

Travel Service Companies

“ Hong Kong’s proximity to Mainland China and Southeast Asia along with its melting pot culture gives startups a unique advantage to replicate their business models in other new markets. ”

Eric Gnock Fah, Co-founder and President
Klook Travel Technology Limited

Hong Kong: Asia’s Prime Tourist Destination

Hong Kong is Asia’s prime tourist destination. Annual visitor numbers reached 65.1 million in 2018 of which 78 percent were from Mainland China. The total number of annual visitors is forecast to reach 100 million by 2023, making Hong Kong the fifth most frequently visited destination in the world.

Hong Kong’s GDP per capita ranks high in Asia. The outbound travel market continues to grow in line with the high spending power of the local population. Add to this Hong Kong’s simple tax regime and low tax rate of 8.25 percent for the first HK\$2 million profits and thereafter at 16.5 percent, you will find the perfect location to operate your travel services company.

Advantages

- A dynamic destination with unique blend of eastern and western influences matched by diverse attractions and stunning culinary offerings
- One of Asia’s best airports – capable of accommodating over 1,000 flights per day to over 190 locations worldwide including 47 destinations in Mainland China
- Visa-free entry for visitors from around 170 countries and visa-free access or visa-on-arrival for HKSAR passport holders to 156 countries and territories
- Excellent communication and transportation infrastructure for regional management

Opportunities

- Major tourism projects to attract more tourists such as redevelopment of Ocean Park, expansion of Hong Kong Disneyland and establishment of Kai Tak cruise terminal
- Opening of the Hong Kong-Zhuhai-Macao Bridge creates new opportunities for tourism development and attracts more visitors with multi-destination itineraries in the Greater Bay Area
- 8,754 of foreign enterprises with regional headquarters or offices in Hong Kong, boosting business travel activities
- Growing trend of luxury and lifestyle travel such as visits to vineyards and wineries, gourmet tours and safari tours
- Online travel agencies trending with their timely discounts and bargains

Examples of Foreign Travel Companies Operating in Hong Kong

- BCD Travel (Netherlands)
- Carlson Wagonlit Travel (US)
- China Travel Service (Mainland China)
- Club Mediterranean (France)
- Ctrip (Mainland China)
- Farrington American Express (US)
- Flight Centre (Australia)
- JTB (Japan)
- Kayak (USA)
- Zuji.com (Singapore)

Examples of Local Retail Travel Agents

- China Travel Service (Hong Kong) Ltd
- Hong Thai Travel Service Ltd
- Morning Star Travel Service Ltd
- Sun Flower Travel Service Ltd
- Travel Expert Ltd
- Wing On Travel & Tour Ltd



Industry Snapshot

Departures by Country ('000 Trips)	2015	2016	2017
China	27,089.9	27,713	29,522.3
Macau	2,547.4	2,722.4	2,812.2
Japan	1,524.3	1,839.2	2,133.7
Taiwan	1,443.6	1,848.3	1,857.5
Thailand	667.8	719.3	753.3
South Korea	523.5	665.8	709.8
Singapore	533.4	570.6	594.8
Australia	219.6	243	254.4
United Kingdom	204	215.8	229.3
Total	35,747.4	37,602.9	40,004.6

Source: Euromonitor International, Flows in Hong Kong, China, September 2017

Visitor Arrivals by Country/Territory of Residence by Major Market Areas ('000)	2015	2016	2017
The Americas	1,728.1	1,773.3	1,781.8
Europe, Africa & the Middle East	2,167.1	2,226.5	2,202.3
Australia, New Zealand & South Pacific	681.2	684	687.1
North Asia	2,292.6	2,484.7	2,717.7
South & Southeast Asia	3,559.1	3,701.8	3,626.2
Taiwan	2,015.8	2,011.4	2,010.8
Macau SAR	1,021.4	995	1,001.1
Mainland China	45,842.4	42,778.1	44,445.3
Total	59,307.6	56,654.9	58,472.2

