

Insights

REIMAGINING HONG KONG'S TOURISM LANDSCAPE

ENHANCED PRODUCT OFFERING, SMARTER AND HIGHER QUALITY TOURISM FUELLED BY MORE DIVERSIFIED SOURCE MARKETS ARE SOME OF THE GOVERNMENT'S KEY INGREDIENTS FOR ITS TOURISM BLUEPRINT 2.0

Jan 09, 2025

SUMMARY

As we step into the new year, the Hong Kong Government unveiled its ambitious 132-page *Development Blueprint for Hong Kong's Tourism Industry 2.0*. This comprehensive plan aims to overcome the current challenges posed by economic slowdown, heightened competition, geopolitical tensions and recruitment difficulties. With the collaborative efforts of many stakeholders in implementing the Blueprint, the expected value added by the tourism industry is projected to rise by approximately 60% over the next 5 years, from HK\$75.3 billion in 2023 to HK\$120 billion. Employment in the sector is also set to rise significantly, with an estimated 44% increase over the same period, bringing the total to approximately 210,000 jobs (up from 145,600 in 2023).

The overarching strategy for Hong Kong's tourism development over the next five years is to solidify its status as a world-class premier tourist destination. The Government will be implementing the following four key strategies to achieve this goal:

1. promoting tourism through culture, sports, ecology, and mega events;
2. attracting and broadening the inbound visitor market from a more diverse range of geographies;
3. advancing smarter tourism; and
4. enhancing service quality and infrastructure.

The highlights of each strategy will be briefly summarized below.

STRATEGY 1 – CAPTURING A CREATIVE COCKTAIL OF DIVERSE TOURISM OPPORTUNITIES

Promote Tourism with Culture, Sports, Ecology, and Mega Events

To diversify and enrich Hong Kong's tourism offerings, the Blueprint outlines strategies to integrate cultural, sports, ecological and mega events into the tourism landscape, allowing visitors to experience the dynamic blend of Hong Kong's diverse attractions. The strategies include:

- a. creation of special experiences and activities at the West Kowloon Cultural District and nurture signature cultural events by regularly hosting events like the Hong Kong Pop Culture Festival and Chinese Cultural Festival. While the Government did not provide many examples, may we suggest the private sector collaborate and initiate additional ideas for using these special cultural facilities. Hopefully, the Government can then show further support by way of subsidies or marketing across its various official channels;
- b. hosting of major sports events by utilizing Kai Tak Sports Park and partnering with the Greater Bay Area ("GBA") to optimize venue resources. In 2025, the National Games will be co-hosted by Guangdong, Hong Kong, and Macau, enhancing regional sports cooperation. Hong Kong will host eight events at six different venues to showcase the city's commitment to excellence in sports;
- c. development and promotion of "island tourism" by the improvement of piers, enhancement of hiking trails, and more importantly, exploration of large-scale integrated resort projects. To provide new and diverse travel experiences, the focus will be on environmental protection and eco-tourism to fully utilize Hong Kong's precious and unique island and coastal resources. The Government intends to expedite the South Lantau Eco-Recreation Corridor and develop the ex-Lamma Quarry into a site for resort and outdoor recreational uses. While the Government did not name any particular resorts, Hong Kong has a shortage of resort style hotels outside the usual urban locations. Is there an appetite for sustainable luxury retreats or more affordable eco-friendly family resort destinations to boost the diversity of hotel offering in the HKSAR?; and
- d. further advancement of horse racing tourism and introduction of more mega international signature events to boost the retail and hotel industries. As renowned events like the UK's Royal Ascot and Milan Fashion Week attract a tremendous number of international visitors each year, there is hope that the Hong Kong Derby and Hong Kong Fashion Fest can achieve similar successes to support the tourism and "bleisure offering" in the HKSAR.

