MARKET OVERVIEW

1. Visitor Arrivals to Hong Kong by Month

Total Visitor Arrivals for all Purposes in 2014-2016

<table>
<thead>
<tr>
<th>Month</th>
<th>2015</th>
<th>2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>4,490,420</td>
<td>4,043,000</td>
<td>-9.96</td>
</tr>
<tr>
<td>Feb</td>
<td>4,551,825</td>
<td>3,367,736</td>
<td>-26.01</td>
</tr>
<tr>
<td>Mar</td>
<td>3,240,825</td>
<td>3,017,173</td>
<td>-6.9</td>
</tr>
<tr>
<td>Apr</td>
<td>3,604,713</td>
<td>3,459,000</td>
<td>-4.0</td>
</tr>
<tr>
<td>May</td>
<td>3,625,308</td>
<td>3,322,758</td>
<td>-8.3</td>
</tr>
<tr>
<td>Jun</td>
<td>3,333,433</td>
<td>3,206,043</td>
<td>-3.82</td>
</tr>
<tr>
<td>Jul</td>
<td>3,845,273</td>
<td>3,930,526</td>
<td>+2.2</td>
</tr>
<tr>
<td>Aug</td>
<td>4,550,148</td>
<td>4,037,005</td>
<td>-11.3</td>
</tr>
<tr>
<td>Sep</td>
<td>3,509,432</td>
<td>3,333,627</td>
<td>-5</td>
</tr>
<tr>
<td>Oct</td>
<td>3,857,524</td>
<td>3,723,837</td>
<td>-3.5</td>
</tr>
<tr>
<td>Nov</td>
<td>3,512,410</td>
<td>3,388,958</td>
<td>-3.5</td>
</tr>
<tr>
<td>Dec</td>
<td>3,721,049</td>
<td>3,948,482</td>
<td>+6.1</td>
</tr>
<tr>
<td>Jan – Dec Arrivals</td>
<td>45,842,360</td>
<td>42,778,145</td>
<td>-6.7</td>
</tr>
</tbody>
</table>

Source: Immigration Department
2. Other Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visitor Arrivals (’000)</td>
<td>45,842</td>
<td>42,778</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Overnight Visitor Arrivals (’000)</td>
<td>17,997</td>
<td>17,365</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Length of Stay (Nights)</td>
<td>3.2</td>
<td>3.2</td>
<td>unchanged</td>
</tr>
<tr>
<td>Average Spending (HK$)</td>
<td>$7,924</td>
<td>$7,275</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Overall Satisfaction (out of 10)</td>
<td>8.2</td>
<td>8.3</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

Source: Immigration Department, HKTB Travel Pattern Survey (TPS) and Departing Visitor Survey (DVS)

3. Overnight Visitors by Main Purpose of Visit

Total Visitors to Hong Kong in 2016 = 42,778K (-7%)

Note: % in brackets are the corresponding share in 2015
Source: Immigration Department and HKTB Travel Pattern Survey (TPS) 2015 & 2016

4. Life-Stage Segment of Overnight Vacation Visitors

Segment Age Definition
Student – Any age, student
Young – Aged 16-30, (80s & 90s)
Mid-Career – Aged 31-45, (70s)
Achiever – Aged 46+
Family – Any age, travelling with kids

2016 Overnight Vacation Arrivals = 10,312K (-4%)

Note: % in brackets are the corresponding share in 2015
Source: HKTB Travel Pattern Survey (TPS) 2015 & 2016
More research statistics can be obtained from PartnerNet.hktb.com > Research Statistics
TARGET VACATION SEGMENTS

1. Demographic
   • Young
   • Mid-career families with children
   • Middle-aged couples

2. Geographic
   • Central
     ➢ Wuhan, Chengdu, Changsha, Chongqing, Zhengzhou, Kunming, Guiyang, Xi’an
   • Eastern
     ➢ Shanghai, Hangzhou, Nanjing, Ningbo, Suzhou, Qingdao, Wenzhou, Wuxi
   • Northern
     ➢ Beijing, Tianjin, Shenyang, Dalian, Harbin, Changchun, Shijiazhuang, Taiyuan
   • Southern
     ➢ Shenzhen, Guangzhou, Foshan, Zhongshan, Zhuhai, Fuzhou, Nanning, Xiamen, Haikou

MARKET ENVIRONMENT

1. Business Outlook
   • According to a report published by the Chinese think tank Qianzhan in December 2016, China’s so-called “sports tourism” industry is worth RMB206 billion by end of 2015 and is growing on an of average 30-40% yearly. Outdoor activities such as hiking, diving, and skiing are the most popular among Chinese travellers. Hong Kong can capture this new demand with its well-recognised hiking routes and international sports events.
   • Total visitor arrivals in 2016 amounted to 56.7 million, decreased 4.5% from 2015. Arrivals from the Mainland dropped 6.7% due to a decrease in same-day arrivals with the implementation of “one visit per week” policy.

