

The 3rd International Forum on China Hotel Brand Development

27 April 2009

Jinling Convention Centre, Nanjing, Jiangsu

The honourable Mayor Jiang Hongkun, Vice-Mayor Chen Gang, General Secretary Chen Mengmeng, Bureau Director Zhang Ji, President Lü Xinrong, Professor Kaye Chon, Mr Tang Wenjian, dear guests,

First of all, I must thank Jiangsu Provincial Tourism Bureau and The Hong Kong Polytechnic University (“PolyU”) for arranging me to come to Nanjing to share my views with fellow hotel operators again and discuss the development of China’s hotel industry and promotion of local Chinese hotel brands in the future. It is also a great honour for me to be able to meet with government officials, veteran hotel operators and academics.

PolyU has always emphasised on driving close cooperation between the academic institution and professional sectors, so that academic theories could add value through practical application. The current programmes and research projects of PolyU School of Hotel and Tourism Management have been designed on the basis of what are actually required in the market and the industry. The School currently ranks 4th among the world’s tertiary hotel management programmes. This is a remarkable distinction not just for PolyU, but also for Hong Kong people in general.

The hotel business is a relatively young industry compared to other sectors, starting in the early 20th century in Europe and America. The rise of Asia’s hotel industry during the 1980s followed the tourism boom in Southeast Asia, as top-rate international hotel groups established their presence in key Asian cities. I was convinced that, as our industrial and trade activities grew, the tourism and hotel industry would thrive and become a new sector in the economy.

My first hotel in Hong Kong, Holiday Inn Harbour View, was officially opened in 1980, so I could be regarded as one of the first-generation hotel investors in Hong Kong. Our company was also the first in Hong Kong to engage a foreign brand for the management of hotel properties. Since then, I have invested in over 20 hotel projects in San Francisco and other U.S. cities.

Following the increasing global significance of China’s economic development

since recent years, the hotel and tourism industry will play a very crucial role in the modern economic regime. For China's new generation, tourism is becoming an integral part of their daily lives, as the number of business travelers is increasing. In view of this, K. Wah Group has expanded its hotel business to Macau, while in the Mainland, we are also developing more hotel and serviced apartment projects in major cities such as Shanghai and Guangzhou.

The large number of business travelers in China will form a massive market providing a major driving force for the development of China's domestic hotel and tourism industry, as well as favourable conditions for the development of domestic Chinese hotel brands.

However, it's no easy task to build a successful hotel brand. Hotel investments always require significant financial commitments, while the choice of decorative designs and accessories that would satisfy the demands of increasingly sophisticated tourists presents yet another major challenge.

The elements of a successful hotel brand include hardware, quality standards for hotel design and architecture, as well as services. Moreover, in order to build a brand name, we must significantly enhance the overall service standard by establishing more hotel chains managed under modern standards.

Nevertheless, a businessman should always give careful considerations to the viability and economic benefits of a project before he makes any business decision. Hence, apart from financial analysis, we must also rely on various scientific market research design products and service standards that are welcome by tourist customers.

PolyU's hotel management programme is designed in close tandem with the needs of the industry. In 2010, the teaching hotel built by PolyU will be completed to become Hong Kong's first teaching hotel managed by a university. It is set to further enhance the experimental research in hotel and tourism studies as the most outstanding training centre for hotel professionals in China and Asia.

I am very honoured to be giving the opening speech at this invaluable forum. It is my sincere hope that the government, the hotel industry and the academic community will continue liaise closely in order to contribute further to hotel brand development in China.

I wish everyone a fruitful time ahead. Thank you!