

Where Business Goes to Grow

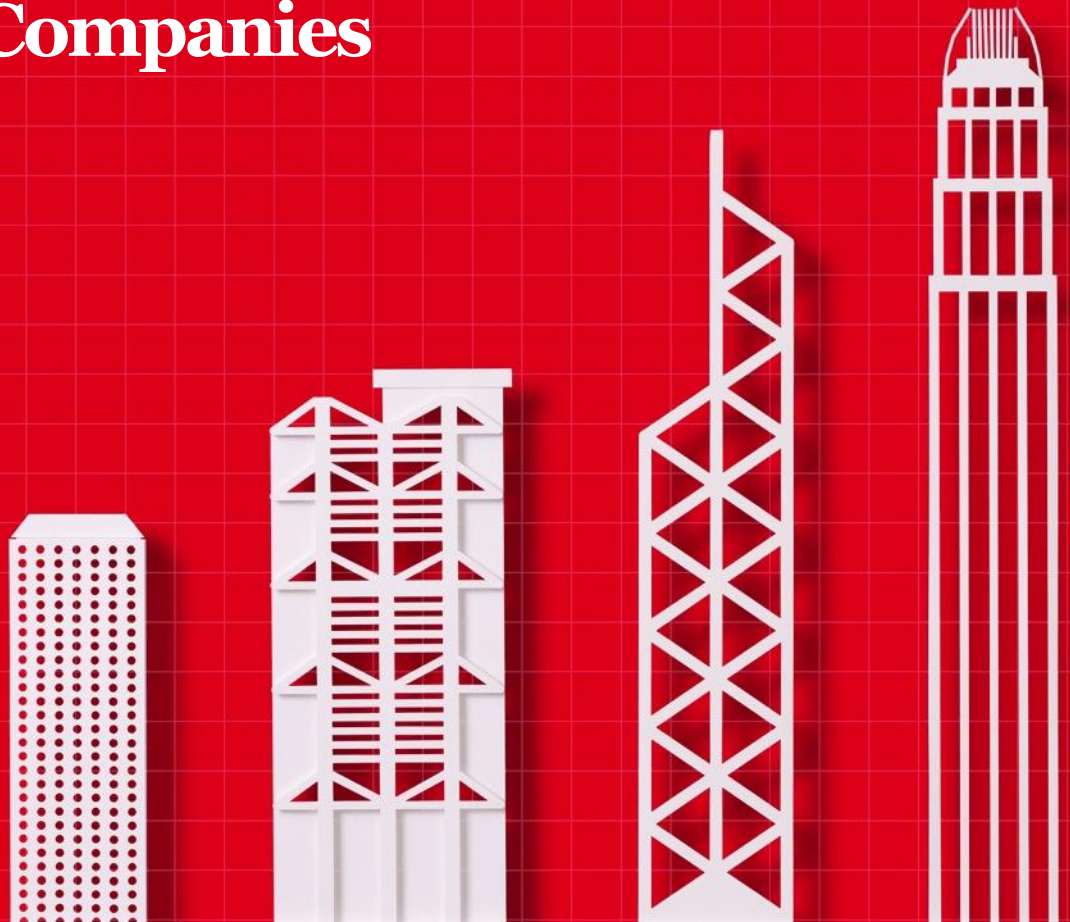
Investment Opportunities in Hong Kong for European Tourism Companies

Jimmy Chiang
Head of Tourism & Hospitality



InvestHK

The Government of the Hong Kong
Special Administrative Region



Presentation Outline

- I. Introduction of InvestHK**
- II. Overview of Tourism Industry – From Global to Regional Perspective**
- III. Advantages and Opportunities of Setting up Tourism Business in Hong Kong
– Why?**
- IV. Procedure of Setting up Tourism Business in Hong Kong – How?**
- V. Conclusion – Takeaway Messages**

About Invest Hong Kong

- Established in July 2000, InvestHK is the HKSAR Government Department responsible for Foreign Direct Investment
- Our mission is to strengthen Hong Kong as Asia's leading international business and financial centre by attracting overseas, Mainland and Taiwanese companies to invest in Hong Kong

- Our Achievements

(as at 4 Sep 2013):

33,950
jobs created

3,000th completed project



***“We assist our
clients in
partnership
approach”***



- International Recognitions:

Ranked **TOP in Asia**, 6th in the world in World Bank
Global Investment Promotion Best Practices 2012

