Overview

• **Chapter 1: Inbound market statistics** provides insights on key statistics about Hong Kong travellers and who they are. It takes a look at Britain and its competitive set as well as activities of visitors from Hong Kong in the UK.

• **Chapter 2: Experiences and perceptions** features details about what visitors from Hong Kong are likely to do in the UK, how they felt during their visit to the UK, and whether they would recommend a stay there to their acquaintances. Perceptions of Britain held by the Hongkongers in general are also highlighted.

• **Chapter 3: Understanding the market** takes a close look at consumer trends in Hong Kong, booking, planning and further travel behaviour of this source market. Some details on how to best reach the consumers in Hong Kong are indicated too.

• **Chapter 4: Access and travel trade** shows how people from Hong Kong travel to the UK, how to best cater for their needs and wants during their stay and gives insights into the Hong Kongese travel trade. Further ways of working with VisitBritain and other useful research resources are pointed out.
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Executive summary
Hong Kong, a valuable inbound market for the UK
Chapter summary

• In the last couple of years visits from Hong Kong to the UK have been on the rise after some years of uncertainty. Looking at the wider picture, it is worth noting that a large share of outbound visits for a night or more from Hong Kong are within Asia: 82% of their overnight visits are to China or Macao only.

• The Hongkongese outbound market is valuable: it ranked 10th for international tourism expenditure in 2016 globally. That year, visitors from Hong Kong to the UK spent £1,169, almost twice as much as the all-market average (£599).

• About a third of visitors from Hong Kong were British nationals in 2014-2016, one of the reasons for a larger than average share of visitors whose journey purpose was to visit friends and relatives for this market (40% compared to 31% for the all-market average in 2016).

• London is by far the leading destination for a trip to Britain. However, Hong Kongers spend slightly more nights in the rest of the English regions than in London (47% compared to 45% respectively in 2014-2016).

Source: Oxford Economics (February 2018 update), International Passenger Survey by ONS
2. Experiences and perceptions

Chapter summary

• Dining in restaurants, going shopping, going to the pub, visiting parks or gardens, and visiting museums or art galleries are the most common activities featuring in visits from Hong Kong to the UK.

• We have seen that 4-in-10 visits from Hong Kong to the UK are made primarily to visit friends and relatives (VFR), a higher proportion than the all-market average, and more than the number of holiday visits to the UK. Thus it is worth noting that the top activities for VFR visitors from Hong Kong will be slightly different. These visitors prefer walking in the countryside, going for a walk, hike or ramble, and going to the countryside or villages ahead of visiting castles or historic houses or religious buildings.

• Those close links with the UK might also explain why the Hong Kongers’ self-perceived knowledge of the UK as a holiday or a short break destination is significantly higher than their knowledge of other European destinations, which is not the case for all source markets.

• For Hong Kongers, the UK ranks below competitors in terms of their perceptions of its beautiful countryside, and its food offer. However, if cost was no issue, the UK ranks second as a destination they would visit, after Australia.

### 3. Understanding the market

**Chapter summary**

- Hong Kong was retroceded to China in 1997. Today it still has some independence from Beijing due to its status as a Special Administrative Region. Strong links with the UK remain: the UK is still its first trade partner in Europe (China the first overall).
- 4-in-10 Hong Kongers were born elsewhere, which influences the Hongkongese culture, a mix between Chinese and Western elements.
- Hong Kong has one of the longest life expectancies globally (83 years old compared to the global average of 69). Society itself is changing as the population ages; Hong Kongers look for healthier lifestyles, exercising more, eating better, and investing in their children’s education. This also influences the way they travel: many retired people travel to reward themselves, while others travel to pursue outdoors activities to break out of their urban routine and relax.
- Most Hong Kongers would explore the UK as a single-destination trip for which they would book transports and accommodation separately, most booking online. In general they would be influenced by their social network when planning a leisure trip, but also by online information.
- Online sources are now the most influential media in Hong Kong, even if TV and print remain quite strong.

4. Access and travel trade

• Air connectivity is key for this market. Most visitors from Hong Kong came by plane to the UK (just over 9-in-10 in 2016).
• In 2017 capacity on direct, non-stopping flights between Hong Kong and the UK added up to over a million direct seats.
• While most of this capacity is to London (93% of all direct seat capacity from Hong Kong to the UK), Cathay Pacific’s flights to Manchester help to increase regional spread of arrival.
• After a decrease in capacity between 2007 and 2013, the direct seat capacity between Hong Kong to the UK has bounced back, and increased by 23% between 2013 and 2017.
• Airlines play a role in the travel trade as the main ones do not only offer ticketing anymore, but also packages. Main consumer trends have a direct impact on the proposed tours and packages.
• The travel trade structure in Hong Kong may seem complex with over 1,700 travel agents members of the Travel Industry Council. However, as tourism in general, and inbound tourism in particular, is an important sector for the Hongkongese economy, it is regulated and well organised. In the last few years, traditional players have moved online as OTAs gained market shares. Only a few actors actually sell travel to the UK.

Source: Apex Rdg (direct, non-stopping flights only), International Passenger Survey by ONS, Travel Industry Council Hong Kong website, Hong Kong government’s Tourism factsheet
Chapter 1: Inbound market statistics
Chapter 1.1: Key statistics

Key insights

- In 2016 Hong Kong was the 10th biggest spender on outbound tourism globally, and the UK was once more its most visited destination for overnight trips to Europe.
- Most visits from Hong Kong to the UK are made for VFR (visiting friends and relatives) and holidays (40% and 36% of all 2016 visits from Hong Kong respectively), while only 14% were for a business trip.
- VFR visitors from Hong Kong tend to stay longer than the all-market average: they accounted for 44% of all nights spent in the UK by Hong Kongers in 2016. Similarly, 45% of all nights in the UK by Hong Kongers were spent as a free guest with friends or relatives.
- Overall, 4-7 night stays in Britain have become more popular among Hong Kong visitors in the last few years, with the summer months (July-September) still their favourite time to visit, and London the most visited city.
- Hong Kong visitors are more likely than the all-market average to take domestic flights, use the train, or use a hired car or vehicle. Overall, they are also more likely to go to the countryside or villages, go to the coast or beach or go walking on the coast.

Source: UNWTO, Oxford Economics (February 2018 update), International Passenger Survey by ONS
1.1 Key statistics: global context and 10 year trend

### Global context

<table>
<thead>
<tr>
<th>Measure</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>International tourism expenditure (US$bn)</td>
<td>24.1</td>
</tr>
<tr>
<td>Global rank for international tourism expenditure</td>
<td>10</td>
</tr>
<tr>
<td>Number of outbound overnight visits (m)</td>
<td>36.8</td>
</tr>
<tr>
<td>Number of outbound overnight visits excl. China and Macao (m)</td>
<td>6.5</td>
</tr>
<tr>
<td>Most visited destination overall</td>
<td>China</td>
</tr>
<tr>
<td>Most visited destination (excl. China and Macao)</td>
<td>Japan</td>
</tr>
<tr>
<td>Most visited destination in Europe</td>
<td>United Kingdom</td>
</tr>
</tbody>
</table>

### Inbound travel to the UK overview

<table>
<thead>
<tr>
<th>Measure</th>
<th>Visits (000s)</th>
<th>Nights (000s)</th>
<th>Spend (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10 year trend</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>136</td>
<td>1,157</td>
<td>123</td>
</tr>
<tr>
<td>2008</td>
<td>130</td>
<td>1,148</td>
<td>158</td>
</tr>
<tr>
<td>2009</td>
<td>143</td>
<td>1,648</td>
<td>131</td>
</tr>
<tr>
<td>2010</td>
<td>131</td>
<td>1,497</td>
<td>129</td>
</tr>
<tr>
<td>2011</td>
<td>149</td>
<td>1,759</td>
<td>176</td>
</tr>
<tr>
<td>2012</td>
<td>135</td>
<td>1,326</td>
<td>186</td>
</tr>
<tr>
<td>2013</td>
<td>163</td>
<td>1,820</td>
<td>248</td>
</tr>
<tr>
<td>2014</td>
<td>159</td>
<td>1,736</td>
<td>247</td>
</tr>
<tr>
<td>2015</td>
<td>204</td>
<td>2,350</td>
<td>266</td>
</tr>
<tr>
<td>2016</td>
<td>218</td>
<td>2,481</td>
<td>255</td>
</tr>
</tbody>
</table>

**Share of UK total in 2016**

- **Visits (000s):** 0.6%
- **Nights (000s):** 0.9%
- **Spend (£m):** 1.1%

*Source: International Passenger Survey by ONS, UNWTO, Oxford Economics (February 2018 update)*
1.1 Key statistics – volume and value

### Inbound volume and value

<table>
<thead>
<tr>
<th>Measure</th>
<th>2016</th>
<th>Change vs. 2015</th>
<th>Rank out of UK top markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits (000s)</td>
<td>218</td>
<td>+7%</td>
<td>29</td>
</tr>
<tr>
<td>Nights (000s)</td>
<td>2,481</td>
<td>+6%</td>
<td>24</td>
</tr>
<tr>
<td>Spend (£m)</td>
<td>255</td>
<td>-4%</td>
<td>22</td>
</tr>
</tbody>
</table>

### Nights per visit, spend

<table>
<thead>
<tr>
<th>Averages by journey purpose in 2016</th>
<th>Nights per visit</th>
<th>Spend per night</th>
<th>Spend per visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday</td>
<td>9</td>
<td>£127</td>
<td>£1,150</td>
</tr>
<tr>
<td>Business*</td>
<td>5</td>
<td>£281</td>
<td>£1,474</td>
</tr>
<tr>
<td>Visiting Friends/ Relatives</td>
<td>12</td>
<td>£85</td>
<td>£1,044</td>
</tr>
<tr>
<td>All visits</td>
<td>11</td>
<td>£103</td>
<td>£1,169</td>
</tr>
</tbody>
</table>

*Source: International Passenger Survey by ONS; * low sample size*
1.1 Key statistics: journey purpose

**Journey purpose 2016**

<table>
<thead>
<tr>
<th>Share of visits</th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday</td>
<td>36%</td>
<td>24%</td>
</tr>
<tr>
<td>Business</td>
<td>14%</td>
<td>23%</td>
</tr>
<tr>
<td>VFR</td>
<td>40%</td>
<td>31%</td>
</tr>
<tr>
<td>Study</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Misc.</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

- Most visits from Hong Kong to the UK are made for leisure: in 2016, 40% were made for visiting friends or relatives (VFR), above the all-market average of 31%, and 36% for holidays.
- Study visits also slightly over-index vs. the all-market average: they accounted for 3% of the visits from Hong Kong in 2016, compared to 1% across all markets. However, business visits from Hong Kong under-indexed on the all-market average in the same year (14% vs 24%).
- 52% of staying holiday visits made by Hong Kong residents to the UK (excl. UK nationals) are made by repeat visitors, below the all-market average (63%).

