

Executive Summary

1. In response to a number of coerced shopping incidents involving members of Mainland inbound tours in Hong Kong, the Travel Industry Council of Hong Kong (TIC) set up the “Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours” (Task Force) in June 2010 to formulate medium to long-term measures to improve the regulation of the receiving of Mainland inbound tours in Hong Kong. In mid-July, the coerced shopping incident by the tourist guide LI Hau-chun aroused widespread public concern. The Secretary for Commerce and Economic Development tasked the Task Force to focus its review on zero/negative reception fee and regulation of tourist guides, and to propose improvement measures within two months for the Government’s consideration.

2. The Task Force held five meetings, and examined various sectors involved in the operation chain of Mainland inbound tours. During the process, it also consulted various stakeholders in the industry.

3. When conducting the review and formulating the proposed measures, the Task Force adopted the key guiding principle of sustaining the healthy development of the tourism industry. The Task Force emphasised that the proposed measures should focus on addressing the problems of zero/negative reception fee and tourist guides’ conduct, to ensure that the tourists’ consumer rights are protected lawfully, reasonably and fairly, while allowing room for the travel industry to operate flexibly.

4. The Task Force noted that the problem of zero/negative reception fee occurs predominantly in “shopping tours”. The organisation of a “shopping tour” may involve a number of Mainland intermediate travel agents. Sub-contracting and combining tours are common in the process. As a result, some receiving travel agents in Hong Kong may not receive fees adequate to cover the reception costs of the group tours. Such travel agents and some tourist guides may therefore need to find alternative ways to cover the cost, which leads to the problem of coerced shopping.

Proposed Measures by the Task Force

5. The travel industry implemented a series of measures to combat against trade malpractices in the past few years. When formulating

further improvement measures, the Task Force focused on four directions: (a) strengthening the existing regulatory system of the TIC; (b) enhancing deterrent effect and transparency of the penalty; (c) clarifying the relationships, responsibilities and rights between travel agents organising the tours in Mainland, receiving travel agents in Hong Kong and tourist guides; and (d) raising travellers' awareness on consumer rights. The major measures are as follows –

Regulation of Travel Agents

- Requiring Mainland travel agents that organised tours and receiving travel agents in Hong Kong to sign contracts to clarify the rights and responsibilities of each party, and ensure that the organisation of inbound tours are in compliance with Mainland law and regulations.
- Introducing a demerit point system for travel agents that receive Mainland inbound tours.
- Requiring receiving travel agents to assign one tourist guide to accompany a Mainland inbound tour throughout its stay in Hong Kong to ensure service quality.

Regulation of Tourist Guides

- Requiring travel agents and tourist guides to sign designated agreements, stipulating mutual responsibilities. Requiring travel agents to pay tourist guides for the services provided, so that tourist guides can have a clear source of income.
- Introducing a demerit point system for tourist guides. The system will focus on combating violations relating to coerced shopping.
- Raising the requirements for the application and renewal of tourist guide pass. Strengthening emphasis on conduct and integrity in tourist guides' training programmes.

Regulation of Registered Shops

- Tightening the existing demerit point system for registered shops, and encouraging registered shops to join the Quality Tourism Services Scheme.

- Requesting the shareholders and directors of travel agents to make a declaration to the TIC, if they or their direct relatives partially or wholly owned any registered shop(s), or are directors of any registered shop(s). The relevant information will be disseminated on the TIC website.

Promoting Consumer Rights of Mainland inbound group travellers

- Preparing and promoting a “Guide for Visitors”. Requiring tourist guides to read out specific contents on the itinerary to Mainland inbound group travellers upon their arrival in Hong Kong.

Stepping up inspection

- Stepping up regular inspection and exploring the expansion of undercover inspection. Proposing the establishment of a dedicated unit in the TIC to enforce the TIC’s regulations.

6. The TIC and the Government have been liaising and co-operating closely with the Mainland tourism authorities. The Government have notified the Mainland tourism authorities of those measures proposed by the Task Force that are of relevance to them. These proposals are positively received.