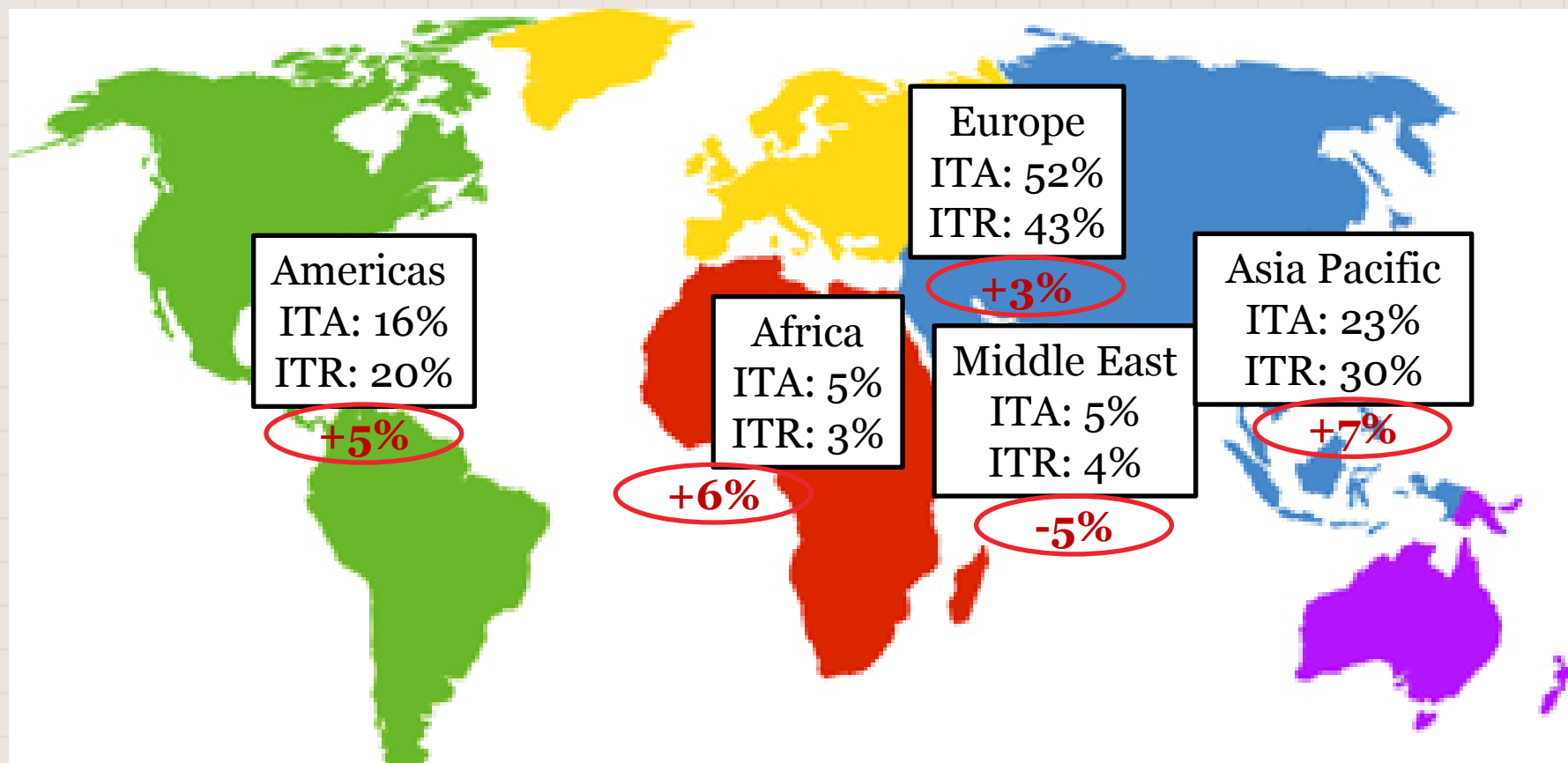
UNCTAD Investment
Promotion Award 2010



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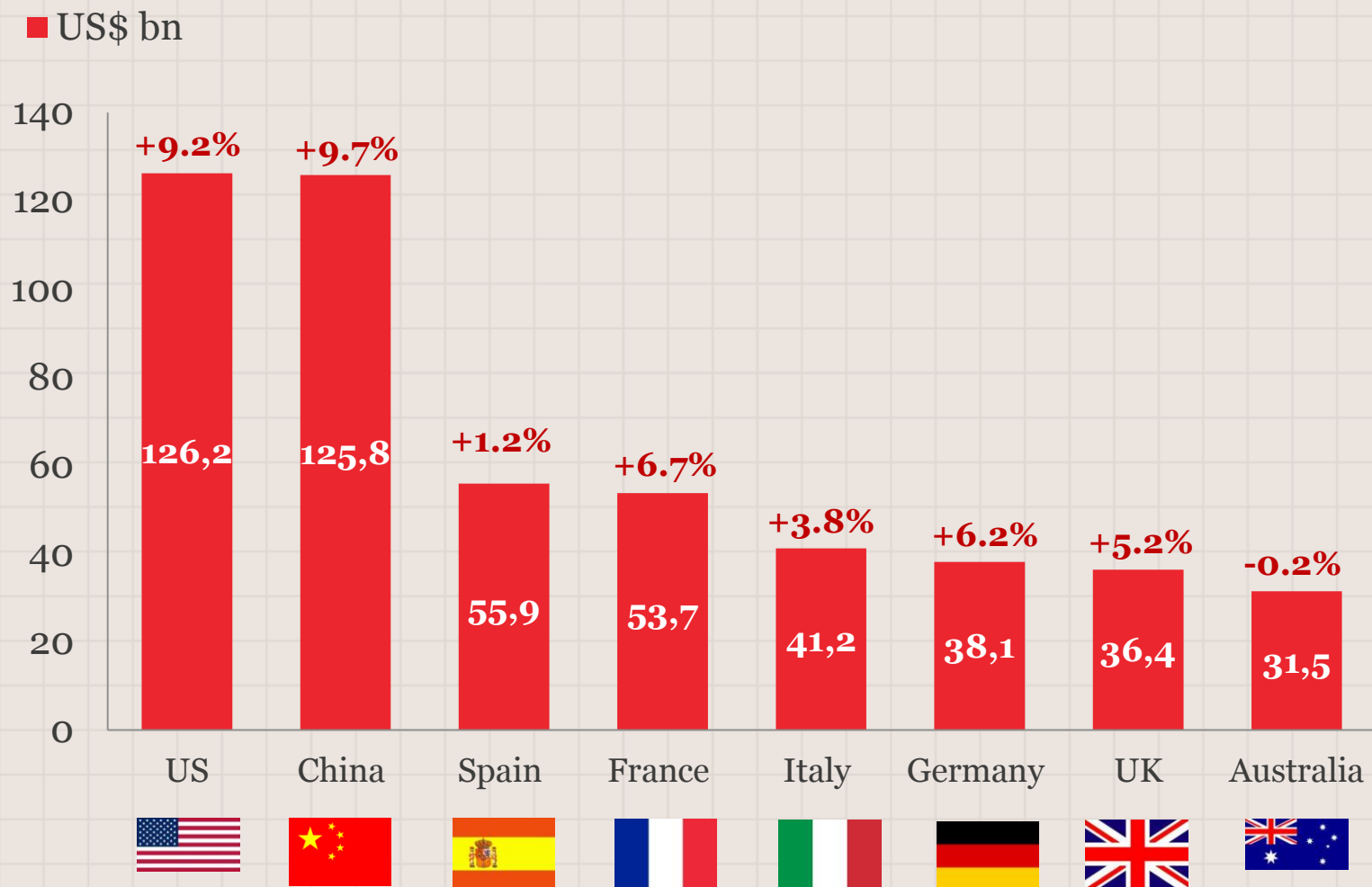
International Tourism Global Market Share 2012

- International tourist arrivals (ITA): **1,035 million** **+4%**
- International tourism receipts (ITR): **US\$1,075 billion (bn)** **+4%**