- There were more VFR visits than any other purpose in 2016, but before 2016 holiday visits were more frequent than VFR from Hong Kong.
- The gap between VFR and holiday visits and the other journey purposes has widened in the last few years. In terms of inbound spending, though, VFR and holiday visits were similar, accounting for 36% and 35% respectively of the 2016 inbound spend from this market.
- Hong Kongers visiting friends and relatives tend to stay longer in the UK than business and holiday visits: 44% of the nights spent in the UK by those visitors were for VFR, compared to 28% for holidays and just 6% for business visits. In 2016, 1-in-5 nights spent in the UK by visitors from Hong Kong were spent by study visitors.

Source: International Passenger Survey by ONS; repeat / first time visitors question asked in 2015
1.1 Key statistics: seasonality

### Seasonality 2016

- Visitors from Hong Kong tend to come the UK in the summer months: in 2016, 47% of visits from Hong Kong were made between July and September, which over-indexes on the global average.
- April-June is the second-most popular time to visit the UK for visitors from Hong Kong (23% of visits in 2016), followed by October-December (17%) and January-March (13%).
- This seasonality pattern is roughly consistent over time.

#### Share of visits

<table>
<thead>
<tr>
<th>Month</th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-Mar</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Apr-Jun</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Jul-Sep</td>
<td>47%</td>
<td>28%</td>
</tr>
<tr>
<td>Oct-Dec</td>
<td>17%</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Seasonality trend (visits 000s)

- Source: International Passenger Survey by ONS
1.1 Key statistics: length of stay and accommodation

Accommodation stayed in, 2014-2016 (nights, %share)

- Free guest with relatives or friends: 45%
- Hotel/guest house: 30%
- Hostel/university/school: 10%
- Own home: 5%
- Paying guest family or friends house: 4%
- Holiday village/Centre: 2%
- Rented house/flat: 1%
- Bed & Breakfast: 1%
- Camping/caravan: 1%
- Other: 0.1%
- Nil nights: 0.1%
- 1-3 nights: 0.1%
- 4-7 nights: 3%
- 8-14 nights: 10%
- 15+ nights: 4%

<table>
<thead>
<tr>
<th>Year</th>
<th>Nil nights</th>
<th>1-3 nights</th>
<th>4-7 nights</th>
<th>8-14 nights</th>
<th>15+ nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2005</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2006</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2007</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2008</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2009</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2010</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2011</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2012</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2013</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2014</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2015</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2016</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
<td>1.9</td>
<td>1.1</td>
</tr>
</tbody>
</table>

- Stays of 4 to 7 nights are the most popular among Hong Kongese visitors on a UK trip. 1-3 night and 1-2 week stays are also quite popular, representing 22% and 26% respectively of all stays in the UK from Hong Kong between 2014 and 2016. Hong Kong visitors are now staying longer than before; 1-3 night stays used to be the most popular until 2011-2013.
- On average in 2014-2016, 45% of the nights Hong Kongers spent in the UK were spent as a free guest with relatives or friends, and 30% in hotel or guest houses, the two most popular accommodation options for this market.

Source: International Passenger Survey by ONS
1.1 Key statistics: repeat visits and package tours

Proportion of overnight holiday visitors to the UK that have visited the UK before*

- Hong Kong: 52%
- China: 30%
- Japan: 49%
- South Korea: 21%
- All markets: 63%

Proportion of visits that are bought as part of a package or all-inclusive tour** (2014-2016 average)

- Business: 0.4% (Hong Kong), 1% (All markets)
- Holiday: 16% (Hong Kong), 7% (All markets)
- VFR: 0.3% (Hong Kong), 1% (All markets)
- Study: 7% (Hong Kong), 4% (All markets)
- Misc.: 6% (Hong Kong), 3% (All markets)
- All journey purposes: 7% (Hong Kong), 7% (All markets)

International Passenger Survey by ONS. *2015, excluding British nationals; * 2015 data
**To be defined as a package, a holiday must be sold at an inclusive price covering both fares to and from the UK and the cost of at least some accommodation. Neither the respondent nor the travel agent from whom the package was bought will know how much of the inclusive price is accounted for by fares or by accommodation. Note: study and misc. visits are based on a smaller sample size (below 100)
### 1.2 Key statistics: regional spread

Visits to the UK (2014-2016 yearly average)

<table>
<thead>
<tr>
<th>Region</th>
<th>Nights stayed (000)</th>
<th>Visits (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,189</td>
<td>194</td>
</tr>
<tr>
<td>Scotland (SC)</td>
<td>71</td>
<td>12</td>
</tr>
<tr>
<td>Wales (WA)</td>
<td>98</td>
<td>7</td>
</tr>
<tr>
<td>Northern Ireland (NI)</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>London (LDN)</td>
<td>988</td>
<td>129</td>
</tr>
<tr>
<td>North East (NE)</td>
<td>41</td>
<td>5</td>
</tr>
<tr>
<td>North West (NW)</td>
<td>220</td>
<td>21</td>
</tr>
<tr>
<td>Yorkshire (YO)</td>
<td>125</td>
<td>12</td>
</tr>
<tr>
<td>West Midlands (WM)</td>
<td>161</td>
<td>13</td>
</tr>
<tr>
<td>East Midlands (EM)</td>
<td>48</td>
<td>6</td>
</tr>
<tr>
<td>East of England (EoE)</td>
<td>109</td>
<td>13</td>
</tr>
<tr>
<td>South West (SW)</td>
<td>130</td>
<td>14</td>
</tr>
<tr>
<td>South East (SE)</td>
<td>194</td>
<td>24</td>
</tr>
<tr>
<td>Nil nights (Nil)</td>
<td>N/A</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

Source: International Passenger Survey by ONS. Visits data for nations and regions includes overnight stays, not day trips.
1.2 Key statistics: regional spread and top towns and cities

Top towns and cities visited (2012-2016)

<table>
<thead>
<tr>
<th>Town</th>
<th>Average yearly overnight visits (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>116</td>
</tr>
<tr>
<td>Manchester</td>
<td>10</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>9</td>
</tr>
<tr>
<td>Oxford</td>
<td>5</td>
</tr>
<tr>
<td>Birmingham</td>
<td>4</td>
</tr>
</tbody>
</table>

- London is the leading destination for a trip to Britain. However, visitors from Hong Kong spent slightly longer in the rest of England than in London: 45% of the nights spent in the UK by visitors from Hong Kong were in London, compared to 47% spent in the rest of England in 2014-2016.
- Visitors from Hong Kong spent slightly more nights in Wales than in Scotland, based on the 2014-2016 average: 4% and 3% respectively of all their nights spent in the UK, which compares to 3% and 8% on average across all markets.
- 3% of all visits from Hong Kong to the UK were bought as a package or an all-inclusive tour on average in 2014-2016*, fewer than half the global average.
- Hong Kong visitors are overall more likely than the all-market average to go to the British countryside or villages, and to the coast or beaches. Hong Kongers visiting friends or family in the UK are more likely to do so than those on holidays.
- Visitors from Hong Kong are more likely than the all-market average to use transport services within a city or a town, such as public transport or taxis. They are also more likely to travel around Britain than other visitors on a domestic flight, train, hired car or vehicle, public coach or bus.

Regional spread (2014-2016)

<table>
<thead>
<tr>
<th>Share of nights</th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>3%</td>
<td>8%</td>
</tr>
<tr>
<td>Wales</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>London</td>
<td>45%</td>
<td>40%</td>
</tr>
<tr>
<td>Rest Of England</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>&lt;1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: International Passenger Survey by ONS, VisitBritain/IPSOS 2016, base: visitors; *To be defined as a package, a holiday must be sold at an inclusive price covering both fares to and from the UK and the cost of at least some accommodation. Neither the respondent nor the travel agent from whom the package was bought will know how much of the inclusive price is accounted for by fares or by accommodation.
1.2 Key statistics: visits to coast, countryside and villages

Propensity to visit coast, countryside and villages

- VFR: Went to the coast or beaches
  - Hong Kong: 17%
  - All markets: 13%

- VFR: Went to countryside or villages
  - Hong Kong: 25%
  - All markets: 17%

- Business: Went to the coast or beaches
  - Hong Kong: 1%
  - All markets: 2%

- Business: Went to countryside or villages
  - Hong Kong: 1%
  - All markets: 2%

- Holiday: Went to the coast or beaches
  - Hong Kong: 12%
  - All markets: 14%

- Holiday: Went to countryside or villages
  - Hong Kong: 24%
  - All markets: 18%

- All journey purposes: Went to the coast or beaches
  - Hong Kong: 12%
  - All markets: 10%

- All journey purposes: Went to countryside or villages
  - Hong Kong: 20%
  - All markets: 13%

Source: International Passenger Survey by ONS 2016
Note: business visits are based on a smaller sample size (below 100)
1.2 Key statistics: use of internal modes of transport

<table>
<thead>
<tr>
<th>Propensity to use internal modes of transport</th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferry/boat</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Car/vehicle you/group brought to the UK</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Hired self-drive car/vehicle</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>Private coach/minibus (for group only)</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Public bus/coach (outside town/city)</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Taxi</td>
<td>32%</td>
<td>50%</td>
</tr>
<tr>
<td>Train (outside town/city)</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Bus, Tube, Tram or Metro Train (within town/city)</td>
<td>28%</td>
<td>53%</td>
</tr>
<tr>
<td>Domestic flight</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: International Passenger Survey by ONS, 2013
1.3 Visitor demographics

Visitor characteristics

- More visits from Hong Kong to the UK were made by men than women (57% vs 43% respectively, on average between 2014 and 2016).
- 71% of Hong Kong visitors are 25-54 years old (2014-2016), with the 25-34 year-old cohort having grown the most since 2012. In recent years, the 16-24 and 55-64 groups also increased rapidly.
- 81% of departing Hong Kongers felt either ‘very’ or ‘extremely’ welcome in Britain, which is below the all-market average (88%).
- 83% of them were also ‘very’ or ‘extremely’ likely to recommend Britain for a holiday or short-break, also slightly below the all-market average (90%).

