United Nations World Tourism Organization
World Tourism Conference 2007 in Kuala Lumpur

Session 3: “Success in Product Development and Diversification”
5 June 2007

Ms King-chi Au
Commissioner for Tourism
Government of the Hong Kong Special Administrative Region
A “must-do” for visitors

- Shopping is an important part of visitors’ experience
- Enhances the attractiveness of a tourist destination
- Make Shopping an enjoyable experience
  - Attract more repeat visitors
  - Extend their stay, and
  - Increase their spending

Some great shopping destinations

Just to name a few

- London and New York
- Paris and Milan
- Tokyo
- ....
Some common features

- Diversity: variety, range and price of products
- Convenience and Safety
- Complementary tourism facilities and attractions
- World-class service
- Thriving domestic consumption as part of the local living culture

### Hong Kong as an example

<table>
<thead>
<tr>
<th>(%) increase compared with 2015</th>
<th>All visitors</th>
<th>Overnight visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number</td>
<td>25.3 million (+61%)</td>
<td>15.8 million (+7%)</td>
</tr>
<tr>
<td>Tourism spending (in US$)</td>
<td>15.3 billion (+12.7%)</td>
<td>9.7 billion (+10.2%)</td>
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<table>
<thead>
<tr>
<th>Purpose of Visit %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation</td>
</tr>
<tr>
<td>Visiting/Exhibits/Relatives</td>
</tr>
<tr>
<td>Business/Meetings</td>
</tr>
<tr>
<td>In Route</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
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Source: 2016 Survey by Hong Kong Tourism Board
Know our visitor-shoppers

- The visitor satisfaction ratings on shopping in Hong Kong is 83% (above-average satisfaction)

Source: 2014 Survey by Hong Kong Tourism Board

How others see Hong Kong as a shopping paradise

- Lonely Planet's “Best of Hong Kong” –
  - “Shopping in Hong Kong is not just about buying stuff: it’s a social activity, a form of recreation, a way of life for many people, both local and expatriates.”

- Tourists’ experience
  - shopping has the highest top-of-mind awareness among the core tourist attractions of Hong Kong

Source: 2014 Survey by Hong Kong Tourism Board
Conducive Institutional Factors (1)

- Efficient market mechanism and operation
  - “Fair-to-all” and transparent
  - Free flow of goods and information – time to market is fast
- Simple tax regime
- Effective protection of intellectual property rights (IPR)
Conducive Institutional Factors (2)

- Consumer Protection
  - Consumer Council as advocate for consumer rights
  - Hong Kong Tourism Board provides shopping tips via Discoverhongkong.com, FDA, shopping guides, joint promotions with industry, etc.

- Convenience and safety
  - No restriction on shopping hours
  - Efficient public transport
  - One of the safest cities in the world

Conducive Institutional Factors (3)

- International finance centre and a MICE hub
  - attracting business visitors (24% of the total visitor arrivals)
  - Mixed property development model: Office + Malls

- Hong Kong Tourism Board tailor-makes shopping menu for business travellers
Supporting Hardware

- Joint efforts of public and private sectors
- Investing in tourism infrastructure to complement shopping facilities
  - Hong Kong Disneyland
  - New Cable Car on Lantau
  - New Convention and exhibition facilities - Asia World-Expo
  - Terminal 2 of the Hong Kong International Airport
  - New Cruise Terminal at Kai Tak
  - Ocean Park Re-development
- Continue to enhance existing tourist attractions
- Shopping districts/facilities as an tourist attraction
  - Preserving and upgrading themed streets

A vibrant living culture

- East meets West - promoting diversity
- Creative and dynamic retail sector: responsive to customers’ changing needs
- Strong domestic consumption provides the impetus for growth, accounting for 58% of GDF in Hong Kong
- Quality service
- Cosmopolitan lifestyle and international outlook: showcasing sophisticated taste and latest models for Mainland shoppers
Staying ahead (1)

- Joint efforts by the Government, the Hong Kong Tourism Board, the tourism and related sectors and local citizens
  - Government, as a facilitator, to ensure efficient market, effective law enforcement to protect IPR and consumer rights, enact new consumer protection law to bridge any gaps, continue to invest in tourism infrastructure etc.

Staying ahead (2)

- Hong Kong Tourism Board, as our marketing agency, to step up global marketing
  - Introduce themed shopping routes
  - Stage mega events, e.g. Shopping Festival
  - Promote and recognise quality – Quality Tourism Services Scheme, with over 6,000 retail shops and restaurants
  - Leverage on complementary products like arts and cultural programmes to enrich tourists’ experience
Staying ahead (4)

- Every citizen can contribute to the continuing success
  - Commitment to a hospitable culture
  - Receptive to new trendy products and services
  - Continue to enjoy shopping – part of our living culture

Joint Partnership

Sustainable development of a shopping destination requires joint partnership
- Government – facilitation and promotion
- Retail business – diversity and creativity
- Tourism partners – synergy and commitment
- Community-commitment to warm hospitality
- A vibrant living culture – showcasing sophistication, excitement and fun
- Appetite for investment in tourism infrastructure – both public and private sectors
Thank you!

Visit us at www.tourism.gov.hk

Tourism Commission, Government of the Hong Kong Special Administrative Region