- China as **No. 1** source market, spending **US\$102 bn**

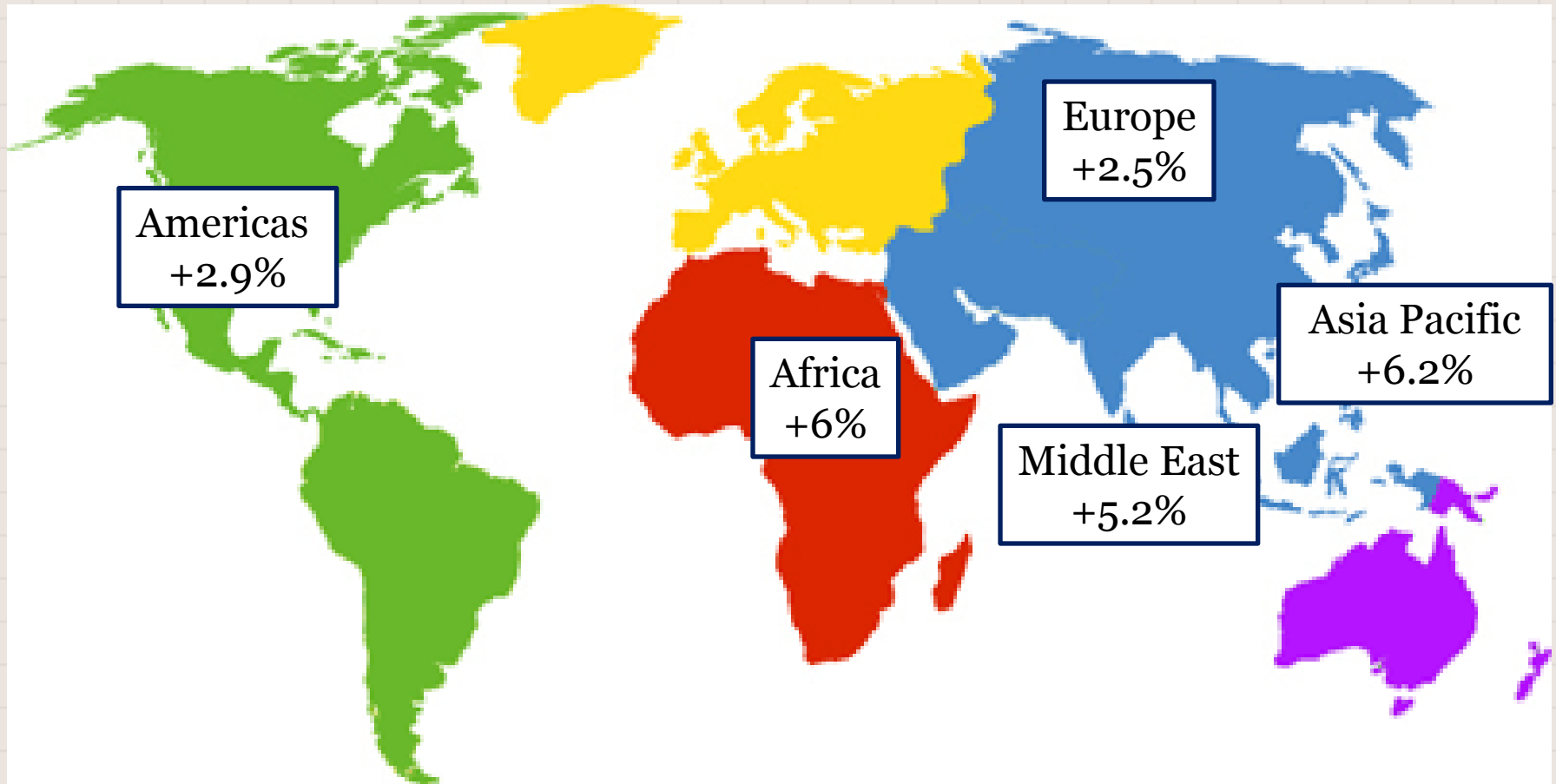
World's Top Tourism Destinations (ITR) 2012



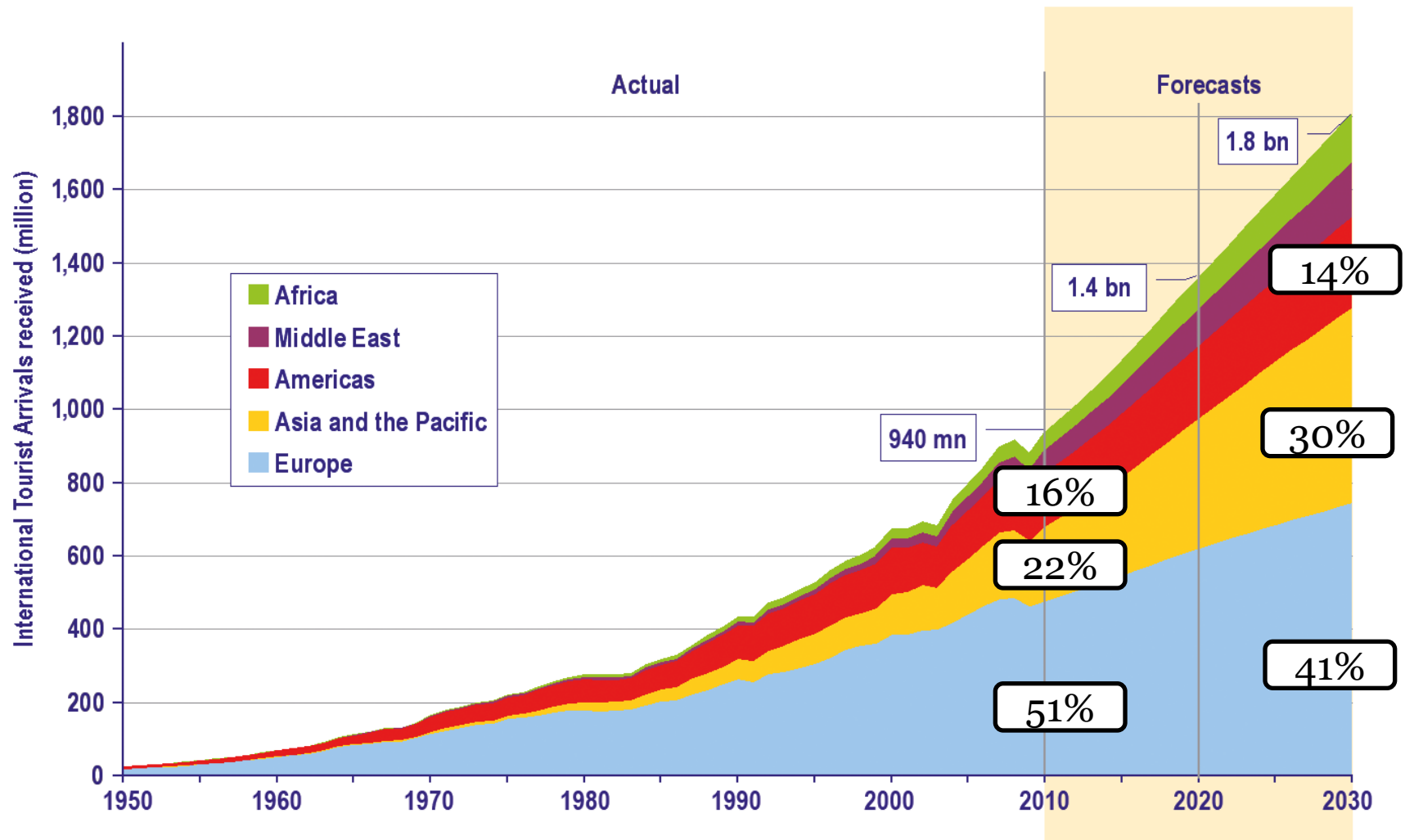
Source: *UNWTO Tourism Highlights, 2013 Edition*

