

LCQ9: Regulation of inbound mainland tour groups

\*\*\*\*\*

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (November 11):

Question:

The number of mainland visitors to Hong Kong has shown a downward trend in recent days. While the Government and members of the tourism industry are exploring ways to attract more visitors to Hong Kong, an incident has occurred recently in which a mainland visitor died after he had allegedly been attacked during a row over shopping issues. It has been reported that some mainland travel agencies have arranged people to disguise as tourists and join the tour groups organised by them (commonly called shadow tour group members). In order to earn commissions, such people coerce other tour group members into shopping in Hong Kong by way of persuasion or even by force. Since these shadow tour group members appear to be unrelated to the mainland travel agencies concerned, it is difficult for the mainland authorities to regulate their acts. Some members of the tourism industry have relayed to me that inbound mainland tour groups (IMTGs) at low prices as well as arranged shopping tours have brought about quite a number of problems in recent years. Apart from repeated incidents of confrontations between tour group members and tour guides arising from forced shopping, nuisances were also caused by such groups to residents in the vicinity of shopping spots, arousing strong dissatisfaction among the residents. Such situations not only tarnish Hong Kong's hospitable image and the reputation of the tourism industry, but also undermine mainland visitors' confidence in travelling to Hong Kong. In this connection, will the Government inform this Council:

(1) of the number of complaints received by the authorities in each of the past three years lodged by IMTG members, and among such complaints, the respective numbers of those involving forced shopping and those in which tour group members discovered after shopping at designated shops that the goods they bought did not match the descriptions;

(2) whether it will, in collaboration with the China National Tourism Administration, explore measures to deal with the problem of shadow tour group members, including (i) suggesting the Mainland to make reference to the Tourist Guide Accreditation System in Hong Kong and require mainland travel agencies to register with the mainland authorities the particulars of their tour escorts before departure of the tour groups concerned, and (ii) forwarding the name list of those IMTG members who are the subjects of complaints to the

mainland authorities for follow-up, as well as considering restricting them from re-entering Hong Kong; if it will, of the details; if not, the reasons for that;

(3) given that some members of the tourism industry have relayed that while the Tourism Law was introduced by the mainland authorities in 2013, with a view to curbing the irregularities of the tourism industry by means of suspension of business, heavy punishment, etc., the effectiveness of such legislation has gradually weakened in the light of the latest business situation of the industry, whether the Government will discuss with the mainland authorities ways to step up efforts in combating IMTGs at low prices; if it will, of the details; if not, the reasons for that;

(4) whether it will explore taking measures from the perspective of consumer rights to combat arranged shopping tours, including deploying more police officers as well as customs and excise officers to patrol outside designated shops in order to enhance the deterrent effects; if it will, of the details; if not, the reasons for that;

(5) of the number of complaints received by the authorities in each of the past three years about nuisances caused by IMTGs to local residents, as well as the details of such nuisances, with a breakdown by District Council district; of the authorities' measures to follow up such complaints; and

(6) as members of the public hope that the Government will establish a Travel Industry Authority expeditiously in order to enhance the monitoring over IMTGs and the Government has indicated in the 2015 Policy Agenda that it will strive to pass the legislation for the establishment of the Authority before the end of the current term of the Legislative Council, of the current progress of the work on drafting the relevant bill; when the relevant bill is expected to be introduced into this Council?

Reply:

President,

The HKSAR Government attaches great importance to the unfortunate incident involving the death of a tourist last month. After the incident, the Police has swiftly conducted investigation and arrested several persons involved in the case. The investigation work is still underway. At the same time, 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. In response to this incident, the HKSAR Government

announced last week several measures to strengthen the regulation of Mainland inbound tour groups with a view to minimising the problems arising from zero/negative tour fares and coerced shopping through a multi-pronged approach.

Our replies to the questions raised by Hon Starry Lee are as follows:

(1) The number of complaints that the TIC received from Mainland inbound tour group travellers in the past three years is shown in Appendix I:

(2) In order to combat the recent problem of "shadow tour group members", we have requested the TIC to implement additional regulatory measures as soon as possible, which include requesting the receiving agents in Hong Kong, when registering Mainland inbound tour groups with the TIC, to provide the name lists of tour group members (including the name of the tour escort) in advance for TIC's inspection if the tour itinerary includes visits to registered shops. During the inspection process, if the TIC finds that the name of any Mainland travellers appears repeatedly in the name lists of different tour groups within a short period of time, there will be a reason to suspect those travellers are "shadow tour group members" who have been arranged to infiltrate in tour groups to force travellers to make purchases. Based on this, the TIC will inform relevant tourism authorities in the Mainland so as to enable the Mainland authorities to follow up as appropriate. In addition, if the TIC receives complaints from tour group members, it may assist in informing the relevant organisations in the Mainland for identity verification.

(3) The HKSAR Government has all along maintained close liaison with the China National Tourism Administration (CNTA) on regulation of the tourism markets in both places, and regularly provides updates of the situation of the tourism industry in Hong Kong to the CNTA. The Mainland authorities have also been supportive of our regulatory work. The TC and TIC will inform the CNTA of the suspected non-compliance cases in Hong Kong so as to facilitate its investigation and follow-up with regard to the relevant Mainland organising agents. In response to this incident, the Commerce and Economic Development Bureau, to be joined by the TIC, will have a meeting with the CNTA in Beijing today (November 11) to discuss the feasible measures to strengthen regulation of the tourism markets in both places.

