

For discussion
3 November 2003

Legislative Council Panel on Economic Services

Progress Report on the Global Tourism Revival Campaign

Purpose

This paper reports the progress of the Global Tourism Revival Campaign (the Campaign) implemented by the Hong Kong Tourism Board (HKTB) as part of the Economic Relaunch Programme promulgated in the wake of SARS during the second quarter of 2003.

Background

2 At the meeting of the LegCo Panel on Economic Services held on 12 June 2003, Members were briefed on the proposals to attract tourists to Hong Kong with a view to achieving recovery in the tourism and related industries. The Campaign was launched on 23 June 2003 upon Hong Kong's delisting as a SARS affected area by the World Health Organization.

The Campaign

3. The Campaign is implemented in two phases. Phase 1 covered various promotional activities between 23 June and 15 September 2003, including the following –

- to publicise the delisting of Hong Kong as a SARS affected area internationally
- to generate positive media coverage
- to organize familiarization visits for the trade and media groups
- to participate in major international trade shows
- to promote Hong Kong's strength as a convention / exhibition destination

- to run the “Hong Kong Welcomes You!” promotion to attract visitors back with travel offers
- to stage two mega-events (Strato-Fantasia and Mid-Autumn Lantern Celebration)

4. The launching of a new global advertising campaign “Hong Kong – Live it, Love it!” in mid September 2003 kick-started Phase 2 of the Campaign, comprising various consumer and trade promotion programmes. A number of mega-events have been held or are being planned, including the Hong Kong International Musical Fireworks Competition in October 2003, Hong Kong Winterfest in December 2003 and the International Chinese New Year Night Parade in late January 2004.

5. A total of HK\$379 million has been allocated to the HKTB for the Campaign under the Economic Relaunch Programme. For Members’ information, the Hong Kong Tourism Board has prepared at Annex A, a rundown of this campaign and the progress so far.

6. In response to the request by the LegCo Panel on Financial Affairs (further to the special meeting held on 11 October) to provide more details of the project items covered by Economic Relaunch Programme, we have prepared a breakdown of the \$379M funding and the actual spending as at 15 September at Annex B for Members’ information. The Campaign is still underway. Funds are already earmarked for forthcoming programmes as part of the overall allocation.

Recent tourism performance

7. The tourism sector has rebounded very quickly since the SARS was over. HKTB’s promotional efforts have proved to be successful in restoring visitors’ confidence and tourist arrivals to pre-SARS level within a short period of time. The tourism industry has been hard-hit by SARS as visitor arrivals dropped significantly by 65% and 68% in April and May 2003 respectively as compared to same period last year. By July, we welcomed over 1.29 million visitors, which was an increase of almost 80% over June. In August, we welcomed over 1.64 million visitors, a growth of 9.6% from August 2002 and it was the second highest monthly arrival on record. The growth momentum sustained in September and visitor arrivals continued to grow by 8% as

compared to the same month last year. This was record setting for that month. Hotel occupancy has also climbed up from 18% in May to 88% in August.

8. While there has been a significant increase in Mainland visitors in the past few months due to pent-up demand and the implementation of the Individual Visit Scheme, our long-haul markets have yet to recover fully. In August, except for Mainland China, all other markets still recorded a reduction in visitor arrivals by 13% - 29% as compared with the same period last year. It is therefore necessary to continue our promotional efforts to ensure sustainable recovery and reinforce Hong Kong's position as the leading destination in Asia.

Advice Sought

9. Members are invited to note the progress report.

Tourism Commission
Economic Development and Labour Bureau
November 2003

Progress Report of the Hong Kong Tourism Board's Global Tourism Revival Campaign

The **Global Tourism Revival Campaign (the Campaign)**, initiated by Hong Kong Tourism Board, was put into operation immediately upon Hong Kong's delisting as a SARS affected area by the World Health Organization (WHO) on 23 June 2003, although planning and preparation work had begun well before that. It has since been implemented in two principal phases as set out below.

