

LCQ8: Measures to combat unlicensed travel agents and tourist guides not holding any Tourist Guide Pass

Following is a question by the Hon Yiu Si-wing and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (May 25):

Question:

It has been reported that recently, over a thousand tourists who had joined Mainland inbound tour groups (Mainland groups) were coerced to shop in Hong Kong, which has seriously tarnished the reputation of Hong Kong's tourism industry. It has also been reported that the travel agents which received the Mainland groups concerned were operating without a licence, and the tourist guides involved did not hold any Tourist Guide Pass (Pass). On the other hand, some travel agents and tourist guides launched a non-cooperation movement early this year (i.e. travel agents refusing to display their licence numbers on tour coaches and tourist guides refusing to wear Passes on their chests). Some members of the tourism industry have pointed out that such acts have not only caused difficulties to the inspection of Mainland groups, but also created opportunities for unlicensed travel agents to receive Mainland groups in Hong Kong unlawfully. In this connection, will the Government inform this Council:

(1) whether the authorities have assessed if the non-cooperation movement has impacted on Mainland groups' visits to Hong Kong; if they have assessed and the outcome is in the affirmative, of the impact; if the assessment outcome is in the negative, the reasons for that;

(2) of the measures the authorities have in place to minimise the adverse impacts caused by the non-cooperation movement; and

(3) given that some people who are familiar with the operation of the tourism industry have pointed out that the operation of travel agent business without a licence, the provision of tourist guide services by tourist guides not holding any Pass, and tourist guides coercing Mainland group tourists to shop are still rampant at present, of the authorities' new measures to tackle such problems so as to safeguard the reputation of Hong Kong's tourism industry?

Reply:

President,

The tourism industry is a pillar industry of Hong Kong. The Government of the Hong Kong Special Administrative Region (HKSAR) all along attaches great importance to the long-term and healthy development of the tourism industry. Under the existing two-tier regulatory framework, the Travel Industry Council of Hong Kong (TIC) is responsible for trade self-regulation. Through promulgating codes of conduct and directives and putting in place a disciplinary mechanism, it regulates travel trade practitioners including travel agents and tourist guides. The Travel Agents Registry under the Tourism Commission is responsible for issuing travel agents' licences and the related work, including monitoring the financial position of travel agents, under the Travel Agents Ordinance (Cap. 218).

My reply to the various parts of the question raised by the Hon Yiu is as follows:

(1) and (2) The HKSAR Government is deeply concerned about the so-called "non-cooperation movement" launched by a handful of travel trade members early this year, and has been maintaining close liaison with the TIC and the trade on how to tackle the incident. Hong Kong's tourism industry is now in a consolidation period. The concerned people's acts of non-compliance with the TIC's regulations, including travel agents' refusal to display licence numbers on tour coaches, tourist guides' refusal to wear on their chests the Tourist Guide Passes issued by the TIC, etc., have indeed adversely affected the overall image of Hong Kong's tourism industry. They have caused Mainland tourists to lose confidence in the service quality of inbound tour groups and worry about the lack of protection of their consumer rights, thereby reducing their desire to visit Hong Kong. In fact, since the occurrence of the "non-cooperation movement", according to the information of the TIC, there were only 18 159 Mainland inbound tour groups registered with the TIC from January to April 2016, representing a considerable year-on-year decline of more than 50 per cent.

Both the HKSAR Government and the TIC firmly oppose any acts that disrupt the order of the tourism industry and stand resolute to tackle them. In response to the "non-cooperation movement", the Tourism Commission, the Police and the TIC conducted a joint operation in early-January this year to inspect if any person operated travel agent business illegally and violated the TIC's regulations. The conduct of relevant operations will continue from time to time to generate deterrent effect. The TIC has also stepped up spot checks on Mainland inbound tour groups and maintains liaison with the stakeholders of the trade to ensure the orderly operation of the Hong Kong tourism market. We would like to emphasise that the TIC is the only approved organisation designated by the HKSAR

Government under the Travel Agents Ordinance (Cap. 218).The HKSAR Government will, as always, fully support the TIC in steadfastly carrying out the regulatory work of the trade, and appeal to the trade for fully co-operating with TIC on its regulatory measures, joining hands in protecting the rights of tourists visiting Hong Kong and safeguarding the reputation of Hong Kong's tourism industry.

On the other hand, in order to restore the confidence of Mainland tourists in visiting Hong Kong, the HKSAR Government will, through the Hong Kong Tourism Board, continue to promote Hong Kong as a hospitable city through various channels in the Mainland, including digital and social media, public relations initiatives, etc., and step up the publicity for quality and honest tourism to rebuild tourists' confidence in Hong Kong.

(3) Unlicensed travel agent business is in breach of the Travel Agents Ordinance (Cap. 218).Any person who carries on business as a travel agent in Hong Kong without a licence commits an offence and is liable on conviction upon indictment to a fine of \$100,000 and to imprisonment for two years.The Travel Agents Registry will assess every suspected case of unlicensed travel agent business, and will refer those reasonably suspected cases to the Police for criminal investigation and render assistance to the Police.If the Police considers that there is sufficient evidence after the investigation, they will take prosecution action against the persons concerned.

In addition, the TIC has stipulated in its directives that all tourist guides assigned by travel agents to receive visitors to Hong Kong must have a valid Tourist Guide Pass issued by the TIC.Travel agents which assign tourist guides whose Tourist Guide Passes have expired or were suspended, or tourist guides who did not have Tourist Guide Passes, to receive visitors to Hong Kong will be penalised under the disciplinary mechanism of the TIC, such as being fined and given demerit points.The TIC will verify if travel agents have observed the directives concerned when conducting spot checks on inbound tour groups and handle seriously any suspected non-compliance cases found.

As regards combating the problem of coerced shopping involving Mainland tourists, the HKSAR Government announced in early-November 2015 various measures to strengthen the regulation of Mainland inbound tour groups with a view to protecting the consumer rights of tourists to Hong Kong.These measures include requiring travel agents to submit contracts to the TIC within two days after the TIC's issue of a contract submission notice, providing regularly to the Mainland tourism authorities information on the average costs of the local travel agents for receiving Mainland inbound tour groups, strengthening co-operation with the Mainland tourism authorities, encouraging the organisation of

"Quality and Honest Hong Kong Tours", etc. The HKSAR Government will continue to work closely with the TIC and relevant law enforcement agencies in implementing the measures concerned and will review them in a timely manner with a view to curbing the problems arising from zero/negative tour fares and coerced shopping.

The HKSAR Government also maintains close liaison with the China National Tourism Administration (CNTA) on the regulation of the tourism markets in both places, and provides the CNTA with regular updates on Hong Kong's tourism industry. The Mainland authorities have all along been supportive of the regulatory work of the HKSAR Government. The Tourism Commission and the TIC will inform the CNTA of suspected non-compliance cases in Hong Kong so as to facilitate its investigation and follow-up with regard to the Mainland organising agents concerned.

Furthermore, the HKSAR Government is pressing ahead with drafting the new legislation for the establishment of the Travel Industry Authority (TIA) and implementing the new regulatory framework of the tourism sector. The TIA will take over the current regulatory and licensing functions of the TIC and the Travel Agents Registry. The targets of regulation will include travel agents, tourist guides and tour escorts. We expect that the bill will be introduced into the Legislative Council within the current term of the Government.

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