立法會 Legislative Council

LC Paper No. CB(1)324/13-14 (These minutes have been seen by the Administration)

Ref: CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting held on Monday, 28 October 2013, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Members present: Hon James TIEN Pei-chun, GBS, JP (Chairman)

Hon Jeffrey LAM Kin-fung, GBS, JP (Deputy Chairman)

Hon CHAN Kam-lam, SBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon Ronny TONG Ka-wah, SC Dr Hon LAM Tai-fai, SBS, JP

Dr Hon LEUNG Ka-lau Hon Paul TSE Wai-chun, JP Hon Albert CHAN Wai-yip Hon Steven HO Chun-yin Hon Frankie YICK Chi-ming

Hon YIU Si-wing

Hon Charles Peter MOK Hon CHAN Han-pan Hon Kenneth LEUNG Hon Dennis KWOK

Hon Christopher CHEUNG Wah-fung, JP Dr Hon Fernando CHEUNG Chiu-hung

Hon SIN Chung-kai, SBS, JP Hon CHUNG Kwok-pan

Members absent: Hon WONG Ting-kwong, SBS, JP

Dr Hon Elizabeth QUAT, JP

Hon TANG Ka-piu

Public officers : attending

Agenda Item IV

Mr Philip YUNG, JP

Commissioner for Tourism

Mr Eddie LEE

Assistant Commissioner for Tourism (4)

Agenda Item V

Mr Philip YUNG, JP

Commissioner for Tourism

Miss Ann CHAN

Assistant Commissioner for Tourism

Attendance by invitation

Agenda item IV

:

Hong Kong Disneyland

Mr Andrew KAM Managing Director

Ms Linda CHOY

Vice President, Public Affairs

Agenda item V

<u>Travel Industry Council of Hong Kong</u>

Mr Michael WU

Chairman

Mr Joseph TUNG Executive Director

Clerk in attendance: Mr Derek LO

Chief Council Secretary (1)5

Staff in attendance : Mr Daniel SIN

Senior Council Secretary (1)7

Ms Michelle NIEN Legislative Assistant (1)5

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)100/13-14 —Minutes of meeting held on 10 October 2013)

The minutes of the meeting held on 10 October 2013 were confirmed.

II Information papers issued since the last regular meeting on 22 July 2013

(LC Paper No. CB(1)1592/12-13(01) —Letter dated 9 July 2013 from Hon Gary FAN Kwok-wai on replacement of the Air Traffic Control System of the Civil

Aviation Department

LC Paper No. CB(1)1592/12-13(02) —Letter dated 10 July 2013 from

Hon TANG Ka-piu on replacement of the Air Traffic Control System of the Civil

Aviation Department

LC Paper No. CB(1)1601/12-13(01) —Administration's response to

the letter dated 9 July 2013 from Hon Gary FAN Kwok-wai on replacement of the Air Traffic Control System of the Civil Aviation Department (LC Paper No. CB(1) 1592/12-13(01))

LC Paper No. CB(1)1601/12-13(02) —Administration's

Administration's response to the letter dated 10 July 2013 from Hon TANG Ka-piu on replacement of the Air Traffic Control System of the Civil Aviation Department (LC Paper No. CB(1)

1592/12-13(02))

LC Paper No. CB(1)1652/12-13(01) —Administration's paper on

tables and graphs showing the import and retail prices of major oil products from July

2011 to June 2013

LC Paper No. CB(1)1723/12-13(01) —Issues raised at the meeting between Legislative Council

Members and Southern District Council members on 6 June 2013 relating to the development of fishermen culture into tourism resources of the Southern District (Hong Kong)

LC Paper No. CB(1)1724/12-13(01)

—Issues raised at the meeting between Legislative Council Members and Kowloon City District Council members on 9 May 2013 relating to the rising price of domestic liquefied petroleum gas

LC Paper No. CB(1)1755/12-13(01)

—Administration's paper on tables and graphs showing the import and retail prices of major oil products from August 2011 to July 2013

LC Paper No. CB(1)1809/12-13(01)

—Letter dated 26 August 2013 from Hon Dennis KWOK on the operation of low-cost carriers in Hong Kong

LC Paper No. CB(1)1809/12-13(02)

