LegCo Panel on Economic Development

Policy Agenda of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

Introduction

This paper outlines the initiatives related to the economic development portfolio of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau under the 2007-2008 Policy Agenda.

Ten Major Infrastructure Projects to Boost Our Economy

New Initiative

Competition Policy

Initiative: ***Issue a consultation paper on detailed legislative proposals on the Competition Bill so that stakeholders can better understand the proposed statutory framework for regulating competition and express their views before we formally introduce the Bill to the Legislative Council.***

2. The public consultation exercise that we completed earlier this year showed that there is general support in the community for a cross-sector competition law and the setting up of a Competition Commission. We have now begun work on the drafting of a Competition Bill.

3. During the public consultation, and following the issue of the report on the outcome of the consultation, we noted that some people have raised concerns that such a law could make the business environment of Hong Kong more complex and lead to higher business costs. Some SMEs in particular are concerned that they might unwittingly fall foul of the law. In view of these concerns, and given that a cross-sector competition law will be a complex piece of legislation, before introducing the Competition Bill into the Legislative Council, we will issue a consultation paper setting out the legislative details for the proposed bill. The paper will allow the public to understand better the likely effects of the proposed law, and help alleviate their concerns.

Tourism

<u>Initiative</u>: Promote honest tourism together with the travel industry, relevant organisations and Mainland tourism authorities, with a view to maintaining Hong Kong's reputation as a quality tourist destination.

4. The Government and related organisations are committed to promoting "Honest Tourism" to enhance the quality of our tourism services. The Government, in collaboration with the Travel Industry Council of Hong Kong (TIC), the Hong Kong Tourism Board (HKTB) and the Consumer Council (CC), have put in place a range of measures, including stepping up law enforcement, reviewing consumer protection legislation, strengthening industry regulation, enhancing the promotion of quality tourism products to Mainland visitors, as well as launching vigorous publicity on smart consumption. We also continue to cooperate closely with the China National Tourism Administration (CNTA), the China Consumer Association (CCA) and the tourism industry to protect Mainland visitors' consumer interests whilst travelling in Hong Kong.

5. On review of consumer protection legislation, the Government is reviewing the Trade Descriptions Ordinance with a view to combating misleading and undesirable sales practices. The plan is to introduce the Trade Descriptions (Amendment) Bill to the Legislative Council in early 2008.

6. In respect of publicity and consumer education, the CC just launched a new website "Shop Smart in Hong Kong" in September 2007 to provide Mainland visitors with the latest information and tips on shopping in Hong Kong. HKTB, in collaboration with some major Mainland travel agents, will also set up designated counters for "Honest and Quality Hong Kong Tours" in eight major cities in the Mainland, namely Beijing, Shanghai, Nanjing, Hangzhou, Guangzhou, Shenzhen, Dalian and Shenyang so as to offer more quality choices for Mainland visitors. HKTB will continue its efforts in promoting these quality tours to second and third-tier cities in the Mainland in the coming year.

7. As to industry regulation, TIC has introduced a number of measures. These include requiring all inbound travel agents receiving Mainland tour groups to register with the TIC the "tour confirmation agreement" and to distribute the itinerary to tour group visitors. In addition, to enhance consumer protection for Mainland visitors, the TIC has also extended the

refund period of the "100% Guaranteed Refund Scheme" from 14 days to 180 days. Together with TIC, we will continue to review and improve these regulatory measures in light of evolving market trend.

8. Close co-operation with Mainland authorities is very important in the effective promotion of honest tourism. We maintain close contact and hold regular discussions with CNTA to exchange views and update with each other on progress in measures that address problems arising from "zero and negative-fare tours".

9. We will continue to co-operate closely with related organisations and the tourism industry to improve appropriate measures so as to maintain Hong Kong's brand image as a quality tourist destination.

<u>Initiative</u>: Invite the Hong Kong Tourism Board to strengthen its promotion of multi-destination itineraries in key source markets and marketing efforts in non-Guangdong provinces.

10. HKTB has identified USA, Canada, UK, Germany, France, the Netherlands, Australia and New Zealand as the key source markets to promote multi-destination itineraries. It will continue to target at family and business visitors as well as young executives.

11. Targeting at different tourist types, HKTB will introduce brand new products which are packaged with our local events and various incentives to stimulate growth in visitor arrivals and spending. On the other hand, to develop new long-haul markets, HKTB will focus on promoting the art and cultural performances, traditional festive celebrations and cultural heritage in Hong Kong. Leveraging on the 2008 Beijing Olympics and Equestrian events in Hong Kong, HKTB will also launch a series of promotion activities to attract long-haul visitors who plan to travel to Beijing during the period to visit Hong Kong.

12. To attract Mainland visitors from outside Guangdong province to visit Hong Kong, HKTB will leverage on the traditional festive celebrations and major events to promote Hong Kong as a cosmopolitan city where culture of the East meets the West.

<u>Initiative</u>: Advocate measures to further facilitate visitors' entry into Hong Kong, especially enhancing the visitor-friendliness of entry facilities.

13. At present, over 170 countries and places in the world enjoy visa free access to Hong Kong. Hong Kong is one of the most immigration friendly cities with convenient entry arrangement and facilities. We will continue to listen to the views of the travel industry and explore further facilitation measures to cater for the travel patterns and needs of different market segments. Moreover, we will invite HKTB and relevant parties to further promote the "Frequent Visitor Channel" services at the airport.

<u>Initiative</u>: Review and formulate strategies on the development of Hong Kong's convention, exhibition and related tourism industries by a cross-sector steering committee.

