

Hospitality & Tourism: *An Industry Overview*

By Jennifer Khoo





The combination of slow global economic growth, increased competition posed by neighboring tourist destinations and fewer Mainland Chinese arrivals has put Hong Kong's tourism industry on the defensive over the past two years, but there are signs of recovery.

In his delivery of Hong Kong's 2017-18 Budget in February, Financial Secretary Paul Chan said the local hospitality and tourism sector has seen a rebound in recent months after a 4.5% drop in total visitor arrivals last year. This is due to the rise in number of Southeast Asian tourists, cruise ship arrivals and overnight visitors who came to Hong Kong to attend meetings, conventions and exhibitions.

In 2016, despite a 6.7 percent decline in Mainland arrivals (Hong Kong's largest visitor source market), non-Mainland visitors from short-haul and long-haul markets increased by 3.4 percent and 2.3 percent, respectively, from 2015. The arrival of overnight visitors for Meetings, Incentives, Conventions and Exhibitions (MICE) and cruise passenger throughput also recorded year-on-year increases of 10 percent and 50 percent, respectively. Hong Kong's top ten visitor source markets in 2016 were Mainland China, Taiwan, South Korea, the United States, Japan, Macao, the Philippines, Singapore, Thailand and Australia.

In addition to short term relief measures such as fee waivers and subsidies for industry operators, the Government is setting aside HK\$243 million which will go towards enhancing the city's tourism appeal. This includes supporting more homegrown "mega" events, light shows, and the promotion of Hong Kong as an ideal venue for meetings, conferences and events.

Here, we round up the latest news of development from international operators in Hong Kong's hospitality and tourism sector.

CK Hutchison Holdings Ltd.

“Harbour Grand Hong Kong celebrates 8th anniversary.”

The Harbour Grand Hong Kong hotel, managed by the CK Hutchison Group, marked its 8th anniversary on June 1, 2017. In celebration of this milestone, the hotel will run special promotions throughout the month of June, including free suite upgrades, complimentary dining, sightseeing tours, foot massages, a carnival themed buffet and a lucky draw.

“Harbour Grand Hong Kong is a truly global hotel and hosts over a million visitors from all over the world,” says Benedict Chow, General Manager. “Over the years, we pride ourselves on giving our guests a unique and memorable experience, world-class service, in an environment that makes people happy.”

Conrad

“Conrad opens hotel in Mexico’s Historic San Luis Potosi.”

Conrad Hotels & Resorts opened in May the Conrad San Luis Potosi. It is the group’s first hotel in Mexico and second in Latin America. This property is part of the larger Conrad portfolio of 30 hotels located in exclusive destinations around the world.

In addition to guest accommodations, Conrad hotels are known for their distinctive services and experiences, such as the “Conrad 1/3/5” program which allows guests to enjoy one-, three- or five-hour experiences that reflect the region’s culture, art and gastronomy.

Guests of Conrad San Luis Potosí are invited to use the Conrad Concierge available through the Hilton Honors app, which provides handy access to all the luxury services available at the hotel.

Dorsett Hospitality International

“Dorsett’s Silka West Kowloon Hotel sold for HK\$450 Million.”

In March, Dorsett Hospitality International Limited agreed to sell Silka West Kowloon Hotel to Golden Wheel Jasper Company Limited at an aggregate consideration of HK\$450 million, through the disposal of its equity interest and shareholder loans.

The agreement also called for Dorsett to continue managing the hotel under its mid-market Silka brand on behalf of Golden Wheel Jasper for another six years.

The agreement provides an opportunity for Dorsett’s holding company, Far East Consortium Limited (FEC), to realize the value created in the development of the hotel, whilst continuing to manage the hotel under the brand “Silka” and to continue its expansion into the hotel management business.

Four Seasons

***“World’s Best Bar,
The Dead Rabbit,
comes to
Four Seasons.”***

The Four Seasons Hotel Hong Kong in late May hosted The Dead Rabbit, the number one-ranked bar in the world and named after a notorious Irish-American street gang from the 1850s. The Dead Rabbit is the conception of two Belfast mixologists: Sean Muldoon and Jack McGarry, whose philosophy for the bar is grounded in respect for cocktail tradition.

