

For Information

Legislative Council Panel on Economic Development Hong Kong Tourism Board Work Plan for 2014-2015

Purpose

The paper at Annex sets out the Hong Kong Tourism Board (HKTB)'s work plan for 2014-15 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 primarily funded by the Government. Each year, the HKTB maps out its work plan for the year ahead, taking into account the macro environment and the tourism policy of the Government. In drawing up the work plan, the HKTB conducted extensive consultation with various tourism stakeholders, including travel agents, airlines, hotels, retailers, restaurants, attractions, as well as the academia. The work plan at the Annex has incorporated their views. The paper also gives an overview of the tourism performance in 2013.

4. 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.

5. Members are invited to note the HKTB's Work Plan for 2014-15 at the Annex.

**Tourism Commission
Commerce and Economic Development Bureau
February 2014**

HONG KONG TOURISM BOARD WORK PLAN FOR 2014-15

PURPOSE

1. This paper presents the work plan of the Hong Kong Tourism Board (HKTb) for 2014-15. The paper also gives an overview of the Hong Kong tourism industry in 2013 and the outlook for 2014, which form the background for developing the objectives, strategic focuses and key initiatives of the HKTb for the year 2014-15.

BACKGROUND

2. As a statutory body, the HKTb is tasked with marketing and promoting Hong Kong worldwide as a preferred travel destination. Each year, the HKTb undertakes a structured planning process to map out its strategies and initiatives for the year ahead, taking into account various factors in the macro environment, such as global economic conditions and market trends, as well as relevant policy directions of the Government. In 2014-15, the HKTb will take active steps to increase visitor arrivals, by stepping up promotions in source markets, organising mega events and promoting other tourism-related initiatives. The HKTb will also strive to maintain visitors' satisfaction and stimulate their spending, in order to further enhance the contribution of tourism to Hong Kong's economy and the community at large.

3. In devising the work plan for 2014-15, the HKTb conducted a series of formal consultations with stakeholders in the local tourism industry, including travel agencies, airlines, hotel owners and management, retailers, food and beverage caterers, attraction operators and academics.

2013 TOURISM PERFORMANCE OVERVIEW

Total visitor arrivals

4. Total visitor arrivals in 2013 increased 11.7% to nearly 54.3 million. By market region, Mainland China recorded growth, which could be attributed primarily to the steady development of the Mainland economy. For short-haul markets, the number of arrivals was similar to that of 2012. While

Taiwan, South Korea, Thailand and Malaysia registered growth, the overall performance of the short-haul markets was hampered by Japan, where the depreciation of the yen reduced the attractiveness of its outbound travel and increased its appeal for inbound travel, thereby drawing travellers away from other destinations in the region. For long-haul markets, the persistent European debt crisis and slow recovery of the US economy continued to affect tourism, causing long-haul arrivals to Hong Kong to drop. For new markets, arrivals increased fairly substantially, thanks to stable economic development, increased air capacity and relaxed visa policies.

	Total Visitor Arrivals		
	2013	2012	2013 Vs. 2012
Total ('000)	54,299	48,615	+11.7%
Mainland China ('000)	40,745	34,911	+16.7%
Short-haul markets^ ('000)	8,403	8,474	-0.8%
Long-haul markets* ('000)	4,270	4,415	-3.3%
New markets** ('000)	880	814	+8.0%

^ Excluding Mainland China, Vietnam and India

* Excluding the Gulf Co-operation Council (GCC) countries, the Netherlands and Russia

** New markets include India, the GCC countries, the Netherlands, Russia and Vietnam

Overnight visitor arrivals

5. Overnight visitor arrivals grew 8.0% year on year to 25.66 million. The arrivals from individual market regions are listed below:

- (A) Mainland China — Overnight arrivals from Mainland China increased 13.1%, with a significant rise of 8.2% from areas other than southern China.
- (B) Short-haul markets — Overnight arrivals from Taiwan and South Korea increased 4.2% and 2.7% respectively. For Southeast Asia, there was an overall increase of 3.1%, mainly from Thailand (+9.8%), Malaysia (+7.5%) and Indonesia (+2.6%). Growth in these markets, however, was offset by a significant 21.5% drop in arrivals from Japan.
- (C) Long-haul markets — Affected by sustained economic uncertainty, high unemployment rates and reduced seat capacity on flights to Hong Kong, arrivals from long haul markets fell 3.4%.
- (D) New markets — Benefitting from stable economic development, increased air capacity and visa policy relaxation, overnight arrivals grew prominently

in major new markets, including Russia (+16.1%), Vietnam (+14.4%), the GCC countries (+17.1%) and India (+5.8%).

	Overnight Visitor Arrivals		
	2013	2012	2013 Vs. 2012
Total ('000)	25,661	23,770	+8.0%
Mainland China ('000)	17,090	15,110	+13.1%
Short-haul markets^ ('000)	4,899	4,924	-0.5%
Long-haul markets* ('000)	3,058	3,167	-3.4%
New markets** ('000)	614	569	+8.0%

^ Excluding Mainland China, Vietnam and India

* Excluding the GCC countries, the Netherlands and Russia

** New markets include India, the GCC countries, the Netherlands, Russia and Vietnam

6. Owing to the global economic downturn which led to tightening of budgets for business travel by corporations, overnight business arrivals declined mildly (-0.5%) in 2013. Increased direct flights to Mainland China from other destinations also weakened Hong Kong's position as a stopover destination for business travellers. Nevertheless, total overnight MICE (meetings, incentives, conventions and exhibitions) arrivals increased 1.8%, with Mainland China, South Korea and India being the major sources of growth.

Implementation of a new tourism law by the Central Government

7. Targeting “zero-fare” tours, the Mainland authorities implemented the “Tourism Law of the People's Republic of China” in October 2013. Immediately following the implementation of the law, prices of tours to Hong Kong operated by Mainland travel agencies increased prominently. Between October and December 2013, group tour arrivals increased only 1.4% year on year, compared to 26.7% increase for the period between January and September 2013 before the law was enacted. However, figures provided by the travel trade show that though the number of shopping tours decreased, the number of sightseeing tours increased after the implementation of the new law. This reflects that the new law can benefit the sustainable development of the tourism industry. Nevertheless, further observation is necessary to assess the long-term impact of the law.

Please refer to Attachment I for a detailed breakdown of visitor arrivals from individual markets in 2013.

