

Legislative Council Meeting of 22 March 2017
Motion on
“Giving full play to the edges of local tourism resources”
Progress Report

Purpose

At the Legislative Council Meeting held on 22 March 2017, the motion on “Giving full play to the edges of local tourism resources” moved by Hon YIU Si-wing was passed. The wording of the motion is at Annex. This paper aims to report the relevant follow-up actions.

To bring local tourism resources into full play and promote Hong Kong characteristics

2. Hong Kong is a small and densely populated city. It is not practicable to continue the pursuit of quantum leap in the number of visitor arrivals. Our tourism policy direction is to pursue balanced, healthy and long-term development towards product diversification and high value-added services, so as to attract more high-value overnight visitors who can bring greater economic benefits to Hong Kong. The Government shares the view that Hong Kong should bring the edges of local tourism resources into full play and promote Hong Kong’s cultural diversity. In recent years, we have been following this direction with a view to attracting more high-spending overnight visitors from different source markets.

3. The Tourism Commission (“TC”) under the Commerce and Economic Development Bureau is tasked to map out tourism development policy and strategy; allocate resources to implement various initiatives; and to co-ordinate with different departments and the Hong Kong Tourism Board (“HKTB”) in developing tourism. The TC maps out the strategies, initiatives and resource allocation for tourism development, taking into account various factors such as the global economic conditions and market trends, visitors’ travelling patterns and preferences as well as Hong Kong’s tourism offerings. In this light, our emphasis is to develop more new tourism products to differentiate Hong Kong from other destinations in 2017/18. The Government has earmarked over \$240 million additional funding to support the tourism sector in 2017/18, a majority of which will be allocated to the HKTB for taking forward various new initiatives and promotion work focusing on our targeted visitor segments to showcase Hong Kong’s unique tourism appeal.

4. Victoria Harbour is a world-renowned attraction and Hong Kong's unique natural asset. In 2017/18, the Government has earmarked \$10 million and collaborated with the HKTB to update the "Symphony of Lights" show by redesigning its lighting effects. We hope that this signature light show, together with other creative light shows, will make Hong Kong's famous night vista even more impressive for enjoyment by our visitors. In addition, in response to the trade's suggestion as well as with the support from the Harbourfront Commission and the Central and Western District Council, two sites at the Central harbourfront are used for setting up an Observation Wheel and organising short-term events. According to the operator's information, more than 180 events were organized at the Central Harbourfront Event Space in the past three years. Many of them are tourism events, such as the Hong Kong Dragon Boat Carnival, Hong Kong Wine and Dine Festival and FIA Formula E Hong Kong ePrix. The two sites for short-term uses, including the Observation Wheel, attracted over 5 million visits within the first three-year-tenancy. In the long run, it is the vision of the Government and Harbourfront Commission to optimize the Victoria Harbour and its harbourfront areas to make it as an attractive, vibrant, accessible and sustainable world-class asset. We are committed to promoting the relevant work through effective resources allocation. We will develop the harbourfront for the enjoyment of our locals and visitors progressively having regard to the land status of the harbourfront areas.

5. The Central District is a community where the old co-exists with the new tourism appeal. The HKTB launched the brand-new "Old Town Central" programme in April this year to collate various features and recommend five self-guided walks covering historical buildings and landmarks, arts and culture, fashion life, food and entertainment to encourage visitors to experience the local culture and community characteristics. On the other hand, the Government set aside \$8 million in 2016/17 to update and enrich the Dr Sun Yat-sen Historical Trail, including re-designing the memorial plaques and updating the contents along the Trail. The revitalization works are expected for completion by end of this year. It is intended that this Historical Trail, in tune with other surrounding attractions including the PMQ and the revitalized Central Police Station compound, will let visitors indulge in the community with ancient and modern artistic features.

