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Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Wong Ting-kwong in the Legislative Council today (May 28):

## Question:

A Research Brief on Individual Visit Scheme (IVS) released by the Legislative Council Secretariat in May this year points out that while IVS has brought economic benefits to Hong Kong, it has aroused public concern over the impacts of the continuous growth in mainland visitors to Hong Kong on the local community (e.g. the supply of daily necessities and usage of the public transport system and public facilities/amenities). The Brief suggests that the Government should take the "social carrying capacity" as one of the considerations in determining the tourism carrying capacity. In addition, it has been reported that the Chairman of the Standing Committee of the National People's Congress, who is also the head of the Hong Kong and Macao Work Coordination Group, has earlier asked the Hong Kong and Macao Affairs Office of the State Council and the China National Tourism Administration to look into and study Hong Kong's capacity to receive mainland visitors, and to practically collaborate with the Hong Kong SAR Government in coming up with corresponding measures. In this connection, will the Government inform this Council:

- (1) whether it will assess afresh the carrying capacity, in particular the social carrying capacity, of Hong Kong's tourism; if it will, of the details; if not, the reasons for that;
- (2) as it has been reported that the Secretary for Commerce and Economic Development has recently indicated that the authorities are communicating with the Central Authorities about the number and the composition of mainland visitors to Hong Kong, with a view to coming up with proposals that can benefit the Hong Kong economy but lessen the impact on people's livelihood, of the progress of the work, and the expected time to announce the specific outcome; and
- (3) as the data from the Hong Kong Tourism Board reveal that the proportion of "same-day" visitors among IVS visitors increased substantially from 27.6 per cent in 2004 to 64.9 per cent in 2013, and their main purpose of visiting Hong Kong was shopping, of the measures put in place by the authorities to divert such visitors from shopping areas to other areas, so as to alleviate the pressure brought about by their

shopping activities on the public facilities and malls in shopping areas, as well as on the public transport systems connecting those areas?

Reply:

President,

The HKSAR Government is aware of the public concerns about the impact of continuous growth in visitor arrivals on the livelihood of the community. In September 2012, the Chief Executive announced that the relevant Mainland authorities would liaise and work closely with the HKSAR Government to ascertain the receiving capacity of Hong Kong before considering implementing multiple-entry Individual Visit Endorsements for non-permanent residents of Shenzhen, and arranging the orderly issuance of exit endorsements for non-permanent residents in six cities. The HKSAR Government completed the assessment on Hong Kong's capacity to receive tourists at the end of last year, and is adopting a three-pronged approach along the recommendations in the Assessment Report, including continuous enhancement of our capacity to receive tourists; developing specialised tourism clusters to attract high value-added visitor segments to visit Hong Kong; and strengthening promotion of tourist attractions in different districts to alleviate congestion at traditionally popular tourist areas, with a view to facilitating the long-term and stable development of our tourism industry.

Taking into account the community's continued concerns about Hong Kong's capacity to receive tourists, the Chief Executive said in April this year that the HKSAR Government is looking into means to adjust the growth in visitor arrivals and the composition of visitors. The study is still in the progress. We will announce the outcome as soon as possible upon liaison with the Central Government and relevant Mainland authorities. Our major premise is to ensure the stable and orderly development of the tourism industry, and at the same time minimise as far as possible the inconvenience caused by the increasing visitor arrivals to local residents, with a view to striking a balance between the impact of the tourism industry on Hong Kong's economy and the livelihood of the community.

As regards the means to divert visitors who mainly come for shopping, we notice that there has been a suggestion of developing a shopping centre at the border area. We consider such suggestion 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. We have earlier received a proposal on the development of a shopping centre at the Lok Ma Chau border area. Since the area involved in the proposal is primarily private land, it may not meet the statutory requirement of resuming land for a public purpose should the Government take forward the private business development by way of land resumption. Land resumption would also involve a substantial amount of public funds and a prolonged period of time. 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.

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