Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Yiu Si-wing in the Legislative Council today (March 19):

Question:

According to the Assessment Report on Hong Kong's Capacity to Receive Tourists released by the Commerce and Economic Development Bureau in December last year, shopping accounted for 76 per cent of the spending of Individual Visit Scheme (IVS) visitors in 2012. Some members of the public have pointed out that, in the districts along the MTR East Rail Line, quite a number of shops serving local residents have been replaced by shops targeting at mainland visitors, thus affecting the daily lives of local residents. The conflicts between Hong Kong and mainland residents are deepening, which has resulted in the recent harassment of mainland visitors by some local residents in the vicinity of Canton Road, Tsim Sha Tsui, thus tarnishing the image of Hong Kong as a civilised metropolis. In this connection, will the Government inform this Council:

- (1) whether it has conducted any assessment to identify the major shopping districts frequented by those mainland visitors coming to Hong Kong to buy daily necessities or carry out parallel trading activities; if it has, of the details; if not, the reasons for that;
- (2) whether it has assessed the positive and negative impacts on the economy, employment situation and people's livelihood of the districts mentioned in (1) brought about by mainlanders visiting Hong Kong for shopping; if it has, of the details; if not, the reasons for that; and
- (3) whether it has compiled statistics on the current numbers of mainland visitors and Hong Kong residents engaged in parallel trading activities; whether it has formulated long-term measures to divert mainland visitors to shop in more districts and mitigate the impacts of parallel trading activities on the daily lives of Hong Kong residents; if it has, of the details; if not, the reasons for that?

Reply:

President,

In response to the public concern about the impact of the continuous growth in visitor arrivals on the livelihood of the community, the HKSAR Government has comprehensively assessed Hong Kong's capacity to receive tourists. The areas taken into account include the handling capacity of control points, capacity of tourism attractions, receiving capacity of hotels, carrying capacity of public transport network, impact on the livelihood of the community, and economic impact, etc. The Assessment Report on Hong Kong's Capacity to Receive Tourists (Assessment Report) was completed at the end of last year.

The HKSAR Government understands the situation in individual popular tourist areas and has collectively reflected it in the Assessment Report. We will strengthen promotion of attractions in different districts in Hong Kong so as to offer more choices to visitors and to help alleviate congestion at traditionally popular areas.

Apart from promoting major tourist attractions to visitors, the Tourism Commission, in collaboration with the Hong Kong Tourism Board (HKTB), also encourages visitors to explore, visit and spend in different districts, so as to broaden the overall economic benefits brought about by the tourism industry to Hong Kong. In recent years, the HKTB has made use of different channels, including the Internet, social media, smartphone applications with augmented reality technology, pamphlets, etc., to promote a number of themed routes bundling various attractions in different districts. Examples include "Travel Through Time" of Central and Sheung Wan, "Evolvement of a Fishing Village" of Shau Kei Wan, "A Popular Temple and a City Transformed" of Wong Tai Sin and Kowloon City, Yuen Long Ping Shan Heritage Trail, Fanling Lung Yeuk Tau Heritage Trail, etc.

To better utilise the tourism resources of each district and to encourage visitors to gain an in-depth and comprehensive understanding of the specialties and local living culture of various districts, the HKTB will strengthen the promotion of attractions in different districts in 2014-15, including setting up a dedicated webpage in a progressive manner to showcase various tourism offerings in the 18 districts. The webpage will feature unique historical attractions and buildings, living culture, dining delights, themed shopping streets and specialty markets, etc., so as to offer more choices to visitors.

The HKTB will also continue to encourage the travel trade to develop new and attractive themed tours taking visitors to explore and spend at different districts through the New Tour Product Development Scheme (the Scheme). As at the end of 2013, the Scheme has subsidised 12 themed tours, including the "Sham Shui Po Foodie Tour" which takes visitors on a local culinary journey, the "Six Senses Heritage Experience"

which features a cycling tour in Yuen Long and a big bowl feast in the walled village. In 2014-15, the HKTB will continue to run the Scheme and encourage the travel trade to unleash their creativity and utilise the tourism resources of different districts.

We consider that the suggestion of developing a shopping centre at the border area is worth considering. If the proposal could be materialised, it might help divert visitors in the short term and provide job opportunities to residents of the existing and planned new towns in the New Territories in the long run. In fact, we have recently received a proposal on the development of a shopping centre at the Lok Ma Chau border area. Since the majority of the area involved in the proposal is private land, it would probably involve a prolonged period of time and a substantial amount of public funds should the Government take forward the proposed development by way of resumption of land. We believe that it will be more efficient if the land owners could co-ordinate with other market stakeholders in pursuing the future development of the area concerned having regard to the commercial potential of the area. We will be glad to co-ordinate with the government departments concerned to provide necessary information and assistance to the project proponent.

The HKSAR Government does not maintain statistics on the number of Mainland and Hong Kong parallel traders. Nevertheless, the Immigration Department (ImmD) has established a watch list of suspected parallel traders and will conduct immigration examination of them and, if their purposes of visits are in doubt, consider refusing their entry and repatriating them to the Mainland immediately. As at end February 2014, the ImmD has included information of more than 8 700 suspected parallel traders in the watch list and refused entry of some 14 200 persons.

The HKSAR Government is very concerned about the nuisance of parallel trading activities caused to the daily lives of residents. Since September 2012, relevant law enforcement agencies have implemented a series of measures to improve order at train stations and boundary control points, as well as to protect the daily lives of our community. The HKSAR Government will continue to take targeted measures, including intelligence collection and exchange, joint operations, immigration control, etc., as well as enhancing co-operation with relevant Mainland authorities to combat parallel trading activities.

Ends/Wednesday, March 19, 2014 Issued at HKT 11:00