

Speech by FS at Hong Kong International Tourism Convention (English only) (with photo/video)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the keynote luncheon of the Hong Kong International Tourism Convention today (December 12):

Mr Wan (Managing Director of the China National Travel Service Group, Mr Wan Min), Peter (Chairman of the Hong Kong Tourism Board, Dr Peter Lam), Jason (Chairman of the Travel Industry Council of Hong Kong, Mr Jason Wong), government colleagues, distinguished guests, ladies and gentlemen,

Good afternoon.

It's a great pleasure for me to speak today at this luncheon of the Hong Kong International Tourism Convention. First of all, my very warm welcome to all participants, in particular those from afar. Thank you for joining this important event. I hope those of you travelling from afar are here not just as convention participants, but also as a tourist and enjoy your stay in Hong Kong. After all, we are here for tourism!

Secondly, the overwhelming attendance today clearly underlines the importance of developing tourism. Apart from its economic importance, tourism is also extremely crucial for people-to-people exchange. Such exchange is a cornerstone to mutual appreciation, harmony, co-operation, and, ultimately, a better world.

Hong Kong: Excellent connectivity

It is most befitting for Hong Kong to play host to this Convention, when we are talking about people-to-people exchange. Hong Kong has long been the pre-eminent bridge connecting Asia, including the Mainland of China, with the rest of the world. This connectivity is underpinned by an extraordinarily strong tradition of Hong Kong being the bastion of free trade.

Indeed, Hong Kong has been ranked the world's freest economy by the US-based Heritage Foundation and by the Canada-based Fraser Institute since 1995, without a break. This exceptional connectivity however is multifaceted. From finance, trade and logistics to, of course, tourism, Hong Kong is almost the synonym of connection, where ideas meet opportunities, investments meet ventures, demand meets supply, and where the East meets the West. This people-to-people connectivity has made Hong Kong the most visited city in the world according to Euromonitor International.

The Belt and Road Initiative and tourism development – Hong Kong as partner

First announced by President Xi Jinping in 2013, the Belt and Road Initiative spreads across Asia, Europe and Africa to promote infrastructural connectivity and financial integration, boost trade and investment, deepen policy co-ordination, and create stronger people-to-people bonds among participating countries. The Initiative is about collaboration and sharing benefits. Hong Kong as the world's freest economy, most visited city and China's most international city, is an ideal partner in leveraging the potentials offered by the Belt and Road Initiative for tourism development. Let me take a moment to explain how this partnership works.

Hong Kong: Global financial centre

Firstly, Hong Kong is the ideal place for arranging financing for any large-scale development projects with our deep liquidity and premier financial infrastructure. Hong Kong is the world's largest offshore Renminbi (RMB) business hub. And we have 44 heavy construction and engineering companies listed on our Stock Exchange. Hong Kong is also consistently ranked among the world's top initial public offerings (IPO) markets. It is highly likely that we will top the world again this year given the huge amount of funds raised so far this year. At the end of September, our stock market capitalisation stood at about HK\$32 trillion, that is over US\$4 trillion, which is 12 times our GDP.

We have put in place measures to promote sustainable developments in the region. A Green Bond Grant Scheme was launched to subsidise the costs incurred by green bond issuers in obtaining green finance certification. A Government Green Bond Programme, with a borrowing limit up to HK\$100 billion, will be rolled out soon. In addition, we have introduced a pilot Bond Grant Scheme plus tax incentives to attract more issuers to come to Hong Kong to issue bonds. Only in the first half of this year, we have attracted at least 15 green bonds issues, raising an aggregate amount of US\$8 billion.

Hong Kong is also a member of the Asian Infrastructure Investment Bank. We have also set up an Infrastructure Financing Facilitation Office under the Hong Kong Monetary Authority to provide a platform for pulling together investors, banks, financial institutions and infrastructure owners and operators to offer comprehensive services for various infrastructure projects.

All the above have made Hong Kong an ideal partner for arranging financing for tourism projects, which are essential to propel tourism development.

