

Legislative Council Panel on Economic Development

2016 Policy Address

Policy Initiatives of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

Our Vision

To encourage industries to expand and thrive and to provide better employment opportunities, we need to diversify our economy and achieve sustainable growth. Hong Kong is one of the freest economies in the world. While respecting the functions of a market economy, the Administration should be appropriately proactive, and take a more active role to facilitate the long term economic development of Hong Kong.

Tourism

Tourism performance and tourism promotion strategy

2. After the rapid growth over the past ten years, Hong Kong's tourism industry has entered a consolidation period. Our tourism industry should not aim solely at continuous growth in terms of visitor arrivals figures. Therefore, the HKSAR Government already emphasised last year that our tourism industry needed to pursue balanced, healthy and long-term development towards product diversification and high value-added services. Over the past year, regarding tourism policy, after we had reflected our views to the Central Government, the Mainland introduced "one trip per week" Individual Visit Endorsements for Shenzhen. As for promotion, we requested the Hong Kong Tourism Board (HKTB) to step up promotion efforts in overseas markets, particularly the Southeast Asian markets. Specific measures included allocating resources to support the HKTB in running focused and targeted promotion, and rolling out a matching fund to support overseas promotion by tourist attractions.

3. These measures have begun to deliver results. Visitor arrivals overall are generally stable. The total visitor arrivals to Hong Kong registered a slight decrease of 2.5% as compared with 2014. The drop of Mainland visitor arrivals to Hong Kong did not come unexpected in the light of a range of external factors, in particular exchange rates. Non-Mainland visitor arrivals (including Southeast Asian and long-haul overnight visitor arrivals) saw signs of a pick-up at the end of last year, with a year-on-year increase of about 5% in the fourth quarter of last year.

4. Given the change in the mix and spending pattern of visitors to Hong Kong, and in view of the competition posed by other travel destinations in the region, Hong Kong's tourism industry needs to pursue product diversification and high value-added services. We will take forward our work in the following areas.

Reinventing Hong Kong's tourism image

5. After years of growth of Hong Kong's tourism industry, there is a need to review our positioning and strengthen promotion about Hong Kong's diversified travel experiences, including the merits of Hong Kong as a gourmet paradise in the region, as opposed to the past approach which revolved mainly around shopping. To reinvent Hong Kong's tourism image, we have tasked the HKTB to start looking into and formulating the new image as well as the corresponding market positioning and promotion strategy. We hope to highlight the edges of Hong Kong's gourmet culture in future promotion efforts, such as featuring the attractiveness of Hong Kong's gourmet through international media, and inviting Hong Kong chefs to perform at overseas promotion activities of the HKTB.

6. Besides, the HKTB will continue to focus its marketing work on 20 source markets, with its main objective being to attract overnight visitors to Hong Kong. To maintain a diverse visitor portfolio, the HKTB will invest about 75% of its resources in the overseas markets. The remaining will be allocated to the Mainland market, with the bulk going to the non-Guangdong provinces. The HKTB will also strengthen promotion in short-haul markets with growth potential and in various new markets to increase the desire of consumers of these

markets to visit Hong Kong.

Developing new travel experiences and enriching tourism products

7. We will pursue greater diversification of tourism products to attract more overnight and high value-added visitors. We plan to roll out or strengthen the development of the following initiatives in the year ahead:

- (a) to promote our local animation and comic industry to the general public and visitors, we are providing support to the trade in setting up a theme-based exhibition area featuring local comic characters adjacent to the Golden Bauhinia Square. The project can highlight Wan Chai District's tourist appeal with cultural and creative elements;
- (b) the Mega Events Fund will provide financial support to "Lumières Hong Kong" which will be staged in Hong Kong for the first time. The event will feature light effects and projections as well as light installations on some selected buildings in the Central and Western District to promote Hong Kong's history and culture to our visitors;
- (c) the "Big Station" in Central District (i.e. the former Central Police Station Compound) will be open in phases this year as a new feature amidst the ever-growing ambience of culture and arts in the vicinity. We will task the HKTB to strengthen promotion through linking up the various attractions in the district with a view to enriching our cultural tourism;
- (d) apart from the popular mega events organized by the HKTB, including the International Chinese New Year Parade, the Hong Kong Dragon Boat Carnival, and the Hong Kong Wine and Dine Festival, etc., many spectacular sports events will be staged in Hong Kong this year, including the FIA Formula E Championship to be introduced to Hong Kong for the first time in October, the Hong Kong Sevens, the Hong Kong Cyclothon, the Hong Kong Tennis Open and the golf tournament Hong Kong Open, etc;

