

# RACING FOR ALL — HONG KONG HORSE RACING

YEAR 2001 USA CONFERENCE ON  
'SPORTS AND TOURISM MARKETING'



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## A. An Introduction to Hong Kong Horse Racing

Hong Kong, a city of life with many tales behind. Among the tales, nothing can set Hong Kong abuzz with excitement, but the thrill of horse racing.

Horse racing in Hong Kong has been evolving under the administration of the Jockey Club for 117 years. During that time the Club has been constantly striving to improve the integrity of racing, the quality of horses, the race programme and the racecourse facilities. Hong Kong horse racing has also attracted talented professionals from many different countries. As a result, horse racing is widely regarded as Hong Kong's national sport; a sport for all people and for the benefits of all people. The Hong Kong Jockey Club is also Hong Kong's largest private charity donor, giving this year alone in excess of a billion dollars to worthy causes across the territory.

Now ringed by skyscrapers, the racecourse in Happy Valley was once a mosquito-infested marsh, farmed by local villagers. Unlike the Sha Tin racecourse, which was built almost entirely on reclaimed land in 1978.

During the season in 2000/2001, the attendance at the city's two racecourses was more than 2.7 million people. The betting turnover was more than HK\$81 billion. The atmosphere was exhilarating, betting was feverish and there are potentially huge rewards.



### Horse Racing



Horse racing is a vigorous sport. The rider must have enough strength to command the horse. The horse shares a special relationship with its master. It is graceful in movement and the distinguished characteristics have led to the development of a unique one-on-one sport-equestrian riding. The sport emphasizes on the harmony between men and horses rather than the speed; therefore, a distinct set of difficult movements is performed by the horse and the rider as a team. To bring out the best in such an intelligent and graceful animal, one must have both a strong mind and body. A good performance of the horse will bring unlimited satisfaction and a sense of success to the rider.

### *The Hong Kong Jockey Club*



The Hong Kong Jockey Club (HKJC) is a non-profit organization. It is the managing unit of Hong Kong horse racing. It aims at racing for charity through promoting horse racing.

The Club today is a powerful presence in the worldwide racing arena. One that employs a formidable team of worldwide experts to ensure the integrity of sport and a level playing field for all, and one that leads the industry in technological innovation. It ranks as the largest racing club in the world in terms of the number of employees and among the highest in per capita of population betting pools. The Club is by any standards a veritable business empire. With an annual betting turnover in excess of HK\$81 billion a year and employing staff of nearly 20,000, the club which has been the Territory's horse racing body since 1884, today faces an administrative task greater than that of many major conglomerates.

Since 1915 the Hong Kong Jockey Club has contributed substantial funds towards charitable and worthy causes that benefited the society of Hong Kong. True to the 'Racing for Charity' mission, each year surplus earnings from the racing season are allocated to The Hong Kong Jockey Club Charities Trust, which serves as the administrator for the Club's charitable donations.

The range and diversity of recipient projects and programmes reflect the Club's objective, which is to add value where it will provide the greatest benefit to the society as a whole. The Jockey Club serves many core areas of civic and social needs, with each year focusing on a specific segment of society. Working through with Government and non-profit agencies, the Jockey Club is able to bring a better quality of life to the people of Hong Kong and immediate relief to those most in need.

In addition to this ongoing work, the Club also proactively identifies and generates projects that anticipate future community and social needs that are currently not being adequately addressed.

To provide customers with total satisfaction, the Jockey Club strives to provide attractive and innovative betting products and services to meet consumers' expectations. The coming generation of betting tools, by using the latest technology, allows consumers to bet when and where it best suits them. The user friendly and one-stop betting service environment underlines the club's commitment to serving their customers better. It also distinguishes the Jockey Club as the premier entertainment and leisure club of Hong Kong.

The Club always makes a race day memorable, whatever the outcome of races may be. In conclusion, HKJC is such a successful organization, which facilitates good communication and understanding among stakeholders. One of the service principles is to maximize the spectacle, competition and sheer thrill of the event. These are the factors, which are important in terms of achieving sustainable development of horse racing as a form of sports tourism.

### *Issue Statement*

Hong Kong horse racing can be reckoned as an element of culture of Hong Kong. You can see bookies reading racing newspaper every race day everywhere. According to the survey, it states that Hong Kong's betting turnover of racing is ten times more than the average betting turnover of the world. How does horse racing of Hong Kong contribute to the community? Our case study will go through the issue point by point with detailed explanations.

Our issue statement: **To examine the potential development of horse racing in Hong Kong as a form of all-rounded sport activity for the long-term contribution to Hong Kong sports tourism.**

## **B. Current Status**

### *Racecourses*

#### Happy Valley Racecourse



Hong Kong's first official race meeting was held at Happy Valley in December 1846. Since then the Hong Kong cityscape has grown up around the track, making Happy Valley one of the few in-city racecourses world-wide. During racing season, fans enjoy the popular mid-week night racing and at weekends, an exciting afternoon of racing entertainment.

#### Sha Tin Racecourse



Sha Tin Racecourse, with its Penfold Park complex, is situated in the country park ambience of the New Territories. Opened in 1978 as a world-class racetrack, it hosts today several races of international races and attracts star racing competitors from around the world.

The main course is 1899 metres in circumference and 33 metres wide. Recently, there are 1050 horses living on site, in 20 stable blocks. The racecourse can accommodate more than 85,000 spectators. Its indicator boards are fully computerized, and reveal volumes for the HKJC's betting forecasts.

There are different types of tracks at Sha Tin Racecourses, some are used for horse racing and training while others are used strictly for training.



*The new grass training track along the Shing Mun River at Sha Tin Racecourse*



*The new all weather track, converted from the equitrack,*

- Sand Mesh Turf Track

1,900 meters in length, 33 metres in width; used for racing, training, monthly barrier trials and weekly stall tests; can also be used in the rainy season.

- All-weather Track

Built with sand and pine bark chips; used for racing and trackwork.

- Riverside Gallop and Trotting Ring

Used for training.



The admission fee for the public stand of the racecourses is HK\$10 each person.

## Training

### Training for the Public - Riding School

Although it is relatively less competitive as a popular leisure activity in Hong Kong, The Hong Kong Jockey Club actively promotes equestrian riding and has funded the establishment of four riding schools. These schools are located in Chai Wan and Pokfulam on Hong Kong Island, Tuen Mun and Sheung Shui in the New Territories (Beas River Riding School in Sheung Shui is for Jockey Club Members' use only). The schools are professionally managed by the

Equestrian Affairs Department of The Hong Kong Jockey Club. They are the only riding venues in Hong Kong that are recognised by the British Horse Society.

Various equestrian activities are held in the schools to promote the sport, including group training classes, horse hiring, taking a horse at livery, visits and competitions.

## Training for Jockeys

Jockey riding in Hong Kong is all licensed by the Club. In 1971, the Club has set up the apprentice school at Beas River in the New Territories.

Today 10 to 12 young riders are accepted for intensive training annually; the best are continues as an apprentice for another 3 to 5 years before becoming a fully licensed jockey.



*Simulated horse for training*

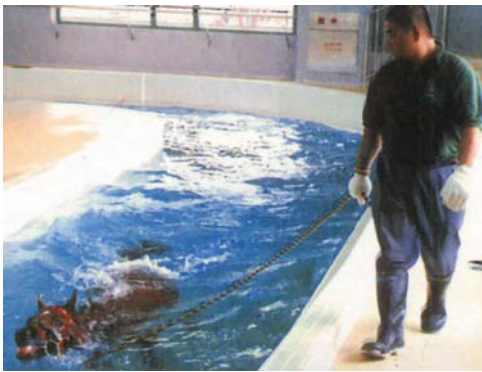
Up to 8 overseas riders are retained by trainers, under license, each year. And up to 3 overseas' Club jockeys, ride at any time, for short periods, usually three months. Experience of international riding skills, providing extra competition for local jockeys, improves race riding and enhances their riding standards.