Source: International Passenger Survey by ONS, CAA 2016
1.3 Visitor demographics: gender and age groups

Visitor demographics (2014-2016):
- Gender ratio of visits from
  - All markets: 55% Male, 45% Female
  - Hong Kong: 56% Male, 43% Female

- Gender ratio of visits from Hong Kong by journey purpose*:
  - Misc.: 62% Male, 37% Female
  - Study: 57% Male, 43% Female
  - VFR: 53% Male, 46% Female
  - Holiday: 52% Male, 47% Female
  - Business: 71% Male, 29% Female

Age group trend
(average visits in 000s for rolling 3 years ending in each year shown)

Source: International Passenger Survey by ONS
* Low sample size for Misc. visits (sample = 82), and for Study visits (sample = 18), please consider this data with caution
1.3 Visitor demographics: origin

- Just over 2-in-5 visits from Hong Kong to the UK are made by Hong Kong nationals.
- Close to a third of those visits are also made by UK nationals: this could explain the high share of visits made from Hong Kong to the UK to visit friends and relatives.
- Other nationalities featuring in visits to the UK from Hong Kong include Australia and Canada (3% each) as well as the USA (2%) and France (1%).
- The composition of the Hong Kong population partially explains the visitors’ nationality split: international migrants represent up to 39% the population in Hong Kong, while the world’s average is just over 3%.

Source: International Passenger Survey by ONS, UN Migration report 2017 Highlights
1.4 The UK and its competitors

Market size, share and growth potential

• The UK was the 9th most visited destination overall from Hong (excluding nil night trips), the second outside Asia (behind Australia), and the 1st in Europe.

• Most overnight visits from Hong Kong are made within North East Asia: visits outside neighbouring China and Macao only represented about 18% of the overall Hongkongese outbound market in 2016.

• Overnight visits to the UK from this market have been quite up-and-down this century. However, they have been growing steadily in the last few years. Visit numbers are forecast to stabilise around 230,000 overnight visits a year to 2025, with the UK still the top destination in Europe.

• Among our competitor set of destinations, Australia and the UK saw the biggest increase in market share in the 5 years to 2016. Looking forward, Australia will gain some market share again, widening the gap with other destinations. It is also worth noting that Canada has received more overnight stays from Hong Kong than the USA since 2013: a trend that is forecast to persist over the next few years.

Source: Oxford Economics (February 2018 update)
1.4 The UK and its competitors

UK’s market share of Hongkongese outbound visits among competitor set

Historic and potential visits to the UK (000s)

Source: Oxford Economics (February 2018 update), based on overnight visit
Chapter 2: Experiences and perceptions
2.1 Inbound activities

Inbound Britain activities

- For visitors from Hong Kong, dining in restaurants is the most popular activity when they visit the UK, followed by going shopping (especially for clothes or shoes), or to the pub. Visiting parks or gardens, and museums or art galleries also often feature in visits from Hong Kong to the UK.
- Overall, they are slightly more likely than the all-market average to watch live art performances, such as a ballet, a musical, or an opera. When watching live sports during their trip to the UK, they are more likely to have followed a football game.
- However, Hong Kongers are less likely than the all-market average to socialise with the locals, or to go to the pub.
- They would be more likely than the average to participate in nature-related activities – cycling, walking in the countryside or walking along the coast.

Source: International Passenger Survey by ONS, rankings based on 2006-2016 data
2.1 Inbound activities

Top 10 activities for Hong Kong visitors during their visit to the UK

1. Dining in restaurants
2. Going shopping
3. Going to the pub
4. Visiting parks or gardens
5. Visiting museums or art galleries
6. Sightseeing famous monuments/buildings
7. Socialising with the locals
8. Visiting castles or historic houses
9. Walking in the countryside
10. Visiting religious buildings

Source: International Passenger Survey by ONS, rankings based on 2006-2016 data
2.1 Inbound activities

Propensity to visit museums and galleries

<table>
<thead>
<tr>
<th></th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>VFR</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Holiday</td>
<td>56%</td>
<td>48%</td>
</tr>
<tr>
<td>All journey purposes</td>
<td>37%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Propensity to visit built heritage sites

<table>
<thead>
<tr>
<th></th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>VFR: visited religious buildings</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>VFR: visited castles/historic houses</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Holiday: visited religious buildings</td>
<td>29%</td>
<td>35%</td>
</tr>
<tr>
<td>Holiday: visited castles/historic houses</td>
<td>40%</td>
<td>48%</td>
</tr>
<tr>
<td>All journey purposes: visited religious buildings</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>All journey purposes: visited castles/historic houses</td>
<td>28%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: International Passenger Survey by ONS 2016
2.1 Inbound activities

Propensity to attend the performing arts

- All journey purposes: Went to the theatre/musical/opera/ballet
  - Hong Kong: 11%
  - All markets: 9%

- VFR: Went to the theatre/musical/opera/ballet
  - Hong Kong: 9%
  - All markets: 8%

- Holiday: Went to the theatre/musical/opera/ballet
  - Hong Kong: 15%
  - All markets: 14%

Number who went to watch live sports during trip from Hong Kong to the UK (000s)*

- Cricket
  - Business: 0.4
  - Holiday: 0.9
  - VFR: 0.3
  - Misc.: 0.4

- Rugby
  - Business: 0.4
  - Holiday: 0.3
  - VFR: 0.3

- Football
  - Business: 0.9
  - Holiday: 3.1
  - VFR: 1.2
  - Misc.: 0.7

Source: International Passenger Survey by ONS 2011 and 2016

*Reduced sample sizes for each journey purpose
2.1 Inbound activities

Propensity to go for a walk or cycle

- Holiday: Walking along the coast
  - Hong Kong: 10%
  - All markets: 11%
- Holiday: Cycling
  - Hong Kong: 0%
  - All markets: 2%
- Holiday: Walking in the countryside
  - Hong Kong: 31%
  - All markets: 26%

Business: Walking along the coast
- Hong Kong: 0%
- All markets: 1%
- Business: Cycling
  - Hong Kong: 0%
  - All markets: 0%
- Business: Walking in the countryside
  - Hong Kong: 10%
  - All markets: 5%
- VFR: Walking along the coast
  - Hong Kong: 5%
  - All markets: 11%
- VFR: Cycling
  - Hong Kong: 4%
  - All markets: 2%
- VFR: Walking in the countryside
  - Hong Kong: 10%
  - All markets: 2%

All journey purposes: Walking along the coast
- Hong Kong: 11%
- All markets: 8%
- All journey purposes: Cycling
  - Hong Kong: 2%
  - All markets: 1%
- All journey purposes: Walking in the countryside
  - Hong Kong: 27%
  - All markets: 20%


*Business visits are based on a smaller sample size (below 100)
2.1 Inbound activities

Propensity to go to restaurants, pubs, bars or night clubs, and to socialise with locals

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Hong Kong</th>
<th>All markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>VFR: went to bars or night clubs</td>
<td>15%</td>
<td>45%</td>
</tr>
<tr>
<td>VFR: dining in restaurants</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>VFR: socialising with the locals</td>
<td>9%</td>
<td>36%</td>
</tr>
<tr>
<td>VFR: went to pub</td>
<td>9%</td>
<td>33%</td>
</tr>
<tr>
<td>Holiday: went to bars or night clubs</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Holiday: dining in restaurants</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>Holiday: socialising with the locals</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>Holiday: went to pub</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>All journey purposes: went to bars or night clubs</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>All journey purposes: dining in restaurants</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>All journey purposes: socialising with the locals</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>All journey purposes: went to pub</td>
<td>30%</td>
<td>41%</td>
</tr>
</tbody>
</table>

2.1 Inbound activities

Propensity to go shopping

- **All journey purposes**
  - Hong Kong: 66%
  - All markets: 57%

- **VFR**
  - Hong Kong: 76%
  - All markets: 67%

- **Holiday**
  - Hong Kong: 76%
  - All markets: 70%

---

Propensity to purchase selected items

- **None of these**
  - Hong Kong: 29%
  - All markets: 38%

- **Other holiday souvenir (not mentioned above)**
  - Hong Kong: 19%
  - All markets: 16%

- **Items for your home e.g. furnishing**
  - Hong Kong: 3%
  - All markets: 3%

- **Electrical or electronic items e.g. camera**
  - Hong Kong: 1%
  - All markets: 3%

- **CDs, DVDs, computer games etc**
  - Hong Kong: 7%
  - All markets: 5%

- **Food or drink**
  - Hong Kong: 24%
  - All markets: 27%

- **Games, toys or gifts for children**
  - Hong Kong: 11%
  - All markets: 9%

- **Books or stationery**
  - Hong Kong: 23%
  - All markets: 21%

- **Cosmetics or toiletries e.g. perfume**
  - Hong Kong: 12%
  - All markets: 13%

