

LCQ18: Regulation of tourism industry

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (November 4):

Question:

It is learnt that zero-fare, low-fare or even negative-fare shopping tours from the Mainland have given rise to quite a number of problems. In 2010, a female local tourist guide hurled abuses at her mainland tour group members on a tourist coach because she was dissatisfied that they had done little shopping, and a mainland tourist died of heart attack after quarrelling with his tourist guide over the issue of shopping. Subsequent to those incidents, recently a mainland tourist was allegedly beaten to death after a quarrel when he was taken to a shop for shopping. Quite a number of members of the tourism industry have relayed that the inbound tourism industry of Hong Kong is plagued with many problems, including inadequate regulation, the source of tourists being too concentrated, the lack of new tourist attractions, the operation of unlicensed guesthouses remaining unchecked despite sustained law enforcement actions, etc. Although the authorities have announced that a Travel Industry Authority will be established, they have not provided any work schedule so far. In this connection, will the Government inform this Council:

(1) whether it has assessed the magnitude of the negative impacts on the tourism industry of Hong Kong caused by the recent incident in which a tourist died after being attacked, which had been reported and exaggerated on the Internet; of the authorities' corresponding measures to alleviate those impacts and make remedies;

(2) as tourist attractions and spots in Hong Kong highlighting a mix of Chinese and western cultures or arousing nostalgic sentiments are gradually disappearing, and the annual government subvention provided to the Hong Kong Tourism Board (HKTb) for its operation and promotion of tourism has been ever increasing (with the current financial year's estimated expenditure standing at \$747.9 million), whether the Government has considered reallocating part of the subvention in future for protecting and preserving tourist attractions, so as to enhance their attractiveness to tourists; and

(3) whether it will consider afresh the proposal put forth by me in 2009 on the establishment of a dedicated policy bureau, i.e. the Tourism Bureau, to take charge of

all tourism affairs, so as to consolidate the government departments and non-governmental organisations responsible for planning, regulating and promoting tourism as well as handling other tourism affairs, and on entrusting the Tourism Bureau with the responsibility of formulating and implementing tourism-related policies; if it will, of the details; if not, the reasons for that?

Reply:

President,

The HKSAR Government attaches great importance to this unfortunate incident involving the death of a tourist. The Police is investigating the incident and the Tourism Commission (TC) has also requested the Travel Industry Council of Hong Kong (TIC) to investigate whether the incident involved any breach of the TIC's rules.

Our replies to the questions raised by the Hon Paul Tse are as follows:

(1) This unfortunate incident has inevitably affected the tourism industry, in particular when the tourism industry in Hong Kong is currently facing a number of challenges. We therefore appeal to the travel trade to be self-disciplined. At the same time, we should try our best to prevent this individual incident from damaging Hong Kong's image as a tourism city. After the incident, the Hong Kong Tourism Board (HKTB) has immediately issued positive messages through the influential media in the Mainland (including online and social media such as WeChat, Weibo, etc) to restore Mainland travellers' confidence in Hong Kong. In the long run, we will review this incident, and, in collaboration with the China National Tourism Administration and the TIC, continue to closely monitor the operation of Mainland inbound tour groups, and will study if there are any feasible measures which may be introduced to further strengthen regulation.

(2) The objective of the annual subvention from the Government to the HKTB is to promote inbound tourism so the tourism sector may continue to contribute towards Hong Kong's economic development. The major duties of the HKTB include launching promotion activities in 20 visitor source markets with a view to achieving a diverse visitor portfolio, drawing overnight visitors and reinforcing Hong Kong's international position and image as "Asia's World City"; promoting Hong Kong's unique and diverse tourism experience on all fronts by digital marketing, public relations activities and consumer fairs so as to enhance visitors' desire to travel to Hong

Kong; and organising and promoting mega events in Hong Kong to strengthen the city's image as the events capital of Asia. The Government will continue to support the promotion work carried out by the HKTB.

The Government strives to protect, conserve and revitalise as appropriate historical and heritage sites and buildings through relevant and sustainable approaches. In order to actively enhance Hong Kong's attractiveness in different aspects and to bring more diversified experience for tourists, leveraging revitalised historical buildings in the development of cultural and creative tourism has been one of our important directions for strategic development. In recent years, newly developed tourist attractions under this strategy include PMQ, the creative industries landmark transformed from the former Police Married Quarters on Hollywood Road, as well as revitalised historic buildings such as YHA Mei Ho House Youth Hostel, Jao Tsung-I Academy (the former Lai Chi Kok Hospital), etc, which are conserved and revitalised under Development Bureau's "Revitalising Historic Buildings Through Partnership Scheme". In addition, the Central Police Station Compound, which is now under revitalisation, is due to open to the public by the end of next year. The building at the site originally known as "Hung Shing Yi Hok" will also be revitalised into the Tai Hang Fire Dragon Heritage Centre, which is expected to commence operation in 2019.

At the same time, for strengthening the promotion of the city's offerings in cultural and creative tourism, the HKTB launches extensive promotion through various channels, including its website, mobile applications, social media platforms and visitor centres, for actively promoting to overseas visitors the four traditional festivals which are included in the third national list of intangible cultural heritage, namely Yu Lan Festival, Cheung Chau Bun Festival, Tai O Dragon Boat Water Parade and Tai Hang Fire Dragon Dance. On the promotion of Hong Kong's local culture, the HKTB has launched the "New Tour Product Development Scheme" (the Scheme) to encourage the travel trade to develop new tourism products by partly subsidising the marketing costs. Included are new themed tours which showcase the local living culture, for instance, "Sham Shui Po Foodie Tour" which escorts visitors to sample the local culinary delights, and "Hand Made in Hong Kong" which presents the traditional craftsmanship of Hong Kong. The HKTB will continue to run the Scheme, encouraging the trade to capitalise on their creativity and to optimise the use of tourism resources in different districts.

(3) Over the years, the framework involving tourism policies, promotion and regulation in Hong Kong has evolved in the light of market trends and consensus between the

industry and the community. Currently, the TC of the Commerce and Economic Development Bureau is tasked with formulating strategies for tourism development, allocating resources to implement various tourism initiatives, as well as co-ordinating with different parties, including relevant Government departments, the TIC and the HKTB in pushing ahead the various work on tourism development. As the formulation of tourism policies and planning involves the purviews of different policy bureaux and the interests of various stakeholders, it is more efficient to be handled by the Government. As for tourism promotion, the HKTB, being a statutory body responsible for handling frontline promotion, can deal with the promotion work more flexibly, which is conducive to the timely adjustment of its strategies in response to the latest market situation.

As regards the regulatory framework, the market development and mode of operation of the tourism sector have been evolving in recent years. For the sustainable and healthy development of the tourism industry in Hong Kong, the Government, after public consultation and careful consideration of various views received, including the independence and credibility of the regulatory body, participation of trade members, regulatory effectiveness, etc., announced that an independent statutory body, the Travel Industry Authority (TIA), would be established to take over the licensing and regulatory functions of the Travel Agents Registry and TIC. The targets of regulation will include travel agents, tour escorts and tourist guides. The Government is pressing ahead with the drafting work for the new legislation for the establishment of the TIA and implementation of a new regulatory framework, with a view to introducing the bill to the Legislative Council as soon as possible.

The TC has all along maintained close liaison and collaboration with the HKTB as well as related organisations in the tourism sector on tourism development and promotion. The TC will continue to co-ordinate the efforts of all parties concerned to take forward the various work on tourism development.

Ends/Wednesday, November 4, 2015

Issued at HKT 12:30