Bar Manager and Beverage Director Jillian Vose made a special appearance at Four Seasons’ Blue Bar for three days in May. Vose was named “Rising Star Bartender” by Starchefs.com in 2013 and was instrumental in creating, together with McGarry, The Dead Rabbit’s third drink menu, which won “World’s Best Cocktail Menu” in 2015, when Dead Rabbit was also first crowned “World’s Best Bar” by Tales of the Cocktail.

Grand Hyatt

***“The Park Hyatt
brand makes its entry
into Bangkok.”***

Park Hyatt Bangkok, located in the heart of Bangkok’s central business district and the first Park Hyatt hotel in Thailand, opened its doors in May. The hotel features contemporary architecture matched by luxurious residential interiors, expertly curated art, world-class food and wine, and refined service, all coupled with a promise to offer uniquely Thai experiences that reflect the country’s rich culture, gracious hospitality, and colorful lifestyles.

Two of Park Hyatt Bangkok’s most dramatic installations were created by Japanese artist Hirotoshi Sawada: “Pagoda Mirage” which incorporates hundreds of small, conical copper swirls, suspended en masse to evoke the reflection of a pagoda on water, and “Naga,” a series of batons suspended from the ceiling that resembles a mythical water dragon traveling between the pool and internal waterfall.

The Hongkong and Shanghai Hotels, Ltd.

***“HSH and Yoma
Strategic hold
groundbreaking
ceremony for the
Peninsula Yangon.”***

The Hongkong and Shanghai Hotels, Limited (HSH) and Yoma Strategic in February held a groundbreaking ceremony in Yangon, Myanmar, marking the commencement of construction to develop the former Myanmar Railway Company headquarters and surrounding area into The Peninsula Yangon hotel.

Attendees at the groundbreaking ceremony included government officials and dignitaries representing Myanmar Investment Commission (MIC), Ministry of Transport and Communications, Ministry of Hotels and Tourism, Myanmar Railways, Yangon City Development Committee, and the Yangon regional government.

HSH and Yoma Strategic said that the investment permit for the proposed hotel development from the Myanmar Investment Commission (MIC) has been approved, meaning that all conditions under the shareholders’ agreement have been satisfied and the agreement is now unconditional.

Hongkong International Theme Parks

“Disney Explorers Lodge opens at Hong Kong Disneyland.”

Hong Kong Disneyland Resort, owned and managed by Hongkong International Theme Parks, in April celebrated the official grand opening of Disney Explorers Lodge, a new 750-room resort hotel dedicated to the spirit of exploration. It features more than 1,000 artifacts that can be traced to various countries from around the world, including Mali, Papua New Guinea, Bali, Costa Rica, Bolivia, the Ivory Coast and others.

The opening of Disney Explorers Lodge marks a milestone in Hong Kong Disneyland Resort’s development as it is the first new hotel since the Resort’s opening. Officiating the grand opening ceremony in April were Hong Kong Chief Executive CY Leung and Permanent Secretary for Commerce and Economic Development Philip Yung.

Hyatt Regency

“Hyatt Regency Atlanta announces new scholarship at Georgia State University.”

Hyatt Regency Atlanta and Georgia State University have announced the creation of the Hyatt Regency Atlanta Hospitality Scholarship, funded by a US\$100,000 endowment to provide opportunity to young leaders pursuing degrees in hospitality.

The annual scholarship, a part of Hyatt Regency Atlanta’s 50th anniversary celebrations, was established through a collaboration between the hotel and the Cecil B. Day School of Hospitality Administration in Georgia State’s J. Mack Robinson College of Business.

Hyatt Regency Atlanta, Hyatt Corporation and Hyatt Hotels Foundation are each contributing to the US\$100,000 endowment, which is designed to fund the scholarship in perpetuity. The School of Hospitality Administration will select recipients each year based on academic achievement and other criteria.

Intercontinental Grand Stanford

“Hong Kong’s largest whisky event returns to Intercontinental Grand Stanford.”

The Hong Kong Whisky Festival has returned to the InterContinental Grand Stanford earlier this year by popular demand. The 2nd Hong Kong Whisky Festival, hosted in the Tiffany’s New York Bar in March, featured an array of brands and over 400 different whisky expressions, alongside master classes hosted by diverse brand ambassadors.

