

For Information

**Legislative Council Panel on Commerce and Industry
Subcommittee on Issues Relating to the Stimulation
of Hong Kong's Economy**

Initiatives Supporting Tourism in the 2021-2022 Budget

Purpose

This paper sets out the initiatives supporting tourism as announced by the Government in the 2021-2022 Budget for Members' information.

Background

2. Since the second half of 2019, the riots and the outbreak of the epidemic have dealt a heavy blow to the tourism industry. In 2021, the tourism industry still bears the brunt of the negative impact arising from the epidemic, with a decrease of 99.5% in visitor arrivals to Hong Kong to only about 17,000 in the first three months of the year. Apart from providing Government support of a cumulative commitment of some \$2.6 billion in total to the tourism industry through the Anti-epidemic Fund, the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme, the Government will also earmark \$934 million to enhance tourism resources. Relevant details are elaborated in the ensuing paragraphs.

Allocating provisions to the Tourism Commission (TC) to continue to take forward local cultural, heritage and creative tourism projects

3. In 2021-22, the Government will allocate \$169 million to TC for it to continue to take forward local cultural, heritage and creative tourism projects, and to continue to improve the facilities along hiking trails to develop more green tourism resources. The objective is to offer leisure and travel experience with rich historical and cultural elements to both locals and visitors. These projects include "City in Time", "Design District Hong Kong (#ddHK)", "Yim Tin Tsai Arts Festival" and "Enhancement of Hiking Trails - Phase II".

“City in Time”

4. The Government will allocate \$32 million to TC from 2021-22 onwards for taking forward the next phase of “City in Time” for three years to offer “now and then” experiences to visitors in more locations. The “City in Time” is a collaboration project involving TC and the School of Creative Media of the City University of Hong Kong, and it deploys augmented reality and creative multimedia technology through mobile application to bring back to life the history of individual landmarks of Hong Kong. It enables visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The project has been launched successively in the Central, Jordan, the Peak, Sham Shui Po, Tsim Sha Tsui and Yau Ma Tei in March and April 2021.

#ddHK

5. The Government will allocate \$42 million to TC from 2021-22 onwards for taking forward a new phase of #ddHK for another three years, with a view to continuing with promotion of distinctiveness of local neighbourhoods and enrichment of travel experience for visitors with creative and artistic elements. #ddHK is a creative tourism project jointly launched by TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation in 2018 for three years. Through various public artworks and creative events, it enhances the attractiveness of Wan Chai and Sham Shui Po Districts. During 2018 to 2021, various activities have been rolled out under the project, including display of more than 50 pieces of artworks at different locations in Wan Chai and Causeway Bay, and hosting of two fashion street events in Sham Shui Po. They have enriched the creative atmosphere, activated public space and showcase local cultural lives.

“Yim Tin Tsai Arts Festival”

6. “Yim Tin Tsai Arts Festival” is a three-year pilot arts cum cultural, historical and green tourism project organised at Yim Tin Tsai, Sai Kung by TC since 2019. The Government will allocate \$40 million to TC from 2021-22 onwards for taking forward a new phase of “Yim Tin Tsai Arts Festival” for three years, and the new phase will progressively extend activities to neighbouring islands.

“Enhancement of Hiking Trails - Phase II”

7. In order to promote green tourism, TC, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 for implementation of the “Enhancement of Hiking Trails - Phase I” to improve the tourism supporting facilities of some hiking trails within country parks which are popular and with tourism appeal. The enhancement works include improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points and enrichment of visitor information, etc. The Government will allocate \$55 million for taking forward the “Enhancement of Hiking Trails - Phase II”¹ from 2021-22 to 2025-26 to further enrich green tourism resources.

Additional provisions to Hong Kong Tourism Board (HKTB) to revive tourism industry

8. The Government will allocate \$765 million in 2021-22 to support HKTB in reviving the tourism industry. HKTB has formulated short and medium-to-long term strategies having regard to the market situations of Hong Kong and various source markets. In addition to boosting local ambience before resumption of cross-boundary travel, HKTB will continue to maintain Hong Kong’s international exposure and attract visitors to choose Hong Kong as their destination as soon as travel resumes, with a view to driving rapid recovery of the local tourism industry.

9. Short-term strategies include boosting domestic consumption (including “Holiday at Home”); leveraging various promotional campaigns to maintain Hong Kong’s international exposure; launching large-scale promotions to attract visitors when travel gradually resumes; and revamping Mainland strategy, increasing marketing resources in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), to attract leisure visitors.

