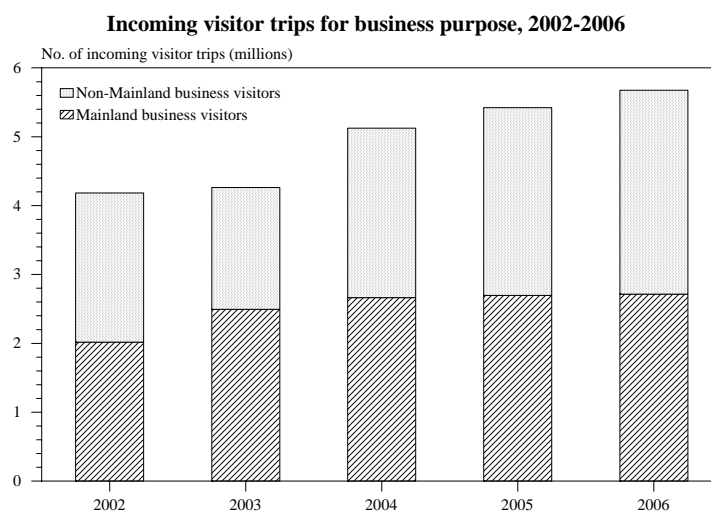


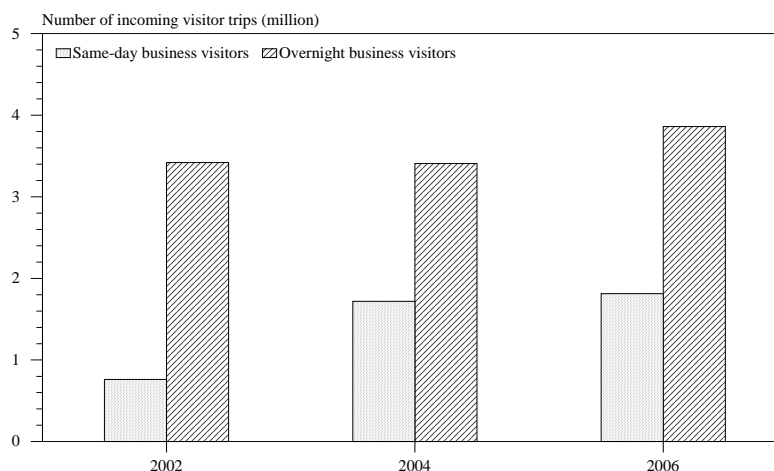
**Box 3.1****Business visitors arrivals : recent trends and profile**

Amidst Hong Kong's development into an international business hub and its ever-expanding external economic links, more and more business visitors have been coming to the city for meetings, conventions, exhibitions and other commercial events. From 2002 to 2006, the total number of incoming business visitor-trips showed an uninterrupted rise averaging 7.9% per annum. The number reached a record high of 5.7 million in 2006, equivalent to 22% of overall visitor arrivals.

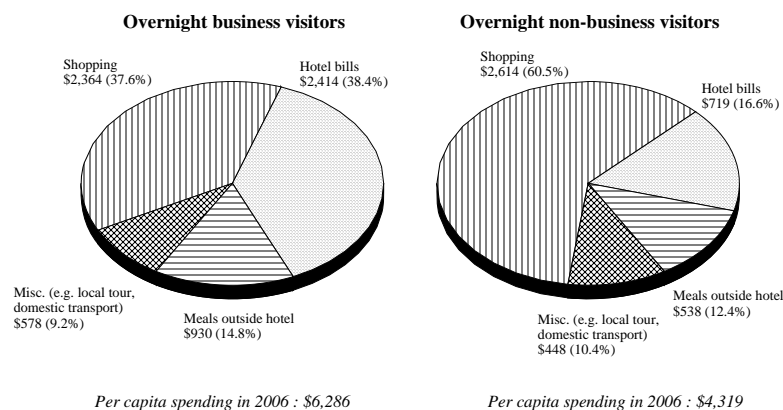


Analyzed by market, the number of business trips made by Mainland visitors rose markedly by an annual average of 7.7% during 2002-06. This was propelled by the accelerating economic integration between Hong Kong and the Mainland in recent years. Concurrently, the number of business trips by visitors from other places rose even faster, by 8.2% per annum. In 2006, the Mainland visitors accounted for 48% of total incoming business visitor-trips to Hong Kong, while other Asian visitors and long-haul visitors shared 29% and 24% respectively.

In recent years, there is a growing tendency for more frequent yet shorter inbound business trips to Hong Kong. This is partly attributable to increasing travel convenience as our external transport services have expanded further in terms of connectivity and frequency, particularly with the Mainland. The tendency also reflects the thriving position of Hong Kong as the regional platform by which many enterprises develop and oversee their businesses in the Mainland and elsewhere in Asia. Compared with 2002, the number of business day-trippers to Hong Kong surged by 24.2% per annum, comprising increases of 29.1% for those from the Mainland and 12.9% from other places. This well exceeded the corresponding growth of 3.1% in overnight business visitors, whose average length of stay shortened from 3.65 nights in 2002 to 3.18 nights in 2006.

**Box 3.1 (cont'd)****Day-trippers and overnight-stayers in business travels**

Business travel is a high-yield segment of Hong Kong's inbound tourism. Despite shorter duration of stay generally, the per capita spending of overnight business visitors amounted to \$6,286 in 2006, much higher than that of \$4,319 for other overnight visitors. Moreover, business visitors tend to spend more on services with higher local value-added content, such as hotel accommodation and meals at restaurants. Furthermore, some of them are accompanied by families and friends who also expend in Hong Kong.

**Spending pattern of overnight visitors by purpose of visit**

Apart from supporting the commercial activities involved and contributing to the tourism industry, inbound business travels carry wider benefits for the Hong Kong economy. Through direct exposure to our political, social and economic environments, business travellers can gain a better understanding about the competitive edges and market potentials of Hong Kong. This helps reinforce the branding of Hong Kong as an international business hub, and can attract more overseas investors and talents to develop their businesses and careers in the city. The other way round, face-to-face encounters help build up relationship and hence consolidate our global connections and networking, by which the local business talents can be better informed about market opportunities elsewhere and advance their knowledge about the market dynamics and business practices in other places. The market intelligence thus developed is definitely an asset for them to seek expansion abroad and cope with related challenges.