Objectives

2. The Campaign was designed to achieve both short-term and long-term objectives:
 - Phase 1 was intended to **attract back early visitors** through irresistible travel offers, take initiatives to **maximise their spending**, which would thereby **stimulate local consumption** through the “spill over” effect and **achieve a rapid recovery** for the tourism and related sectors. Through various special welcoming activities, it was also designed to **create positive “word of mouth”** for Hong Kong's hospitality overseas, so **generating continued arrivals growth**.
 - Phase 2 focuses on the longer-term objective to **ensure a sustained recovery**, and to **reinforce Hong Kong's leading destination position in Asia**. This is being achieved through a continued series of mega-events that can **keep Hong Kong in the international spotlight** and **sustain visitors' excitement**, and the launch of a comprehensive new global advertising campaign.

Campaign Strategies and Results – Phase 1 (23 June– 15 September 2003)

3. Promotional activities began on the same day as Hong Kong’s delisting, 23 June, when a press conference led by SEDL and the HKTB Chairman was held to announce the start of the Global Tourism Revival Campaign.

4. To achieve the Phase 1 campaign objectives, the HKTB used concerted PR activities to spread the good news – adopted the “Seeing is Believing” approach to bring the overseas travel trade to come and see for themselves that Hong Kong was safe to visit; started a series of overseas market visits; targeted the high yield segments with special promotions; ran a 2-month “*Hong Kong Welcomes You!*” promotion; organised a “Welcome Day” to create an extra publicity splash; and staged two mega-events to provide non-stop excitement to visitors.

Media and other PR activities

5. Immediate efforts by the HKTB to **spread the delisting message internationally** included a series of 16 media interviews with the Chairman or ED to spread the message, and the distribution to 69 countries worldwide of video news reels showing life getting back to normal. In addition, all six mobile phone operators were mobilised to send SMS messages to their local customers, urging them to pass the good news to their overseas friends and relatives and invite them to visit Hong Kong.

6. To further **generate positive media coverage**, some 66 media guests were invited within two weeks of delisting to come and experience the city’s rejuvenation for themselves. Through its worldwide office network, the HKTB also took the opportunity to secure “reverse publicity” in overseas markets of high profile activities taking place in Hong Kong. For example, reverse publicity leveraging on the Louis Vuitton regional conference held in late June was used **to revive the high-yield conference and exhibitions segment**.

7. Over the whole Phase 1 campaign period, 37 major interviews were arranged for local media and foreign correspondents in Hong Kong, 26 executive speaking engagements were conducted to brief various sectors about

the Campaign, 4 video news releases were distributed and another 520 media guests were hosted from all over the world. Meanwhile further positive coverage was generated through reverse publicity of **visits by high profile celebrities** including Liverpool and Real Madrid football teams, Yao Ming and other top basketball stars, Olympic skater Michelle Kwan and Japanese superstar Yuming.

8. Hong Kong's own Tourism Ambassador, Jackie Chan, personally welcomed several groups of his fans arriving on **special "Meet Jackie" packages** at the Airport, creating extensive publicity in their home markets.

Key Points

- 5 video news reels released to 368 stations in 69 countries
- Reverse publicity secured for 7 high profile celebrities/activities in Hong Kong
- 586 media guests invited to Hong Kong on familiarisation programmes
- 79 media interviews and speaking engagements conducted

Travel Trade Activities

9. **Adopting a "Seeing is Believing" strategy**, the HKTB brought members of the travel trade to Hong Kong **to witness the revitalisation for themselves**. In the initial stage, 370 overseas travel trade representatives were invited from 10 markets. The HKTB also collaborated with 64 hotels to **encourage front-line travel trade staff from overseas to visit Hong Kong** with their friends or family, through a "Rediscover Hong Kong" programme offering deeply discounted room rates.

10. As the Phase 1 campaign progressed, the HKTB further stepped up its travel trade familiarisation programme. In total, over 1,500 trade representatives from 17 different markets came to **experience Hong Kong's new tours and attractions**. Another 300 agents from markets with high revival potential joined *Contract Hong Kong* workshops to **hold contracting sessions** with 1,000 local travel trade members. In addition, 60 incentive travel agents and corporate buyers from South & Southeast Asia joined an **incentive familiarisation visit** called *Imagine Hong Kong*.

