

**The Administration's reply to
Hon SIN Chung-kai's letter dated 6 May 2005**

Question 1: According to the annual report of the HKTB, the expenditure of the 'Local services and events' has sharply increased by 460% from \$30 million in 98/99 to \$140 million in 03/04. Please provide the details of the activities under "Local services and events", the expenditure breakdown of each activity, or a list of activities sponsored by the HKTB and the corresponding amount of sponsorship for reference.

Table 1 - The HKTB's expenditure on 'Local services and events'

	98/99	99/00	00/01	01/02	02/03	03/04
Local services and events (thousand dollars)	\$30,549	\$24,081	\$35,184	\$60,007	\$74,942	\$141,251

Source: Annual Reports of the Hong Kong Tourism Board

Reply to Question No.1:

The expenditure on 'Local Services and Events' covers four major items: 'Experience Enhancement', 'Events Staging', 'Industry Training' and 'Co-op Promotions with Local Tourism Industry / Quality Tourism Services (QTS) Scheme'.

(a) Classification

In accordance with the recommendation in the 'Statement of Standard Accounting Practice' promulgated by the Hong Kong Institute of Certified Public Accountants in 2001, the HKTB needs to update its financial statement and accounting standards from time to time so as to meet the requirements of the recommendations. Therefore, the figures included in the Annual Reports before 2001 (including the figures in 98/99, 99/00 and 00/01, as stated in the question above) were 'net expenditure', that is, gross expenditure less income. However, the figures included in the Annual Report of 2001/02 and thereafter were 'gross expenditure', that is, expenditure before deducting income. Due to the above changes in the accounting requirement, it would be inappropriate to make a direct comparison between the figures before 2001/02 and those from 2001/02 onwards.

(b) Details

The breakdown of the expenditure on 'Local Services & Events' is listed in the tables below. Since the figures in the first 3 years and last 3 years follow different financial statement and accounting standards, that is, the former had deducted income (see table 1) whereas the latter had not (see table 2), it would be inappropriate to compare the two sets of figures directly.

Table 1 – Expenditure on 'Local Services & Events' from 1998/99 to 2000/01

	1998/99 (HK\$'000)	1999/00 (HK\$'000)	2000/01 (HK\$'000)
(1) Experience Enhancement (Visitor Information & Services Centres, visitor hotline and experience enhancement)	10,070	5,846	6,172
(2) Events	17,046	10,251	19,522
(3) Co-op promotions with local tourism-related industries	3,433	7,984	9,490
Total	30,549¹	24,081	35,184

¹ This is the figure listed in the 1999/2000 Annual Report of the then Hong Kong Tourist Association (then HKTA). The then HKTA had, from time to time, revised the classification of the income and expenditure statement of the Annual Report in order to meet the recommendation of the 'Statement of Standard Accounting Practice', issued by the Hong Kong Institute of Certified Public Accountants, and to reflect the deployment of resources more accurately. In the Annual Report of the then HKTA, income and expenditure statement of current and previous years would be listed for comparison. Hence, in 1999/2000, while listing a newly created expenditure item 'Local Services and Events', the then HKTA based on this new classification to re-calculate the income and expenditure account for 1998/1999, so that the income and expenditure statements for 1999/2000 and 1998/1999 follow the same calculation method to facilitate comparison.

Table 2 – Expenditure on ‘Local Services & Events’ from 2001/02 to 2003/04

	2001/02 (HK\$'000)	2002/03 (HK\$'000)	2003/04 (HK\$'000)
(1) Experience Enhancement (Visitor Information & Services Centres, visitor hotline and experience enhancement)	13,130	8,181	12,556
(2) Events	38,260	40,624	96,367
(3) Co-op promotions with local tourism-related industries	8,617	11,667	14,643
(4) Industry Training (Tourism Orientation Programme) ²	0	14,470	17,685
Total	60,007	74,942	141,251

² ‘Tourism Orientation Programme’ was introduced in 2002.

Item (1) of Tables 1 & 2 included the operating expenses on the three HKTB Visitor Information & Services Centres and the Visitor Hotline. With visitor arrivals continued to increase, the HKTB had strengthened the concerned services. Apart from promoting Hong Kong in overseas markets, one of the HKTB’s major responsibilities is organising or co-ordinating different kinds of events and activities so as to attract visitors. In 2001/02, the HKTB implemented a number of new experience enhancement initiatives, such as the ‘Hong Kong Must Buy’. In 2003/04, the expenditure was again increased because of the need for enhanced services following the SARS outbreak.

Item (2) of Tables 1 & 2 included the expenditure on staging various Events. Detailed breakdown is included in the [Annex 1](#). In 2003/04, following the SARS outbreak, the HKTB was granted additional funding from the Government to implement the ‘Global Tourism Revival Campaign’ and the HKTB staged several Events, which led to significant growth in expenditure. These included:

- (i) Expanded scale and reinforced publicity of Events, including the ‘International Chinese New Year Night Parade’, ‘Hong Kong Super Draw’ and ‘Hong Kong WinterFest’; and.

- (ii) Staged three new Events, namely ‘Strato-Fantasia’, ‘Mid Autumn Lantern Celebration’ and ‘Hong Kong International Musical Fireworks Competition’.

Item (3) of Tables 1 & 2 mainly included the expenses related to the membership system of the then Hong Kong Tourist Association (HKTA) and the expenses for expanding the Quality Tourism Services (QTS) Scheme. Since the introduction of the QTS in 2000, the number of merchants accredited under the scheme has increased from 1,000 in 2000 to 3,623 (March 2004 figure). As such, the expenses on the scheme have increased accordingly.

Item (4) of Table 2 covered expenses on the ‘Tourism Orientation Programme’ (TOP), which was introduced in 2002 to provide a cadre of well-trained professionals for the tourism industry through systematic classroom and workplace training. The programme has provided training for 217 and 279 candidates in 2002/03 and 2003/04 respectively.

(c) Sponsorship of Third-Party Events

The HKTB seldom sponsors activities by other organisations. Below are details of the sponsorship between 1998/99 and 2003/04:

- The then HKTA stopped organising the ‘International Dragon Boat Races’ from 2000/01. As per an agreement with the Hong Kong Dragon Boat Association, the HKTB would provide, in the following three years, i.e., 2001/02-2003/04, seed money of \$200,000, \$150,000 and \$150,000 to the Association to help develop the ‘International Dragon Boat Races’.
- In 2003/04, because of SARS, visitor arrivals dropped dramatically. The HKTB considered the Shaolin *kung fu* performance staged by the Po Lin Monastery and the Birthday of Lord Buddha celebrations could help to attract more visitors and hence offered a sponsorship of \$50,000 to the Monastery to strengthen the show content and publicity in order to enhance the overall appeal of the event.

Question 2: Why does the expenditure of ‘Research and development’ in different annual reports have the differences below? Please list out the items and the associated expenditures under “Research and development” from 1996 onwards.

Table 2 - The HKTB’s expenditure on ‘Research and development’

	Annual Report 96/97	Annual Report 97/98
Expenditure on ‘Research and development’ in 96/97 (thousand dollars)	\$27,233	\$31,139

	Annual Report 98/99	Annual Report 99/00
Expenditure on ‘Research and development’ in 98/99 (thousand dollars)	\$48,711	\$16,072

Source: Annual Reports of the Hong Kong Tourism Board

Reply to Question No.2:

The expenditure on ‘Research & Development’ covers market research, product development, and event development.

The question points out that same year expenditure statement varied in different Annual Reports. This was a result of the revision of the classification of income and expenditure item to meet the recommendation in the ‘Statement of Standard Accounting Practice’, as promulgated by the Hong Kong Institute of Certified Public Accountants. The then Hong Kong Tourist Association (HKTA) used to list the income and expenditure of both the current and previous years in the income and expenditure statement of its Annual Report to facilitate comparison. If the then HKTA changed the item classification of the income and expenditure statement in a year, it would adopt the new classification to re-calculate the statement of previous year to facilitate comparison of two financial years.

The expenditure on ‘Research & Development’ in 1996/97 and 1997/98 raised in the question reflected the above scenario:

- (1) In 1996/97, the expenditure of ‘Research & Development’ in the 1996/97 Annual Report was HK\$27.23 million. However, in the 1997/98 Annual Report, the amount was revised to HK\$31.14 million, showing a difference of HK\$3.9 million. However, it was not because of increase in expenditure, it was because in 1997/98, there was a change to the item classification, the ‘office overheads for the research office at the airport and various Visitor Information & Services Centres’ was transferred from ‘Office Cost’ to ‘Research & Development’. To facilitate comparison between the figures of 1996/97 and 1997/98 under the same accounting principles, the amount of HK\$3.9 million, being the cost for the ‘office overheads for the research office at the airport and various Visitor Information &

Services Centres' was therefore added to the 'Research and Development' item of 1996/97, making the expenditure increase from HK\$27.23 million to HK\$31.14 million.

- (2) The 1998/99 expenses on 'Research & Development' in the 1998/99 Annual Report was HK48.71 million. However, the figure was revised to HK16.07 million in the 1999/2000 Annual Report, the difference was about HK\$32.64 million. This is because in 1999/2000, the classification of the item was further revised in accordance with the 'Statement of Standard Accounting Practice'. The then HKTA transferred the expenses of the following (i) to (iv) items from 'Research & Development' to the newly created items 'Local Services and Events' and 'International Event Fund':
- i. Expenses related to operating the membership system of the former Hong Kong Tourist Association (HKTA)
 - ii. Expenses on Events staging
 - iii. Expenses on Visitor Information & Services Centres
 - iv. Expenses on administering the 'International Events Fund'

In the 1999/2000 Annual Report, to facilitate comparison between the figures of the two financial years under the same accounting principles, an amount of HK\$32.64 million for the above items (i) to (iv) was deducted from HK\$48.71 million in the 1998/99 statement. As a result, the figure for the 1998/99 statement as shown in the 1999/2000 Annual Report is \$16.07 million.

Breakdown on the expenses on 'Research & Development' is detailed in Table 1.

Table 1 'Research & Development' Expenses

	96/97 \$'000	97/98 \$'000	98/99 \$'000	99/00 \$'000	00/01 \$'000	01/02 \$'000	02/03 \$'000	03/04 \$'000
Market Research	4,149	2,742	8,648	7,618	7,198	8,082	5,458	6,943
Product Development	2,434	1,796	6,126	6,207	743	1,746	2,122	2,702
Event Development	969	8,053	1,596	990	896	994	803	861
Others (Note 1)	19,987	20,755	32,639	0	0	0	0	0
(a) Expenses related to operating the membership system of the then Hong Kong Tourist Association	2,848	2,800	3,433	0	0	0	0	0
(b) Expenses on Events staging	19,844	14,670	17,046	0	0	0	0	0
(c) Expenses on Visitor Information & Services Centres / Sales receipts	(2,705)	3,285	10,070	0	0	0	0	0
(d) Expenses on administering the 'International Events Fund'	0	0	2,090	0	0	0	0	0
Income (Note 2)	306	259	298	981	174	0	0	0
Total (Figures in Annual Report)(Note 3)	27,233	33,087	48,711	13,834	8,663	10,822	8,383	10,506

Note 1. These items have been re-grouped under 'Local Services & Events' and 'International Events Fund' since 1999/2000.

Note 2. Since 2001/02, the income and expenditure have been disclosed separately as per the recommendation in the Statement of Standard Accounting Practice No.1. Before 2001/02, the figures were gross expenditure less income.

Note 3. The above figures are included in the audited financial statements of the HKTB Annual Report in the respective years.

Question 3: Why does the expenditure of “Research and development” decrease gradually?

Reply to Question No.3:

The expenditure on ‘Research and Development’ is determined by the number and scale of the research or development projects conducted in the respective years. For example, various research and development projects were conducted in 1999/2000, such as the ‘District Signage Improvement’ project; the hotel classification study; the ‘Harbour Fun Carnival’ in the Piazza of Hong Kong Cultural Centre; and the study on dining district along the Wan Chai harbourfront (the project became the development concept for alfresco dining district later). In addition, in 2002/03, a number of visitor surveys were suspended because of the SARS outbreak and hence relevant expenditure reduced accordingly. The spending on all these research projects was one-off only and did not incur recurrent expenditure.

Question 4: From 98/99 onwards, the item “Offices worldwide” has been cancelled in the account of the HKTB. Please advise the expenditure item under which such expenses (amounting to \$40 million per annum) have been put.

Reply to Question No. 4:

Before 98/99, the expenditure on ‘Worldwide Offices’ was included under ‘Staff Expenses’ and ‘Office Expenses’. In accordance with the recommendation in the Statement of Standard Accounting Practice (1) by the Hong Kong Institute of Certified Public Accountants, the Hong Kong Tourism Board combined the expenditure on ‘Worldwide Offices’ with that on ‘Local Head Office’ starting from 99/00. Based on the nature of the spending, the amount was included under the three items of ‘Staff Expenses’, ‘Rents, Rates & Management Fees’ and ‘Other Operating Expenses’.

Question 5: Please list out the establishment of the HKTB since 99/00, including the number of staff members of different grades, number of staff members in each overseas office and the salary range of each grade.

Reply to Question No. 5:

The headcount establishment of the Head Office of the HKTB was reduced from 325 in 1999-2000 to 226 in 2005-06, i.e. by 30%. Table 1 below shows the headcount establishment and salary range of each of the four bands in the Head Office from 1999/00. As to salary levels, they are divided into four bands. Each band covers several ranks. The salary range of each band is the mid-point salary of the lowest rank and the highest rank within the band. This is in line with the recommendation of the Hay Group Consultancy Study.

In 1985, in pursuance of a review of the compensation and benefits of its staff, the former Hong Kong Tourist Association (HKTA) approved the proposal to delink the salary scale of their staff from the civil service pay scale and benchmark the salary scale with the market, except for the Executive Director (ED) and the Deputy Executive Director (DED). The remuneration package of the ED and DED was still pegged to the Directorate scale of the Government Master Pay Scale at that time, with other allowances similar to civil service package such as accommodation and education allowances, that were not reflected in the base salary. In 2001, the former HKTA approved, and the Government endorsed, the remuneration package for ED should be revamped with salary level de-linked from the Government Master Pay Scale and pegged with the market level, and the same for DED in 2002. The fringe benefits mentioned above were no longer separately remunerated. The new package was applied to the new ED recruited in 2001 through open recruitment. Hence, there was no change in salary range for Bands B to D from 1999-2000 to 2003-04 because of salary freeze and changes were introduced to Band A in 2000-01.

