

For Information

**Legislative Council Panel on Economic Development
Hong Kong Tourism Board
Work Plan for 2021/22**

Purpose

The paper at Annex sets out the Hong Kong Tourism Board (HKTB)'s work plan for the 2021/22 financial year for Members' information.

Background

2. The HKTB is a statutory body established in 2001 under the Hong Kong Tourism Board Ordinance (Cap. 302). Its core function is to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination.

3. The HKTB's activities are funded primarily by the Government subvention. Each year, the HKTB maps out its work plan for the year ahead, according to the tourism policy of the Government and the macro environment. The work plan will be submitted to the Secretary for Commerce and Economic Development for approval under Section 17B of the Hong Kong Tourism Board Ordinance. The subvention for the HKTB will form part of the Appropriation Bill, the passage of which is subject to the Legislative Council's approval.

4. Members are invited to note the Annex.

**Tourism Commission
Commerce and Economic Development Bureau
March 2021**

HONG KONG TOURISM BOARD

WORK PLAN FOR 2021/22

Foreword

1. The COVID-19 pandemic has dealt a heavy blow to the tourism industry of Hong Kong and the world. The Hong Kong Tourism Board (HKTB) has readjusted its work and operations in response to the pandemic, and has focused its resources on boosting local tourism and consumption and rebuilding the city's ambience to deliver a positive message to source markets while maintaining Hong Kong's international exposure in preparation for the recovery of tourism.

2. In view of the evolving pandemic situation, which has created many uncertainties for future planning, the HKTB outlines in this paper a number of strategic directions covering short- and medium-to-long-term development to support the recovery of Hong Kong's source of visitors as soon as the pandemic situation subsides, while driving the long-term development of tourism in Hong Kong.

3. In the course of devising this work plan for the coming year, the HKTB conducted a series of consultations and invited tourism-related stakeholders, including travel agencies, airlines, hotel operators and management, the retail and catering sectors, attraction operators and academics to provide insights. The work plan has also been approved by the Board.

Overview of 2020 tourism performance

Total visitor arrivals

4. The tourism industry of Hong Kong has been impacted greatly first by the social events and then the COVID-19 pandemic in the past two years. Daily visitor arrivals dropped from a peak of 200,000 in the first half of 2019 to 100,000 in the second half. In 2020, as COVID-19 gradually spread in Hong Kong and around the world in February, Hong Kong has progressively suspended service at various border control points since late-January, and has limited the entry of visitors who have been to overseas countries or regions within 14 days before their arrival and adopted stringent quarantine measures since late-March to curb any import and spread of the virus. These measures led to a sharp drop in the number of visitors, resulting in a total of 3.57 million inbound visitors in 2020, with arrivals in January accounting for most of the annual total. The travel restrictions and mandatory measures taken by other countries or regions have not only caused a precipitous decline in arrivals to Hong Kong but also impacted the visitor mix. Please refer to **Appendix I** for details. Unlike visitors in the pre-pandemic period, many people who arrived during the pandemic came to visit friends and family or for essential travel reasons. The number of leisure travellers was reduced to almost zero. Details of visitor arrivals in 2020 are listed in the table below:

Visitor Arrivals – by source markets and length of stay

	Visitor arrivals ('000)	The Mainland			Short-haul markets	Long-haul markets	New markets	Same-day visitors	Overnight visitors
		Total	Guangdong province	Other provinces					
2020 Annual total	3,569	2,706	2,345	361	478	330	54	2,210	1,359
<i>Percentage (Annual total)</i>	100%	76%	66%	10%	13%	9%	2%	62%	38%
<i>Percentage (Jan)</i>	90%	79%	68%	11%	12%	8%	1%	64%	36%
<i>Percentage (Feb-Dec)</i>	10%	47%	41%	6%	28%	20%	4%	43%	57%
2019 Annual total	55,913	43,775	34,792	8,983	7,557	3,941	639	32,160	23,752
<i>Percentage (Annual total)</i>	100%	78%	62%	16%	14%	7%	1%	58%	42%

Note: Owing to rounding, the total may differ from the sum of the individual figures.

