Golf Club.
- (n) Other upcoming sports events include the Tennis Champions Challenge, Women's World Cup Table-tennis 2003, World Women's Squash, Hong Kong Cycle Classic and wushu performance in Canada.
- (o) **Asia Cultural Co-operation Forum** - the attendance of about 50 cultural ministers and leaders from 8 Asian economies at this 3-day event had not only impressed upon our regional cultural partners that HK is “business/leisure as usual” but also served to raise HK’s profile as an international cultural metropolis.

- (p) **Hong Kong Cultural Industries Expo** is a 10-month programme, comprising international symposiums, local & overseas exhibitions and excellence awards. These aimed at showcasing Hong Kong's achievements in cultural industries and enhance business opportunities in cultural industries, in particular the design, publishing and printing sectors.

8. During the visits of these VIP guests from different countries, we had also shown them famous scenic spots in Hong Kong and took the opportunity to promote tourism.

Stimulate domestic consumption and tourism

9. One of ERWG's strategies in promoting business and local consumption was to encourage partnership of the local business community in providing a whole range of incentives to consumers in order to stimulate domestic consumption. A series of local community economy (LCE) programmes were launched accordingly:

- (a) **Starry Starry Night Wanchai Street Party** was organized in three consecutive Sundays where 40 food/drink booths with tables and seats were set up at the pedestrian zone in Lockhart Road. Live music performance and several participatory activities were arranged to create jolly atmosphere. An increase in volume of business ranging from 20% to 200% has been

recorded in many bars and restaurants.

- (b) Jointly organized by various associations from the catering industry through the “We Love HK” campaign, the **High Tea for HK** event including TV show, TV quiz and free tickets for dinner and cinema-goers has created a festive atmosphere after SARS. Besides, various special promotions offered by different kinds of restaurant have also brought positive contributions to the domestic economy.
- (c) Through the **Tuen Mun Summer Fantasy** programme, Tuen Mun was further promoted as a place of relaxation and enjoyment. Not only the number of visitors to the beaches and shopping malls in Tuen Mun increased by over 90% and 15% respectively, the amount of sales of nearby shops was boosted to a maximum of 30%.
- (d) The **Hong Kong Computer Festival 2003 – Christmas IT Carnival and Winter Weekend Carnivals** are being planned to promote Hong Kong, particularly Sham Shui Po District as the hub for computer and communications products. It is expected to attract over 300,000 local customers and Mainland visitors and bring a business volume of over \$150 million to the booths and neighbouring computer centers. Such efforts will be further sustained by weekend bazaars and carnivals in the District on the IT theme.

- (e) Various **Publicity Programmes** will be launched to promote, in both Hong Kong and Mainland, upcoming LCE events and district characteristics. We hope that this will further encourage domestic consumption and attract more visitors, especially those from Mainland, to visit and extend their stay in Hong Kong.

ACHIEVEMENT INDICATORS

10. The following achievement indicators had been set to assess whether the programmes organized/supported by HAB, HAD and LCSD met the objectives of the Economic Relaunch Programme:

- Whether domestic consumption and tourism figures have been boosted.
- Whether community spirit has been lifted through these activities.
- Whether the events helped to encourage wider interest and participation in sports, cultural and community activities.
- Whether we have helped brought Hong Kong back to the international events arena.

There have been visible revivals in international and local confidence, as well as local consumption sentiment and retail sales volume. Inbound tourism has also recorded a significant upsurge over the pre-SARs period. The high participation figures at the events we organized and positive media response also reflect that the implementation and publicity plans were carefully mapped

out and well executed.

WAY FORWARD

11. We will keep up the momentum in promoting Hong Kong as the events capital in culture and sports. We will adopt the following approaches in implementing the 10 outstanding programmes in the next 6 months:

- Continue to bring in world renowned athletes/artists/visitors to enhance the international profile of Hong Kong.
- Support the organization of prominent sports/cultural events that would benefit the long term development of local sports and cultural industries.
- Foster community involvement through these events and upkeep a good community spirit.

Home Affairs Bureau

December 2003

Economic Relaunch Programme
Summary of Approved Funding Allocations

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>	<u>Actual Funding Support (HK\$)</u>	<u>Status / Completion Date</u>
Cultural, Sports & Community Programme						
	07	Exercise for All Day on 4 June	LCSD	2,500,000	2,051,330	completed
	08	HK Chinese Orchestra - Drum Festival	LCSD	1,500,000	1,500,000	completed
	10	Shaolin Wushu Performance cum Promotional Scheme	LCSD	1,200,000	1,050,000	completed
	15	Starry Starry Night Wanchai Street Party	HAD	400,000	398,000	completed
	16	High Tea for HK	HAD	2,000,000	1,750,000	completed
	17	Disney Family Movie Night - "A Celebration of Life"	HAD	1,100,000	687,000	completed
	23	Asia Cultural Cooperation Forum	HAB	3,500,000	3,500,000	completed
	24	Europe vs Asia Snooker Tournament	LCSD	3,500,000	3,500,000	completed
	25		LCSD	1,400,000	1,160,000	completed
	35	Tuen Mun Summer Fantasy	HAD	350,000	350,000	completed
	43	HK Cultural Industries Expo	HAB	3,500,000	3,500,000	Jun 2004
	45	Chinese Basketball National Team's match in HK	LCSD	2,940,000	1,544,000	completed

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	46	Volleyball Superchallenge	LCSD	3,378,000	3,378,000	completed
	47	Around the Island Race	LCSD	897,000	897,000	completed
	51	World Women's Squash	LCSD	1,600,000	1,600,000	13 Dec 2003
	54	The Champions of World Tennis	LCSD	3,491,000	3,491,000	10 Jan 2004
	55	Hong Kong Open Badminton Championships 2003	LCSD	2,270,000	2,270,000	completed
	62	The Inaugural Far East & South Pacific (FESPIC) Youth Games 2003, Hong Kong, China	HAB	2,000,000	2,000,000	27 Dec 2003
	67	Women's World Cup Table-tennis 2003	LCSD	1,750,000	1,750,000	19 Dec 2003
	79	Wushu Performance in Canada	LCSD	1,426,340	1,426,340	12 Feb 2004
	80	North American Tour of Hong Kong Ballet	LCSD	5,350,000	5,350,000	May 2004
	82	Hong Kong Cycle Classic	LCSD	3,038,000	3,038,000	04 Jan 2004
	88	Omega Hong Kong Open 2003 (Golf)	LCSD	2,730,000	2,730,000	completed
	--	Winter Weekend Carnivals	HAD	500,000	500,000	Feb 2004
	--	Publicity programme to promote, in Hong Kong and in the characteristics	HAD	2,000,000	2,000,000	Jun 2004

<u>Category</u>	<u>S/N</u>	<u>Project Item</u>	<u>Bureau/ Dept</u>	<u>Approved Allocation (HK\$)</u>	<u>Actual Funding Support (HK\$)</u>	<u>Status / Completion Date</u>
			Sub-total :	54,320,340	51,420,670	(Note 1)
Major Events						
	26	Real Madrid Football Club - Match in HK	LCSD/ InvestHK	10,000,000	822,666	completed
			Sub-total :	10,000,000	822,666	

Note:

- 1 The committed budget excludes the revenue foregone for the open house of all LCSD indoor sports facilities, public swimming pools and museums on 1 July and four consecutive Sundays in July, which is estimated to be \$9.9 million.