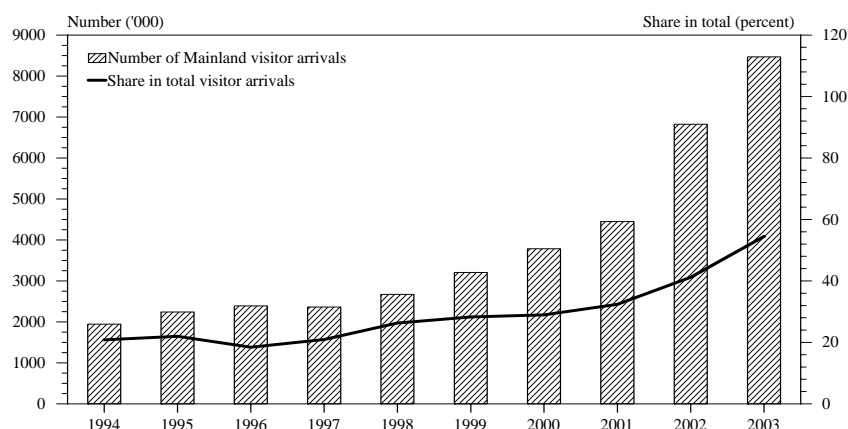


Box 3.3

Mainland visitors to Hong Kong

Mainland visitors have been contributing significantly to Hong Kong's inbound tourism. With implementation of the Individual Visit Scheme, and notwithstanding the impact of SARS in the second quarter, in 2003 Mainland visitor arrivals rose sharply by 24% over 2002 to 8.5 million. Over the past five years, Mainland visitor arrivals increased rapidly, at an average annual rate of 26%.

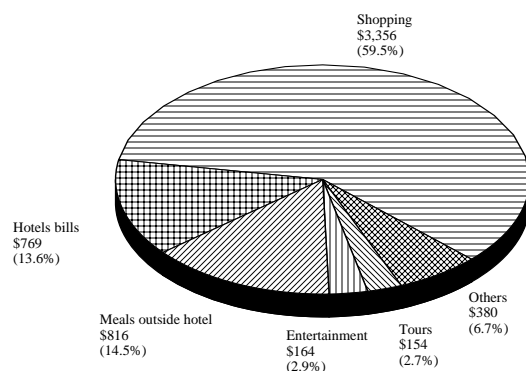
Number of Mainland visitor arrivals



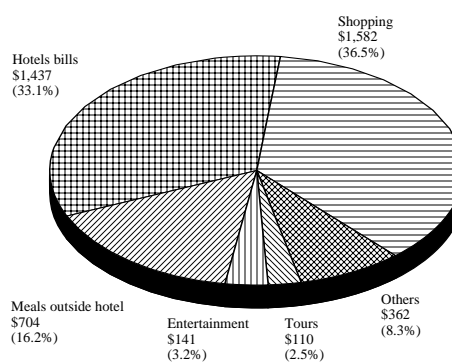
In 2002, around 70% of the Mainland visitors stayed overnight in Hong Kong, with an average length of stay of 4.5 nights. The remaining 30% were same-day visitors. The convenience brought about by the Individual Visit Scheme may lead to more same-day Mainland visitors coming to Hong Kong over time. Of all the overnight Mainland visitors, about 40% came here for vacation purpose, and nearly one-third for business purpose. Business visitors have been accounting for an increasing share in recent years, reflecting the ever closer economic ties between Hong Kong and the Mainland.

In 2002, Mainland visitors spent some \$29 billion in Hong Kong, accounting for 51% of the overall visitor spending. This share is likely to go up further in the coming years, along with the continuing influx of Mainland visitors. Equally significant, the per capita spending of overnight Mainland visitors, at \$5,640 in 2002, was 30% higher than that of overnight visitors from other sources, at \$4,340. Also, Mainland visitors spent distinctly more on shopping and distinctly less on hotel accommodation.

Pattern of per-capita spending of overnight Mainland visitors in 2002



Pattern of per-capita spending of overnight visitors from other sources in 2002



Underpinned by the robust economic development in the Mainland, implementation of CEPA, further expansion of the Individual Visit Scheme, and other facilitation measures including the launch of remimbi credit cards, Mainland visitors can be expected to play an even more important role in Hong Kong's inbound tourism in the future.