Table 1 Headcount establishment and salary range of staff in Head Office of the HKTb

	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Total Headcount Establishment	325	271	222	222	222	226	226
Band A							
Headcount	7	7	7	7	8	8	7
Salary Range (HK\$)	94,350-154,150	94,350-250,000	94,350 - 250,000	94,350 - 250,000	94,350 - 250,000	120,980 – 252,730	120,980 – 252,730
Band B							
Headcount	32	34	41	42	41	41	43
Salary Range (HK\$)	50,120 – 79,595	50,120 – 79,595	50,120 – 79,595	50,120 – 79,595	50,120 – 79,595	41,038 – 90,192	41,038 – 90,192
Band C							
Headcount	129	104	98	98	103	105	103
Salary Range (HK\$)	21,465 –35,400	21,465 –35,400	21,465 – 35,400	21,465 – 35,400	21,465 – 35,400	21,554 – 31,923	21,884 – 31,923
Band D							
Headcount	157	126	76	75	70	72	73
Salary Range (HK\$)	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	8,885 – 17,708	8,885 – 17,708

The HKTb commissioned an independent human resources consultant (Hay Group) in 2002 to conduct a comprehensive comparison of the compensation and benefits for each level of staff in the organization with those in the market; devise a set of benchmarks by making reference to relevant positions in comparable organization; and recommend appropriate remuneration packages. The Hay Group completed its report in 2004. Starting from 2004-05, the mid-point salary for each rank was set in accordance with the recommendation of the Hay Group by making reference to the median salary of comparable rank in the market. The actual salary of individual staff will be determined by his qualification, experience, skills as well as the performance and should be within + or – 25% of the mid-point salary of the respective rank. As this mechanism for the setting of salary level was introduced since 2004, the current salary of some staff may fall outside the + or – 25% range but HKTb is working to gradually migrate them to the appropriate level.

As to the worldwide offices, the HKTB has a total of 13 worldwide offices in countries of varying economic development. Table 2 below shows the total headcount establishment from 1999/00 onwards. HKTB does not have salary ranges for worldwide offices staff. Due to the different cost of living across the countries and the different manpower supply and demand situation in different countries, staff salary in worldwide offices is pitched at market level which is comparable to similar positions in that country / city. The salary paid to the same position may hence vary much across different offices, e.g. the salary of marketing officer in the Mainland may receive lower salary than a secretary in European office. It is not meaningful to use the salaries in different countries to produce salary ranges or to calculate the average salary.

Question No. 6: Please list out the number, grade and salary level of the contract staff and permanent staff each year from 99/00 onwards.

Reply to Question No. 6:

The following tables show the split of ‘Contract’³ and ‘Continuous Employment’⁴ staff from 1999-2000 to 2004-05.

1999-2000

Band		Contract	Continuous Employment	Total
A	Actual no of staff	7	6	13
	Actual Avg Monthly Salary (\$)	87,385	130,248	107,168
B	Actual no of staff	20	36	56
	Actual Avg Monthly Salary (\$)	54,186	56,281	55,533
C	Actual no of staff	9	141	150
	Actual Avg Monthly Salary (\$)	27,157	25,409	25,514
D	Actual no of staff	55	103	158
	Actual Avg Monthly Salary (\$)	11,019	14,081	13,015
Total	<u>Actual no of staff</u>	91	286	377

³ Contract staff are usually on time-limited employment (normally one to three years)

⁴ Staff on continuous employment are on non-expiry continuous employment terms. To protect the rights of both the employer and the employees on continuous employment terms, both parties may terminate the employment according to the employment terms and conditions.

2000-01

Band		Contract	Continuous Employment	Total
A	Actual no of staff	7	4	11
	Actual Avg Monthly Salary (\$)	114,463	126,362	118,790
B	Actual no of staff	23	34	57
	Actual Avg Monthly Salary (\$)	53,470	55,576	54,726
C	Actual no of staff	8	122	130
	Actual Avg Monthly Salary (\$)	24,554	25,679	25,610
D	Actual no of staff	47	86	133
	Actual Avg Monthly Salary (4)	10,704	14,152	12,933
Total	Actual no of staff	85	246	331

2001-02

Band		Contract	Continuous Employment	Total
A	Actual no of staff	10	2	12
	Actual Avg Monthly Salary (\$)	118,195	134,090	120,844
B	Actual no of staff	36	27	63
	Actual Avg Monthly Salary (\$)	60,654	52,422	57,126
C	Actual no of staff	11	114	125
	Actual Avg Monthly Salary (\$)	26,639	25,265	25,386
D	Actual no of staff	36	59	95
	Actual Avg Monthly Salary (\$)	11,694	14,937	13,708
Total	Actual no of staff	93	202	295

2002-03

Band		Contract	Continuous Employment	Total
A	Actual no of staff	11	2	13
	Actual Avg Monthly Salary (\$)	115,451	143,480	119,763
B	Actual no of staff	35	21	56
	Actual Avg Monthly Salary (\$)	59,338	53,713	57,229
C	Actual no of staff	14	109	123
	Actual Avg Monthly Salary (\$)	23,365	24,607	24,465
D	Actual no of staff	33	57	90
	Actual Avg Monthly Salary (\$)	11,713	14,780	13,655
Total	Actual no of staff	93	189	282

2003-04

Band		Contract	Continuous Employment	Total
A	Actual no of staff	12	1	13
	Actual Avg Monthly Salary (\$)	124,082	159,500	126,806
B	Actual no of staff	34	21	55
	Actual Avg Monthly Salary (\$)	59,724	51,711	56,665
C	Actual no of staff	20	114	134
	Actual Avg Monthly Salary (\$)	20,584	24,759	24,136
D	Actual no of staff	31	53	84
	Actual Avg Monthly Salary (\$)	12,234	14,907	13,920
Total	Actual no of staff	97	189	286

2004-05

Band		Contract	Continuous Employment	Total
A	Actual no of staff	11	1	12
	Actual Avg Monthly Salary (\$)	126,175	178,833	130,563
B	Actual no of staff	26	38	64
	Actual Avg Monthly Salary (\$)	58,924	55,892	57,124
C	Actual no of staff	14	117	131
	Actual Avg Monthly Salary (\$)	17,231	25,458	24,578
D	Actual no of staff	32	55	87
	Actual Avg Monthly Salary (\$)	12,574	14,728	13,935
Total	Actual no of staff	83	211	294

2005-06 (As at April 2005)

Band		Contract	Continuous Employment	Total
A	Actual no of staff	10	2	12
	Actual Average Monthly Salary (\$)	128,115	135,632	129,368
B	Actual no of staff	28	39	67
	Actual Average Monthly Salary (\$)	55,844	55,417	55,596
C	Actual no of staff	16	117	133
	Actual Average Monthly Salary (\$)	16,379	24,937	23,908
D	Actual no of staff	18	59	77
	Actual Average Monthly Salary (\$)	12,020	13,681	13,293
Total	Actual no of staff	72	217	289

Question 7: Since the establishment of the HKTB in April 2001, apart from “Employee expenses/Staff costs”, has there been any expenditure that belong to the salary and benefits of staff included in the expenses under “Promotion, advertising and literature”, “Research and development”, “Local services and events” and “Other operating expenses” (according to the categorization of the HKTB annual report)? If yes, please give details on such hidden expenses in these categories and the grade as well as the salary level of the staff recruited.

Reply to Question No. 7:

The Hong Kong Tourism Board (HKTB) launched a number of campaigns (including the “City of Life : HK Is It!” campaign in 2002-03 and the post-SARS tourism relaunch campaign in 2003-04 and 2004-05) and numerous mega events in the past few years (such as Hong Kong Shopping Festival, Hong Kong Winterfest, Chinese New Year International Night Parade, etc). When staging such events and launching special campaigns, extensive manpower support would be required. Additional project staff would be hired and all of them were employed on a temporary basis, lasting for several weeks to several months, to support the planning and implementation of projects, e.g. provide “meet-and-greet” services at entry ports during special periods, liaise with thousands of merchants to provide special offers for events, on-site support during the event (to serve as ambassadors, to man booths or to take part in crowd control), conduct customer surveys, etc. Temporary staff hired are usually marketing officers and assistants, project helpers, and clerical staff etc. These support teams would be disbanded upon project completion. Their average monthly salaries were as follows -

Year	Execution level	Support Level
FY01/02	\$25,882	\$9,546
FY02/03	\$26,710	\$9,682
FY03/04	\$21,987	\$9,516
FY04/05	\$23,057	\$9,591

The below tables provides the information on project staff cost charged to marketing budgets from FY01/02 onwards.

FY2001/2002	Actual expenses HK\$	Project staff cost HK\$	%
Promotional, advertising and literature expenses	269,797,057	3,992,000	1.5%
Research & development	10,822,586	790,000	7.3%
Local services & events	60,007,052	3,907,000	6.5%
Other operating expenses	27,013,431	297,000	1.1%
	367,640,126	8,986,000	2.4%

FY2002/2003	Actual expenses HK\$	Project staff cost HK\$	%
Promotional, advertising and literature expenses	229,327,552	5,482,000	2.4%
Research & development	8,383,293	614,000	7.3%
Local services events	74,942,492	14,571,000	19.4% ⁵
Other operating expenses	21,235,708	29,000	0.1%
	333,889,045	20,696,000	6.2%

⁵ Additional project staff is required to support the launching of "City of Life : HK Is It!" campaign in 2002-03.

FY2003/2004	Actual expenses HK\$	Project staff cost HK\$	%
Promotional, advertising and literature expenses	422,379,504	6,694,000	1.6%
Research & development	10,506,001	1,088,000	10.4%
Local services events	141,250,687	20,157,000	14.3% ⁶
Other operating expenses	15,511,420	570,000	3.7%
	589,647,612	28,509,000	4.8%

FY2004/2005	Actual expenses HK\$	Project staff cost HK\$	%
Promotional, advertising and literature expenses	Audited Accounts being compiled	9,203,000	Not yet available
Research & development		2,335,000	
Local services events		17,177,000	
Other operating expenses		1,092,000	
		29,807,000	

⁶ Additional project staff is required to support the launching of post-SARS tourism relaunch campaign in 2003-04.

Question 8: According to the reply of the Economic Development and Labour Bureau to the Special Finance Committee question, it was estimated that HK\$ 276 million would be spent in two years to promote “2006 Discover Hong Kong Year”. Please provide details in accordance to the items listed below.

(1) Industry Promotion (Estimated expenditure: HK\$ 29 million)

- (i) Items included (Please specify if they are not held in Hong Kong)
- (ii) Concrete content of each item
- (iii) Estimated expenditure of each item

Reply to Question No. 8(1)

Part (i) to (iii):

(HK\$ M)				
	Initiatives & Details	05/06 Budget	06/07 Budget	Total
1.	Trade Launch of the “2006 Discover Hong Kong Year” campaign	6.2	4.6	10.8
(i)	<u>Staged a Trade Launch for the “2006 Discover Hong Kong Year” campaign in Hong Kong between 17 and 19 May. During the event, leaders of the international travel industry were briefed on Hong Kong’s new tourism infrastructure facilities, itineraries and products, and the business opportunities brought by the campaign. They were also encouraged to leverage on the new tourism facilities to repackage and promote Hong Kong. The three-day programme comprised mainly exchanges between the travel trade partners and visit of tourism facilities, which allowed delegates to discover Hong Kong’s hidden treasures, in addition to the familiar dining and shopping attractions. Altogether 220 international trade representatives (including tour wholesalers, travel agents, airlines and cruise companies) from 23 countries and regions took part in the programme. Following the Trade Launch, the HKTB will roll out its promotions for the “2006 Discover Hong Kong Year” campaign in major source markets and motivate sales, packaging and promotion of tours and itineraries by the travel trade.</u>			
(ii)	<u>Arrange a web-based training programme “Discover Hong Kong Year Hong Kong Specialist”: to spread in-depth knowledge about the new products and the “2006 Discover Hong</u>			

	Initiatives & Details	05/06 Budget	06/07 Budget	Total
<p>■</p> <p>(iii)</p> <p>(iv)</p> <p>(v)</p>	<p>Kong Year” among the overseas travel trade so as to help them promote Hong Kong packages. Other initiatives include revamp the web site of the <i>Hong Kong Specialist</i> programme, which features different language versions, and develop a CD-ROM version for certain markets. As an incentive, 100 frontline agents will be selected from among the training programme participants to come and experience Hong Kong.</p> <p><u>Participation in more trade shows in emerging and major source markets</u>: take part in the Moscow International Travel and Tourism Exhibition (MITT) in March 2006, which is expected to attract over 90,000 travel trade partners and consumers, and enhance presence at various shows, including the International Travel Expo (ITE) in Hong Kong (June 2005) and the Pacific Asia Travel Association (PATA) Travel Mart in Kuala Lumpur (September 2005). In addition to enhancing the design and packaging of the Hong Kong booth, more public relations and direct mail promotions before and after the shows will be organised to raise awareness of HKTb’s promotional activities.</p> <p><u>Leverage on the ‘Year of China in France’ in 2004 and ‘Year of France in China’ in 2005</u>: Capitalising on the various cultural exchange programmes in Mainland China, Hong Kong and France, the HKTb will strengthen its promotions in France, in particular in cities such as Paris and Lyon. Through roadshows and seminars, the HKTb will highlight the tourism developments and new business opportunities in Hong Kong.</p> <p><u>Launch trade promotions through travel trade magazines</u>: advertise in influential publications such as <i>TTG China</i> and <i>Travel Weekly</i>. Through interviews and these publications’ e-newsletters, introduce the “2006 Discover Hong Kong Year” and the latest tourism products to the travel trade.</p>			

