

(Letterhead of the Hong Kong Hostel and Tourism Association Limited)

(Summary translation of a letter to Mrs Rita FAN)

17 July 1998

Dear Mrs FAN,

Re: Licensing of Guesthouses

We are a group of operators of small licensed guesthouses. We oppose the policy of the Office of the Licensing Authority (Licensing Authority) in requiring guesthouses to conduct assessments. Our current financial position makes it impossible for us to meet this requirement. In this connection, we have written a letter to the Chief Executive, the Honourable TUNG Chee Hwa, stating our reasons why we object to the policy. A copy of the letter is enclosed for your perusal. Given your status in the Government and society, your professionalism, popularity and importance, we hereby appeal for your valuable assistance. We would be most grateful if you could express support for us in government departments, the legislature and other public occasions so that we can renew our licences and survive the economic downturn.

CHANG Ho (Chairman)
吳佛祥 (Vice Chairman)
黃作民 (Vice Chairman)

The Hong Kong Hostel and
Tourism Association Limited

(Letterhead of the Hong Kong Hostel and Tourism Association Limited)

(Summary translation of a letter to the Chief Executive of the Hong Kong Special Administrative Region, the Honourable TUNG Chee Hwa)

17 July 1998

Dear Mr TUNG.

We are a group of operators of small licensed guesthouses. The current financial turmoil has made our operations difficult. Worse still, we are being oppressed by the Office of the Licensing Authority (Licensing Authority) to such extent that we may all be forced to go out of business eventually. We have no other alternative but to appeal for your assistance to redress our grievances.

Mr TUNG, all our guesthouses are furnished in accordance with the fire safety requirements imposed by the Licensing Authority in 1993. They include: the main exit door and room doors should be resistant to fire for one hour and half an hour respectively, the ceiling height should be 2.2 meters and so on. Our guesthouses fulfilled all the requirements and were subsequently granted licences. However, in 1997 the Licensing Authority ordered us to appoint engineers to assess the structure of our guesthouses. We consider it a draconian requirement that the Licensing Authority deliberately imposed on us with a view to forcing us to shut down. We definitely will not accept it. In 1993, we were required to use red bricks and clay bricks, and the light-weight concrete bricks were brought onto the market only in 1996. Should we pull down all the walls because there is a new kind of brick? Should we pull down all the old structures whenever innovation in building materials is introduced? We strongly object to such impracticality.

Mr TUNG, hostels and guesthouses do have their value in society. The rich can reside in luxurious hotels whereas the general public can choose small hostels and guesthouses. Why should the Licensing Authority put us in such a difficult situation? Is it the intention of the Licensing Authority to deprive the general public in other countries of their right to visit Hong Kong?

Mr TUNG, unemployment in Hong Kong now stands at a high rate. Could it be your wish to see people in their fifties and sixties like us becoming jobless? As a popular saying goes, Hong Kong is not ruled by Hong Kong people, but by businessmen. This is especially true in the tourism industry. While hotels in Hong Kong are decorated luxuriously, their room doors are not resistant to fire. Some do not have a 2.2-meter high ceiling while some are operating without licences. Yet, they can still operate because they are run by

prestigious consortia. The Hong Kong Government only takes consortia under its wing. How unreasonable it is that hotels can operate without licences but licensed guesthouses are being driven to the wall.

Mr TUNG, it was stated in a paper (ref: SL68) of the Licensing Authority in 1993 that any person who on any occasion operates, keeps, manages or otherwise has control of a guesthouse without a valid certificate of exemption commits an offence and is liable on conviction to a fine of \$200,000 and to imprisonment for two years and to a fine of \$20,000 for each day during which the offence continues. At that time, the Licensing Authority was absolutely determined to ensure compliance from guesthouses. In order to fulfill the licensing requirements, guesthouses were forced to suspend their business, trying every means to raise money for the upgrading works. Finally, the guesthouses were granted licences in 1994. However, in respect of the licensing of hotels, the Licensing Authority made concessions right after someone of repute in the hotel industry had made a few comments in newspaper against the licensing system for hotels. It shows that hotels and guesthouses are treated differently despite the fact that both are operated in the same place and the same operating environment. This is also an example showing that the then Hong Kong-British Administration was minded to protect the interests of major consortia but bully operators of small business.

The business of guesthouses has declined drastically since 1997, making the operation increasingly difficult. The room rate has dropped to the level in 1990 but very often, only one or two rooms are occupied and sometimes, not even one single room is occupied for the whole week. Under the circumstance, how can we afford to appoint structural engineers to assess our guesthouses? Moreover, since our guesthouses are situated in just one or two flats on one floor of old premises, how can assessments be conducted? The policy makers are oblivious to the predicaments of guesthouses. How merciless they are to strangle guesthouses and use their powers to deprive the general public in other countries of their right to visit Hong Kong.

Mr TUNG, guesthouses play an important role in Hong Kong's tourism industry. In the 1980s, we provided cheap accommodation for old Taiwanese soldiers to reunite with their relatives in the Mainland. We also extended cordial hospitality to members of the general public from the Mainland and the Southeast Asia, silently making contribution to the territory's tourism industry. However, those in the top of the hierarchy have not taken note of the contribution we have made. We do not have representatives to speak for us in any of the important meetings. In such tourism-led territory as Hong Kong, is it reasonable that guesthouses which are dedicated to serve the lower class do not have their representatives?

Mr TUNG, we strongly urge you and the relevant government

department to remove the assessment requirement imposed on licensed guesthouses so as to make Hong Kong a paradise for both the rich and the general public from all over the world. Let us make a concerted effort to contribute to the prosperity of Hong Kong and work for, as you put it, "a better tomorrow".

Incidentally, we would like to request for the setting up of an information counter of licensed guesthouses at the new Airport in order to make it convenient for tourists to locate guesthouses which provide accommodation at a reasonable cost. We sincerely hope that you will support and accede to our request.

Mr TUNG, we earnestly urge you to remove the assessment requirement imposed on licensed guesthouses. The licensing requirements set by the Licensing Authority in 1993 were already very stringent and guesthouses had spent hundreds of thousands of dollars on renovations to achieve the prescribed standard. Now that five years have lapsed and there is no report of walls falling off resulting in injuries at guesthouses. It is unreasonable to require guesthouses to conduct assessments across-the-board on account of only one or two incidents of the collapse of canopy. We have time and again exerted ourselves to meet the licensing requirements and we are indeed wearied. It is not our wish to take to the streets but if we are forced to do so, our slogans will be: (1) Grant us licences; (2) No assessment; (3) We want to survive; (4) Let guesthouses operate; (5) We want a counter at the new Airport; and (6) Fair competition.

We would greatly appreciate it if you would give careful consideration to this letter.

CHANG Ho (Chairman)
吳佛祥 (Vice Chairman)
黃作民 (Vice Chairman)

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