Other tourism KPIs

5. Under the impact of the pandemic and related anti-pandemic measures, various tourism key performance indicators (KPIs) in 2020, including the average length of stay of overnight visitors and per-capita spending, deviated from the norm or provided only a limited amount of collectible data, affecting their representativeness. Hence, the data shown in the following table can be used only for provisional reference:

	2020	2019
Average length of stay of overnight visitors (nights)	10.4	3.3
Overnight visitors' per capita spending (HK\$)	5,426*	5,818
Total tourism expenditure associated with inbound tourism ¹ (HK\$ billion)	15.9*	256.2
Overall satisfaction of visitors [^] (Max: 10 points)	8.8*	8.5

* Source: Survey of outbound visitors between 1 January and 4 February 2020

[^] Overnight visitors only

Performance of the hotel sector

6. Similarly, the hotel sector has been hard hit by the pandemic. Hotel room occupancy dropped to below 30% in February 2020. Thereafter, the hotel room occupancy gradually improved, reaching over 50%, as hotels launched staycation offers to attract local guests and some provided accommodation to travellers under mandatory quarantine. In the second quarter of the year, average room rates fell back down to HK\$800–900. Details are shown in the following tables:

Hotel room occupancy		
2020	2019	Percentage of local guests (2020)
46%	79%	34%

Average room rates	
2020 (HK\$)	2020 versus 2019
887	-26.5%

¹The tourism expenditure figures (TEAIT) were calculated according to methodology recommended by the United Nations World Tourism Organization (UNWTO). The two components of TEAIT are: (1) Total Destination Consumption Expenditure – the sum of all payments made by visitors for goods and services consumed in Hong Kong, including accommodation, shopping, meals and entertainment, which is collected by the HKTB's Departing Visitors Survey; and (2) Passenger International Transportation Expenditure – receipts of Hong Kong-based carriers for cross-boundary transportation of non-resident passengers by air, sea or land, provided by the Census and Statistics Department.

HKTB's key initiatives in 2020/21

7. Facing the immense challenges in 2020/21, the HKTB has formulated new strategies in light of the evolving pandemic situation and emergence of a new normal. Since visitors cannot yet visit Hong Kong, the HKTB is focusing on rebuilding the local ambience and maintaining Hong Kong's international exposure. The HKTB is also maintaining close communication and working with the trade to drive the rapid recovery of the tourism industry when the pandemic stabilises.

Boosting the local ambience

8. The HKTB launched a first of-its-kind local promotion, "Holiday at Home", in June 2020, which introduced in-depth local itineraries and travel experiences and encouraged local residents to be tourists in their own city. The one-stop platform provided over 15,000 offers from dining and retail outlets and attractions to drive local ambience and boost consumption, while delivering a positive message about Hong Kong to source markets and generating visitors' confidence to travel to the city in the future. The campaign was well received by both the public and the industry, with more than 3.7 million visits to the campaign website by the end of December.

9. The second phase of the "Holiday @ Home" promotion was launched in late October 2020 with a Spend-to-Redeem Free Tour programme. Members of the public could redeem a quota for a free local tour upon spending HK\$800 in physical retail or dining outlets. The HKTB supported travel agencies to organise local tours by subsidising HK\$500 for each tour participant. The programme encouraged the public to patronise physical outlets in town to maintain the chain of consumption and enhance the tourism ambience. The programme received an overwhelming response, with the 10,000-place quota for tours filled within about a week of its launch. Because of the evolving pandemic situation, the Free Tour programme was suspended in December. The remaining tours will resume when the COVID-19 situation stabilises and the group gathering restriction on local tours is lifted.

Maintaining Hong Kong's International Exposure

10. In the meantime, the HKTB in the past year maintained Hong Kong's international exposure through various means in order to bring back visitors as quickly as possible when the outbreak subsides. The HKTB launched the "#MissYouToo" community promotional campaign in April 2020. The campaign invited representatives from the local tourism industry and Hong Kong celebrities to engage with international audiences on social media platforms, using their networks to express a wish to see visitors returning to the city. The campaign reached 35 million viewers worldwide.

