

**For information
on 26 April 2010**

Legislative Council Panel on Economic Development

Policy of Travel Industry Council of Hong Kong on Package Tours Bound for Places Where the Outbound Travel Alert is in Force

PURPOSE

There were concerns about the arrangements made by the Travel Industry Council of Hong Kong (TIC) for package tours to Thailand in response to the Government's issue of an Outbound Travel Alert (OTA) for going there. This paper sets out the Government's role in relation to the TIC arrangements.

BACKGROUND

2. Having regard to the situation in Thailand which posed possible threat to the personal safety of Hong Kong travellers, the Government issued an Amber OTA for Thailand on 20 October 2009. In view of further developments, the Government raised the OTA for Thailand (Bangkok) to Red and to Black on 10 March and 10 April 2010 respectively. The general information on the OTA is at Annex 1.

TIC's mechanism for handling package tours affected by unforeseen circumstances

3. At its meeting held in January 2009, the Outbound Committee of the TIC (the Committee) discussed the mechanism that the TIC should adopt when package tours are affected by unforeseen circumstances, and decided that for handling such situations, the TIC would invite all those travel agents who have registered with the TIC for operating tours to the affected area to attend a meeting chaired by the Convenor or Deputy Convenor of the Committee. The meeting is to discuss whether standard arrangements should be made for the cancellation of package tours to the affected area and the relevant arrangements. The TIC executive office would then announce the arrangements through the media. The Committee considered that this mechanism was more appropriate than convening a Committee meeting, as not all affected travel agents were members of the Committee, and it was

unnecessary for those travel agents not affected by the situation to attend the meeting.

4. The Committee reviewed the TIC Directive No. 143 at a meeting held in February 2009. The Directive came into effect on 1 December 2005, and stipulated the arrangements for members of package tours to withdraw from or reschedule their package tours when travel agents cancelled the tours for reasons beyond their control. According to the Directive, members of package tours affected may choose either to have their tour fare retained for six months or refunded after deducting an amount not exceeding the stipulated service fee. The Committee considered that the mechanism set out in paragraph 3 above and the Directive No. 143 could help the travel agents to handle unforeseen circumstances that affect package tours in an orderly manner. When the OTA system came into effect in October 2009, the Committee agreed that the above mechanism and Directive should continue to apply when dealing with package tours affected by the OTAs. The minutes of each meeting of the Committee were tabled in the following Board meeting of the TIC.

Arrangements for Package Tours to Thailand

5. The TIC assisted the travel agents in their handling of package tours to Thailand recently in accordance with the aforementioned mechanism and Directive. The chronology of the arrangements made after the issue of the Red OTA is set out at Annex 2. The arrangements made were in line with the mechanism and Directive mentioned in paragraphs 3 and 4 above.

GOVERNMENT'S ROLE

6. The Government has all along been closely monitoring the TIC's work. On the TIC's day-to-day operation, representatives of the Tourism Commission (TC) participate in meetings of the Board and a number of its committees as members or observers and give advice and assistance, so as to facilitate the TIC in maintaining the balance between promoting industry development and protecting travellers' interests.

7. Representatives of the TC attended all relevant meetings during the process where the TIC assisted the travel agents in their handling of package tours to Thailand. At the meetings, the TC representatives specifically requested the travel agents concerned to pay particular attention to the safety of travellers and staff, make proper arrangements for refund or rescheduling, and explain clearly the situation to travellers and staff. The travel agents concerned indicated that if any staff member is unwilling to escort an

outbound tour, they will respect the wish of the staff, and the TIC would mediate or offer assistance where necessary. For the safety of travellers and staff, the travel agents would also closely monitor the situation in Thailand and adjust travel plans as necessary. The protection afforded by travel insurance and employees' compensation insurance depends on the provisions of individual insurance policies.

8. Representatives of the Security Bureau attended some of the meetings to provide information on the relevant OTA and explain that the guiding principle is the concern over personal safety.

