

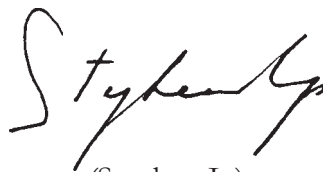
Message

Like most economies in the region, Hong Kong suffered a tourism downturn in 1997. Total visitor arrivals in the year were some 10.4 million, about 11.1% down over 1996 figures. Notwithstanding, Hong Kong is still the most popular tourist destination in Asia after the Mainland of China with 30% more visitors than anywhere else in the region. Tourism also remains one of our largest earners of foreign exchange and the industry directly or indirectly employs some 370 000 workers, representing about 11% of the total workforce.

It is important for the Government and the industry to work jointly to reverse the tourism downturn. To this end, the Bureau is committed to maintaining the competitiveness of the tourism industry. In particular, we aim –

- to provide the necessary institutional framework and financial support to encourage the development of the tourism industry;
- to provide the necessary infrastructure to cater for growth in tourism and to facilitate the entry of visitors into Hong Kong;
- to enhance Hong Kong's attractiveness through encouraging the development of new tourist attractions and improving existing ones; and
- to provide appropriate support to the Hong Kong Tourist Association in delivering its duties.

As the Policy Bureau responsible for in-bound tourism, we will ensure that the tourism industry continues to contribute significantly to the economic prosperity of Hong Kong. We will work closely with the trade and other bureaux and departments concerned on short and long term measures to help maintain our competitive edge in tourism in the region.



(Stephen Ip)

Secretary for Economic Services

A Key Tourist Destination

Our Policy Objective is to promote Hong Kong as a key tourist destination and facilitate the development of the tourism industry.

Our target in pursuing this Policy Objective is to maintain Hong Kong's position as the second most popular tourist destination in Asia.

Key Result Areas (KRAs)

To ensure that this Policy Objective can be achieved, we must deliver results in a number of key areas, that is, we must –

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III	Develop and improve tourism infrastructure, facilities and products	Page 8
IV	Improve the quality of service of the industry	Page 11

The following sections of this booklet explain the importance of these KRAs, describe the broad thrust of our efforts, and outline the indicators which we are using to assess progress. Each section lists the new key initiatives being taken to achieve our objectives and pinpoints the agency accountable for each initiative and the specific targets which we intend to meet.

I

Identify market needs

In-bound tourism is a major contributor to Hong Kong's economy. The recent drop in tourist arrivals in Hong Kong is a reminder that we need continually to be aware of the needs of this important market. To this end, a Tourism Task Force was set up in October 1997 comprising representatives from Government, the Hong Kong Tourist Association (HKTA) and the tourism industry with a view to considering ways to enhance our competitiveness and to promote Hong Kong as a travel destination. A Strategic Organisation Review is also being conducted on HKTA to review its role, organisation and management so as to equip HKTA better to meet the future challenges. In addition, a number of studies on possible new attractions are being conducted with a view to identifying those which are most suitable for Hong Kong to enhance our attractiveness to tourists.

HKTA conducts perception surveys in our source markets to enhance understanding of the markets. It also conducts daily surveys on departing passengers at the airport so as to gauge the various visitors' profile information and views. HKTA's extensive network of overseas offices in 18 different destinations provides important input in understanding the aspirations and trends in our source markets.

The Government will continue to support the HKTA in its tasks to identify the markets for Hong Kong's in-bound tourism and to identify the needs of the tourism industry and visitors to Hong Kong in order to make Hong Kong more competitive as a key tourist destination.

Indicator

The indicator we will use to measure progress in this area is the completion of research and feasibility studies against plan.

Initiatives	Targets
<p>To conduct a consultancy study of the role, organisation and management of the Hong Kong Tourist Association <i>(Hong Kong Tourist Association (HKTA))*</i></p>	<p>To complete the study in 1999</p>
<p>To commission, using the Tourism Development Fund, the following feasibility studies and improvement works on tourist facilities as recommended in the Visitor and Tourism Strategy Report –</p> <ul style="list-style-type: none"> – study on a proposed aquatic centre for Hong Kong – assessment of Resort Hotel Development Markets in Hong Kong – study on Hong Kong International Wetland Park and Visitor Centre – feasibility study on a science centre with focus on the applications of information technology to ecology, society and the economy <p><i>(HKTA)</i></p>	<ul style="list-style-type: none"> – To complete the study in 1999 – To complete the assessment in 1999 – To complete the study in 1999 – To complete the study in 2000

* the brackets denote the agency with lead responsibility for the initiative

II

Take steps to attract new and repeat tourists through marketing efforts

Having identified the needs of the tourism market, we need to promote Hong Kong as an attractive tourist destination and market new tourism products in order to stimulate potential visitors' interest in coming to Hong Kong. Marketing initiatives are principally the responsibility of the HKTA. To strengthen its marketing effort in our largest source market China, HKTA set up an office in Beijing in 1997. It plans to expand it further in 1999-2000 as well as to set up another office in Shanghai. A \$173 million new destination campaign was launched world-wide earlier in 1998 to project a fresh image of Hong Kong and to promote Hong Kong as a travel destination. HKTA has developed joint marketing efforts with the Mainland to promote multi-destination tourism. It will develop new markets. The Government will support the HKTA and the tourism industry to further these efforts.