Visitor spending and average length of stay

8. In 2013, overnight visitors spent an average of 3.4 nights in Hong Kong, 0.1 night less than in 2012. The slight fall was primarily due to the shorter stay of the Mainland visitors. The average length of stay of overnight visitors from long-haul markets remained the same as in 2012 at 4.0 nights, while that of overnight visitors from short-haul markets (excluding Mainland China) increased 0.1 night to 2.9 nights as compared to 2012.

9. Despite tighter budget control by the Central Government and Mainland state-owned enterprises, which affected the growth magnitude (+4.7%) of the per capita spending (PCS) of Mainland overnight visitors, the average PCS of overnight visitors in 2013 is expected to increase 5.3% to HK\$8,233, as the relatively weak Hong Kong dollar helped stimulate visitor spending. Total Tourism Expenditure Associated with Inbound Tourism (TEAIT) is expected to go up 15.7% to HK\$343.1 billion. Visitor satisfaction remained unchanged from 2012, at 8.3 out of 10 points. Details are as follows:

	2013	2012	2013 Vs. 2012
Average length of stay of overnight visitors (nights)	3.4	3.5	-0.1
Average per capita spending by overnight visitors* (HK\$)	\$8,233	\$7,818	+5.3%
TEAIT (HK\$ billion) ^{1*}	\$343.1	\$296.6	+15.7%
Visitor satisfaction* [^] (out of 10)	8.3	8.3	Unchanged

* Projection made in December 2013

[^] Excluding same-day, in-town visitor arrivals

Uncertain outlook for the global economy

10. Looking into 2014, economic recovery in the US is expected to accelerate, while the European economy will remain encumbered by the sovereign debt crises and high unemployment rates. Considerable banking and fiscal risks in individual European countries may also hamper economic recovery in Europe and the world at large. GDP growth in 2014 is forecast to be

¹The tourism expenditure figures 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. This information is collected from HKTB's Departing Visitors Survey; (2) Passenger International Transportation Expenditure – receipts of Hong Kong-based carriers for cross-boundary transportation of non-resident passengers by air, sea or land. The data is provided by the Census and Statistics Department of the Hong Kong Special Administrative Region (SAR) Government.

3.7% by the International Monetary Fund (IMF)² and 3.6% by the Economist Intelligence Unit (EIU)³.

11. In 2013, after steady and relatively rapid growth in the past few years, the Asian economy experienced a slowdown in growth, though its growth rate was still ahead of other regions. In 2014, it is expected that solid domestic demand will support growth in markets like Thailand, Malaysia and India, while export-dependent economies will be more vulnerable to the risk of a global economic slowdown. The Mainland economy is expected to undergo steady and relatively fast growth, despite measures that the Central Government may carry out to maintain economic stability, such as continued tight control on spending by state-owned enterprises, and curbing economic stimulus measures to restrict excessive lending. As for Japan, the effectiveness of the implementation of fiscal stimuli in 2013, including the depreciation of the yen to boost exports, is expected to fade in 2014.

12. According to the EIU⁴, the US dollar, which has strengthened since late 2013, will become even stronger in 2014. Pegged to the US dollar, the Hong Kong dollar will therefore gradually strengthen against many global currencies, thus reducing the spending power of travellers from many countries and regions. The Indian rupee is also expected to depreciate again in 2014. However, some major currencies, including the renminbi, the Korean won, the Singapore dollar and the British pound are expected to remain strong against the Hong Kong dollar. Meanwhile, the Central Government's tightening of control over the budgets of state-owned enterprises and business travel spending will likely present challenges for the tourism industry not only in Hong Kong but also in destinations worldwide.

13. According to a forecast by the United Nations World Tourism Organization (UNWTO)⁵, global tourism will grow mildly by 4% to 4.5% in 2014.

Intensified competition among destinations in the region

14. Tourist destinations around the world are stepping up their efforts to entice visitors. Within Asia, Mainland China, Singapore and Malaysia have invested substantially in developing new tourism facilities and launching large-scale marketing campaigns, and South Korea and Taiwan have been actively promoting their pop music and movies respectively to attract travellers.

² According to the *World Economic Outlook* published by the IMF in January 2014.

³ Forecast made by the EIU in January 2014.

⁴ Forecast made by the EIU in January 2014.

⁵ Forecast made by the UNWTO in January 2014.

15. Many countries and regions have relaxed visa requirements for inbound travellers, such as Japan for Malaysia and Thailand visitors, and Vietnam for the US visitors. In addition, many countries, including the UK and India, will relax their visa restrictions in 2014 to attract Mainland visitors.

16. Currently, the Mainland's Approved Destination Status (ADS) policy covers 116 destinations. In addition, visitors from 26 Mainland cities can visit Taiwan as free independent travellers (FIT), with the daily quota increased to 3,000 under the Free and Independent Traveller Programme implemented by the Taiwan tourism authority in 2011. Greater choices of travel destinations for Mainland visitors mean that Hong Kong is facing keener competition for Mainland visitors, especially those from non-southern China.

Reduced growth in flight capacity

17. While overall seat capacity on flights linking Hong Kong and other destinations increased about 5.5% in 2013 over 2012, the growth rate and the actual seat numbers are lagging behind those of major Mainland cities and Southeast Asian cities. Seat capacity on long-haul routes even fell 4.5%. According to the International Air Transport Association (IATA)⁶, Hong Kong's seat capacity growth is projected to be 3.3% in 2014-15. Although seat capacity on long-haul routes is expected to increase 3.6%, the number of seats is still expected to be smaller than that in 2012.

18. Meanwhile, low-cost carriers (LCCs) based in Southeast Asia and Australia are expected to draw short-haul visitors to destinations in those regions.

Impact of political issues

19. In addition to economic conditions and changes in the global tourism landscape, political issues may also have an impact on tourism development. Territorial issues such as the dispute over the Diaoyu Islands and the sovereignty of the South China Sea may affect visitors' choice of destination. The massive anti-government campaign in Thailand, which began in late 2013, has also affected the country's inbound and outbound tourism.

⁶ Forecast made by the IATA in January 2014.

Opportunities arising from new infrastructure and tourism-related policies

20. Favourable cruise and visa policies – The Mainland’s cruise policy, which allows Mainland tour groups to take cruises from Hong Kong to Taiwan, from where they can proceed to Japan or Korea on the same cruises before returning to Mainland China, facilitates the development of cruise products for attracting more Mainland visitors to take cruises from Hong Kong. In addition, the “144-hour facilitation visa”, the “Beijing / Shanghai / Guangzhou / Chengdu / Chongqing 72-hour Transit Visa-free” policy, and the visa-free arrangement for Russian travellers to Macau implemented in September 2012 both support the development of multi-destination itineraries featuring Hong Kong.