The talents a jockey brings to his mount are very special, and often it is not apparent to the race-viewers. Star product of the apprentice school's first intake, Tony Cruz, here outlines the

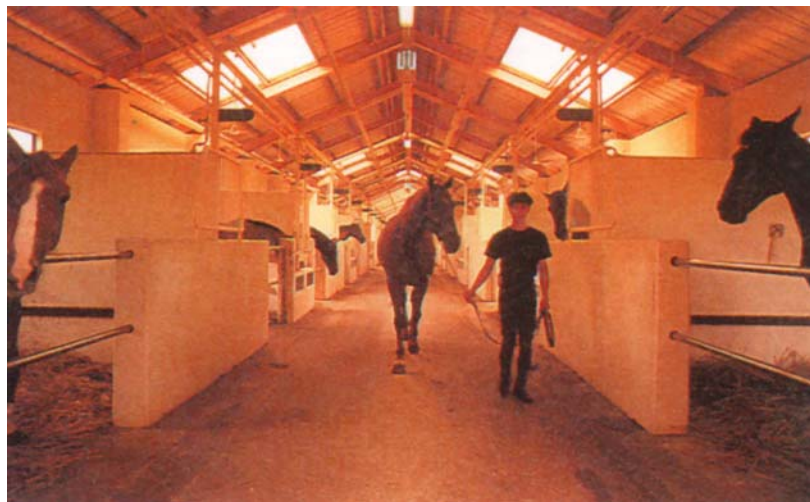
techniques and tactics, using balance, persuasion, empathy, timing and many other skills, that gave him over 1500 winners in a 22-year career.

## Facilities

### Facilities for Horses



*An equine pool*



*A Stable*

In May 1998, a new equine pool was opened: it is meeting the increased demand of an average of 100 horses each day. The design of the pool allows variable swimming periods to suit the fitness of each horse. Swimming is an increasingly important training tool, strengthening horses' cardiovascular, respiratory and locomotor systems without the stresses and strains of galloping on injured tendons, ligaments or joints. This is also true of the new

adjoining aquatred, which allows horses to exercise in a more natural fashion, but again with the weight off their limbs. Both the pool and the aquatred help speed recovery time after injury.

Beside equine pool, the most important facility for horses is the stable. The standard of the stable can surely affect the health of the horses. Therefore, the Club always tries its best to keep the stable in good conditions.

## Racecourses' Facility Improvements

In 1995, the Club has added several new public amenities, including the 800-seat Pak Sing restaurant, which features table-mounted Closed Circuit Televisions and provides spectacular viewing of the races through floor to ceiling windows.

Major changes in the 1999/2000 season focused on the upgrading of the tracks. The changes included the use of a worked-back rail in the Happy Valley Racecourse and the restructuring of the 1000-meter chute in Sha Tin. The projects were carried out to minimise track bias.

## Off-Course Betting (OCB) Branches



*Off-Course Betting (OCB) Branch*



*The theatre at the Tuen Mun Maxi-centre*

In view of maximizing customer satisfaction and optimizing community use, last season a new generation of Off-Course Betting (OCB) branches was introduced. At Tsing Yi and Tin Shui Wai, these new concept OCB branches have been designed with the community in mind. On non-betting days they can be used for charitable and community events as the auditoriums and part of the betting halls can be transformed into multi-function halls making them ideal venues for lectures, seminars and community functions. In Tuen Mun, which is quite a distance away from the racecourses, the Club has built a 500-seats theatre with 3 storeys high and an area of 5000 square foot, where racing enthusiasts can enjoy horse racing in comfort.

Cyberkiosks attaching to these branches are equipped with computer terminals allowing customers to browse the club's website and to use the touch-screen interface to call up interesting information on racing. In the main betting halls state-of-the-art video screens display the latest race results and dividends to keep customers up to date.

### Application of Information Technology

With the help of the latest technology, it certainly makes the events more attractive and successful. During these years, a variety of technological and media developments helped to improve customers access to races, racing information and enhance their racing experience.

These developments included the provision of commentaries in three languages: English, Putonghua and Cantonese. New infield tracking cameras show racing from new angles. Moreover, a sectional time display system was introduced. It provides information on the pace of horses during the race. A new high precision digital colour photo finish system records digitised images of finishes at a rate of 2,000 times a second. Being digitised, it can be displayed on all racecourse screens and televisions.

The Club's web site is available to deliver a variety of racing information to Internet users. And television broadcasting rights were transferred to ATV. But perhaps the most exciting was the launch, together with Hong Kong Telecom, of the world's first Racing-on-Demand system. This allows customers to call up video footage of their favourite horses for viewing at the racecourse or on their home televisions.

The following table shows some interesting and astonishing figures about the IT facts in the season 1997/1998:

IT FACTS 1998	
No. of televisions	4,204
No. of telebet circuits	4,632
No. of customer input terminals	72,980
No. of betting transactions per race day	7,000,000
No. of betting transactions per second (maximum)	1, 200

Source: Hong Kong Jockey Club Annual Report 97/98

Reading the whole paragraph, it is not hard to conclude that the application of information technology is very important to the successful, impartial racing events as well as the unforgettable memories of the race goers.

In the future, the Club will continue to implement its commitment to providing to customers good services and developing new IT products in order to satisfy the public wants.

## Betting Services

After computerization, betting has been made easier by simply placing the bets at the Jockey Club's fully computerized on-course betting terminals. These are linked with 125 off-Course betting (OCB) branches throughout the territory, so even those not attending the tracks can reap rewards.

Off-Course Betting and Telephone Betting (Telebet) are a common forms of betting services, which make customer's choices more flexible. People from major cities in the China mainland can enjoy Toll Free Services to place their bets while the Overseas Services require IDD charge. Customers can pay and get the first-hand racing information, place bets wirelessly through Two Way Messenger. The minimum bet is HK\$10 per ticket.



*Service counter*

Furthermore, the standard of the telephone betting service has been substantially improved after the Telebet center at Sha Tin Racecourse began operations in April 2000. This new center boasts 646 service counters. Together with the existing centers, this brings the total number of counters to 3,784. Further field trials for mobile betting and funds transfer have been completed and introduced in the season 2000/2001.

To meet the information needs and further enhance racing and betting experiences of race goers, the interactive "Info-Touch" service has been introduced at the start of 2000/2001 season.

The “bilingual-display” and “touch-screen” features of Info-Touch allow customers to surf the racing information instantly.

Besides the above services, a high-tech way of betting on horse races has been introduced to customers. Through the user-friendly betting website, customers can access to the latest odds and results. It is welcomed by most of the customers because it ensures efficiency and security. With the extensive information database customers can even customise racing information according to their personal requirements. Transactions conducted over the Internet are highly secured for the safety and assurance of the customers. A team of staff has been newly trained as Betting assistance in order to help less experienced customers fill in their betting tickets.



*Telephone betting – for the convenience of punters*

During this season, the Hong Kong Jockey Club has switched to an in-house production of its racing programmes on ATV. This free-to-air programming forms part of the extensive racing entertainment, which also includes other kinds of mass media. In the season 2000/2001, the Club’s public website provides the latest racing information, and for Telebet Account holders, the capacity to place bets via a betting website with real-time odds display.

A range of innovations has been introduced to customers like Customer Input Terminal, which allows customers to bet through the hand-held terminals, and Mobile Betting, as part of the Club’s move towards fully computerized betting. In addition, customers can enjoy the

convenience of mobile betting via a modem. All Hong Kong residents who aged 18 or above are allowed to use the service within the territory.

## Local Events

Race meetings are held mostly on Wednesday evenings and at weekends from the September-to-June.

### The Chinese New Year Race Day

It is a typical example of a theme day. The Chinese New Year Race Cup is held on the first day according to the Chinese Traditional calendar. The Cup is run over 1400 metres and was first held in 1999 to celebrate the Chinese New Year. In the season 2000/2001, the Hong Kong Jockey Club has held a



“Guess the Chinese New Year Champion” game. Winners were awarded a package prize of HK\$40,000. Theme days can attract a larger amount of spectators and punters to watch the cheerful and speedy races.

### The Hong Kong Derby

The Hong Kong Derby is unique compared with other races. The Derby is usually a contest for three-year-old horses over a distance of 2400m. In Hong Kong, it is especially for four-year-old horses over 2000m. The reason for the age difference is due to Hong Kong’s position as a confluence for racehorses bred in the Northern and Southern Hemispheres and the need to bring their relative maturity into line. Three-year-old imports also need sufficient time to acclimatise to life in Hong Kong.

Despite these small anomalies, the objective of the race remains the same: to establish the most complete four-year-old racehorse in Hong Kong. So it is a once-in-a-lifetime opportunity.



*The logo of Hong Kong Derby 2001*

The Derby is one of the most over-subscribed races in Hong Kong. This is no surprise considering that its purse has been increased from HK\$8 million to \$10 million in the season 2000/2001.

The fun Derby Day does not stop with the racing. The Jockey Club has organized a number of on-course programmes for this prestigious event. This season 2000/2001, the HKJC has given out a Derby waist bag to race goers whose ages contain the number "4". Members and racing fans are encouraged to go with the classic tradition of dressing up for this prestigious event like all other countries, adding a touch of elegance and sophistication to the day.

Other theme days, such as Valentines' Day, Ladies' Purse Day and Mothers' Day, always draw an excellent response with fun competitions and attractive free gifts.