- **Bags, purses etc**
  - Hong Kong: 9%
  - All markets: 12%

- **Personal accessories e.g. jewellery**
  - Hong Kong: 10%
  - All markets: 10%

- **Clothes or Shoes**
  - Hong Kong: 54%
  - All markets: 41%

---

*Source: International Passenger Survey by ONS 2011 and 2013*
2.2 Welcome and recommending Britain

Feeling of ‘welcome’ in Britain

Likelihood to recommend Britain

Source: CAA 2016, base for Hong Kong = 43 respondents
2.3 Perceptions of Britain

- When asked how well they feel they know some destinations, overseas travellers from Hong Kong tend to feel more confident about their knowledge of Britain as a holiday or short break destination. They are more likely to say that they feel they know ‘a great deal’ or ‘a fair amount’ about Britain as a destination, than they do about France, Italy, the US, or Australia.
- Hong Kong respondents also tend to rate Britain highest for its rich, interesting history and heritage, followed by the fact that it has much to explore outside of its capital/main city. Its rich sporting offer and its mixed offer of old and new are also well scored by Hong Kongers.
- Britain’s natural beauty is ranked similarly to that of France, Italy and Australia, and above the US.
- Hong Kongers rate the British food offer slightly lower than France and Italy, on par with Australia and above the USA.
- When asked to choose a destination they would like to visit among the five proposed, if cost was no issue, Britain ranks second.

Source: VisitBritain Brand Tracker, 2016
2.3 Perceptions of Britain

Perceived knowledge about Britain as a holiday or a short break destination, compared to other countries (% of top scores)

- Great Britain: 68% (Hong Kong respondents), 70% (All respondents)
- France: 56% (Hong Kong respondents), 69% (All respondents)
- USA: 56% (Hong Kong respondents), 73% (All respondents)
- Australia: 63% (Hong Kong respondents), 53% (All respondents)
- Italy: 49% (Hong Kong respondents), 69% (All respondents)

Source: VisitBritain Brand Tracker, 2016, QA1 – Taking your answer from the statements below, how much do you feel you know about each of these countries as a holiday or a short break destination? (Great deal/Fair amount)
### 2.3 Perceptions of Britain

Britain’s ranking (out of 5 nations)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Hong Kong respondents</th>
<th>All respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Culture-related attributes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modern and fashionable</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>A rich &amp; interesting history and heritage</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>A rich sporting offer (e.g. football, cricket, etc)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Offers a mixture of old and new</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cheap or free-to-visit museums</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Great for rock/ pop music festivals and live concerts</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>People-related attribute</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendly and welcoming people</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Tourism-related attributes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Much to explore outside the capital/ main city</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Easy to get to attractions in different regions using public transport</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Peaceful, quiet and relaxing</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Offers new and interesting things to discover</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Beautiful countryside</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Good restaurants and cafes with a wide range of food I would like</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Would like to visit if cost was not an issue**

| Would like to visit if cost was not an issue | 2 | 4 |

*Source: VisitBritain Brand Tracker, 2016.*

Q2 – We would like to explore your attitudes to these three destinations. For each statement, please enter a score from 1 to 10.

Q4a – If cost was not an issue, please give a score from 1 to 10 to each of the countries below to indicate how much you would like to visit each for a holiday or a short break.
## 2.3 Perceptions of Britain

Mean score attributed to each destination by Hong Kongers for each attribute

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Great Britain</th>
<th>France</th>
<th>USA</th>
<th>Australia</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has a rich &amp; interesting history and heritage</td>
<td>7.4</td>
<td>7.0</td>
<td>5.4</td>
<td>5.9</td>
<td>7.1</td>
</tr>
<tr>
<td>It has much to explore outside the capital / main city</td>
<td>7.3</td>
<td>6.8</td>
<td>6.7</td>
<td>6.7</td>
<td>6.9</td>
</tr>
<tr>
<td>It has a rich sporting offer (e.g. football, cricket, etc)</td>
<td>6.9</td>
<td>5.4</td>
<td>6.1</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>It offers a mixture of old and new</td>
<td>6.9</td>
<td>6.3</td>
<td>5.6</td>
<td>5.7</td>
<td>6.3</td>
</tr>
<tr>
<td>It has beautiful countryside</td>
<td>6.9</td>
<td>7.0</td>
<td>5.2</td>
<td>7.0</td>
<td>6.9</td>
</tr>
<tr>
<td>It's modern and fashionable</td>
<td>6.7</td>
<td>6.7</td>
<td>6.6</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td>It's a romantic destination</td>
<td>6.7</td>
<td>7.6</td>
<td>4.8</td>
<td>5.9</td>
<td>7.3</td>
</tr>
<tr>
<td>You can enjoy peace, quiet and relaxation</td>
<td>6.7</td>
<td>6.4</td>
<td>5.4</td>
<td>7.3</td>
<td>6.2</td>
</tr>
<tr>
<td>Is good for designer brands / luxury shopping</td>
<td>6.6</td>
<td>7.6</td>
<td>5.8</td>
<td>5.1</td>
<td>7.3</td>
</tr>
<tr>
<td>It's easy to travel from the main city to other parts of the country using public transport</td>
<td>6.6</td>
<td>6.1</td>
<td>6.0</td>
<td>6.2</td>
<td>5.7</td>
</tr>
<tr>
<td>It's easy to get to attractions in different regions of the country using public transport</td>
<td>6.5</td>
<td>6.3</td>
<td>6.0</td>
<td>6.0</td>
<td>5.8</td>
</tr>
<tr>
<td>It offers new and interesting things to discover</td>
<td>6.5</td>
<td>5.9</td>
<td>6.5</td>
<td>6.6</td>
<td>6.0</td>
</tr>
<tr>
<td>It has good restaurants and cafes with a wide range of food I would like</td>
<td>6.4</td>
<td>6.6</td>
<td>5.8</td>
<td>6.4</td>
<td>6.7</td>
</tr>
<tr>
<td>It's great for rock / pop music festivals and live concerts</td>
<td>6.3</td>
<td>4.8</td>
<td>6.7</td>
<td>5.5</td>
<td>4.7</td>
</tr>
<tr>
<td>It has museums that are cheap or even free to visit</td>
<td>6.2</td>
<td>5.8</td>
<td>5.5</td>
<td>5.6</td>
<td>5.5</td>
</tr>
<tr>
<td>It's good value for money</td>
<td>6.2</td>
<td>6.3</td>
<td>5.9</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>The people are friendly and welcoming</td>
<td>6.1</td>
<td>5.3</td>
<td>5.3</td>
<td>6.8</td>
<td>5.7</td>
</tr>
<tr>
<td>It's stimulating and exciting</td>
<td>5.9</td>
<td>5.5</td>
<td>6.3</td>
<td>6.3</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: VisitBritain Brand Tracker, 2016, QB1 – We would like to explore your attitudes to these three destinations. For each statement, please enter a score from 1 to 10.
Chapter 3: Understanding the market
3.1 Structural drivers

Demographics & society

- Hong Kong used to be British territory until 1997 when it was retroceded to China under an agreement that makes it a Special Administrative Region of the People’s Republic of China. The Hong Kong SAR is partly administrated by a presidential limited democracy.
- With over 7 million inhabitants on a 1,108 km\(^2\) territory (about a third smaller than Greater London), it is one of the most densely populated countries in the world, with all inhabitants living in urban areas.
- Hong Kong has an ageing population. Life expectancy at birth is one of the longest: 83 years old (ranking 7\(^{th}\) globally). It also ranks low in terms of fertility rate, with only 1.19 children born per woman (ranking 221\(^{st}\) globally, according to 2017 estimates). As a consequence the percentage of seniors among Hong Kongers will continue to increase.
- Immigrants account for about 4-in-10 Hongkongers: this has a big influence on the culture, as well as travel habits, in Hong Kong.
- Full-time workers are entitled to between 7 and 14 days of paid annual leave a year, depending on seniority (7 days for 1 or 2 consecutive years to 14 days for people working for 9 consecutive years or more). In addition to these, there are 12 national statutory holidays.

3.1 Structural drivers: general market overview

General market conditions

• When looking at demographics, the one most important factor about Hong Kong is that its population is ageing. In 2017 Hong Kongers’ median age is estimated to be 44.4 years old, compared to 40.5 years old in the UK.

• In 2017 international migrants made up 40% of the Hong Kongese population. This influences the culture in Hong Kong as well as outbound dynamics.

Chinese migrants are the biggest migrant group in Hong Kong. Some people living nearby in mainland China also come for the day only, to work there or visit, going shopping for example.

Hong Kong’s culture is more Western than in mainland China. Hong Kong’s sovereignty was only transferred back to China from the UK in 1997. The retrocession agreement still guarantees Hong Kong a special economic status. However, its economy is still quite dependent on China.

• In 2016 Hong Kong lost one place in the global ranking of countries with the largest HNWI** population. Despite this, it still ranks as the 20th largest source market of HNWIs in 2016, with about 148,000 HNWIs (up 4% on 2015).