Source: Hong Kong Tourism Board, A Statistical Review of Hong Kong Tourism - Visitor Arrival Statistics 2017

Per Capita Overnight Visitor Spending by Country/Territory of Residence (HK\$)	2015	2016	2017
The Americas	6,737	6,196	6,184
Europe, Africa & the Middle East	6,412	5,999	5,862
Australia, New Zealand & South Pacific	6,530	6,636	6,500
North Asia	4,156	3,839	3,978
South & Southeast Asia	6,255	5,638	5,687
Taiwan	5,092	4,585	4,758
Macau SAR	4,383	3,886	3,979
Mainland China	7,924	7,275	7,010
Total	7,234	6,599	6,443

Source: Hong Kong Tourism Board, A Statistical Review of Hong Kong Tourism - Tourism Expenditure Associated to Inbound Tourism 2017

Approximate Monthly Office Rental Costs (HK\$)

Districts (central business districts)	Rental (net effective)
Central/Admiralty	\$130.4/ sq. ft.
Wan Chai/Causeway Bay	\$73.3/ sq. ft.
Tsim Sha Tsui	\$60.3/ sq. ft.
Island East	\$52.5/sq. ft.
Kowloon East	\$35/sq. ft.

Source: Colliers International, April 2018

Licensing

1. Check company name with the Travel Industry Council to ensure that no other travel agency in Hong Kong using a similar name
2. Find a suitable office location and establish a company (business centre is not allowed)
3. Apply for association membership from one of the members of Travel Industry Council
 - Hong Kong Association of Travel Agents – www.hata.org.hk
 - The Federation of Hong Kong Chinese Travel Agents – www.fhcta.org.hk
 - International Chinese Tourist Association – www.icta.org.hk
 - Society of IATA Passenger Agents – www.sipa.org.hk
 - Hong Kong Taiwan Tourist Operators Association – www.ttoa.org.hk
 - Hong Kong Association of China Travel Organizers – www.hacto.com.hk
 - Hong Kong Outbound Tour Operators Association – www.otoa.org.hk
 - Hong Kong Japanese Tour Operators Association – www.hjtoa.com
4. Registration as ordinary member of Travel Industry Council
General criteria for Ordinary Member:
 - i. It is a limited company incorporated or registered in Hong Kong. Its only business shall be travel-related and tourism;
 - ii. Minimum paid up capital of HK\$500,000 plus HK\$250,000 for each additional branch;
 - iii. It conducts its business within separate and independent premises which are used solely for the travel-related and tourism business;
 - iv. It employs at each office at least a manager who has minimum two continuous years relevant practical experience within the recent five years and at least one other full-time staff member;
 - v. Its controllers, directors, principal shareholders, secretaries or officers do not have a criminal record or and are not undischarged bankrupts or associated with any insolvent business.
5. Application for a Travel Agents Licence at Travel Agents Registry (TAR). Application form can be downloaded on the website at www.tar.gov.hk. The application for a travel agent licence takes approximately four weeks.
6. Director of a Hong Kong company holding a foreign passport should apply for a valid employment visa to obtain travel agent licence. Application forms can be downloaded from Immigration Department's website: www.immd.gov.hk

Rates of Fees

The rates of fees for licences and other services for the TAR are as follows:

• For an application for a licence	HK\$630
• For a licence or the renewal of a licence (per month)	HK\$485
• For amending a licence	
– for an additional address, for each new premises	HK\$665
– otherwise	HK\$160
• For issuing a duplicate of a licence	HK\$925
• For inspecting the register or any part thereof	HK\$35
• For issuing or supplying a copy or extract from any entry in the register	HK\$35
• For certifying a copy of or extract from any entry in the register	HK\$85

Klook Seeks Expansions into Europe and US via Global Headquarters in Hong Kong

Travel tech company leverages the city's thriving tourism, government's tech initiative and international talent pool to continuously grow

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**Eric Gnock Fah, Co-founder and President
Klook Travel Technology Limited**



Technology startup Klook is Asia's largest in-destination service booking platform through which travellers can browse and book the best deals on travel attractions, tours and things-to-do in Asia. The platform was launched in Hong Kong back in 2014 with only three destinations including Hong Kong, Macau and Singapore. Today, Klook is present in more than 120 destinations worldwide with over 3,000 partnering operators, providing more than 30,000 travel services globally through its website and mobile app. Additionally, Klook just announced its Series-C funding with US\$60 million from Sequoia Capital, Goldman Sachs and Matrix Partners, bringing total investment close to US\$100 million for Klook since three years of establishment.