21. Sustained development of tourist attractions and infrastructure – The Kai Tak Cruise Terminal, with its first berth commencing operation in June 2013 and its second berth due for completion in 2014, provides new opportunities for cruise tourism. In addition, Hong Kong’s two major theme parks have been undergoing expansion and redevelopment, offering new tourism experiences and increasing the appeal of Hong Kong. Following the opening of “Mystic Point” in 2013, the Hong Kong Disneyland will be the world’s first Disneyland to open an “Iron Man Experience” themed area in 2016. In 2014, the Ocean Park will also open new attractions including a “Koala Exhibit” and a “Shark Aquarium”.

22. Enhanced connectivity with Mainland China – The connectivity between Hong Kong and Mainland China will be further enhanced with the expected completion of construction works for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link in 2015-16, and with the anticipated opening of the Hong Kong-Zhuhai-Macau Bridge in 2016. These projects will not only provide Mainland visitors with more transport options to travel to Hong Kong, but also facilitate travel by overseas visitors to the Mainland via Hong Kong, consolidating Hong Kong’s position as a gateway to Mainland China.

23. Increased hotel room supply – It is expected that Hong Kong will have more hotel rooms with the completion of new hotels in 2014, alleviating the pressure imposed by high demand in peak seasons.

2014 Projections

24. Having taken into account the macro environment factors, including risks and opportunities, tourism-related policies, developments in visitor source markets, and the analyses and forecasts by international organisations, the HKTb has made the following projections for various key tourism performance indicators in 2014:

Key Tourism Performance Indicators	2014 Projections	Vs. 2013
Total visitor arrivals ('000)	58,964	+8.6%
Arrivals from Mainland China ('000)	45,136	+10.8%
<i>Overnight arrivals</i>	18,122	+6.0%
<i>Same-day, in-town arrivals</i>	27,014	+14.2%
Arrivals from short-haul markets ('000)	8,538	+1.6%
Arrivals from long-haul markets ('000)	4,358	+2.0%
Arrivals from new markets ('000)	932	+6.0%
Average length of stay among overnight visitors (nights)	3.4	Unchanged
Overall satisfaction rating [^] (out of 10)	8.3	Unchanged
Average per capita spending among overnight visitors (HK\$)	\$8,597	+4.4%
TEAIT (HK\$ billion)	\$381.0	+11.1%

[^]Excluding same-day, in-town visitors

FOCUSES OF 2014-15 WORK PLAN

25. The HKTb Work Plan 2014-15 has five focuses:

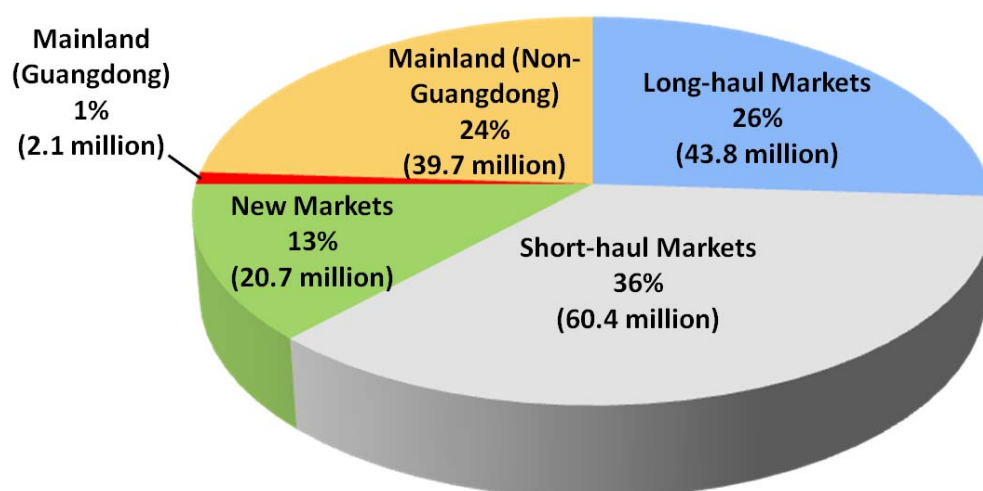
- (A) Focus 1: Concentrate resources on driving overnight visitor arrivals and expanding international markets.
- (B) Focus 2: Uphold Hong Kong's tourism brand and highlight unique travel experiences.
- (C) Focus 3: Establish win-win co-operation with the travel trade.
- (D) Focus 4: Promote cruise and MICE tourism to attract high-spending visitors.
- (E) Focus 5: Strengthen corporate governance.

Focus 1: Concentrate resources on driving overnight visitor arrivals and expanding international markets

Invest 100% of resources in drawing overnight visitors

26. In 2014-15, the HKTb will continue to invest in 20 key markets which altogether contribute about 95% of visitor arrivals to Hong Kong. To achieve a diverse visitor portfolio and uphold Hong Kong's image as Asia's World City and a world-class travel destination, the majority of the HKTb's marketing resources will be allocated to the international markets. The HKTb's total marketing budget in 2014-15 is about HK\$331 million, over half (about HK\$167 million) of which will be used for promotions targeting overnight visitors, especially the high-spending Mid-Career and Achiever segments, in visitor source markets. Of this, 75% will be put into the international markets, compared to 70% in 2013-14. The remaining 25% will be invested in the Mainland market, the majority of which will be used to draw overnight arrivals from non-Guangdong areas. Only 1% of the total marketing budget will be invested in Guangdong.

27. The HKTb will regularly review the market prioritisation model and promotions in different markets and report its findings to the Board. It will also stay alert to changes in the macro environment, in order to deploy resources flexibly to minimise the risks that may arise from any unforeseeable incidents. The chart below summarises the distribution of resources in different visitor source markets in 2014-15:



(A) Mainland China – Grow the non-Guangdong market.

- (i) The sustained growth of the Mainland economy, together with the strong renminbi, has caused Mainland visitor arrivals to Hong Kong to increase by leaps and bounds. However, with the gradual relaxation of travel policies and increasing purchasing power, Mainland consumers now enjoy greater choices of travel destinations. In addition, many travel destinations are keen to attract Mainland visitors, meaning that Hong Kong is faced with stiffer competition. In order to expand the yield from the Mainland market, the HKTb will continue to grow the non-Guangdong market in 2014-15 to increase the proportion of overnight Mainland visitors.

(B) Short-haul markets – Adjust resource allocation based on market developments.