6. We place emphasis on the development of cultural tourism initiatives. Apart from the above revitalization projects, the Government will revitalize the historic Hung Shing Yi Hok into the Tai Hang Fire Dragon Heritage Centre, which is expected to commence operation in 2019. Visitors will be able to enjoy an unique experience, by appreciating the fire dragon cultural heritage which has been inscribed onto the national list of intangible cultural heritage,

whilst enjoying the specialty of food and beverage in the three-storey building.

7. Hong Kong is rich in natural resources and beautiful scenery. Outlying islands and hiking trails are within easy access. In 2017/18, we will allocate \$5 million to the HKTB to develop a pilot scheme to promote in-depth green tourism. The scheme aims to encourage the trade to develop more diversified in-depth green tourism products, particularly for those markets which have been interested in green tourism such as Japan and Korea as well as long-haul markets including the United Kingdom, the United States and Canada.

8. As regards events, we notice that more visitors seek in-depth travel experiences and have greater appetite for events with local characteristics. Taking this into account, a new strategy has been developed to support the organization of events and activities of different scales and types in 2017/18 and such strategy is in line with our tourism strategy of moving towards product diversification and appealing to high-value overnight visitors. The strategy includes cultivating home-grown events to enhance their status; allocating \$12 million for the development of a pilot funding scheme to support tourism activities showcasing local characteristics; providing one-stop support to large-scale commercial events with significant tourism merits as well as providing funding support to international events with significant branding impact on Hong Kong. Through the new strategy, events and activities of different scales and types can receive Government support and visitors can participate in a wide range of events and activities with local characteristics throughout the year.

Co-operation between the Government and stakeholders

9. The HKTB's promotion plan target at different types of visitors and focuses on Hong Kong's unique characteristics. In addition to the aforementioned green tourism lovers, transit passenger market is another area to groom high-yield visitors. To grasp the opportunities presented by such passengers, the HKTB will launch a new scheme in 2017/18 to foster collaboration between airlines, hotels, travel agents and tourist attractions to come up with attractive offers to entice transit passengers to visit different districts, and preferably extend their stay in Hong Kong.

10. Cruise passengers are also a source of fast-growing visitor segment. The Kai Tak Cruise Terminal ("KTCT") is one of the important tourism infrastructures by the Government for the development of cruise tourism. The KTCT provides necessary berthing facilities for large-scale cruise ships,

so as to enable Hong Kong to seize the opportunities brought about by the growth of the cruise market in the Asia Pacific Region, thereby diversifying the tourism product offerings in Hong Kong and benefitting the development of the cruise and tourism industries in Hong Kong. Since the commissioning of the KTCT in 2013, its utilization has been growing steadily. The total number of ship calls in 2016 was 95, representing 70% increase from the 56 ship calls in 2015 and over ten times from the nine ship calls in 2013. The estimated number of ship calls at KTCT will continue to increase, reaching almost 200 in 2017. In 2017/18, the HKTB will launch a new initiative to encourage travel agents to cooperate with the cruise lines to roll-out more diversified and value-for-money shore excursion programmes to stimulate cruise passengers' spending. We will also continue the fly-cruise programme to attract more cruise passengers from various source markets to visit Hong Kong.

11. We are also committed to promoting MICE tourism. The Government will provide a regular budget of \$15 million to the HKTB each year with effect from 2017/18 for bidding more large-scale MICE events in Hong Kong. In addition, the Government will allocate \$5 million to provide incentive for the travel trade to bring more small and medium-sized MICE events to Hong Kong.

12. The Government attaches great importance to the collaboration with the tourism trade and different stakeholders. Apart from earmarking \$10 million for the matching fund for overseas tourism promotion by tourist attractions, we will allocate \$5 million to the Travel Industry Council of Hong Kong to provide support to the trade practitioners in attending suitable training in order to enhance the service quality of the travel trade.