The event was an opportunity for whisky lovers in Hong Kong to unite and enjoy a fun-filled evening involving whisky tasting and sampling of whisky-matching food delicacies. Whisky experts were on site to share information about different whisky regions, flavors and styles.

An alfresco Chivas Bar presenting cigars and freshly-shucked oysters to match Chivas whiskies was one of the event’s highlights. Others included an award-winning mixologist, a barrel-making demonstration and a Scottish bagpipe performance.

Intercontinental Hotel

“IHG expands presence across the Middle East.”

The InterContinental Hotels Group (IHG) has recently unveiled plans for four new hotel signings and six new hotel openings across the GCC (Gulf Cooperation Council) countries to take place in 2017.

The announcements reflect IHG's continued expansion across the Middle East and Africa (MEA) in multiple segments, including luxury, business, family, and lifestyle. The four new hotel signings in the MEA are: Crowne Plaza Jeddah in Saudi Arabia, InterContinental Doha Festival City and Staybridge Suites Lusail in Doha, Qatar, and the Holiday Inn Mutare in Zimbabwe.

IHG is also opening six new hotels in the MEA region in 2017, including Crowne Plaza Muscat OCEC in Oman, InterContinental Fujairah Resort in the UAE, Holiday Inn Doha - The Business Park in Qatar, Holiday Inn Algiers Cheraga Tower in Algeria, as well as two in Saudi Arabia: Staybridge Suites Jeddah Alandalus Mall, and the Crowne Plaza Riyadh - ITCC.

Island Shangri-La

“Island Shangri-La opens second Hotel Jen in Mainland China.”

The 450-room Hotel Jen Beijing, located in the center of the city's central business district, has opened its doors in May. The hotel features a vibrant co-working hub, an expansive, industrial-chic world-class gym catering to fitness enthusiasts and road warriors, and the only gastropub with its own brewery in the Guomao area.

The hotel's debut is a milestone for Shangri-La International Hotel Management Limited, marking its 98th hotel globally and second Hotel Jen branded property in Mainland China.

Launched in 2014, Hotel Jen is a chain of ten hotels across Asia Pacific, including in Singapore, Hong Kong, Manila, Beijing and Shenyang (China), Penang and Johor (Malaysia), Brisbane (Australia) and Malé (Maldives). Hotel Jen is scheduled to open in Kota Kinabalu, Malaysia in 2018.

Lanson Place Hotel

“Lanson Place wins prestigious accolades in Shanghai and Hong Kong.”

Lanson Pace Hospitality Management Limited (Lanson Place) has been awarded two accolades of distinction for its two properties in Shanghai and Hong Kong.

Aroma Garden Serviced Suites by Lanson Place won the “Best Serviced Apartment of China” at the 12th China Hotel Starlight Awards; while Lanson Place Hotel, Hong Kong was named “Asia's Most Excellent Small Luxury Hotel” at the Asia Awards of Excellence 2017.

The China Hotel Starlight Awards, often regarded as the “Oscar Awards” of China's hotel industry, is one of the most prestigious and influential awards recognizing the remarkable achievements of excellent hotel groups, operators and hoteliers in the country.

Award winners are carefully evaluated according to a list of strict criteria through public votes, recommendations by seasoned industry experts, and mystery-shopper reviews.

Marco Polo Hotels - Hong Kong

“Martin Kwan appointed as Group Director of Purchasing.”

Marco Polo Hotels in March has appointed a seasoned professional, Martin Kwan, as Group Director of Purchasing. Heralding over 30 years in the hospitality industry, he joins Marco Polo Hotels to lead the group's efforts in purchasing and procurement for its two brands, Niccolo and Marco Polo Hotels, and to enable cost efficiencies and economies of scale for its 14 properties.

Formerly with Gold Cove Property Development as Owner's Representative of the Crowne Plaza Macau, Kwan has held senior roles with Kowloon Shangri-La Hotel and The Westin Resort Macau. He is a graduate of The Hong Kong Polytechnic University in Hotel and Tourism Management, and holds a Master's Degree in Logistics and Operations Management from Macquarie University in Sydney.

Marriott International

“Fairfield by Marriott Phnom Penh to open in Cambodia.”