14. In face of intensifying regional competition, we will continue to enhance Hong Kong's attractiveness as a capital of international conventions, exhibitions and tourism. The Government will strengthen our cooperation with the convention, exhibition and related tourism industries to sharpen our advantages and to proactively seek more large-scale international events to be held in Hong Kong. In this regard, the Financial Secretary and the Secretary for Commerce and Economic Development will lead a cross-sector steering committee to formulate relevant development strategies. Specifically for convention, exhibition and related tourism industries, we shall co-ordinate among HKTB and relevant parties to enhance marketing work in support of exhibition organisers. We will also consider ways to facilitate training and retention of talents and professionals in the convention, exhibition and related tourism sectors with a view to upgrading our service standards.

15. On hotel development, we hope to provide more market incentives to encourage hotel developments in order to attract more MICE activities to be hosted in Hong Kong. We would actively consider including in the Application Lists suitable land designated for hotel use. In planning newly-developed sites, we will actively consider prescribing hotels as a designated land use to facilitate hotel developments. We also hope to expedite the process for approving hotel developments and related lease modification applications.

On-going Initiatives

Tourism

Initiative: ***Ensuring the commencement of operation of a world-class new cruise terminal at Kai Tak in 2012.***

16. The Government will develop a new cruise terminal at the southern end of the former runway in Kai Tak through an open tender. The successful bidder will form the site as well as design, build, operate and maintain the cruise terminal building and associated facilities including two alongside berths which can cater for different types of cruise vessels including mega cruise vessels.

17. The Government aims to invite tender for the new cruise terminal in the fourth quarter this year after the statutory town planning process is completed. We aim at awarding the tender in the second quarter of 2008. We expect the first berth at Kai Tak will commence operation in 2012.

Initiative: ***Liaising closely with the Ocean Park Hong Kong and relevant parties to ensure smooth implementation of the Redevelopment Project with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region.***

18. The 30-year old Ocean Park will be redeveloped into a world-class marine theme park, featuring more than 70 attractions to be completed in eight phases from 2007 to 2012-13. With Government assistance, the Ocean Park Corporation commenced redevelopment works in end 2006.

19. Many items under the Redevelopment Project will proceed in the next 12 to 18 months, including award of contracts for major ride systems, tendering for the Summit projects, construction of the new Main Entry, Aquarium and Aqua City and ongoing construction of the Veterinary Hospital and site formation works.

<u>Initiative</u>: Co-ordinating efforts of Government and the tourism industry to facilitate the smooth operation of various major tourism infrastructure facilities, e.g. Hong Kong Disneyland and Hong Kong Wetland Park, and help re-establish Ngong Ping 360 as a popular tourist attraction after its reopening.

20. The Hong Kong Disneyland, the Hong Kong Wetland Park and Ngong Ping 360 are among the most popular tourist attractions in Hong Kong. These facilities not only provide entertainment to our visitors, they also enhance the position of Hong Kong as a premier destination for family visitors in the region. We will continue to co-ordinate efforts of Government, the tourism industry and the operators of these main tourism attractions to facilitate the smooth operation of these places.

<u>Initiative</u>: Planning and co-ordinating new projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project to complement the Redevelopment Project of the Ocean Park, enhancement of the Lei Yue Mun waterfront, and development of a piazza in Tsim Sha Tsui.

21. There are improvement works on tourism facilities in different districts. The works are at varying development stages. We will continue to liaise closely with our stakeholders to ensure that the improvement works meet the expectation of residents, satisfy the needs of visitors and enrich their visiting experience.

<u>Aberdeen Tourism Project</u>

22. In end 2006, the Tourism Commission (TC) appointed an architect to develop a conceptual design for the Aberdeen Tourism Project which aims to bring out further the unique features of a "traditional fishing harbour" and the local culture of Aberdeen and reinforce the elements of diversified tourism. We consulted the Southern District Council in April 2007 on the proposed conceptual design. We plan to conduct an "expression of interest" exercise in 2008, after which we will consider inviting private sector participation in the project through an open tender.

<u>Lei Yue Mun Waterfront Enhancement Project</u>

23. We plan to upgrade the facilities along the Lei Yue Mun waterfront. We will consult stakeholders, including the Kwun Tong District Council, local residents and fishermen on specific upgrading proposals. Subject to funding

approval from the LegCo, the construction works are expected to start in 2009 for completion in 2011.

Development of a piazza in Tsim Sha Tsui (TST)

24. The Government plans to develop the existing Public Transport Interchange (PTI) adjacent to the TST Star Ferry Pier into a piazza. This proposal aims at creating a new public open space for locals and tourists and enhancing the vibrancy of the area. Under the current proposal, the existing TST Star Ferry Pier, the TST Clock Tower and the five flag posts will remain intact. The Government will also put in place suitable transport arrangements to facilitate the local residents and visitors to take buses or taxis to and from the TST Star Ferry Pier.

25. The Government is actively exploring options for possible uses of the piazza, and its development and management modes. For this purpose, TC has recently conducted a workshop involving various stakeholders. The report on the workshop will be uploaded onto TC's website for public views and suggestions. The views collected will provide a useful basis for the next phase of work.

Initiative: Monitoring the project of developing the former Marine Police Headquarters in Tsim Sha Tsui into a heritage tourism attraction in 2008.

26. The project of developing the former Marine Police Headquarters in Tsim Sha Tsui is expected to be completed in 2008.

Initiative: Encouraging the Hong Kong Tourism Board, the Hong Kong Trade Development Council and the Economic and Trade Offices of the Hong Kong Special Administrative Region to jointly promote Hong Kong as an international city.

27. The Hong Kong Trade Development Council (TDC), HKTB and the Economic and Trade Offices (ETOs) organise various publicity events overseas to promote Hong Kong. We will co-ordinate and encourage joint efforts made by these organisations, with a view to strengthening their collaboration in promotional activities for greater impact.

Commence, Industry and Tourism Branch
Commerce and Economic Development Bureau
October 2007