- (i) Leveraging the stable economic development in the region, the HKTb will increase its marketing investment in short-haul markets in 2014-15. Resource allocation for individual markets will be adjusted based on the latest economic and political developments in each market. The HKTb will also roll out image-boosting campaigns in various short-haul markets, such as Southeast Asia, South Korea and Taiwan, and promote Hong Kong as the most preferred travel destination in the region through such channels as advertisements, public relations and digital marketing initiatives.
- (ii) Taiwan – The HKTb will continue to drive vacation arrivals in 2014-15, capitalising on increased airline seat availability for vacation travellers freed up by business travellers as a result of cross-strait direct links, and the free online pre-arrival registration for Taiwan residents. In particular, the HKTb will allocate more resources to secondary cities, such as Taichung, Kaohsiung and Tainan, riding on the increased number of direct flights between those cities and Hong Kong.
- (iii) North Asia – The HKTb will rationalise its investment in Japan in view of the weakening Japanese yen, which has dampened travel sentiment for Japanese consumers. While the yen depreciation has diverted some visitors from South Korea to visit Japan instead of Hong Kong, the appeal has weakened since late 2013. In 2014-15, the HKTb will increase its investment in South Korea to maintain the growth of that market.

- (iv) Southeast Asia – The expected expansion on flight capacity between Hong Kong and various Southeast Asian countries in 2014 which will lead to lower air fares, will help attract visitors to Hong Kong. The HKTb will re-align investment in this market region to capitalise on growing consumer segments in Singapore and Malaysia and to fuel further growth of the Thai and Indonesian markets. It will also strengthen partnerships with the online travel agencies and LCCs, and launch consumer-oriented promotions at large-scale travel fairs with travel trade and attraction operators.
- (C) Long-haul markets – Maintain market presence through public relations and digital marketing.
- (i) Travel sentiment is expected to remain weak owing to uncertain economic conditions in major long-haul markets. Therefore, the HKTb will adopt a cautious approach towards these markets, focusing its promotions on the spring and autumn travel seasons.
- (ii) To maintain Hong Kong's presence in the long-haul markets, the HKTb will promote Hong Kong's tourism offerings through such channels as TV programmes, magazines, digital channels and social media, focusing on attracting the high-spending Mid-Career, Achiever and MICE segments. It will also collaborate with major travel agencies, airlines and the China National Tourism Administration to promote multi-destination itineraries featuring Hong Kong and the Pan-Pearl River Delta region.
- (D) New markets – Step up promotions to draw Russian and Indian visitors.
- (i) In recent years, the HKTb has been actively developing new markets to open up new visitor sources for Hong Kong tourism. These markets include Russia, India, the GCC countries, Vietnam and the Netherlands, most of which achieved satisfactory performance in 2013. In 2014-15, the HKTb will continue to invest in these new markets, particularly Russia and India, and increase investment in Vietnam, with the following strategies:
- (a) Russia – Russia has shown good growth momentum in recent years, and in 2013 it replaced Germany as the third largest European source market for Hong Kong. While Moscow will continue to be the pivot of its promotion in Russia, the HKTb will work with S7 Russian Airlines to extend its promotion to Siberia and the Far East. In view of Russian visitors' preference

for multi-destination travel, the HKTB will continue its partnership with Shenzhen and Macau to promote multi-destination itineraries.

- (b) India – The HKTB’s primary target cities are Mumbai and New Delhi, though resources will also be deployed in such secondary cities as Bengaluru, Chennai, Kolkata and Hyderabad. To entice the price-conscious Indian visitors, the HKTB will roll out marketing activities under the theme “Hong Kong – You Deserve It” to highlight the excellent value of a Hong Kong vacation. It will also promote multi-destination itineraries with Shenzhen and Macau, and partner with cruise lines to promote cruise travel that includes stopovers in Hong Kong.
- (c) Vietnam – The HKTB will increase its marketing resources for Vietnam in 2014-15 and appoint a local representative to enhance the effectiveness of its work in that market. In promoting Hong Kong to Vietnamese consumers, the HKTB will continue to highlight the city’s cosmopolitan lifestyle and trendsetting edge.
- (d) GCC countries and the Netherlands – In the GCC countries, investment will be focused on Dubai and Abu Dhabi, while promotions to raise awareness of Hong Kong will mainly be conducted through digital channels. The HKTB will also expand its focus from the Arab population to include Western expatriates, and showcase Hong Kong’s appeal through consumer fairs and familiarisation trips for the travel trade. In the Netherlands, the HKTB will raise Hong Kong’s profile primarily through public relations initiatives.

Attachment II shows how the HKTB’s resources will be allocated to the various visitor source markets.

Marketing strategies targeting various life-stage segments

28. To attract the high-spending Mid-Career and Achiever segments, the HKTB will focus on promoting Hong Kong’s wine-and-dine offerings, arts and culture, green attractions, and MICE and cruise appeal. Key initiatives are as follows:

- (A) Promote gourmet activities in Hong Kong Wine & Dine Month.
- (B) Enhance the promotion of arts, cultural and design events, including the Hong Kong Arts Festival, the Hong Kong International Film Festival, Le French May, and Business of Design Week.
- (C) Strengthen support for international exhibitions, including Art Basel Hong Kong, and Watches & Wonders.
- (D) Strengthen the promotion of local culture and the unique offerings of various districts.
- (E) Support the development of tour products to enrich visitor experience.
- (F) Promote the appeal of outdoor sports activities and green attractions.
- (G) Continue to drive the development of cruise and MICE travel.

29. Targeting the Student, Young and Family segments, the HKTb will promote Hong Kong's hip and trendy image in Mainland China and short-haul markets. Key initiatives are as follows:

- (A) Promote weekend trips to the Young Office Ladies segment in Taiwan, Japan and South Korea.
- (B) Promote such western festivals as Halloween and Christmas, and such entertainment offerings as pop concerts and consumer fairs.
- (C) Promote major sports events, including the Hong Kong Marathon, Hong Kong Sevens, Oxfam Trailwalker and new GranFondo.
- (D) Targeting Mainland China, Taiwan, India and Southeast Asian countries, roll out family programmes during school holidays and other promotions with family attractions, including theme parks, to maximise marketing impact.

Focus 2: Uphold Hong Kong's tourism brand and highlight unique travel experiences

Roll out the second phase of the brand campaign

30. In 2011, the HKTb adopted “Hong Kong · Asia’s World City” as the tourism brand of Hong Kong, promoting the city as a world-class travel destination with a distinctive East-meets-West culture, where “every moment is a different world”.

