

LCQ4: Regulation of travel agents and tourist guides

Following is a question by the Hon Wong Ting-kwong and a reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (March 20):

Question:

Some members of the tourism industry have pointed out that while the Government has been actively developing the tourism industry, travel agents vary in standard, and a number of incidents detrimental to the interests and reputation of the tourism industry have occurred in recent years. In this connection, will the Government inform this Council:

(a) whether it knows the number of complaints received from tourists by the Travel Industry Council of Hong Kong (TICHK) against travel agents and tourist guides in the past three years, together with a breakdown by the content of such complaints (e.g. coerced shopping, and itineraries not matching the descriptions); the number of such complaints in which the travel agents or tourist guides who had breached the rules were penalised, together with a breakdown by the penalty imposed;

(b) whether the Government and TICHK have reviewed the effectiveness of the 10 enhanced regulatory measures introduced in 2011 (including the Demerit Point System); if they have, of the review results; if not, the reasons for that; and

(c) given that an independent Travel Industry Authority is expected to be established in 2014 at the earliest, how the authorities will enhance their regulatory work before the Authority is established; given that inbound mainland tours are in general received jointly by the travel agents of Hong Kong and those of the Mainland, whether the authorities will further liaise and collaborate with the relevant mainland authorities to enhance the regulation of travel agents in the two places; if they will, of the details; if not, the reasons for that?

Reply

President,

Tourism is an important pillar of Hong Kong's economy. The Government all along

attaches great importance to the healthy operation and development of the tourism industry in Hong Kong. Currently, the Travel Industry Council of Hong Kong (TIC) is responsible for trade self-regulation, including the promulgation of codes of conduct and directives, as well as putting in place a disciplinary mechanism to handle cases of non-compliance by its member travel agents. On the other hand, the Travel Agents Registry (TAR) under the Tourism Commission (TC) is responsible for issuing travel agents' licences and related work, including monitoring the financial position of travel agents under the Travel Agents Ordinance (TAO) (Cap 218).

My reply to the question raised by Member is as follows:

(a) In the 53 complaint items involving travel agents received by the TIC in 2010, 22 items were related to itinerary arrangements; nine related to accommodation arrangements; three related to meal or transportation arrangements; and 19 related to other matters. Among the 52 complaint items received in 2011, 18 items were related to itinerary arrangements; four related to accommodation arrangements; 15 items related to meal or transportation arrangements; and 15 related to other matters. Among the 44 complaint items received in 2012, 11 items were related to itinerary arrangements; 21 related to accommodation arrangements; seven related to meal or transportation arrangements; and five related to other matters.

For cases involving tourist guides, among the 145 complaint items received in 2010, 64 items were related to the service attitude of tourist guides; 72 related to shopping arrangements; and nine related to other matters. Among the 99 complaint items received in 2011, 40 items were related to the service attitude of tourist guides; 54 related to shopping arrangements; and five related to other matters. Among the 148 complaint items received in 2012, 25 items were related to the service attitude of tourist guides; 113 related to shopping arrangements; and 10 items related to other matters.

In the past three years, there were respectively 53, 103 and 94 cases in which travel agents were penalised by the TIC. Among the 53 cases in 2010, the TIC issued warning letters in four cases; imposed fines in 48 cases; and suspended membership with imposition of fines in one case. Among the 103 cases in 2011, the TIC imposed fines in all cases, among which 26 cases also involved recording demerit points. Among the 94 cases in 2012, the TIC imposed fines in all cases, among which 40 cases also involved recording demerit points.

In the past three years, there were respectively 55, 26 and 23 cases in which tourist

guides were penalised by the TIC. Among the 55 cases in 2010, 33 tourist guides were given letters of advice; 10 given warning letters; and 13 whose Tourist Guide Passes (TGP) were suspended. Among the 26 cases in 2011, 18 tourist guides were given letters of advice; seven given warning letters, among whom two were also recorded demerit points; and one whose TGP was suspended. Among the 23 cases in 2012, six tourist guides were given letters of advice, among whom one was also recorded demerit points; 14 given warning letters, among whom six were also recorded demerit points; and three whose TGPs were suspended, among whom all were also recorded demerit points.

(b) The TIC implemented 10 measures in February 2011 to improve the operation of Mainland inbound tours and to enhance the protection of Mainland travellers' rights. The measures include strengthening the mechanism for information reporting, promoting the consumer rights of Mainland inbound travellers; stepping up inspection, etc. Since the implementation of the 10 measures, complaints received by the TIC from Mainland inbound group tour members in 2011 (260 cases) substantially reduced by nearly 30% compared to that in 2010 (360 cases). The number of complaints remained stable in 2012 (266 cases).

The TIC's "Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours" will meet soon to explore measures for strengthening the regulation of Mainland inbound tours. The Commissioner for Tourism will join the meeting. In view of the recent "3A Holidays" incident, we have formally requested the TIC to study thoroughly how to strengthen the 10 measures for regulation of Mainland inbound tours, including strengthening the regulation on accommodation arrangements for inbound tours and conducting random checks on tour confirmation agreements, etc.

(c) The Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the TIC and the TAR. Targets of regulation include travel agents, tour escorts and tourist guides. In the past year, we have been actively carrying out preparation work for the establishment of the TIA. We plan to report progress to the Legislative Council Panel on Economic Development in mid-2013. We expect that the draft legislation for the establishment of the TIA could be introduced into the Legislative Council around mid-2014.

The TAO and the current regulatory regime will remain in force until the establishment of the TIA, and the TIC will continue to regulate and penalise any

non-compliance of travel agents. During the transition period, the TIC will continue to handle non-compliance cases in a serious manner and the TAR will step up its surveillance work to ensure the normal operation of the industry.

On co-operation with the Mainland, the Government all along maintains close co-operation with the China National Tourism Administration (CNTA) and other regional tourism authorities. In July 2010, the Government and CNTA reached consensus in five areas concerning strengthening regulation of the market for Mainland tour groups visiting Hong Kong. Both sides agreed to study jointly on the regulation of the order of the Mainland to Hong Kong market, enhancement of the transparency of tourists' rights, etc. In early 2011, the TC jointly promulgated with the CNTA a document to prescribe the key points that must be included in the contract between Mainland travel agents organising group tours and the Hong Kong travel agents receiving the groups. Before commissioning Hong Kong travel agents to receive Mainland group tours, Mainland travel agents are required to prepare commissioning contracts which must contain the said key points. As mentioned above, the TIC will study how to strengthen the regulation of Mainland inbound tours. After the TIC has ironed out details of the new measures, we will liaise with the CNTA and solicit co-operation from related tourism authorities.

Taking the "3A Holidays" incident as an example, for serious incidents, the Government would exchange information with the CNTA. After being notified of the incident, the Mainland tourism authorities followed up promptly and conveyed initial findings to us within a short time span to facilitate the investigation in Hong Kong.

We will continue to maintain close co-operation with the Mainland tourism authorities to further enhance tourism service quality, and will closely monitor the implementation and effectiveness of the various measures.

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