

LCQ3: Overseas tourism promotion

Following is a question by the Hon Regina Ip and an oral reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (November 18):

Question :

The number of mainland visitors to Hong Kong dropped significantly from 4.55 million in February to 3.84 million in July this year. For September, the number of mainland visitors to Hong Kong registered a year-on-year decrease of 4.6 per cent, whereas the number of non-mainland visitors saw a drop of 1.6 per cent. The authorities have pointed out that the spending pattern of visitors to Hong Kong has changed. Their consumer sentiment is weaker than that in the past. As a result, the business receipts of the retail industry have shown a downward trend. Some members of the tourism and retail industries have relayed to me that the Government should be more proactive in promoting Hong Kong so as to attract more visitors to Hong Kong and boost the consumer market. In this connection, will the Government inform this Council:

(1) given that the Government granted at the end of September this year a provision of \$10 million to the Hong Kong Tourism Board (HKTB) for launching a one-off matching fund for overseas tourism promotion under which tourist attractions could apply for funding to conduct overseas promotion work in collaboration with sectors such as tourism, retail, hotels, etc. in the coming months till March next year, and HKTB has approved the applications from 10 tourist attractions involving 69 recommended promotion projects, whether the Government knows the relevant details, and how HKTB will assess the effectiveness of the promotion work supported by the matching fund, and whether HKTB will advise successful applicants on ways to optimise the use of funding under the scheme so as to enhance the quality and effectiveness of their promotion projects; if HKTB will, of the details; if not, the reasons for that; and

(2) given that Hong Kong lacks new tourist attractions while faces acute competition from neighbouring Asian countries such as Singapore, Thailand, Indonesia, which have broadcast in recent years enchanting promotional video footages in overseas markets to attract tourists, whether the Government will liaise with HKTB about the production of more appealing promotional video footages on Hong Kong to be broadcast on overseas media so as to enhance the competitiveness of Hong Kong's tourism industry; if it will,

of the details; if not, the reasons for that?

Reply :

President:

In the past decade, the number of visitor arrivals to Hong Kong almost tripled from 21.8 million in 2004 to about 60.8 million in 2014. In recent months, external factors such as the slowdown of the global and Mainland economies, volatile financial market, substantial depreciation of currencies of other popular destinations in the region (e.g. Japan and Korea) against the Hong Kong dollar and relaxation of visa policies to Mainland visitors by other countries, have adversely affected the business environment of our tourism industry. After years of rapid growth, Hong Kong's tourism industry has entered into a consolidation period. In light of the above, further to the provision of an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) earlier, the Government set up a one-off \$10 million matching fund scheme in late September 2015. The fund aims to encourage local tourist attractions to strengthen their promotion activities and launch attractive tour products and special offers through collaboration with the tourism trade. We hope that the scheme can help attract more overnight and high value-added visitors to Hong Kong in the coming months and help enhance Hong Kong's profile as a dynamic tourist destination, thereby contributing to the overall Hong Kong economy.

My reply to the two parts of the question is as follows:

(1) The Government announced in late-September the setting up of a one-off \$10 million "Matching Fund for Overseas Tourism Promotion by Tourist Attractions" (MFTA) to provide local attractions with dollar-for-dollar subsidies to enhance their overseas promotions. The HKTB has been tasked to process the applications and allocate the funding.

The application period was from September 30 to October 14. The HKTB received applications from 12 local attractions, covering 79 promotion programmes. An assessment committee, comprising representatives from the tourism and related sectors, was formed to examine the proposals. The committee approved the applications of 10 local attractions, involving 69 proposed promotion items after critical examination. The approved promotion programmes cover 12 visitor source markets including the Mainland, short-haul and long-haul markets. The total amount approved is close to \$10

million. Please refer to the annex for the amount of funds approved for each attraction.

All applications for the MFTA were assessed by the assessment committee with members who are very experienced in the tourism and related fields. In assessing the applications, the committee took into account a set of criteria including the effectiveness of the promotion proposals in enhancing the exposure for the tourist attractions and showcasing Hong Kong's diverse offerings; the soundness of the proposals in reaching out to consumers in the designated markets and raising their interests to visit Hong Kong; and the specific publicity contents of the programmes, etc. These criteria aim to ensure the effectiveness of the marketing and publicity outcome of the approved promotions.

These 69 approved promotions vary in types and contents and aim at attracting overnight visitors to Hong Kong in particular. Apart from discounts on admission tickets and shopping privileges, there are joint promotions between attractions and promotions run in partnership with other trade partners, including local and overseas travel agents, online travel agents, airlines, hotels, and retail and dining merchants.

The HKTB will, based on the specific needs of the attractions, provide them with suitable support and advice for their promotions, including assistance from the relevant HKTB worldwide offices, with a view to achieving synergy in publicity to enhance the effectiveness of the promotions. For assessment on effectiveness, given that MFTA is a matching fund scheme, the attractions are required to invest at least the same amount of funds in their approved promotions. As such, we trust that the attractions also attach great importance to the outcomes and effectiveness of the promotions. To ensure the funding is well spent, the attractions are required to submit relevant documentary proofs, including invoices/receipts, samples of publicity items and media coverage, etc. for HKTB's vetting. While it is difficult to quantify the results of the MFTA, we expect that the various offers and products to be launched by the various attractions under the MFTA, along with the overseas promotion work of the HKTB, would bring more visitors to Hong Kong and create a positive image of Hong Kong in the eyes of the overseas trade and visitors. This will benefit the Hong Kong tourism industry as a whole.

(2) The government attaches great importance to promoting Hong Kong's image as a premier travel destination. We build up Hong Kong's tourism branding through production of promotional videos by the HKTB which complements its overall promotion strategy. Since 2014, the HKTB launched the "My Time for Hong Kong"

global branding campaign. Broadcast through digital marketing, public relations initiatives and consumer shows, the campaign helps promote the unique and exciting tourism experiences in Hong Kong with a view to raising global consumers' desire to get similar experiences in Hong Kong.

In producing the videos, the HKTB invited personalities from different walks of life, such as Michelin-starred chefs and renowned local musicians, to take viewers around town to experience different aspects of the city, including dining, shopping, city icons, local living culture, nightlife, outdoor activities, festivals and events, sports events, arts and culture, etc. These videos have been broadcast on digital channels and regional TV channels in Southeast Asia, with the aim of attracting more visitors to Hong Kong.

The "My Time for Hong Kong" campaign and related promotional videos have won a number of international awards, including a gold award in the "Marketing – Primary Government Destination" category in PATA Gold Award 2015, and a silver award in the "Campaigns" category in the ASTRID Awards 2015.

The HKTB also produced new videos for this year's Hong Kong Summer Fun campaign, which were broadcast on regional TV channels in various short-haul markets, including Southeast Asia, Taiwan and Korea.

The HKTB is currently reviewing the "My Time for Hong Kong" branding campaign based on the experience gained in the past two years. The HKTB will explore ways and means to further promote Hong Kong as a preferred travel destination. In the coming year, the HKTB plans to produce a new series of videos under the "My Time for Hong Kong" promotion campaign, which will target at different visitor segments by showcasing the unique and diversified tourism experiences Hong Kong offers as well as the stylish and dynamic side of Hong Kong. The videos will be broadcast through digital media, social media and regional TV channels to entice overseas consumers to select Hong Kong as their travel destination.

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