



香港酒店業主聯會

The Federation of  
Hong Kong Hotel Owners

# **Key Issues Facing Hotel And Tourism Development In Hong Kong**

By

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# **The Federation of Hong Kong Hotel Owners At A Glance**

The Federation of Hong Kong Hotel Owners Limited (FHKHO) is a non-profit organization dedicated to serving the hotel industry, as well as helping to enhance Hong Kong's tourism trade. Established in 1983, FHKHO's select members own more than 90% of the hotels rooms in Hong Kong.

## **Vision**

- To be the leading, forward-thinking and organized policy maker for the hotel industry

## **Mission**

- To effectively set policy relating to hotel hospitality and provide leadership for the industry's overall development
- To act as the official channel that liaises with various government bureaus/departments on issues relating to the hotel industry's development. e.g. hotel land use, etc.
- To formulate strategies and encourage synergy to raise Hong Kong's status as a premier world-class destination for tourism and business

## **FHKHO's Objectives**

- To safeguard the interests of hotel owners
- To provide service to and advise members on industry-wide issues
- To provide hotel managers and operators with guidelines, which govern the hotel industry
- To negotiate with the government on issues relevant to the hotel industry
- To show support for or oppose legislation that affects the hotel industry
- To encourage training and development for hotel industry workers
- To promote and support the hotel industry's long term development
- To support and enhance the development of Hong Kong's tourism industry through close cooperation with hospitality and tourism organizations, trade associations and political bodies

# Key Issues Facing Hotel And Tourism Development In Hong Kong

Please find below top-line thoughts on key issues that need to be addressed by the Government of the Hong Kong Special Administrative Region as soon as possible. While these topics may not be solved by one organization alone, FHKHO looks forward to taking the lead in helping to work out these issues, which have a direct impact on FHKHO, its members and the greater tourism industry.

## 1. Human Capital

*Issue:* Manpower shortage in the hospitality industry

With the increasing emphasis and demand for white collar jobs in Hong Kong, especially among the younger generation, the hospitality industry is facing a serious drop in manpower.

*Proposed Solutions:*

- Increase further education opportunities and training for hotel / tourism industry workers, especially at the operational level, as these employees are key to running a successful tourism entity. e.g. more resources should be funneled into the VTC and its member institutions to help lower-level staff get a secondary school diploma, higher diploma, etc.
- More subsidies should be offered by the government, industry organizations and hotels to encourage industry workers to pursue education opportunities
- Work closely with Hong Kong universities to help expand their hospitality programs / have exchange programs with renowned hospitality schools, such as Ecole hôtelière de Lausanne in Switzerland, to make the tourism sector more attractive
- Work with hotels to increase the number of management trainee programs through incentives
- Hold targeted career fairs to educate secondary students on the need to support Hong Kong's hospitality industry

## 2. MICE

*Issue:* Fully developing Hong Kong's MICE capabilities

With Asia gaining popularity as a haven for all-encompassing MICE destinations – especially Vietnam, Macau and Hainan Island – it is imperative that Hong Kong maintain its edge and carry out forward planning to enhance its MICE offerings, both in terms of software and hardware.

*Proposed Solutions:*

- Better utilize Asia World Expo, its supporting facilities and network to offer truly comprehensive MICE solutions that combine business and entertainment all at one location
- Expand beyond traditional trade fairs, such as jewelry or toys, by encouraging the HKTDC to work more closely with local and international organizers, as well as potential overseas clients
- Continue to expand the HKCEC in Wan Chai in order to cater to even more international mega events and trade shows
- Explore non-traditional spaces to host MICE events, such as the West Kowloon Cultural District area or Hong Kong Wetland Park

### **3. Infrastructure**

*Issue:* Keeping Hong Kong's infrastructure up-to-date and modern to increase competitiveness

While Hong Kong may be a powerhouse MICE and tourism destination, there are several areas that the city lags behind in compared to its competitors, including the cruise sector and arts and culture.

*Proposed Solutions:*

- Speed up the development of the West Kowloon Cultural District project to ensure that Hong Kong takes its place as a global center for arts and culture, by allowing more industry input as well as assistance from knowledgeable bodies
- Construct multi-purpose convention and exhibition centers, as well as large-scale sports venues with a capacity of 50,000 to make Hong Kong a possible location for events such as The World Cup
- Speed up the expansion planning for the soon-to-launch Kai Tak Cruise Terminal to solidify Hong Kong's position as a sustainable cruise hub
- Continue to develop and improve air, rail, water, and land transportation infrastructure to ensure easy access to, from and around Hong Kong; especially with the Mainland China market continuing to expand. Lantau Island is key, as it is the transportation focal point linking Hong Kong to the world and Mainland China
- Better utilize outdoor spaces in Victoria Harbour to host major events
- Encourage further investment in tourism infrastructure in order to enhance Hong Kong's overall capacity for the increasing overseas and mainland tourist arrivals.