—Administration's response to the letter dated 26 August from Hon Dennis KWOK on the operation of low-cost carriers in Hong Kong (LC Paper No. CB(1) 1809/12-13(01))

LC Paper No. CB(1)1856/12-13(01)

—Administration's paper on tables and graphs showing the import and retail prices of major oil products from September 2011 to August 2013)

2. <u>Members</u> noted the above papers issued since the last regular meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)120/13-14(01) —List of outstanding items for discussion

LC Paper No. CB(1)120/13-14(02) —List of follow-up actions)

- 3. The Chairman said that the Administration had proposed four items for discussion at the next regular Panel meeting scheduled for 25 November 2013. He considered the agenda too long, and had asked the Secretariat to liaise with the Administration to prioritize the items with a view to spreading out the issues evenly among the regular meetings. The Chairman said that he would be ready to include at most three items from the Administration on the agenda for each Panel meeting. Mr Frankie YICK and Dr Fernando CHEUNG agreed with the Chairman's approach.
- 4. <u>Dr Fernando CHEUNG</u> said that one whole meeting should be devoted to discussing the interim review of the Scheme of Control Agreement with the two power companies. He also suggested that a public hearing should be arranged to receive the community's views on the subject.
- 5. <u>The Chairman</u> asked the Secretariat to explore the feasibility of holding a special meeting to discuss the interim review on the Scheme of Control Agreement between the regular Panel meetings in November and December. However, he instructed that the case should not be quoted as precedent in future meeting arrangements.
- 6. As regards Dr Fernando CHEUNG's suggestion of holding a public hearing for the interim review of the Scheme of Control Agreement, the Chairman said that members should have the opportunity to discuss the subject with the Administration first, before considering whether or not to organize a public hearing.

IV Update on the development of Hong Kong Disneyland

(LC Paper No. CB(1)120/13-14(03) —Administration's paper on update on the development of Hong Kong Disneyland

LC Paper No. CB(1)120/13-14(04) —Paper on Hong Kong Disneyland prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)175/12-14(01) —Payer point presentation

LC Paper No. CB(1)175/13-14(01) —Power-point presentation materials provided by Hong Kong Disneyland)

7. <u>Commissioner for Tourism</u> (C for T) and <u>Managing Director</u>, <u>Hong Kong Disneyland</u> briefed members on the latest development of Hong Kong Disneyland (HKD) with the aid of a presentation.

Staffing issues

8. Dr Fernando CHEUNG commended HKD for setting an example in promoting employment of people with disabilities. However, even with the increase in the quota of HKD's Apprenticeship Programme from 20 to 30 in 2013, Dr CHEUNG said that the overall ratio of disabled staff among HKD posts that were suitable for disabled persons, was still on the low side. suggested that the proportion of disabled staff should be increased. connection, Dr Fernando CHEUNG asked how HKD determined which types of posts in HKD were suitable for people with disabilities and whether HKD would set for an overall target ratio of posts to be filled by people with Managing Director, HKD responded that HKD cared about the employment of people with disabilities. The number of disabled staff hired by HKD so far was in the range of several hundreds. Some of the trainees who completed the Apprenticeship Programme would be retained. determining which posts in HKD were suitable for people with disabilities, Managing Director, HKD said that safety is of paramount importance at HKD. The company would consider whether the work could be safely handled by people with disabilities, and whether the working hours would match their needs.

Operating and financial performance

- 9. Mr Albert CHAN requested the Administration and HKD to provide detailed financial appraisal in respect of individual new projects or themed areas, such as the Stark Expo. The information should include the initial investment required, breakeven periods and how the new projects or themed areas would contribute towards the overall development or the financial position of HKD.
- 10. <u>C for T</u> said that the construction costs of the Stark Expo would be financed from HKD's operating surplus without additional financial support from the Government or The Walt Disney Company (WD). The objective of adding the Stark Expo to HKD was to enhance the appeal of HKD and to boost attendance, which, in turn, would help promote Hong Kong's tourism. <u>The Chairman</u> asked the Administration to provide the requested supplementary information after the meeting.
- 11. Mr Albert CHAN suggested that the Administration should work with HKD and WD to involve more local creative talents in HKD's production or projects so as to promote Hong Kong's creativity internationally and to showcase Hong Kong's creative talents worldwide. Managing Director, HKD said that local creative talents had been engaged in the last HKD expansion project. Local talents were also involved in the design of the Iron Man themed area to feature some Hong Kong characteristics in the facilities.