2. Relaxation on Hong Kong Tours & Outbound Travel
   • Entry Permit to Hong Kong for Hong Kong Tours
     ➢ Non-permanent residents currently working or studying in tertiary institutions in Beijing, Tianjin, Shanghai, Chongqing, Guangzhou, and Shenzhen can apply for their travel documents in these six designated cities without returning to their home provinces from 1 September 2012 onwards. These residents can apply for passport and entry permit for travelling to Hong Kong, Macau, and Taiwan in the local Public Security Bureau.
     ➢ Temporary residents in nine cities in Guangdong Province, i.e. Guangzhou, Shenzhen, Zhuhai, Shantou, Zhongshan, Jiangmen, Shunde, Foshan, and Huizhou, under one of the categories below are allowed to apply for entry permits to Hong Kong for Hong Kong Tours:
       (a) Employed by or transferred to government subsidiaries of temporary residence;
       (b) Stayed and worked in the employed cities continuously for half year or longer;
       (c) Aged 14 or below, whose father or mother is permanent resident in Guangdong;
       (d) Retired or aged 60 or above and guaranteed by a direct relative working in provincial government apparatus.
• The Individual Visit Scheme
  ➢ The Central Government has announced that residents from the following cities/provinces are allowed to visit Hong Kong as tourists in their personal capacity.
  ➢ The Individual Visit Scheme was first introduced in four Guangdong cities (Dongguan, Zhongshan, Jiangmen, and Foshan) on 28 July 2003. The coverage of the Scheme has expanded since implementation. The Scheme is now implemented in 49 Mainland cities, including:

<table>
<thead>
<tr>
<th>Date of Implementation</th>
<th>Province / City</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 Jul 2003</td>
<td>Dongguan, Zhongshan, Jiangmen, Foshan, Shunde</td>
</tr>
<tr>
<td>20 Aug 2003</td>
<td>Guangzhou, Shenzhen, Zhuhai</td>
</tr>
<tr>
<td>1 Sep 2003</td>
<td>Beijing, Shanghai</td>
</tr>
<tr>
<td>1 Jan 2004</td>
<td>Shantou, Chaohou, Qingyuan, Meizhou, Zhaoqing, Yunfu</td>
</tr>
<tr>
<td>1 May 2004</td>
<td>Entire Guangdong Province</td>
</tr>
<tr>
<td>1 Jul 2004</td>
<td>Jiangsu province: Nanjing, Suzhou, Wuxi</td>
</tr>
<tr>
<td></td>
<td>Zhejiang province: Hangzhou, Ningbo, Taizhou</td>
</tr>
<tr>
<td></td>
<td>Fujian province: Fuzhou, Xiamen, Quanzhou</td>
</tr>
<tr>
<td>1 Mar 2005</td>
<td>Tianjin, Chongqing</td>
</tr>
<tr>
<td>1 Nov 2005</td>
<td>Chengdu, Jinan, Shenyang, Dalian</td>
</tr>
<tr>
<td>1 May 2006</td>
<td>Kunming, Nanchang, Guiyang, Haikou, Changsha, Nanning</td>
</tr>
<tr>
<td>1 Jan 2007</td>
<td>Wuhan, Shijiazhuang, Changchun, Zhengzhou, Hefei</td>
</tr>
</tbody>
</table>

  ➢ The travel endorsement will be valid for three months or one year and good for one or two visits, each with a stay for not more than seven days.
  ➢ Multiple-entry permit is opened to Shenzhen residents for application from 1 April 2009.
  ➢ Shenzhen non-hukou residents can apply for IVS to Hong Kong starting from 15 December 2009; the scope of the scheme is further expanded on 15 December 2010.
  ➢ On 13 April 2015, the Central Government announced the new measures of adjusting the “multiple-entry” Individual Visit Endorsements for permanent residents of Shenzhen to “one trip per week” Individual Visit Endorsements with immediate effect.