11. A number of source markets responded to the promotion. For instance, the HKTB offices in Southeast Asia launched a “100 Reasons to Miss Hong Kong” online campaign in July, inviting influencers in those markets to share on their social media platforms as to why they missed Hong Kong. The South Korean office also published a *Hello Hong Kong!* drawing book in September, which featured illustrations of symbolic Hong Kong icons by popular local illustrators. The drawing books were distributed to celebrities and influencers in South Korea, who then coloured the illustrations and shared their work with their online audiences.

12. To further strengthen Hong Kong’s tourism brand, the HKTB launched a “360 Hong Kong Moments” campaign in October, with the aim of producing about 20 videos on a variety of themes in 2020-21. Using the latest 360-degree Virtual Reality panoramic technology or other innovative filming techniques, the videos allowed audiences to enjoy immersive journeys through Hong Kong’s diverse travel experiences.

13. The HKTB also worked closely with international broadcasting networks. TV programmes filmed earlier in Hong Kong were broadcast at different times in 2020, including *Expedition Asia* on The Discovery Channel, *Chasing the Sun* on Nat Geo People, *Maximum Foodie* (Hong Kong Episode) on the Asian Food Network, and many others. Through these TV programmes, the HKTB continued to bring the city’s rich diversity of travel experiences to global audience even though international media representatives were unable to visit Hong Kong in person.

14. In the past year, having regard to the ongoing social distancing measures implemented in Hong Kong, the HKTB adopted new formats for its mega events in an effort to continue providing a business platform for the industry and promoting the appeal of Hong Kong’s mega events. The hugely popular Hong Kong Wine & Dine Festival adopted a new “Online+Offline” format, while the Hong Kong Winterfest, the Hong Kong New Year Countdown Celebrations and the Chinese New Year Celebrations were held online for the first time.

15. According to the participating hotels and restaurants of the Hong Kong Wine & Dine Festival, sales of their takeaway and delivery menus exceeded expectations, and the online masterclasses of the Festival recorded viewership of over 850,000 around the world, with 30% of viewers watching from outside Hong Kong. A video of the Hong Kong New Year Countdown Celebrations attracted more than five million views on the HKTB’s social media platforms. A total of 110 media organisations in Hong Kong, the Mainland and overseas also reported on the event, including the China News Service, the Xinhua News Agency, Phoenix TV, CNN, and the BBC. Some of the media organisations broadcast the event live or rebroadcast it.

Communicating and Working Closely with Trade Partners

16. The HKTB continued to maintain cooperation and communication with members of the tourism industry around the world over the past year. Since March 2020, the HKTB has hosted more than 100 webinars, which were attended by more than 15,000 trade representatives from the Mainland and overseas. To maintain communication with our trade partners around the world, the HKTB held a major webinar in April to analyse the pandemic's impact on tourism. It was attended by 1,500 trade representatives from Hong Kong. In June, the HKTB held its first global online forum, titled "Beyond COVID-19: Global Tourism's New Normal", at which internationally respected industry leaders shared their insights. The forum attracted over 4,000 registrants, including tourism industry members, journalists and academics.

17. For MICE tourism, the HKTB launched its first online matching platform to connect companies interested in organising MICE events in Hong Kong with local operators, venue providers, attractions and hotels. The platform successfully matched over 500 Hong Kong businesses and Mainland enterprises, and set up more than 1,300 meetings.

18. Besides, from September onwards, the HKTB worked with a Japanese travel agency to host virtual tours to Hong Kong. At least 10 tours were organised, and the co-organising agency said the tours were the most popular virtual tours they had ever arranged.

19. To establish Hong Kong's reputation as a safe and healthy destination for future travel and boost travellers' confidence in visiting Hong Kong, in October 2020 the HKTB worked with the Hong Kong Quality Assurance Agency (HKQAA) to introduce a standardised hygiene protocol for the tourism-related sectors. The HKTB sponsored the application fees in full for its trade partners. By the end of February 2021, more than 1,700 outlets were certified under the scheme.