Marriott International has unveiled its plans to open Fairfield by Marriott Phnom Penh. The hotel, scheduled to open in 2021, marks the first Fairfield by Marriott hotel in Cambodia.

Owned by Royal Field Development Company Limited, Fairfield by Marriott Phnom Penh will be situated on a prime section of Russian Boulevard within the administrative center of the city, with seamless access to corporate, diplomatic and tourist destinations in the capital.

As Phnom Penh continues to grow as a destination for both tourism and business, Fairfield by Marriott will offer convenient access to a variety of attractions. The hotel will be located minutes away from major financial institutions, new retail hubs, the Phnom Penh city center, popular tourist attractions and the airport.

Melco International Development

“Melco completes acquisition of majority stake in Melco Crown Entertainment.”

Melco International Development Limited, a group in the leisure and entertainment sector, announced in February that it has completed the purchase of a majority stake in Melco Crown Entertainment (MCE). The Group now holds approximately 51.3 percent stake in MCE versus approximately 37.9 percent previously.

The aggregate purchase price for 198 million ordinary shares (equivalent to 66 million American depositary shares) of MCE was US\$1,100,800,800. Melco immediately paid a deposit of US\$100 million upon signing the acquisition agreement.

To support the purchase, Melco obtained a credit facility of up to US\$1 billion comprising a US\$700 million term loan facility and a US\$300 million revolving credit facility. The remaining amount of the closing payment was settled using the Group's internal resources.

MGM China Holdings

“MGM China reports 2017 first quarter total revenue of HK\$3.9 billion.”

MGM China has recorded in the first quarter of 2017 total revenue of HK\$3.9 billion, an increase of 7 percent from the same quarter last year, while adjusted earnings before interest, tax, depreciation and amortization (EBITDA) was up by 23 percent from a year ago to HK\$1.2 billion.

The Macau gaming market has been growing since the second half of 2016. Quarterly gross gaming revenue (GGR) in Macau has accelerated year over year three quarters in a row. Macau GGR increased by 13 percent in first quarter to HK\$61.6 billion from a year ago.

For the quarter, the Group recorded main floor table games win of HK\$2.2 billion, an increase of 17 percent year-on-year, versus an estimated growth of 12 percent year over year for Macau mass table GGR. VIP table win at MGM China was down seven percent from a year ago.

The Mira

“The Mira Hong Kong joins WWF Earth Hour 2017.”

The Mira Hong Kong took part recently in the World Wildlife Fund’s (WWF) Earth Hour campaign in support of the global lights-off initiative to promote greater awareness of climate change and excessive energy consumption.

In an effort to reduce its carbon footprint, the ISO-certified hotel shut down its non-essential lights across all facilities from 8:30pm to 9:30pm, including exterior lights illuminating its signature fin wall facade. Air condition units in the guest floor corridors, hotel lobby and its dining and bar outlets, as well as the office space, were set to a minimum 25 degrees Celsius.

The Mira Hong Kong, located in the middle of bustling Tsim Sha Tsui, was also one of the first hotels in the city to replace limousines with electric vehicles for its car transfers in 2014.

Pentahotel Hong Kong

“Pentahotel opens its first hotel in France.”

The very first pentahotel in France celebrated its grand opening late last year in Paris with a spectacular, star-studded party with male model Papis Loveday, French Olympic gold medal winner Émilie Andéol and Paralympic gold medal winner Damien Seguin.

The launch of pentahotel Paris also revealed a new global design of the hotel brand. Characterized by a trendy and comfortable feel with unique features, this latest overhaul aims to set new standards in the upper mid-market hotel segment, and will be applied to all new pentahotels worldwide by 2017.

Known for its unique interior design and “neighborhood” feel, pentahotel strives for innovation in the industry’s four-star segment, offering individual and business travelers comfort and style in a relaxed atmosphere.

Renaissance Harbour View Hotel

“Renaissance Atlanta Airport Gateway Hotel marks grand opening.”

Renaissance Hotels in May announced the grand opening of Renaissance Atlanta Airport Gateway Hotel in conjunction with the brand’s Global Day of Discovery. Owned and developed by Grove Street Partners, the hotel is conveniently connected via SkyTrain to the Hartsfield–Jackson International Airport in Atlanta, Georgia.