Enrich and Upgrade Tourism Resources

Some of Hong Kong's tourism resources are dated and tired. In response, the Government plans to revitalize and enhance these resources by:

- a. developing tourism experiences and itineraries with unique local characteristics like Xiqu and city-walk routes. City-walk routes will be enriched with strategies like movie travel guides, tourist check-in spots, and limited-scale visitation of religious venues as tourist attractions;

- b. reinforcing the appeal of existing iconic attractions by promoting panda tourism, as Hong Kong is now home to the largest number of pandas outside of the Mainland. Additionally, the Government is in discussion to upgrade and expand Disneyland Hong Kong with a new Marvel-themed area and the Ocean Park with a new Adventure Zone; and
- c. fostering better use of the harbourfront with the launch of a new Symphony of Lights show and the introduction of commercial facilities along Victoria Harbour on a pilot basis to attract tourists to the promenades as a new hotspot. This initiative also includes integrating nearby developments in Wan Chai North and Hung Hom piers as additional event venues, enriching the overall sightseeing experience with the unique backdrop of the harbour.

Integrate Tourism Elements into Large-scale Projects

To further enhance Hong Kong's appeal as a premier tourist destination, the Blueprint emphasizes the integration of tourism elements into large-scale projects, ensuring a holistic and immersive experience for visitors. Some key projects aim to:

- a. leverage the historical and natural resources of Lantau Island to develop green island tourism. The plan is to utilize Lantau Island's historical and natural resources to create a green island tourism experience that emphasizes sustainability and eco-friendly practices. An example includes curating nature-based sustainable recreational and educational programmes and activities for visitors to participate in.
- b. integrate cultural, sports, tourism, and leisure infrastructure in East Kowloon and the Kai Tak Development area with the launch of the Smart and Green Mass Transit Systems. This combines facilities of Kai Tak Sports Park, Kai Tak Cruise Terminal, East Kowloon Cultural Centre, the enhanced Lei Yue Mun waterfront and the Lung Tsun Stone Bridge Preservation to create a comprehensive and accessible destination in East Kowloon and the Kai Tak Development area.
- c. establish Sha Tau Kok as a cultural tourism zone to showcase its natural resources. Sha Tau Kok will be developed as a cultural tourism zone, highlighting the Hong Kong UNESCO Global Geopark and the unique cultural heritage at Yan Chau Tong, known for its coastal villages. Additionally, to ease immigration processing at the Chung Ying Street border checkpoint between Hong Kong and Shenzhen, facial recognition technology has been piloted to allow seamless, contactless entry and exit for residents and workers at Chung Ying Street. Chung Ying Street, located on the border between Hong Kong and Shenzhen within Sha Tau Kok, has been part of the Frontier Closed Area since 1951. Accessible only with a Tourism Closed Area Permit, it has become a popular weekend destination as the town has opened up over the past two years. Previously, the checkpoint had low processing capacity with queues, but with the adoption of facial recognition technology, processing now takes only seconds. While there are plans to explore its use for tourism development, it remains to be seen how this technology can be scaled up and benefit the local tourism industry in managing visitor flow and increasing checkpoints' processing capacity.

STRATEGY 2 – ENHANCEMENT AND DIVERSIFICATION OF SOURCE MARKETS

Develop Potential Source Markets and Reinforce Existing Core Markets

As of 2024, Hong Kong ranked fourth globally in terms of the number of incoming visitors. This reiterates the international presence of Hong Kong as a popular travel destination. Nevertheless, there remains significant potential for developing source markets where economic growth is rapid and geographical proximity with Hong Kong is high. On the other hand, Mainland China is the single largest source market for Hong Kong and it is the Government's plan to further strengthen tourism collaboration with Mainland authorities and consolidate the existing market. Corresponding measures are proposed in the Blueprint:

- a. targeting member states of the Gulf Cooperation Council (GCC) and Association of Southeast Asian Nations ("ASEAN") as the major growth drivers. The Government strives to create a more Muslim-friendly environment by initiatives such as providing information in Arabic at the airport, and compiling a list of halal eateries suitable for Muslim visitors. On top of that, direct flights to the potential source markets are expected to be established, fully realizing the potential generated by the Three-Runway System;
- b. relaxing the criteria for nationals of certain ASEAN countries applying for multiple-entry visas for travel and business and extending the said visas from two years to three years. There will also be a fast-track arrangement to expedite visa applications from group visitors of ASEAN countries via their local travel agencies; and
- c. expanding and optimising the Individual Visit Scheme to boost bilateral tourism. The Government will also collaborate with GBA cities and encourage multi-destination tourism by creating thematic itineraries and tourism products.