Average Annual Growth of Tourist Arrivals

2005- 2012

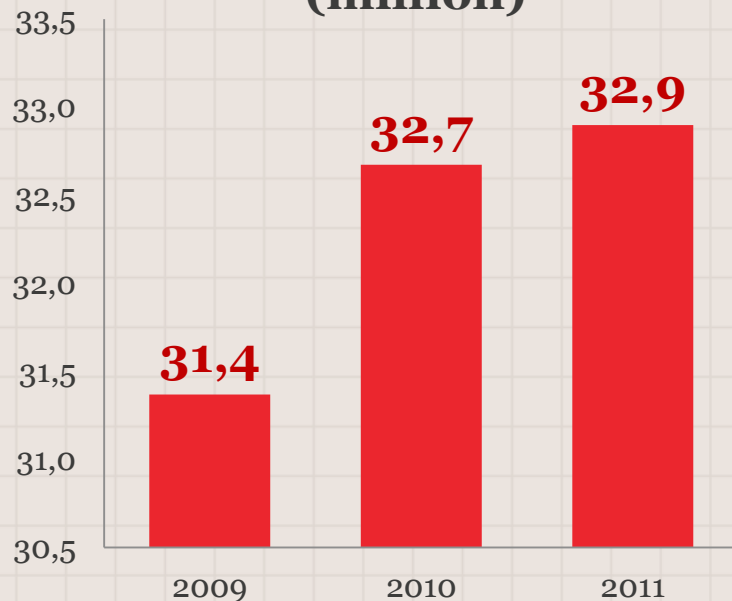


Tourism Forecast Towards 2030

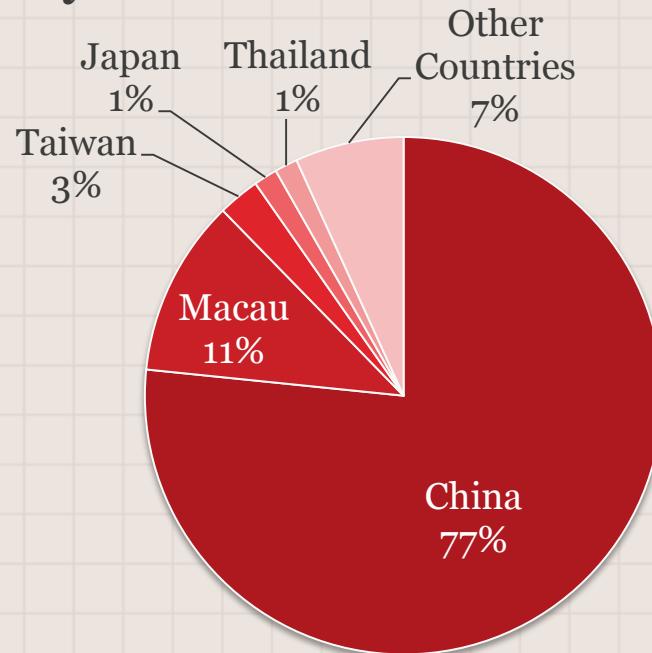


A Snapshot of HK Outbound Tourism

**Departure Trips
(million)**



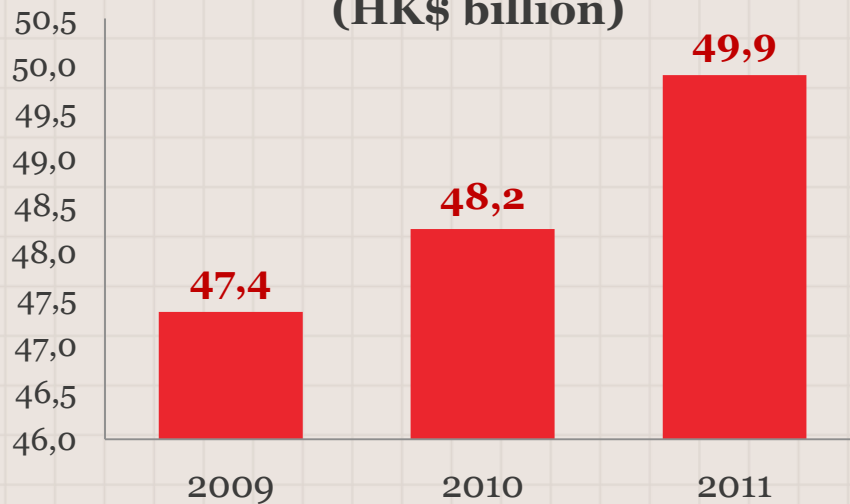
By Destination Markets 2011



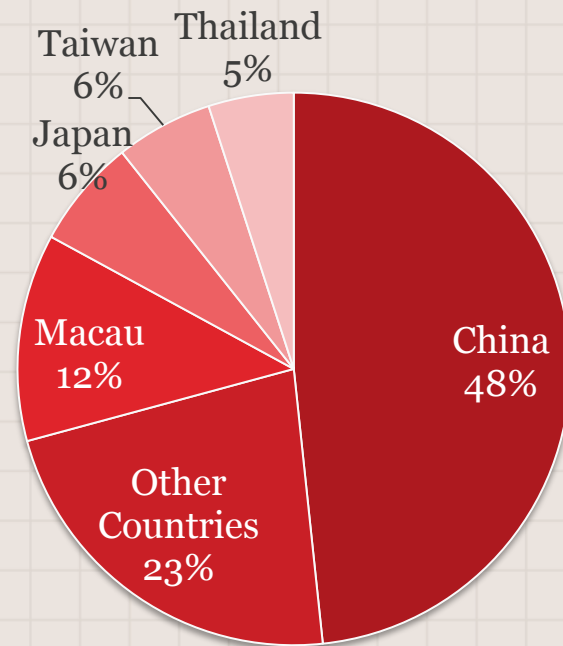
Source: Euromonitor International, Tourism Flows Outbound – Hong Kong, August 2012