The new hotel boasts two expansive outdoor spaces, an amenity-driven fitness center and a buzzy bar. It features 204 guest rooms, including eight suites, in a style combining the residential Southern charm and a modern design aesthetic and pops of the unexpected – reflected in the custom murals found in each of the hotel’s eight suites, created by artist Ryan Coman whose gritty graffiti style juxtaposes a polished, animated element inspired by his father, a famed animator for Disney.

Rhombus International

“Rhombus recognized as Caring Company in 2016/17 for CSR contribution.”

Rhombus Group, a global hotel management company, has been recognized as a “Caring Company” in 2016/2017 for the fourth consecutive year by the Hong Kong Council of Social Service (HKCSS). The Caring Company Scheme, established by the HKCSS in 2002, promotes corporate citizenship and partnership between businesses and the social welfare sectors.

The recognition as a Caring Company 2016/17 reflects Rhombus’ contribution to society and corporate social responsibility and its commitment to creating a caring community.

“We always strive to protect the environment and support the underprivileged, locally and internationally, through various eco-friendly and care initiatives,” says Jenny Chan, Vice President of Operations of Rhombus Group. “This is our way of giving back.”

The Ritz-Carlton Hong Kong

“Ritz-Carlton Reserve to open new property in Los Cabos, Mexico.”

A Ritz-Carlton property named Zadún, set along the dramatic coastline of San José del Cabo with panoramic views of the Sea of Cortez, will make its debut in early 2018. This opening marks the fourth resort in the prestigious Ritz-Carlton Reserve portfolio and the second in the Caribbean and Mexico region.

It will feature 115 suites and villas, many with their own private plunge pools. The name Zadún is inspired by the unique topography and dunes of the region – dunas in Spanish – and meant to evoke the transformative, pure experiences guests have at Ritz-Carlton Reserve properties around the world.

Set in some of the world’s most prized destinations, these properties are designed by drawing inspiration from their locale and native cultures and offer a highly personal connection between guests and the location.

Venetian Macau Limited

“Venetian Macau gains third ISO certification.”

The Venetian Macau has been awarded an ISO 22000:2005 certification for its food safety management system – a first for an integrated resort or hotel in Macao. The certification covers receiving, storage, cooking, cooling and packaging of chilled food at the property’s central kitchen, and is the property’s third ISO certification to date.

The Venetian Macau also holds an ISO 9001:2008 certification for the quality management system of its convention and exhibition services as well as an ISO 20121 certification for its event sustainability management system, making it the only convention and exhibition center in Asia currently holding both ISO 9001 and ISO 20121 certifications.

The certification was awarded by the London-based British Standards Institution (BSI) Group, the world’s largest national standards and certification body.

W Hong Kong

“W Hotels to debut in Prague in 2020.”

W Hotels Worldwide in February announced it will open W Prague in 2020. Owned by PPH Evropa s.r.o, W Prague will be located on Wenceslas Square in the heart of the buzzing capital city, marking the brand’s debut into the Czech Republic.

The hotel will be a renovation of the former Grand Europa Hotel, a radical art nouveau style property that pushed boundaries when it originally opened in 1905, based on the brand’s progressive design and innovative spirit. The historic structure will be combined with a modern new building to create a blend of old world glamour and bold, contemporary design.

The two buildings will be fully connected to create 154 guestrooms and suites, including the Extreme Wow Suite – the brand’s lavish take on the traditional Presidential Suite.

Wynn Macau

“Wynn holds graduation ceremony for Leadership Acceleration Program.”

Gaming operator Wynn recently organized a graduation ceremony for the first batch of employees who successfully completed the “Leadership Acceleration Program-Gaming.”

The program, launched in 2016, seeks to facilitate the upward mobility of the local workforce by helping prepare them for more senior leadership roles in gaming. Ciarán Carruthers, Chief Operating Officer of Wynn Macau, said that it was not easy for ten graduates to stand out from all candidates and complete the intensive six-month training course.

The program will continue with a second intake of participants soon, expanding its scope to also cover non-gaming employees. Wynn hopes these training courses will nurture local talent towards developing their potential, as well as demonstrate how the company lives up to its promise of facilitating upward mobility for local staff.