Outlook for 2021

Continued uncertainty in the global economic outlook

20. Owing to the pandemic, different areas around the world adopted lockdown measures from time to time over the past year. The global economy has been badly hit, and individual regions have fallen into recession as a result. The labour market is also under pressure. The global economy is expected to recover only partially in 2021. Apart from the pandemic, the Hong Kong economy may continue to be affected by the international political situation and the travel industry is no exception.

Competition in tourism within the region expected to be fiercer than ever

21. As international tourism has come to a halt globally, many markets are actively promoting domestic tourism to create job opportunities and income for their local tourism industry, and they continue to invest resources in promotions to maintain international exposure for their destinations to bring back visitors and drive a tourism recovery as soon as possible when the pandemic situation improves. Therefore, regional tourism competition is expected to be fiercer than ever after the pandemic.

Changes in travel habits

22. The pandemic is also widely expected to bring a new normal for the global tourism industry, with travellers paying more attention to public health and safety in their travel destinations. Travellers are expected to first travel domestically, followed by short-haul trips, and later, long-haul journeys. Also, outdoor and other natural activities are expected to be a larger part of their itineraries. To maintain social distance, the tourism-related sectors will rely more on technology. Even so, after a long period of grounding, many consumers have expressed their wish to travel under safe circumstances, especially for business-related trips and those travels for reunion with families and friends.

Making use of development opportunities in the Mainland

23. Although the global economy will still take time to recover, economic activity and cross-border travel may gradually resume, as various countries expect COVID-19 vaccines to be widely administered in 2021. The Mainland is expected to be the economy with the fastest recovery. In October 2020, UK's The Economist Intelligence Unit predicted that the Mainland would record GDP growth of 7.3% in 2021, higher than the global average of 4.4%. Notably, the Guangdong-Hong Kong-Macau Greater Bay Area (GBA), of which Hong Kong is part, is a major focus of the Mainland's upcoming development. Hong Kong can leverage the GBA as an entry point

to embrace the development opportunities arising from the Mainland's dual-circulation development.

Continuous exposure of diverse tourism images through multiple innovative projects

24. On the other hand, maintaining and renewing tourism infrastructures and attractions is an important strategy to entice visitors to return. As such, HKSAR Government has announced a number of new tourism projects, including the to-be-open Tai Shue Wan Water Park and the plan to transform Ocean Park into a distinctive leisure and holiday resort. The plan will also incorporate new elements to link it with the "Invigorating Island South" project and drive the development of the whole neighbourhood. Various attractions in different districts are also introducing upgrades with new appeals, such as the "Water of Stars" musical fountain at the Avenue of Stars with a view to promoting local characteristics, including projects showcasing arts and culture as well as local culture. These initiatives are expected to help re-establish Hong Kong's diverse tourism image, promote local tourism, and demonstrate the city's appeal to the world, in preparation for the return of visitors.

Projection of visitor arrivals to Hong Kong for 2021

25. When devising its work plan in the end of 2020, the HKTb had made following estimations based on Hong Kong's and global situation at that time.

- Pace of recovery: it can be anticipated that Hong Kong will hardly see a full resumption of cross-border travel but possibly able to welcome visitors from certain markets in the next three to six months. It is expected that there will be more major markets opening up for travelling again to Hong Kong in the third or fourth quarter of 2021.
- Volume of visitors: with reference from the model of "travel bubbles" suggested by the government earlier, a daily quota on air and other traffic will be applied in the early stage of cross-border travel resumption. Visitors will also need to fulfil designated requirements before they can come, thus it is believed that the first batch of visitors will be those who travel for family visits, business and other essential needs. Visitors with other purposes will observe before they actually travel. It will take time for visitor arrivals to restore.

Based on the above, the HKTb projects that visitor arrivals to Hong Kong for 2021 will stand at 9.6 million, amounting to 15% of the peak of 2018. As global and local development of the pandemic has been volatile, it is difficult to estimate accurately the number of visitors in the coming year. The above projection was based on the most optimistic scenario at the time when the HKTb was devising the work plan. The actual visitor arrivals still depends greatly on the local and global pandemic situation,

efficiency and progress of COVID-19 vaccines, etc. Thus the above projection is subject to the effect of uncertainties and may need to be further adjusted.