	Initiatives & Details	05/06 Budget	06/07 Budget	Total
2.	Trade Familiarisation Visits	4.2	3.4	7.6
	<p>The completion of several new hotels, tourism projects and new convention facilities will offer more venues for conventions, exhibitions and incentive travel. In addition to attracting more business travellers, these new facilities will foster the growth of leisure travels. Building on this trend, the HKTB will invite more travel trade representatives to come to Hong Kong for familiarisation.</p> <p>(i) <u>Invite representatives of the travel industry and travel agents in emerging markets to visit Hong Kong:</u> between now and March 2007, organise an additional 12 familiarisation programmes for trade representatives from emerging markets, including India and the Netherlands, with an estimated 180 participants.</p> <p>(ii) <u>Enhance participation in familiarisation programmes for major markets:</u> these include Mainland China, South Korea, the Philippines and Thailand. Between now and March 2007, organise an additional 60 familiarisation programmes for 1,620 trade representatives.</p> <p>(iii) <u>Organise the ‘Hong Kong Salutes the World’ programme towards the end of 2005 or early 2006:</u> this serves as a premiere to the “2006 Discover Hong Kong Year”. Some 200 CEOs and senior executives from the international travel trade will be invited to Hong Kong to witness and participate the activities under the programme.</p> <p>(iv) <u>Leverage on the opening of AsiaWorld Expo in early 2006:</u> highlight the new travel experiences in the “2006 Discover Hong Kong Year” to the MICE (meetings, incentives, conventions and exhibitions) organisers and media guests attending the opening ceremony of AsiaWorld-Expo.</p>			

	Initiatives & Details	05/06 Budget	06/07 Budget	Total
(v)	<u>Organise the <i>Meeting Your Choice</i> programme in the 2nd quarter of 2006:</u> invite 50 MICE planners to participate in the programme so as to promote the new attractions and itineraries of the “2006 Discover Hong Kong Year” in addition to the convention and exhibition facilities.			
3.	Business Development (Meetings, Incentives, Conventions & Exhibitions)	5.2	5.0	10.2
(i)	<u>Launch global publicity campaign:</u> advertise in publications that target business travellers, such as <i>Business Week</i> , which enjoys extensive coverage across Asia and the Mainland, and also in <i>Guangzhou Daily</i> . Other channels, such as Internet advertising and direct mail, will also be used. The above advertising is expected to reach 30 million business travellers and an additional 50,000 MICE organisers.			
(ii)	<u>Participate in travel shows:</u> Strengthen participation in four trade shows, namely the Incentive Travel & Meeting Executives Show in the US (September of 2005 & 2006), the Incentive Travel & Conventions, Meeting Asia in Thailand (October of 2005 & 2006), the European Incentive & Business Travel & Meetings Exhibition in Spain (November/December of 2005 & 2006) and the Asia Pacific Incentives & Meeting Expo in Australia (June 2006). Set up pavilion/booth at the shows to promote Hong Kong as the premier convention and exhibition destination. In addition, reinforce integrated trade promotions before and after the shows, such as conducting seminars and meetings to brief participants about potential business opportunities, and organising media activities. These activities are expected to reach an additional 600 MICE organisers.			
(iii)	<u>Strengthen information dissemination:</u> produce new marketing materials, such as a new <i>Incentive and Meeting Product Guide</i> and brand new promotional videos.			

	Initiatives & Details	05/06 Budget	06/07 Budget	Total
(iv)	<u>Organise familiarisation programmes:</u> organise the <i>Discover Hong Kong Year Hong Kong Incentive Specialist</i> training programme. Among the participants, invite 100 agents to become Hong Kong Specialists, so as to bring more meetings, conventions, exhibitions and incentive travel to Hong Kong.			
(v)	<u>Bundle special privileges and welcome programmes:</u> such as welcome banners for MICE events. Co-ordinate with the travel trade to provide special offers and privileges for participants.			
	Total (1) + (2) + (3)	15.6	13.0	28.6

Reply to Question No. 8(1)

(iv) How much would be spent on the additional staff, i.e. extra manpower recruited other than the existing HKTb establishment?

Part (iv):

- The HKTb has reserved HK\$3.77 million of the above additional funding for hiring temporary contract staff to implement the promotions described above in 2005/06 and 2006/07. All temporary staff will leave upon the completion of the promotion activities.

(v) What is the itinerary of the organized visit to Hong Kong by trade and media senior representatives this May and the names of the organizations agreed to send their representatives?

Part (v):

The three-day visit programme of the Trade Launch between 17 and 19 May comprised both business exchanges and visits. Details are as follows:

- 17 May: a welcome dinner on Lamma Island, which exposed participants to Hong Kong's island lifestyle, including the deep-rooted culture and heritage, quiet fishing villages, temples and traditions. The tranquil island serves as a contrast to the diverse and sophisticated city. To wrap up the evening, participants enjoyed the multimedia show *A Symphony of Lights*.
- 18 May: A Business Session in Hong Kong Convention & Exhibition Centre in the morning, which comprised presentations on the "2006 Discover Hong Kong Year" campaign and briefings by upcoming attractions, namely Hong Kong Disneyland, Hong Kong Wetland Park, Ngong Ping 360 and AsiaWorld-Expo/Hong Kong

Convention & Exhibition Industry Association/Sky Plaza. In the afternoon, participants were given the opportunity to select and participate in a number of newly designed “Discover Hong Kong Year” tours (see table 1).

- 19 May: Visit to The Peak and breakfast meeting with the travel trade. Enjoyed the video about The Peak revitalisation project and visited Madame Tussauds. Opportunity was taken to introduce Hong Kong’s green attractions to the travel trade. Having experienced the amazing contrasts of city, harbour and green, participants left the Peak by taking a ride on the “Peak” tram.

Table 1 – Discover Hong Kong Year Tours

Discover Hong Kong Year Tours – 18 May (optional for participants)		
Tours	Key Messages	Itinerary
1) Hong Kong Wetland Experience Tour	Hong Kong’s green tourism and rich geography	A site visit to Hong Kong Wetland Park (Phase 1 & 2) and then to the Mai Po Marshes for bird watching and a live demonstration of shrimp harvesting.
2) Cycling Tour of Plover Cove Country Park	The multi-dimensional experience of country parks	Escorted by expert cyclists from the Hong Kong Cycling Association, ride along the dam of the Plover Cove Reservoir.
3) Market Visit & Cooking Class	In-depth experience of Hong Kong’s culture	A guided visit to a wet market by Ms Annie Wong, host of local TV cooking shows, followed by a practical cooking class.
4) Hong Kong Lifestyles Tour	Experience Hong Kong’s culture and heritage from the city to the New Territories	Visit the clan villages in the New Territories, including the Tai Fu Tai Mandarin’s Mansion and the Lung Yeuk Tau Heritage Trail in Fan Ling, then experience horseracing.
5) Squid Fishing Tour in Sai Kung	Diverse harbour tour products and special interest	Tour around the Tin Hau Temple and the narrow alleys of shops in Sai Kung. Then board a chartered boat to cruise around the Inner Port Shelter and fish for squid in the evening.
6) Feng Shui Tour in Central	In-depth experience of Hong Kong’s culture	Learn about the ancient art of <i>feng shui</i> from the Feng Shui Master, then join the master for a walking tour of Statue Square in Central to understand the <i>feng shui</i> influences.
7) Hop on & Hop Off City and Harbour Tour	Diverse harbour tour products and interesting experiences in different districts	Sail on the “Shining Star” and tour around the harbourfront, making visits to the Tsim Sha Tsui waterfront promenade and the Avenue of Stars, Central, Golden Bauhinia and the Reunification Monument in Wan Chai and Hung Hom.

- The 220 travel trade representatives came from major tour wholesalers, travel agents, airlines and cruise companies in 23 countries and regions. In addition, there were 40 journalists from 16 markets (the organisations they represent are included in Annexes 2 & 3).

(vi) How much was spent on the airfare and accommodation of the participants in the above visit?

Part (vi)

- Hotel accommodation for the majority of the Trade Launch participants was sponsored by 18 major local hotels through the Hong Kong Hotels Association. As for air tickets, they were mainly sponsored by Cathay Pacific Airways and Dragonair. For cities where the above airlines offered no direct flights and in circumstances of tight booking, the HKTB shouldered the relevant expenses. The HKTB's expenditure on air tickets and hotel accommodation for the Trade Launch amounted to about HK\$565,000.

Question 8: According to the reply of the Economic Development and Labour Bureau to the Special Finance Committee question, it was estimated that HK\$ 276 million would be spent in two years to promote “2006 Discover Hong Kong Year”. Please provide details in accordance to the items listed below.

2. Consumer promotion (Estimated expenditure: HK\$ 184 million)

- (i) The number of various types of advertisements (e.g. TV, printed medium etc.) and the breakdown of the number and estimated expenditure in each country, as well as the estimated audience covered by each type advertisement.
- (ii) Targets and estimated expenditure of direct-mail promotion and the solicited advertisements.

Reply to Question No. 8(2):

The consumer promotions that make use of the HK\$184 million additional funding are included in items 1 to 7 below. The numbers of different kinds of advertising (such as TV and print) in each market and their projected gross impressions, and the targets of the direct mail and tactical advertising are all included under item 2. The number of advertising spots and insertions in different markets and their budget are set out in Annexes 4 and 5.

(HK\$ M)				
	Initiatives	05/06 Budget	06/07 Budget	Total
1	<p><u>2006 Discover Hong Kong Year Consumer Launch</u></p> <p>Launch “2006 Discover Hong Kong Year” (DHKY) consumer promotions in major markets in the 4th quarter of 2005. Invite over 1,000 travel trade representatives and media guests from major source market to witness and take part in the launching ceremony, to drive them to promote Hong Kong so as to create extensive global publicity.</p>	2.4	0	2.4

	Initiatives	05/06 Budget	06/07 Budget	Total
2	<p><u>2006 Discover Hong Kong Year consumer promotions</u></p> <p>Launch overseas publicity in 16 key markets, which includes broadcast of the new DHKY TV advertisement and distribution of print advertisement, publications and publicity materials. For short-haul markets, the key target segments are the families, young executives and business executives whereas for the long-haul markets, the target segments are the achievers, seniors and business executives. The above publicity activities will require HK\$130 million in 2005/06 and 2006/07. Given that there are 16 markets in total, the funding will be allocated on a priority basis, as determined by the needs and development potential of each market. The breakdown on the allocation for each market is set out in <u>Annex 4</u>. Details of the global consumer promotions are as follows:</p> <ul style="list-style-type: none"> • The estimated numbers of spots/insertions of the TV/print thematic and tactical advertising and their gross impressions each year in 2005/06 and 2006/07 are as follows: <ul style="list-style-type: none"> ➤ TV advertising: the number of spots of the new TV advertisement will be 2,900 (with the additional funding, the HKTB will buy additional TV spots in major short-haul markets. TV deployment will also be extended to Japan, the US and Canada). ➤ Print advertising: the number of insertions will be 460 (with the additional funding, the HKTB will increase print advertising in all 16 major markets). The above advertisements will generate an estimated gross impressions of 879 million. For the number of gross impressions in respective markets, please refer to <u>Annex 5</u>. 	59.3	44.4	103.7

	Initiatives	05/06 Budget	06/07 Budget	Total
	<ul style="list-style-type: none"> • Consumer road shows and publicity -- Conduct about 74 consumer roadshows and promotions in major source markets in 2005/06 and 2006/07. Examples are: <ul style="list-style-type: none"> ➤ Participate in major trade and consumer shows, such as the International Travel Fair (ITF) in Taiwan. ➤ Co-operate with <i>Le Figaro</i> magazine in France to launch consumer promotions. ➤ Collaborate with new attractions and trade partners to publicise the attractions and introduce new itineraries to consumers. • Co-operate with strategic partners (such as travel trade, retail sector, travel web sites and magazines) to organise joint promotions by making use of their customer/reader database for information dissemination, direct mail promotions and e-mail blast. Examples are: <ul style="list-style-type: none"> ➤ Co-operate with one to two media organisations in each market and produce in-depth programmes to introduce and promote the new attractions as “must-visit” items. ➤ In the Mainland, collaborate closely with China UnionPay to promote Hong Kong to its customers through direct mail (targeted quantity of direct mail: 300,000 to 500,000). ➤ In the US, launch joint promotions with travel web sites to send e-news to customers. These web sites include Travelocity, iExplore.com and TravelZoo.com (targeted quantity of direct mail and e-blast: 300,000 to 500,000). ➤ In Japan, co-operate with the famous Kadokawa publishing group to produce a web movie and novel about Hong Kong, strengthen promotions and publicity with Kadokawa’s distribution network, and co-operate with the travel trade to introduce thematic packages. 			