Indicators

The indicators we will use to measure progress in this area are –

- the extent to which we conduct marketing campaigns against plan
- growth in tourist arrivals in Hong Kong

Initiatives

To intensify promotion and publicity activities overseas
(Hong Kong Tourist Association (HKTA))

Targets

To launch a new world-wide campaign to stimulate potential visitors' interest in Hong Kong in 1998-1999

Initiatives	Targets
<p>To organise new promotional and publicity activities to develop potential new or secondary markets (HKTA)</p>	<p>From 1997-1999, to participate in travel trade shows in Russia, and the Middle East, and organise promotions in India and secondary cities in Japan such as Hiroshima and Sendai</p>
<p>To undertake joint promotional efforts with the Mainland authorities to promote multi-destination tourism (HKTA)</p>	<ul style="list-style-type: none"> ● From 1997, to work with major Mainland cities (Beijing, Shanghai, Xian, Guilin, Kunming) to promote travel to the Mainland with visits to Hong Kong in longhaul markets such as North America and Europe ● To continue to work with the Guangdong Province and Macau to promote Pearl River Delta tours overseas especially in shorthaul markets such as Japan, Taiwan, Southeast Asia and Korea

Initiatives	Targets
<p>To further co-operate with the Mainland authorities in extending the application of the 72-hour visa-free arrangements for overseas visitors' group tours visiting Shenzhen from Hong Kong</p> <p><i>(Economic Services Bureau)</i></p>	<p>In 1998-1999, to extend the arrangements to Zhuhai, and to increase the number of travel agencies designated to organise such visa-free tours</p>
<p>HKTA to expand its Beijing office</p> <p><i>(HKTA)</i></p>	<p>To expand the office in 1999</p>
<p>HKTA to establish its second office in the Mainland in Shanghai</p> <p><i>(HKTA)</i></p>	<p>To set up the office before April 2000</p>



Develop and improve tourism infrastructure, facilities and products

Apart from establishing new tourist attractions and improving on existing ones, there is also a need to improve and develop tourist-related infrastructure and facilities to make Hong Kong more tourist-friendly. This will enhance visitors' experience in Hong Kong. For example, HKTA is carrying out a consultancy study to identify possible improvements to tourist spots in the Central and Western District as well as to come up with an action plan. This will be a pilot scheme with Government providing the necessary funding. In addition, improvements to visitors' entry arrangements will help to encourage more visitors to come to Hong Kong.

Indicator

The indicator we will use to measure progress in this area is our success in developing and improving infrastructure, facilities, products, and entry arrangements against plan.

Initiatives	Targets
To set up a Heritage Tourism Task Force to promote heritage tourism in Hong Kong <i>(Hong Kong Tourist Association (HKTA))</i>	To set up the Task Force in 1998
To re-package specific areas in Shelly Street, Central and Kowloon City as "Theme dining districts" <i>(HKTA)</i>	To complete the project in 1999

Initiatives	Targets
<p>To launch the “Bird-Fish-Flower Leisure Experience” to promote self-help tours at the flower and bird markets in Kowloon (HKTA)</p>	<p>To complete the project in 1999</p>
<p>To launch the second and third phases of the Architectural Walking Tour in Kowloon and the New Territories respectively (HKTA)</p>	<p>To launch the second phase by end 1998 and the third phase by mid-1999</p>
<p>To install interactive telephone kiosk system at locations frequented by visitors (HKTA)</p>	<p>To complete the installation of 100 “Touristinfo Powerphones” by end of 1998</p>
<p>To establish a computer database to improve the flow of market information within HKTA and among HKTA members, service providers and potential visitors (HKTA)</p>	<p>To establish the Tourism Data Bank in phases by the end of 2000</p>
<p>To provide funding for tourist district enhancement and improvement plans for upgrading and improving tourist facilities and attractions, including aspects such as streetscape improvements and special lighting (HKTA)</p>	<p>To start the first pilot project in 1999 for the Central and Western District</p>

Initiatives	Targets
<p>To provide funding for implementing visitor signage improvements at tourist districts <i>(HKTA)</i></p>	<p>To start the pilot project in 1999 at Stanley Market</p>
<p>To prepare a Green Guide to Hong Kong covering all natural heritage resources of Hong Kong <i>(HKTA)</i></p>	<p>To complete the Guide in 1999</p>
<p>To review the Group Tour Scheme for Mainland travellers <i>(Immigration Department (Imm D))</i></p>	<ul style="list-style-type: none"> ● To allow persons from other provinces/ municipalities who are residents in Shenzhen and Zhuhai to join Hong Kong Group Tours, provided they fulfil certain criteria ● To review the Scheme in 1999
<p>To simplify and improve entry arrangements for Taiwan residents <i>(Imm D)</i></p>	<p>To review in 1999 the feasibility of further improvements to existing arrangements</p>

IV

Improve the quality of service of the industry

We are aware of the need to enhance the attractiveness of Hong Kong as a tourist destination by providing good service to visitors.

Hong Kong's hotels have always been featured in the top ten of the best service hotels in the world and this speaks for itself. HKTA has a long-running "Courtesy Campaign" among the front-line service bodies. This year the Association has stepped up action in this respect and launched a "Be a Good Host" campaign to enhance public awareness on the need to extend good service to visitors to Hong Kong as well as to promote good service among tourist sector employees.

Indicator

The indicator we will use to measure progress in this area is the number of service improvements implemented against plan.

Initiatives

Targets

To introduce a "Total Tourist Care" quality assurance scheme for tourism-related sectors such as retail shops and restaurants for a start

(Hong Kong Tourist Association (HKTA))

To introduce the "Total Tourist Care" quality assurance scheme in 1999 which is open to all retail shops and restaurants

To step up the "Be a Good Host" Campaign

(HKTA)

To produce celebrity endorsement videos and TV programmes, supplemented by other publicity materials in 1999

Initiatives	Targets
<p>To produce a “Trilingual (Chinese, English and Japanese) Taxi Guide” for taxi drivers <i>(HKTA)</i></p>	<p>To complete the production of the Guide in 1998 and promote it to all taxi drivers in Hong Kong</p>