31. In 2014-15, the HKTb will launch the second phase of its brand campaign, highlighting the unique experiences visitors can have in Hong Kong. The brand will be incorporated into the HKTb’s marketing campaign and conveyed in a visitor segment-focused approach through comprehensive digital marketing and global PR initiatives. In selected strategic markets, such as South Korea, Taiwan and Malaysia, the HKTb will roll out an image-boosting campaign, which entails promotional videos and advertisements. Overall, the HKTb will continue to promote Hong Kong’s unique travel experiences and hospitable culture.

Build an integrated digital platform to maximise our promotional reach

32. The HKTb will continue to capitalise on the trend of travellers using the internet and social media to plan and share their trips, and launch an integrated digital platform on which travellers can look for travel information on Hong Kong and share their travel experiences with families and friends whenever and wherever they want. Key digital marketing initiatives are as follows:

- (A) The HKTb will be the first in the industry to launch a cross-platform digital travel guide – the “3-in-1 My Hong Kong Guide” – which seamlessly integrates web portals, mobile applications and social media. Since the digital guide can be used on personal computers and mobile devices, users can first plan their itineraries on the HKTb’s website at home, and then retrieve and modify their itineraries during their trip using the mobile application of the digital guide. When the application is on, users can receive location-specific information about mega events and shopping offers in town from the HKTb. Users can also share their travel experience in text/photos/video on social media using the applications.
- (B) The HKTb will continue to leverage key social networking sites, including Facebook, Sina Weibo and Twitter, to maximise publicity and awareness of

Hong Kong. It will also invite celebrities to endorse Hong Kong via social media to enhance their fans' desire to visit Hong Kong.

- (C) In view of travellers' need to stay connected to the Internet, the HKTb launched the "Tourist Pre-paid Voice and Data SIM Card" with a local mobile network provider in 2013. The two parties will continue to work together in 2014-15 to enhance the features of the SIM card.

Launch a year-round global PR campaign to generate publicity

33. In 2014-15, the HKTb will roll out a year-round global PR campaign under the theme "Hong Kong Experience". In selected source markets, celebrities and personalities will be invited to experience a unique cultural aspect of Hong Kong to capture the attention of international and digital media and spread the word about Hong Kong.

34. In Japan, the HKTb appointed in November 2013 a famous boy band "Exile" as the "2014 Friendship Ambassador" of Hong Kong to help promote Hong Kong in the Japanese market. The HKTb plans to partner with celebrity artists in South Korea, fashion bloggers in Australia, and a super model and a famous DJ in the UK to generate publicity for Hong Kong.

35. Given the high penetration rate of TV, the HKTb has been actively collaborating with international TV stations to produce travel, wine-and-dine and lifestyle programmes featuring Hong Kong. In 2014-15, the HKTb will continue to invite international and regional TV networks and production houses to film high-rating programmes in Hong Kong, in order to raise awareness of the city among global TV audiences.

Promote the characteristics of various districts to encourage visitors to experience the authentic local culture of Hong Kong

36. To encourage visitors to gain an in-depth experience of Hong Kong and make better use of the tourism resources of various districts, the HKTb will strengthen the promotion of the tourism offerings and characteristics of various districts in 2014-15. To support this, the HKTb will develop dedicated web pages to showcase the historic monuments, local living culture and delicacies, themed shopping streets and specialty markets in various districts. By providing visitors with more choices, this initiative can alleviate the concentration of visitors in popular tourist districts, and also create business opportunities across the city.

37. The HKTb will also continue to encourage the local travel trade to develop new and attractive themed tours taking visitors to explore and spend at different districts through the New Tour Product Development Scheme (please refer to paragraphs 42 and 43 for details).

Promote a culture of hospitality

38. The HKTb will continue to foster a culture of hospitality to enhance visitor experience.

Enrich mega events and intensify the promotion of sporting and arts events

39. To enhance the excitement of Hong Kong as a tourist destination, the HKTb has launched a number of mega events in recent years, each of which has highlighted specific tourism strengths of Hong Kong, including festive celebrations, international events, arts and culture performances as well as programmes of key attractions. These mega events not only enrich the visitor experience, but also draw the attention of the international media and thus create publicity for Hong Kong. Featuring district-based activities and programmes by key attractions, these mega events also help to generate visitor traffic and economic benefits to different geographical areas and social strata in the city.

40. In 2014-15, the HKTb will continue to organise mega events, adding new elements wherever appropriate to enhance visitor experience. It will also actively promote major events organised by other parties, including those sponsored by the Mega Events Fund, to cater to different visitor preferences. The following table shows key mega events by category:

Tourism strength	Event and time	Major/New elements
Traditional Chinese festivals	• Dragon & Lion Dance Extravaganza (January) • Hong Kong Chinese New Year (January and February) • Hong Kong Cultural Celebrations (April and May) • Hong Kong Dragon Boat Carnival (June) • Mid-Autumn Festival (September)	<u>Hong Kong Cultural Celebrations</u> To seek support from public transport facilities to make special transport arrangements for visitors during the four traditional festivals, so that visitors can take part in the celebratory activities in different districts more easily. To promote festive foods, such as vegetarian meals, to visitors. <u>Hong Kong Dragon Boat Carnival</u> To organise interesting races, include new entertainment elements and expand the beer garden.
Western festivals	• Hong Kong Halloween Treats (October) • Hong Kong WinterFest, New Year Countdown Celebrations (November and December)	<u>Hong Kong WinterFest</u> Subject to availability of sponsorship and resources, to install large-scale festive decorations in different districts, such as Central and Tsim Sha Tsui, and stimulate visitor spending by publicising winter sales.
Shopping and entertainment	• Hong Kong International Film Festival (March and April) • Entertainment Expo Hong Kong (March and April) • Hong Kong Summer Spectacular (June to August)	<u>Hong Kong Summer Spectacular</u> Targeting the Young and Family segments, to promote the Lan Kwai Fong Carnival, major consumer exhibitions, concerts, summer programmes of various attractions, and various spending discounts.

Wine-and-dine offerings	• Hong Kong Wine & Dine Month (November)	<u>Hong Kong Wine & Dine Festival</u> To stage the festival at the New Central Harbourfront for the second year and promote culinary programmes launched in different dining districts or launched by the catering sector in November.
Outdoors and sports	• Hong Kong Marathon (February) • Hong Kong Masters (February) • Hong Kong Sevens (March) • GranFondo Hong Kong (October) • Great Outdoors Hong Kong (October 2014 to January 2015) • Hong Kong Open Championship (December) • Hong Kong International Races (December)	<u>Hong Kong Sevens</u> To explore the possibility of setting up a large screen, and beer and food booths at the New Central Harbourfront for non-ticket holders to enjoy the tournament. The ultimate goal is to develop a sport-themed carnival. <u>GranFondo Hong Kong (new event)</u> To organise a cycling race with various categories in October, with the route starting in Central and ending in Tseung Kwan O.
Arts and culture	• Hong Kong Arts Festival (February and March) • Affordable Art Fair (March) • Business of Design Week (December)	To promote the Hong Kong Arts Festival and Affordable Art Fair in February and March, Le French May and Art Basel in May and June, and the Business of Design Week at the end of the year.