## Hong Kong International Races

**Date:** 17 December 2000

**Time:** 12:30 p.m. - 5:30 p.m.

**Venue:** Sha Tin Racecourse



The Hong Kong Tourism Board's spotlight Hong Kong Programme assists in bringing world-class events of 'City of Life, Hong Kong is it'. From the pamphlet of 'Events Capital of Asia' printed by HKTB, it states that The Hong Kong International Races of horse racing is one of the especially memorable experiences amid a galaxy of fun and exciting events.

The four Hong Kong International Races are one of the most exciting and prestigious events of the racing calendar, with a maximum of 40 overseas runners competing from all the leading racing jurisdictions around the world. It has seen over 50 horses from the northern and southern hemispheres competing in what is now the most international event on the world racing calendar on 17 December at Sha Tin Racecourse of the racing season.

The Hong Kong International Races 2000 comprised four races: three International Group One races – The Hong Kong Cup (2000m), the final leg of the Emirates World Series Racing Championship which is also the first ever-global horse racing series, The Hong Kong Mile (1600m), The Hong Kong Vase (2400m) and one Group Three race – The Hong Kong Sprint (1000m). The four international races carry total prize money of HK\$40 million (approximately US\$5 million) and they have attracted 10-billion audience from all over the world.



*Hong Kong International Races Day*

Hong Kong International Races Week hosted the Hong Kong International Sale, Hong Kong's only thoroughbred sale, and the International Jockeys Championship. There was a host of other popular events which add to the world-class entertainment of Hong Kong annual festival of racing.



**Facts of the International Races**

Contested at 2000 metres on the turf, it is the third richest racing day in the world, and serves as the finale of the Emirates World Series Racing Championship, which involves 11 major global stakes for horses from both the Northern and Southern Hemispheres.

The inaugural Hong Kong Cup, started on 24 January 1988 as the Hong Kong Invitation Cup, had a purse of HK\$1.5 million, which was run at an 1800-metre distance, and was restricted to local horses and invitees from Malaysia and Singapore. The race is now annually run in mid-December. In the season 2000/2001, the purse is more than nine times the size of what the Hong Kong Cup originally offered. Participants for the 2000 running included horses, trainers, and jockeys from the United States, the United Kingdom, France, Germany, Australia, Hong Kong, Singapore, and the United Arab Emirates.

## Contribution

### Sports Aspect

Through holding sports events, it maintains and develops interest and support for horse racing among racing fans. Also, it has succeeded its aim: enhance the image and broaden the appeal of horse racing as a preferred and multifaceted form of sports entertainment.

### Tourism Aspect

Horse racing helps raise tourism receipts as well as tourist arrivals. Hopefully, it could help prolong the decreasing average length of stay of tourists in Hong Kong.

### Image Building – City of Life

The Club has allocated 25 million dollars to the 'City of Life: Hong Kong is it!' campaign, to position Hong Kong as an Asian's leading travel destination. The Club has also nominated representatives to set on the campaign's committees.

### Economic Aspect – The Largest Source of Government Tax Revenue

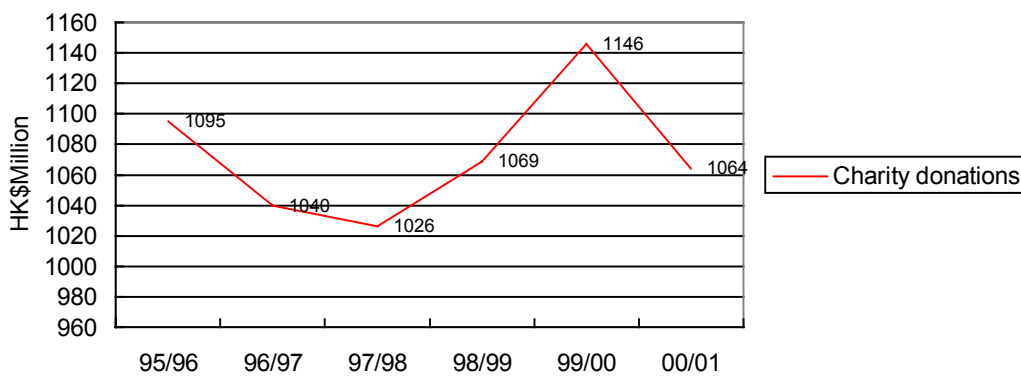
For its financial year ending on June 30, 2000, the club has paid \$11,203 million as betting duty to the Government. The total tax payments amounted to nearly 5 per cent of the Government's direct and indirect tax revenues in 1999-2000.

### Social Aspect

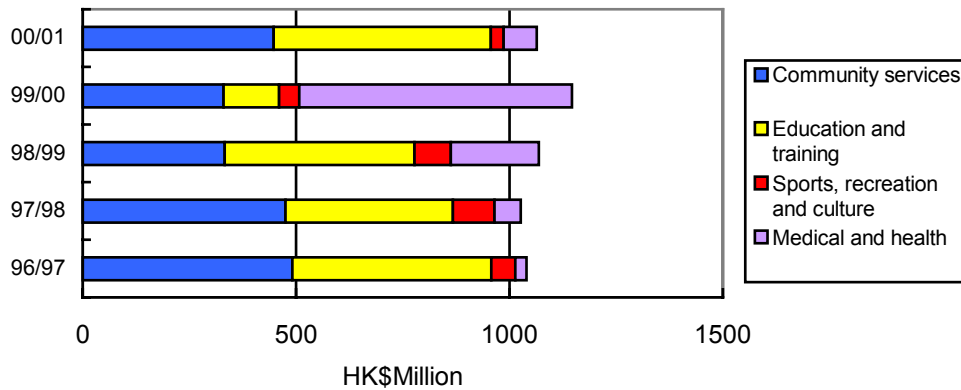
On the charity side, the club continued to take a proactive approach in providing support to the most needy in society. Over the past 10 years, more than HK\$11 billion from the profits of holding horse racing events was donated to the charities. In 2000/2001, a total of HK\$1,064 million was allocated to 180 projects. The Club serves all sectors of the community through four

areas and social need: community services, medical and health, education and training, and sports, recreation and culture. The largesse has special resonance because, by mandate, it is primarily for Hong Kong. It ranks immediately behind the Rockefeller Foundation with US\$147,398,280 (HK\$1,146,360,645) in donations to charitable causes in Hong Kong as of fiscal year ended 30<sup>th</sup> June 2000.

Charity contributions



Charitable and community donations



**Maintaining Integrity**

The integrity of racing in Hong Kong is its cornerstone. The Club continues its total commitment to protecting the integrity of Hong Kong horse racing. The commitment takes many

forms. Changes have been made to the apprentice jockeys' programme to provide a more suitable and controlled environment. For the international races, stricter controls have been imposed. Race goers are being provided with more and better information, demonstrating that Hong Kong horse racing is fair, clean and competitive. Public confidence and trust remain critical to the Club's continued success.

During the past year, significant improvements have been made to these processes. These included the addition of an eighth camera to ensure that every part of every race is recorded; colour photo finish displays; cameras in the weighing room to record the weigh-out and weigh-in; broadcasting of enquiry and objection patrol-film footage; immediate post-enquiry explanations by Stipendiary Stewards for live television broadcast; more detailed race reports and fortnightly press briefings of enquiries with patrol-film footage.

The centralised structure of Hong Kong horse racing also allows greater control and tighter security than most of the other racing jurisdictions. In addition, pre-export veterinary checks, on horses coming to Hong Kong for international races, were introduced to guard against the use of prohibited substances or medication.

These measures have proved effective and will continue to be applied in the future.

### *The Asian Racing Conference*



The Asian Racing Conference (ARC) was first held in Tokyo in 1960, attended by 69 delegates from 12 racing organisations representing seven countries. The Conference is held

approximately every 18 months since then, it includes 18 countries with each meeting attended by more than 600 delegates.

The objectives of the Conference are:

1. To meet and foster goodwill and mutual understanding through the medium of periodic conferences and other racing events in the member countries.
2. To promote horse racing and breeding and the integrity and prestige thereof by any means that the Conference shall consider appropriate and which are in compliance with all existing laws, rules and regulations.
3. To encourage and develop mutually beneficial objectives and strategies between racing organizations without discrimination to aid the development of horse racing.
4. To exchange ideas and information on matters concerned with horse racing.
5. To encourage, promote and support international competitions for jockeys and horses when conditions allow.

The controlling body of the Conference is the ARC Executive Council which comprises one representative from each of the following member countries: Australia, Hong Kong, India, Japan and New Zealand, and the country hosting the next Conference. The Hong Kong Jockey Club has funded and managed the ARC Secretariat office since 1991.

