

For consideration
on 27 November 2000

**Legislative Council Panel on Economic Services
Meeting on 27 November 2000**

Hong Kong Tourist Association (Amendment) Bill 2000

Introduction

This paper sets out for Members' consideration the proposals of the Hong Kong Tourist Association (Amendment) Bill 2000.

Background

2. The Hong Kong Tourist Association (HKTA) was set up as a membership organisation under the Hong Kong Tourist Association Ordinance (Cap. 302) in 1957. Since then, the tourism industry in Hong Kong has experienced various challenges, including growing regional and international competition. In mid-1997, the Board of Management of the HKTA commissioned a consultancy to undertake a Strategic Organisation Review (SOR) to review the role of the Association to meet the challenges and to draw up long term development strategies.

3. As part of the SOR, the HKTA had undertaken thorough consultation with the travel trade and relevant organisations. The review concluded and the HKTA Board endorsed that the main role of the Hong Kong Tourist Association is to promote Hong Kong as a tourist destination in places outside Hong Kong and to enrich visitors' travel experience during their stay here. The focus of the Association's work is on market promotion, and enhancing Hong Kong's attractiveness through improving and developing new

tourism itineraries in collaboration with the tourism industry. On developing new tourism itineraries, the HKTA has stepped up liaison with the travel trade, and plans to launch new tourism itineraries in early 2001, such as a heritage trail of former military sites on Hong Kong island.

4. In addition, the SOR also recommended and the HKTA Board endorsed that -

- (a) the HKTA's membership system is outdated. The Association has been working with all concerned organisations of the tourism industry instead of its member establishments only. It should therefore abolish the membership system;
- (b) at present, the Board of Management of the HKTA has 11 members, five of which are nominated by the HKTA members. To enhance the representativeness of the Board and to gather more expertise from different fields for advice on furthering tourism development, the size of the Board of Management should be expanded from 11 to 20;
- (c) with the cessation of the membership system, the name of HKTA should be changed to "Hong Kong Tourism Board" (香港旅遊發展局) to better reflect its overall co-ordinating role in the tourism industry; and
- (d) the HKTA should continue to remain as a public body enjoying flexibility of working independently. It should continue to co-

operate with the private sector to enhance the effectiveness of marketing and promotional activities.

5. The HKTA has consulted its members and key industry bodies on the recommendations of the SOR. These were generally welcomed.

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6. To implement the recommendations of the SOR as set out at paragraphs 3 and 4 above, we propose to amend the Hong Kong Tourist Association Ordinance (Cap. 302). The key proposals include –

- (a) to change the name of HKTA to “Hong Kong Tourism Board” (香港旅遊發展局);
- (b) to update the objects of the Association to put emphasis on promoting Hong Kong globally as a world class tourist destination and to step up its advisory role to Government. The proposed objects would be –
 - (i) to endeavour to increase the contribution of tourism to Hong Kong;
 - (ii) to promote Hong Kong globally as a leading international city in Asia and a world class tourist destination;
 - (iii) to promote the improvement of facilities for visitors;
 - (iv) to support the Government in community promotion on the importance of tourism;
 - (v) to support, as appropriate, the activities of persons providing services for visitors to Hong Kong; and

- (vi) to make recommendations to and advise the Chief Executive in relation to any measures which may be taken to further any of the foregoing matters;
- (c) to repeal provisions related to the membership system as recommended in the SOR;
- (d) the HKTA Board currently has 11 members appointed by the Chief Executive. One of them is nominated by the ordinary members of the Association and another four are nominated by the following classes (each nominates one) of travel industry members –
 - (i) international passenger carrier;
 - (ii) hotel proprietor;
 - (iii) recognised travel agent; and
 - (iv) tour operator.

We propose to expand the size of the Board of Management from 11 to 20 members, including the introduction of a new Deputy Chairman. To ensure that views of the industry are adequately reflected, eight of the 20 Board members should come from tourism related sectors and two from each of the following categories -

- (i) international passenger carrier;
- (ii) hotel;
- (iii) travel agent and tour operator; and
- (iv) retail and restaurant business.

Category (iii) consists of two existing classes which are closely

related. Category (iv) is a new one closely related to the tourism industry.

- (e) to continue to protect the existing badges of the Association against unauthorised use; and
- (f) to provide for bringing the legislation into effect on a date to be appointed by the Secretary for Economic Services by notice in the Gazette, to allow time for the HKTA to complete procedures for abolishing its membership system and changing its name;

7. We have consulted the HKTA on the proposed amendments to the Hong Kong Tourist Association Ordinance. The Association supported the proposals.

Way Forward

8. Subject to Members' advice, the Administration plans to introduce the Hong Kong Tourist Association (Amendment) Bill 2000 into the Legislative Council in December 2000.

Conclusion

9. Members are invited to comment on the proposed amendments as set out at paragraph 6.

Tourism Commission
Economic Services Bureau
23 November 2000