Hong Kong: Regional education hub

Secondly, Hong Kong, as a regional education hub, has world-class universities, professional bodies and international schools to provide a wide range of educational and training opportunities for students in Belt and Road countries in meeting global standards of excellence. For tourism in particular, we have one of the world's best hotel and tourism schools. The Hong Kong Polytechnic University's School of Hotel and Tourism Management has

been ranked No. 1 in 2017 in the "Hospitality and Tourism Management" category in ShanghaiRanking's Global Ranking of Academic Subjects, as well as in the "Hospitality, Leisure, Sport & Tourism" subject area by the Center for World University Rankings. It is also ranked among the top three "Hospitality and Leisure Management" institutions globally in the QS World University Rankings by subject in 2017 and 2018.

On top of that, we offer world-class training opportunities for hoteliers. Our city's many international hotel brands, including home-grown Mandarin Oriental and the Peninsula, make us the best place to acquire first-hand experience of world-class hotel operations.

We are taking forward a number of measures to provide a quality education platform here for both local and non-local students, which include expanding quotas for admission of non-local students, setting up a Government Scholarship Fund for outstanding local and international students, and allowing students from outside Hong Kong to stay here without limitation for up to 12 months after graduation.

Hong Kong: Open immigration regime

Thirdly, Hong Kong maintains an open immigration regime and we welcome talents from around the world to work, live, study, invest and travel in our city. Currently, nationals of about 170 countries and territories can visit Hong Kong for business or leisure visa-free. To further facilitate tourist flow between Hong Kong and Belt and Road countries, we will consider relaxing visa requirements for nationals of Belt and Road countries. We hope other countries will consider the same for the common good of our tourism sector.

Hong Kong: Diversified tourism offerings

Fourthly, Hong Kong is a place full of contrasts, diversity and dynamism. We offer a broad range of tourism products to cater for the diverse interests of visitors. This involves constant upgrading and improvement of services, creating and reinvesting in new attractions, and rediscovering hidden treasures in our tourism resources.

For example, Tai Kwun, the rejuvenation of three historical monument buildings in Central, is now a new exciting cultural landmark and a must-see for tourists. Our two flagship theme parks are also wasting no time to expand their capacity and enhance attractiveness. Hong Kong Disneyland will have new attractions almost every year to 2023 under its multi-year expansion plan. For Ocean Park, it just opened a new hotel last month, and will be commissioning a new waterpark and another hotel in the next few years. We will also see a much enhanced list of tourist attractions, including the heritage and cultural offerings at the West Kowloon Cultural District as well as the integrated development of the SkyCity development adjacent to the Hong Kong International Airport, comprising retail complexes, dining areas, hotels and entertainment facilities.

We also roll out district tourism programmes to assist and entice

visitors to explore Hong Kong's local life and districts' characteristics. Visitors will experience first-hand and in close encounters the local character of Hong Kong as a city where the East meets the West, where tradition crosses over with modernity.

We are not missing our rich green tourism resources which are within arm's reach of our city centre. Apart from our normal countryside tourism offering, this year, we have launched a scalable School Excursion Programme package for secondary schools outside Hong Kong, combining school exchange with an immersive conservation and cultural focus. We pulled together the green tourism attractions in the "four corners" of Hong Kong, that is, the Ocean Park in the south, the Mai Po Ramsar Site and the Hong Kong Wetland Park in the north, the Hong Kong UNESCO Global Geopark in the east and Ngong Ping 360 in the west, together with Tai Kwun, PMQ and Dr Sun Yat-sen Historical Trail, etc, which offers a probably unrivalled experience of learning, adventure, fun, thrill and amazement, yet in a safe and easy to get around setting. We hope this programme can help contribute to better mutual understanding amongst the kids of different cultures.

Creating new tourism products aside, city management, municipal services and quality assurance as well as safety are all important ingredients to fulfil a good tourist experience. Any city that is safe and easy to travel will be greatly welcomed by visitors. On this, I am proud to report that Hong Kong is one of the safest cities in the world, and a city that is easy for any tourists to get around with its efficient public transport and tourist-friendly facilities.

Regional co-operation for Belt and Road countries

On top of our diverse tourism offerings, Hong Kong's advantages as a global aviation hub and well-connection with the Mainland offers enormous opportunities for regional co-operation, for instance, multi-destination travel and the development of "fly plus cruise" and "rail plus cruise" travel products.