A Snapshot of HK Outbound Tourism

**Outgoing Tourist Expenditure
(HK\$ billion)**



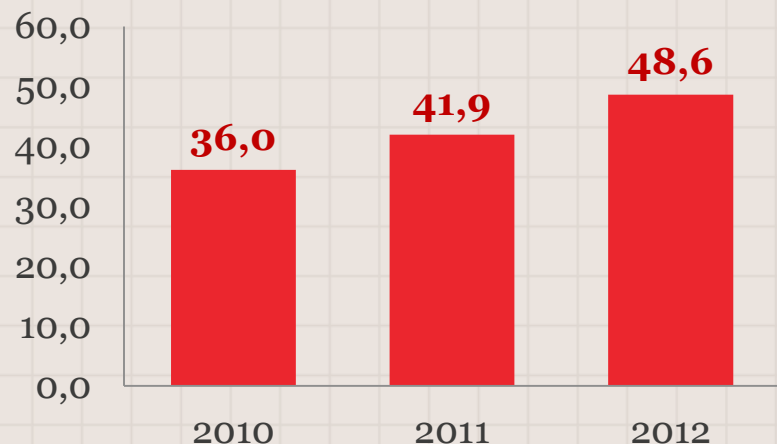
By Destination Markets 2011



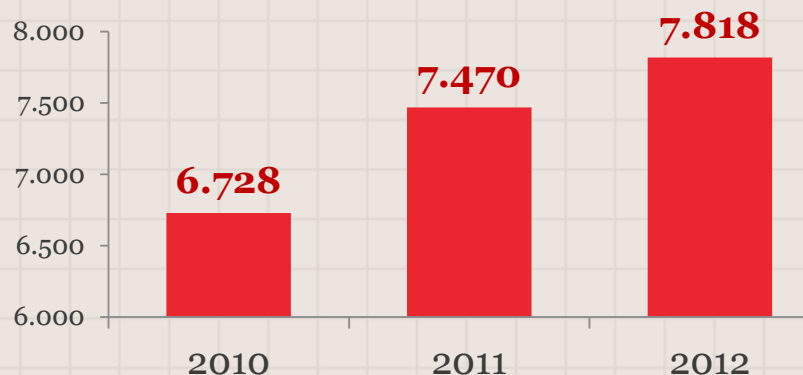
Source: Euromonitor International, Tourism Flows Outbound – Hong Kong, August 2012

A Snapshot of HK Inbound Tourism

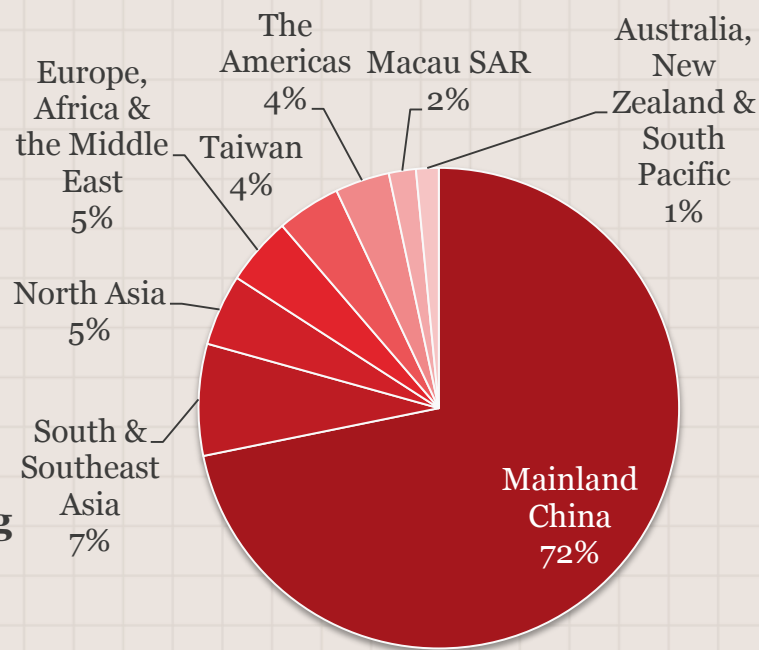
Visitor Arrivals (million)