Attract Travellers from Specific Target Groups and Strengthen Publicity

The Government is dedicated to bringing more meetings, incentives, conventions and exhibitions ("MICE") visitors and cruise travellers to Hong Kong. HK has supporting infrastructure such as AsiaWorld-Expo, the Hong Kong Convention and Exhibition Centre and Kai Tak Cruise Terminal (supported, of course, by the many hotels offered by the private sector). The silver-haired, family, study tour and youth visitor segments are further foci in the Blueprint for relevant authorities to explore their travel needs. Although somewhat vague, the Government put forward the following courses of action to be taken:

- a. utilizing the networks of prominent leaders in the market via the Hong Kong Convention Ambassador Programme, with a view to publicize Hong Kong's capability of hosting MICE events;

- b. attracting more cruise vessels to Hong Kong by launching new itineraries. Examples include the provision of “fly-cruise” and “rail-cruise” packages, which combine different modes of transport and emphasise the advantages of Hong Kong as a homeport;
- c. providing diverse transport options for cruise travellers. The Government will offer additional coach services and new bus routes to cater for the needs of incoming visitors. The development in time of a Smart and Green Mass Transit System will also enhance connectivity from the terminal to the city;
- d. stepping up development and promotion of travel itineraries, accommodations and supporting facilities for silver-haired, family, study tour, and youth visitor segments; and
- e. expanding partnership horizons and developing refined strategies for promotion. The Government aims to forecast and identify more accurately the tourism demand and allocate specific resources to target individual traveller segments.

STRATEGY 3 – SMARTER TOURISM

Facilitate and Enhance Visitor Experience

To ensure a seamless and enjoyable experience for visitors, the Blueprint details several initiatives aimed at enhancing the sharing of travel information, promoting convenience of e-payment and leveraging technology. These include:

- a. enhancement of information sharing and online service platforms. The launch of the Smart Itinerary Planner and Live Travel Map on Discover Hong Kong will offer tailored recommendations and special offers, making it easier for visitors to plan their trips with up-to-date travel information. Additionally, the same-day ticketing for cultural performance events will add convenience, allowing visitors to make spontaneous plans and enjoy more of what Hong Kong has to offer without the hassle of advance booking;
- b. promotion of e-payments in the community, including in taxis. By July 2025, a new fleet of around 3,500 taxis will be in operation, all of which will be equipped with e-payment systems as mandated by their fleet license requirements. This aims to make transactions more convenient for visitors and ensuring more widespread acceptance of e-payments across various services;
- c. strengthening of network infrastructure at major tourist hotspots, large-scale events and rural areas. This includes enhancing connectivity in country parks and on outlying islands, which are favoured destinations among active visitors. Specifically, the Government has called for partnerships with more public and private organizations to provide free Wi-Fi services under the Wi-Fi.HK banner in major tourist hotspots. Improving network connectivity in these areas will enhance the overall visitor experience by ensuring reliable access to information and services; and

- d. application of innovative technology in tourist attractions, immigration clearance and the airport. By integrating advanced technologies like virtual reality, Smart Departure electronic services for visa application and smart security screening system, the Blueprint aims to streamline processes and improve efficiency, making travel and exploration more convenient for visitors.

Enhance the Travel Trade's Competitiveness

To boost the competitiveness of Hong Kong's travel trade, the Blueprint proposes several key initiatives aimed at improving data sharing and management practices:

- a. enhancing tourism data sharing and analysis for understanding tourism trends and developing effective business strategies. This involves exploring pilot partnerships with payment platforms, service providers and travel websites to gather and integrate more tourism-related data and big data insights; and
- b. further strengthening the management of inbound tour groups. Since its full operation in September 2022, the Travel Industry Authority ("TIA") has significantly improved the management of inbound tour groups. This has reduced disruptions to local residents and enhanced service quality through coordinated efforts to distribute visitors across various attractions simultaneously. Additionally, an electronic itinerary registration system helps maintain a balance between tourist activities and the well-being of local communities.

