

LCQ10: Development of guided walking tours in Hong Kong

Following is a question by the Hon Kenneth Leung and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (November 15):

Question:

It is learnt that in recent years, guided walking tours have become increasingly popular among tourists in Hong Kong and around the world because this type of tours can provide alternative travel experiences, including gaining a deeper understanding of the local culture and characteristics. Development of guided walking tours in Hong Kong can make tourism resources more diversified and also promote the development of local economy. However, according to the Travel Agents Ordinance (Cap. 218), any person who carries on a business of guided walking tours in Hong Kong which targets at inbound visitors is required to obtain a travel agent's licence. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications for a travel agent's licence, which were made by organisations wishing to conduct guided walking tours, (i) received, (ii) approved and (iii) rejected by the Government in each of the past five years; if there were applications rejected, of the main reasons for such applications being rejected;

(2) given that the licensing requirements for a travel agent's licence include that the applicant is a member of the Travel Industry Council of Hong Kong (TIC), and that the eligibility criteria for such membership include: (i) the applicant has a minimum paid-up capital of \$500,000 and (ii) the applicant conducts its travel-related and tourism business within separate and independent commercial premises or buildings, whether the authorities have studied if such requirements have hindered the development of guided walking tours; if so, of the details of the study; whether they have plans to amend such requirements; if not, of the reasons for that; and

(3) whether it has conducted a detailed study on aspects such as (i) the development, (ii) the operation modes, and (iii) the quality assurance and regulatory regimes for operators and tour guides, of guided walking tours around the world, with a view to establishing a mechanism which is suitable for and conducive to the development of guided walking tours in Hong Kong; if so, of the details; if not, whether it will

conduct such a study expeditiously?

Reply:

President,

Our overall reply to the question raised by Hon Kenneth Leung is set out below.

Under the existing two-tier regulatory system, 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 agents, tourist guides and tour escorts. The Travel Agents Registry (TAR) 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 (TAO) (Cap. 218).

Under section 4A of TAO (Cap. 218), any person who carries on any of the following inbound travel businesses is an inbound travel agent: to obtain for a visitor to Hong Kong (1) carriage, by any means of conveyance, on a journey which is to commence outside Hong Kong, and which either terminates in Hong Kong or involves the visitor passing through immigration controls before departing from Hong Kong; (2) accommodation in Hong Kong; or (3) one or more prescribed services, i.e. sightseeing or visits to local places of interest, restaurant meals or other catered meals, shopping trips, and relevant local transport. Any person who organises guided walking tours involving any of the abovementioned inbound travel businesses is required to obtain a licence from TAR.

Considering that a travel agent's licence does not restrict the inbound travel agent concerned to carrying on any specific inbound travel businesses mentioned above, TAR has no breakdown on inbound travel agents that organise guided walking tours. Overall, in the past five years (i.e. 2013 to 2017 (until end-September)), the numbers of travel agent's licence applications received by TAR and relevant figures on the processing of the applications are tabulated below –

	2013	2014	2015	2016	2017 (until end-Sep)	Total
Licence applications	130	107	98	98	64	497
Of them:						
1. approved by TAR	121	95	91	88	47	442
2. rejected by TAR	0	0	0	0	0	0
3. withdrawn by applicants/without necessary supporting documents for processing/ being processed by TAR	9	12	7	10	17	55

As regards the requirements for obtaining licences, according to TAO (Cap. 218), TAR will consider whether each applicant is fit and proper to carry on travel agent business, such as whether the person has been convicted, whether in Hong Kong or elsewhere, of any offence involving fraudulent, corrupt or dishonest acts; whether the person has been convicted of any offence under TAO (Cap. 218); whether the applicant is an undischarged bankrupt/in liquidation or the subject of a winding up order. Furthermore, TAO (Cap. 218) stipulates that a licensed travel agent shall be and remain a member of TIC during the period that the licence is in force. As a self-regulatory body of the trade, TIC imposes basic membership requirements, including capital and business premises requirements to ensure that a person carrying on travel agent business is financially committed and that his physical premises is suitable for carrying on travel agent business. Such requirements are formulated having regard to travel agents' mode of operation with a view to according suitable protection to tourists' interests.

To our knowledge, Hong Kong's neighbouring places, such as the Mainland, Macau and Taiwan, have imposed certain regulations on persons carrying on inbound

travel agent business, but have not put in place a set of licensing requirements specifically for guided walking tour business. After all, the operation of travel agent business involves tourists' interests and the travel industry's overall reputation. Therefore, under Hong Kong's existing and future regulatory regimes, irrespective of their target clienteles (visitors to Hong Kong or Hong Kong outbound travellers) or business types (organising outbound tours, local guided walking tours, etc.), the operators concerned shall be required to obtain licences so as to come under appropriate regulation.

The Government has been supporting the travel trade in providing visitors to Hong Kong with different tourism products, which include different types of guided walking tours organised in Hong Kong. The Hong Kong Tourism Board has also been carrying out promotion and publicity work in visitor source markets. We will continue to support the travel trade in developing and exploring diversified tourism products to enrich tourists' experience.

Ends/Wednesday, November 15, 2017

Issued at HKT 15:10