Park attendance and marketing strategy

- 12. Noting that Mainland tourists were the largest group of HKD's visitors, Mr YIU Si-wing raised concern about the competition from the Shanghai Disneyland which was expected to be commissioned in 2015. He asked the Administration and HKD to give assurance that there would be features unique and exclusive to HKD which would help maintain HKD's attractiveness and competitiveness. Mr CHAN Han-pan expressed a similar view and requested for further supplementary information of how HKD planned to maintain the theme park's competitiveness. Mr YIU also asked if the Government would allocate more land for further expansion and development of HKD to further enhance its competitive edge in the region.
- 13. <u>C for T</u> responded that the current new themed area, hotel and other facilities were being implemented with the objective of enhancing HKD's appeal and competitiveness. Furthermore, HKD would enhance its competitive edge through maintaining a high standard of service. Meanwhile, HKD would step up publicity and promotion efforts to widen the source of guests. As regards the suggestion of allocating additional land to future expansion of HKD, <u>C for T</u> said that the current priority was for HKD to optimize the use of the existing site. In fact, land was available for further development in the HKD Phase 2 development. The Administration would explore with WD to introduce additional attractions in the longer term.
- 14. <u>Managing Director, HKD</u> supplemented that the "Grizzly Gulch" and "Mystic Point" were exclusive features of HKD; the 3-D Iron Man ride would be set against the skyline of Hong Kong. These elements would differentiated HKD from Disney or other theme parks in the region. In response to Mr CHAN Han-pan's request, <u>Managing Director, HKD</u> added that HKD would provide more detailed information about HKD's competitive edge over other theme parks, after HKD had completed its long-term development plan.
- 15. <u>Mr Paul TSE</u> enquired about how the Administration would improve accessibility to HKD, and the progress of linking up HKD by ferries with the SkyPier at the Hong Kong International Airport.
- 16. <u>C for T</u> said that the SkyPier was located in the Restricted Area of the Hong Kong International Airport. The SkyPier provided ferry services for air-to-sea/sea-to-air transit passengers travelling between Hong Kong and the Pearl River Delta and Macao. There had been discussions in the Legislative Council on whether the SkyPier should be opened up for use by non-airport passengers. The Administration had explained that there was no plan to operate a port at the SkyPier for general immigration purpose. However, as cross-boundary facilities in Lantau Island would be provided by the Hong Kong-Zhuhai-Macao Bridge when it was commissioned, the Administration

would explore with HKD on how the cross-boundary facilities could help bring in visitors from the west bank of the Pearl River to HKD.

- 17. Mr Paul TSE noted that the annual attendance at HKD was originally projected to rise to 10.57 million in 2044, but the accumulated number of attendance since the opening of HKD had reached 38 million as at the end of 2012. Mr Paul TSE asked if the current attendance had already exceeded the original projection. C for T acknowledged the huge economic benefits HKD had generated for Hong Kong, which amounted to \$38 billion and had helped create 110 000 job opportunities.
- 18. <u>Mr CHAN Han-pan</u> commented that HKD's decision to feature the Iron Man in Tomorrowland rather than in a specially constructed themed area, had disappointed many Marvel fans. He asked if HKD might build a Marvel Land themed area to feature other Marvel characters in future.
- 19. <u>Managing Director, HKD</u> responded that HKD decided to feature Iron Man after a long selection process. HKD's survey revealed that Iron Man was the most popular among various Marvel characters. In fact, WD had many other popular themes that could be featured in HKD in future. These included Avatar and Star Wars.
- 20. Referring to the strategies as stated in paragraph 5 of the Annex to the Administration's paper (CB(1)120/13-14(03)), Mr CHUNG Kwok-pan queried how HKD would increase its capacity as well as its appeal and competitiveness. He also asked whether HKD would increase ticket price given the high construction cost of the new themed areas.
- 21. <u>Managing Director, HKD</u> said that the new Iron Man feature would be able to enhance HKD's appeal and competitiveness. In addition, HKD's appeal also came from its high-quality service. For example, HKD was the only Disney theme park that provided services in Cantonese, English and Putonghua. <u>Managing Director, HKD</u> added that there was a good mix of visitors to HKD among various countries. HKD served more than 1 million visitors from South East Asia each year and to serve their catering needs, HKD had introduced Halal menu in recent years.
- Managing Director, HKD acknowledged that inflation in construction cost was an issue for HKD and was a key factor to be considered in HKD's planning of new facilities. He added that construction cost per unit area in Hong Kong now exceeded Florida by 30% and California by 15%. HKD would adopt suitable cost-saving measures to control the budget. However, whether the high construction cost could eventually be reflected in ticket price would depend on the prevailing market conditions, demand of visitors and the price strategies of other competing theme parks in the region.