Key demographic and economic data

<table>
<thead>
<tr>
<th>Measure (2017 data)</th>
<th>Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (m)</td>
<td>7.4</td>
</tr>
<tr>
<td>GDP per capita PPP* (US$)</td>
<td>54,519</td>
</tr>
<tr>
<td>Annual average GDP growth over past decade (%)</td>
<td>2.6</td>
</tr>
<tr>
<td>Annual average GDP growth in 2017 (%)</td>
<td>3.8</td>
</tr>
</tbody>
</table>


*Purchasing Power Parity, adjust the GDP value for price differences; **HNWIs: stands for High Net Worth Individuals, people whose liquid assets are worth US$1m or over
3.1 Structural drivers: population and social indicators

Population dynamics

- Hong Kong population is ageing. In 1980, Hong Kongers’ median age was 25 years old; it was 43 years old in 2015 and will be close to 53 by 2050.
- Hong Kong has one of the longest life expectancies at birth (83 years old, compared to 69 years old for the world’s average life expectancy), and one of the lowest fertility rates (1.19 child per woman, compared to 1.88 in the UK).
- In 2017 about 4-in-10 Hong Kong residents were born elsewhere. In 2017 there were 2.3 million migrants from China alone living in Hong Kong, one of the largest migration groups within a single country.
- As a city state, all residents of Hong Kong live in an urban area, which makes them confident navigating in a busy city but also increases their need to escape their vibrant city lives to quieter environments, especially when on holidays.

Population indicators

<table>
<thead>
<tr>
<th>Measure</th>
<th>2017 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (m)</td>
<td>7.4</td>
</tr>
<tr>
<td>Median age</td>
<td>44 years old</td>
</tr>
<tr>
<td>Life expectancy at birth</td>
<td>83 years old</td>
</tr>
<tr>
<td>Rank by fertility rate (on 224 countries)</td>
<td>221</td>
</tr>
<tr>
<td>Population growth rate (2017-2022)</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Percentage of international migrants in population</td>
<td>39.1%</td>
</tr>
<tr>
<td>Urban population (share of total population)</td>
<td>100%</td>
</tr>
</tbody>
</table>

### 3.1 Structural drivers: economic indicators

- As a Special Administrative Region of the People’s Republic of China, Hong Kong is still quite dependent on mainland’s China economy as a large part of its GDP is based on export activities to mainland China. Its proximity and special relationship with China may be a risk as well as an opportunity though.

- 2018 was off to a good start for Hong Kong, with strong domestic and external demand. Inbound tourism bounced back to and so did the retail sector. Indeed, the rise of the Chinese middle class tend to support Hong Kong’s high-end tourism and retail.

- However, current trade tensions between China and the US, possible further central bank intervention as the HK dollar weakens, and property price corrections are all risks to short-term economic growth.

- The UK remains Hong Kong’s largest trading partner in Europe.

#### Economic indicators (% growth unless stated)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>3.8%</td>
<td>3.6%</td>
<td>2.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Real consumer spending</td>
<td>3.0%</td>
<td>2.4%</td>
<td>2.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

- Hong Kong’s GDP per capita of around US$50,000 means that average income levels are similar to developed economies like the USA.

- Economic growth rates are currently above average for advanced economies.

3.1 Structural drivers: exchange rate trends

Exchange rate trends (cost of GBP in HKD)

Please find the most up-to-date exchange rate trend based on monthly averages at visitbritain.org/visitor-economy-facts.

Source: Bank of England
3.2 Consumer trends

- The share of Hong Kongers aged 65+ is set to double from 10% in 1997 to 20% in 2022. With growing life expectancy, Hong Kongers have started to place more importance on quality of life, and show more and more interest in leisure activities and in wellbeing and health.
- The government itself is investing more and more in solutions that allow people to live better, especially for the elderly. The leisure, entertainment and travel and tourism sectors are increasing advertising spend, as more people take an interest in these sectors.
- Many retired people enjoy travelling to learn new things, and reward themselves after long years of hard work by experiencing the world. Others try to escape their busy city life and pursue activities they cannot do in Hong Kong itself. Relaxation on a spa holiday, a cruise, or even learning new skills in cooking, photography or other interests are also common motivations to travel.
- Many Hong Kong children are sent abroad to study quite young: more and more parents travel to find a suitable school, and then to visit their children.

Source: admanGo, Oxford Economics, PricewaterhouseCoopers’ 2017/2018 Hong Kong Budget Snapshot, PricewaterhouseCoopers’ 2017/2018 Hong Kong Budget Snapshot
3.2 Consumer trends: living longer, better

Wellbeing and health

• The pursuit of better living is booming in Hong Kong. People want to maintain both their mental and their physical health as wellbeing becomes an increasingly important part of their longevity. 8-in-10 people aged 50-64 say staying fit and healthy is one of their key priorities.

• In response to long working hours, the government is taking more and more actions to enhance wellbeing. The 2017/2018 Hong Kong budget shows a significant increase in public spending for social welfare: +12.9% in real terms compared to the 2016/2017 budget. The current government’s budget also includes a HK$500 million I&T Fund for Better Living to finance innovation and technology projects that will improve Hong Kongers’ daily lives, and HK$20 billion for sports developments.

• Hong Kong residents’ consumption of leisure products has increased. Going to beauty centres, health and fitness (yoga) clubs, or spas, but also travelling for spa treatments or other relaxing experiences are quite frequent. With an average of 6,880 steps made per day, Stanford University found out that people in Hong Kong were the most active in the world.

• Environmental and ecological concerns are becoming mainstream amongst Hong Kong consumers. Eating well is also a growing concern. Health products and supplements are some of the most heavily advertised products in Asia, and many Hong Kongers look for organic and macrobiotic products and supplements. They also pay attention to the provenance of their food as environmental awareness grows.

Ageing population

• The government also increasingly recognises the growing needs of older consumers, or ‘greying’ consumers, aged 60 years old and over. According Oxford Economics data, about 10% of Hong Kongers were 65+ in 1997; this had jumped to 16% in 2017, and is forecast to reach 20% by 2022.

• The 2017/2018 Hong Kong Budget set aside HK$61 billion in investments for the future, including HK$30 billion for improving services to the elderly and disabled people, in comparison to HK$1 billion for young people.

• This has a large impact on the healthcare system, but also telecommunications services and even the travel market. These people usually spent their whole lives working and are now interested in experiencing the world.

3.2 Consumer trends: travel trends

Travel trends for a changing society between traditions and modernity

- Hong Kong’s culture is a fusion between Eastern and Western culture. Traditional Mah-jong, Cantonese opera, and martial arts (tai chi, kung fu) are popular among Hong Kongers. Gambling on mah-jong games, or sports games is also quite common. However, as Hong Kong grew as a city, it also grew as a destination on its own, and became particularly appealing for a shopping trip from mainland China. Hong Kongers are used to having a large range of shopping options, including luxury brands, and so like going shopping at home, but also during their trips abroad.

- Hong Kong people live longer than before and have a relatively high purchasing power on average. This has encouraged them to question their long working hours culture, and more and more time has been dedicated to leisure lately. Looking at ad spend, entertainment was the 7th industry by value in Q3 2017, with spending up 9%.

- Travel & Tourism services were third in this ranking, with spending up 19% on Q3 2016, showing the importance of travel in Hong Kong. Given that Hong Kong is a city-state, most activities will be indoors as there are few outdoor facilities for sports or other outdoor activities. Travelling is often seen as a way to escape the stress and of a crowded city life and its fast-paced environment. Most can afford to and like to travel, and many pursue their interests while doing so: special themed tours and packages have multiplied, such as photography tours, luxury sports car self-driven tours, cycling packages, Formula 1 packages or film-specific tours. It is even more easy for Hong Kongers as 146 destinations offer them free-visa or visa-on-arrival visit options.

- In terms of motivations, some like to pursue outdoor activities, while others are looking for relaxation and diversion from everyday life in places like Thailand, Bali, Vietnam, and beyond. With a new Hong Kong cruise terminal in 2013, interest in cruises has grown, in particular for multi-generational, family holidays or for high-end consumers. Food is also an important part of the travel experience. 26% of Hong Kongers eat out at least once a day (2.6 times the Asian average), and Hong Kong is renowned for its food options all over Asia so they have particular interest for food.

- Hong Kong parents spend more on children’s education than most: US$132,161, about three times the global average. Many parents send their children to study overseas after the first 3 years of secondary school, mostly to Australia, Britain and USA. Parents are increasingly travelling to identify appropriate schools or to visit them in advance.

3.3 Booking and planning

- Hong Kongers are usually seasoned travellers, especially when it comes to visiting Britain. Most of them would feel confident enough to plan their trip and book transport and accommodation separately.
- In general, Hong Kongers book their accommodation well in advance, with Agoda reporting they would do so about seven weeks ahead of their trip. Another study shows that none of them would leave it to the last minute and wait to be at their destination to sort this out, even though they are more likely to have booked their flights or other means of transport first.
- When it comes to booking online, larger screens are usually preferred: 8-in-10 Hong Kongers state that they would use a laptop or desktop computer to research their trip and book it; about 1-in-2 research their trip on their mobile phone, and just below 4-in-10 book via mobile; and 1-in-4 research on a tablet, with 2-in-10 using it to book their trip. Only 1-in-10 approximately would research and book through another person, e.g. a travel agent.
- While most Hong Kongers plan a visit to the UK on its own, and not as part of a multi-country trip, this is below the all-market average (70% compared to 87%).

Source: VisitBritain Brand Tracker, 2016, Agoda 2017, Amadeus’ Journey of Me Insights – What Asia Pacific travellers want (May 2017), IPS 2016 (overnight visits only)
3.3 Booking and planning: booking patterns and type of trip

How trips to Britain were booked (2016)

- **Booked using a travel agent, tour operator or online booking agency which offered holidays including both travel (e.g. flights) and accommodation together**
  - Hong Kong: 39%
  - All markets: 50%

- **Booked the travel (e.g. flights) and accommodation separately**
  - Hong Kong: 61%
  - All markets: 48%

Propensity to visit the UK on its own (2016)

- Just visited the UK: 70%
- Visited another country before only: 9%
- Visited another country after only: 12%
- Visited other countries before and after: 10%

- Hong Kongers who have visited the UK previously were more likely to book their travel and accommodation elements of their trip separately than to book both at the same time through a travel agent, tour operator or online booking agency.
- These visitors were also more likely to have booked those elements separately than the all-market average: 61% compared to 48% respectively.