(HK\$) Per Capita Overnight Visitor Spending



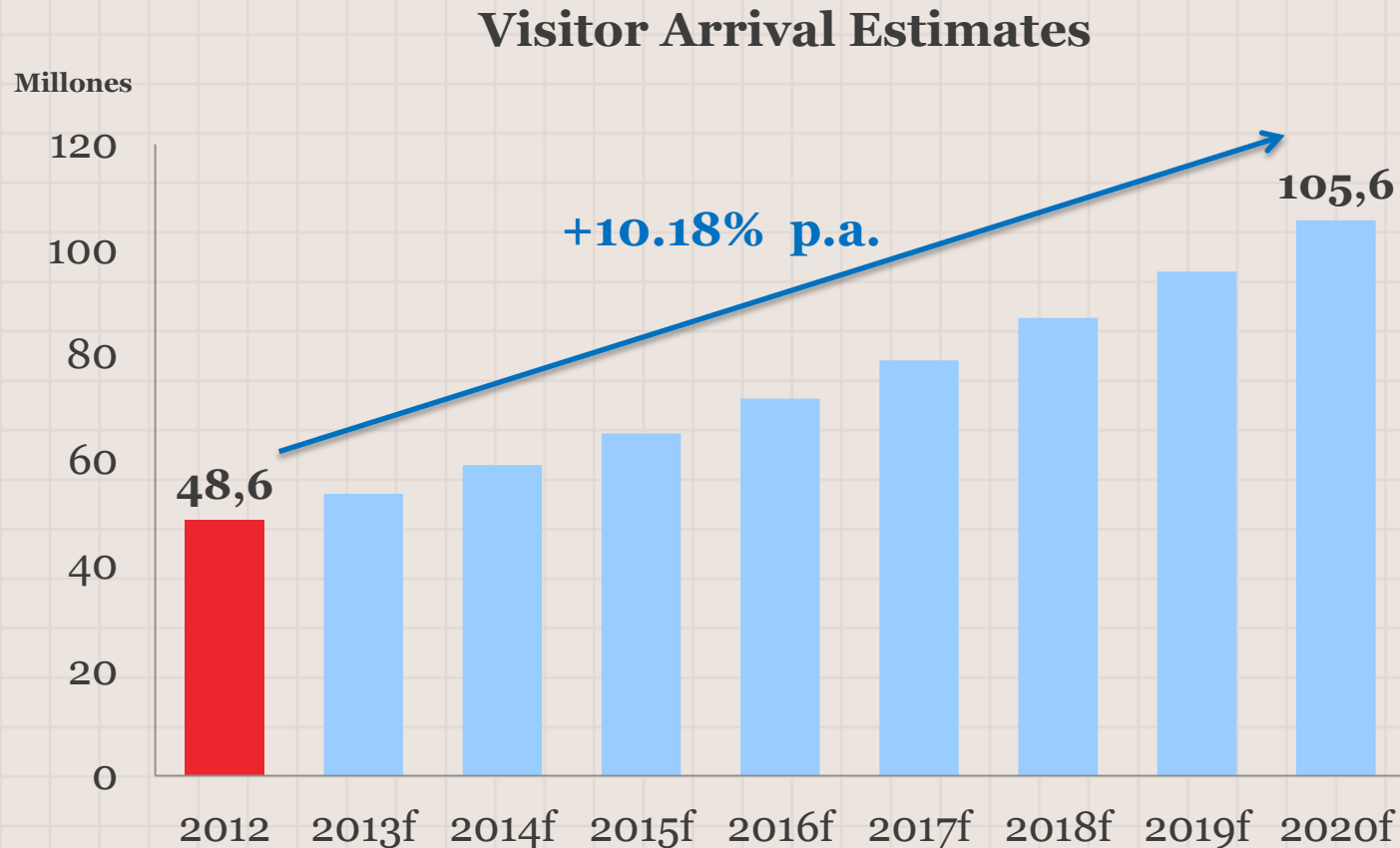
Source Markets 2012



Top 3 Spenders 2012:

1. **Mainland China \$8,565**
2. Australia, New Zealand & South Pacific \$7,943
3. Europe, Africa & the Middle East \$7,414

Inbound Tourism Forecast

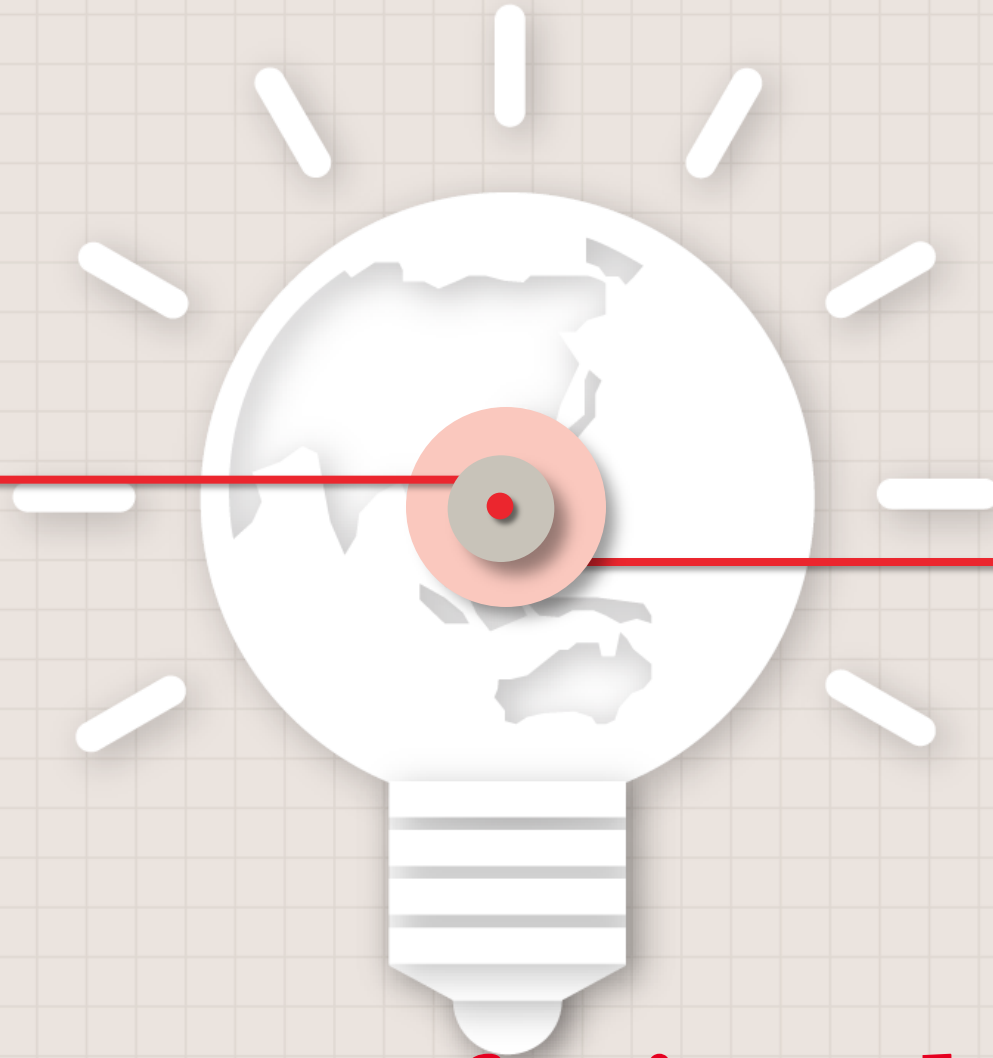


*Sources: HK Tourism Board; The HK
Tourism Demand Forecasting System
2012, HK Polytechnic University*