Expansion plan

- 23. Mr SIN Chung-kai said that during the motion debate on "Expeditiously formulating long-term planning for the tourism industry" at the Council meeting of 23 October 2013, many Members considered that new tourism spots and tourism facilities should be provided to meet the long term development need of the tourism industry in Hong Kong. Mr SIN note that the large piece of land adjacent to HKD earmarked for its phase 2 development was still vacant; and that the site could be developed by a different party if HKD did not expand into the area. Mr SIN asked whether, and if so when, the Administration would develop another theme park (such as the Universal Studio) in the vacant site, or whether HKD would develop the site for its further expansion plan.
- 24. C for T advised that the Administration and HKD's priority at present was to optimize the use of available area in the current site through new projects such as the Iron Man feature and new hotel and resort facilities. However, the Administration would start discussion with HKD to explore longer term development options in the phase 2 area.

The impact on the tourism sector in Hong Kong of the Tourism Law \mathbf{V} of the People's Republic of China

(LC Paper No. CB(1)120/13-14(05) —Administration's paper on the impact on the tourism sector in Hong Kong of the Tourism Law of the People's Republic of China

LC Paper No. CB(1)120/13-14(06)

-Paper on Mainland's legislative measures to tackle malpractices in tourism prepared by the Legislative Council Secretariat (background brief))

At the invitation of the Chairman, C for T introduced the 25. Administration paper on the Tourism Law of the People's Republic of China ("Tourism Law") and its impact on Hong Kong tourism sector. highlighted that the Tourism Law regulated the tourism sector in the Mainland. Since the Tourism Law had been in operation for less than a month, it would be difficult to draw a conclusion on its long term impact on the tourism sector in Hong Kong at this stage. Taking into account the situation during this year's National Day Golden Week (NDGW), the Administration had set out some initial observations in the paper. During this year's NDGW, the number of Mainland inbound tour groups visiting Hong Kong every day had dropped by 44% as compared with last year's NDGW. The proportion of tour groups with shopping itineraries had also decreased significantly. The Travel Industry Council of Hong Kong (TIC) only received two complaints concerning Mainland inbound tour groups during this period. C for T said that the Tourism Law had proved to be effective initially in curbing improper practices of coerced shopping and problems arising from zero/negative fee tours. He added that the Administration had notified the China National Tourism Administration (CNTA) of the statistics about Mainland inbound tour groups and the overall situation during this year's NDGW.

Enforcement issues related to the Tourism Law

- 26. <u>Mr Albert CHAN</u> noted that the Tourism Law would affect both Mainland as well as local travel agents, retail outlets and hotels. He asked what measures would be taken if Hong Kong people or companies were involved in an offence under the Tourism Law.
- 27. <u>C for T</u> explained that article 35 of the Tourism Law provided that Mainland travel agents were prohibited from organizing tourism activities and luring tourists with unreasonably low prices, or getting illegitimate gains such as rebates by arranging shopping or providing tourism services that required additional payment. However, it did not preclude circumstances where either both sides had agreed on or the tourists had requested for such arrangements. <u>C for T</u> added that TIC would report to the Shenzhen Tourism Authority for follow-up on any Mainland inbound tours that had included shopping itineraries.
- 28. The Chairman and Mr Albert CHAN queried whether and how Hong Kong's travel agents, tour guides or shops would be punished if they were found to have involved in activities prohibited under the Tourism Law, and whether there were corresponding statutes or regulations in the Hong Kong which would facilitate the enforcement of the Tourism Law.
- 29. <u>Chairman, TIC</u> said that Hong Kong travel agents or tour guides were bound by the codes of conduct and regulations imposed by TIC. These parties would be subject to disciplinary actions for breach of the codes and regulations. TIC would also inform the Shenzhen Tourism Authority of relevant cases for investigation as appropriate as to whether the Mainland travel agents had complied with the Tourism Law.

