

CHAIRMAN'S MESSAGE & ED'S STATEMENT

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The outbreak of the COVID-19 pandemic brought drastic changes to the way we live in the past year. Lockdowns and travel restrictions were imposed worldwide to curb the spread of the virus; essential daily activities such as going to work and school and shopping were disrupted; travel became all but impossible.

As people's lives were thrown into turmoil, it was only right that the Hong Kong Tourism Board (HKTb) – an organisation tasked with promoting Hong Kong as a travel destination for people around the world – changed course and adopt new strategy to create a positive mood for the city and provide support to the city's economy through a time of enormous challenge and hardship.

Tourism is an essential industry of Hong Kong. The shattering impact of the halt to inbound tourism was felt not only by those working directly in the industry but also by those in related sectors, such as dining and retail. As the virus spread across the world, the HKTb took the decision to redirect its strategy and devote its energy and resources into promoting local tourism as a first step to get the industry back on its feet.

In June 2020, we launched a "Holiday at Home" campaign, inspiring Hong Kong people to travel locally and see their home city from a fresh perspective. We created a series of in-depth themed routes, and set up a one-stop online platform for city-wide value-for-money offers and dining, shopping, and entertainment promotions to boost consumer sentiment and create a positive buzz across the city.

As the COVID-19 situation stabilised in Hong Kong, the HKTb devised "Spend-to-Redeem" programmes with "Free Tours" and "Staycation Delights" promotions to further stimulate consumption and provide momentum for the travel trade. Hong Kong residents who spent HK\$800 or more in restaurants and shops in town could sign up for free local tours and get discounts on hotel staycation offers. The quotas for both promotions were snapped up in no time.

We were delighted by the enthusiastic response to these initiatives and the delightful boost they gave to the Hong Kong economy. An indication of the effectiveness of the campaigns is that participants of the Spend-to-Redeem programmes paid out on average 50% to 80% more than the required amount of spending for redeeming tours and hotel discounts, generating a multiplying effect along the consumption chain.

These programmes may appear unconventional when seen in the context of the HKTb's traditional role as a tourism promotion body. However, the main reason for attracting visitors to Hong Kong is to drive tourism spending and bring benefits to the city's multifarious sectors and the economy as a whole. Even though there were barely any visitors in 2020, the HKTb stayed true to its mission of "endeavouring to increase the contribution of tourism to Hong Kong".

An unexpected bonus from our switch of focus is that it nurtured some fascinating new ideas for our future promotions. To attract local consumers, the tourism trade had to come up with new itineraries and products. People staying in Hong Kong also discovered new experiences of their own, and shared their discoveries on social media to their local and overseas friends and family. The ingenious tourism products and experiences brought to life by the pandemic will be invaluable resources as we explore new ways to attract tourists when cross-boundary/border travel resumes.

Happily, today we are in a much brighter place as vaccination against COVID-19 spells hope of an end to the pandemic. Already, many countries and regions are achieving high vaccination rates and returning gradually to regular economic activity. As I write this message, the situation in Hong Kong is stabilising. The darkest of the clouds are lifting.

The COVID-19 typhoon is not yet behind us. But I believe the enduring appeal of Hong Kong and its incredible spirit and diversity will see it rebound as one of the best-loved destinations in the world when the storm has passed. Until then, let us continue to fight the pandemic together, gear up ourselves, and look forward to a bright future full of new possibilities and opportunities forged from the most challenging of times.