### *Topic Summary*

When one of the famous BBC journalists, Robin Oakley spoke to a racing director, he outlined a simple philosophy of doing the racing career successfully: top-class racing, top-class information to the betting public and top class integrity. Racing director put the meeting's success down to Hong Kong's readiness to stump up top prize money and to provide the best hospitality for owners and trainers. They certainly do that without any doubt.

We can conclude this topic in essence: Although it is well managed and organised by the

Hong Kong Jockey Club, it is capable of higher racing standard. The more support from the punters, the more successful of a race day could be. Therefore, marketing is the main cause responsible for the booming of the racing industry. How does the Club react to the demand of the sport? We will discuss it in the following topic.

## **C. Marketing Strategies**

### **G. Extending Information Channels**

Promoting horse racing to the wider public is a key strategy during the season. The Club work closely with a broad range of media outlets – television, radio and press – to highlight the many interesting facets of the racing world.

#### **Telecasting Racing Programmes**

The Hong Kong Jockey Club and Asia Television Limited (ATV) offer plenty of horse racing programmes on its Home and World Channels in racing seasons. A variety of racing information is provided in the exciting series of programmes.

Take a Saturday race meeting as an example, on Home Channel, 'Horse Racing Trackwork', analysing the horse forms and performances in the morning trackwork and barrier trials, it will be broadcasted at midnight on Thursday after the declarations of the race meeting earlier that day. 'Horse Racing Preview' will be shown at midnight on Friday, just before the race meeting to provide professional analysis on horses. Data and graphical analyses will also be provided so that the racing fans can have more in-depth knowledge about the runners. The race meeting will be broadcasted live on 'Trackside' with running commentary and on-spot analyses. After that, comments and reports on the race meeting will be shown in 'Horse Racing Results' later that night. For a Sunday race meeting, there will be a special racing programme on Thursday. 'Horse Racing Trackwork' will be shown at midnight on Friday and 'Horse Racing Preview' at midnight on Saturday. The race meeting will then be broadcasted live on 'Trackside' on Sunday, to be followed by 'Horse Racing Results' later that night.

The Jockey Club has, for the first time, contracted out the production of 'Horse Racing Preview' and 'Horse Racing Results' with another company, Content Management

Consultancy.

That's not all. After the long summer break, the Jockey Club has prepared a number of programmes as a prelude to the new season. A one-hour season opening special programme was broadcasted midnight on 30 August 2001, introducing a number of trainers and potential horse stars in the coming season. A half-hour programme was shown at 10:30 pm on 1 September 2001 to trace back number of exciting races last season. For racing fans, there was a special racing edition of the popular game 'Who wants to be a Millionaire' shown on 31 August 2001 to usher in the new season.

Meanwhile, the English programmes of 'Racing to Win' and 'Trials from the Grass' will continue to provide useful analysis and reports on ATV World Channel for the English speaking racing fans.

#### Racing Programmes Details on ATV for the Racing Season 2001/2002

The racing programmes include 'Trackside', 'Racing to Win', 'Trials from the Grass', 'Horse Racing Trackwork', 'Horse Racing Preview' and 'Horse Racing Results', conducted either in English or Cantonese on both ATV channels.

There are racing professionals who provide their observations on horse form and performance in the morning trackwork. It also offers their selections and ratings in the horses. In the 'Horse Racing Preview', the programme aims to inform racing enthusiasts on the form of the horses the following day. Data and graphical analyses will be used too. When there is a race meeting, the programme will provide on-spot analysis and running commentary for each race. After each race meeting, it also offers comprehensive analysis about the race meeting.

Special programmes prelude to the new season are available for racing fans and the general public. It introduces new trainers and potential equine stars of the new season, as well

as broadcasting the highlights of a series of showcase race meetings in 2000/2001 racing season.

At the end of August 2001, the Club has organised the game show 'Who wants to be a millionaire' with ATV. It presented the public as a healthy sport and aroused their interest in horse racing.

### Production of TV Episode – 'Off the Track'

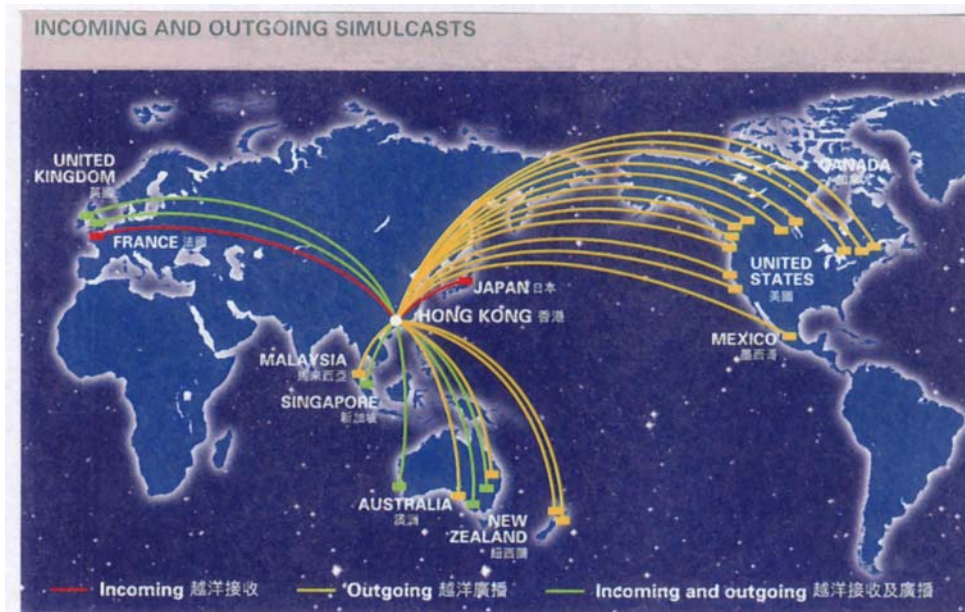


Besides racing programmes, the Hong Kong Jockey Club has supported TVB (Television Broadcasting Limited) in its production of a prime-time serialised drama, "Off the Track" which is about horse racing in Hong Kong. It is proved hugely popular.

### Simulcasting Racing Programmes to Overseas Via Satellite

The Club's international links grow stronger and broader every year, reflecting the increasingly higher standards of Hong Kong racing and the territory's strategic location at the crossroads of Asia.

A highly visible example is simulcasting, which brings the thrill of live international racing to race goers in Hong Kong. In return, the excitement of Hong Kong racing is transmitted via satellite to audiences at race facilities in North America, Asia and Australasia.



In the same way that top international jockeys, trainers and horses contribute to Hong Kong racing, local horses and jockeys are regular competitors in overseas events. The Club's series of International Races further strengthens the territory's growing links with the global racing community.

A keen supporter of regional racing, the Club is Secretariat for the Asian Racing Conference. In China, the Club shares its expertise in racing management, course design and equestrian sports with authorities from Hainan to Inner Mongolia. Elsewhere, the Club provides advice to facilities in Argentina, the Philippines and Vietnam and licenses its betting software to race tracks in Sweden, Australasia and Malaysia.

## Printed Media

More than 50 racing journals are printed each week.

**South China Morning Post**

South China Morning Post

## Internet

For punters, the Club has expanded the range and content of racing information, particularly through the newly enhanced website, which provides the latest racing news as well as archive data for race analysis. Special trackwork video and comprehension information on the Season Opening meeting are presented on the website to meet public demand for detailed coverage of the presentation of horses in the cutdown at the start of the season. Besides, the Club also provides on-line service for example the betting channel for telebet account holders. Racing fans can also review the races on the Internet.

## Tour for the Public

For the months of July and August 2001, The Hong Kong Racing Museum has held a guided tour for Hong Kong citizens at the Happy Valley Racecourse. They were taken to visit the stables, where they could see and touch a horse with a mafoo in attendance and they were able to ask questions on horses and horse care. From there they were shown the stables, the parade ring, the weighing room, the enquiry room and the jockey room. This was followed by a visit to the racing museum, which a film show was included.



The aim of the guided tour is to broaden knowledge of horse racing history amongst the general public in Hong Kong and to allow them a close-up and hands-on experience with horses. An activity book is also available for children at the museum counter.

### *Tour for Overseas Visitors*

As overseas visitors, they can participate in the entertainment and sport of horse racing in a number of ways. The simplest is to join one of the 'Come Horseracing Tours' and a trip is organized for them. If the visitor is adventurous who would like to pay a visit to the races on his/her own, he/she may purchase a Tourist Badge to gain entry to the Members' Enclosure at either of the racecourses.

