

LCQ17: Promoting the development of the local consumption market

Following is a question by the Hon Kenneth Leung and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (June 5):

Question:

It has been learnt that the number of Hong Kong residents travelling to the Mainland has been on the rise recently, with most of them visiting Mainland cities for day trips or consumption activities, while at the same time Mainland visitors are the main source of customers for local tourism and retail services. On promoting the development of the local consumption market, will the Government inform this Council:

- (1) of the number of visits made by Hong Kong residents to the Mainland via various land boundary control points (BCPs) (including the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port) and the rates of change in each of the past 12 months; the number of visits made by Mainland tourists to Hong Kong via these BCPs during the same period;
- (2) whether it has compiled statistics on the number of visits made by Hong Kong residents to the Mainland in the past 12 months, together with a breakdown by age group;
- (3) whether it has conducted studies to find out the reasons why different groups of Hong Kong residents travel to neighbouring Mainland cities for "cross-city consumption", and the impact of such a situation on the local consumption market;
- (4) whether it has conducted survey studies to find out the consumption preferences and interests of local and mainland youths; if so, whether the authorities have, based on the findings of the survey studies, organised mega events targeting young people to attract the participation of local youths and those from neighbouring Mainland cities, thereby promoting local economic activities; if so, of the number and details of such events;
- (5) whether it will introduce measures to enhance and promote the consumer environment, including the establishment of a dedicated organisation to assist young people from outside Hong Kong in setting up businesses and shops locally, so as to create a diversified retail environment and increase consumption choices, and the introduction of a tourist pass valid for more than one day to enrich tourists' travel experience, thereby encouraging them to extend their stay in Hong Kong; and
- (6) whether it has an overall plan to promote "two-way travel" and "two-way consumption" between Hong Kong and the Mainland cities of the Guangdong-Hong

Kong-Macao Greater Bay Area; if so, of the details; if not, whether it will formulate such a plan expeditiously?

Reply:

President,

The six parts of the question cover a wide range of programme areas that fall within the purview of different policy bureaux other than the Commerce and Economic Development Bureau. Having consulted the Constitutional and Mainland Affairs Bureau, the Culture, Sports and Tourism Bureau (CSTB), the Home and Youth Affairs Bureau (HYAB), the Security Bureau, the Transport and Logistics Bureau, the Office of the Government Economist and the Census and Statistics Department, our consolidated reply is as follows:

(1) In the past 12 months, the monthly outbound passenger trips of Hong Kong residents and inbound passenger trips of Mainland visitors via the land boundary control points (including the Hong Kong-Zhuhai-Macao Bridge) and the percentage change against the previous month are set out at Annex.

(2) The Immigration Department does not maintain a breakdown of the statistics mentioned in the question.

(3), (4) and (6) The Government has not conducted formal studies on the reasons of Hong Kong residents travelling to and spending in the Mainland (especially the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)). Nevertheless, Hong Kong has been getting increasingly integrated into the Mainland economically since its return to the motherland. As various large-scale cross-boundary infrastructure, including the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Liantang/Heung Yuen Wai Boundary Control Point, were completed, Hong Kong's cross-boundary transportation capacity has been greatly strengthened, facilitating the two-way flow of people between the Mainland and Hong Kong and bringing enormous opportunities for the connectivity within the GBA and its overall development. Under the overarching set-up of "one-hour living circle" within the GBA, Hong Kong residents spending in other GBA cities or residents of other GBA cities spending in Hong Kong are economic activities that happen naturally. They are also, to a certain extent, a proof of the efforts made on the GBA development throughout the years, which have yielded solid results.

Nevertheless, the change in the consumption patterns of visitors and the Hong Kong residents' increased spending in the Mainland, etc. have indeed posed challenges to the operations of certain local small and medium enterprises (SMEs). The Government has been providing assistance to SMEs (including those in the retail sector) having regard to the economic situation and the needs of the trade, with a view to helping them cope with liquidity shortage, and encouraging them to enhance their competitiveness and develop more diversified markets. Specific measures include the SME Financing Guarantee Scheme, the SME Export Marketing Fund and the Digital Transformation Support Pilot Programme, which help alleviate the operating

pressure on the retail sector and help the sector further develop businesses. The continued growth of Hong Kong's economy and the increase of visitor arrivals will provide further support to the local retail sector.