Impact of the Tourism Law on the local tourism and related sectors

30. Mr YIU Si-wing noted that the number of Mainland inbound tour groups with shopping itineraries had dropped drastically following the implementation of the Tourism Law. He commented that the Tourism Law should have positive effects on the development of tourism industry in the

Mainland as well as Hong Kong. However, he expressed concern about the impact of the Tourism Law on the prospects and business of Hong Kong tourism practitioners. He asked whether the Administration had assessed the implications of the Tourism Law on travel agents, shops, hotels and tour guides of Hong Kong and what measures would be introduced to lessen the negative impact.

- 31. <u>C for T</u> reiterated that it was too early for the Administration to draw a definite conclusion on the impact of the Tourism Law on Hong Kong tourism and related sectors. The Administration would continue to monitor the situation. <u>C for T</u> was optimistic that the Tourism Law would, in the medium to long term, promote healthy development of the tourism industry in both the Mainland and Hong Kong.
- 32. <u>Mr YIU Si-wing</u> said that the reduction in the number of zero/negative fare tour groups might result in a corresponding increase in Mainland visitors under Individual Visit Scheme, and might cause over-crowdedness in some of the popular tourist spots. <u>Mr YIU</u> asked how the Administration would divert the tourists among different tourist attractions.
- 33. <u>C for T</u> said that the Administration would continue to develop new tourist attractions to meet the demand arising from an anticipated growth in the number of tourists. He agreed that suitable measures to divert visitors among various tourist spots were necessary. In this connection, <u>C for T</u> explained that the Hong Kong Tourism Board (HKTB) would promote local characteristics of different districts and would work with the tourism sector to organize new types of tours such as eco-tourism, cultural trails, etc., which would help spread out tourists among various areas.
- 34. <u>Mr Christopher CHEUNG</u> asked whether the Administration had plans to develop more tourist attractions and tourism infrastructure to maintain Hong Kong's appeal to visitors and to reduce the reliance on the two theme parks.
- 35. <u>C for T</u> said that the Administration had also taken note of members' comments and suggestions during the motion debate at the Council Meeting on 23 October 2013 on long term development of the tourism sector and would explore with the sector on the way forward. Apart from developing new tourist attractions, <u>C for T</u> said that HKTB would provide funding support to the local tourism sector to develop new tour products, boosting Hong Kong's tourism appeal for visitors.

Retraining of tourism practitioners

36. <u>Mr Christopher CHEUNG</u> welcomed the implementation of the Tourism Law as it helped restore the order of the tourism industry in Hong

- Kong. Referring to paragraph 7 of the Administration's paper (CB(1)120/13-14(05)), Mr CHEUNG queried which groups of practitioners required training to switch to other work types within the trade, what types of work were involved, and whether the Administration would provide free training programmes, or undertake measures to facilitate these practitioners in switching jobs.
- 37. <u>C for T</u> said that the Administration would work with the tourism sector and the Vocational Training Council to provide specialized training for tourism practitioners to improve their skills, or to enable them to switch to other work types within the trade.
- 38. <u>Mr CHUNG Kwok-pan</u> queried about the number of tour guides who might become unemployed, or who needed to switch to other work types following the implementation of the Tourism Law.
- 39. <u>C for T</u> reiterated that it would take more time to observe the specific impact of the Tourism Law on local tourism practitioners. <u>He</u> supplemented that while different types of training would continue to be provided to facilitate practitioners to switch to other job types within the trade, there were new career opportunities arising from the commissioning of the Kai Tak Cruise Terminal and the development of exhibition and convention tourism. The Administration would explore the possibility of including such programmes under the scope of the Continuing Education Fund.
- 40. <u>Chairman, TIC</u> said that at present, only visitors from 49 Mainland cities could come to Hong Kong under the Individual Visit Scheme. Mainland residents from regions outside the 49 cities were required to join tour groups. There were still demands for Mainland inbound tour groups and, hence, the need for local tour guides. The drop in the number of low fee tour groups following the implementation of the Tourism Law had resulted in a sudden increase in the price of regular tours, which might dampen the interest of Mainland tourists visiting Hong Kong, as partly evidenced by the drop in the number of inbound tour groups during this year's NDGW.
- 41. <u>Chairman, TIC</u> expected that when the market had adapted to the price fluctuation effect, the number of Mainland tourists visiting Hong Kong would likely rise again. By that time, employment prospects for tour guides would improve. <u>Chairman, TIC</u> added that tour guides should, in the meantime, adjust their mindset, and should start to refocus on performing their professional roles in introducing Hong Kong to visitors and leading them to experience Hong Kong, rather than being occupied with arranging shopping itineraries. TIC would step up training for tour guides along this direction.