For those overseas visitors who wish to organise their own peer groups for a party at a racecourse, the Jockey Club also offers a "Racing in Style" Package which is available for reservations through any leading hotels.



### 'Come Horseracing Tour'

Horse racing tours are co-organised by the Hong Kong Jockey Club and the Hong Kong

Tourism Board, which have won many tourism awards including the "Best Hong Kong Tour" and the "Hong Kong Award for Services in Tourism Services". There are two types of tours, the Classic Tour and the EZ Race Tour.

### **Classic Tour**

This premier service package offers

- Round-trip transfer by air-conditioned coach
- An admission badge to enter the Visitors' Box of the Members' Enclosure at the racecourse
- Welcome drink and buffet-style meal at the Visitors' Box
- Guiding service
- Souvenirs
- Racing Post and official racing programme

### **EZ Race Tour**

This fun-filled package offers

- Round-trip transfer by air-conditioned coach
- An admission badge to enter the Members' Enclosure at the racecourse
- Souvenirs
- Racing Post

These tours are designed for overseas visitors who are 18 years of age or older, have been in Hong Kong for less than 21 days, and hold a valid overseas passport.

## Visitors Badge



Besides joining tours, visitors who have been staying in Hong Kong for less than 21 days may also purchase a Tourist Badge to enter the Member's Enclosure at the racecourse. It is done by simply turning up at the Racecourse on the day of the race meeting day to purchase their badges from the designated counter at the entrance gate. Alternatively, Tourist Badges are available two days before the race meet at guest badge selling offices and designated off-course betting branches.

## *Pre-Season Carnival*



The Hong Kong Jockey Club Pre-season Carnival 2001 took place at Sha Tin Racecourse on Saturday, 25 August 2001. The Pre-season Carnival has become an annual event for thousands of families since it was first held in 1998.

Highlights were on the Jockey Sprint Competition and the Pre-season Barrier Trial that started at 5 pm. An array of the activities included pop-singer performance, stall games, pony ride, para para dancing, jockey's skill colour design competition for children, beer and juice drinking competitions, a flea market and so on. It was surely a fun day for everyone.

Admission tickets were available for sale at designated off course betting branches and 10 McDonald's Restaurants in the New Territories. Priced at \$20, each ticket is consisted of five game coupons, a \$10 food and drink coupon and a 'Guess the Jockey's Sprint Champion' game ticket.

Free shuttle bus service was run from Kowloon-Canton Railway University Station to Sha Tin Racecourse.

### *Racing Seminar*

The Hong Kong Jockey Club held, for its second time, a racing seminar for 1000 racing fans on Monday, 20 August 2001 from 8pm-10pm at the Jockey Club Auditorium of the Hong Kong Polytechnic University.

The seminar was conducted in Cantonese, and race goers who aged 18 or above were welcome. Tickets, priced at HK\$30 each for the public, were available for sale at designated Off-course Betting Branches. Participants would be given a VCD on "Knowing More about Racing" by attending the seminar.

The Club's panel of experts shared with participants their professional knowledge on racing control, handicapping, horse training, racing registry and veterinary matters. Latest information on the coming race season was also dispatched during the seminar.

The guests included famous trainers, jockey and race horse owner. The sprinter has been named the Horse of the Year and the Most Popular Horse of the Year.

Renowned veteran racing commentators showed racing enthusiasts how to approach horses, develop their winner predicting skills and make the best bets.

Racing commentators “Kings of Horse” hosted games with prizes. Participants took part in a mock race to test their tipping skills. Many of them were curious and the atmosphere was filled up with joy. They also believed that this seminar has enhanced their knowledge of horse racing.



*'Knowing More About Racing' VCD*

## The Hong Kong Racing Museum



The Hong Kong Racing Museum tells the story of horse racing in Hong Kong from its first

day in Happy Valley in the 1840s to today's spectacular events staged at the two racecourses located in Happy Valley and Sha Tin.

It has been a story of growth and success from the days of 'gentleman jockeys' to the driving force of today's modern professionalism in the racing sport.



The museum reveals details of this adventure through eight galleries and a showcase cinema. The museum souvenir shop also offers over 200 gift items for visitors. The admission fee is free of charge.

### Opening Hours

Tuesday - Sunday and Public Holidays: 10:00am - 5:00pm

Day race meet at Happy Valley: 10:00am - 12:30pm

Closed on Monday, National Day, Christmas and Chinese New Year holidays



The Hong Kong Racing Museum, since its opening in October 1996, has attracted over 320,000 local and overseas visitors and it is one of the most successful museums of its kind in the world.

The Museum has eight galleries, a souvenir shop and a small cinema that accommodates 84 people. The galleries reveal the history of racing in Hong Kong, the development of Happy Valley and Sha Tin racecourses and the racehorses. The cinema currently features a 15-minute film called 'Second Glory' which tells the story of a retired racehorse.

## **Souvenirs**

During special events, souvenir will be given as a form of promotion. The annual Ladies' Purse Day, which was held on 8th November 2000, is one of the many examples.



While the race goers enjoyed their racing events, they were also presented with a free lady's brooch upon admission to Sha Tin Racecourse. By this promotion method, it brought to the racecourse a carnival-like atmosphere.

In horse racing, as in all other sports, memorabilia have a valuable role to play in attracting and sustaining customer interest. The Club has regularly experimented with commemorative albums, posters, souvenir cards, souvenir magazines, and lucky red pockets to help build and sustain the entertainment value of the race day experience. The response has been very encouraging.

## Hong Kong Days in Other Countries



Besides introducing horse racing to local people, the Club has also promoted it to overseas. Each year the Hong Kong Jockey Club brings a little slice of Hong Kong to the races at Ascot and Woodbine and offers a great chance to strengthen the ties between Hong Kong and overseas and their mutual passion for horse racing.

The Hong Kong Day at Woodbine 2001 in Canada is the fourth year that the Hong Kong Jockey Club and the Woodbine Entertainment joined forces to host this event. The Hong Kong Day in England has promised to offer top quality racing in a festive setting for those who may or may not be familiar with the "Pearl of the Orient". Hong Kong Day has also been well promoted in the U.K., with television commercials broadcasting on BBC and Carlton Television, radio ads in top local radio stations, and plenty of advertisements in the leading national and racing publications. This annual event is staged at Ascot.

For the local supporter of racing, exotic Hong Kong Day is the perfect day to bring the whole family and enjoy a taste of the mystic Far East. Hong Kong days' featured race is the Hong Kong Jockey Sprint, performed by a Hong Kong jockey and overseas jockeys.

There is a wide variety of programmes and activities going on at the racecourse during the days, including magnificent displays of Dragon and Lion dancing. Fun Galleries and interesting

flea markets on course has attracted thousands of people. Fortune windmill was given to everyone at Ascot and a 'Lucky Horse Fortune String' was given to people at Woodbine upon admission. In 2001, anyone who comes to the Hong Kong Day at Woodbine could have a chance to win a grand prize of 'City of Life, Hong Kong is it' Tour to Hong Kong sponsored by the Hong Kong Tourism Board for the 'Guess the Champion Horse'. They would also have a chance to win the Grand Prize of the "City of Life: Hong Kong is it!" tour for two persons with a tour to enjoy the Hong Kong International Races 2001, sponsored by the Hong Kong Tourism Board for the 'Guess the Champion Horse'. While racing fans wearing Chinese costumes could also join in the 'Best Dressed' Competition.

Hong Kong Day is a unique race day that offers exceptional entertainment combined with top class sports.

### *Race Planning*

More changes are being done for the season 2001/2002. Major prize money will increase for both domestic and international races, the racing programme will be significantly altered. The changes are designed to act as catalysts to encourage owners to buy top quality horses, and to further enhance the entertainment value of the programme.

Prize money is essential in building up top-quality racing programmes and we will see substantial increases in this season. HK\$38 million will be added to purses increasing the overall stakes by 6.3% for a HK\$646 million total in prize money.



In regard to race planning, the Club has designed a pattern of Group Races which take place throughout the season for horses best suited to the various distance divisions. Sprinters, milers, middle distance horses and stayers all have structured preparation races that lead up to domestic and international Group Races. Also, it is to create maximum exposure for the Club's top races, the Club will initiate nine Showcase race meetings to be staged around the Group One races in order to arouse the interest of audience.

These changes have been made not only with Hong Kong's racing business requirements in mind. With the new racing programme and the showcase meetings, the owners and trainers will be able to plan ahead in the purchase and preparation of horses. While implementing the changes, the Club has also looked into the programmes of other leading racing jurisdictions, especially the Emirates World Series Racing Championship events. The new placements of the races are structured specifically to give top domestic runners an opportunity to enhance Hong Kong's reputation for producing international winners. The programme change will also allow more world-class foreign runners to compete in the Club's international races, thus further enhancing the quality of the fields.