Besides, Hong Kong has long been recognised as an events capital. At least about 210 mega events will be held throughout 2024, with over 100 events both in the first and second halves of the year. These events have different target audiences and are in various nature and formats, but they all attract both local people and visitors from places around the world to experience Hong Kong and its vibrancy. Among the mega events, a number of them are particularly attractive to the younger generation. For example, the CSTB sponsored the ComplexCon Hong Kong 2024 through the Mega Arts and Cultural Events Fund, bringing the event to Asia and Hong Kong for the first time. The three-day event held in March 2024 attracted over 32 000 participants, including many young people, from around the world who were enthusiasts of trendy culture and renowned figures from various sectors.

Meanwhile, the Government will continue to maintain close communication with the relevant Mainland authorities and strive for policy initiatives that are conducive to Hong Kong's tourism development, with a view to facilitating more Mainland visitors (including those from the Mainland cities in the GBA) to experience Hong Kong's rich tourism resources in a more convenient and flexible way in a bid to promote the vibrant development of tourism-related industries (such as the retail sector) and to boost the local consumption market.

The Government is also conducting trade consultation on the Development Blueprint for Hong Kong's Tourism Industry 2.0 (Blueprint 2.0) and targets to publish it within the year. The Blueprint 2.0 will outline the goals and key directions for furthering tourism development as well as fostering collaboration of different industries with a view to enhancing the speed and quality of the growth of the industry.

As regards youth, the HYAB has been gauging the needs of young people and keeping tabs on their pulse through diverse means and channels, including the Youth Dashboard, and the feedback received from members of the Youth Link and participants of various youth initiatives under the HYAB. Their views will be taken into account when planning the various youth activities organised by the HYAB, so as to ensure that they suit the needs of young people.

(5) Invest Hong Kong (InvestHK) is a dedicated agency of the Government that proactively attracts and assists overseas and Mainland enterprises (including those established by young people from places around the world) that are interested in setting up and expanding their businesses in Hong Kong. InvestHK offers one-stop customised support services to them, from the planning to implementation stages.

As regard facilitating young people to start their businesses, the HYAB subsidises non-governmental organisations to implement youth entrepreneurship projects through the Funding Scheme for Youth Entrepreneurship in the

Guangdong-Hong Kong-Macao Greater Bay Area under the Youth Development Fund. The Entrepreneurship Scheme provides local young people interested in starting their businesses in Hong Kong and Mainland cities of the GBA with start-up capital and an opportunity to gain valuable knowledge and experience on entrepreneurship and business operation during the funding period. The new round of the Entrepreneurship Scheme was rolled out in early April 2024.

As regards the suggestion relating to tourist passes, at present, tourist passes offering a bundle of activities and attractions in Hong Kong are widely available in the market, covering major attractions such as Hong Kong Disneyland, Ocean Park, Ngong Ping 360, M+, Hong Kong Palace Museum, Peak Tram, Sky100 Hong Kong Observation Deck, Noah's Ark Hong Kong, etc. Tourists are also offered a great range of choices in terms of validity of the passes, which spans from one day to up to 30 days. By using these tourist passes, visitors can experience different tourism offerings and extend their stay in Hong Kong.

As regards transportation services, various public transport operators currently provide a host of tourist-oriented products and concessions, including Star Ferry Harbour Tour, TramOramic Tour, Citybus Rickshaw Sightseeing Bus tour, as well as tourist passes valid for specific time periods (such as Four-day tourist ticket of Star Ferry which allows unlimited rides on designated ferry services for four consecutive days, MTR Tourist Day Pass which allows unlimited rides on local MTR services within 24 hours, as well as KMB Tourist Day Pass which allows unlimited rides on KMB and LW routes within 24 hours). The Government would continue to encourage the operators to introduce more suitable products and concessions for tourists.