	Initiatives	05/06 Budget	06/07 Budget	Total
3	<p><u>Co-operate with local media (such as TV and radio) to enhance the community's awareness of the "2006 Discover Hong Kong Year" campaign and foster local hospitality culture.</u></p> <ul style="list-style-type: none"> • Leveraging on the influence of celebrities, produce promotional videos and make use of Government's API (announcement of public interest) airtime slots for broadcast. • Arrange for the media to cover the preparation of the "2006 Discover Hong Kong Year" activities. • Launch outdoor advertising in busy districts and on public transport to increase the community awareness and enthusiasm for "2006 Discover Hong Kong Year". 	0.9	0.4	1.3
4	<p><u>Enhance decorations at entry points to enrich visitors' destination experience</u></p> <ul style="list-style-type: none"> • Strengthen publicity in the city and meet-and-greet services at entry points so that visitors can experience the festive ambience of "2006 Discover Hong Kong Year" as soon as they arrive. In addition to enhancing the decorations at entry points, the Visitor Information & Services counters at the entry points will put on new decorations. • Increase publicity materials distributed at entry points: <ul style="list-style-type: none"> ➢ Arrange meet-and-greet promoters to put on traditional costumes during festival periods. ➢ During school holidays, arrange promoters to dress as cartoon characters to welcome visitors at the entry points. ➢ Present visitors with different welcome packs for different festive seasons at entry points. ➢ Encourage merchants to display promotional materials and collaterals. ➢ Revamp the "Hong Kong Must-Buy" initiative. 	4.6	1.8	6.4

	Initiatives	05/06 Budget	06/07 Budget	Total
5	<p><u>Step up promotion in the 24 high potential cities (Note#) in the Mainland to reach the target segments extensively</u></p> <ul style="list-style-type: none"> • Together with the local and the mainland travel trade, step up trade promotions in the 24 cities by staging at least 50 co-op promotions, including the staging of roadshows in Beijing, Shanghai and other major cities, and following up with major trade partners in the 24 cities on tactical promotions to introduce Hong Kong's new attractions and existing unique appeal to the consumers. • Reinforce publicity in cities under the Individual Visit Scheme (IVS), including co-operation with the region's media in conducting a series of consumer promotions, working with the local Public Security Bureaux on information dissemination, staging of consumer roadshows, advertising and cooperating with travel agencies to develop special itineraries . • Set up visitor information and services centres in Beijing and Shanghai to provide individual visitors with travel information prior to their visits to Hong Kong. The two centres can serve about one million visitors each year and provide with them relevant information about Hong Kong and enquiry service. • Launch integrated promotions in high potential cities during the Mega Event period. • With the support of the Mainland education departments and schools, step up promotions to encourage visits by school children and their families. 	19.0	13.0	32.0

	Initiatives	05/06 Budget	06/07 Budget	Total
	<p>(Note#: The HKTB completed a China outbound travel study in 2003 and announced the findings to the Government and the travel industry in February 2004. The study, which employed desktop research, quantitative survey and qualitative focus groups, identified 24 high potential cities in the Pearl River Delta, Yangtze River Delta and Bohai Rim region. They include: Four primary cities – Guangzhou, Shenzhen, Shanghai, Beijing; 10 high growth cities – Zhuhai, Dongguan, Hangzhou, Ningbo, Wuxi, Nanjing, Suzhou, Tianjin, Dalian and Jinan; 10 emerging cities: Zhongshan, Foshan, Shunde, Shenyang, Fuzhou, Xiamen, Wuhan, Changsha, Chengdu and Nanning)</p>			
6	<p><u>Promotions targeting the female segment</u></p> <ul style="list-style-type: none"> • Leveraging on the 2005 Hong Kong Shopping Festival, launch a print advertisement featuring celebrity Karen Mok that targets the short-haul markets such as Taiwan and Southeast Asia to attract the female travellers to visit Hong Kong for shopping during the event. • Co-operate with famous female magazines in eight markets, such as <i>Bella</i> and <i>Marie Claire</i> in Taiwan, <i>i-weekly</i> and <i>8 days</i> in Singapore and <i>Flash</i> in Thailand to produce travel guide for the female visitor segment. Through endorsement and personal experience of celebrities overseas, stimulate female customers' desire to visit Hong Kong. • For long-haul markets, to make use of public relations activities and web publicity to attract female travellers to visit Hong Kong. 	10.0	0	10.0

	Initiatives	05/06 Budget	06/07 Budget	Total
7	<p><u>Mega Event themed around Mid-Autumn Festival</u></p> <p>To enrich the appeal of “2006 Discover Hong Kong Year” and to fulfil consumer proposition that 2006 is the optimal time to visit Hong Kong given its many new and existing attractions as well as Mega Events. As the new tourism attractions will all be opened by the second half of 2006, the HKTB will capitalise on the rich heritage and traditional festivals that appeal to targeted segments to fulfil customers’ expectations for a novel travel experience and also to strengthen Hong Kong’s selling points.</p> <ul style="list-style-type: none"> • This mega event themed around the Mid-autumn Festival is expected to attract more visitors to Hong Kong: • Surveys done by the HKTB show that both short- and long-haul travellers are particularly interested in Chinese traditions and festivals. • In 2003, the HKTB organised the “Mid-Autumn Lantern Celebration”, which proved extremely popular with visitors and local residents. The giant Lantern Wonderland has also won the HKTB various awards. Riding on the proven success, the HKTB will organise another Mega Event themed around the Mid-Autumn Festival in 2006. Other festive activities, such as fire dragon dance, lantern boat parade and festive gourmet activities will also be included to further stimulate visitors’ interests. 	0	28.1	28.1

	Initiatives	05/06 Budget	06/07 Budget	Total
	<p>In terms of overseas promotion, the HKTB will promote the event to target customers through print advertising and collaboration with the media in major long-haul markets. It will also introduce other Chinese culture and heritage attractions and the <i>Cultural Kaleidoscope</i> programme to attract long-haul travellers. For selected short-haul markets such as South Korea, Thailand, Singapore and the South China region, the HKTB will develop special thematic itineraries with the travel trade to lure visitors.</p>			
	Estimated Expenditure	96.2	87.7	183.9

Question 8: According to the reply of the Economic Development and Labour Bureau to the Special Finance Committee question, it was estimated that HK\$ 276 million would be spent in two years to promote “2006 Discover Hong Kong Year”. Please provide details in accordance to the items listed below.

3. Promotion and Marketing (Estimated expenditure: HK\$ 23 million)

(i) What is the difference in objectives and concrete content between this item and “Organised visit to Hong Kong by trade and senior media representatives” under “Trade Promotion”?

Reply to Question No. 8(3):

Part (i)

The HKTB plans to use HK\$23 million of the additional funding to strengthen cooperation with the media on publicity and public relations activities. By making use of their medium, reports and word-of-mouth publicity, the HKTB intends to publicise “2006 Discover Hong Kong Year” (DHKY) in an even more extensive and dynamic manner. To maximise the cost effectiveness, the HKTB will, where possible, invite the travel trade and media to take part in the promotions together so as to generate additional publicity. At the same time, the HKTB will invite trade and media representatives to visit Hong Kong for familiarisation programmes so as to achieve greater synergy.

The spending on publicity and public relations activities covers not only familiarisation visits for the international media but also cooperation programmes with the media organisations and corporations and the related production costs. Details of the initiatives and the estimated expenditures are set out as follows:

(HK\$ M)

	Initiatives	05/06 Budget	06/07 Budget	Total
1.	Launch national PR campaign	7.0	12.3	19.3
	Co-operate with national media organisations and corporations in 16 key source markets, namely print media, television, radio and Internet, to produce special feature programmes on Hong Kong’s new image. At the same time, arrange 1,000-1,100 media representatives to visit Hong Kong for familiarisation so as to help create national reports and coverage on DHKY. The itineraries for these media familiarisation visits will showcase Hong Kong’s new attractions and highlight the			

	Initiatives	05/06 Budget	06/07 Budget	Total
	<p>new facets and lesser-known attractions of the city. The related expenditure covers both the production costs and the familiarisation tours of the media representatives. Some examples are as follows:</p> <p>Canada – co-operate with the renowned media group, CTV to produce features on Hong Kong travel through celebrity endorsement for the <i>eTalk</i> programme and coverage in the newspaper and magazine about the DHKY.</p> <p>Australia – riding on the completion of new tourism projects in Hong Kong, co-operate with a famous media corporation to promote through TV, print media and internet for family travel in the country for the first time.</p> <p>Germany – produce a series of special features on Hong Kong for the news channel nTV.</p> <p>Malaysia – Co-operate with a number of famous media organisations in Malaysia, such as The Star and Sin Chew Daily, to produce a series of features on DHKY themed around ‘My Style HK’.</p>			
2.	Co-operate with the media to produce travel guides	3.7	0	3.7
	<p>With more and more people travelling as Free Independent Travellers (FITs), the HKTb will strengthen its promotions for DHKY overseas, especially in non-Chinese and non-English speaking markets, such as Thailand, Japan and South Korea. Through co-operation with the media organisations, the HKTb will publish DHKY travel guides tailor-made for the respective markets in their languages. Besides inserting the guides in magazines, additional copies will be published for distribution by travel agencies overseas, during consumer promotions and at entry points of Hong Kong.</p>			

	Initiatives	05/06 Budget	06/07 Budget	Total
3.	The launch activities of the 2006 Discover Hong Kong Year	0	0	0
	<p>(a) Trade Launch</p> <p>The HKTB has just staged the Trade Launch for DHKY campaign between 17 and 19 May. During the Trade Launch, representatives of the global travel trade were briefed on Hong Kong's new tourism products and the potential business opportunities brought by the campaign. (Details of the three-day programme are included in the answer to Question 8.1.)</p> <p>Riding on this Trade Launch to enhance synergy, the HKTB invited some 40 media representatives from 16 markets to visit Hong Kong. In doing so, the HKTB was able to make use of the event to reach two strategic partners, the international travel trade and travel media community, thereby maximising its cost-effectiveness. As well as attending the briefing session, the media guests attended the presentations by Hong Kong's upcoming attractions.</p> <p>The ultimate purpose of inviting the media representatives to Hong Kong is to achieve extensive publicity through their word-of-mouth publicity and coverage. This will allow information about Hong Kong's new image, attractions and products to reach well beyond the participants of the 16 markets, so that the global travel media and customers can also share the information on DHKY. (Information about the 40 journalists can be found in <u>Annex 3</u>.)</p>	Covered under Trade Promotions		

	Initiatives	05/06 Budget	06/07 Budget	Total
	<p>(b) 'Hong Kong Salutes the World' programme</p> <p>Leading the launch of DHKY will be the 'Hong Kong Salutes the World' programme. In addition to 250-300 leaders of the global travel trade, senior representatives of major mass media organisations worldwide and famous media celebrities will be invited to Hong Kong. During their visits, the HKTB will introduce to them the new image of Hong Kong, including new attractions that are packaged with existing tourism products. Through their positive word-of-mouth publicity and coverage, the HKTB aims to achieve extensive publicity worldwide.</p>			
	Total	10.7	12.3	23.0

(ii) Which media organizations did these 1500 members from the media belong to? From which countries?

Reply to Question No. 8(3)

Part (ii)

- Media familiarisation programme forms an integral part of the publicity and public relations activities under the DHKY campaign. The HKTB plans to invite 1,500 global media representatives from 16 major source markets to visit Hong Kong during the campaign period. The list of media organisations that HKTB intends to invite and the markets they represent is included in Annex 6. However, the list is for reference only. The final media familiarisation programme will depend on the actual circumstances and the opportunities available and is subject to discussion with individual media organisations.

(iii) What was the cost of the airfare and accommodation for inviting 1500 media members to Hong Kong?

Reply to Question No. 8(3):

Part (iii)

- The estimated expenditure for the visits by the 1,500 media representatives is around HK\$3.8 million (the amount already includes the discounts offered by local airlines and hotels). The HKTB has all along been working closely with the travel trade on air and hotel sponsorship for some of the media guests. Other on-destination expenses, such as meals and transportation, will be shouldered by the HKTB.

Question 8: According to the reply of the Economic Development and Labour Bureau to the Special Finance Committee question, it was estimated that HK\$ 276 million would be spent in two years to promote “2006 Discover Hong Kong Year”. Please provide details in accordance to the items listed below.

(4) Others (Estimated expenditure: HK\$ 40 million)

HKTB mentioned that “HKTB would cooperate with the retail, food and tourism-related service sectors in organizing large-scale activities and launching special offers to encourage visitors’ spending.” What items does HKTB plan to launch? What is the estimated expenditure for each item? What organizations/ merchants would HKTB in cooperate with? Any sponsorship for other organizations to organize activities? Which organisations would receive sponsorship? How much would the sponsorship be? How much extra benefits would each item be expected to bring to Hong Kong?

Reply to Question No. 8(4):

The question referred to the Government’s reply to The Hon Mr Sin during the special meeting of the Finance Committee, which mentioned that “the HKTB will co-operate with the retail, catering and other travel-related sectors to introduce more special offers during the Mega Event periods so as to stimulate visitors’ spending”. The above statement was taken as equivalent to the spending under the item ‘Others: \$40 million’. However, the above explanation was meant to supplement the reply on the promotion work to be done by the HKTB through its Trade Promotions, Consumer Promotions and Publicity & Public Relations Activities. The expenditure on collaboration with the travel trade has already been included in the budget for Mega Events and does not require additional funding. Below are some examples:

- During the Hong Kong Shopping Festival, organise a lucky draw and solicit merchants of different sectors to sponsor prizes, with the HKTB handling the publicity and co-ordination of the draw. Also, encourage participating merchants and shopping centres to extend their operating hours while strengthening the publicity of night-time shopping and dining fun.
- Co-operate with merchants accredited under the Quality Tourism Services Scheme to publish a *Visitor’s Passport to Amazing Offers* that features special shopping and dining privileges for visitors.
- Encourage the retail, catering and other trade associations, shopping malls and department stores to co-operate with travel-related organisations, such as banks, credit card companies and chain stores, to produce publicity materials for participating merchants. In addition to decorating the stores, will recommend them to provide publicity channels via the Internet for listing the participating merchants.
- Invite the local travel trade partners, operators of attractions and retail and service industries to increase the selection of merchandise. Catering to the taste of the targeted business and family segments, develop new itineraries, such as edutainment tours, cultural exposure, eco tours and itineraries and products for free independent travel.

The HK\$40 million of funding included under the ‘Others’ category for year 2005/06 and 2006/07 is used for supporting two major international conventions to be held in Hong Kong, namely the ‘88th Lions Clubs International (LCI) Convention 2005’ in June 2005 and the ‘World Trade Organization (WTO) Ministerial Meeting’ this December. Riding on these conventions, Hong Kong will showcase our strengths as a convention and exhibition destination. The HKTB will render full support to the organisation of the events. These two conventions will tie in with two Mega Events of the HKTB, namely Hong Kong Shopping Festival and Hong Kong WinterFest. The HKTB will promote and publicise these mega events to the delegates and media before their arrival. Upon their arrival, the HKTB will encourage their participation at these mega events to experience the festivities in Hong Kong. Many of these participants and their companions are family and business visitors, which belong to HKTB’s key target segments. The HKTB will make use of these opportunities to promote “2006 Discover Hong Kong Year” to these visitors, so that they can spread positive messages about Hong Kong and be our good ambassadors. This will help further enhance the publicity effect internationally.