- 7-in-10 Hong Kong residents who visited the UK in 2016 and stayed at least one night there had chosen to only visit the UK during that trip; 3-in-10 had decided to include the UK within a multi-country trip.
- This is aligned with Hong Kongers’ general travel attitudes as they prefer visiting one or two destinations only per trip, taking the time to discover the destinations they visit.

Source: VisitBritain Brand Tracker, 2016, QVN1AA - Which of the following best describes how you booked your trip to Great Britain?, Amadeus’ Journey of Me Insights – What Asia Pacific travellers want (May 2017), International Passenger Survey by the ONS (2016, overnight visits only)
3.3 Booking and planning: lead-times, sequence and used devices

- In general, Hong Kongers book their trip directly. They tend to prefer researching their trip and booking it on a laptop or desktop computer. But they are more likely to use mobile technology to research rather than book the trip.
- Compared to the APAC market average, they are less likely to use their mobile phone to prepare and book their trip, but more likely to use their tablet and laptop/desktop computer, preferring bigger screens.

Source: Amadeus’ Journey of Me Insights – What Asia Pacific travellers want (May 2017), Agoda 2017

- Most Hong Kongers book their accommodation after their transport, but before departure: 45% of Hong Kong respondents do so usually, compared to 27% for the all-APAC market average.
- None would leave it until they reach the destination.
- 42% the Hong Kongers said they would be more likely to plan their travel after work during the week, followed by 26% during weekends.
- Agoda’s analysis shows Hong Kongers as top forward planning travellers among 20 countries booking 7 weeks in advance of travelling.
3.4 Reaching the consumer

• Hong Kongers are well connected, and most use social media regularly, with over half accessing these on mobile devices. So optimising content for social media sharing and mobile connection is critical.

• Online media has very recently become the most influential media in Hong Kong. However, print and broadcast media remain important there. TV is the second most influential medium, and still represents just under a third of ad spend in 2017. Hong Kong is the largest film industry in Asia.

• Newspapers and magazines are still important too. There is a large array of both English- and Chinese-language titles. Most of them also have an online version, as news are more and more read online. Some news websites, such as HK01 in Chinese or Hong Kong Free Press in English, have become more prominent for their perceived independence.

• When planning a leisure trip, many Hong Kongers say they received useful recommendations from their friends and family. They can also be influenced by travellers’ reviews online, online booking or travel sites, travel blogs or forums, social media content and travel guides.

78% of Internet users in Hong Kong were active on one social media or more in January 2018, compared to 42% globally

3.4 Reaching the consumer: print media landscape

- Print media are still very relevant in Hong Kong: ad spend in newspapers (free and paid ones together) was just below advertising expenditure on TV campaigns in 2017, for example.

- Hong Kong’s Basic Law secures freedom of speech and of the press. 42% of Hong Kongers stated they trusted news media most of the time in February 2017, which is about on par with UK respondents (43%), and ahead of the US (38%). To make sure they read independent news, Hong Kongers are increasingly turning to news websites (HK01 in Chinese, Hong Kong Free Press in English, or Stand News for example).

- However Hong Kong remains a main place for print media and journalism. There are both Chinese-language dailies and a handful of English-language titles. Most local papers have known political alignments. The print media landscape can appear quite fragmented with large choice of titles though. Major print media groups expanded vertically and now offer online versions, adding video content and webcasts to their printed versions.

- Some of the main Chinese corporations can own some of the most important papers in Hong Kong: the South China Morning post, an English-language paper, is owned by Alibaba for example.

- Some weekly magazines have tags on pages for mobile phones to scan and then open websites to download special promotions and offers.

Source: BBC Hong Kong media profile, Statista.com, ZenithOptimedia’s ‘Media Consumption Forecasts 2015’ based on Nielsen Media Index and ZenithOptimedia forecasts, admanGo
3.4 Reaching the consumer: print media landscape

### Newspapers

<table>
<thead>
<tr>
<th>Titles (language, if not Chinese)</th>
<th>Other information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Standard (English), Headline Daily, AM730, Sky Post, Metro Daily</td>
<td>Free, daily newspapers</td>
</tr>
<tr>
<td>South China Morning Post (English)</td>
<td>Daily newspapers</td>
</tr>
<tr>
<td>Ming Pao</td>
<td>Daily owned by Media Chinese International Limited, 2 Canadian editions (Toronto, Vancouver)</td>
</tr>
<tr>
<td>Sing Tao Daily</td>
<td>Widely read newspaper owned by Sing Tao News Corporation Limited, many bureaus overseas</td>
</tr>
<tr>
<td>Sing Pao Daily News</td>
<td>Oldest Chinese-language newspaper in Hong Kong</td>
</tr>
<tr>
<td>Ta Kung Pao, Wen Wei Po</td>
<td>Leading newspapers, strong links with mainland China</td>
</tr>
<tr>
<td>Hong Kong Commercial Daily, Hong Kong Economic Journal, Hong Kong Economic Times, Wall Street Journal</td>
<td>Daily business newspapers</td>
</tr>
<tr>
<td>Apple Daily</td>
<td>Tabloid-style, Hong-Kong based newspaper owned by Next Media Limited</td>
</tr>
<tr>
<td>Sunday Examiner (English), Kung Kao Po</td>
<td>Weekly newspapers owned by the Catholic Diocese of Hong Kong</td>
</tr>
<tr>
<td>Hong Kong Post (Japanese)</td>
<td>One of few weekly newspapers in Japanese in Hong Kong</td>
</tr>
</tbody>
</table>

### Magazines

<table>
<thead>
<tr>
<th>Titles</th>
<th>Genre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmopolitan, Hong Kong Edition</td>
<td>Woman lifestyle</td>
</tr>
<tr>
<td>Elle, Hong Kong Edition</td>
<td>Woman lifestyle</td>
</tr>
<tr>
<td>Marie Claire, Hong Kong Edition</td>
<td>Woman lifestyle</td>
</tr>
<tr>
<td>Other: Hong Kong Tatler, Jessica Face (formerly Easy Finder)</td>
<td>Man lifestyle</td>
</tr>
<tr>
<td>Esquire</td>
<td>Man lifestyle</td>
</tr>
<tr>
<td>Other: The Peak, Automobile, Gaffencu, Capital</td>
<td>Other lifestyle and specialist magazines (dining and leisure)</td>
</tr>
<tr>
<td>Prestige, City Magazine, Eat &amp; Travel Weekly, Weekend Weekly</td>
<td>Other lifestyle and specialist magazines (dining and leisure)</td>
</tr>
<tr>
<td>Next Magazine, East Week, Ming Pao Weekly</td>
<td>Weekly magazines, each owned by one of the main news media group</td>
</tr>
<tr>
<td>Discovery ( Cathay Pacific), Silkrad ( Dragonair)</td>
<td>In-flight magazines</td>
</tr>
<tr>
<td>HK Magazine, BC Magazine</td>
<td>Free English weekly magazines</td>
</tr>
</tbody>
</table>

Source: BBC Hong Kong media profile, w3newspapers.com, Santander Trade: 'Reaching the Hong Kong consumers' market profile and trends
3.4 Reaching the consumer: broadcast media landscape

**TV**
- TV is the 2nd most influential medium.
- Hong Kong is home to one of the largest film industries in Asia. International and pan-Asian broadcasters are based in Hong Kong, including News Corp’s STAR TV. There are more than a dozen free-to-air TV channels, and hundreds more networks available via multichannel and pay-TV platforms.
- 4 commercial terrestrial TV networks each manage multiple stations; multi-channel satellite and cable TV systems are also available.
- The private Television Broadcasts (TVB) dominates the free-to-air TV market. Another key player is Public Radio Television Hong Kong (RTHK), that was established under British rule in 1928 and operates as a government department.

**Radio**
- There are 3 licensed broadcasters of terrestrial radio, one of which is government funded, and operate about 12 radio stations.
- Digital radio demand is quite weak, and so all digital radio services were terminated in September 2017.
- BBC World Service can be listened to overnight on RTHK’s Radio 4 FM network. RTHK ended a 24-hour relay in 2017 and a Chinese state radio network replaced it.

**Main TV companies**
- Radio-TV Hong Kong (RTHK) – government funded, terrestrial
- Television Broadcasts (TVB) – private, terrestrial, including TVB Jade and TVB Pearl
- Phoenix TV – private, multi-channel satellite TV
- Sun TV – private, via satellite
- STAR TV – pan-Asia satellite broadcaster, owned by News Corp.
- Cable TV (or CTVHK)
- STAR TV (satellite and cable)
- NowTV (paid TV)

**Main radio channels**
- Radio-TV Hong Kong (RTHK) – government funded operating 7 networks in English, Cantonese and Mandarin
- Metro Broadcast – operates Metro Showbiz, Metro Finance and English-language Metro Plus
- Commercial Radio – operates CR1, CR2 networks in Cantonese and mediumwave (AM) station AM 864

Source: BBC Hong Kong media profile, Santander Trade: 'Reaching the Hong Kong consumers' market profile and trends, CIA World Factbook 2017
3.4 Reaching the consumer: use of communications technology

Internet

- Internet penetration is very high among Hong Kongers with over 9-in-10 household having access to broadband Internet at home. According to the Hong Kong’s Office of the Communications Authority, there were over 2.65 million registered customer accounts with broadband access in February 2018, with a household broadband penetration rate of 93%, and fibre-to-the-home/building (FTTH/B) household penetration rate of 73%. As of 2017, Hong Kong ranks 4th globally in terms of average connection speed, second to South Korea only in Asia Pacific.
- In 2018, ZenithOptimedia expects that Hong Kongers will spend more time online than watching TV for the first time. Consulting news online has become very popular in the last few years, some trusting more news websites than news on traditional media. According to a recent survey of the Reuters Institute for the Study of Journalism, 83% of Hong Kong respondents read news online, 59% on social media more specifically, while 76% listen to news on the TV, 30% on the radio, and 46% read news in the print press in 2018.
- Shopping online is also popular: in 2017, 1-in-3 Hongkongese consumers have shopped online within the past week, according to Nielsen Insights.