STRATEGY 4 – ENHANCING SERVICE QUALITY FOR VISITORS

Attract and Cultivate Talents while Advocating Quality Service

Hong Kong's tourism reputation would not be top-notch without the professional knowledge and services brought by talents from different fields. As a result, it is important to attract top talents across the world and nurture new blood at the same time in order to meet the demands for talents in the industry. To achieve these goals, the Blueprint lays down the following measures:

- a. cooperating with tertiary institutions which offer hotel- and tourism-related curriculum. Seminars and career expos will be organized to encourage students to join the industry. TIA will also collaborate with faculties of foreign languages of tertiary institutions to increase supply of tour guides who speak other languages apart from English and Chinese;
- b. encouraging youth to take the tourist guide licensing examination and obtain tourist guide qualifications. To make sure subject contents taught at secondary schools are up-to-date, the Education Bureau will formulate enhancement measures to revise the learning and teaching resources and the curriculum of the Hong Kong Diploma of Secondary Education. Professional training sessions will be provided to teachers;

- c. launching a docent-to-tourist guide bridging programme and a specialised licensing programme to allow those who are docents in tourist attractions to obtain a professional qualification and become a tour guide through a simpler process. In addition, the exam contents and the licensing requirements will be reviewed by the TIA to streamline the process of qualifying as a tourist guide; and
- d. organising award schemes to motivate the offering of quality services. The Outstanding Quality Tourism Services Scheme that recognises the performance of frontline staff of accredited merchants and the other new award schemes to be rolled out aims at celebrating the hospitality spirit and encouraging constant innovation to provide quality experiences to travellers from around the globe.

Improve Hardware Facilities

Large-scale infrastructure and ancillary facilities are both crucial in creating a world-class travel destination. Therefore, the Blueprint specifies a number of improvements in the pipeline:

- a. the construction of automated car parks on the Hong Kong Port Island for the Hong Kong-Zhuhai-Macau Bridge to enable non-commercial self-drive private cars to come to Hong Kong. Visitors can then transfer to the Hong Kong International Airport or visit Hong Kong without having the vehicle entering the city;
- b. commencing Phase 2 expansion works of the AsiaWorld-Expo. This project is set to provide an extra multi-purpose indoor venue accommodating 20,000 people, and is part of the Airport City which is a landmark integrating elements of tourism, exhibition and leisure;
- c. reviewing the regulatory framework for ride-hailing platforms. While ride-hailing services are prominent in Mainland China, its legitimacy in Hong Kong is still under scrutiny. The Government is actively examining the legality of such platforms, and it is hoped that a new option to point-to-point transportation services could be offered to tourists and the general public.

IMPLEMENTATION

Action Plans

The Blueprint is supported by an action plan and implementation schedule with a mix of short-term and ongoing longer-term initiatives (see pages 75-97). More detailed action plans are provided to describe (a) development of the Sha Tau Kok Cultural Tourism Zone; and (b) the development of Cruise Tourism.

KPIs

For those really wanting to see some numbers, KPIs and lists of initiatives please turn to Annex 3 (saving the best to the end) in pages 122-130. This will be the shortest way to quickly review the

Government's 59 action plans (supported by 133 measures) and expected results!

CONCLUSION

The Blueprint presents a large number of measures to boost Hong Kong's tourism over the next five years. We can't summarise them all in this article hence the encouragement above at least to read the short summary of action plans included in Annex 3.

Despite the internal and external challenges faced by Hong Kong in recent years, the city still has much to offer. To ensure the initiatives reach their full potential, practical collaboration between key players in the public and private sectors (such as hoteliers, retailers and transport operators) is a must. There is undeniably some vagueness in certain measures proposed in the Blueprint many which are under consideration or still to be studied. Nevertheless, it shows the Government's commitment and energy to implement these plans and serves as the foundation for the private sector in HK to embrace, support and perhaps to steer some of these action plans to enhance the same in the hope of a more prosperous and fruitful tourism industry. While it remains to be seen how quickly the Government will further implement the proposed items, there is optimism that Hong Kong can overcome the challenges ahead and thrive. Interested stakeholders please rise to the collaborative challenge!

This article was co-written with Trainee Solicitors Eunice Wong and Queenie Tsang.

RELATED PRACTICE AREAS

- Commercial Construction & Engineering
- Infrastructure
- Planning & Zoning
- Real Estate
- Real Estate Finance
- Sports & Entertainment
- Retail & Consumer Products
- Finance
- Public Policy & Government Affairs
- Hotels and Hospitality

MEET THE TEAM



Andrew MacGeoch

Singapore / Hong Kong SAR

andrew.macgeoch@bclplaw.com

+65 6571 6625

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.