To evaluate the cost-effectiveness of the campaign, part of the funding will be reserved for conducting tracking studies. Details of the initiatives under the ‘Others’ category are as follows:

Initiatives	05/06 Budget	06/07 Budget	Total (\$ M)
<p><u>Lions Club International (LCI) Convention:</u> (a) <u>Background:</u></p> <ul style="list-style-type: none"> • In 1992, Hong Kong hosted the LCI Convention for the first time. The convention brought 25,000 visitors to the city and was a milestone for the convention industry. In March 1998, backed by the travel industry, the HKTB achieved success with its bid to host the 2005 LCI Convention. <p>(b) <u>Initiatives:</u></p> <ul style="list-style-type: none"> • Worldwide promotion to generate attendance. • Special airfare and accommodation for LCI board members and VIPs. • Suitable venues to accommodate the convention programme. • Transportation arrangement for all delegates to attend the convention sessions. • Production of a 45-minute entertainment programme on Hong Kong’s attractions. • Assistance in organising LCI’s traditional street parade. • Co-ordination of shopping, dining and sightseeing privileges for all convention participants. 	33.6	0	33.6

Initiatives	05/06 Budget	06/07 Budget	Total (\$ M)
<ul style="list-style-type: none"> • Support to LCI’s charitable programme. • Support to LCI’s administration. <p>(c) <u>Objectives:</u></p> <ul style="list-style-type: none"> • Enhance Hong Kong’s international cosmopolitan image. Through receiving and welcoming the delegates, showcase Hong Kong’s hospitality and enhance delegates’ travel experiences. Also, many of the delegates belong to the HKTB’s key target segments. <p>(d) <u>Effectiveness:</u></p> <ul style="list-style-type: none"> • As the host city of the LCI Convention, Hong Kong helps convey messages to 1.4 million LCI members all over the world. Most of the LCI members are successful businessmen and established professionals who are the HKTB’s key target segments. As at mid-May, 11,500 members (figure not counting spouses and companions of delegates) have already registered for the Convention. The majority of them come from the HKTB’s target markets, including South Korea, Japan, the US and India. Surveys by the HKTB show that the estimated average per capita spending of these 11,500 convention and exhibition visitors reaches HK\$10,000, meaning that the LCI Convention will generate at least HK\$115 million of visitor spending in Hong Kong. Furthermore, many delegates will bring along their families. To stimulate their spending, the HKTB will provide them with suitable and comprehensive travel information. 			

Initiatives	05/06 Budget	06/07 Budget	Total (\$ M)
<p><u>World Trade Organization Ministerial Meeting</u></p> <p>(a) <u>Initiatives</u>:</p> <p>Support for the ‘World Trade Organization Ministerial Meeting’ to be held in December 2005 includes:</p> <ul style="list-style-type: none"> • welcome/receive the participants and the media; • arrange visit programme for the media; • provide travel information; and • promote the <i>Hong Kong WinterFest</i> programme and co-ordinate shopping and dining privileges for the participants. <p>(b) <u>Objectives</u>:</p> <ul style="list-style-type: none"> • Through receiving and welcoming the delegates, showcase Hong Kong’s hospitality and enhance their travel experiences. The delegates, who are business visitors, belong to the key target segments of the HKTB. 	1.1	0	1.1

Initiatives	05/06 Budget	06/07 Budget	Total (\$ M)
<p><u>Market Tracking Studies</u></p> <p>(a) <u>Objectives:</u></p> <ul style="list-style-type: none"> • To undertake continuous studies to track the outbound travel intention in general and with respect to Hong Kong. • To track the effectiveness of the global consumer campaign. • To evaluate its impact in terms of altering customers' preference and the effectiveness of strengthening the image of Hong Kong vis-à-vis competition. • To identify segments that are more positive towards Hong Kong. 	2.8	2.9	5.7
<p>(b) <u>Period, coverage and methodology:</u></p> <ul style="list-style-type: none"> • Two waves of tracking in 2005 and 2006. • Cover 10-12 key markets. • Over 7,000 short interviews and 3,000 in-depth interviews per wave. 			
Total	37.5	2.9	40.4

Question No. 9: Promotional activities targeted business and family travellers

What new travel products would HKTB plan to launch to attract “family, business and young executive travelers”? What is the estimated expenditure for these “products”? From which countries are the target travellers?

Reply to Question No. 9:

Riding on the completion of the tourist attractions that cater to visitors of all ages in the coming year, the HKTB will develop the high-potential family and business visitor segments. The HKTB will launch promotions and mega events in the coming two years targeting these two segments in 16 key source markets. To develop the family and business segments, the HKTB will launch the following new products to enrich their experience and offer better services to them.

(a) Family visitors

(i) Introduce itineraries suitable for families

The HKTB will develop and introduce various itineraries that are suitable for families. For example, in the major short-haul markets, the HKTB will tie in the Mega Events with school holidays and co-operate with the travel trade to introduce family itineraries for parents travelling with children. Whereas in the long-haul markets, the HKTB will introduce special thematic packages that target the overseas ethnic Chinese families, encouraging them to bring their children back to Hong Kong for visiting relatives and searching their ancestry. The HKTB will also co-operate with the travel trade to introduce special ‘edutainment’ products to suit the needs of different markets, such as nature appreciation, cooking class, cuisines and dining etiquette. These are only a few examples. Taking into account the changing trends of these markets and visitors’ needs in the coming two years, the HKTB will continue to work with the travel trade to develop more new and creative itineraries.

(ii) Publish travel guide for the family segment

The HKTB will update the travel guide *Hong Kong Family Fun Guide* that has been designed for the family visitors, and include in the guide more itineraries and activities that are suitable for families. Also, the content of the *Junior Explorer’s Passport* specifically designed for children will be reinforced to provide more dining and shopping offers for families travelling with children.

(b) Business Visitor Segment

(i) Design suitable itineraries for business visitors

The HKTB will develop new and flexible tour itineraries, incorporating the new tourism attractions for sightseeing before departure. Business travellers will be encouraged to complete check-in procedures in the city centre, and then take part in mega events, visit attractions or go shopping before departure. Through collaboration with the travel trade, the HKTB will introduce special packages and

offers to entice business travellers to bring along their families. The HKTB will leverage on mega events like the Hong Kong Shopping Festival and co-operate with the travel trade to package attractive itineraries to encourage visits by the young and middle-aged executives.

(ii) Produce travel guide for business visitors

The HKTB will update the *Hong Kong Leisure Guide for Business Travellers* to include more relevant leisure activities and introduce new attractions and events.

(iii) Launch PDA version of *Hong Kong Leisure Guide for Business Travellers*

Targeting the needs of business visitors, the HKTB has launched a PDA leisure guide. The PDA guide allows visitors to access a comprehensive, interactive guide with recommended events, shopping, dining, sightseeing information, as well as a digital map and useful travel information about Hong Kong, to facilitate business visitors in exploring the city amidst their busy schedules. The PDA guide is available in English, traditional and simplified Chinese.

Planning and development of new tourism products are ongoing activities by the HKTB and the estimated expenditure under the recurrent subvention is \$2.6 million. As it is difficult to promote these tourism products on their own, they have to tie in with the publicity of other related projects in order to achieve the desired effects. Therefore, the HKTB will leverage on the promotion programmes that target business and family visitors and the mega events to suitably introduce and publicise these new products. The estimated expenditure on promoting these products has already been included in the budget for the promotion of mega events.

The estimated budget for the programme targeting business and family visitors is mainly used for organising mega events and related promotions. Details are provided below –

	Initiatives & Details	05/06 Budget (\$ million)	06/07 Budget (\$ million)	Total (\$ million)
1.	Organise Mega Events	52.3	59.0	111.3
	Mega Events in the next 2 years	Expenditure	Expenditure	
	1. Hong Kong Shopping Festival	8.6	8.6	
	2. Hong Kong WinterFest	20.2	18.5	
	3. International Chinese New Year Night Parade	18.3	17.3	
	4. Mega Events themed around culture and heritage	—	9.7	
	5. Golden Week and other festivities	5.2	4.9	
2.	Promotions for Mega Events and related tourism products in overseas markets	23.7	29.0	52.7
	Total (1) + (2)	76.0	88.0	164.0

Question 10: The estimated expenditure of “Hong Kong – Live it. Love it!” in year 05/06 is HK\$212 million. How much would this campaign funding be allocated to the spending in 05/06 on “trade promotion”, “consumer promotion” and “marketing”? What is the concrete work plan of “trade promotion”, “consumer promotion” and “marketing”? e.g. how many exhibitions to be held, number of TV commercials, related expenditure, estimated number of audience, number of printed advertisements and estimated expenditure, as well as any other expenditure.

Question 11: “Hong Kong – Live it. Love it!” and “2006 Discover Hong Kong Year” will be promoted and marketed overseas. Could the “trade promotion”, “consumer promotion” and “marketing” of both campaigns be implemented simultaneously in order to optimize the cost effectiveness? If not, why?

Reply to Questions No. 10 & 11:

“Hong Kong – Live it, Love it!” serves as the overall marketing platform used by the HKTb for overseas promotion of Hong Kong’s diversity and sophistication in shopping, dining, culture, heritage, festivals, city vibrancy, green attractions, etc. All the HKTb’s marketing activities including trade promotions, consumer promotions and publicity in 16 key global markets, its advertising campaigns and media publicity and various promotional items are using the “Hong Kong – Live it, Love it!” platform. Since its introduction as a revival campaign following the SARS outbreak in 2003, the “Hong Kong – Live it, Love it!” platform has achieved excellent results. Not only has it driven continued growth in visitor arrivals, it is also widely recognised by various international and regional tourism organisations and obtained at least 15 prestigious awards from influential organisations in the US, Italy, Germany and Hong Kong. In 2005-06, the HKTb will continue to use this marketing platform to promote Hong Kong and the estimated expenditure under the recurrent subvention is \$212 million.

Hong Kong – Live it, Love it!” is a long-term marketing platform for building the image of Hong Kong. This timeless and multi-targeted branding platform intends to communicate HKTb’s promotions and publicity in a clear and consistent manner. To prepare for the opening of various major tourism facilities in 2005-06, the HKTb will leverage on this opportunity to launch the “2006 Discover Hong Kong Year” campaign, a two-year global marketing campaign with strategic promotions to showcase the new image of Hong Kong and promote Hong Kong as a “must-visit” destination. The “2006 Discover Hong Kong Year” campaign not only promotes the new attractions but also enables the HKTb to develop emerging markets and secondary cities in major markets, thereby expanding the coverage of promotions. The “Hong Kong – Live it, Love it!” and “2006 Discover Hong Kong Year” campaigns complement each other to achieve the greatest synergies and maximise the promotional effort.

The travel trade, the consumers and the media (public relations activities) are primary targets of all the promotions. The below table summarises the initiatives under the two campaigns and explains their different coverage. The estimated budget is shown in the Annex 7.

Note:

The highlighted initiatives are brand new initiatives. Other initiatives that make use of the resources of the “2006 Discover Hong Kong Year” campaign are to reinforce the publicity and maximise Hong Kong’s exposure, e.g. to increase and enhance the participation in travel trade shows and increase the number of roadshows.

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p>Trade Promotions</p>	
<p>(1) Trade Promotions</p> <ul style="list-style-type: none"> ■ Participate in 19 trade shows in 15 key source markets. ■ Organise travel missions and conduct 12 roadshows in 9 major source markets. 	<ul style="list-style-type: none"> ■ Invited about 220 global travel trade representatives (including tour wholesalers, travel agents, airlines and cruise companies) from 23 countries and regions to take part in Trade Launch. ■ To roll out promotions and publicity in key source markets and encourage the global travel trade to package and promote Hong Kong. ■ To add one trade show - the Moscow International Travel and Tourism Exhibition (MITT) in March 2006. ■ To enhance participation in trade shows, including the International Travel Expo (ITE) in Hong Kong (June 2005) and the Pacific Asia Travel Association (PATA) Travel Mart in Malaysia (September 2005). ■ To increase public relations and promotions before and after the trade shows. ■ To increase two roadshows (leverage on the ‘Year of France in China’ to strengthen promotions in France and organise roadshows in cities such as Paris and Lyon in 2005. Add one more roadshow in 2006.)

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<ul style="list-style-type: none"> ■ Through HKTB’s networks, including its 13 worldwide offices and 8 representatives overseas, maintain close contact and communication with global trade partners. (a) Upload the latest information about HKTB’s activities and tourism developments on PartnerNet (the web site for disseminating information among the travel trade). (b) Send regular circulars and e-newsletters about Hong Kong’s tourism activities to the travel trade. (c) Conduct meetings and seminars to assess the needs of trade partners; consult them on HKTB’s promotions and follow up with their feedback. 	<ul style="list-style-type: none"> ■ To revamp the <i>Hong Kong Specialist</i> website and provide web-based training programme - <i>Discover Hong Kong Year Hong Kong Specialist</i> – to help promote Hong Kong and “2006 Discover Hong Kong Year” campaign among travel agents so as to help them promote the sale of Hong Kong packages. ■ To invite 100 frontline agents to come to Hong Kong as an incentive of the <i>Hong Kong Specialist</i> programme. ■ To advertise in influential publications such as <i>TTG China</i> and <i>Travel Weekly</i> and arrange for interviews in these publications to promote “2006 Discover Hong Kong Year”.
<p>(2) Trade Familiarisation Visits</p> <ul style="list-style-type: none"> ■ Organise 60 trade familiarisation visit programmes for about 1,500 global trade representatives, to show them the business opportunities in Hong Kong and facilitate networking and co-operation with the local travel trade. ■ Organise the <i>Imagine Hong Kong</i> familiarisation programme and invite 200 meeting, incentive travel, convention and exhibition (MICE) organisations to participate in the programme. 	<ul style="list-style-type: none"> ■ Riding on “2006 Discover Hong Kong Year”, to invite about 1,800 global travel trade representatives to Hong Kong, including an additional 12 familiarisation visits for trade representatives from emerging markets (such as India and the Netherlands) and 60 visits from major source markets. ■ To invite 200 CEOs and senior executives of the global travel trade to the ‘Hong Kong Salutes the World’ programme, a premiere to “2006 Discover Hong Kong Year”. ■ To show those MICE organisations and media guests attending the opening ceremony of AsiaWorld-Expo the new travel experience in “2006 Discover Hong Kong Year”.