Key points

- 1,930 travel trade representatives including 46 trade groups from 17 different markets invited to Hong Kong on familiarisation programmes
- 1,200 room nights sold to overseas front-line staff in “Rediscover Hong Kong” programme
- New products launched by tour operators after visiting Hong Kong, which is a strong show of their confidence in relaunching Hong Kong
- 1,300 local and overseas travel trade members joined *Contract Hong Kong* workshops

Market Visits, Travel Missions, Roadshows, Trade Shows

11. The HKTB also **carried the welcome message internationally** by launching a programme of travel missions for the Hong Kong travel trade to meet with their counterparts in key markets, starting with Guangdong as the market most ripe for recovery. On 4 July, 150 Hong Kong trade representatives met 200 Guangdong agents in Shenzhen, while SEDL and HKTB officials held co-operation discussions with the Guangdong Provincial Tourism Administration on the same day.

12. Subsequent travel missions were arranged to South Korea (8-9 Jul); Australia (16-18 Jul); Japan (21-23 Jul); Fuzhou to support Government’s “Fujian Hong Kong Week” (18-27 Aug); and Beijing (26-27 Aug)

13. The HKTB also **participated in major international trade shows**, notably Trailblazers (London, 28 Jul–1 Aug) and IT&ME (Chicago, 16–18 Sep), increasing Hong Kong’s presence by at least 50% in booth scale and number of participants.

Key Points

- 6 out of 28 planned roadshows held within nine weeks of delisting
- A record-breaking 1,360 Hong Kong travel trade members joined market visits, travel missions, roadshows and international trade shows

High yield business

14. To help **retain conventions, exhibitions and corporate meetings business**, letters or e-mails were sent immediately after delisting to over 3,000 event organisers emphasising that Hong Kong now had the WHO's "all clear". Similar messages were sent to major cruise line operators to **provide reassurance and confirm upcoming ship calls**.

15. Other initiatives included a direct mailing exercise through the American and Hong Kong General Chambers of Commerce and mobilisation of professional organisations through the Hong Kong Convention Ambassador programme. As a co-organiser, the HKTB took advantage of the staging of the first Asian Exhibition Forum in Hong Kong in late August to **promote the city's strengths as a convention/exhibition destination**.

16. To **revitalise the cruise market**, the HKTB arranged a "homecoming" celebration for *SuperStar Leo* on 31 July and worked with Star Cruises to develop special cruise packages around this event.

Key Points

- 93 events confirmed between June and December 2003, expected to attract 200,000 international delegates
- 5,450 direct mailings sent to Convention Ambassadors and Chambers of Commerce
- 26 international ship calls confirmed in Hong Kong for 2004 and 2005

"Hong Kong Welcomes You!" promotion (13 July to 15 September)

17. To **step up its efforts in luring visitors back** with irresistible travel offers, **make them feel extra welcome** when they arrived, and **stimulate their spending** in Hong Kong, the HKTB launched a two-month *Hong Kong Welcomes You!* promotion on 13 July. The launch date coincided with the BoAo/World Tourism Organization Forum from 13-15 July, when the HKTB laid on a spectacular laser and light show and pre- and post-conference tours for the high-profile international delegates.

Irresistible travel offers

18. As a prelude to the promotion, a series of tactical promotions was launched **to test response in various markets/sectors** thought most amenable to attractive early offers, e.g. Korea, Thailand, the Philippines, Australia and younger travellers. Some 10,000 packages were sold.

19. The HKTB **secured excellent support** from its local and international trade partners for *Hong Kong Welcomes You!*, including some **unprecedented levels of co-operation in what is often a fiercely competitive industry**. Cathay Pacific, Dragonair and other airlines serving Hong Kong sponsored over 28,000 free tickets for trade and media visits and to support HKTB's promotions around the world. All major hotels launched a 3-nights-for-2 "Be our Guest" offer, which sold 100,000 room nights.

20. Through **tactical co-operation with the travel trade**, over 100 consumer promotions were conducted in various markets. In Taiwan, for example, four airlines and 12 major wholesalers joined a "2 for 1" promotion which sold 21,000 packages within a week of Taiwan lifting quarantine restrictions. The HKTB also **forged partnerships with commercial organisations** such as Kookmin Bank in Korea and SOGO in China to offer special packages to their customers, while local partners including Octopus cards, Metro Radio and Heli Hong Kong enhanced the packages with value-added offers. Overseas agents organised **special Hong Kong packages around major events** like the Real Madrid football match, taking advantage of the special ticket allocations provided to HKTB.