(4) We attach great importance to the protection of travellers' consumer rights. The TIC has regulations prohibiting travel agents and tourist guides from compelling or misleading travellers in any way to make purchases, or forcing travellers to remain in registered shops. In addition, travel agents must register the information of those shops with the TIC in

advance before arranging tour group members to patronise any designated shops. Registered shops have to undertake a number of pledges with the TIC, including complying with the requirements of the "Refund Protection Scheme (Registered Shops) for Inbound Tour Group Shoppers" (Refund Protection Scheme). According to the Refund Protection Scheme, if Mainland tourists are dissatisfied with the purchases, and the purchased items are undamaged and without wear and tear because of usage, they may be fully refunded if the request for refund is made within six months after purchase and with original receipt. If a registered shop breaches the pledges, the TIC may, depending on the circumstances, penalise the shop concerned including revocation of its registration.

On the other hand, the Trade Descriptions Ordinance (TDO) prohibits common unfair trade practices deployed by traders against consumers, including aggressive commercial practices. The Customs and Excise Department (C&ED), as the principal enforcement agency, adopts a strategy covering compliance promotion, law enforcement and public education. For the tourism sector, C&ED organises seminars on the requirements under the TDO from time to time, and maintains a close liaison with the trade and the TIC. In addition, C&ED proactively handles enquiries and complaints from locals and tourists, and conducts patrols and promotional activities in the market.

C&ED also conducts patrols at registered shops in various districts where many registered shops are located, namely Hung Hom, To Kwa Wan, Tsim Sha Tsui, Kwun Tong and Kowloon Bay, Tai Kok Tsui and Lai Chi Kok, in order to combat any practices violating the TDO by those shops. We have also requested the TIC to strengthen spot checks on Mainland inbound tour groups. We trust that this will help to combat the problems of coerced shopping which involves unfair trade practices, and protect consumer rights.

Apart from law enforcement, we wish to achieve prevention of unfair trade practices. To this end, C&ED will set up a scheme on honest shopping and invite relevant shops to participate, with a view to promoting self-discipline in the market for prevention of any law-contravening acts.

(5) The number of complaints concerning nuisances caused by Mainland inbound tour groups that the TC received in the past three years is shown in Appendix II:

The Food and Environmental Hygiene Department (FEHD), Transport Department (TD) and the Hong Kong Police Force (Police) do not maintain statistics on the breakdown of complaints involving Mainland tour groups.

The TC maintains liaison with the tourism sector and relevant departments on complaints concerning nuisances caused by Mainland tour groups. Regarding the problem of traffic congestion, the Police and relevant departments take law enforcement actions in response to violation situations so as to alleviate the problem. The TC has all along maintained close liaison with the TIC on the traffic conditions of tourist attractions in various districts. The TIC has from time to time issued circulars to its members urging travel agents to ensure that tour coaches comply with traffic rules when going to tourist attractions, and to make adjustment to the itineraries having regard to the traffic conditions, so as to avoid overloading the traffic flow in the vicinity of the tourist attractions and to minimise the inconvenience caused to other road users. In addition, we also liaise with the trade through the TIC on strengthening maintenance of order at the spot and helping to manage the traffic flow.

On illegal parking of coaches, TD has been closely monitoring the demand and supply for coach parking spaces in various districts of Hong Kong. Over the years, TD has been working with the TC in providing additional pick-up and drop-off spaces as well as parking spaces at appropriate locations (including tourist and shopping hotspots) for coaches, as long as road safety and other road users are not affected. TD also provides parking spaces for coaches through short-term tenancy car parks and the Government will also request developers to provide appropriate number of parking spaces for coaches in suitable new developments.

To improve the coach parking facilities in tourist hotspots, TD has set up a new metered parking site for coaches in Hoi Yue Street, North Point in end September 2015 which provides about 30 coach parking spaces. In addition, the Highways Department is carrying out works to extend the existing coach layby at Salisbury Road, Tsim Sha Tsui to provide three additional coach parking spaces. The works are expected to complete by end December 2015.

As for environmental hygiene problems, FEHD will keep a close watch on the situation of environmental hygiene at street levels, and will make arrangements for the cleansing contractors to provide daily street cleansing services as well as wash the streets on a regular basis. If tourists are found to have been gathering on the streets frequently causing environmental hygiene problems, FEHD will distribute leaflets to tour escorts, thereby advising tourists that littering and spitting in public places are not allowed and that those who have committed the offences will be prosecuted. At the same time, FEHD will, as appropriate, provide additional litter bins at suitable locations and put up notices at conspicuous places to remind the public not to litter. FEHD officers will also be deployed

to conduct blitz inspections at locations of concern from time to time. Enforcement actions will be taken against persons found to have contravened cleanliness regulations.

(6) The HKSAR Government all along attaches great importance to the healthy development of the tourism industry. On regulation of the operation of the tourism sector, the Government has announced that the Travel Industry Authority (TIA) would be established to take over the licensing and regulatory functions of the Travel Agents Registry and the TIC. The targets of regulation will include travel agents, tour escorts and tourist guides. In the past two years, the Government continued to have active discussion with the trade concerning the proposals of detailed arrangements under the legislation and the future role of the TIC. During the process, we had to make necessary amendments to the original proposals having regard to the trade's views. Such work has taken considerable time. We are pressing ahead with the drafting work of the new legislation for the establishment of the TIA and implementation of a new regulatory framework, and the time required for drafting the legislation is longer than originally estimated. The TC will, in close collaboration with the Department of Justice, continue to drive for early completion of the drafting work of the legislation and introduction of the bill into the Legislative Council thereafter.

Ends/Wednesday, November 11, 2015

Issued at HKT 12:30