HKTB's Work Plan for 2021/22

26. Given the still-volatile global pandemic situation, the HKTB will continue to remain nimble in planning for 2021/22. Seven short- and medium-to-long-term strategies have been formulated to help recover visitor sources and business for the trade gradually as soon as possible when the pandemic eases and to drive long-term tourism development in Hong Kong.

27. **Seven strategic focuses:**

Short-term:

I Cheerleading and boosting domestic consumption

II Maintaining Hong Kong's exposure in preparation for reopening

III Revamping Mainland promotion strategies

Medium-to-long-term:

IV Promoting the GBA to the world

V Creating a smart travel experience

VI Reinventing Hong Kong's tourism brand

VII Ongoing initiatives

- **Continuing to strengthen support to trade**
- **Organising mega events**

Short-term strategies: bringing back visitors to Hong Kong

I Cheerleading and boosting domestic consumption

28. Until inbound travel resumes, the HKTB will continue to accord priority to promoting the local ambience and boosting local consumption to deliver a positive message to source markets, prepare for tourism recovery, and increase travellers' confidence in visiting Hong Kong in the future.

29. The HKTB will continue to leverage the "Holiday at Home" platform for local promotions and gather and promote numerous offers from the trade. Riding on the overwhelming response to the Spend-to-Redeem Free Tour programme, the HKTB will launch a new "Staycation Delights" campaign when the pandemic situation improves to provide the public with an additional option to enjoy the "spend-to-redeem" offers; when Government restrictions on local tours are lifted, the HKTB will roll out the Phase II of the "Free Tour" Programme.

II Maintaining Hong Kong’s exposure in preparation for reopening

30. Although the return of visitors depends on the pandemic situation, the HKTB will continue to make use of various promotional campaigns to maintain Hong Kong’s international exposure and prepare for the reopening of markets to cope with the unprecedented fierce regional competition after the pandemic.

31. The most effective way to restore visitors’ confidence to visit Hong Kong is by word of mouth. We believe that the first to return to Hong Kong upon the resumption of travel will mostly be those who have previously visited Hong Kong and those who have a special love for the city. Therefore, the HKTB plans to invite a group of friends and fans of Hong Kong to become “Hong Kong Super Fans”. The HKTB will share updates about Hong Kong with them and continuously put across these messages to their friends through their social networks, to create positive word of mouth for Hong Kong before travel resumption.

32. It is expected that after the pandemic, the Mainland and certain short-haul markets, such as Southeast Asia, will be the first to reopen. When source markets have reopened travel to Hong Kong, the HKTB will roll out “Open House Hong Kong”, a large-scale promotional platform with citywide offers and exclusive experiences, in these reopened markets to drum up visitors’ desire to return to Hong Kong.

33. At the same time, the HKTB will continue to work with influential Mainland and international media outlets and well-established travel and lifestyle broadcast channels to produce programmes related to Hong Kong for broadcasting in source markets to continuously deliver positive messages and updates about the city. The HKTB will also continue to produce videos with Virtual Reality 360 degrees panoramic filming or other innovative techniques to offer visitors immersive journeys in Hong Kong and promote them on digital and social platforms.

III Revamping Mainland promotion strategy

34. As mentioned above, at the initial stage of the resumption of cross-border travel, visitors will start with trips to short-haul markets first. Among markets in the Mainland, we expect the neighbouring GBA to resume travel to Hong Kong sooner than other markets. As such, the HKTB will revamp its promotional strategy for Mainland markets. The HKTB will first dedicate resources on promotions in GBA markets to attract overnight leisure visitors, and extend the promotions to other Mainland cities step by step. Expecting that younger consumers in the Mainland to be more likely to return to Hong Kong first, along with friends and fans of Hong Kong, the HKTB will launch promotions targeting young Mainland consumers by drawing their attention to Hong Kong through collaborations with social media platforms, fashion and style portals, and e-payment channels.

