

LCQ11: 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 Edward Yau, in the Legislative Council today (November 1):

Question:

It has been reported that Hong Kong is one of the popular tourist destinations for Mainland residents. In the preceding "National Day Golden Week" alone, the number of inbound Mainland tour groups (IMTGs) doubled as compared with that of the same period of last year. In order to combat problems such as zero-fare IMTGs and forced shopping, the Mainland authorities introduced the Tourism Law in 2013, with a view to curbing the irregularities in the tourism industry. However, some members of the industry have pointed out that the effectiveness of such legislation has gradually weakened following the changes in the business situation of the tourism industry, and there are signs of resurgence of activities involving IMTGs at low fares and with arranged shopping. In addition, given the low tour fares of these IMTGs, arrangements are normally made to send tour group members to have meals and shop at designated restaurants and shops located in such districts as To Kwa Wan, Hung Hom, North Point and Aberdeen. As a result, there are a large number of coaches parking and picking up/dropping off tourists in those districts, causing serious traffic congestion and affecting the daily lives of the residents there. In this connection, will the Government inform this Council:

(1) of the number of complaints received from IMTG members by the authorities in each of the past three years, and among such complaints, the 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; of the numbers of investigations conducted and law enforcement actions taken in respect of such complaints;

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

(3) whether it will discuss with the Mainland authorities ways to step up efforts in combating IMTGs at low fares; if so, of the details; if not, the reasons for that;

(4) of the number of complaints received by the authorities in each of the past three years about IMTGs causing nuisances 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;

(5) whether it has assessed if the tourism supporting facilities in the aforesaid districts are sufficient to meet the demand in the coming three years; if so, of the details; if not, the reasons for that; and

(6) whether it will study the introduction of a demerit point system by way of legislation under which travel agents will be given demerit points if complaints against them about causing nuisances to a district have been found substantiated, and travel agents who have incurred full points will have their licences suspended?

Reply:

President,

The Government all along attaches great importance to the balanced, healthy and sustainable development of the tourism industry, and strives to balance the impact of the industry on Hong Kong's economy and the livelihood of our community. With the relevant bureaux and departments consulted, our consolidated reply to the question raised by the Hon Starry Lee is as follows.

(1) The numbers of complaints received by the Travel Industry Council of Hong Kong (TIC) from visitors of inbound tour groups from the Mainland and follow-up by TIC in the past three years are shown in Appendix I.

(2) The Government attaches great importance to the protection of travellers' consumer rights. TIC has regulations prohibiting travel agents and tourist guides from compelling or misleading visitors in any way to make purchases, or forcing visitors to stay in registered shops. In addition, before arranging tour group members to patronise registered shops, travel agents must register with TIC the information on the shops concerned. Registered shops have to make pledges with 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 visitors are dissatisfied with their purchases, and the purchased items are not damaged and are free from wear and tear because of use, they can receive full refund if their request for refund is made within six months after their purchase and with the original receipts. If a registered shop breaches its pledges, TIC may, depending on the circumstances, penalise the shop concerned. TIC also deploys staff to patrol registered shops to make sure that the shops, travel agents and tourist guides comply with its relevant regulations.

Meanwhile, the Trade Descriptions Ordinance (TDO) prohibits unfair trade practices deployed by traders against consumers, including aggressive commercial practices. The Customs and Excise Department (C&ED), as an enforcement agency, adopts strategies comprising law enforcement, compliance promotion, as well as publicity and public education. Insofar as the tourism industry is concerned, C&ED maintains close liaison with the trade and TIC and organises seminars on TDO from time to time. C&ED also proactively handles enquiries and complaints from the locals and tourists, and conducts patrols and promotional activities in the market.

C&ED conducts large-scale patrol exercises at districts where various registered shops are located (including Hung Hom, To Kwa Wan, Tsim Sha Tsui, Kwun Tong, Kowloon Bay, Tai Kok Tsui, Lai Chi Kok) and reminds shopkeepers to uphold business integrity. If any violation of TDO is detected, C&ED will take enforcement actions resolutely to combat illegal acts. During long Mainland holidays, C&ED steps up patrols and enforcement operations. For example, during the National Day Golden Week this year, C&ED launched an operation codenamed "Aegis", in which C&ED stepped up patrols at shopping spots for tour groups and shops in tourist areas, and distributed leaflets to tourists and tourist guides, so as to promote smart consumption and remind traders to abide by TDO.