Mobile first

- The Hong Kong’s Office of the Communications Authority reports a mobile subscriber penetration rate of close to 250% in February 2018. The Reuters Institute’s study also show that 72% of respondents from Hong Kong use a smartphone to access news, compared to 47% on a computer and 25% on a tablet in 2018. This compares to 62% of respondents from all 36 countries represented in the study that access news via smartphone.
- By 2017, Hong Kong was already a mobile first country for news access, with a 36 percentage point difference between those using smartphones or computers as their main way to access news content.
- In addition to accessing news, Hong Kongers are also most interested in new technology that can be used on mobile, such as augmented reality mobile apps that use their phone camera, and 360-degree interactive video.

3.4 Reaching the consumer: social media

- According to Reuters, WhatsApp and Facebook are the two most widely used social media or messaging apps in Hong Kong with over 8-in-10 Hong Kongers using them. Use of other regional platforms such as the Chinese WeChat and the Japanese Line are also well-spread.

- Another report from a specialised agency, We Are Social, shows that over half of Hong Kongers were active mobile social users. About 4.5 million of them connected to social media on their mobile device in September 2016, which represents a 61% penetration rate.

- When it comes to travel recommendations, almost 1-in-2 Hongkongese leisure travellers say that most relevant recommendations came from their social network, followed by travel review websites, and online booking websites.

- This underlines the importance of word-of-mouth in this market, but also digital sharing platforms.

- Among what recommendations leisure travellers in Hong Kong found most useful, 43% mentioned what helped them save money, 32% what helped them plan their itinerary, and 30% recommendations that helped them identify the best sightseeing options (compared to 37%, 27%, and 28% respectively across all APAC markets).

### Share of users

<table>
<thead>
<tr>
<th>Social media and messaging apps</th>
<th>Share of users</th>
</tr>
</thead>
<tbody>
<tr>
<td>WhatsApp</td>
<td>83%</td>
</tr>
<tr>
<td>Facebook</td>
<td>81%</td>
</tr>
<tr>
<td>WeChat</td>
<td>52%</td>
</tr>
<tr>
<td>Instagram</td>
<td>37%</td>
</tr>
<tr>
<td>Facebook Messenger</td>
<td>34%</td>
</tr>
<tr>
<td>Line</td>
<td>23%</td>
</tr>
</tbody>
</table>

### Platforms sending the most relevant recommendations when travelling for leisure

- Social network (e.g. friends/family): 49% (Hong Kong), 48% (APAC)
- Travel review site (e.g. TripAdvisor): 45% (Hong Kong), 47% (APAC)
- Online booking websites: 44% (Hong Kong), 50% (APAC)
- Travel blogs/forum: 33% (Hong Kong), 34% (APAC)
- Hotel website or app: 27% (Hong Kong), 34% (APAC)
- Travel agency: 26% (Hong Kong), 32% (APAC)
- Airline website or app: 20% (Hong Kong), 29% (APAC)
- Airline in-flight magazine: 13% (Hong Kong), 18% (APAC)
- Hotel concierge: 12% (Hong Kong), 15% (APAC)
- None of the above: 5% (Hong Kong), 4% (APAC)

3.4 Reaching the consumer: influences

Influence sources on travellers’ trip planning

- Friends/family/colleagues (word of mouth or through social media)
- Traveller reviews (e.g. on sites like TripAdvisor)
- Online booking or travel sites (Expedia, Skyscanner, etc.)
- Travel blogs or forums
- Social media (general or sponsored content on Facebook, Twitter, Instagram, etc.)
- Travel guides (e.g. Lonely Planet, Discovery)
- Travel agents
- Brochures (from hotel reception, travel desks, airports, etc.)
- Celebrities or social media influencers

Source: Amadeus’ Journey of Me Insights – What Asia Pacific travellers want (May 2017) – average score represented based on rank given by respondents: rank 1 received 3 points, rank 2, 2 points and rank 3, 1 point, then 0 for lower ranks.
Chapter 4: Access and travel trade
4.1 Access: key facts

- 92% of Hong Kong visitors came to the UK by plane.
- Non-stopping, direct flights link Hong Kong International airport to London Heathrow, London Gatwick and Manchester.
- Three airlines serve these routes: Cathay Pacific Airways, British Airways and Virgin Atlantic Airways. The local carrier, Cathay Pacific represented about two thirds of the direct, non-stopping seat capacity from Hong Kong to Britain in 2017. It is the only airline serving routes to London Gatwick (since 2016) and Manchester (since 2014).
- Despite some stable growth in the last few years, in 2017 there were still 21% fewer seats on direct flights from Hong Kong to the UK than in 2007. Seat capacity declined significantly between 2007 and 2013; in 2012, Qantas stopped operating flights to the UK via Hong Kong and Air New Zealand did the same from 2013 onwards, which partly explains the decrease, alongside local companies stopping their Hong Kong-UK routes.
- Since then, though, Cathay Pacific is responsible for most of the recent growth.

92% of visitors from Hong Kong travel to the UK by plane.

Access to Britain

<table>
<thead>
<tr>
<th>Measure</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly aircraft departures</td>
<td>65</td>
</tr>
<tr>
<td>Weekly aircraft seat capacity</td>
<td>20,260</td>
</tr>
<tr>
<td>Airports with direct routes in Hong Kong</td>
<td>1</td>
</tr>
<tr>
<td>Airports with direct routes in Britain</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: International Passenger Survey by ONS, Apex RdC (direct, non-stopping flights only)
4.1 Access: mode of transport

Visits by mode of transport
(average visits in 000s on rolling 3 years ending in)

![Graph showing visits by mode of transport from 2004 to 2016]

Annual share by mode (2016)

- **Air**: 92%
- **Sea**: 74%
- **Tunnel**: 12%

Source: International Passenger Survey by ONS
4.1 Access: capacity

Annual airline seat capacity trends on direct, stopping flights

Source: Apex RdC (direct, non-stopping flights only)
4.2 Travel trade: general overview

- The Hong Kong travel industry can seem quite fragmented, but is well organised and regulated. Only a few major actors, agencies and wholesalers, dominate the market.

- Looking at outbound travel to Europe and the UK, there are only a few wholesalers, tours operators and travel agent groups that propose UK packages or tours.

- The smaller agencies will usually refer to products from some main European ground handlers. Some of them have offices in Hong Kong.

- Market trends have an impact on the general structure of the travel trade in Hong Kong. As online purchases are becoming the norm, the main travel agencies are promoting their online sites in order to address the growing use of online travel agents (OTAs). The rise in interest in family travel, packages for senior travellers, or special interest travel tours and packages have also developed in the last few years.

- Participating in some of the main Asian travel trade fairs outside of Hong Kong may also allow an opportunity to meet the local trade, as Hongkongese actors will be present at those main events too, and not only the main Hong Kong travel fair in June.

Source: Travel Industry Council Hong Kong website, Hong Kong government’s Tourism factsheet
4.2 Travel trade structure overview and main players

**Trade structure overview**

- The Travel Industry Council Hong Kong (TICHK) counts over 1,700 travel agent members handling inbound and outbound travel. According to TICHK the value of the outbound market has increased in Hong Kong.
- Travel and tourism is one of the main sectors in Hong Kong, inbound travel is very important for the economy. Overall, the travel market in Hong Kong is mature, and the travel trade structure is well organised. The Travel Agents Ordinance has implemented a licensing system regulating agents who provide inbound and outbound services.
- Approximately 20 major agencies handling all aspects of travel dominate the market.
- There are around 10-15 tour operators with retail branches, and around 30 agencies that can be classified as wholesalers; only a few agents are licensed to handle both inbound travel, and outbound ticketing and the rest handle ticketing only. A handful of major agencies handling all aspects of travel are the ones that dominate the market.
- Most travel agency front line staff have a limited knowledge of long haul destinations. In terms of Britain, most would not have much knowledge of places outside of London.
- In recent years the travel trade has known major changes: online travel purchase is becoming standard. As a consequence more and more traditional agents are advertising their website and online services, while OTAs are becoming more and more popular (Expedia, HotelCombined, Trip, Trivago).
- Smaller travel agencies deal mainly with ticketing, or a combinations of that, corporate, incentive and leisure travel for individuals. European ground handlers present in Hong Kong will usually handle some business for those local travel agencies. Airlines are also moving away from tickets only and offer some packages online.
- Only a handful of tour operators used to sell tours of Europe and Britain. Special interest tours have become more popular in recent years, though: some OTAs specialise in these.