**Hong Kong is the Ideal Base
for Tourism Marketing and
Sales in Asia Pacific**

4hr

Most of Asia's
key markets
within
flight time



5hr

From half
the world's
population

**Heart of Asia and
connectivity to China**

Free Flow of People, Goods, Capital and Information

People

- About 170 nationalities may visit HK visa-free for 7 - 180 days
- >Over 100 airlines operating about 900 flights daily to 180 destinations worldwide

Capital

No foreign exchange control



Goods

World's largest international air cargo hub

Information

- Fastest broadband globally 49.2Mbps
- Mobile penetration rate >232.7%

Low and Simple Tax System



** There is no standard rate across the Mainland China. Shanghai is used as an example*

NO

- VAT/GST/Sales tax
- Capital Gains Tax
- Withholding tax on investments
- Estate duty
- Global taxation
- Wine duty

Human Capital - Quality Education



**Two universities
in the world's top 100**
*(Times Higher Education
World University Rankings 2013/14)*



**HKUST MBA – 1st in Asia
and 8th in the world**
*(Financial Times Global
MBA Ranking 2013)*



**World's Top EMBA in 2011:
Kellogg – HKUST EMBA
Programme**
(Financial Times 2012)



48 International schools



**3rd in the Global Index
of Cognitive Skills
and Educational
Attainment** *(Economic Intelligence
Unit 2012)*



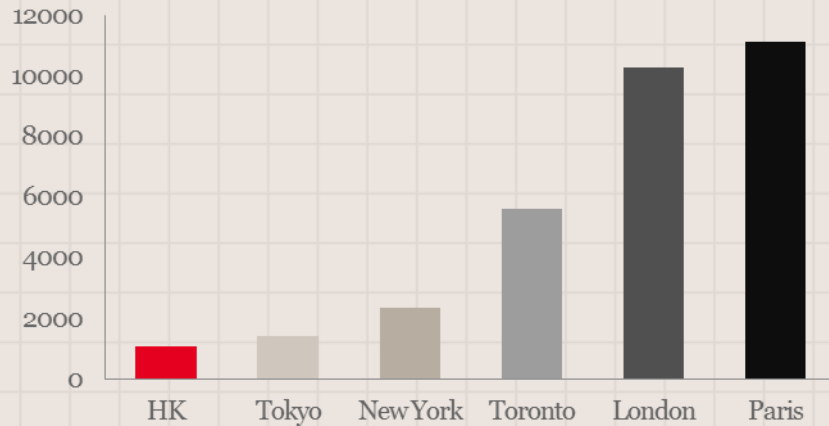
**Hong Kong students
ranked first in reading
literacy globally**
*(Progress on International Reading
Literacy Study 2011)*