35. The HKTB will also launch the “Open House Hong Kong” campaign in the Mainland to establish Hong Kong as a most favoured travel destination for Mainland travellers. We will work with our trade partners to offer promotional packages to attract inbound visitors and boost consumption in Hong Kong. We will also work with news agencies and media to spread the positive message to Mainland audiences that Hong Kong is a safe and hospitable travel destination.

Medium-to-long-term strategies: capture high-yield visitor segments

IV Promoting the GBA to the world

36. In the long run, as part of the overall national development, developing tourism in the GBA will be a major focus of the industry in the future. The HKTB will continue to work with cities in the Area to pool resources to establish a GBA tourism brand. For instance, more GBA elements will be incorporated into mega events, and the travel trade will be encouraged to offer travel products that include multi-destination travel in Hong Kong and other cities in the Area to enhance the attractiveness of the GBA to travellers. According to the latest statistics, about 50% of visitor arrivals from short-haul markets and about 90% of visitor arrivals from long-haul markets travelled to Hong Kong on multi-destination trips, with most of them visiting Macao and the Mainland on the way. The HKTB will continue to leverage the GBA platform to promote multi-destination travel to overseas markets to attract leisure visitors and establish Hong Kong as the MICE travel hub of the GBA.

37. The development of Hong Kong's financial services, innovative technology and medical science are exceptional and internationally renowned. Given the complementary strengths of the GBA, we believe synergy can be created to develop a larger international market. Therefore, the HKTB will actively invite related sectors to host large-scale international conferences on the GBA theme in Hong Kong to attract business travellers from around the world to attend the conferences in town and conduct familiarisation trips and leisure travel in nearby cities to drive the overall development of the MICE tourism market in the GBA.

V Creating a smart travel experience

38. The pandemic has greatly fostered the use of technology among consumers. In the past year, the HKTB has adopted new formats in promoting its campaigns and organising mega events to maintain connections with consumers worldwide through online channels.

39. The HKTB will continue to strengthen the development of Hong Kong's digitally enabled travel experience with the aim of becoming the first tourism organisation to provide a one-stop e-solution for travellers and offer visitors a seamless digital experience throughout their whole journey, from itinerary planning, visiting Hong Kong to returning to their place of residence. On top of visitors' experience, the trade can also make use of this one-stop platform for creating more business opportunities or promotion.

VI Reinventing Hong Kong's tourism brand

40. In light of the new normal in global tourism resulting from the pandemic, the HKTB is conducting a holistic review of Hong Kong's tourism brand and positioning and will formulate a long-term promotion strategy to drive sustainable development of the Hong Kong tourism industry. When cross-border travel gradually resumes, the HKTB will launch a new global brand promotional campaign in source markets worldwide through multiple channels including digital platforms, and partnership with major international media outlets to rebuild Hong Kong's tourism image.

VII Ongoing Initiatives

Continuing to strengthen support to trade

41. As the return of visitors and the full recovery of the Hong Kong tourism industry is expected to take some time, the HKTB will continue to adopt a multi-pronged approach to help the local travel trade cope with their short- and medium-to-long-term needs. Major work is listed below:

(i) Fee waivers – to encourage members of the tourism-related sectors to enhance service quality, and establish a healthy and safe travel image in preparation for the reopening of borders:

- The HKTB will continue to provide subsidies to industry members to adopt the standardised hygiene protocol that the HKTB and HKQAA jointly set up for the tourism-related sectors to establish a healthy and safe image for Hong Kong's tourism services;
- renewal fee waivers and application fee discounts are also available for existing and new Quality Tourism Services (QTS) Scheme merchants.

(ii) Increase funding support for overseas promotions when markets reopen:

(a) Step up funding schemes:

- The HKTB will continue to run the “Explore Hong Kong Tour” and “GBA Tour Funding Scheme” to help the travel trade develop new tour products and attractive itineraries featuring unique features of various GBA cities;
- the HKTB has raised the ratio of matching fund to subsidise marketing costs for attractions from 50% to 70%;
- in addition to attractions, the matching fund also benefits the cruise sector on co-op promotions.