(3) The Government of the Hong Kong Special Administrative Region (HKSAR) all along maintains close liaison with the China National Tourism Administration (CNTA) on the regulation of tourism markets in Hong Kong and the Mainland, and regularly provides updates on the situation of Hong Kong's tourism industry to CNTA. The Mainland authorities are also supportive of the HKSAR Government's regulatory work. The Tourism Commission (TC) and TIC will inform CNTA of suspected non-compliance cases in Hong Kong to facilitate the latter's investigation and follow-up with regard to the Mainland organising agents concerned. In addition, the HKSAR Government and CNTA signed an Agreement on Further Enhancement of

Tourism Co-operation between the Mainland and Hong Kong in August 2017. Both parties agreed to enhance co-operation in tourism regulation by working together to tackle unreasonably low-priced group tours and other acts of non-compliance, and foster the healthy and orderly development of the tourism markets in the Mainland and Hong Kong.

(4) to (6) The numbers of complaints concerning nuisances caused by inbound tour groups from the Mainland that TC received in the past three years are shown in Appendix II. The Transport Department (TD) and Hong Kong Police Force (Police) do not maintain statistics on the breakdown of complaints involving inbound tour groups from the Mainland.

The relevant departments of the Government have been adopting various measures to minimise the impact brought about by tour groups on the community. On tackling congestion caused by coaches, the Police has been taking enforcement actions to crack down on illegal coach parking. TD and other relevant departments have also been promoting the use of legal coach parking spaces through exploring and introducing different measures. The Government has been providing additional pick-up/drop-off spaces and parking spaces for coaches at appropriate locations (including tourist and shopping hotspots) on condition that road safety and other road users are not affected, as well as letting car parks for coach parking on the basis of short-term tenancy (STT). For instance, since 2015, TD has set up a new metered coach parking site at Hoi Yue Street, North Point, providing about 30 coach parking spaces. To tackle the shortage of coach parking spaces in the Kowloon City District, the Lands Department (LandsD) arranged for the temporary letting of two areas of unallocated Government land at Wa Shun Street as well as at the junction of Bailey Street and Sung Ping Street, Hung Hom on the basis of STT in 2016, providing about 20 and 70 coach parking spaces respectively. The re-tendering of the two STT car parks is being followed up by LandsD. Furthermore, the Government will request developers to provide appropriate numbers of coach parking spaces in suitable new developments.

TC, in collaboration with TIC, all along maintains liaison with travel agents, restaurants and shops receiving inbound tour groups from the Mainland, calling upon them to maintain order when receiving the tour groups in order not to affect the livelihood of the community. From time to time, TIC issues circulars to its travel agent members urging them to ensure that tour coaches comply with traffic rules when going to tourist attractions, as well as to minimise the inconvenience caused to

other road users. TC will continue to, through TIC, remind travel agents and tourist guides to step up visitor flow management when bringing visitors to shops and restaurants, as well as to pay attention to the real-time situation at the destinations and avoid crowding around specific restaurants and shops at the same time. TC will also encourage the trade to make use of information technology to strengthen communication with shops, restaurants, tourist guides, coach drivers, etc. to improve visitor flow control.

To strengthen co-operation and co-ordination among various bureaux and departments, the Financial Secretary convened a high-level tourism co-ordinating meeting in early October 2017. At the meeting, the relevant bureaux and departments agreed to step up a number of measures, including strengthening enforcement actions against illegal coach parking and exploring measures to promote the use of legal parking spaces by more coaches, such as increasing the number of temporary metered coach parking sites and letting car parks with short-term coach parking spaces, so as to further reduce the impact of visitor flow and road traffic arising from inbound tour groups on the districts concerned. The Government will continue to closely monitor the condition of tourism supporting facilities in different districts and maintain close liaison with the travel trade and other stakeholders, so as to minimise the inconvenience caused by inbound tour groups to the community through appropriate and practicable means.

The Government introduced the Travel Industry Bill into the Legislative Council in March 2017 for the establishment of the statutory body Travel Industry Authority (TIA) to regulate travel agents, tourist guides and tour escorts in a holistic manner. When formulating the staffing requirements of TIA, the Government will ensure adequate manpower thereof for inspecting whether travel agents receive inbound tour groups in an orderly manner. As necessary, TIA will consider formulating appropriate administrative measures to tackle relevant issues in the future. We will continue to seek the Legislative Council's early approval of the Travel Industry Bill, such that the new regulatory regime can be implemented as soon as possible to strengthen regulation of the market on inbound tour groups from the Mainland.

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