## D. Constraints on Horse Racing of Hong Kong

### Trend in Tourism

#### Places Visited in Hong Kong 1996-2000

Places	1996	1997	1998	1999	2000
	%	%	%	%	%
Victoria Peak	46	47	44	44	43
Repulse Bay	29	29	27	28	27
Ocean Park	25	28	24	25	25
Open-air Market	14	17	20	20	19
Wong Tai Sin Temple	15	17	16	18	16
Aberdeen	26	23	17	17	16
Hong Kong Convention & Exhibition Centre	N.A.	N.A.	N.A.	14	15
Stanley Market	15	14	15	13	13
New Territories	13	15	18	N.A.	N.A.

Source: Hong Kong Tourism Board

Tourism demand is easily affected by the changing trend. Hong Kong is very famous for its leisure tourism, shopping and sightseeing. This is mainly because Hong Kong is known as the 'Shoppers' Paradise' and the 'Pearl of the Orient'. Hong Kong is developing special interest tourism projects like green tourism, eco-tourism and adventure tourism; they are being recognized locally and internationally. Compared to other countries, Hong Kong is lacking in sports tourism. As the statistics show above, none of these nine main Hong Kong attractions (1996-2000) are sports focused.

### Wider Choices in Leisure and Entertainment

There are a number of factors, which influence customer responses to racing. With more

entertainment options than before, people now have more choices about how they spend their limited leisure time.

Both developed and less developed countries have their own horse racing industry. Therefore, people may assume that horse racing in Hong Kong is nothing special when compared with their own countries'. They may choose other entertainments rather than spending their holidays on less interesting attractions.

In 2001, the Hong Kong government has planned to spend 18 billion dollars for enhancing and sustaining the development of the tourism industry, in which it is suggested that more attraction sites will be available for tourists in the future. The plan includes the Walt Disneyland project in Penny Bay, the building of the Fisherman's Wharf at Aberdeen, the establishment of Cable Car from Tung Chung – Ngong Ping, the development on International Wetland Park and an Adventure Bay at Ocean Park. Moreover, it may be difficult for Hong Kong horse racing to compete against such organizations like Walt Disney.

In addition, the need for entertainment, both locally and globally, has increased enormously. It provides customers with many more choices on how to spend their leisure time and disposable income.

Therefore, the Club recognises that it needs to work hard, in raising the entertainment value of racing in order to continue to attract and satisfy its customers.



## Decreasing Average Attendance

From the season 1996-1997 onwards, the number of races held in Hong Kong racecourses has been increasing annually. However, with the dropping attendance, the average attendance per meeting is decreasing year by year. A highlight is on the last meeting of each season, as it always attracts a lot of racing fans to watch and gamble before the end of the season.

### **Attendance of the nearest 5 seasons**

Season	No. of Races	Attendance	Average Attendance per Meeting
96-97	595	3,263,500	43,513
97-98	614	3,124,946 (-4.2%)	41,665
98-99	616	2,889,958 (-7.5%)	38,532
99-00	658	2,816,521 (-2.5%)	36,109
00-01	667	2,709,956 (-3.8%)	34,743

Source: Apple Daily

### **Attendance of last race day in the nearest 5 seasons**

Season	Attendance
96-97	100284 (+18.5%)
97-98	75902 (-24.3%)
98-99	75074 (-1.1%)
99-00	68465 (-8.8%)
00-01	71874 (+5.0%)

Source: Sing Tao Daily

## Illegal and Offshore Gambling Activities – Downturn of Betting

## Turnover

In a press conference, the Chief Executive Lawrence Wong told a BBC journalist, 'With \$12 billion a year turnover the Hong Kong Jockey Club provides 11 per cent of the Hong Kong Government's entire tax, acting as one of the government's alarm at the growth of the offshore Internet betting...' It reveals the problem of illegal gambling.

Illegal gambling is a serious problem of horse racing in Hong Kong. The problem posed by offshore operators that offer sizeable betting discounts has made a declining of betting turnover. The Hong Kong Jockey Club is seeking to work with other countries to combat this alarming situation, which affects the financial viability of racing jurisdictions around the world. Illegal gambling syndicates operating locally also constitute a major threat. Their activities have roused widespread public concern. This is because the damage they cause is not limited to the racing industry, but it also affects the society as a whole. Apart from attracting criminal elements, these illegal operators siphon off vital sources of revenue used for the public good. The recent crackdown on just one illegal horse racing syndicate netted HK\$100 million per race meeting (an amount equivalent to 10% of the Club's pool). It is estimated that when the earnings of all such illegal operations are added up, total takings per annum could be equal to the Club's annual betting turnover. This is the tax and charity revenue lost to the community.

While the betting turnover is the biggest supporter of charitable organizations in the SAR, it is also Hong Kong's largest tax contributor. When the gaming dollar is taken out of the public domain and pocketed by unscrupulous operations it means that a significant loss of vital funding for charities and tax revenue for the Government. Similarly, with less and less turnover, it is impossible to raise the prize money and purse, therefore Hong Kong will be no more an attractive place for the racehorse owner to invest their horses. As a result, the racing standard will decline very soon if the situation continues to exist. To combat the problem the Club is seeking to work with global racing jurisdictions to formulate viable solutions to these issues on a

worldwide basis.

In view of deficiencies mentioned above, the Government has introduced a Gambling (Amendment) Bill 2000 into the Legislative Council in November 2000. Briefly, the Bill seeks to:

- a) criminalize cross-border gambling (including cross-border gambling via the Internet);
- b) outlaw 'promoting or facilitating bookmaking' in Hong Kong. This covers promotional activities and betting-related services provided by offshore bookmakers in Hong Kong; and
- c) prohibit the broadcast of advertisement and tips in relation to unauthorized horse racing events via TV or radio within the 12-hour period preceding the conduct of a particular event.

A Bills committee was set up by the Legislative Council to examine the Bill.

### **Arguments for and against the passing of the Bill**

For	Against
It reduces illegal gambling and the related criminal activities.	To tolerate illegal gambling would increase the chance of corruption and match fixing.
It helps recoup the revenue loss to illegal gambling and raises funds for community causes as well as developing the sport.	It will encourage gambling and incur significant social costs.
It reduces the pressure on the law enforcement resources.	It will have adverse impacts on social morals and values of the youth.
Since the current Gambling Ordinance cannot stop the problem of illegal gambling. Therefore the government needs to amend it in order to control the problem.	Even though the bill will be passed, gambling of horse racing would continue to exist with its unique advantages, especially the absence of tax obligation.

### **Economic Recession**

In 1997 & 1998, Asia faced the tremendous financial turmoil which left the Asian economy damaged at least in the short term, it reduced the consumer confidence in consumption. Although the financial turmoil is already over, Asia's economic status is now suffering. The main sources of tourists are from the South-east Asia countries, especially the mainland of China. However, due to the aftermath, at the horse racing's Season Opening day in September 2001, many of the punters said they had placed less money than that of last season. Their main reason was that the economic situation of Hong Kong was not clear and still in a state of confusion.

Recently the world economy has been affected by the terrorist attacks in the U.S. The attacks have an influence upon Hong Kong's economy. 'The attacks in the U.S. will surely slow down the recovery of Hong Kong's economy,' stated the Chief Executive of Hong Kong the next day after the attacks.

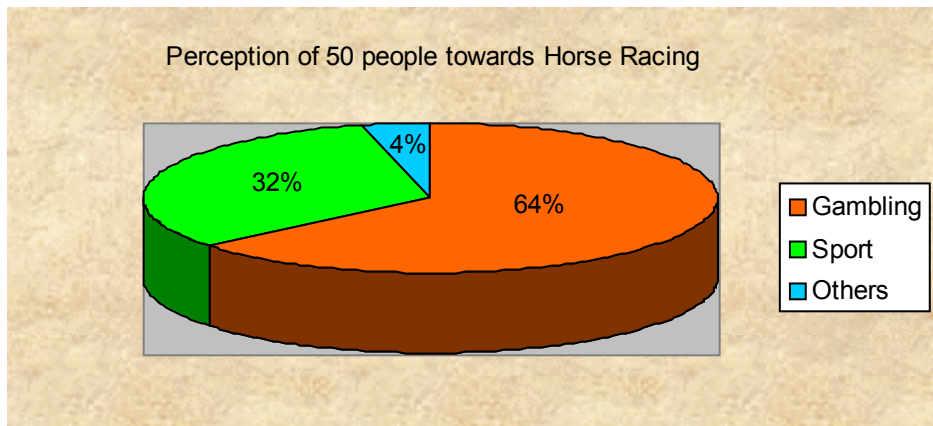
It is no doubt that the globally economic recession has a direct influence upon the betting turnover.