With 13 offices across Asia, the Hong Kong team remains its global headquarters which houses local Hong Kong operations as well as many central functions such as the Growth Marketing team that collaborates closely with regional user acquisition team, ensuring enterprise-wide strategies are well localised and executed.

According to Eric Gnock Fah, Co-founder and President, who was featured in "Forbes' 30 Under 30 Asia 2017 List", the company is looking to enter the Europe and US market in 2018.

He believes that Hong Kong's thriving tourism industry is a key factor for Klook's rapid growth. "Hong Kong has the largest influx of global travellers and high outbound travel frequency in the world, which secures a promising market for an in-destination services provider like Klook to grow," he said.

Gnock Fah remarked that in addition to the Hong Kong government's support to the growth of new economic activities which leads to a more promising outlook of startup scene here, government initiatives on digitisation such as Smart City Blueprint will also foster an open-minded atmosphere towards new ideas and technology, which will generate more public interest to adopt new ways of living.

He added, "Hong Kong's proximity to Mainland China and Southeast Asia along with its melting pot culture gives startups unique advantage to replicate their business models in other markets."

Klook is headquartered in Hong Kong with staff serving functions of regional and global marketing, business development and product management. With the company's rapid expansion, Klook is always looking for like-minded talent to join the team. "Hong Kong's deep pool of multinational talent provides an edge for global companies like us to expand quickly worldwide," said Gnock Fah, adding that the city's strategic location also enables them to attract tech and eCommerce talent in the region to advance their technology and user experience on its app.

Gnock Fah encouraged startups to make use of InvestHK's services to gain exposure and expand their network in Hong Kong. "InvestHK team has been very helpful in connecting us with the right person in the industry and share resources with us to expand in the local market, for which we are always very grateful," he concluded.

Klook Travel Technology Limited

- Set up in Hong Kong in 2014
- Currently has over 400 staff across 13 offices in Asia
- Hong Kong is its Global Headquarters

www.klook.com

Average Monthly Salaries for Travel Agents (HK\$)

Title	Median (HK\$)
Manager	\$22,500
Assistant Manager	\$20,000
Branch Officer	\$13,000
Reservation Officer	\$20,000
Administrator	\$14,000
Ticketing Officer	\$14,000
Tour Consultant	\$13,500
Tour Co-ordinator	\$10,000
Escort	\$15,000

Source: Career Times, Salary Index Hong Kong, July 2017

Relevant Organisations in Hong Kong

Hong Kong Tourism Board
9-11/F, Citicorp Centre, 18 Whitfield Road,
North Point, Hong Kong
Tel: (852) 2807 6543
Fax: (852) 2806 0303
Email: info@hktb.com
www.discoverhongkong.com

Tourism Commission
22/F, West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong
Tel: (852) 2810 2770
Fax: (852) 2121 1468
Email: tcenq@cedb.gov.hk
www.tourism.gov.hk

Travel Agents Registry
Room 4901, 49/F, Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong
Tel: (852) 3151 7945
Fax: (852) 2521 8829
Email: targr@cedb.gov.hk
www.tar.gov.hk

Travel Industry Council of Hong Kong
Rooms 1706-09, Fortress Tower, 250 King's Road,
North Point, Hong Kong
Tel: (852) 2807 1199
Fax: (852) 2510 9907
Email: office@tichk.org
www.tichk.org

Major Travel Event in Hong Kong

Event	Month	Website
International Travel Expo Hong Kong	June	www.itehk.com

For more information, please contact:

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