(b) Subsidise participation in promotional events:

- When travel resumes, the HKTB will continue to waive participation fees for its trade partners that join mainland and overseas trade shows organised by the HKTB, and will cover most of the cost of air tickets and accommodation for participants.

(iii) Strive to recover high-yield sources:

- Regarding MICE tourism, to rebuild travellers' confidence, the HKTB will strive to win bids for international conferences with A-list speakers to establish reputation through MICE events;
- to drive business recovery, the HKTB will lower the application requirements for Funding Support for Small- and Medium-sized Meeting, Incentive & Convention Groups. Instead of having to stay for two nights, groups that wish to apply for funding support are now required to stay in town for a minimum of one night. This arrangement will benefit more groups with various stay lengths and attract more visitors for local operators and travel agencies;
- the HKTB will also relaunch "Meet On @ Hong Kong" to drive patronage through various tactical promotions, and will work with business and professional leaders in the "Hong Kong Convention Ambassador" programme to bid for MICE events to Hong Kong;
- the HKTB will roll out a new funding support scheme for the hotel sector to help them attract more small corporate meetings.

(iv) Restore confidence in cruise tourism:

- As cruise tourism is expected to take a longer time to recover, when the pandemic situation stabilises, the HKTB will first start with local promotions on cruise trips that do not visit other ports-of-call apart from Hong Kong, namely "Staycation @ Sea", together with promotions on the new health and safety standards adopted by the cruise sector, to restore consumer confidence in cruise tourism, before gradually promoting the city's cruise tourism in the Mainland and international markets;
- as mentioned above, the HKTB will also increase the Matching Fund for the cruise sector to help the trade develop fly-cruise and rail-cruise packages.

Organising mega events and promotions of other events

42. As travellers' preferences are expected to change after the pandemic, the HKTB will also place a stronger emphasis on the travel experience and visitor interests in its promotions to plan its promotional strategies including mega events and other projects. In the meantime, the HKTB will continue to use the "Hong Kong Neighbourhoods" platform to promote the distinctiveness of various neighbourhoods in the city. Following Central and Sham Shui Po, the HKTB will promote the West

Kowloon District in the coming year to tie in with the promotion of M+ and the Hong Kong Palace Museum, which are to be open soon.

43. To maintain Hong Kong's diverse tourism appeal while complying with social distancing measures, the HKTB will continue to organise mega events along with the direction of "Online+Offline" hybrid model and support the promotions of other large-scale international events in town. At the same time, the HKTB will strive to attract more world-renowned mega events to be hosted in Hong Kong to reinforce Hong Kong's image as the events capital of Asia and elevate the city's overall tourism image in the world.

Expense and Budget

44. The HKTB remains prudent in its deployment of resources. Most of the additional funding of more than HK\$700 million for 2020/21 has not been used because of the pandemic, the remainder will be returned in full to the Government.

45. The HKTB will have a marketing budget of HK\$1,138 million for the 2021-22 financial year, including recurrent funding of HK\$373 million and the additional funding of HK\$765 million announced in the Budget Speech. 35% (i.e. HK\$400 million) will be allocated for short-term strategies, including boosting local ambience and attracting visitors to Hong Kong with tactical offers when travel with source markets resumes. 40% of the marketing resources (i.e. more than HK\$450 million) will be deployed for implementing the medium-to-long-term strategies. This part includes a holistic review of the Hong Kong tourism brand and positioning and the formulation of long-term promotional strategies. When travel fully resumes, the HKTB will launch large-scale promotions globally on the new tourism brand, build the GBA tourism brand in partnership with cities in the Area, and enhance the digitally enabled travel experience, with a view to captivate visitors, especially the high-yield segments, with new tourism image and quality experience. The remaining 25% (i.e. around HK\$280 million) will be devoted to the HKTB's ongoing initiatives of organising mega events to maintain Hong Kong's international exposure and supporting the travel trade. Please refer to Appendix II for details.

46. The above resource deployment proposal is based on the initial estimation of the pace of tourism recovery, and hence actual deployment is subject to factors such as the pandemic situation and travel resumption progress, and will be adjusted where necessary.

