

LCQ7: Measures for supporting tourism industry

Following is a question by the Hon Yiu Si-wing and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (December 2):

Question:

With the coronavirus disease 2019 epidemic raging across the globe, various countries and regions have implemented immigration control and quarantine measures, which have dealt a heavy blow to Hong Kong's tourism industry. Some members of the tourism industry have relayed that given their income having dropped almost to zero, the relief measures launched by the Government for the tourism industry were just a drop in the bucket. As the Government, starting from this month, no longer provides wage subsidies to employers under the Employment Support Scheme, and the time for recovery of the tourism industry is indefinite, they fear that there will be waves of travel agencies closing down, with a large number of practitioners in the tourism industry being laid off. In this connection, will the Government inform this Council:

(1) whether it has studied what measures, among those taken by overseas countries and regions to support their local tourism industry, are of reference value to Hong Kong; if so, of the details; if not, the reasons for that;

(2) whether it has assessed what changes there will be in Hong Kong's unemployment rate, as well as the number of travel agencies and other tourism-related companies that will lay off their staff, in the coming three months; if so, of the assessment outcome; if not, the reasons for that; and

(3) given that the tourism industry (especially medium-to-small travel agencies) has been hard hit by the epidemic, and that some members of the industry have criticised the measures launched by the Government earlier on as being just a drop in the bucket, whether the Government will consider afresh launching targeted new support measures; if so, of the details; if not, the reasons for that?

Reply:

President,

In response to the question raised by the Hon Yiu Si-wing, my consolidated reply is as follows:

In view of the proliferation of the coronavirus disease 2019 (COVID-19) this year, governments of different countries and regions have implemented anti-epidemic measures, including border control and quarantine arrangements, which have dealt a heavy blow to the tourism industry around the world. The Government noted that some countries and regions have launched various relief measures for different industries, including measures targeting the tourism industry, based on their own epidemic and economic situations.

The plight faced by the tourism industry since the second half of 2019 is clearly visible, and the industry will continue to face grave and prolonged challenges for quite some time in the future. In this regard, the Chief Executive announced on November 25, 2020 in "The Chief Executive's 2020 Policy Address" that the Government will roll out additional relief measures for the industry, involving a total commitment of close to \$600 million. These measures will benefit travel agents and their staff, freelance accredited tourist guides and tour escorts whose main occupations are tourist guides and tour escorts, and drivers of tour service coaches mainly serving tourists.

The additional relief measures to be provided to the tourism industry through the Anti-epidemic Fund (AEF) include the following:

- (1) to provide each licensed travel agent with a cash subsidy; the subsidy level for travel agents with 10 staff members or less will be at a flat rate of \$100,000 each; the subsidy level for travel agents with 11 staff members or more will be directly proportional to the number of staff members they have, using a subsidy level of \$10,000 per staff member as the basis of calculation. Some 1 700 travel agents are expected to benefit from this measure;
- (2) to provide each travel agent's staff and freelance accredited tourist guide and tour escort whose main occupation is tourist guide and tour escort a one-off subsidy of \$15,000. Some 19 000 persons are expected to benefit from this measure; and
- (3) to provide each driver of a tour service coach mainly serving tourists a one-off subsidy of \$6,700. Some 3 400 drivers are expected to benefit from this measure.

The Government has introduced three rounds of AEF to provide financial support to the tourism industry, with a total commitment of around \$1.76 billion. Coupled with the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme rolled out earlier, as well as this round of additional measures stated above, the Government has provided support to the tourism industry with a cumulative commitment of about \$2.6 billion in total.

The Government has been making every effort to explore and identify business opportunities for the tourism industry, such as the conditional exemption for licensed travel agents to organise local group tours of not more than 30 persons (inclusive of working staff) under the group gathering restrictions as stipulated in the Prevention and Control of Disease

(Prohibition on Group Gathering) Regulation (Cap. 599G), which extended support to the tourism industry and practitioners of the related sectors (e.g. tourist guides and tour escorts, the transportation trade and even the catering sector). Nonetheless, in view of the recent development of COVID-19 epidemic, the Government has further tightened various social distancing measures and also removed the exemption above. The Government could consider relaunching local tourism activities when the epidemic improves locally and the social distancing measures are relaxed.

Ends/Wednesday, December 2, 2020

Issued at HKT 15:00