

**For information
on 28 June 2010**

**Legislative Council
Panel on Economic Development**

Framework Agreement on Hong Kong/Guangdong Co-operation

Tourism Co-operation

Purpose

This paper briefs Members on the contents and latest developments of tourism co-operation under the Framework Agreement on Hong Kong/Guangdong Co-operation (the Framework Agreement).

Background

2. Travelling between Guangdong and Hong Kong is increasingly frequent. Of the 17.96 million Mainland visitor arrivals in Hong Kong last year, 76.3% came from Guangdong Province. Guangdong and Hong Kong are close partners in tourism co-operation at both government and trade levels, and have established a mechanism for regular exchanges on matters of mutual concern.

3. The National Development and Reform Commission announced “The Outline of the Plan for the Reform and Development of Pearl River Delta (2008-2020)” (the Outline) in January 2009. The Outline positions the development of the Pearl River Delta (PRD) region on the strategic national development level. The Framework Agreement was drawn up by both sides to further Guangdong-Hong Kong co-operation. The Framework Agreement was approved by the State Council and was officially signed on 7 April 2010, which translated the broad directions of the Outline into concrete policies.

4. Tourism-related provisions in the Framework Agreement mainly include the following –

- (i) support tourism enterprises from both sides to expand to scope of co-operation;
- (ii) jointly develop and promote “multi-destination” tourism products;
- (iii) carry out joint promotion in overseas markets and simplify the procedures for overseas visitors to enter Guangdong through

- Hong Kong;
- (iv) provide facilitation for the residents from both places for reciprocal visits;
 - (v) strengthen co-operation in areas such as market regulation, implementation of honest and quality tourism, and raising tourism service quality; and
 - (vi) formulate tourism co-operation development plan.

The full texts of the relevant provisions are at the Annex.

5. The Framework Agreement will facilitate the two places to make better use of their complementary advantages, co-operate closely in attracting visitors from both within and outside the region, develop and promote more “multi-destination” tourism products, and expand visit facilitation measures for residents from both sides, with a view to enhancing the attractiveness of Guangdong and Hong Kong as tourism destinations. Progress of the co-operation efforts is outlined below.

Scope of Operation of Hong Kong Travel Agents in Guangdong

6. By strengthening co-operation, Guangdong and Hong Kong will create more development opportunities for the travel trade. We will also make further use of the platform created by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). CEPA permits Hong Kong travel agents to operate business on the Mainland, with the market entry threshold having been gradually lowered¹. For instance, Supplement III to CEPA allows Hong Kong travel agents established on a wholly-owned or joint venture basis in Guangdong Province to operate group tours to Hong Kong and Macao for permanent Guangdong residents. Supplement V to CEPA has delegated the authority to Guangdong Province to approve applications submitted by Hong Kong service suppliers to set up travel agents in Guangdong, which facilitates the setting-up process. On the basis of Hong Kong travel agents operating group tours to Hong Kong and Macao for Mainland residents including those in Guangdong province, we will continue to lobby central authorities for further liberalisation of Mainland’s tourism market, which includes allowing Hong Kong travel agents to operate outbound and Taiwan group tours for Mainland residents, piloting with Guangzhou and

¹ In the past few years, the required annual turnover for Hong Kong service suppliers setting up travel agents on the Mainland has decreased from the initial US\$40 million to US\$15 million for wholly-owned travel agents and US\$8 million for ones established by joint-venture (the minimum registered capital remains at RMB4 million). Under the new Regulation on Travel Agents promulgated in May 2009, foreign (including Hong Kong) travel agents receive national treatment. The minimum registered capital for all travel agents, domestic or foreign, is RMB300,000, with no minimum annual turnover requirement.

Shenzhen.

Joint Promotion

7. Guangdong and Hong Kong have distinctive and diversified tourism resources. The two places will continue to develop “multi-destination” itineraries and step up joint overseas promotion to enhance overall tourism appeal.

