

LCQ18: Competitiveness of Hong Kong's travel and tourism industry

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Abraham Shek in the Legislative Council today (February 6):

Question:

According to the Travel & Tourism Competitiveness Report 2011, Hong Kong had an overall ranking of 12 among 139 countries and places in the Travel & Tourism Competitiveness Index in 2011, which is two places behind Singapore. In this connection, will the Government inform this Council:

(a) given that Hong Kong ranked 112th in the area of "presence of major car rental companies", whether the Government has assessed the current demand of tourists for car rental services and the expected demand upon the completion of the Hong Kong-Zhuhai-Macao Bridge; if it has not, of the reasons for that; if it has, the details of the assessment outcome, and if the assessment outcome shows an unmet demand for car rental services now or in future, whether the Government will consider introducing measures to boost the supply of such services; if it will not, of the reasons for that;

(b) given that Hong Kong ranked 43rd in the area of "ticket taxes and airport charges", whether the Government has assessed the correlation between the current level of the airport fees (e.g. landing fee, terminal building charge, parking fee and boarding bridge charge) charged by the Hong Kong International Airport (HKIA) and HKIA's competitiveness among the major airports in Asia; if it has, of the details of the assessment outcome; if not, the reasons for that; whether the Government has considered lowering the airport passenger departure tax to attract more tourists to Hong Kong; if it has, of the details; if not, the reasons for that; and

(c) given that Hong Kong ranked 27th in the area of "education and training", whether the Government has assessed if the training and related training institutions provided for tourism industry practitioners are adequate at present; if it has not, of the reasons for that; if it has, the details of the assessment outcome, and if the assessment outcome is in the negative, whether the Government is taking or will take measures to address the inadequacy; if so, of the details; if not, the reasons for that?

Reply:

President,

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

(a) As a compact city, Hong Kong is famous for its safe, affordable and efficient public transport system, which offers convenient means of getting around the city. The Hong Kong Tourism Board (HKTB) widely publicises the different transportation facilities and services in Hong Kong through various channels to help visitors get around and explore the city.

The HKTB regularly monitors visitors' feedback on the adequacy of tourism and related facilities in the city. So far, the HKTB has not received any feedback or complaints about insufficient car rental service in Hong Kong. Presently, only vehicles with cross-boundary quotas are allowed to use land crossings to travel between Hong Kong and the Guangdong Province. These do not include rental cars. The completion of the Hong Kong-Zhuhai-Macao Bridge (HZMB) will likely bring in more tourists to Hong Kong, and the Government is considering cross-boundary transport arrangements for the HZMB. So far, provision has not been made for rental cars to use the new crossing. Upon the commissioning of the HZMB, the Government will closely monitor the situation, in particular whether it would bring about a corresponding increase in demand for car rental service by tourists.

(b) The Hong Kong International Airport (HKIA) is the world's busiest cargo gateway and one of the world's 10 busiest passenger airports. At present, there are around 100 airlines operating about 6 700 flights per week, serving about 170 destinations worldwide. According to a review on Airport Charges conducted by LeighFisher (Note 1) in 2011, HKIA's airport charges (Note 2) ranked the lowest (i.e. the most competitive) among 50 international airports. In the same Review, the consultant also compared other airports, including Tokyo (ranked sixth), Seoul Incheon (ranked 30th), Bangkok (ranked 34th), Singapore (ranked 46th) and Kuala Lumpur (ranked 49th).

The current rate of the Air Passenger Departure Tax (APDT) is HK\$120 per passenger (12 years of age or above) departing by air from Hong Kong through HKIA, or by helicopter from Hong Kong at the Heliport at the Hong Kong – Macau Ferry Terminal. The rate has remained unchanged since 2004. Given that the APDT only accounts for a negligible sum of the overall cost of travelling, we believe this does not constitute a major factor for consideration of whether or not to visit Hong Kong. We

have no plan at this stage to adjust the APDT.

(c) Adequate manpower resources are crucial to the sustainable development of the Hong Kong's tourism sector. At present, local tertiary education and training institutions such as the Chinese University of Hong Kong, the Hong Kong Polytechnic University and the Vocational Training Council (VTC) offer Government-funded tourism-related training courses, or subsidise eligible employers in the tourism sector to provide on-the-job training opportunities. In the 2012-13 academic year, there are some 540 approved intakes of the University Grants Committee-funded tourism-related tertiary education programmes. The VTC also provides some 2 160 places of tourism-related subsidised courses in the same academic year. In addition, the Labour Department, the Employees Retraining Board (ERB) and some non-government funded institutions also provide tourism-related training courses which could help respond to the demand for talents of the tourism sector.

In view of the commissioning of the Kai Tak Cruise Terminal in June 2013, the Tourism Commission and the Advisory Committee on Cruise Industry have launched training courses designed for cruise tourism through the Government's "Skills Upgrading Scheme Plus" and the Travel Industry Council of Hong Kong (TIC). We will closely monitor the needs of the trade and adjust the supply of training places as appropriate.

As regards training for tourist guides and tour escorts, courses targeting at non-trade trainees and tourism practitioners respectively are organised or co-ordinated by the TIC, the ERB and other training institutions. Candidates who have completed designated training courses and passed the relevant examinations can obtain TIC's Tourist Guide Passes or Tour Escort Passes. Besides, many training institutions, tourist guide associations and the TIC also offer a variety of courses relating to upgrading of skills or personal development. These courses are conducive to the continued education and enhancement of the professional knowledge of tourist guides and tour escorts.

The Government will continue to closely monitor the demand and supply situation of the manpower resources of the Hong Kong's tourism sector in order to ensure its healthy development.

Note 1: Founded in 1946, LeighFisher is a global management consulting firm based in the United Kingdom. Its annual publication "Review of Airport Charges" is widely quoted and referenced in related studies worldwide.

Note 2: Airport charges include landing charge, parking charge, airbridge charge and terminal building charge.

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