**Hong Kong wholesalers promoting Britain**
- Charming Holidays
- Farrington Amex
- Jardine Travel
- Jetour Holidays
- Kuoni Travel
- Sincerity Travel
- Travelex
- Westminster Travel

**European ground handlers with offices in Hong Kong**
- GTA
- Kuoni
- Miki
- Trafalgar

Source: Travel Industry Council Hong Kong website, Hong Kong government’s Tourism factsheet
4.2 Travel trade: doing business

- **Time difference:** GMT + 8 (summer time +7)
- **Business hours:** usually from 9:00 to 18:00, Mon-Fri.
- **Where to find the trade:** The majority of agents are based around the commercial districts of Hong Kong and Kowloon. Some of the major tour operators and travel agencies have moved to Kwun Tong, an area outside Kowloon. Most travel agency front line staff have a limited knowledge of long haul destinations. In terms of Britain, most would not have much knowledge of places outside of London.
- **Staying there and getting around:** taxis and the underground are the best ways to get around in Hong Kong. Taxis are cheap by international standards but most taxi drivers do not speak much English. International credit cards are widely acceptable at hotels, retail shops and restaurants. Charging money on an Octopus card will allow you to use Hong Kong public transport, and make some payments in convenience stores, supermarkets, and vending machines.
- **Promotional material:** Bring a supply of brochures with updated rates and tariffs. Cost and commission levels are all important factors and will determine whether your contact is interested in your product at the meeting. It helps to show that you prepared for the meeting in advance, which will add to the seriousness of your offer.
- **Planning cycle:** Travel Trade will start business planning at the beginning of the year. It is highly recommended to send all the products package and updated information to Hong Kong trade by December or January to ensure updated products can be promoted in the 1st quarter of the year. Regular products should also be sent to the trades throughout the year so that it can help the Hong Kong trade to keep the momentum to promote new travel products in different quarters.
- **Communication tips:** Hong Kong Chinese people are direct communicators. However, sometimes silence can be a form of communication. They also tend to avoid direct confrontations and so it is recommended not to overly say no. If someone sucks air through his/her teeth while you are speaking, it means that they are unhappy with what you have just said. Denying a compliment is a sign of humility and considered a polite way to receive it.
- **Trade exhibitions:** International Travel Expo (ITE) Hong Kong is when of the main travel trade exhibitions in Hong Kong. It usually takes place mid-June. Other travel trade events in China (and Shanghai in particular) or even in Asia (such as ILTM, International Luxury Travel Market Asia Pacific Singapore).
4.2 Travel trade: meetings

Tips for doing business
- Hong Kong’s business etiquette is very similar to that of Britain. Most often, you can use English as the meeting and corresponding language.
- Hong Kong business activities are often competitive, transparent and quick. Hong Kongers are practically minded and very value conscious. The Hong Kong trade are interested to know more UK suppliers if that can give them new ideas to generate more business to promote to their customer.
- The Hong Kong Chinese take a long-term view of business relationships: commitment to the market is important. Personal relationships are important and need to be cultivated, often through more than one visit to the market.

Meeting etiquette
- If you are travelling to Hong Kong appointments are necessary and should be made between 1 and 2 months in advance. Try not to schedule a visit during Chinese New Year (late January or early February) as many businesses are closed at that time.
- Punctuality at meeting is appreciated. There will be some small talk before any business talks or negotiations. Offering a small gift representing your company is appreciated.
- Make sure to bring latest product brochures and rates. Business is often price driven: you should leave some room for negotiation. Prompt replies and instant follow-ups will show you are serious in trying to get business.
- Decisions are usually made at the top of the company. Business discussions can often last in time. However, the pace of decision making is swifter than in other Asian countries.

Greeting
- Handshakes are appropriate when greeting someone. Lowering one’s eyes is also a sign of respect.
- If you are at a large function, you can introduce yourself to other guests. At smaller functions, it is polite to wait for your host to introduce you. Introductions should always start by those with the most senior ranking, an older person comes before a younger person, and a woman before a man.
- People should be addressed by their title and surname, traditionally the first one among the Chinese.
- Business cards are exchanged after the initial introductions. It will be appreciated if one side of the business card is translated into Chinese. Hong Kongers tend to remember people by their business cards so your title should be printed on them. However, nothing should be hand-written on them directly. Present the card the right way round with two hands for the recipient to read. Make sure to observe it carefully and remember your opposite’s name. Place it on the table in front of you if you are sitting, or in your wallet or a holder, but never with yours.
4.2 Travel trade: Hong Kong holidays

National public holidays in 2018 and 2019

<table>
<thead>
<tr>
<th>Date in 2018</th>
<th>Date in 2019</th>
<th>National Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st January</td>
<td>1st January</td>
<td>New Year’s Day</td>
</tr>
<tr>
<td>16th-19th February</td>
<td>5th-7th February</td>
<td>Lunar New Year’s Holiday/ Chinese New Year</td>
</tr>
<tr>
<td>30th March</td>
<td>19th April</td>
<td>Good Friday (non statutory)</td>
</tr>
<tr>
<td>30th March</td>
<td>19th April</td>
<td>Good Friday (non statutory)</td>
</tr>
<tr>
<td>2nd April</td>
<td>22nd May</td>
<td>Easter Monday (non statutory)</td>
</tr>
<tr>
<td>5th April</td>
<td>5th April</td>
<td>Ching Ming Festival/ Morning Day</td>
</tr>
<tr>
<td>1st May</td>
<td>1st May</td>
<td>Labour Day/ May Day</td>
</tr>
<tr>
<td>22nd May</td>
<td>13th May</td>
<td>Buddha’s birthday (non statutory)</td>
</tr>
<tr>
<td>18th June</td>
<td>7th June</td>
<td>Dragon Boat Festival/ Tuen Ng Festival</td>
</tr>
<tr>
<td>2nd July</td>
<td>1st July</td>
<td>Special Administration Region (SAR) Day</td>
</tr>
<tr>
<td>25th September</td>
<td>14th September</td>
<td>Mid-Autumn Festival (next day)</td>
</tr>
<tr>
<td>1st October</td>
<td>1st October</td>
<td>National Day</td>
</tr>
<tr>
<td>17th October</td>
<td>7th October</td>
<td>Chung Yeung Festival/ Dual-Yang Festival</td>
</tr>
<tr>
<td>25th December</td>
<td>25th December</td>
<td>Christmas Day</td>
</tr>
<tr>
<td>26th December</td>
<td>26th December</td>
<td>Family Day (non statutory)</td>
</tr>
</tbody>
</table>

There are 12 statutory holidays in Hong Kong, which should all be given to any employees, except Christmas which is discretionary. If a national statutory holiday falls on a rest day then it should be replaced. Some companies also observe some non-statutory holidays, such as Easter, Buddha’s birthday or the Family day.

Usual annual leave entitlement: 7-14 days, depending on how long the person has worked in the company – 7 days for one or two years, and then progressively up to 14 days for those having worked for the same company during 9 or more years. Some companies offer more days though.

Schools start term in mid-August and end in mid-June. Major school holidays:

- Autumn holidays: 1 week in mid-October
- Winter holidays: 3 weeks from mid-December to beginning of January
- Lunar New Year holidays: 1 week in January or February depending on the years
- Spring holidays: 1 week end of April
- Summer holidays: from the end of term in mid-June to the start of the new one, in mid-August.
4.3 Caring for the consumer: hospitality

Understanding the culture and etiquette
• As we have seen previously, there is a high proportion of migrants in Hong Kong. It has also been retroceded by the UK to China in 1997. As a consequence, western influences are very present in the Hongkongese culture with the food scene being a mix of eastern and western-style cuisine, for example.
• Hong Kong is located in the Guangdong area. Thus the Cantonese culture is mainstream there and blends in with the more western influences.
• This explains why Hong Kong is quite unique in Asia. Concepts of family pride, solidarity, modesty and ‘saving face’ remains very important to Hong Kongers, while some have a more western way of life.

Language
• In Hong Kong both Chinese and English are official languages.
• While no specific Chinese dialect is mentioned in the Official Languages Ordinance, Chinese people from Hong Kong usually speak Cantonese. Standard Mandarin can also be spoken by some though. The written form of Chinese mostly used in Hong Kong is the traditional Chinese characters.

Food and drink
• Hong Kongers love food and are adventurous in tasting local cuisine and produce.
• Meal times are quite similar in Hong Kong and in the UK. Breakfast is taken between 8am and 9am, lunch (preferably a hot meal) between 1pm and 2pm, and dinner between 7pm and 8pm. With many office workers staying longer in the office later, though, dinners are becoming more common.
• Chinese tea is the customary beverage for all occasions. Hong Kongers continually refill their teacups when they are empty. By placing the lid of a teapot upside down (or open if attached) the customer is signalling to a waiter that more water is required.
• In the summer, they would prefer cold soft drinks or cold water to hot coffee and tea. It is not customary to go for drinks before a meal.

Accommodation
• Hong Kongers prefer modern hotels and would generally prefer just to visit country houses or stately homes.
• Flight time from Hong Kong to the British airports is around 13 hours. So if visitors arrive before the usual check-in time, they would appreciate flexible check-in times and being able to freshen up and get changed before the day.
Appendix
Working with VisitBritain

We can help you extend your reach through:

• Digital and social media such as through Twitter, our Facebook page – Love GREAT Britain, or Pinterest.
• Press and PR by sending us your newsworthy stories or hosting our journalists and broadcast crew
• Leisure, and the business travel trade via our programme of sales missions, workshops and exhibitions or promotion to our qualified Britagents and supplier directory
• Print advertising in targeted media/Britain supplements
• Retailing your product through the VisitBritain shop
• Or as a major campaign partner

We are here to support you and look forward to working with you.

To find out more browse our opportunity search (visitbritain.org/opportunities) or trade website (trade.visitbritain.com) or contact the B2B events team (Email: events@visitbritain.org) or campaign partnerships team (Email: partnerships@visitbritain.org) or trade support team (Email: tradesupport@visitbritain.org)
Useful research resources

We have dedicated research and insights available which include:

- Latest monthly and quarterly data from the International Passenger Survey by ONS (visitbritain.org/latest-monthly-data
  visitbritain.org/latest-quarterly-data-uk-overall
  visitbritain.org/latest-quarterly-data-area)
- Inbound Tourism Trends by Market
  visitbritain.org/inbound-tourism-trends
- Sector-specific research
  visitbritain.org/sector-specific-research
- 2018 Inbound Tourism Forecast
  visitbritain.org/forecast
- Britain’s competitiveness
  visitbritain.org/britains-competitiveness

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(Email: research@visitbritain.org)
Useful market-specific research resources

We have dedicated research and insights available which includes:

- Planning, decision-making and booking cycle of international leisure visitors to Britain. [Visit](https://www.visitbritain.org/understanding-international-visitors)
- Technology and social media [Visit](https://www.visitbritain.org/understanding-international-visitors)
- Gateways in England, insights on overseas visitors to England's regions, participation in leisure activities, multi-destination trips and more [Visit](visitbritain.org/visitor-characteristics-and-behaviour)

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