### Negative Image

Horse racing always gives a negative image to people: it is a gambling activity rather than a sport. Facing this condition, we have conducted a telephone survey from 15/3/2001 to 27/3/2001, on people's perception towards horse racing. Is it a kind of gambling activity, a kind of entertainment or a kind of sport? We are very surprised with the results. Among the 50 people interviewed, 64% of them think that horse racing is a gambling activity and only 32% of them think that it should be under the category of sport.

Horse racing is not merely a gambling activity but it is also an integrated activity comprising different elements of entertainment and sport. Most of the people are not conscious about the 'real' meaning behind horse racing. By playing this sport, we can experience the sportsmanship,

both in the sports and gambling aspect.



## **E. International Comparison**

### *Tourism Marketing*

#### Singapore

The Gold Card Room, with its cosy ambience, is specially designed for tourists. It can house 1,800 patrons. It will bring you closer to the action on the tracks and it is the best place to feel the sensation of racing.

Additional features:

- Clear coverage of every race on plasma screens
- Ample betting counters
- Unlimited complimentary admission to the Gold Card Room
- Complimentary parking
- Complimentary admission (single entry) to Off-course Betting centers on non-singaporean race days in Malaysia
- Complimentary copy of Winning Post, a premium magazine by the Club
- Money changing facilities for major currencies are available at the counters

Admission Rate: S\$15.00 (for tourists only)

#### Hong Kong

The Hong Kong Jockey Club co-organises the Come Horseracing Tour with the Hong Kong Tourism Board. For more details, please refer to 'Tour for Overseas Visitors – Come Horseracing Tour'.

### Comparison of the Current Status

	Singapore	Hong Kong (Sha Tin Racecourse)
Admission Fee*	Non-air-conditioned: S\$4	HK\$10
	Air-conditioned: S\$8	
No. of Outdoor Video Screen	1	1
No. of spectators can be accommodated at Grandstand	30,000	85,000
No. of horses	1,000	1,150

\*Approximately S\$1 to HK\$4.2.

### Solving Illegal Betting Problems

Other countries have and are facing similar illegal betting problems. It is widely recognised that a long-term solution requires a global consensus, but that this is likely to take many years to emerge. In the meantime other countries, especially those targeted by offshore gambling operations, have already taken action:

In **the U.S.**, it contains a rapidly escalating problem, existing legislation has been used as a deterrent and prosecutions have been successfully brought against offshore Internet gambling operations: several states have introduced legislation and a specific Anti-Internet Gambling Funding Bill is again before the House of Representatives;

In **Australia**, following earlier attempts at regulation, and reflecting government and community concerns about the huge growth in gambling and consequent heavy social costs, a moratorium has been imposed on new Internet gambling sites;

In **Britain**, it is an offence to conduct any business for negotiating, receiving or transmitting bets with an overseas bookmaker, or to advertise such services: in addition, to remove the

incentive to use illegal and off-shore bookmakers, and to give British bookmakers an international competitive edge, government plans to abolish betting duty and replace it with a gross profits tax;

In **France**, the legislation bans offshore gambling operations from advertising their services and accepting bets;

There is evidence that having clear laws do help deter and control the activities of illegal and offshore gambling operations. To avoid breaking the laws of the various countries concerned:

- Offshore bookmakers do not advertise in Britain;
- Many Internet gambling site carry warnings about the need to check on local laws;
- Several banks have prohibited the use of their credit cards for Internet gambling;
- Several credit card companies have issued warnings to U.S. customers about the use of their cards for illegal activities.

#### **Other countries' status**

	No. of Racecourses	No. of Races	Prize Money (in FF)*
Australia	380	37,742	1,494,520,557
Brazil	15	7,892	105,096,110
France	257	16,341	1,626,731,620
Great Britain	59	7,528	728,614,470
Hong Kong	2	658	432,464,004
Hungary	N.A.	1,411	6,042,134
Japan	37	26,688	6,773,730,356
Macau	1	1,157	224,388,000
Malaysia/Singapore	4	865	97,455,033
Russia	N.A.	6,137	1,524,000
South Africa	13	3,923	217,722,642
United Arab Emirates	5	331	117,560,214
USA	189	109,288	8,421,490,276

\*1 US = 6.52 FF

## **F. Conclusion**

### **----- Racing for All**

Horse racing plays an essential role in promoting Hong Kong as a 'City of Life'. It is clear that horse racing in Hong Kong contributes to our society in different ways. Now, people are realizing that betting turnover has a steady contribution to Hong Kong economy, and part of the betting turnover is donated to the charities. It suggests horse racing has already penetrated our daily life.

Meanwhile, the world racing career is facing a similar problem – offshore betting. It takes away billions of betting turnover a year, which could be used to help enhancing this sport. This problem, to Hong Kong, seems to have slowed down the development of horse racing as a well-known sports tourism. Therefore, it is a challenging problem that needs to be solved right away. What measures should be taken by the government and the Hong Kong Jockey Club to combat illegal gambling? And how will the living standard of Hong Kong citizens be affected if there is a declining of charity funds due to illegal betting? How can it make a breakthrough in raising the sports value of racing? You may have generated some ideas after reading the case.

In the near future, we hope that horse racing could find new ground to survive from the world economic recession. Simultaneously, we are hoping that it could provoke tourists' desire to stay longer in Hong Kong.

## Appendix I

### Superiority

Hong Kong's passion for punting produces the world's highest per capita horserace betting turnover. The Hong Kong Jockey Club's total turnover for the season 1999/2000 was HK\$80.8 billion (US\$10.3 billion). During the 76-meeting 1999/2000 season, the Club's two high-tech racecourses has attracted an average of 25,300 racegoers per race meeting. Punters grin and bear their billions of excess income to charitable, education and conservation organizations and projects. Its generosity makes the club one of **the world's major charitable organizations.**

Source: Superlatives 2001 (The Hong Kong Tourism Board)

### Action Plan Highlights (Europe)

Year of the Dragon Race Day: Hong Kong –sponsored race day at Vincennes, Paris

Source: HKTA Annual Report 1999-2000

### HKTA Awards

#### Visitor Services

Come Horseracing Tour awarded the 'Best Tourist Attraction' in the 1999 Concierge Choice Awards organized by WHERE Hong Kong magazine.

Source: HKTA Annual Report 1999-2000

### First Horse Racing in the Millennium



The sparkle and boom of fireworks, music and song, flying horses and dragons that glow in the dark. A place to enjoy the carnival spirit, take a chance on the sweepstakes, sing along with the pop stars and watch the magic of horses racing after midnight. Where else but at Happy Valley Racecourse for the Millennium Extravaganza to welcome the new century as a family celebration.

## **Appendix II**

## The FORTUNE Global Forum

On 9th May 2001, the FORTUNE Global Forum was held at the Hong Kong Convention and Exhibition Center. As a special event, the FORTUNE Global Forum chose Happy Valley racecourse to entertain attending delegates. Amongst the honoured guests were former US President, Bill Clinton, and Gerald Levin, Chairman of Time Warner.



*The FORTUNE Global Forum Cup was a special race to celebrate an evening of racing at Happy Valley for Forum delegates and attended by former US President, Bill Clinton.*

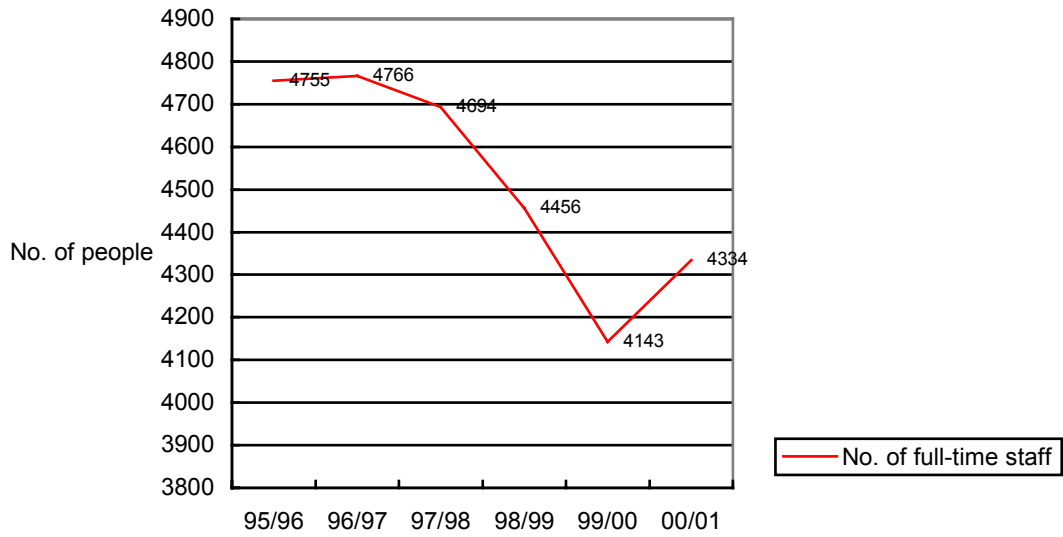


*The Hong Kong Jockey Club's staff welcome former US President Bill Clinton to Happy Valley racetrack, as the guest of honour at an evening of racing for the delegates attending the FORTUNE Global Forum.*