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
	<ul style="list-style-type: none"> ■ To invite 50 MICE organisations to participate in the <i>Hong Kong Meeting Your Choice</i> programme.
<p>(3) Business Developments</p> <ul style="list-style-type: none"> ■ To participate in 9 trade shows in six major source markets to promote Hong Kong as the premier convention and exhibition destination to 16,000 MICE organisations and discuss business opportunities with them. ■ Make use of integrated information dissemination channels, such as media advertising that targets the travel trade, direct mail and telemarketing to reach at least 50,000 MICE planners. <p>Make use of the ‘Product Update’ activities overseas, such as briefings and workshops, to provide the Hong Kong travel trade with a business platform. Also, encourage more MICE planners to visit Hong Kong. These activities are expected to reach over 1,000 overseas trade partners.</p> <ul style="list-style-type: none"> ■ To provide support for MICE organisations staging events in Hong Kong ■ To provide special privileges and incentives (<i>Hong Kong REWARDS!</i> and <i>Hong Kong Value Plus</i>) to MICE organisations and convention participants. ■ For the cruise market, to participate in the Seatrade Cruise Convention in Miami to meet with the global trade leaders and promote Hong Kong. To arrange for special offers and privileges for cruise passengers. 	<ul style="list-style-type: none"> ■ To enhance the scale of participation in four trade shows and organise more promotions before and after the trade shows, and to meet with 600 MICE organisations. ■ Make use of media advertising and direct mail promotions to reach 30 million business travellers and an additional 50,000 MICE planners. <ul style="list-style-type: none"> ■ To produce a new <i>Incentive and Meeting Product Guide</i> and brand new promotional videos. <ul style="list-style-type: none"> ■ To provide more special privileges and incentives. <ul style="list-style-type: none"> ■ Recruit 100 trade representatives to become Hong Kong Specialists, so as to bring more meetings, conventions, exhibitions and incentive travel to Hong Kong.

“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06	“2006 Discover Hong Kong Year” Additional promotions for 2005-07
<p>(4) Develop Tourism Products</p> <ul style="list-style-type: none">■ Taking into account the trends and needs of different markets, to develop new sightseeing itineraries, such as those promoting green tourism products. To produce publicity materials for promoting different kinds of itineraries.	

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p>Consumer Promotions</p>	
<p>(1) Launch overseas promotions and advertising</p> <ul style="list-style-type: none"> ■ Before launching the global publicity of 2006 Discover Hong Kong Year, continue to consolidate Hong Kong’s image through advertisement and consumer roadshows. (a) Before launching the TV and print advertisement on 2006 Discover Hong Kong Year, continue to run TV advertising in selected short-haul markets; arrange print and outdoor advertising in long-haul markets and develop small-scale regional campaigns with regional cable channels. <ul style="list-style-type: none"> ■ TV spots: 3,098 ■ Print insertions: 577 ■ Gross impressions: 857million (b) Conduct 95 consumer roadshows and promotions. (c) In selected source markets, co-operate with strategic partners, such as credit card companies, department stores and travel magazines, to stage joint promotions. 	<ul style="list-style-type: none"> ■ To launch “2006 Discover Hong Kong Year” consumer promotions in major markets in the 4th quarter of 2005. To invite over 1,000 travel trade representatives and media guests from the key source markets to witness and take part in the launching ceremony, and to create extensive global publicity through their support. ■ To launch overseas publicity in 16 key markets, including the production of TV and print advertisement on “2006 Discover Hong Kong Year”, preparation and distribution of related publications and publicity materials. The targets in short-haul markets include families, young segment and business executives. The targets in long-haul markets include middle-aged couples, seniors and business executives. <ul style="list-style-type: none"> (a) The new advertisement and publicity materials will be distributed through various channels starting from the 4th quarter of 2005. In 2005/06 and 2006/07, the additional publicity each year will be: <ul style="list-style-type: none"> ■ TV spots: 2,900 ■ Print insertions: 460 ■ Gross impressions: 879 million (b) The number of consumer roadshows and promotions in major source markets will increase by 74 each year. ■ To co-operate with strategic partners (travel agencies, retail outlets, travel web sites and magazines) to stage joint promotions and make use of their customer/reader database for information dissemination. Aim to send one million direct mail and e-mail to customers.

“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06	“2006 Discover Hong Kong Year” Additional promotions for 2005-07
<p>(2) Produce publications and promotional materials</p> <ul style="list-style-type: none">■ Produce TV commercial and videos to promote Hong Kong’s destination image and unique appeal to overseas customers.■ To design and produce promotional materials for all overseas markets for distribution in consumer roadshows, promotions and by travel agencies and HKTb’s offices overseas.■ To produce publications for the overseas travel trade, such as the <i>Hong Kong Travel Trade Manual and Tour Planning Reference Guide</i>, providing them comprehensive information on tourism developments that helps promote Hong Kong more effectively.	<hr/>
<p>(3) Support Government’s overseas promotions</p> <ul style="list-style-type: none">■ To support Government’s promotions overseas by inviting senior officials of the delegation to lobby the travel trade on promoting Hong Kong.■ To organise joint promotions with the Government targeting the overseas consumers and the media, including staging cultural performances, movie screening, arts exhibitions and business and trade fairs to induce visits to Hong Kong.	<hr/>
<p>(4) Web promotions</p> <ul style="list-style-type: none">■ To update and enhance the content of the web site and develop online campaign, covering also the administrative and operation expenses for local and overseas promotions.	<hr/>

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p>(5) Organise the ‘Best of the Best Culinary Awards’</p> <ul style="list-style-type: none"> ■ Organise the ‘Best of the Best Culinary Awards’ to showcase Hong Kong’s appeal as the Culinary Capital of Asia. Through district dining promotions and cooking classes, promote Hong Kong’s dining experience to customers. Also, publish the <i>Best of Best Culinary Guide</i>. 	<hr style="width: 10%; margin: auto;"/>
<p>(6) Strengthen Promotions in Mainland China</p> <hr style="width: 10%; margin: auto;"/>	<ul style="list-style-type: none"> ■ Together with the local and Mainland travel trade, to step up promotions in 24 Mainland cities by launching at least 50 co-op promotions targeting consumers, including the staging of roadshows, and follow-up with major trade partners on tactical promotions. ■ To launch integrated promotions in high potential cities during the mega events. ■ To reinforce publicity activities in cities under the Individual Visit Scheme (IVS), including co-operation with media on regional consumer promotions; working with the local Public Security Bureaux on information dissemination; staging of consumer roadshows; and advertising, and promotion of special itineraries developed with the travel agencies. ■ To set up Visitor Information & Services Centres in Beijing and Shanghai to provide individual visitors with travel information prior to their visits to Hong Kong. The two centres can serve about one million visitors each year.

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
	<ul style="list-style-type: none"> ■ With the support of education departments and schools in the Mainland, to promote travel to Hong Kong by the school children and their families in major cities.
<p>(7) Promotions targeting the female segment</p> <p>_____</p>	<ul style="list-style-type: none"> ■ To leverage on the 2005 Hong Kong Shopping Festival, launch print advertisement featuring celebrity Karen Mok to attract female travellers to Hong Kong during the Festival period. ■ To co-operate with famous female magazines in overseas eight markets to produce guidebook for the female segment. Through endorsement and personal experience of celebrities overseas, stimulate female customers’ desire to visit Hong Kong. ■ To make use of public relations activities and web publicity to attract female travellers in the long-haul market.
<p>(8) Enhance community awareness of 2006 Discover Hong Kong Year</p> <p>_____</p>	<ul style="list-style-type: none"> ■ To leverage on the influence of celebrities and produce promotional video. To arrange for the media to cover the preparation of the “2006 Discover Hong Kong Year” activities and to launch outdoor advertising in busy districts and on public transport to increase the community’s awareness and enthusiasm for 2006 Discover Hong Kong Year.
<p>(9) Strengthen meet-and-greet services</p> <p>_____</p>	<ul style="list-style-type: none"> ■ To strengthen meet-and-greet services at border control points and in-town publicity. Present visitors with welcome packs so that they can experience the festive ambience of 2006 Discover Hong Kong Year.

“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06	“2006 Discover Hong Kong Year” Additional promotions for 2005-07
<p>(10) Mega Event themed around the Mid-Autumn Festival</p> <hr/>	<ul style="list-style-type: none">■ Building on the completion of several new attractions by the second half of 2006, the HKTB will organise a mega event themed around the rich heritage and traditional festivals, which are of special appeal to targeted segments. These are intended for fulfilling customers’ expectations for a novel travel experience and also strengthening Hong Kong’s appeal so as to maximise the publicity value.
<p>(11) Promotions for Mega Events and activities held in Hong Kong</p> <ul style="list-style-type: none">■ Publicise in overseas markets the major cultural, sports, entertainment and festive events taking place in Hong Kong (such as Hong Kong Arts Festival, Rugby Sevens and Dragon Boat Races) to enhance Hong Kong’s image as the Events Capital of Asia.	<hr/>

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p>Public Relations Activities</p>	
<p>(1) Media Familiarisation Visits</p> <ul style="list-style-type: none"> ■ To invite 700-800 media representatives from 16 key source markets to visit Hong Kong, including: <ul style="list-style-type: none"> (a) leverage on mega events, to invite overseas media to cover and produce features on Hong Kong; (b) building on the interests of different overseas markets, to invite media guests to visit Hong Kong on different thematic tours and produce features on Hong Kong’s travel experience, such as – <ul style="list-style-type: none"> ■ natural scenery and outdoor activities as well as lesser-known attractions for the US market; ■ Hong Kong as a stopover city and a romantic destination for honeymoon for the Italian market; ■ introduce the rich natural resources and promote green tourism for other European markets; 	<ul style="list-style-type: none"> ■ Invited some 40 international travel media representatives from 16 markets to take part in the Trade Launch of the “2006 Discover Hong Kong Year” campaign and briefed them on details of this campaign. ■ Invite about 250-300 leaders of the mass media and famous media celebrities worldwide to attend the ‘Hong Kong Salutes the World’ programme and introduce them to new attractions that are packaged with existing tourism products. Through their positive word-of-mouth publicity and coverage, achieve extensive publicity worldwide.

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<ul style="list-style-type: none"> ■ Hong Kong as the gourmet paradise for the Australian market; ■ a value-for-money holiday and itinerary suitable for the Muslims for the Southeast Asian market; ■ new and novel experience for the young segment in Japan to encourage them to make short visits; and ■ attractions other than shopping and dining targeting individual visits in the Mainland. 	
<p>(2) Overseas public relations activities</p> <ul style="list-style-type: none"> ■ To organise about 60 public relations activities and promotions overseas, such as co-operation with the media to produce special features, e.g. – <ul style="list-style-type: none"> (a) to co-operate with NBC TV in the US to produce a half-an-hour programme <i>Hong Kong on NBC TV Network</i> on the city’s new attractions. Leverage on Macy’s promotions in San Francisco to launch a two-week long ‘Hong Kong Day’ promotion; 	<ul style="list-style-type: none"> ■ To cooperate with national media organisations and corporations in 16 key source markets to produce special features / programmes on Hong Kong’s new image. Arrange for 1,000 -1,100 media representatives to visit Hong Kong so as to create national reports and coverage on “2006 Discover Hong Kong Year”, e.g – <ul style="list-style-type: none"> (a) Canada – co-operate with the renowned CTV to produce features on Hong Kong travel through celebrity endorsement for the eTalk programme and cover “2006 Discover Hong Kong Year”.

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p>(b) to invite popular Bollywood TV series to film in Hong Kong so as to promote the city’s attractions;</p> <p>(c) to launch the “HK Getaway” campaign in Japan and collaborate with Cathay Pacific Airways to promote Hong Kong as a short-stay vacation destination among the young segment;</p> <p>(d) to promote Hong Kong as the ‘Events Capital of Asia’ in Taiwan and encourage visitors to come and take part in the Mega Events; and</p> <p>(e) to co-operate with media in the high-growth Mainland cities to promote travel to Hong Kong.</p>	<p>(b) Australia –co-operate with a famous media corporation to promote family travel for the first time through TV and print advertisement and the Internet.</p> <p>(c) Germany – produce a series of special features on Hong Kong for the news channel nTV.</p> <p>(d) Malaysia – Co-operate with famous media organizations such as <i>The Star</i> and <i>Sin Chew Daily</i> to produce a series of features on “2006 Discover Hong Kong Year” themed around ‘My Style HK’.</p>
<p>(3) Co-operate with the media to produce travel guides</p> <hr style="width: 20%; margin-left: auto; margin-right: auto;"/>	<p>■ To strengthen publicity for 2006 Discover Hong Kong Year in non-Chinese and non-English speaking markets (Thailand, Japan and South Korea), the HKTB will co-operate with the media organisations to publish travel guides. Besides inserting the guides in magazines, additional copies will be published for distribution by travel agencies overseas, during consumer promotions and at border control points in Hong Kong.</p>

<p>“Hong Kong – Live it, Love it!” Baseline promotions for 2005-06</p>	<p>“2006 Discover Hong Kong Year” Additional promotions for 2005-07</p>
<p><u>Others</u></p>	
<p>(1) Strategic Planning & Market Studies</p> <ul style="list-style-type: none"> ■ Conduct surveys and studies to devise market development strategies, prepare the annual business plan, and determine the target visitor segments and their development potential. ■ To conduct studies on emerging markets. ■ To conduct year-round departing visitor surveys. ■ To update market conditions; study consumer trends; assess the supply and patronage of visitor facilities; monitor and analyse the visitor arrival trends; and publish tourism statistical publications. 	<ul style="list-style-type: none"> ■ Conduct tracking studies to assess the effectiveness of the “2006 Discover Hong Kong Year” campaign. Two stages of tracking will be conducted in 2005 and 2006, covering 10-12 key markets, with over 7,000 short interviews and 3,000 long interviews.
<p>(2) Organise major international events</p> <p>_____</p>	<ul style="list-style-type: none"> ■ To support and promote two major international conventions to be held in Hong Kong, namely the ‘88th Lions Clubs International (LCI) Convention 2005’ and the 6th Ministerial Meeting of the World Trade Organization (WTO).
<p>(3) Funding support from the Reserve to organise the Hong Kong Shopping Festival</p>	<p>_____</p>

Question 12: Although the visitor arrivals in year 02/03 saw an increase and the length of stay of overnight visitor increased in a similar trend. But if the mainland visitors are excluded, the length of stay of visitor from other countries did not increase. At the same time, the percentage of same-day in-town visitors keeps visiting. How could the HKTb ensure that the large spending of Government money on promotion helps to attract visitors to come and stay in Hong Kong?