• Market opening for outbound operators
  ➢ 282 travel agencies have been approved to receive tour groups from the Mainland. These agents are all members of Travel Industry Council of Hong Kong (TIC). For the list of these approved ground operators, please refer to TIC webpage.
  ➢ CNTA officially announced that it approved 3,803 travel agents to organise outbound tours.

• Outbound travel to other approved destinations
  ➢ Mainland visitors can transit Hong Kong for a maximum of seven days to and from the Mainland to other approved outbound destinations.
  ➢ There are a total of 124 designated travel destinations
3. Weekly Flight / Through Train / Ferry Capacity (as of December 2016)
- The total number of weekly flights between Hong Kong and Mainland China is 826 flights per week.
- The number of through train between Kowloon and Guangzhou is 84 per week.
- Ferry service between Hong Kong and Kowloon is operated to Shenzhen Airport, Guangzhou, Nansha, Jiangmen, Kaiping, Zhongshan, Panyu, Shunde, Zhuhai, Nanhai, Zhaoqing, Taiping, Gaoming, Heshan, Taishan, Doumen, Xinhui, Lian Hua Shan, Dongguan, and Shekou.

National Holidays 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 Jan (Sun – Mon)</td>
<td>New Year Holiday</td>
</tr>
<tr>
<td>27 Jan – 2 Feb (Fri – Thu)</td>
<td>Chinese New Year Golden Week (7 days)</td>
</tr>
<tr>
<td>2-4 Apr (Sun – Tue)</td>
<td>Ching Ming Festival</td>
</tr>
<tr>
<td>1 May (Mon)</td>
<td>Labour Day</td>
</tr>
<tr>
<td>28-30 May (Sun – Tue)</td>
<td>Tuen Ng Festival</td>
</tr>
<tr>
<td>1-8 Oct (Sun – Fri)</td>
<td>National Day Golden Week (8 Days)</td>
</tr>
<tr>
<td>4 Oct (Wed)</td>
<td>Mid-Autumn Festival</td>
</tr>
</tbody>
</table>

School Holidays 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid Jul – end Aug</td>
<td>Summer</td>
</tr>
</tbody>
</table>
MAJOR MARKETING ACTIVITIES

- **Contract Hong Kong – Mainland China (26-30 October)**
  24 senior management of travel agents from Northern, Central and Western China participated in a business session and met with 100 Hong Kong travel trade partners to build network and explore future business opportunities. Delegates experienced the Wine & Dine Festival, Halloween celebrations at attractions, Lamma Fisherfolks’ Village, and Halloween-themed tram party, which served to encourage Mainland trade partners to develop high quality products to enrich visitors’ experience.

- **China International Travel Mart (CITM), Shanghai (11-13 November)**
  HKTB and 28 travel trade partners showcased a diverse variety of tourism products at Hong Kong Pavilion through promotional videos and Q&A game section. “Hong Kong Value Offer” app was also promoted. This three-day event provided an effective platform for both buyers and Hong Kong trade partners to broaden their network and generate business opportunities.

  CITM, being one of the largest travel exhibitions in Asia, this year attracted over 106 countries and regions to exhibit, with more than 1,200 professional buyers.
• **Promotion on “Hong Kong Wine & Dine Festival” (October)**
  Key media from secondary cities of Mainland China were invited to Hong Kong to cover Hong Kong Wine & Dine Festival, and visit different up-and-coming tourist districts to experience local living culture. Itineraries included:
  > Hong Kong Wine & Dine Festival
  > Tourist districts including Tai Hang, Causeway Bay and Wan Chai
  > TramOramic Tour
  > Sham Shui Po Guided Tour, etc.

![Image of people at the Hong Kong Wine & Dine Festival](image1.jpg)

**MEETINGS & EXHIBITIONS HONG KONG (MEHK)**

• **Mainland China National Industry Associations Familiarisation (30 November – 4 December)**
  16 National Industry Association executives and members were invited to Hong Kong to experience a selection of conference venues/facilities, hotels and social offerings in the city. An exchange session was arranged for them to meet with the President of Hong Kong Dental Association and learn the experience of staging the 100th FDI World Dental Congress in Hong Kong. It was an effective platform for delegates to introduce their associations and its works as well as share previous experience and expectations of organising association conference with the support and collaboration with local industry partners.