- (e) as regards cruise tourism, we will continue with our promotion efforts through the HKTB, including launching strategic promotion campaign in collaboration with international cruise lines; and promoting regional collaboration, such as making use of the Asia Cruise Fund to pool together the financial incentives of neighbouring ports for cruise lines and hence inducing them to deploy more cruise ships to berth at Hong Kong; and
- (f) on Meetings, Incentive travels, Conventions and Exhibitions (“MICE”) tourism, the HKTB will continue to strengthen the promotion of Hong Kong as the premier MICE destination in the region and partner with the professional associations and convention organizers, so as to attract more MICE events as well as MICE visitors with high-spending power to Hong Kong.

Plans for further expansion in the Ocean Park and the Hong Kong Disneyland

8. In view of the intensifying competition among theme parks in the region, the two theme parks in Hong Kong have each outlined a series of development plans to maintain their competitiveness.

9. The Ocean Park is developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan, which is expected to be completed in the second half of 2018. The construction works of the Park’s first hotel, namely Hong Kong Ocean Park Marriott Hotel, has also commenced for completion in 2017. Besides, the Ocean Park is also conducting the tendering exercise of the Fisherman’s Wharf Hotel development. We will continue to facilitate the Ocean Park in its implementation of the aforementioned development projects.

10. The Hong Kong Disneyland has been continuously introducing new attractions and entertainment offerings in order to enhance its attractiveness. The Hong Kong Disneyland commenced the 10th Anniversary Celebration last year, and launched a new stage show “Mickey and the Wondrous Book”, a new attraction “ Fairy Tale Forest”, and new castle video projections which blend with the night time fireworks show “Disney in the Stars”. On the other hand, a new themed area based on Marvel’s “Iron Man” franchise and a new hotel

with a theme dedicated to the spirit of exploration will open in 2016 and 2017 respectively. On long-term development, the Government is discussing the future development of the Hong Kong Disneyland Resort (including the Phase 2 Expansion) with The Walt Disney Company.

11. In addition, the HKSAR Government is planning the development concerning the tourism node of Kai Tak Fantasy and Lantau with a view to developing these two strategic locations into new tourism attractions.

Competition Policy

Fully implementing the Competition Ordinance

12. The Competition Ordinance (CO) fully commenced on 14 December 2015. Since its establishment in 2013, the Competition Commission (the Commission) has published a number of guidelines and policy documents to explain the way it implements the CO and to help the public comply with and make the best use of the CO. While enforcing the CO, the Commission will continue its publicity and education effort in order to increase the public's understanding of the CO, and maintain close liaison with the Communications Authority¹.

Consumer Protection

Continuing with the full implementation of the amended Trade Descriptions Ordinance to enhance protection for consumers against unfair trade practices

13. The Trade Descriptions Ordinance (the Ordinance) (as amended by the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012) came into full implementation on 19 July 2013. It has strengthened the protection of consumers by criminalising common unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch, and wrongly accepting payment. It

¹ According to the CO, the Communications Authority has concurrent jurisdiction with the Commission regarding the conduct of undertakings in the telecommunications and broadcasting sectors.

has also introduced a civil compliance-based mechanism to encourage compliance by traders and stop identified non-compliant practices expeditiously.

14. As the enforcement agencies of the Ordinance, the Customs and Excise Department and the Communications Authority adopt a three-pronged approach –

- (a) compliance promotion – conducting briefings for and proactive visits to different business sectors to explain the legal requirements under the Ordinance and to provide guidance on measures that should be taken for complying with the Ordinance;
- (b) enforcement – actively handling enquiries and complaints, conducting regular surveillance and spot checks, and taking timely enforcement actions in cases with significant implications on consumers, the trade or the community at large; and
- (c) public education and publicity – coordinating with the Consumer Council in launching extensive publicity and education programmes to raise consumers’ awareness of the prohibited unfair trade practices, promote the concept of “shopping smart”, and promote good practices amongst traders.

15. We will continue to keep in view the effectiveness of the Ordinance in tackling unfair trade practices that may be deployed in consumer transactions.

Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
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