Key Points

- Unprecedented co-operation forged among travel trade competitors
- Over 100 consumer promotions conducted and 224,000 super-value packages sold through co-op tactical promotions with trade
- 100,000 hotel room nights sold under the "Be Our Guest" promotion
- 4 million direct mailings to consumers through strategic partner co-op

Destination Programmes to stimulate spending

21. All visitors arriving in the period immediately after delisting received a welcome letter, while SMS welcome messages were sent to those with roaming mobile phones.

22. This welcome initiative was extended with the launch of *Hong Kong Welcomes You!* All visitors received a special “Welcome Pack” on arrival, including a “Welcome Passport” offering **exclusive visitor privileges** at over 150 participating merchants. Over 1.5 million were distributed. Another 4,000 merchant outlets provided “Welcome Offers” to visitors to **enhance their shopping and dining experience** around town.

23. As a further means of **attracting visitors** and **stimulating both local and visitor spending**, the HKTb launched the two-month-long Hong Kong Super Draw on 1 August, with prizes worth over HK\$15 million in total. With the support of some 10,300 participating merchant outlets, 37 shopping malls, 170 travel agents, all public transport and 16 associations representing 16,000 taxis, this was **Hong Kong’s largest ever citywide lucky draw**, attracting over HK\$2.67 million worth of local media coverage alone. Close to 1 million entries were received which **generated at least \$300 million of spending**.

24. New tours were developed in conjunction with the trade to give early visitors an **expanded range of sightseeing options**. These will now continue as part of the regular tour portfolio, as many will have **strong appeal to individual travellers** from the Mainland and elsewhere.

Key Points

- 150 merchants recruited to provide special visitor privileges in Welcome Pack and another 4,000 to provide other welcome offers
- 1.5 million Welcome Packs distributed during the 2-month promotion
- 60,000 redemptions of welcome privileges, contributing about HK\$10 million to the economy

- Largest ever citywide lucky draw in Hong Kong with participation of 10,300 merchants and over HK\$15 million of sponsored prizes, stimulating at least HK\$300 million worth of cross-industry spending
- 6 new tours with appeal to individual travellers developed and added to regular tour portfolio

Welcome Day (17 August)

25. To **create an extra publicity splash** in the middle of the *Hong Kong Welcomes You!* period, Sunday 17 August was designated a special “Welcome Day”, featuring a series of world-leading events.

26. **Special travel packages built around the Welcome Day events** attracted more than 2,500 paying customers from 15 different markets, while the HKTB also took the opportunity to **invite some 800 leading travel trade and media representatives** to Hong Kong as VIP guests.

27. A highlight was the first performance of *Strato-Fantasia*, the first of the HKTB’s mega-event series, launched by the Chief Secretary on the Wan Chai waterfront. Another was a Welcome Banquet for over 3,000 visitors and local VIP guests, with the menu created from winning dishes in the HKTB’s Best of the Best Culinary Awards.

28. In total, the **Welcome Day events alone generated over HK\$97 million worth of publicity**, as well as some strongly positive visitor and guest feedback. Close to 200 complimentary messages were received from the 800 invited guests.

29. The HKTB also took this opportunity to arrange a business forum for the visiting trade guests on the following day, 18 August, when they were joined by over 300 local trade partners for an update on the second phase of HKTB’s revival campaign, including the global advertising campaign and events to follow. They were also briefed on the Government’s tourism infrastructure development programme, especially Disneyland. This was the **largest international travel trade business forum held in Hong Kong**.

Key Points

- 2,500 consumers attracted by special Welcome Day packages
- HK\$97 million publicity value generated from this day alone. Close to 200 complimentary letters received from the 800 invited guests
- Strong sense of Hong Kong's revitalisation instilled in travel trade visitors, along with strong commitment to sell Hong Kong on their return.