9. Members are invited to note the content of this paper.

**Commerce and Economic Development Bureau
Security Bureau
April 2010**

Outbound Travel Alert

Security Bureau (SB) launched the Outbound Travel Alert System (OTA) in October 2009 to facilitate Hong Kong residents to understand more easily the threat to their personal safety when travelling to overseas countries, so that they can make their travel plans or other arrangements.

2. OTA uses three coloured code: BLACK, RED and AMBER to represent different levels of threat to personal safety. BLACK represents severe threat, people should avoid all travel; RED represents significant threat, people should adjust travel plans and avoid non-essential travel; AMBER represents signs of threat, people should monitor situation and exercise caution.

3. In deciding whether to issue an alert and its level, the prime consideration of SB is personal safety. We would take into account factors such as the level of threat to personal safety, as well as its duration and nature (e.g. whether it is targeted against travellers). During our assessment, we will make references to information from sources such as the Office of the Commissioner of the Ministry of Foreign Affairs, overseas Chinese Embassies / Consulates and local Consulates of the relevant places, etc. Meanwhile, we will also make references to the travel alerts or related information made available by overseas governments.

4. SB will inform the public about the relevant information through press releases and its OTA webpage. Our OTA webpage also includes hyperlinks connecting to the travel information databases compiled by the Ministry of Foreign Affairs, China National Tourism Administration, and those by the foreign authorities. Residents can obtain information on travel risk from these databases when they plan their overseas trips.

**Chronology of key events
TIC's assistance to Travel Agents in their handling of Package Tours
to Thailand After the Red OTA was Issued**

Date	Event
10 March	<p>The Government issued a Red OTA for Thailand (Bangkok). The TIC invited travel agents operating package tours to Thailand to discuss the arrangements for departure or refund.</p> <p>The travel agents came to a consensus on the arrangements. A spokesman for the TIC announced the arrangements after the meeting that all package tours departing for Bangkok between 11 and 17 March would be cancelled. Refund or rescheduling of tours would be arranged in accordance with Directive No. 143.</p>
15 March	<p>The TIC invited the travel agents concerned to a discussion. The agents decided that the cancellation arrangement would be extended to 23 March. Refund or rescheduling of tours would be arranged in accordance with Directive No. 143.</p>
23 March	<p>The TIC invited the travel agents concerned to a discussion. According to the latest updates from the tourism authority of Thailand, the industry's business partners in Thailand and related organisations, the risks that the protests in Bangkok posed to tourists were not big as the protests were far away from tourist attractions. Moreover, the travellers also wished to go to Bangkok as scheduled. Therefore, it was agreed that the package tours bound for Bangkok would depart as scheduled from 24 March.</p> <p>If the original points of interest in the itinerary of a package tour were affected by protests, the itinerary would be amended to avoid visiting those points. After resumption of the tours, travellers could decide whether to join the tours and depart as scheduled. For travellers who opted not to depart as scheduled, individual travel agents would discuss the relevant arrangement with the travellers.</p>

Date	Event
25 March	The TIC invited the travel agents concerned to a discussion. The agents agreed that TIC Directive No. 143 would apply to travellers who opted out of the tours even though the circumstances did not meet the eligibility criteria set out in the Directive (i.e. the tours were cancelled by travel agents). The arrangement allowed these travellers to choose to have their tour fare retained for six months or refunded after deducting a fixed service fee. This was a special arrangement made by the travel agents to protect the interests of travellers.
Evening of 7 April	The Thai Government declared a state of emergency in Bangkok and its peripheral area. Due to the urgency, the TIC contacted the concerned travel agents by telephone and the agents decided to cancel tours to Thailand again on the same day. Refund and rescheduling of tours were arranged in accordance with Directive No. 143.
8 April	The TIC invited the travel agents concerned to a discussion. The agents reached a consensus to extend the effective period of the relevant measures to 13 April. Refund and rescheduling of tours were arranged in accordance with Directive No. 143.
12 April	The TIC invited the travel agents concerned to a discussion. The agents reached a consensus to extend the effective period of the relevant measures to 21 April. Refund and rescheduling of tours were arranged in accordance with Directive No. 143.