8. Hong Kong Tourism Board (HKTB) participated in the Guangdong-Hong Kong-Macao Tourism Co-operation Meeting on 9 June with the tourism authorities of Guangdong Province and Macao to discuss the annual promotion collaboration plan of the three places. The tourism promotion agencies of Guangdong and Hong Kong have been conducting joint promotion in various long-haul (e.g. Germany and Australia) and short-haul (e.g. Japan and Southeast Asia) markets through participation in travel exhibitions and familiarisation visits. HKTB is also co-operating with the Guangdong Provincial Tourism Administration (GDPTA) on the latter’s “2010 Overseas Chinese Tourism Year” by jointly promoting “multi-destination” itineraries featuring Guangdong and Hong Kong to overseas Chinese, and have rolled out promotions in the United States and Canada between late April and early May to advertise the tourism resources and products in Guangdong and Hong Kong. Looking ahead, Guangdong and Hong Kong will step up co-operation in promotion, develop new visitor source markets and enhance information exchanges to draw in more international visitors.

“144-hour Facilitation Visa”

9. Guangdong Province launched the “144-hour facilitation visa” measure in November 2000, which simplified entry procedures for foreign visitor group tours that are already in Hong Kong or Macao to enter 10 cities² in Guangdong for not more than 144 hours (six days). Guangdong is working on the details and supporting measures for extending this initiative to the entire province. Hong Kong will also step up promotion of this measure to attract more international visitors to travel to Guangdong Province through Hong Kong on “multi-destination” itineraries.

² The 10 cities include Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Jiangmen, Zhaoqing, Huizhou and Shantou.

Facilitation Measures for Mainland Residents to Visit Hong Kong

10. Guangdong and Hong Kong have implemented a number of measures to facilitate Mainland residents to visit Hong Kong. The Central Government implemented two pilot measures in April and December 2009 respectively to make it more convenient for Shenzhen residents to visit Hong Kong. These two measures are to allow Shenzhen permanent residents to apply for one-year multiple-entry Individual Visit (IV) endorsements to visit Hong Kong, and to allow eligible non-Guangdong permanent residents ordinarily living in Shenzhen to apply for IV endorsements in Shenzhen to visit Hong Kong. Response has been encouraging, with more than 2.94 million Shenzhen residents visiting Hong Kong using the one-year multiple-entry IV endorsement by 31 May this year since the measure's implementation on 1 April last year. Guangdong is our largest source of Mainland visitors and we are working with the Guangdong authorities to ride on the Framework Agreement to seek approval from Central authorities to extend the relevant measures to the entire Guangdong Province.

11. Moreover, Mainland authorities will introduce a new type of electronic Exit-Entry Permit for Travelling to and from Hong Kong and Macao (EEP) to Mainland residents from 2012 onwards. The Immigration Department will seek funding approval from the Finance Committee to enhance its computer systems and install new clearance facilities to enable it to process the electronic EEP, and to allow eligible holders of EEP who frequently visit Hong Kong to use the automated passenger clearance service (i.e. e-Channels).

12. These measures will encourage mutual visits among residents of the two places and drive tourism spending in the region. They can also help attract more overseas visitors to Guangdong and Hong Kong. Hong Kong will continue to explore more facilitation measures with Guangdong Province so as to promote tourism development in the region.

Market Regulation

13. Both Guangdong and Hong Kong attach great importance to the consumer rights of visitors. "Honest and quality tourism" is a standing item in our exchanges with Guangdong. The Government of the Hong Kong Special Administrative Region has adopted a multi-pronged approach in promoting "honest and quality tourism" through amending Hong Kong legislations, more stringent enforcement actions, publicity and trade regulation. We also co-operate closely with Guangdong in regulating the tourism market and promoting quality tourism products. For example, in addition to

co-operating with GDPTA to deal with tourists' complaints from both sides, the Travel Industry Council of Hong Kong will inform GDPTA regarding travel agents which violate regulations and the cases involved to facilitate regulatory work in both places.

14. HKTB has set up designated counters for "Quality & Honest Hong Kong Tours" in Guangzhou and Shenzhen in February 2007 and December 2006 respectively to promote quality Hong Kong tours which do not include self-paid activities, shopping at designated places or surcharges. The Hong Kong Consumer Council launched the "Shop Smart in Hong Kong" website in 2007 to provide Mainland visitors with advice on shopping in Hong Kong. The website has been hyperlinked to a number of Mainland websites including those of GDPTA and the Shenzhen Municipal Bureau of Culture, Sport and Tourism.