### **4. Tourism Attractions & Activities**

*Issue:* Hong Kong lacks innovative tourist attractions and activities

Traditional forms of tourism, while viable, do not fully reflect Hong Kong's status as a cutting-edge destination of choice. The city must align itself with global trends and bid for mega events that reflect the city's capabilities and status as a world-class city.

*Proposed Solutions:*

- Place more emphasis on promoting the city's eco-tourism offerings – attractions such as Hong Kong Wetland Park and Hong Kong Geopark
- Introduce better management, interpretation and promotion of key cultural and heritage sites to maximize tourism interest. Explore the possibility of submitting Hong Kong sites for the UNESCO World Heritage List
- Bid for and host more mega and sports events such as a city-wide fashion week, the Commonwealth Games, etc.
- Actively promote distinct local cultural events and festivals in overseas markets, such as the Cheung Chau Bun Festival as well as local historical sites
- Revitalize the traditional Hong Kong style Dai Pai Dong (大排檔) and Typhoon Shelter food experiences. This is especially attractive to foreign visitors

## **5. Lack Of Hospitality Sense**

*Issue:* Hong Kong Residents lack manners and communication skills

The younger generation and Residents in general lack basic civility in terms of making tourists feel welcome. This is compounded by the inability to communicate in other languages, ranging from Mandarin to English.

*Proposed Solutions:*

- Increase 'software' training at a young age, with an emphasis on stronger 'civility' education in Hong Kong's schools. e.g. Japan is renowned for this aspect of society
- Expand language training for grassroots citizens and industry workers
- Educate citizens on the importance of promoting Hong Kong as an international city and that everyone can make a difference

## **6. Communication**

*Issue:* Additional input required from industry for policy creation and implementation

While the hotel and tourism industries do work hand in hand with the government, a closer working relationship is desirable to increase efficiency when creating or implementing policies such as Standard Working Hours.

*Proposed Solutions:*

- The government can work with appointed organizations such as FHKHO to plan policies and allow these organizations to input or even take the lead for public consultations
- The government should appoint industry leaders to respective Boards and Committees to ensure efficiency and to maximize the use of relevant expertise

## **7. Tourism Is A Key Economic Pillar**

*Issue:* To properly position tourism as one of Hong Kong's four key economic pillars

With the proposed creation of the "Industrial and Commercial Bureau", FHKHO feels that the tourism sector will not be sufficiently represented by a Permanent Secretary post / by being a branch within this new department. As a key pillar, there should be a separate government entity to look after tourism or the new bureau should be largely tourism focused, as Hong Kong is not longer a viable 'industrial' city.

*Proposed Solutions:*

- The "Industrial and Commercial Bureau" should have a large tourism focus, and should be renamed "Tourism and Commercial Bureau" to ensure its true purpose
- The government should share all details, including structure and how the bureau will operate, with industry players (hotel owners, travel agents, F&B operators, etc.) so that these parties can provide input to help create an efficient and effective tourism entity
- The new bureau must collaborate with public and private parties to create comprehensive tourism solutions
- With tourism as one of the main focuses, posts can be created to look after specific areas such as maritime, air and logistics development within the tourism industry / Hong Kong in general – tourism should not be a sub-branch
- If possible an entirely separate tourism department should be created to ensure the industry's proper development
- The government needs to create innovative and sustainable strategies that are adaptable to global forces that influence the trends in tourism and economic development, as well as local factors such as changing social conditions in Hong Kong
- Policies should align with and take reference from China's 12<sup>th</sup> Five-Year Plan, in which China announced it would turn itself into a great global tourism power by 2020 – especially when Hong Kong brands itself as Asia's World City

## **8. Building A Strong Network**

*Issue:* Additional support from and for local tourism attractions required

To keep Hong Kong competitive, the government and tourism attractions must work hand in hand. From local restaurants or stores to major attractions, the government should create policies and opportunities that encourage these entities to welcome tourists.

*Proposed Solutions:*

- Continue to create immigration policies with the support of the Central Government, such as the Individual Visit Scheme (IVS) for Mainland China visitors
- Programs such as the Quality Tourism Services (QTS) Scheme should be expanded to include even more local businesses. QTS should be promoted as a key pillar of Hong Kong's tourism

- The Hong Kong Tourism Board should increase the number of offices in overseas markets and carry out more regular, large-scale promotion campaigns to create noise
- Programs should be created to promote local 'heritage' businesses, such as traditional Chinese cafés a.k.a. cha cha tins
- Stronger policies and punishment for issues such as zero-fee tours, which damage the industry

## **9. Others**

### *Proposed Solutions:*

- Step up enforcement actions on unsafe / illegal / unlicensed guesthouses or subdivided accommodations for the sake of the image and reputation of the Hong Kong hotel industry.