Mega-Events Programme held in Phase 1 of the campaign

30. The HKTB's mega-events programme aims to **ensure the recovery can be sustained by providing non-stop excitement for visitors** and by **giving the overseas travel trade new opportunities to package Hong Kong** attractively for visitors of all ages and interests. The five mega events span both Phases 1 and 2 of the revival programme.

31. All the mega-events are designed to **capitalise on the beauty of Victoria Harbour at night**, Hong Kong's most priceless natural tourism asset. They are also intended to **generate international publicity for Hong Kong** by creating world "firsts", and thus **reinforce the city's standing as Asia's world city** and its reputation as the Events and Entertainment Capital of Asia.

32. ***Strato-Fantasia***, a spectacular multi-media stratosphere show, was the **first of its type in Asia** and featured the **largest sphere yet seen anywhere in the world** at 65 metres high. Its 46 shows between 17 August to 15 September were enjoyed by over 400,000 people and achieved media publicity value in excess of HK\$80 million.

33. Running throughout September, the ***Mid-Autumn Lantern Celebration*** was **designed to capitalise on visitor interest in traditional Chinese festivals, which is particularly strong among long-haul travellers**. The **world's largest lantern** was created in Victoria Park; two special "Wishing Lantern Trails" were set up; the first-ever Lantern Boat Parade was staged in the harbour and visitors had the chance to ride a hot-air balloon in urban Hong Kong for the

first time. Many overseas travel agents organised packages around this second mega-event and **special tours were developed** for in-town visitors.

Key Points

- World's largest stratosphere show, drawing global attention to beauty of harbour by night
- World's largest lantern created at Mid-Autumn mega-event, alongside many other "firsts"
- Over 800,000 attendees at the first two mega-events
- HK\$110 million of local international publicity generated (included in HK\$1.043 billion)
- Nearly 200 special tour packages offered, featuring these events in their itinerary

Phase 2 : Global Advertising Campaign (September 2003 onwards)

34. As a further means of **sustaining the tourism revival and strengthening Hong Kong's diverse and sophisticated destination image**, the HKTB launched a new global advertising campaign in mid-September.

35. To counteract any negative perceptions after SARS, the campaign takes an **emotional approach**. Its theme "Hong Kong – Live it, Love it!" aims to convey the message that **visiting Hong Kong is a unique experience** that will touch one's every sense. By highlighting the destination's diversity, it also aims to counter the "seen it all, done it all" syndrome.

36. The campaign is now being rolled out across **16 markets which between them, account for 92% of all current visitor arrivals**. It is spearheaded by a new TV commercial featuring Jackie Chan welcoming visitors to his home, Hong Kong, to be screened in 30 major cities worldwide. In Hong Kong alone, an early screening of the commercial on six local TV channels in Hong Kong, designed to create support for the campaign among the community

and equip them to be better hosts, reached **1.75 million viewers** and achieved a **59% awareness rating**.

37. On the consumer side, it is being supplemented by a programme of **integrated global marketing activities** including high-profile launch promotions, newspaper and magazine advertising, public relations activities, roadshows, participation in consumer fairs and a on-line game to extend the campaign's reach through the power of the Internet. There will also be tie-ins with major TV productions including the *Romancing Hong Kong* drama series starring Aaron Kwok, reaching **300 million households** in Mainland China, Taiwan and Southeast Asia; and with National Geographic's Action Asia Challenge.

38. On the trade side, it will be supported by a continuing programme of overseas trade missions, workshops and familiarisation trips for agents, and participation in all the major international travel trade shows, all **designed to build on the "Live it, Love it!" theme**. Special initiatives will be taken to target the high-yield conventions, exhibitions, corporate meetings and cruise sectors.

39. Now the Campaign has been launched, the HKTb is implementing Phase 2 of its international consumer tracking study to gauge the perception towards Hong Kong of travellers in major source markets. Phase 1 was conducted in June when Hong Kong was still listed as a SARS affected area; it highlighted the need for certain markets to be reprioritised in the wake of consumer sentiment, and for the revival campaign plans to be kept as flexible and responsive as possible. A Phase 3 study will follow at the end of the campaign in mid-2004, providing insight into how consumers' perceptions have changed.