The Hong Kong International Airport provides excellent connectivity with over 120 airlines serving over 220 destinations worldwide. There are over 1 100 flights daily to and from the airport, reaching half of the world's population within five hours' flight time. The commissioning of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge has further enhanced our connections with the Mainland. Our Kai Tak Cruise Terminal can accommodate the largest cruise ships in the world. Together, we can create a win-win situation for all by strengthening the regional collaboration through for instance, development of mutually supporting cruise itineraries.

Greater Bay Area development

As to the Guangdong-Hong Kong-Macao Greater Bay Area development, it is an ambitious city cluster development encompassing Hong Kong, Macao and nine cities in the Guangdong Province of the Mainland. Working together, the

synergies to be brought about by these cities are obvious and tremendous.

The Greater Bay Area city cluster possesses abundant tourism resources with distinctive appeals, such as Guangdong's traditional Lingnan culture and Macao's entertainment and leisure resources as well as Hong Kong's vibrancy and diversity as an international metropolis. Our different yet complementary advantages combined enable the Greater Bay Area to rival other famous bay areas in the world.

Together, the Greater Bay Area presents to the world a model of cross-city co-operation and that tourism development is not a zero-sum game. We work together in every aspect to create an even bigger pie for all.

In this connection, the city clusters would further collaborate to develop more "one trip multi-destination" tourism products and conduct joint promotions overseas. In fact, our survey suggests that 45 per cent of our short-haul visitors are taking multiple destination itineraries while the figure for long-haul visitors is remarkably over 80 per cent.

To facilitate international travellers, foreign nationals in Hong Kong can visit the Guangdong Province for a maximum of 144 hours visa-free. This allows international travellers ample time to experience the diverse tourism offerings of Hong Kong and Guangdong Province, while ensuring the border crossing is hassle free.

What's more is the exponential improvement in land connection with the Mainland and Macao that makes such "one trip, multi-destination" travel even easier. In addition to the commissioning of the Guangzhou-Shenzhen-Hong Kong Express Rail Link in September, and the opening of the Hong Kong-Zhuhai-Macao Bridge in October, another cross-boundary infrastructure in Liantang/Heung Yuen Wai, connecting Hong Kong to the expressway in the eastern part of Guangdong, is expected to be completed soon in 2019. Indeed, the commissioning of three key infrastructures in a city in about a year is probably very much unprecedented in the world. Hong Kong's enhanced connectivity with the Greater Bay Area and beyond would make Hong Kong an ideal launch pad for international travellers to start their vacations.

On top of that, the Greater Bay Area adds more opportunities for Belt and Road countries. The Greater Bay Area has pulled together a spectacular 69 million population which is the most affluent part of China. The collective GDP is over US\$1.5 trillion, comparable to that of South Korea. The Greater Bay Area is, I would say, a large source market for tourism for Belt and Road countries to tap.

Concluding remarks

Ladies and gentlemen, I don't need to expound on the importance of tourism to economic development and the enrichment of people's life. The question is how we can do better and achieve more. The Belt and Road Initiative and the Greater Bay Area development, which are about collaboration and sharing benefits, have presented us with new potential. And

Hong Kong as the world's most visited city, freest economy, top financial centre, safest city, and one which has one of the world's best educational facilities and the world's top hotel brands, is your ready partner to leverage on the opportunities offered by the two initiatives.

We are committed to strengthening co-operation with different economies to promote tourism development, be it regionally or internationally. I hope today's conference has helped us not just to take on new tourism ideas, but new perspective, new horizons, and new hope, on how we can take our tourism development to a new height.

I wish to thank all our sponsors for making this Convention a better one. I also wish to thank Guangdong Province and our 10 neighbouring cities in the Greater Bay Area for their support to this Convention. Also my heartfelt thanks to the Hong Kong Tourism Board, under the able leadership of Dr Peter Lam, and the Travel Industry Council of Hong Kong in co-organising the Convention with the Tourism Commission. Lastly, this Convention would not have been possible without your participation. So thank you all again for joining. And may I wish you all a very pleasant and enjoyable stay in Hong Kong.

Thank you.