Reply to Question No. 12:

It should be noted that the figures quoted in the question are sourced from different parties including Census & Statistics Department and some from the HKTb. In fact, the total number of nights stayed is compiled by simple calculation of figures from different sources. This may not be the most appropriate method in deriving the figures. Please see below HKTb's official data of the trend of overnight visitors and total nights stayed. 2003 is an exceptional year as the Hong Kong tourism industry was severely affected by the SARS outbreak. Therefore, it may not be meaningful to make reference to 2003 figures. For a more comprehensive view of the trend, 2004 data is added below.

	1999	2000	2001	2002	2003	2004
Overall						
• Overnight Visitor %	69.2%	67.5%	64.7%	64.5%	62.3%	62.6%
• Visitor Arrival ('000)	11,328.3	13,059.5	13,725.3	16,566.4	15,536.8	21,810.6
• Total Night Stayed ('000)	26,331.0	26,440.6	27,344.6	38,693.0	39,284.4	50,931.5
Excluding Mainland						
• Total Night Stayed ('000)	17,200.4	17,464.2	16,855.8	17,438.2	11,990.1	17,757.9

With the introduction of Individual Visit Scheme, coupled with the relaunch effort of HKTb and the tourism-related trades, tourism performance in 2004, including both Mainland and non-Mainland markets, had surpassed 2003 level and fully recovered to 2002 level. In fact, 2004 was a record high year in terms of total arrivals for a number of non-Mainland markets, such as USA, Canada, Australia, South Korea, Singapore, Malaysia and India. The non-Mainland total nights stayed exceeded 2002 level and reached 17.76M.

About 37% of our visitors in 2004 were same-day visitors. We should not undermine the contribution made by same-day visitors. The average per capita spending of same-day visitor was \$689 in 2004. Hong Kong is a regional hub and gateway to and from Mainland. Our convenient transportation network, enhanced border capacity and streamlined cross-boundary procedures facilitate entry of Mainland visitors and thus increase their number of visits. The travel pattern of Mainland visitors has been changing in recent years, in particular with the introduction of the Individual Visitors Scheme (IVS), there are increasing same-day visitors and more repeated visits. The Scheme makes it very convenient for visitors from nearby Mainland cities like Guangzhou, Dongguan, Shenzhen etc. to make frequent short trips to Hong Kong. For example, Guangzhou visitors came 1.27 times a year before the

implementation of IVS and had doubled to 2.67 times after the Scheme launched. In fact, the average per capita spending of same-day Mainland visitor in 2004 was \$1,043 as compared with \$689 of an average visitor.

According to the analysis of the World Tourism Organisation in 2002⁷, it is a global trend for visitors to make shorter trips now. HKTB will continue its effort to enrich visitors' experience in Hong Kong such as organising mega-events with a view to creating incentives and urge to visit Hong Kong again and encouraging visitors to stay longer and spend more. HKTB also works with industry partners to offer attractive packages in the form of business cum leisure trips, hoping that business travellers will stay longer and bring along their spouse and family to Hong Kong.

The design and planning of various marketing campaigns by HKTB are all based on its comprehensive market surveys and studies, having regard to the travel and spending pattern of the target visitors, as well as their propensity to spend and their patterns. This is to ensure that marketing resources are properly allocated to achieve the best possible results. In measuring the marketing effectiveness, the HKTB has established four Key Performance Indicators (KPIs), including visitor arrivals, length of stay, satisfaction level, and spending. These 4 KPIs are being constantly tracked and monitored through different surveys to ensure that the marketing efforts achieve the desired results. For example, the HKTB will conduct surveys after mega events like the Hong Kong Winterfest to check the visitor arrivals, length of stay and spending during the event period, and also track the response of visitors such as their satisfaction level of the event, their intention to revisit Hong Kong, their interest to participate in the same event again, whether they would recommend to friends and relatives etc. Not only would this measure the effectiveness of the event but also serve as useful reference for HKTB to organise similar events in future.

⁷ Remarks by Secretary General of the World Tourism Organisation (WTO) at the 38th meeting of WTO Commission for East Asia and the Pacific in October 2002 – "...WTO has also been able to determine several characteristics of demand that have emerged over the past few years. There is a *clear tendency towards shorter stays when going on holidays*. This greater fragmentation of holidays is due to a reduction in working hours and an increase in the number of paid leave days..."

Question 13: The Government said that the additional funding of HK\$500 million to HKTb could bring “additional nearly 2 million visitor nights”, “additional 1.2 million visitors” and “an additional of nearly HK\$10 billion of economic benefits”.

However, one million nights of visitor stay is only an increase by 2.5%. (Additional visitor nights for two years are 2 million. So on average, the length of stay should be 1 million nights for 1 year. 2.5% was calculated based on the length of stay in 2003.) But with the expansion of “Individual Visit Scheme”, the actual natural growth should not be limited to this amount. Even when Hong Kong was affected by SARS in 2003, there was 1.1% increase in length of stay among the mainland visitor arrivals.

When the Government granted the additional HK\$ 500 million to HKTb, how does the Government effectively monitor the usage of HK\$ 500 million public money by HKTb, and how to achieve the following deliverables:

- i. How to define whether the HKTb has achieved “nearly additional 2 million visitor nights”? Has the Economic Development and Labour Bureau taken the natural growth by “Individual Visit Scheme” into account?
- ii. How to define the additional cost effectiveness so as to evaluate the effectiveness by the work of the HKTb?

Question 14. The objectives and evaluation for the “nearly 2 million additional visitor nights”, “additional 1.2 million visitors” and “an additional of nearly HK\$10 billion of economic benefits”, are they provided by the HKTb? If yes, how does the HKTb come up with such assessment? In particular, what economic benefits are included in the “additional economic benefits? To what extent could it be reflected from the actual visitor spending? What are the other factors?

Reply to Questions No. 13 & 14:

(a) Methodology for estimating benefits

The incremental benefits of the new funding initiatives are estimated by the HKTB. In providing such estimates, the HKTB has already taken into account the expected growth brought along by Individual Visit Scheme (IVS) and new tourism attractions. The incremental benefits are all estimated on top of the expected growth base plan to give the overall total.

Based on its marketing expertise, the HKTB has developed a statistical forecasting tool that incorporates an econometric regression model for forecasting arrivals and other key tourism indicators. Using this tool, HKTB has determined a set of base plan forecast, taking into consideration the expected growth brought along by IVS and new tourism attractions, the economic conditions of the source markets and the effectiveness of marketing activities that are supported by the regular subvention funding. Based on findings from researches conducted for similar campaigns launched in the past and also surveys to assess the potential and appeal of the new initiatives, the HKTB has estimated the effectiveness of the initiatives supported by the new funding in driving visitor arrivals, extending length of stay and increasing spending. With all the above information, HKTB has worked out the incremental arrivals, number of nights stayed and tourism expenditure induced, i.e. 1.2M additional arrivals, 2M additional nights of stay and \$10B additional visitor spending. It should be noted that the above estimate has also taken into account the incremental growth in our hotel capacity in the next two years.

(b) Immediate and long term economic benefits

The “\$10B incremental economic benefit” solely covers the additional visitors spending in Hong Kong contributed by the incremental visitor arrivals and incremental nights stayed in 2005-06 and 2006-07.

The new campaigns will also bring significant intangible benefits to our tourism industry:

- revitalise the image of Hong Kong and enhance the city’s appeal;
- establish Hong Kong as a must-visit destination especially for family and business visitors;
- generate global awareness and publicity for Hong Kong as a destination;
- strengthen co-operation with local as well as global travel trade and media; and
- reinforce Hong Kong’s leading position in the international tourism market.

Promoting a destination is like promoting a consumer brand. Investment in building the brand image and equity will have long-term benefits, apart from obtaining immediate business results. 2006 is opportune for the HKTB to launch a global brand-building campaign as it can ride on the opening of the new tourism facilities to build a new image for Hong Kong. The current investment in tourism promotion not only generates incremental economic benefits for the next two years, but most importantly it aims at revitalizing and building a strong destination image for Hong Kong in the long run.

(c) Ways to assess and monitor performance

As mentioned in the answer to Q12, the HKTB has established four Key Performance Indicators (KPIs) in measuring the marketing effectiveness, including visitor arrivals, length of stay, satisfaction level, and spending. These 4 KPIs are being constantly tracked and monitored through different surveys. To monitor the progress and performance of the campaigns, the HKTB has to report the assessments in terms of the KPIs to the Board from time to time. It is also required to submit quarterly reports to update the Government on the latest position of how the HKTB uses the funds, and to assess the effectiveness of the campaigns, and evaluates whether the targets are met.

Annex 1

Breakdown of expenditure of Events of 'Local Services and Events'

Events	Expenditure (HK\$'000)
1998/99	
Star Spectacular	4,761
International Dragon Boat Races	3,804
Hong Kong Food Festival	2,814
Chinese New Year Parade	5,667
	17,046
1999/2000	
International Dragon Boat Races	2,399
Hong Kong Food Festival	2,352
Chinese New Year Parade	5,466
National Day Celebration Week	34
	10,251
2000/2001	
Sponsorship and support for Dragon Boat activities ¹	361
Hong Kong Food Festival	1,209
Chinese New Year Parade	5,335
Launch of 'City of Life: Hong Kong is it!' campaign	6,436
'City of Life: Hong Kong is it!' campaign – community awareness programmes	6,181
	19,522
2001/02	
Sponsorship and support for Dragon Boat activities	192
Hong Kong Food Festival	761
Hong Kong Flower Extravaganza	1,516
Best of the Best Culinary Awards	1,981
Lights Up Hong Kong	10,732
International Chinese New Year Parade	10,193
'City of Life: Hong Kong is it!' campaign – community awareness programmes	12,885
	38,260
2002/03	
Sponsorship and support for Dragon Boat activities	238
Hong Kong Food Festival	65
International Chinese New Year Parade	9,868
Best of the Best Culinary Awards	1,972
Mega Hong Kong Sale	12,332
Hong Kong WinterFest	11,867
'City of Life: Hong Kong is it!' campaign – community awareness programmes	4,282
	40,624

2003/04	
Support for Dragon Boat activities	58
Best of the Best Culinary Awards	2,078
Mid-Autumn Lantern Celebration	9,797
Hong Kong WinterFest	10,448
Strato-Fantasia and Welcome Banquet	17,847
Hong Kong Super Draw	18,679
International Chinese New Year Night Parade	16,460
Hong Kong International Musical Fireworks Competition	11,023
Hong Kong Welcomes You! – Welcome Month	8,620
Research ²	1,357
	96,367

- ¹ The expenditure item included HKTb's sponsorship to the Dragon Boat activities for three years (from 2000/01 – 2002/03) and for supporting the renting of venue for keeping the dragon boats.
- ² Research to assess the effectiveness of the activities organized in 2003/04.

Annex 2

The 220 travel trade representatives came from major tour wholesalers, travel agents, airlines and cruise companies in 23 countries and regions. They were:

Mainland China

China International Travel Service Head Office
China Travel Service Head Office
CYTS Chinese Citizen Travel Service
China Comfort Travel Co Ltd
BTG International Travel & Tour
China Travel International Ltd
Beijing China Travel Service Ltd
Beijing Jingtie International Travel Service Co Ltd
Liaoning China International Travel Service
Shenyang Overseas International Travel Service Co Ltd
Dalian China Travel Service Co Ltd
Dalian China International Travel Service Co Ltd
Harbin Railway International Travel Service
Tianjin China Travel Service Co Ltd
Tianjin CYTS Co Ltd
Jin Jiang Tour Ltd
Shanghai CITS Ltd
Shanghai China Travel International Ltd
Shanghai CYTS Tours Corporation
Shanghai Airlines Tours International Co Ltd
Shanghai Spring International Travel Service
China Travel Service Zhejiang
China Hangzhou OTC Travel International Ltd
Zhejiang Overseas Tourism Co
Hangzhou China Travel Service Co Ltd
Zhejiang Orient Overseas Travel Co Ltd
Zhejiang CYTS International Travel Co Ltd
Jiangsu Zhong Province International Travel Service
Jiangsu Jinling Business International Travel Service Co Ltd
Jiangsu Overseas Tourist Co
Jiangsu China Travel Service Co Ltd
GZL International Travel Service Ltd
Guangdong CITS Co Ltd
Guangdong China Travel Service Co Ltd
CYTS Tours Guangdong Railway Co Ltd
Shenzhen Port Travel Service Co Ltd
China International Travel Service Shenzhen Co Ltd
Guangdong SZL International Travel Service Ltd
Dongguan International Travel Service Co Ltd
Dongguan China Travel Service Tour Co Ltd
China International Travel Service of Zhongshan Co Ltd
China Travel Service Foshan International Travel Agency
CTS International Travel Co Ltd, Nan Hai
Fujian Comfort International Travel Service INC

Fujian Tourism Company Ltd
China Travel International (Xiamen) ITG Travel Service Co Ltd
Sichuan Comfort International Travel Service Co Ltd
Sichuan China International Travel Service
China Travel Service Chongqing
Chongqing Overseas Tourist Co Ltd
Dragonair