Mega-Events Programme held in Phase 2 of the campaign

40. The *Hong Kong International Musical Fireworks Competition* in early October was intended to **showcase the city's international meeting of cultures**, as well as the spectacular harbour setting, with teams from Italy, Japan and the US coming to compete alongside Hong Kong. It was **Asia's first international fireworks contest synchronised to music** and was watched by more than

750,000 visitors and residents, as well as attracting live TV coverage across the region, reaching 240 million viewers.

41. Discussions with the travel trade are already well under way on packaging the remaining two events of the programme. *Hong Kong WinterFest*, an event successfully pioneered by the HKTB in 2002, will **bring together the many different Western seasonal festivities and Chinese traditions** that blend together in and around December, including the winter seasonal foods, Christmas shopping promotions and the international horseracing. It will also **complement the Government's new Harbour Lighting Show** to be launched in December. The *International Chinese New Year Parade* in late January, now a well-established event, **will be held at night for the first time**.

42. The HKTB will also publicise to visitors other public and private sector events with international appeal, such as HarbourFest and the Standard Chartered Marathon.

Other planned activities

43. Responding to the **increased demand from individual Mainland travellers for quality-assured shopping and dining**, and riding on its strengthened partnership with local merchants, the HKTB will expand its successful Quality Tourism Services (QTS) Scheme from December onwards, to include enhanced product protection. Launched in 1999, this scheme provides visitors with assurance of quality services when they patronise QTS outlets.

44. Special **new promotions targeted at the business and family sectors** will be launched from November 2003 onwards. The business promotion is aimed at **increasing the length of stay and spending** of this important, high-yield sector. The family promotion aims to **strengthen Hong Kong's image as a family destination** ahead of the opening of Hong Kong Disneyland targeted in 2005.

45. **Promoting dining as one of Hong Kong's core strengths**, the finals of the 2003 Best of the Best Culinary Awards will be held on 19/20 November. Now in its third year, this competition has proved immensely popular with both visitors and the catering industry, stimulating restaurant spending and

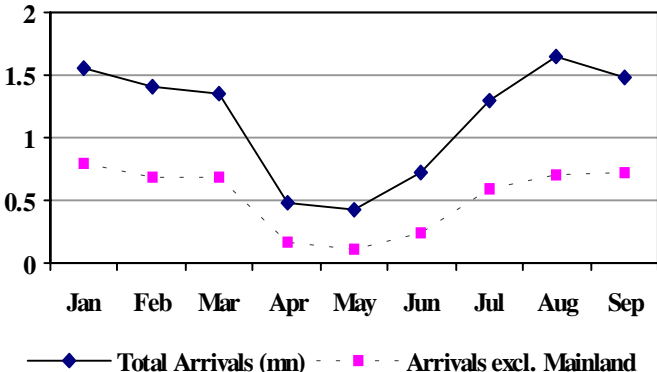
reinforcing Hong Kong’s reputation as the Culinary Capital of Asia. Of this year’s 156 entering establishments, 45 are first-time participants.

46. **Showcasing Hong Kong’s pre-eminence as a centre of movie making and movie stars**, the HKTb will launch the *Avenue of Stars*, a new attraction on the Kowloon harbourfront in the style of Hollywood Boulevard.

Conclusions

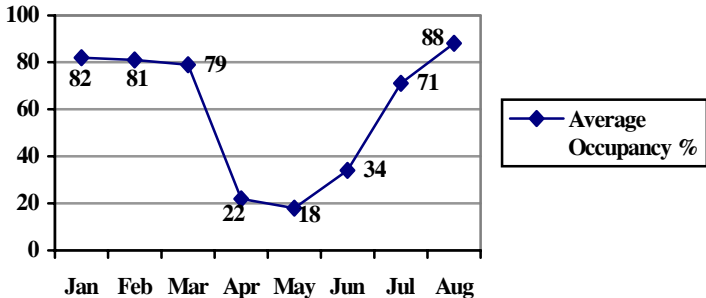
Recovery in Arrivals and Hotel Occupancy

47. Not only has the objective of restoring arrivals to pre-SARS levels been met with a steady recovery to positive growth from a nadir of nearly 68% in May, but August arrivals were the second highest monthly total on record and September the best ever for that month.