Expand the scope of visitor services

41. The HKTb will expand the scope of its visitor services in 2014-15 to enhance visitor experience. Initiatives include:

(A) Visitor service

- (i) In 2013-14, the HKTb set up a hotline dedicated to helping hotel concierges answer visitor enquiries. At the end of 2013, around 50 key hotels had subscribed to the service. In 2014-15, the HKTb will invite more hotels, as well as shopping malls with high visitor traffic, to use the hotline service.

(B) Quality Tourism Services Scheme

- (i) Launched in 1999, the Quality Tourism Services (QTS) Scheme has been in place to encourage merchants to provide quality service. At the end of 2013, the scheme had over 1,300 merchant members, with more than 8,300 outlets in three categories including retail, dining and visitor accommodation. In 2014-15, the HKTb plans to include shopping malls in the scheme so that visitors can enjoy quality service in more merchant outlets.
- (ii) The HKTb will also make efforts to encourage merchants in major tourist districts and in the vicinity of newly established hotels to join the QTS Scheme.
- (iii) Meanwhile, it will continue to raise awareness of the scheme through different channels, such as digital platforms, advertising and road shows.
- (iv) In 2014-15, the HKTb will continue to recognise the scheme's loyal merchant members through the "10-year QTS Merchant Recognition".

Focus 3: Establish win-win co-operation with the travel trade

Develop new tour products with the travel trade to enhance visitor experience

42. In 2012-13, the HKTb launched the New Tour Product Development Scheme⁷, partly subsidising the marketing costs of the local travel agents, tour operators and receiving agents in developing new themed tours.

⁷ Under the New Tour Product Development Scheme, successful applicants, selected by an evaluation panel, will receive dollar-for-dollar subsidies from the HKTb, amounting to no more than HK\$500,000, for one to three years for marketing the approved products.

The scheme was well received by the trade, and had subsidised the development of 12 new tours as at the end of 2013:

Tour products subsidised by the New Tour Product Development Scheme	
1) Sham Shui Po Foodie Tour	7) Wine Tasting & Tea Restaurant Tour
2) Cycling the Castle Houses of Southern China	8) “Wing Chun” Kung Fu Experience Tour
3) Different Taste of Hong Kong	9) Hand Made in Hong Kong
4) Tai O Eco Tour	10) Taste Wine Taste Life
5) Hong Kong/Guangzhou/Shenzhen Theme-parks Combo Tour	11) Hong Kong Wedding Tour
6) Muslim Harbour Cruise Dinner	12) Six Senses Heritage Experience

43. In 2014-15, the HKTb will continue to run the New Tour Product Development Scheme to encourage the development of creative themed tours which leverage the tourism resources of different districts. The following shows the themes that will be focused on in the coming year:

Themes of products to be developed in 2014-15	
• HKTb mega events • Food and wine • Multi-destination itineraries • Onshore excursions for cruise travellers	• Tours for visitors from new markets • Luxury tours • Heritage • Arts and culture

44. The HKTb will promote the tours developed under the scheme through its DiscoverHongKong website and PartnerNet website, trade activities such as consumer fairs and trade seminars, PR initiatives, and any other suitable channels.

Promote multi-destination travel to consolidate Hong Kong’s position as the region’s travel hub

45. In 2014-15, the HKTb will continue to partner with Macau and various Mainland provinces and cities, including those in the Pan-Pearl River Delta, to promote multi-destination itineraries. It will also encourage the local travel trade to develop themed multi-destination tour products through the New Tour Product Development Scheme. Initiatives in this area are as follows:

(A) Collaborate with Macau and Guangdong

- (i) Strengthen our partnership with the tourism bureaux of Guangdong and Macau to promote Hong Kong-Macau-Guangdong itineraries in overseas travel trade shows, and promote the advantages of the “144-hour facilitation visa”.
- (ii) Together with the Macau Government Tourist Office, promote Hong Kong-Macau itineraries in long-haul and high-potential short-haul markets, as well as in new markets such as Russia and India.

(B) Collaborate with Shenzhen

- (i) With the Shenzhen Municipal Bureau of Culture, Sport and Tourism, arrange for our overseas travel trade partners to personally experience the convenience offered by the “144-hour facilitation visa” to travel from Hong Kong to Shenzhen during familiarisation trips, in order to encourage the development of tourism products that take advantage of the visa.
- (ii) With the Shenzhen Municipal Bureau of Culture, Sport and Tourism, organise road shows in Russia and promotions in Thailand and Indonesia to promote the complementary tourism resources of Hong Kong and Shenzhen, and encourage the travel trade to develop Hong Kong-Shenzhen tours.

Strengthen trade partnerships to create new opportunities

46. Overseas trade shows

- (A) In view of changing markets and business environments, the HKTb has been collecting views from the local travel trade on the participation model and resources invested in overseas trade shows. In 2014-15, the HKTb will focus on 14 global trade shows, and organise meetings for the local and overseas travel trade to discuss business opportunities.
- (B) The HKTb is exploring the possibility of directly selling travel products to consumers at trade shows, with a view to creating a business platform for the travel trade.

47. Familiarisation visits for the travel trade

- (A) To promote the development of new markets, the HKTb will organise travel missions to India, Russia, Vietnam and the GCC countries for the local travel trade to network with the travel trade in those markets.
- (B) The HKTb plans to organise familiarisation tours for the travel trade from short-haul and long-haul markets, including the UK and other European countries, so that they can gain first-hand experience of Hong Kong's tourism products and meet with members of the Hong Kong travel trade for possible business collaboration.

48. Consumer fairs

- (A) The HKTb will partner with its local attraction partners to provide special offers to consumers at major consumer travel fairs in Southeast Asia to increase their incentive to buy Hong Kong packages.