![Image of the meeting and exhibition](image2.jpg)
• **China Top Agent Awards Programme (TAAP) (January – December)**
  To leverage on the success of Top Agent Awards programme in past years, the programme continued to take place in Mainland China in 2016. Agencies will be rewarded marketing fund 「香港會獎旅遊獎勵基金」 upon achieving the annual accumulative arrivals of 3,000 or above. The 30 high performers of “Best Progress 30” will be invited to attend a reward familiarisation and crowned in Hong Kong in early 2017. More details can be found on MEHK [event website](#).

• **The Hong Kong REWARDS! 2016/17 Privilege Programme – Enjoy Premium MICE Privileges from Arrival to Departure!**
  MEHK has teamed up with industry partners to ensure that delegates of meeting, incentive or convention groups with 20 overseas participants or more get the following rewards to enjoy the best of Hong Kong.
  - From airport to hotel – group airport welcome, welcome pack & souvenirs, and welcome messages
  - At the event – free cultural performances with a local flavour
  - At the hotel – free cocktail reception offered by about 40 hotels
  - Around town – offers at world-class attractions
  - At departure – airport shopping & dining coupons
  - Plus other value-added offers

The programme is available from 1 May 2016 to 31 March 2017.
Please find the details and application form at [Mehongkong.com > Products & Offers> Hong Kong REWARDS!](#) or [click here](#).
CRUISE

- Cruise Promotions in China
  HKTB cooperated with Royal Caribbean International to promote homeport sailings of *Voyager of the Seas* and *Ovation of the Seas* with pre- or post-cruise stay in Hong Kong alongside with various marketing initiatives to drive call-to-action of consumers. The marketing programmes were launched in Southern and Western China with the aim to create consumers’ desire to purchase, thus promoting Hong Kong’s cruise vacation products.
# TRADE ACTIVITIES 2016/17

## China

<table>
<thead>
<tr>
<th>Trade Show</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China International Travel Mart (CITM)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Shanghai, 11-13 November</td>
<td>March</td>
<td>March</td>
</tr>
<tr>
<td>➢ One of the largest trade and consumer travel shows in Mainland organised by CNTA, which attracts over 100,000 visitors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Hong Kong trade is welcome to participate as co-exhibitor</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guangzhou International Travel Fair (GITF)</strong></td>
<td></td>
<td>March</td>
</tr>
<tr>
<td>➢ Guangzhou, 23-25 February</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ One of the most influential B2B fairs focusing on outbound travel, inbound travel and MICE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Attracted over 28,863 trade buyers and 123,600 visitors in 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Hong Kong trade is welcome to participate as co-exhibitor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Trade Promotion

| **Contract Hong Kong**                                                    |            |            |
| ➢ Hong Kong, 26-30 October                                                |            | March      |
| ➢ A business exchange platform for Hong Kong trade partners cum familiarisation programme for “Quality & Honest” travel agents in Mainland to experience unique food and wine culture in Hong Kong |            |            |
| ➢ Hong Kong trade is welcome to participate and offer hosting             |            |            |

## MICE & Cruise

| **Travel Weekly – Media Agent**                                           |            |            |
| ➢ January – December                                                      | March      | March      |
| ➢ Leverage online media (WeChat and eDM), MICE forum, familiarisation, seminar or theme events to enhance the promotion of Hong Kong MICE resources (facilities, culture and services) to Mainland MICE agents and organisers |            |            |
| ➢ Hong Kong trade is welcome to provide the latest happenings and offers  |            |            |
| Contact: Winnie Cheng - winnie.cheng@hktb.com                             |            |            |
| Tel: +852 2807 6404                                                       |            |            |

| **IT & CM China**                                                         |            | March      |
| ➢ Shanghai, 6-8 April                                                     |            |            |
| ➢ A platform for international and leading Chinese players in the MICE industry to explore business opportunities |            |            |
| ➢ Over 200 exhibitors, 300-400 professional buyers and more than 3,000 professional visitors will attend |            |            |
| ➢ Hong Kong trade is welcome to participate as co-exhibitor               |            |            |
### China Summary