2003	Arrivals	Growth (y-o-y)
Jan	1,545,978	+31.0%
Feb	1,408,611	+26.2%
Mar	1,347,386	+3.9%
Apr	493,666	-64.8%
May	427,254	-67.9%
Jun	725,236	-38.2%
Jul	1,291,828	-5.6%
Aug	1,644,878	+9.6%
Sep (prov)	1,478,697	+7.9%

48. Similarly, average hotel occupancy recovered from 18% in May to 88% in August.



Publicity value generated

49. A **total media publicity value of HK\$1.043 billion** has been generated for activities held during Phase 1 of the campaign, measured up to 10 October. This comprises HK\$1.018 billion in international coverage and HK\$25 million in local coverage. Media guests invited to Hong Kong have observed that **all Hong Kong's core strengths remain intact**.

50. A **strong feeling of Hong Kong's revitalisation** has been instilled in the local and overseas travel trade and their **commitment to sell Hong Kong** has been strengthened.

Other positive benefits

51. As well as **accomplishing its immediate objective** of a recovery in visitor arrivals, the HKTB's Global Tourism Revival Campaign has **achieved many other positive benefits** for Hong Kong's tourism industry and consequently, the economy at large. These will have lasting value.

52. Foremost among these benefits is the **unprecedented levels of co-operation engendered** across all sectors of the tourism and related industries. Not only has the HKTB taken the opportunity to strengthen its partnerships with the local and international travel trade, it has also mobilised support for its promotions from the entire Hong Kong business community. This has **maximised the benefits to the economy at large** and laid the foundation for continued cross-sector co-operation on future projects. Through its various revival activities, the HKTB is **building a platform on which its trade partners can increase and develop their business**.

Outlook for further recovery

53. While the HKTB expects the positive trend to continue in the coming months, it is anticipated that **the pace of the recovery will become more**

gradual as most of the pent-up demand has already been satisfied and the irresistible travel offers have run their course.

54. The HKTB's promotional efforts in the coming months will be aimed at ensuring the recovery is sustained and **maintaining a balanced international portfolio of visitors** from all markets, in keeping with Hong Kong's status as Asia's world city. This is important as a significant factor in the recovery to date has been the resurgence of visitors from the Mainland, further stimulated by the new visa relaxations allowing residents of Beijing, Shanghai and eight Guangdong cities to visit Hong Kong as individuals. All other markets currently remain in negative overall growth for the year, although the gap is now steadily narrowing.

55. It is expected that **a full recovery across all markets will not be seen until some time in 2004**, especially the long-haul markets in which leisure business cannot be fully regained until the next peak holiday season.

56. Special attention will be given to these markets and others that are taking longer to recover such as Japan, which has always been very sensitive to health issues. Any new outbreak of SARS this winter, whether in Hong Kong or elsewhere in Asia, could affect consumer sentiment to travel in the region. A degree of flexibility has been built into the remainder of the campaign to allow for such eventualities.

57. Notwithstanding these concerns, the HKTB is confident that its new global advertising campaign, coupled with the impact of the mega-events and the various trade and consumer promotions outlined, will **continue to achieve a steady regeneration of arrivals, and strengthen Hong Kong's image as Asia's preferred destination.**

58. The HKTB would like to express its thanks to the HKSAR Government and to all Members of the Legislative Council for their strong support throughout this challenging time.

Hong Kong Tourism Board

November 2003

Annex B

**Global Tourism Revival Campaign
Updated funding position**

Programmes	Approved allocation (HK\$)	Actual spending (as at 15.9.2003) (HK\$)
1. Trade and consumer promotions including trade shows, website marketing, roadshows, campaigns promotions;	27,000,000	10,800,000
2. Hosting of familiarisation visits and programmes for trade and media;	33,000,000	8,300,000
3. Worldwide advertising targeted at key source markets;	157,000,000	16,400,000
4. PR promotions and activities including worldwide roadshows in 28 cities;	53,000,000	17,000,000
5. Tracking studies to track travellers' perception of HK;	7,000,000	2,400,000
6. Destination happenings & promotions e.g. shopping & dining promotions, Welcome Pack & card, Mega Events and themed activities.	102,000,000	41,500,000
TOTAL	379,000,000	96,400,000