15. We will continue to work closely and stay in close contact with GDPTA to strengthen the regulatory mechanism for the market and promote "honest and quality tourism", jointly combat market malpractices stemming from "zero/negative-fare tours", and maintain market order to foster the healthy long-term tourism development in both places.

Tourism Co-operation Development Plan

16. Guangdong proposed in the Framework Agreement to formulate a tourism co-operation development plan based on the co-operation efforts mentioned above so as to enhance Guangdong and Hong Kong's brand image as premier travel destinations. Guangdong is liaising with Central authorities on the details. We will work closely with Guangdong in formulating a plan to set out the long-term tourism development strategy of the two places.

Cruise Tourism Co-operation

17. On cruise tourism, we have been strengthening our liaison with the coastal provinces and cities, including Guangdong Province, to establish an information exchange platform. HKTB launched the "Cruise South China" website in January 2009, which introduces facilities and local tourism information such as tourist attractions and sightseeing itineraries of various ports in the region including Hong Kong. The website also features tourism videos to facilitate the trade in developing cruise itineraries. We will provide assistance in Guangdong's research on Hong Kong cruise vessels calling on relevant ports in Guangdong Province.

Relationship With the 12th Five-Year Plan

18. The Framework Agreement is an official agreement between Guangdong and Hong Kong and is approved by the State Council. It translates the Outline's macro policies into concrete measures conducive to the development of both places, and lays the foundation for both sides to seek to incorporate the related initiatives into the National 12th Five-Year Plan. In its "Opinion on Speeding Up the Development of the Tourism Industry" published in December 2009, the State Council stated the policies to develop the tourism industry into a strategic pillar of the national economy, to further the reform and liberalisation of, and to encourage investments in the tourism industry. We will ride on this national initiative to expand the tourism industry and collaborate with Guangdong Province to carry out the work of the Framework Agreement, and to incorporate the relevant tourism measures into the National 12th Five-Year Plan. This will create a better environment and open up more opportunities for the long-term development of the Hong Kong travel trade.

Conclusion

19. Guangdong and Hong Kong are close partners in tourism development. Looking ahead, we will actively strengthen tourism co-operation with Guangdong in accordance with the measures in the Framework Agreement so as to achieve greater synergy of tourism resources, enhance the attractiveness of Hong Kong and Guangdong as travel destinations, and foster the tourism and overall economic development in the region.

Tourism Commission
Commerce and Economic Development Bureau
June 2009

(Only Chinese version is available)

粵港合作框架協議

第三章 現代服務業

第二條 旅遊

- 一、 支持雙方旅遊企業拓寬粵港旅遊合作範疇。
- 二、 聯合開發推廣“一程多站”旅遊線路，研究開發粵港航空及郵輪旅遊，形成不同主題、特色、檔次的多元旅遊產品體系。
- 三、 共同開拓海外旅遊市場，開展旅遊宣傳促銷，共同吸引國際遊客。有效利用廣東“144 小時便利簽證”政策，簡化到香港的外國遊客入境廣東手續。
- 四、 為廣東居民到香港旅遊及香港居民到廣東旅遊相互提供通關、交通等便利措施。
- 五、 建立粵港旅遊市場監管和投訴處理協調機制，互通共用旅遊市場監管信息，推行誠信旅遊，引導企業和從業人員規範服務，提升旅遊服務質量。

第九章 區域合作規劃

第四條 旅遊合作規劃

盡快編制完成粵港旅遊合作發展規劃，開拓區域旅遊市場，促進雙方在旅遊產品開發、品質監管、聯合推廣、信息交流、協會溝通、過境便利等方面的合作，為區域旅遊合作提供長期發展戰略，形成區域旅遊品牌，將粵港地區建設成為國際著名旅遊目的地。

實施《粵港合作框架協議》2010年重點工作

一、跨界基礎設施

(五) 開展廣州、深圳、珠海、汕頭、湛江等港口與香港郵輪的掛港合作研究，2010年完成。

二、現代服務業

(一) 加強旅遊合作，聯合參加重要國際旅遊展會及大型旅遊節慶活動。繼續以聯合展台形式參加海外展銷會，宣傳推介“一程多站”精品旅遊線路，借助廣東國際旅遊文化節，共同搭建展台，聯合開展宣傳活動。鼓勵兩地旅遊協會、導遊協會、旅行社協會等民間組織建立溝通聯繫機制。