#### MICE Top Agent Awards Programme (TAAP)
- **Mainland, January – December**
- MICE agencies are encouraged to drive M&I groups to Hong Kong to win marketing fund 「香港會獎旅遊獎勵基金」. The top 30 performers will be awarded at Award Luncheon in Shanghai and a familiarisation trip to Hong Kong in February/March 2017
- Hong Kong trade is welcome to support

#### China Corporate Familiarisation
- **Hong Kong, June**
- Invite 27-28 corporate decision makers covering direct selling, pharmaceutical, insurance, IT, automobile to experience Hong Kong MICE products and other offerings
- Hong Kong trade is welcome to sponsor

#### Northern China Corporate Seminar & Theme Events
- **Beijing, September**
- Invite 20 corporate decision makers covering direct selling, pharmaceutical, insurance, IT, auto to learn more about Hong Kong MICE products and beneficial policies
- Hong Kong trade is welcome to sponsor

#### Eastern China Corporate Seminar & Theme Events
- **Shanghai, September**
- Invite 20 corporate decision makers covering direct selling, pharmaceutical, insurance, IT, auto to learn more about Hong Kong MICE products and beneficial policies
- Hong Kong trade is welcome to sponsor

#### China Industry Association Familiarisation (Science & Technology)
- **Hong Kong, October/November**
- Invite 15-20 convention decision makers from Academy in the field of Science & Technology to experience Hong Kong’s convention products and to facilitate a communication between China Science & Technology Academy and Hong Kong counterparts in the field
- Hong Kong trade is welcome to sponsor

#### MICE Top Agent Awards Luncheon
- **Shanghai, February**
- Award outstanding MICE agencies’ achievement in 2016 to strengthen relationship and promote new MICE products and beneficial policies
- 60 local MICE agents and trade media are expected to attend
- Hong Kong trade is welcome to support
### China MICE Contract Hong Kong & TAAP Familiarisation
- Hong Kong, February/March
- Invite 30 top MICE agencies to experience Hong Kong MICE products and other offerings. Leverage Contract Hong Kong event to create a platform for Hong Kong trade partners and China MICE agents to facilitate more MICE groups to Hong Kong
- Hong Kong trade is welcome to sponsor

### The 12th Cross Strait Travel Fair (CSTF)
- Xiamen, 6-8 May
- The show provides a communication opportunity for tourism and related industries from home and abroad
- Attracted nearly 100,000 visitors in 2015
- Hong Kong trade is welcome to provide special offers on Hong Kong travel packages on-site

### China (Guangdong) International Tourism Industry Expo (CITIE)
- Guangzhou, 9-11 September
- Over 5,000 professional buyers and 500,000 visitors attended in 2015
- HKTB will set up Hong Kong Booth to showcase the latest tourism development
- Hong Kong trade is welcome to provide special offers on-site

### Tactical Ads
- May – July, October – January
- Promote Short Break, Hong Kong Family Fun, Hong Kong Wine & Dine Festival, Hong Kong WinterFest and Hong Kong Chinese New Year Celebrations
- Hong Kong trade is welcome to provide value-added offers
### China

#### “Hong Kong Value Offer” Mobile App
- Target Mainland FIT visitors and provide an effective platform for Hong Kong trade to promote businesses and products
- Extended to Alipay Service Counter and Dianping, reaching over 200 million active mobile users
- Hong Kong trade is welcome to provide the latest offers to be featured in the app
- Contact: Kristy Leong – kristy.leong@hktb.com, Tel: +852 2807 6227; or Donald Lam – donald.lam@hktb.com, Tel: +852 2807 6104

#### Public Relations Activities
- “My Time For Hong Kong” PR and consumer activities, May – January
- Hong Kong Summer Fun, June – August
- Hong Kong Halloween Treats, September – October
- Hong Kong Wine and Dine Festival, October – November
- Hong Kong WinterFest, November – December
- Hong Kong Chinese New Year Celebrations, January – February
- Hong Kong Arts Month, March – April
- Co-op with TV programmes and/or video portal of high coverage to showcase Hong Kong as a desired destination
- Hong Kong trade is welcome to share seasonal happenings, assist in TV and video portal shooting, and sponsor media familiarisation trip

*Details of the above activities are subject to change. Please visit PartnerNet.hktb.com for the latest updates.*
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