## **Appendix III**

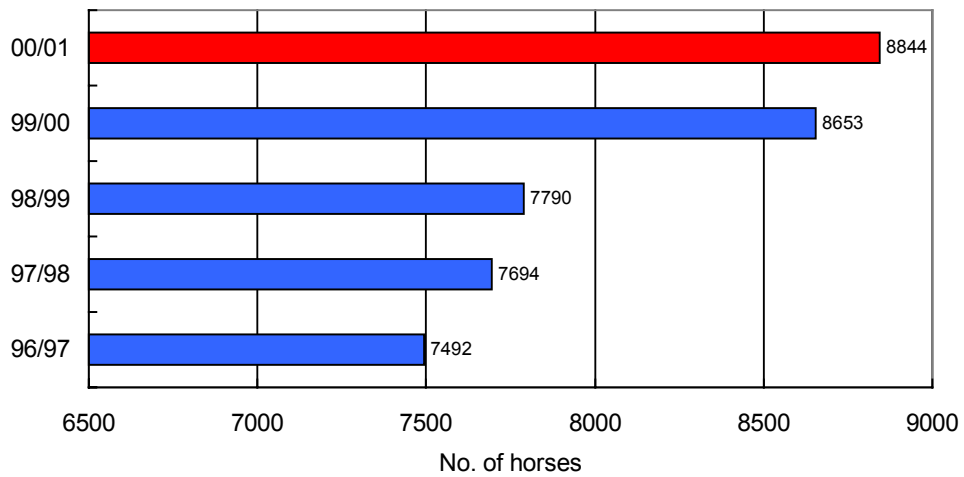
Relevant Statistics

**Manpower level per season**



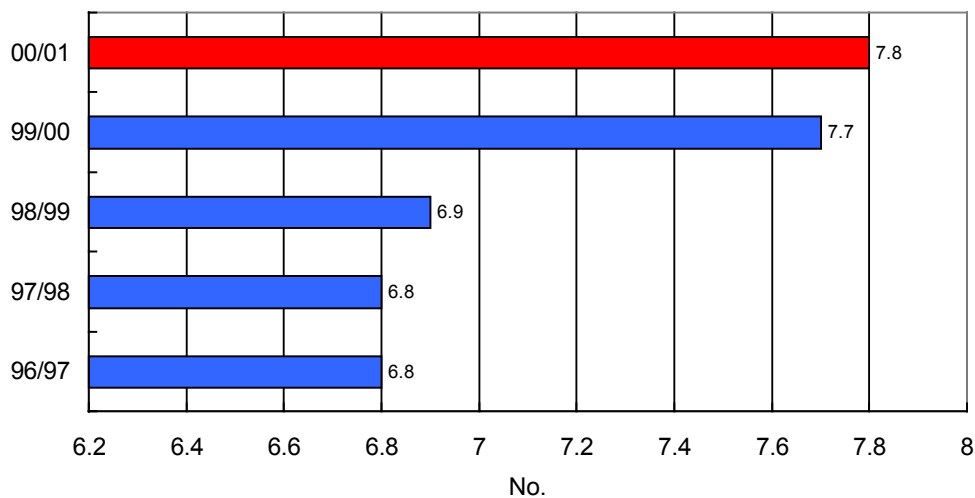
Source: The Hong Kong Jockey Club

**Total runners**



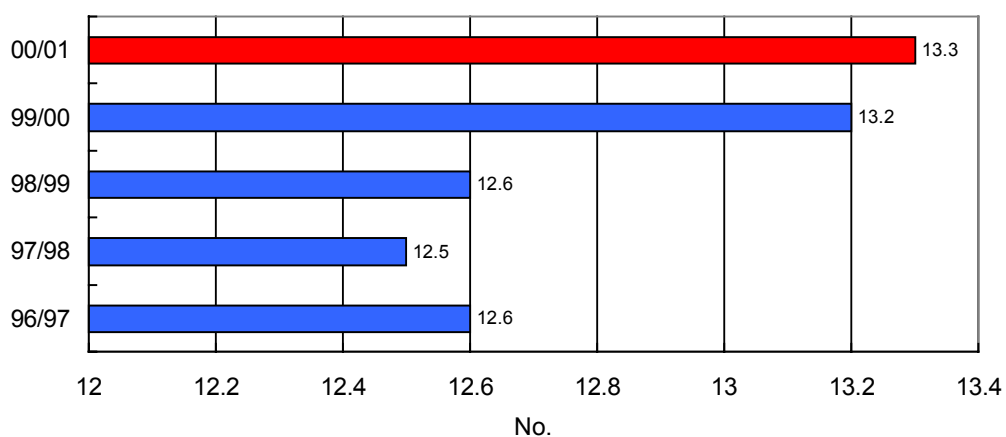
Source: The Hong Kong Jockey Club

**Average races per horse**



Source: The Hong Kong Jockey Club

**Average runners per race**



Source: The Hong Kong Jockey Club

**Hong Kong's Top Ten Special Interest Activities**

Ranking	Special Interest Activities	% of visitors	Ranking	Special Interest Activities	% of visitors
1	Chinese Gourmet	39	6	Aquatic Activities	14
2	Heritage	17	7	Hiking in Countryside	13
<b>3</b>	<b>Horse Racing</b>	<b>17</b>	8	Concerts (International)	13
4	Art/Cultural Exhibits	17	<b>9</b>	<b>Major Sports Competition</b>	<b>13</b>
5	Film/TV Studio Visit	14	10	Traditional Chinese Festival	13

Source: Hong Kong Tourism Board

### Betting Turnover 1996-2000

Years to 30 <sup>th</sup> June					
In HK\$ million	1996	1997	1998	1999	2000
Off-course	37,035	39,967	40,782	35,321	35,423
Telephone betting	29,545	37,653	39,798	34,105	35,863
On-course					
Members enclosures	6,371	6,689	5,992	5,162	4,842
Public enclosures	7,719	8,044	7,921	6,547	6,289
Betting Turnover	80,670	92,353	91,493	81,335	83,417

Source: The Hong Kong Jockey Club

### Attendance of the nearest 5 seasons

Season	No. of Races	Attendance	Average Attendance per Meeting
96-97	595	3,263,500	43,513
97-98	614	3,124,946 (-4.2%)	41,665
98-99	616	2,889,958 (-7.5%)	38,532
99-00	658	2,816,521 (-2.5%)	36,109
00-01	667	2,709,956 (-3.8%)	34,743

Source: Apple Daily

### Betting turnover and attendance of last race day in the nearest 5 seasons

Season	Betting Turnover (in HK\$ million)	Attendance
96-97	2,542 (+37.7%)	100284 (+18.5%)
97-98	1,698 (-33.2%)	75902 (-24.3%)
98-99	1,675 (-1.4%)	75074 (-1.1%)
99-00	1,531 (-8.6%)	68465 (-8.8%)
00-01	1,552 (+1.4%)	71874 (+5.0%)

Source: Sing Tao Daily

**Theme day attendance**

	1999/2000	2000/2001	Change
Hong Kong International Races	66,944	79,522	18.8%
Audemars Piguet QE II Cup	52,907	65,427	23.7%
ING Hong Kong Champions & Chater Cup	44,177	53,405	20.9%

Source: The Hong Kong Jockey Club

**A table of comparison to last season**

	1999-2000 in HK\$ million	2000-2001 in HK\$ million	Compare to Last Season
Betting Turnover	83,417	81,532	- 2.3%
Average Betting Turnover per Meeting	1,069	1,045	- 2.25%
Attendance ('000)	2,817	2,710	- 3.8%
Average Attendance per Meeting ('000)	3.6	3.4	- 3.8%
Betting Duty	11,203	10,946	- 2.3%
Profits Tax	294	275	- 6.5%
Total Number of Races	658	667	+ 1.37%

Source: The Hong Kong Jockey Club and Oriental Daily News

## Appendix IV

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