¹ Phase II of improvements works will cover Lion Rock Historic Walk (Lion Rock Country Park), Shing Mun Historic Walk (Shing Mun Country Park), Aberdeen Reservoirs Walk (Aberdeen Country Park), Lantau Trail Section 3 (Lantau South Country Park), Wang Tsat Ancient Trail (Pat Sin Leng Country Park), Ng Tung Chai Waterfalls Trail (Tai Mo Shan Country Park), Luk Keng War Relics Trail (Pat Sin Leng Country Park), Tai Tun to Pak Tam Chung (Sai Kung West Country Park), Shek Lung Kung to Lin Fa Shan (Tai Lam Country Park) and Sweet Gum Woods to Wong Nai Tun Reservoir (Tai Lam Country Park).

10. HKTB will continue local promotions and gather and promote numerous offers from the trade through the “Holiday at Home” platform. Riding on the overwhelming response to the Spend-to-Redeem Free Tour programme, HKTB has launched a new “Staycation Delights” campaign in early April to boost local consumption and provide business opportunities to the hotel industry. Within the first few days after the launch of “Staycation Delights”, more than 90% of the quota had been reserved. The campaign was well-received by the hotel industry as it brought sustained business opportunities to the industry in low season. It also offered hotels with a chance to promote other accommodation and catering services to the public, boosting further consumption. When Government restrictions on local tours are lifted, HKTB will roll out Phase II of the “Free Tour” Programme.

11. In terms of medium-to-long term strategies, HKTB will conduct a holistic review of Hong Kong’s tourism brand and positioning, formulate long-term strategies, launch new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms, and work closely with international media to rebuild Hong Kong’s tourism image. Besides, HKTB will partner with other cities in GBA for global promotions to build the GBA tourism brand, and provide smart travel experience for visitors through a one-stop e-solution.

12. For the ongoing initiatives, HKTB will enhance its subsidy schemes and sponsoring trade’s participation in trade events to facilitate expedient business recovery; strengthen support to Meetings, Incentive Travels, Conventions and Exhibitions and cruise tourism, as well as their promotion, bid more international conferences to be hosted in Hong Kong, and strive to recover cruise tourism gradually; and organise mega events and supporting other events in town to maintain Hong Kong’s international exposure.

13. HKTB will maintain its existing agile approach with flexible strategies in responding to the volatile pandemic situation. When individual markets are ready to resume travel to Hong Kong, HKTB will immediately roll out targeted promotions in these markets to recover the source of arrivals as soon as possible. When the pandemic situation further improves, HKTB will launch large-scale promotions to make Hong Kong stand out among the fierce competition in the region, attract visitors to return, drive tourism recovery, and facilitate economic recovery.

Other Initiatives Supporting Tourism

Resumption of Local Group Tours

14. Guided by the principle of keeping health risks at bay, the Government has often been discussing with the tourism industry measures to help them explore business opportunities when the COVID-19 epidemic subsides further. With the full support of the tourism trade, the Government previously approved conditional exemption from the group gathering restrictions as stipulated in the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G) to enable licensed travel agents to organise local group tours of not more than 30 persons. The trade has voluntarily come up with a set of stringent health protocols for travel agents and practitioners so as to keep health risk under check while resuming local group tours and providing support to the tourism industry and practitioners of the related sectors (e.g. tourist guides and tour escorts, the transportation trade and even the catering sector). Nonetheless, in view of the subsequent development of the epidemic, the Government further tightened various social distancing measures and also removed the above exemption.

15. As the local epidemic situation has improved recently, the Government has started to prepare for the resumption of local tourism activities in an orderly manner. Together with self-discipline and cooperation of the tourism trade and the community, the Government would make every effort to explore and identify business opportunities for the tourism industry. Based on the concept of “vaccine bubble”, TC is discussing with the trade the implementation details to resume local group tours, including requiring the trade to observe a set of more stringent anti-epidemic measures, with a view to commencing the relevant arrangements as soon as possible.

Establishing “Travel Bubbles” with overseas economies

16. With a relatively stable epidemic situation, the Government endeavours to resume cross-border travel in a gradual and orderly manner, and explored from mid-2020 the establishment of “Travel Bubbles” with overseas economies that have a relatively stable epidemic situation and have close economic and trade relations with Hong Kong, while balancing the need to protect public health under the strategy of preventing importation of cases.

17. The launch of the “Air Travel Bubble” (ATB) arrangement agreed with Singapore in November 2020 was deferred due to the fourth wave of the epidemic in Hong Kong. The two governments have been in active discussion on the re-launch of ATB in view of the gradual stabilisation of Hong Kong’s epidemic situation since mid-February 2021 and will announce the details as soon as possible.

18. In summary, we will keep in view the latest development of the epidemic situation to adjust strategies on various fronts as appropriate, and remain in close liaison with the travel trade and relevant stakeholders to provide appropriate support to facilitate economic recovery.

Tourism Commission
Commerce and Economic Development Bureau
April 2021