Conclusion

47. The HKTB will continue to optimise its use of funding, strengthen its corporate governance and actively follow up the recommendations of the Audit Report. The HKTB will maintain its existing agile approach with flexible strategies in handling the volatile pandemic situation. When individual markets are ready to resume travel to Hong Kong, the HKTB will immediately roll out targeted promotions in these markets to recover the source of arrivals as soon as possible. As the pandemic situation further improves, the HKTB will launch large-scale promotions to make Hong Kong stand out among the fierce competition in the region, attract visitors to return, and drive the tourism recovery.

2020 Visitor Arrivals (by source market)

(’000)	2020	2019	Year-on-year change
The United States	81	1,107	-92.7%
Canada	28	318	-91.2%
South and Central America	14	175	-91.9%
Europe	159	1,728	-90.8%
The United Kingdom	44	518	-91.4%
The Netherlands	7	85	-92.2%
Nordic Countries	10	106	-90.8%
Germany	15	218	-92.9%
France	13	178	-92.5%
Italy	6	90	-93.1%
Iberia	7	88	-91.5%
Russia	20	139	-85.5%
Europe Others	35	307	-88.4%
South Africa	5	60	-92.3%
Africa Others	4	55	-92.9%
The Middle East	11	142	-92.3%
GCC	2	33	-94.8%
Non-GCC	9	109	-91.5%
Australia	47	505	-90.6%
New Zealand	9	92	-90.6%
South Pacific Others	2	15	-89.3%
Japan	50	1,079	-95.3%
South Korea	40	1,043	-96.2%
Southeast Asia	158	2,651	-94.0%
Indonesia	26	376	-93.1%
Malaysia	21	393	-94.7%
The Philippines	63	876	-92.8%
Singapore	23	453	-95.0%
Thailand	23	467	-95.0%
Vietnam	1	44	-97.4%
SEA Others	2	42	-95.9%
India	25	338	-92.7%
Other Asian & Indian Sub-continent	8	52	-84.5%
Taiwan	105	1,539	-93.2%
Macau SAR	118	1,239	-90.5%
Mainland China	2,706	43,775	-93.8%
Other provinces	361	8,983	-96.0%
Guangdong province	2,345	34,792	-93.3%
Total	3,569	55,913	-93.6%

Note: Owing to rounding, the total may differ from the sum of the individual figures.

- Figure change is less than 0.05%

2020 total overnight visitor arrivals: 1,359,365

2020 total same-day visitor arrivals: 2,209,510

Proposed budget for marketing resources for 2021/22

Strategic focuses (HK\$ million)	Recurrent Funding (Percentage of budget)	Additional Funding from the Budget (Percentage of budget)	Total (Percentage of total budget)
Short-term <ul style="list-style-type: none"> - Cheerleading and boosting domestic consumption (including “Holiday at Home”) - Leveraging various promotional campaigns to maintain Hong Kong’s international exposure - Large-scale promotions to attract visitors when travel gradually resumes - Revamping Mainland strategy, increasing marketing resources in the GBA markets, to attract leisure visitors 	155 (42%)	248 (32%)	403 (35%)
Medium-to-long-term <ul style="list-style-type: none"> - Holistic review of Hong Kong’s tourism brand and positioning; formulating long-term strategies; launching new brand promotional campaign in 20 source markets worldwide through various channels including digital platforms and working closely with international media to rebuild Hong Kong’s tourism image when travel resumes - Partnering with other cities in the GBA for global promotions to build the GBA tourism brand - Creating a smart travel experience for visitor through a one-stop e-solution 	123 (33%)	333 (44%)	456 (40%)
Ongoing initiatives <ul style="list-style-type: none"> - Enhancing subsidy schemes and sponsoring trade’s participation in trade events to expedite business recovery* - Strengthening support to MICE and Cruise tourism as well as their promotion, bidding more 	95 (25%)	184 (24%)	278 (25%)

international conference to be hosted in Hong Kong, and striving to recover cruise tourism gradually - Organising mega events and supporting other events in town to maintain Hong Kong's international exposure			
Total	373	765	1,138

* Related work also included in short and medium-to-long-term strategic focuses