Taiwan

Phoenix Travel Service Co
SET Tour Travel Service Co
Scope Travel Service Co
Kuo Yu Travel Service Co
Tourex Travel Service Co
Best Way Travel Service Co
Cheng Tai Travel Service Co
Sky Way Travel Service Co
Signet Travel Service Co
Lion Tour Travel Service Co
Travel Window Travel Service Co
Apple Tour Travel Service Co
Instyle Travel Service Co
EZ Travel Service Co
Hong Kong Dragon Airlines Ltd
Cathay Pacific Airways
Eva Airways
China Airlines

United States

MLT Inc - NWA World Vacations
Pacific Delight Tours, Inc
Pacific Protour, Inc
Swain Tours / United Vacations
Visits Plus, Inc
Brendan Worldwide Vacations
Aberdeen Tours, Inc
China Travel Service (USA) Inc
Grand Holidays
Pleasant Holidays
R & J International Travel Group, Inc
Globus and Cosmos
Asian Adventure
Gala Tours International
E-Best of Asia.com / E-Holiday World.com Inc
Virgin Vacations
Oceania Cruises Inc
Cathay Pacific Airways
United Airlines

Canada

Expedia Canada
GLP Worldwide Expeditions
Jade Tours
Meridian Holidays
Silk Holidays
Tour East Holidays
Cathay Pacific Airways

Brazil

Gladtur
Princess Travel

France

Directours
Fafrans du Monde
Nouvelles Frontieres
Attitudes Travel

Germany

Deutsches Reisebüro GmbH / DERTOUR
Sun Trips Reisen GmbH
Cruising Reise GmbH
Reisefieber Reisen
Cathay Pacific Airways

Israel

Ophir Tours
Geographical Tours

Italy

Hotelplan
Chinasia
I Viaggi Del Mappamondo
Mistral Tour
Cathay Pacific Airways

Middle East

Axis Holidays Worldwide (DNATA)
Emirates Holidays
Al Naboodah Travel

Netherlands

VNC Travel
Smaragd Reizen

Spain

Catai Tours

United Kingdom

Thomas Cook Signature
Bales Worldwide
Travel 2
Sovereign / Hayes and Jarvis
CTS Horizons
Gold Medal/Airline Network
Trailfinders
Cathay Pacific Airways

Australia

Cathay Pacific Holidays
Flight Centre
Qantas Holidays
Travelspirit Group
Cathay Pacific Airways
Qantas Airways
Virgin Atlantic

New Zealand

Infinity Holidays/Flight Ctr
Cathay Pacific Airways
Air New Zealand

India

SOTC – Kuoni
Shree Raj Travels
JTB Travels
Delhi Express
Travel Corporation of India
Diplomatic Travel Point

Indonesia

Wita Tour
Panen Tour
Bayu Buana
Dwidaya Tour
Smiling Tour
Cathay Pacific Airways

Thailand

Central Royal Tour
Heng Chiang Tours
President Tours
RR Rungnirand Tour Co Ltd
Roongsarp Travel
TV Air Booking
Majestic Travel
Six Stars Travel
Cathay Pacific Airways

Singapore

Chan Brothers Travel Pte Ltd
Focal Travel Pte Ltd
Hong Thai Travel Services (S) Pte Ltd
Kent Holidays
New Shan Travel Service Pte Ltd
SA Tours
Misa Travel
Cathay Pacific Airways

Philippines

Las Palmas Tours & Travel
Pan Pacific Travel Corporation
Horizon Travel & Tours
Fortune Travel
Uni-Orient Travel
Ark Travel Express Inc
Transnational Travel
Win Travel and Tours
Cathay Pacific Airways

Malaysia

Malaysian Harmony
Regal Worldwide
Premium Travel
Summit Holidays
Roystar Travel
Forever Travel
Lye Peng Travel
Cathay Pacific Airways

Japan

JTB Corporation
Kinki Nippon Tourist Co Ltd
Nippon Travel Agency Co Ltd
Hankyu Express International Co Ltd
H.I.S. Co Ltd
Nissin Travel Service Co Ltd
Nippon Express Co Ltd
Jalpak Co Ltd
Meitetsu World Travel Inc
JTB World Vacations Co Ltd
H.I.S. Co Ltd
Hankyu Express International Co Ltd
Nippon Travel Agency Co Ltd
Nova Tourist Bureau Co Ltd
World Air-Sea Service Co Ltd
Nishitetsu Travel Co Ltd
Kyushu Railway Company

JTB World Vacations, Inc
Cathay Pacific Airways

South Korea

Hana Tour

Mode Tour

Lotte Travel

Freedom Tour

Hanwha Tourmall

Nextour

Hyundai Dream Tour

Red Cap

Happy Tour

Focus Tour

Cathay Pacific Airways

List of 40 media organisations in 16 markets that participated in the Trade Launch:

Mainland China

- TTG China
- TTN China
- China Tourism News 中國旅遊報
- 旅遊雜誌社

Taiwan

- World Travel Weekly 旅遊界周刊
- Travel Trend News 旅報

United States

- Travel Agent Magazine
- Recommend Magazine
- TravelAge West
- Modern Agent & Agent@Home Magazine

Canada

- Canadian Travel Press
- Tourisme Plus
- Travelweek
- GSA Travel Magazine

Germany

- Touristik Aktuell

Israel

- Travel News

Netherlands

- Reis Revue

United Kingdom

- TTG
- Travel Weekly

Australia

- Traveltrade
- Traveltalk Asia-Pacific

New Zealand

- Tabs on Travel/Travel Today
- Travel Corp
- New Zealand Traveltrade

India

- Trav Talk
- Express Travel & Tourism
- Travel Trends Today (T3)
- Today's Traveller Newswire

Thailand

- Travel Trade Report Weekly
- Asia Travel Tips.com
- Media Transasia (PATA Compass Magazine)

Singapore

- Travel Weekly East
- TTG Asia

Philippines

- Travel Update

Japan

- Travel Journal
- Modern Tourism
- Wing Travel Weekly
- Travel Vision

South Korea

- The Korea Travel Times
- The Korea Travel Information Times

Breakdown on the estimated expenditure on the global consumer promotions in different markets

	05/06 Budget (HK\$'000)	06/07 Budget (HK\$'000)	Total (HK\$'000)
Mainland China	3,280	2,600	5,880
Taiwan	3,000	1,600	4,600
Singapore	1,320	1,000	2,320
Thailand	1,030	700	1,730
Malaysia	540	800	1,340
Indonesia	310	300	610
Philippines	920	600	1,520
India	1,310	1,100	2,410
Japan	7,750	7,000	14,750
South Korea	3,440	2,500	5,940
US	14,130	10,200	24,330
Canada	1,800	1,800	3,600
UK	4,800	4,800	9,600
France	1,330	1,300	2,630
Germany	2,300	2,100	4,400
Australia	2,150	2,400	4,550
Others	6,460	1,400	7,860
TV advertising that covers the Asian region	3,440	2,200	5,640
Total	59,310	44,400	103,710

Annex 5

Details of global consumer promotions for 2006 Discover Hong Kong Year and their projected effectiveness in different markets each year

	TV advertising No. of spots	Print advertising No. of insertions	Total Gross Impressions ('000)
Mainland China	180	49	49,311
Taiwan	405	27	34,449
Singapore	20	31	49,598
Thailand	104	21	32,025
Malaysia	195	15	32,736
Indonesia	0	6	1,766
Philippines	100	11	25,366
India	278	6	60,859
Japan	63	46	225,065
South Korea	132	42	81,193
US	584	63	127,439
Canada	266	21	14,171
UK	0	51	33,377
France	0	23	17,470
Germany	0	31	11,811
Australia	0	23	11,534
TV advertising that covers the Asian region	571	0	70,830
Total	2,898	466	879,000

Note: the above projections are based on the initial plan. The final figures will be subject to agreement with the media organisations and the cost of advertising. As the conditions in each market vary, it will be inappropriate to make a direct comparison between the figures of different markets.

Under publicity and public relations activities, the HKTB plans to invite 1,500 global media representatives to visit Hong Kong.

(The list below is only the initial plan. The final media familiarisation programme will be subject to discussion with individual media organisations.)

- Mainland China
TV: CCTV, BTV, SHTV, DTV, GZ TV,
Print media: *Beijing Youth Post, Elite Reference, Beijing/Shanghai Morning Post, Youth Daily, Oriental Morning Post, Southern Metropolis Post*
Travel trade media: *TTG China, TTN China*
- Taiwan
TV: Sanli TV, CTV, STV, TVBS
Print media: *The Great News, United Daily News, Ming Sheng Daily News, China Times, Liberty Times*
Travel trade media: *World Travel Weekly, Travel Trend News*
- Japan
TV: TV Asahi, Fuji TV, TBS, TV Tokyo
Print media: *Tabi magazine, Nikkan Sports, Hanako magazine, Asahi Shimbun, Sankei Shimbun*
Travel trade media: *Travel Journal, Wing Travel Weekly, Modern Tourism, Travel Vision*
- South Korea
TV: SBS TV, Dong A TV, KBS TV, MBC TV
Print media: *Korea Travel Times, Korea Travel Information Times, Chosun Daily, Style magazine, Sure magazine*
Travel trade media: *The Korea Travel Times, Korea Travel Information Times*
- Singapore
TV: Channel 8
Print media: *I Weekly, 8 Days, You Weekly, Nuyou magazine, Her World magazine*
Travel trade media: *TTG Asia, Travel Weekly East*
Media group: Media Corp
- Malaysia
TV: NTV7, 8TV
Print media: *The Star, New Straits Times, Sin Chew Daily, China Press*
- Thailand
TV: Channel 3, Channel 5, Channel 7, ITV
Print media: *Krungthep Turakij, Thansettakij, Post Today*
Travel trade media: *Travel Trade Report Weekly, Media Transasia, Asia Travel Tips.com*

- India
TV: Doordrasha TV, NDTV, Zee TV
Print media: *The Times of India*, *Hindustan Times*, *Femina* magazine
Travel trade media: Today's Traveller Newswire, *Express Travel & Tourism*, *Travel Trends Today*, *Trav Talk*
- Indonesia
TV: Metro TV, Indosiar
Print media: *Dewi*, *Harper's Bazaar*, OnDot.com, *Femina* magazine, *Her World* magazine, *A+* magazine
- Philippines
TV: GMA-7, ABS-CBN
Print media: *Manila Bulletin*, *Philippine Daily Inquirer*, *The Manila Times*
Travel trade media: Travel Update
- United Kingdom
TV: BBC TV, ITV
Radio: Heart FM, Classic FM, Jazz FM
Print media: *Daily Telegraph*, *OK* magazine, *The Mail on Sunday*, *Evening Standard*
Travel trade media: *TTG UK*, *Travel Weekly UK*
- France
TV: LCI TV, L'Atelier de la Mode TV, TF1 TV
Print media: *L'Univers des Voyages*, *Felicity* magazine, Senior Planet.com
Travel trade media: *Quotidien Du Tourisme*, *Univers Des Voyages*
- Germany
TV: n-TV, ZDF Reiselust TV, ARD TV, n24 TV
Radio: hr3; Radio FFH, Radio Jump, hr4, Spreeradio 10.5
Print media: *Maxim* magazine, *Handelsblatt*
Travel trade media: *Touristik Aktuell*, *Travel Talk*
- Holland
TV: rtv
Print media: *Nobiles* magazine, *Flair* magazine, *Red* magazine, *Volkskrant*
Travel trade media: Reis Revue
- Italy
TV: TV Moda
Print media: *CondeNast Bridal*, *Panorama* magazine, *Flair* magazine
Travel trade media: *TTG Italy*
- United States
TV: NBC, ABC, A&E
Print media: *The Los Angeles Times*, *Chicago Tribune*, *Travel & Leisure*, *National Geographic Traveler*, *Shop Etc.* magazine
Travel trade media: *Travel Agent* magazine, *TravelAge West*, *Recommend* magazine, *Modern Agent*

- Canada
TV: CTV, Global TV, CBC, Fairchild TV
Print media: *Globe & Mail*, *National Post*, *Toronto Star*, *Lou Lou* magazine, *Fifty Plus* magazine
Travel trade media: *Travelweek*, *Tourisme Plus*, Canadian Travel Press, *GSA Travel* magazine
- Australia
Media Group: Nine Msn Network
TV: XYZ TV, Australian Broadcasting Corporation, Channel 7, Channel 9
Print media: *Sun-Herald*, *Cuisine* magazine, *Daily Telegraph*, *The Age*, *Vogue Living*, *Australian Gourmet Traveller*
Travel trade media: Traveltrade, Traveltalk Asia-Pacific
- New Zealand
Print media: *Sunday Star Times*, *Viva*, *New Zealand Herald*
Travel trade media: Travel Corp, *Travel Today*, New Zealand Traveltrade

Annex 7

Expenditure	2005-06 Baseline promotions (\$ million)	Discover Hong Kong Year (2005-07) (\$ million)
Trade Promotions		
(1) Trade Promotions	19.5	10.8
(2) Trade Familiarisation Visits	3.2	7.6
(3) Business Development	15.9	10.2
(4) Tourism Products Development	0.8	---
	39.4	28.6
Consumer Promotions		
(1) Overseas promotions and advertising	53.0	161.0
(2) Publications and promotional materials	19.8	---
(3) Support for Government overseas promotions	7.7	---
(4) Web promotions	6.9	---
(5) Best of the Best Culinary Awards	2.5	---
(6) Reinforced publicity in Mainland China	---	32.0
(7) Promotions for female segment	---	10.0
(8) Enhance community's awareness of 2006 Discover Hong Kong Year	---	1.3
(9) Strengthen destination experience and enhance decoration at entry ports	---	6.4
(10) Mega Event themed around Mid-Autumn Festival	---	28.1
(11) Promotions for major events and activities held in Hong Kong	24.0	---
	113.9	183.9
Public Relations Activities		
(1) Media Familiarisation Visits	9.0	---
(2) Overseas Publicity and Public Relations Activities	18.4	19.3
(3) Co-op Media Travel Guide	---	3.7
	27.4	23.0
Others		
(1) Strategy Planning & Market Surveys	19.3	5.7
(2) Organise Major International Events	---	34.7
(3) Funding support from the Reserve to organise the Hong Kong Shopping Festival	12.0	---
	31.3	40.4
Total	212	275.9