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22 March 2002

Hon Sin Chung Kai  
Chairman  
Bills Committee on  
Travel Agents (Amendment) Bill 2001  
The Legislative Council  
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### **Bills Committee on Travel Agents (Amendment) Bill 2001**

At the fifth Bills Committee Meeting on 7 March 2002, Members suggested that the four additional independent directors to be appointed to the Travel Industry Council of Hong Kong (TIC) should all be nominated by the Government instead of having two nominated by the TIC and two nominated by the Government. We have undertaken to explore this proposal with the TIC again.

In response to our further discussion with them, the TIC highlights that in their proposal, Government has the ultimate authority to appoint all of the four additional independent directors. This is the established practice with the existing four independent directors appointed by the FS, including those nominated by the TIC Council. The TIC clearly accepts that the Government may choose not to appoint someone nominated by the TIC if he or she is considered inappropriate, and points out that indeed this has actually happened.

The TIC further stresses that its recommendations will be based on the nominee's professional expertise, and that it will try its best to put up as many nominations from each professional field as possible for Government's consideration. The TIC also assures that there will be sufficient communication between the TIC and the Government before it puts up any nomination.

Members may rest assured that the Government will assess carefully all candidates for appointment to the Board. Appointments will be made with full regard to the need to have impartial and objective independent directors for the TIC. The Government will work with the Board closely on the monitoring of travel agents in Hong Kong. The increase in the number of independent directors from 4 to 8 is a significant step forward and we will continue to work closely with the TIC to further enhance its role as an industry self regulator.

May I take this opportunity to thank Members for their careful scrutiny of the Bill. I look forward to the early resumption of the Second Reading of this Bill and its enactment as soon as possible. We are very keen to establish the licensing framework for inbound travel agents in order to regulate their activities effectively and thus to upgrade service standards in the industry.

( Mrs Rebecca Lai )  
for Secretary for Economic Services