One of the Safest Cities in the World

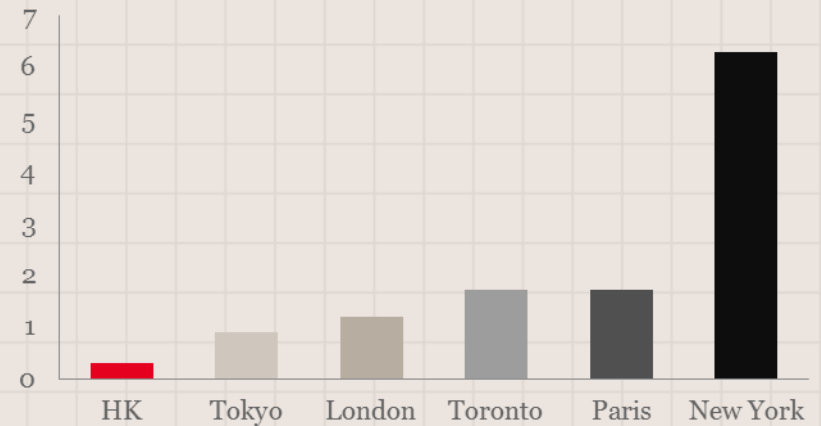
Source: Hong Kong Police 2012

Note: Rate per 100 000 population

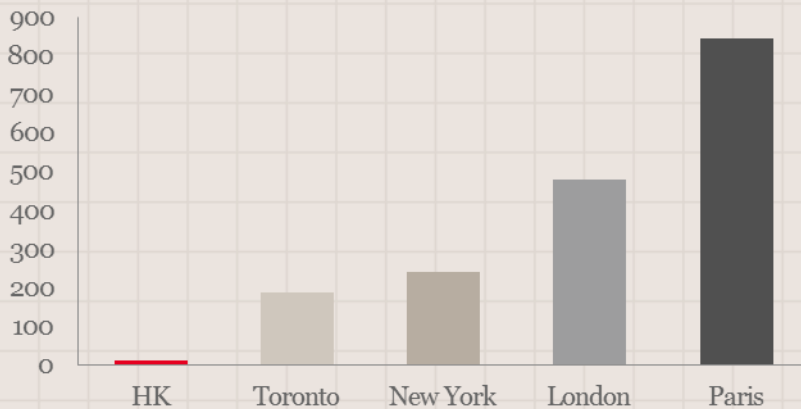
Overall crime



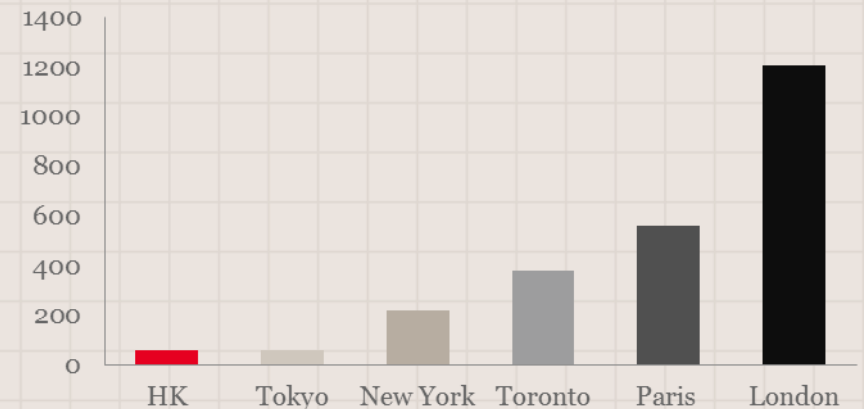
Homicide



Robbery



Burglary

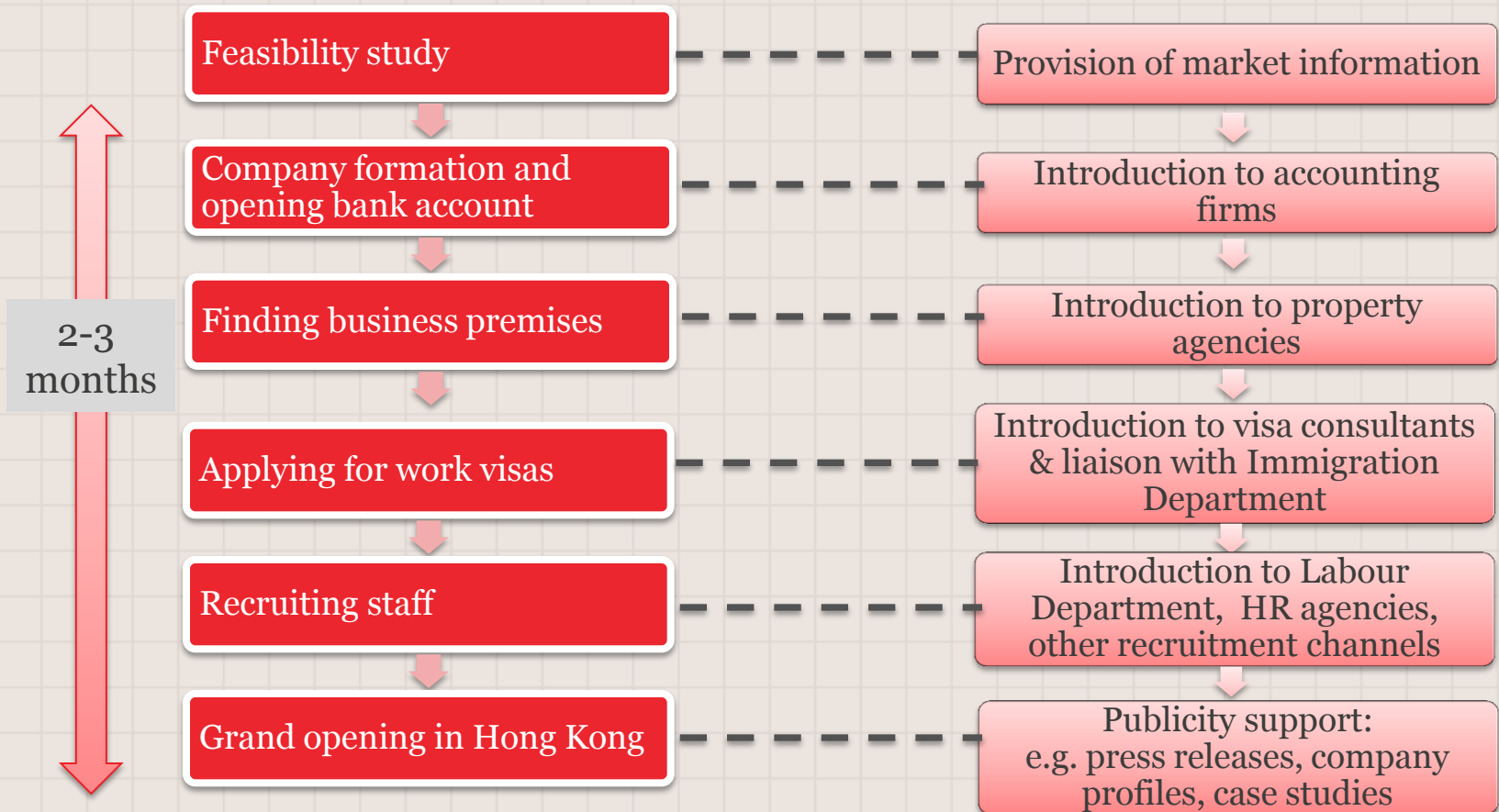


How to Set up a Tourism Business in Hong Kong?

Marketing & Sales Office

Setting-up Procedure

InvestHK Assistance



Travel Agency will need to apply for Travel Agent Licence

Some of InvestHK's Clients



Andrzej P Cetnarski

Founder, Chairman and
Chief Executive Officer

Rediscovered

USA

Luxury hospitality
membership club

"We picked Hong Kong to start because the city allows access to a large number of affluent people in the region, which provides a good source of clients for our company."

"Hong Kong's location is also unique because it is strategically located at the heart of Asia and also proximate to China. Moreover, the pool of multilingual talent in the market was a big factor for us when deciding to set up our regional headquarters in the city."



Simone Hildebrand
Managing Director

Quantitative Industries Ltd

New Zealand
Resort Operator



Korea

Travel Agency



UK

Prestigious Hotelier



India

Travel Agency



Australia

Boutique Hotel
Booking Engine

Takeaway Messages

1. Asia Pacific is growing fast as a region for international tourism, relative to other regions
2. China is No. 1 outbound tourism spender and will soon become No. 1 inbound tourism destination in terms of expenditure
3. For tourism product suppliers (e.g. hotels, attractions etc.), it makes sense to set up a sales & marketing office or even tourism facilities in Asia
4. For tourism service providers (e.g. travel agencies, consultants etc.), it makes sense to set up a branch office in Asia
5. Hong Kong is the ideal base. InvestHK is here to help!

Get in Touch

Our Office in Hong Kong

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