

Transcript of remarks by Acting Commissioner for Tourism

Following is the transcript of remarks given by the Acting Commissioner for Tourism, Miss Rosanna Law, to the media at the Central Government Offices tonight (August 15):

I wish to talk about the Ideal Holiday incident. Ensuring travel agents operating in a healthy manner, and tourists receiving reliable service is our prime objective. We take our decision with protecting the interest of the travelling public as our top concern.

Ideal Holiday wrote to the Travel Industry Council (TIC) and the Registrar for Travel Agents (RTA) on August 13 stating its decision to cease operation because of operating difficulties. On August 14, the agent announced to the media its intention to resume business. This has caused considerable confusion. The RTA urgently summoned the agent to appear before him for an investigation, and decided, having consideration relevant circumstances, that in order to safeguard public interest, especially to prevent more travellers from being affected owing to confusing messages, the licence of Ideal Holiday would be suspended until further notice.

RTA's decision is to ensure that Ideal Holiday cannot take on new customers. Ideal Holiday has been informed in writing that the decision of suspension will not affect its liability with regard to handling the aftermath.

This afternoon, Ideal Holiday met with RTA, TIC, SIG Travel and the Hon Mr Paul Tse to discuss the matter. The licence holder of Ideal Holiday confirmed her decision to cease operation and tender a written notice. RTA then revoked Ideal Holiday's licence. The Travel Industry Compensation Fund (TICF) mechanism will now kick in. Affected customers with valid levy can apply to the TICF Secretariat for compensation up to 90% of tour fare. TIC will coordinate travel agents to provide assistance including taking over of tours where appropriate.

The facts above and the appearance of creditors of Ideal Holiday demonstrates that RTA and the regulatory authority should handle cessation of operation by travel agents with great care, and should always have the interest of the public in mind. The setting up of the TICF is indeed for providing clear and reliable protection to eligible customers in case of cessation of operation by a travel agent.

Reporter: Was the revoking of licence a final decision this time? Will Police investigate into this case as Ideal Holiday operated in the past two days? What happens to the one-day and two-day tour travellers?

Acting Commissioner for Tourism: On the licence issue, given the confirmation in writing by the licence holder of Ideal Holiday that they will cease operation formally, the Registrar for Travel Agents has already exercised his statutory power to revoke the licence. So this time the decision of revoking the licence is final, and that is why the Travel Industry Compensation Fund (TICF) kicks in right now. We understand that for the one-day tour which is not actually covered by the TICF, there will be travel agents in Hong Kong which will be willing to take over these tours. The details will be coordinated by the Travel Industry Council. As regards the overnight tours whose tours are covered by TICF, the holders of those valid receipts will be able to claim compensation from TICF. Afterwards, if they choose to go for another tour, the industry will base on mutual cooperation identify suitable tours to help them. The TIC will again help in the coordination.

Reporter: Will Ideal Holiday be subject to any Police investigations?

Acting Commissioner for Tourism: I realise that there have been some cases filed with the Police by the customers of Ideal Holiday. The handling of those cases is up to the Police under normal procedures.

(Please also refer to the Chinese portion of the transcript.)

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