49. PartnerNet

- (A) In 2012, the HKTb launched an enhanced PartnerNet website, turning it into an interactive B2B platform for the travel trade worldwide to expand their business.
- (B) The enhanced PartnerNet website allows travel trade members to organise and update information of their companies and offers, and to search for other members for business building.
- (C) PartnerNet includes a "Hong Kong Specialist" programme for the travel trade to gain greater knowledge on Hong Kong, including its history, culture, attractions and festivals, so that they can better sell Hong Kong.
- (D) At the end of 2013, 13 market versions in eight languages had been launched for the PartnerNet website. Southeast Asian versions will be launched in 2014-15.

Focus 4: Promote cruise and MICE tourism to attract high-spending visitors

Foster regional co-operation in promoting cruise tourism

50. The HKTb has been in exchange with the port authorities in Taiwan, Hainan and Japan on ways to increase the appeal of the region for cruise travel and on possible co-operation. Meanwhile, it has been promoting the attractiveness of the region to the cruise industry and the international media.

51. The HKTb will conduct research to gauge the development potential of different ports in the region and the travel patterns of cruise passengers. The results will be shared with major international cruise lines to assist them in planning itineraries, with a view to promoting cruise tourism in the long run.

52. The HKTb is planning to host Cruise Shipping Asia-Pacific, a large-scale industry meeting, in November 2014. The event will gather under one roof key industry players including cruise lines, tourism marketing organisations, port authorities and cruise terminal operators to exchange intelligence on cruise development in the Asia-Pacific region. The HKTb will also leverage the occasion to highlight the strength of Hong Kong as a cruise destination. And in March 2014, the HKTb will send a delegation to Cruise Shipping Miami, the biggest cruise forum and exhibition in the world, to promote Hong Kong as Asia's cruise hub.

Encourage cruise lines to include Hong Kong in their itineraries

53. Through the co-op marketing fund, the HKTb will continue to encourage cruise lines to increase the number of cruise ship layovers in Hong Kong. The HKTb will also strengthen co-operation with the operators of the Kai Tak Cruise Terminal and Ocean Terminal to showcase Hong Kong's capacity and appeal as Asia's cruise hub.

Raise awareness of cruise travel through a market- and segment-focused approach

54. Targeting young professionals, families and seniors, the HKTb will conduct promotions in Guangdong, India and selected long- and short-haul markets. In particular, the HKTb will, in partnership with airlines and cruise lines, promote MICE-cruise in India, and fly-cruise in long-haul markets.

55. The HKTb will actively promote Hong Kong's appeal as a cruise destination through consumer promotions, public relations initiatives and digital channels such as DiscoverHongKong.com, travel portals and social media.

Strengthen business partnerships to bring more MICE events to Hong Kong

56. In 2014-15, the HKTb will continue to leverage the "World's Meeting Place" platform to promote MICE tourism. In particular, it will focus on bidding for medium-sized conventions and exhibitions to boost MICE arrivals, and medium- and small-sized meetings of international renown to bring in high-spending visitors. Detailed strategies for the various MICE segments are as follows:

(A) Meetings and incentive travel

- (i) The HKTb will step up promotions in its three priority markets namely Mainland China, India and Indonesia, and target its promotion at six high-potential sectors – pharmaceuticals, direct sales, insurance, automobile, information technology and finance.
- (ii) With support from the local MICE trade, the HKTb will showcase Hong Kong's MICE strengths at major international trade shows, including the Incentive Travel & Conventions, Meetings China in Shanghai, the Incentive Travel & Conventions, Meetings Asia, and the Asia-Pacific Incentives and Meetings Expo.
- (iii) In its effort to promote Lantau Island as a one-stop MICE destination, the HKTb will, with support from key attractions partners, as well as venue operators and facilities, organise road shows in India and develop incentive reward packages to drive advance bookings.
- (iv) The HKTb will build a long-term working relationship with event planners and continue to organise familiarisation trips as engagement platforms for overseas MICE agents and local trade partners.
- (v) While strengthening collaboration with airlines, key incentive agents and event planners, the HKTb will also work with local venue providers to offer mega corporate clients venue discounts and hospitality support.

(B) Conventions

- (i) The HKTb will focus on bidding for internationally renowned events and those attracting 2,000 persons or more. It will also strengthen strategic partnerships with key associations and conference organisers to promote Hong Kong to their members.
- (ii) In Europe, the HKTb will work closely with the Hong Kong Economic and Trade Offices to engage key associations in five priority countries: the Netherlands, Switzerland, Belgium, the UK and Germany, where the majority of Europe-based associations are headquartered. The HKTb will also work closely with the largest European professional conference organisers to convince European conventions to stage their Asian editions in Hong Kong.
- (iii) The HKTb will leverage IMEX as an outreach platform in the US (IMEX America) and Europe (IMEX Frankfurt) to strengthen its ties with conference organisers and generate leads for future conferences.
- (iv) The HKTb will explore the potential of connecting Mainland associations and their corresponding chapters in Hong Kong, and organising familiarisation trips for association representatives from Beijing and Shanghai.
- (v) The HKTb will work closely with government departments and tertiary institutions to bid for official and academic events.

(C) Exhibitions

- (i) The HKTb will collaborate with venue operators, the Hong Kong Exhibition and Convention Industry Association and the Hong Kong Trade Development Council to promote Hong Kong's strength as an exhibition hub and Asia's trade fair capital at international industry events.
- (ii) The HKTb will partner with exhibition planners to provide customised travel packages and hospitality service to exhibition participants, and continue to provide exhibition organisers with customised support, in order to secure existing exhibitions and attract new ones.

Focus 5: Strengthen corporate governance

Setting objectives

57. Whilst carrying out its work in visitor source markets, the HKTB strives to enhance its corporate governance continuously by regularly conducting audits and reviews of its financial policies and procedures to ascertain compliance and ensure stringent internal controls. It also identifies areas for improvement and enhances its accountability through consultation with academics and other stakeholders. To ensure the effective use of public resources, the HKTB has drawn up a set of objectives for measuring the effectiveness of its promotions based on the strategic focuses of 2014-15.

58. Given that the global economic and tourism environments are volatile, the HKTB will review the developments and its investments in individual source markets, and flexibly adjust its investments and strategies after consulting the Board.

Cost management

59. The HKTB's projected marketing budget for Mainland China, overseas markets and the Head Office in 2014-15 is HK\$331 million. Over half of this budget, or about HK\$167 million, will be allocated to promotions by our Worldwide Offices.

60. The remaining portion of the budget will be used mainly by the Head Office for global and regional promotions, and for implementing mega events and other initiatives, such as marketing of the QTS Scheme and providing visitor information and service in Hong Kong. Attachment III sets out the detailed breakdown.

