

LCQ6: Travel Industry Council of Hong Kong

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Following is a reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, to a question by the Hon Paul Tse in the Legislative Council today (May 26):

Question :

In recent years, whenever incidents which affected personal safety, such as natural disasters or political coups, etc., happened in popular tourist destinations for Hong Kong people, quite a number of travellers called the Travel Industry Council of Hong Kong (TIC), Security Bureau (SB) and me in a panic enquiring matters relating to withdrawal from package tours or postponing the departure of package tours. Members of the public often mistakenly regarded TIC as a government organisation, but after they had learnt that TIC was only a trade association of travel agencies not subject to any regulation, they all expressed frustration and queried why there is no regulation by the Government. Moreover, travellers often complain that TIC is controlled by large travel agencies and only looks after the interests of large travel agencies, often acting contrary to SB's decisions which are made in the interests of the public. TIC also neglects the Outbound Travel Alerts (OTAs) of SB, and even though accidents caused by natural disasters, etc. are not covered by travel insurance, TIC still insists the departure of package tours, ignoring the personal safety of members of the public travelling outside Hong Kong. In this connection, will the Government inform this Council:

(a) whether it had, in the past three years, explained to the public that TIC was only a trade association in nature, and that its decision on the departure of package tours was not the Government's decision and position;

(b) when TIC's decision on departure of package tours is not in line with the OTAs issued by SB, and travel insurance may not provide the relevant coverage, how the travellers should act; in case the travellers have departed under such circumstances and encounter accidents, whether the travel agency concerned, TIC and SB are liable to compensation; and

(c) whether it has assessed if the aforesaid situation of causing confusion and uncertainties to the public is directly related to TIC's management being controlled and monopolised by large travel agencies, as well as TIC's neglect of or lack of

Government regulation; of the Government's policies and measures to ensure that when TIC makes its decision in relation to departure of package tours, it is required to take into account the interest of the public and take the OTAs issued by SB seriously?

Reply:

President,

The travel industry in Hong Kong has grown in sophistication and professionalism in tandem with the social and economic developments as well as advancement in the market. With the continuous progress made in the past 22 years, travel agent business in Hong Kong has gone from an unregulated sector before 1985 to one which is now regulated by both the Travel Agents Registry and the Travel Industry Council (TIC). Since the TIC became a self-regulatory professional body, it has carried out reforms regularly in response to the changing circumstances. Its operation has also become more structured and transparent to meet public aspirations for quality service and consumer protection. There is no question of the TIC being "not subject to any regulation".

My reply to the various parts of the question is as follows:

(a) Although the TIC is only a professional body representing travel agents, it performs a variety of functions. Far from being an ordinary trade association, the TIC is under the two-tier regulatory regime for the travel industry, responsible for self-regulation of the trade according to its Memorandum of Association. It also carries out various important functions related to the trade. The Government and TIC have publicised the Council's organisation, governance structure and services to the public through different channels.

On the question of whether group tours concerned should set off as scheduled, the TIC makes the decision after discussion with the travel agents concerned having due regard to the Outbound Travel Alerts (OTAs) issued by the Government. If the decision is to suspend the departure of group tours, the TIC has a uniform arrangement for agents to handle refunds to and change of travel plans by travellers affected.

(b) The TIC has always handled contingencies that affect group tours in accordance with the established mechanism. Under the mechanism, the TIC will convene a meeting inviting all travel agents, regardless of their sizes, that have registered with

the TIC for operating tours to the concerned destination to discuss the arrangements to be made. Therefore, there is no question of the "TIC looking after the interests of large travel agents only".

In fact, the TIC and travel agents concerned have carried out serious and careful discussions before making a decision on the arrangements. They consider first and foremost the personal safety of travellers and take into account the OTAs issued by the Government, the latest updates and assessments from the tourism authorities, business partners and related organisations at the destination. If the travel agents decide that the group tours should set off as scheduled after considering all the relevant factors, they will adjust the itineraries in the light of the circumstances to avoid the affected areas or attractions. If the travel agents decide that tour groups should not set off, they will follow the TIC guidelines to arrange refund or postponement of the trip according to the wishes of their customers.

Individual travellers should consider their personal circumstances and other relevant factors, such as the protection afforded by travel insurance, when deciding whether to participate in group tours. If they decide to withdraw from the tours, their travel agents will discuss with them refund arrangements.

(c) As explained in point (b) above, the decision of the TIC is made after discussions with all the travel agents concerned, irrespective of their sizes. There is no question of TIC being monopolised by large travel agents. The Outbound Travel Alert System set up by the Security Bureau aims to help Hong Kong residents better understand the potential risks to their personal safety when travelling overseas so that they may make their travel plans and arrangements accordingly. When the TIC co-ordinates the discussions of travel agents to work out the arrangements for affected outbound tours, the Commissioner for Tourism will send a representative to the meetings to ensure that due consideration is given to the OTAs issued by the Security Bureau and other relevant information, for the purpose of protecting the personal safety of our residents.

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