

Cruise



The city's international status and the new Kai Tak Cruise Terminal will continue to boost its cruise development. All these make Hong Kong an ideal place for us to invest in.

Dr Liu Zinan,
Regional Vice President and Managing
Director of Asia and China
Royal Caribbean Cruises Ltd



Hong Kong: Asia's Prime Tourist Destination

Hong Kong is Asia's most popular city destination. It is where east meets west and visitors can enjoy the city's wealth of attractions, shopping, dining and entertainment. Annual visitor numbers in 2018 reached 65.1 million, 78 percent of which were from Mainland China. The number of annual visitors is forecast to reach 100 million by 2023, making Hong Kong the fifth most frequently visited destination in the world.

With around 20 world-class cruise companies all with their own tailor-made itineraries involving Hong Kong, cruise services in Hong Kong can cater to many different tastes. The Ocean Terminal is located at the heart of Victoria Harbour. The Kai Tak Cruise Terminal can accommodate large cruise vessels from all over the world. Other alternative berthing facilities include the China Merchants Wharf and the Container Terminals.

Advantages

- Strategic location at the heart of Asia – ideal for developing cruise itineraries in the region
- With modern infrastructure, excellent connectivity and superior airlift capacity to serve fly-cruise passengers
- 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
- Talented and experienced hospitality workforce

Opportunities

- Kai Tak Cruise Terminal capable of accommodating cruise liners of up to 220,000 tons to strengthen Hong Kong's position as the leading regional cruise hub
- Strong demand for cruise travel arising from Hong Kong's aging population and local residents with GDP per capita ranks high in Asia
- The worldwide cruise passenger level is expected to grow to 31.5 million by 2020

Examples of Foreign Cruise Companies with Offices or Representation in Hong Kong

- Carnival Corporation (US) - with cruise brands like Princess Cruises and Cunard
- Genting (Malaysia) - with cruise brands like Star Cruises, Crystal Cruise and Dream Cruises
- Costa Cruises (Italy)
- Hurtigruten (Norway)
- Norwegian Cruise Line (US)
- Royal Caribbean International (US)



Cruise Passenger Throughput*	2016	2017	2018
The Americas	61,136	66,423	83,282
Europe, Africa and the Middle East	72,276	70,837	80,881
Australia, New Zealand and South Pacific	48,702	45,271	42,688
North Asia	5,806	13,993	13,094
South and Southeast Asia	28,951	78,498	45,531
Taiwan	8,565	39,550	34,816
Macau SAR	2,664	5,473	5,306
Mainland China	251,946	207,986	215,789
Total	480,046	528,031	521,387
HKSAR	132,302	375,053	353,825
Grand Total	612,348	903,084	875,212

*Excluding Other Cruise Passengers (Without Destination)

Source: Hong Kong Tourism Board, Cruise Passenger Statistics, May 2019

Licensing

The Travel Agents Ordinance (TAO) prohibits any person to carry on business as a travel agent without a licence. A travel agent is defined as a person who carries on the business in Hong Kong of obtaining for another person (1) the carriage by any means of conveyance on a journey; and/or (2) the accommodation for which payment is, or is to be, made to that person of an amount of the cost of that accommodation.

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

Average Monthly Salaries for Travel Agents (HK\$)

Title	Median
Manager	27.5k
Assistant Manager	25k
Reservation Officer	15.5k
Ticketing Officer	15k
Tour Consultant	15k
Tour Co-ordinator	10k
Escort	12k

Source: Career Times, May 2019

Bon Voyage to Success

Miami-based Norwegian Cruise Line vies to lead the fast-growing cruise market in Asia.



Asia's cruise line industry is definitely booming. According to Cruise Line Industry Association's "Asia Cruise Trends Report 2018", Asian cruise passengers grew from 775,000 to over four million between 2012 and 2017. Hong Kong, being Asia's top five largest source markets, also saw an 80 percent growth in passenger number in 2017.

Seeing a great potential in Asia, US-based Norwegian Cruise Line Holdings Ltd. (NCLH), one of the world's leading cruise companies, expanded to Asia in 2015 with Hong Kong as its first port of call. Followed by more regional offices opened in Shanghai, Beijing, Tokyo, Singapore and Mumbai, Hong Kong remains NCLH's regional hub for reservations and operations of its fly-cruise business in Asia.

Felix Chan, Vice President of Sales Asia, believes that the city's high quality talent pool is the most important factor for NCLH to begin its Asia voyage from Hong Kong. "We have a strong team of sales and operations professionals here who could

serve our travel agency partners and guests in different places such as Japan, India, Southeast Asia and Mainland China," he said, "with the language advantage as well as the time-zone convenience, Hong Kong is undoubtedly an ideal place to be our regional hub."

NCLH's three brands serve Asia's diverse market well: Norwegian Cruise Line is the most popular choice for young adults and multi-generation families; Oceania Cruises features "the finest cuisine at sea" for upper premium, epicurean travellers, while Regent Seven Seas Cruises offers highly-personalised services for guests who are seeking the most luxurious experience on the ocean.

"Asian consumers are driven by destinations and great value," Chan said, "cruising offers great value proposition as you can easily visit multiple destinations in a single trip, particularly so when you go to places where dining, transportation, and accommodation are expensive or difficult to get by in a typical land vacation."

Besides the consumer market, incentive travel also creates a big opportunity in Asia for NCLH. "Cruise is one of the best solutions for incentive travel organisers for its logistical arrangement convenience and value-for-money packages," Chan said, "we are seeing more demands for hosting incentive groups on our ships, especially from India and Japan. There is a big potential in Asia."

In response to the demand from its home market, NCLH is also expanding its deployment in Asia on top of its existing 450 destinations. More cruises will be sailing in Asian waters in the coming years, including a 2,400-passenger cruise Norwegian Jade which will sail from Hong Kong in January 2020.

“ With the language advantage as well as the time-zone convenience, Hong Kong is undoubtedly an ideal place to be our regional hub. ”

Felix Chan
Vice President of Sales Asia
Norwegian Cruise Line Holdings Ltd.

Norwegian Cruise Line Holdings Ltd.

- Listed on the New York Stock Exchange (NYSE:NCLH) and has been selected to join the S&P 500 Index from 13 October 2018.
- Currently hires 14 employees in Hong Kong office covering operations, sales and administration functions.
- Owns a combined fleet of 26 cruises with approximately 54,500 berths. Eight more ships will be added to the fleet by 2027.

 ncl.com

Relevant Organisations in Hong Kong

Hong Kong Cruise & Yacht Industry Association

No.301 South, Zone A, Roof Garden, Kai Tak Cruise Terminal,
33 Shing Fung Road, Kolwoon Bay, Hong Kong
Tel: (852) 2180 0723
Email: info@hkcyia.org
www.hkcyia.org

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: cruise@hktb.com
www.discoverhongkong.com

Kai Tak Cruise Terminal

33 Shing Fung Road, Kowloon, Hong Kong
Tel: (852) 3465 6888
Email: info@kaitakcruiseterminal.com.hk
www.kaitakcruiseterminal.com.hk

Ocean Terminal

15/F, South Tower, World Finance Centre, Harbour City, Canton
Road, Tsim Sha Tsui, Kolwoon, Hong Kong
Tel: (852) 2118 8951
Fax: (852) 2736 2481
Email: philipsang@terminal.harbourcity.com.hk
www.oceanterminal.com.hk

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 Event in Hong Kong

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

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