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.

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)
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$)

<table>
<thead>
<tr>
<th>Districts (central business districts)</th>
<th>Rental (net effective)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central/Admiralty</td>
<td>$130.4/ sq. ft.</td>
</tr>
<tr>
<td>Wan Chai/ Causeway Bay</td>
<td>$73.3/ sq. ft.</td>
</tr>
<tr>
<td>Tsim Sha Tsui</td>
<td>$60.3/ sq. ft.</td>
</tr>
<tr>
<td>Island East</td>
<td>$52.5/sq. ft.</td>
</tr>
<tr>
<td>Kowloon East</td>
<td>$35/sq. ft.</td>
</tr>
</tbody>
</table>

Source: Colliers International, April 2018

Average Monthly Salaries for Travel Agents (HK$)

<table>
<thead>
<tr>
<th>Title</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>27.5k</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>25k</td>
</tr>
<tr>
<td>Reservation Officer</td>
<td>15.5k</td>
</tr>
<tr>
<td>Ticketing Officer</td>
<td>15k</td>
</tr>
<tr>
<td>Tour Consultant</td>
<td>15k</td>
</tr>
<tr>
<td>Tour Co-ordinator</td>
<td>10k</td>
</tr>
<tr>
<td>Escort</td>
<td>12k</td>
</tr>
</tbody>
</table>

Source: Career Times, May 2019

Cruise Passenger Throughput*

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

*Excluding Other Cruise Passengers (Without Destination)

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

Bon Voyage to Success

Miami-based Norwegian Cruise Line vies to lead the fast-growing cruise market in Asia.
 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, Kowloon 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, Kowloon, Hong Kong  
Tel: (852) 2118 8951  
Fax: (852) 2736 2481  
Email: philiptsang@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: tce@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: tar@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 1200  
Fax: (852) 2510 9907  
Email: office@tichk.org  
www.tichk.org

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**Major Event in Hong Kong**

<table>
<thead>
<tr>
<th>Event</th>
<th>Month</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Travel Expo Hong Kong</td>
<td>June</td>
<td><a href="http://www.itehk.com">www.itehk.com</a></td>
</tr>
</tbody>
</table>

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Head of Tourism and Hospitality  
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Fax: (852) 3107 9007  
Email: swong@investhk.gov.hk

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