61. The HKTB will continue to exercise caution in investing its marketing resources and vigorously control costs. Currently, the HKTB has a worldwide network of 16 offices and representatives in eight different markets. In 2014-15, the headcount of the HKTB in its Head Office and Worldwide Offices will be 377.

Finding new sources of income

62. In addition to enhancing its promotional activities through innovative and cost-effective methods, the HKTB will continue to solicit sponsorship for its mega events and other promotions, as well as increase the revenue from advertising on its websites and in its publications.

63. The HKTb has an established mechanism for seeking sponsorship for mega events. In recent years, the HKTb placed advertisements in major local newspapers to solicit sponsorship from local corporations and other interested parties. After staging each mega event, the HKTb immediately follows up with the sponsoring organisations and discusses further co-operation, with the objective of securing sponsorship agreements lasting more than one year. The HKTb has already started discussions with different organisations on sponsorship for the mega events in 2014-15. The HKTb aims to generate over HK\$45.5 million in commercial sponsorship income in 2014-15. In the event that the HKTb is unable to identify suitable sponsors, it will kick-start the contingency mechanism in place and consult the Board and its Product and Event Committee regarding alternative strategies.

CONCLUSION

64. In conclusion, the HKTb will continue to invest prudently according to its market prioritisation model and flexibly deploy its resources. Its key focuses in 2014-15 will be to attract overnight visitors and expand new markets. In particular, the HKTb will strive to attract high-spending visitors, including the Mid-Career and Achiever segments, as well as MICE and cruise visitors, to maximise the economic benefits brought by tourism. The HKTb will also work closely with the travel trade to promote the unique experiences offered by Hong Kong and the characteristics of different districts in order to uphold Hong Kong's image as a premier travel destination.

Hong Kong Tourism Board
February 2014

2013 Total Arrivals by Market

(’000)	2013	2012	Vs. 2012
The US	1,110	1,185	-6.3%
Canada	354	392	-9.8%
Central and South Americas	202	201	+0.6%
Europe	1,894	1,868	+1.4%
The UK	513	533	-3.7%
The Netherlands	92	100	-8.2%
Nordic Countries	127	133	-4.3%
Germany	221	223	-1.0%
France	228	226	+0.7%
Italy	113	116	-2.3%
Iberia	82	80	+2.3%
Russia	224	186	+20.0%
Europe Others	294	270	+8.9%
South Africa	68	71	-3.3%
Africa Others	100	103	-2.9%
The Middle East	191	187	+2.7%
GCC Countries	51	45	+13.4%
Non-GCC Countries	140	142	-0.7%
Australia	610	632	-3.6%
New Zealand	98	98	-0.7%
South Pacific Others	10	10	+0.5%
Japan	1,057	1,255	-15.7%
South Korea	1,084	1,078	+0.5%
Southeast Asia	3,220	3,180	+1.3%
Indonesia	517	512	+1.1%
Malaysia	649	625	+3.9%
The Philippines	705	710	-0.6%
Singapore	700	728	-3.9%
Thailand	535	502	+6.6%
Vietnam	79	69	+14.4%
S.E.A. Others	35	34	+2.0%
India	435	414	+4.9%
Other Asian & Indian Sub.	63	58	+8.3%
Taiwan	2,100	2,089	+0.5%
Macau SAR	958	883	+8.5%
Mainland China	40,745	34,911	+16.7%
Total	54,299	48,615	+11.7%

2014-15 Proposed Marketing Budget

	2014-15 Proposed Budget (HK\$M)	2013-14 Revised Estimates (HK\$M)
<i>Mainland China</i>	41.8	48.8
South China	7.1	8.0*
Guangdong	2.1	-
Non-Guangdong	5.0	-
Central China	10.0	12.2
East China	12.1	13.8
North China	12.6	12.8
<i>Short-haul Markets</i>	60.4	55.3
Japan	14.0	16.0
Taiwan	14.6	11.3
South Korea	14.0	11.9
Singapore	3.3	2.8
The Philippines	3.4	3.8
Malaysia	2.5	2.3
Indonesia	4.5	4.0
Thailand	4.2	3.2
<i>Long-haul Markets</i>	43.8	46.9
The US	16.2	18.8
Australia	10.2	10.7
The UK	7.1	7.1
Canada	3.9	3.9
Germany	3.4	3.4
France	3.0	2.9
<i>New Markets</i>	20.7	20.4
India	9.1	8.6
Russia	6.0	5.5
The GCC countries	2.8	4.3
Vietnam	2.6	0.7
The Netherlands	0.2	1.3
Total Marketing Budget for Source Markets	166.7	171.4
Total Marketing Budget for Head Office	163.8	184.9
Total Proposed Marketing Budget	330.6	356.3

Remarks:

- 1) Owing to rounding, the total may differ from the sum of the individual figures;
- 2) Some of the additional funding granted to the HKTb in 2013-14 will become its recurrent funding in 2014-15, part of which will be used for fixed costs incurred by the Head Office in 2014-15. In addition, since the Government's additional funding for the HKTb's mega events is yet to be confirmed, the above marketing budget is estimated to be lower than in 2013-14;

* The HKTb's investment for China in 2013-14, which was split into four regions namely south China, Central China, east China and north China, is different from its Guangdong/non-Guangdong breakdown in 2014-15. Therefore, the table above does not show any breakdown for Guangdong and non-Guangdong areas in 2013-14.

2014-15 Proposed Marketing Budget
(by Strategic Focus)

Strategic Focus	Head Office (HK\$M)	Worldwide Offices (HK\$M)	Total (HK\$M)	2013-14 Revised Estimates (HK\$M)
1. Consolidate “Hong Kong . Asia’s World City” brand and step up public relations promotions	13.8	49.5	63.3	59.7
2. Intensify digital marketing	15.3	30.1	45.5	39.3
3. Strengthen the appeal of mega events	57.3	17.5	74.8	86.1
4. Promote Hong Kong as the hub for multi-destination travel in the region	1.2	2.8	4.0	4.8
5. Drive MICE business	16.0	17.0	33.0	43.0
6. Build cruise demand	15.2	1.0	16.2	16.3
7. Strengthen trade support and partnerships	11.6	37.5	49.1	58.4
8. Maintain quality service	14.7	-	14.7	21.4
9. Uphold corporate governance (Includes resource management, financial management, application of information technology, visitor surveys and strategic planning)	18.7	2.5	21.2	20.6
10. Others (a) Agency rep. fees (b) Exchange reserve (c) Reserve for non-key markets	-	8.8	8.8	6.7
Grand Total	163.8	166.7	330.6	356.3

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