

LCQ9: Accommodation for tourists

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (June 3):

Question:

In the biennial Travel and Tourism Competitiveness Report released recently by the World Economic Forum, Hong Kong ranks the 13th among 141 countries and regions around the world, two places higher than its ranking last time. However, Hong Kong's ranking in price competitiveness, one of the 14 groups of indicators, is only the 127th, being dragged down by the rankings in purchasing power parity, fuel prices and hotel room rates. Some members of the tourism industry have relayed to me that the high and greatly volatile room rates of local hotels have significant impacts on the industry. They have also pointed out that low-priced and diversified local guesthouses can provide tourists with more accommodation options and help alleviate the shortage of hotel rooms during peak tourism seasons. In this connection, will the Government inform this Council:

(1) given that the Hong Kong Tourism Board anticipates that the number of rooms in local hotels will increase to some 82 100 by 2017, and the authorities project that visitor arrivals in Hong Kong will exceed 70 million by then, whether the authorities have assessed the supply and demand situation of hotel rooms during that time;

(2) whether the authorities have looked into the respective differences between the highest and the lowest room rates in hotels of various classes during the low and peak seasons of the tourism industry; whether they have studied the impacts of such differences on the tourism industry;

(3) of the total number of licensed guesthouses in Hong Kong at present; whether it knows the number of occupants and average room rate of such guesthouses in the past three years; and

(4) whether the authorities will consider promoting and publicising Hong Kong's guesthouses overseas, and driving guesthouses to enhance their quality, with a view to alleviating the tight supply of hotel rooms during peak tourism seasons; if they will, of the details; if not, the reasons for that?

Reply:

President,

The Government attaches great importance to the development of the tourism industry of Hong Kong. The sustained competitiveness of our tourism sector was reaffirmed by the Travel and Tourism Competitiveness Report 2015 (the Report) recently published by the World Economic Forum. According to the Report, Hong Kong's position in the overall ranking advances by two places comparing to two years ago and we continue to rank high in the Asia Pacific region. Focusing on price competitiveness, the ranking of Hong Kong is comparable to those of some other regional destinations such as Singapore and Japan. We note that hotel room rates in Hong Kong have been adjusted downwards recently and believe that the adjustment would help attract visitors to Hong Kong. Also, the Government will continue to drive the development of tourism-related infrastructures and carry out tourism promotion actively through the Hong Kong Tourism Board (HKTB), so as to maintain and enhance the overall appeal and receiving capacity of our tourism sector in a multi-pronged manner.

Our reply to the Hon Wong's question is as follows:

(1) In view of the continued growth in visitor arrivals in recent years, it is anticipated that overnight visitors' demand for hotel rooms will remain keen in the near future. The Government will continue to adopt a multi-pronged approach to encourage investors to develop different types of hotels. Nevertheless, the supply of hotel is largely market-driven. Developers will decide on and adjust their hotel development plans and construction pace with reference to various factors such as their forecasts on visitor arrival growth, economic prospect, hotel business environment and profitability, etc. All in all, it is expected that more new hotels will be coming on stream in the years ahead and the total supply of hotel rooms is expected to grow to around 84 000 in 2017.

(2) The HKTB has been collecting information on the average monthly hotel room rates of different categories of hotels. In 2014, the average room rates of High Tariff A, High Tariff B and Medium Tariff hotels per night ranged from \$2,212 to \$2,673; \$1,079 to \$1,335; and \$676 to \$863 respectively. Indeed, the hotel room rates of different tourism destinations including Hong Kong have been adjusting according to the demand-supply situation in the market. In general, the demand and supply of hotel

rooms become tighter during year-end and festive seasons, and the hotel room rates during such time are normally higher than that of the low season. However, it is noted that the hotels in Hong Kong, in face of regional competition, already adjusted their room rates downwards in the first few months of 2015 with a view to attracting more visitors to stay overnight. We believe the hotel sector will closely monitor and determine the suitable level of hotel room rates, so as to maintain the competitiveness of Hong Kong's tourism industry.

(3) According to the information provided by the HKTB, there were a total of 1 262 licensed guesthouses providing 11 083 rooms in total as at end-April 2015. The HKTB does not maintain records on the average occupancy rates and average room rates of licensed guesthouses for the past three years.

(4) Licensed guesthouses are part of Hong Kong's tourism resources. Their relatively lower room rates attract visitors who are more sensitive to prices or have limited budget. The HKTB provides accreditation to visitor accommodation through its Quality Tourism Services (QTS) Scheme, where QTS-accredited visitor accommodations, including licensed guesthouses, must pass stringent annual assessments to ensure that the quality of their services meets the prescribed standards. The HKTB also promotes QTS-accredited visitor accommodations to visitors through various channels including its website. In addition, visitors can also search for the details (including addresses) of all licensed guesthouses through the website of the Office of the Licensing Authority under the Home Affairs Department as well as its mobile application "Hong Kong Licensed Hotels and Guesthouses".

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