13. While Hong Kong is giving full play to the existing tourism resources, we will also continue to proactively take forward the key tourism projects. In the medium and long term, a number of tourism projects and relevant infrastructures, including the new facilities in the West Kowloon Cultural District, expansion plan of Hong Kong Disneyland Resort, waterpark and two hotels of Ocean Park, Hong Kong Airport Authority's SKYCITY, East Kowloon Cultural Centre, Kai Tak Sports Park, Kai Tak Tourism Node and Lantau Development, will be completed. In addition, when the transportation infrastructures including the Hong Kong Zhuhai Macao Bridge and the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link are completed, the travel time between Hong Kong and the Pearl River Delta will be reduced and this would help attract Mainland visitors to Hong Kong.

14. We expect that the implementation of various development plans will promote the economic activities in the districts concerned. The relevant policy bureaux and departments including the TC are pressing ahead with these development plans, including enhancement of tourism-related facilities and will take into consideration of stakeholders' views in the process.

Present tourism landscape

15. The tourism performance has shown improvement recently in light of the collaboration and efforts made by the Government and stakeholders in the tourism industry in the past year. According to the provisional figures from January to April of 2017, the overall visitor arrivals to Hong Kong increased by 3.2% compared to a year earlier. Among the total, Mainland and non-Mainland arrivals went up by 3.2% and 3.8% respectively. In the first quarter of 2017, the overnight arrivals even recorded a 6.3% growth, among which overnight arrivals from short-haul markets rose by about 9%.

16. The Government will continue to work closely with the trade to sustain the positive growth at the beginning of this year, with a view to promoting the long-term and healthy development of Hong Kong's tourism industry. We are also receptive to different views, including those from the tourism trade, District Councils, local community, advisory groups and professional bodies, with a view to reinforcing Hong Kong's position as a premier tourist destination.

Commerce and Economic Development Bureau
Commerce, Industry and Tourism Branch
May 2017

**Motion on
“Giving full play to the edges of local tourism resources”
moved by Hon YIU Si-wing
at the Council meeting of 22 March 2017**

That benefiting from the expansion of the Individual Visit Scheme by the Mainland, the number of visitor arrivals to Hong Kong had been increasing continuously over the 10 years from 2004 to 2014, driving the development of Hong Kong industries such as retail, hotel, food and beverages and transport; however, the number of visitor arrivals to Hong Kong has been decreasing since 2015, which not only affects the revenues of some sectors of the tourism industry, but also produces ripple effect, causing adverse impact on many related industries, and further affecting the economic development and employment situation of Hong Kong; currently, while a number of tourist attractions which have been operated for years in Hong Kong are becoming less attractive, new tourist attractions with high development costs, such as Kai Tak Fantasy, the West Kowloon Cultural District and the expansion of the Hong Kong Disneyland, are all under planning and construction and some time is needed for their commissioning; the Government should make optimal use of local tourism resources, and integrate the features of traditional and new tourist attractions, so as to highlight the competitive edges of the tourism industry of Hong Kong, thereby attracting tourists with different consumption levels to come to Hong Kong for leisure travel and investors for investment, thus bringing a comprehensive recovery of the tourism industry; in this connection, this Council urges the Government to give full play to the edges of local tourism resources and promote a diversified culture with Hong Kong characteristics to boost the tourism industry; specific measures include:

- (1) comprehensively collating resources with tourism values, including country parks, geoparks, museums, cycle tracks, historic buildings, intangible cultural heritage items and various events; and, based on the collation results, studying the establishment of an inter-departmental body to enhance the tourism-related facilities in various districts;
- (2) after consulting District Councils and various local stakeholders, providing support in the light of the actual situation of tourism

resources in local districts, so as to drive local economic development and increase employment opportunities; and

- (3) allocating additional funding to formulate tourism promotion programmes with characteristics of Hong Kong local community, encouraging the relevant industries to join hands in developing new tourism products, and stepping up training for tourism industry practitioners, so as to promote the development of the tourism industry.