Measures by the Administration in preparation for the Tourism Law

- 42. Mr Paul TSE noted that the Tourism Law, which took effect on 1 October 2013, was adopted by the Standing Committee of the National People's Congress as early as April 2013. He asked how the Administration had prepared for the implementation of the Tourism Law during the past six months and what measures the Administration would introduce to help the hotel and retail sectors to adapt to the unfavourable effects of the Tourism Law. Mr Paul TSE further enquired how TIC would collaborate with the Mainland authorities on the implementation of the Tourism Law.
- 43. <u>C for T</u> said that the Administration had been in touch with CNTA on the implementation of the Tourism Law. CNTA officials had been invited to brief the local tourism sector on the major provisions of the Tourism Law and their applications. Communication channels were established with CNTA and any issue of mutual interest in connection with the impacts of the Tourism Law would be reported to CNTA for follow-up as appropriate. The sector's feedbacks and concerns would also be reflected to the Mainland authorities through these channels.
- 44. <u>Executive Director, TIC</u> supplemented that two briefings on the Tourism Law were conducted in August 2013 where more than 170 local travel agents attended. CNTA representatives had explained at the briefing sessions on the types of activities and travel agents which the Tourism Law was intended to regulate. CNTA representatives also explained that tour groups with shopping itineraries would be permissible as long as the tourists were fully aware of, and agreed explicitly to, such arrangements.

Regulating zero/negative fee tours and other improper practices

- 45. Observing the drop in the number of zero/negative fare tour groups shortly after the implementation of the Tourism Law, and in the light of the local tourism sector's concern of the impact of the Tourism Law on business and employment, <u>Dr LAM Tai-fai</u> commented that there was a market for low-fare tours as there were Mainland tourists who wished to travel to Hong Kong mainly for shopping. He said that these tours should not be categorically excluded just because of the improper practice by certain travel agents or tour guides. <u>Dr LAM</u> suggested that conditions (such as prescribing certain minimum fare, or setting aside the maximum amount of tour hours for shopping) could be imposed for tours with shopping itineraries.
- 46. <u>C for T</u> clarified that while the number of Mainland inbound tour groups had dropped following the implementation of the Tourism Law, there was an increase in the overall number of Mainland tourists during this year's NDGW. The business prospects for the local tourism industry remained

- positive. <u>C for T</u> added that the Tourism Law was specifically designed to tackle the problems of coerced shopping arising from zero/negative fee tours. He believed the Tourism Law would be effective in curbing improper practices of coerced shopping and hoped the tourism sector would take the opportunity to adjust its mode of business to organize more tours without shopping itineraries which would restore the reputation of Hong Kong's tourism industry.
- 47. <u>Dr Fernando CHEUNG</u> queried that apart from the Tourism Law, what measures the Administration would introduce to regulate improper practices of travel agents, tour guides and shops. <u>C for T</u> explained that TIC had introduced codes of conduct for travel agents and tour guides to prohibit coerced shopping activities. In addition, the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance contained provisions against aggressive commercial practices. Furthermore, the Administration was in the process of setting up the Travel Industry Authority as the overall regulatory body for travel agents, tour guides and tour escorts.
- 48. <u>Dr Fernando CHEUNG</u> enquired about the statistics on the number of travel agents, tour guides and shops registered with TIC that had been penalized for having breached the codes of conduct imposed by TIC, including permanent or provisional revocation of licence.
- 49. <u>Executive Director</u>, <u>TIC</u> said that there had been several cases concerning travel agents and tour guides who were penalized for breach of TIC's codes of conduct. He said that shops which had registered with TIC pledged to fulfill certain conditions of service (such as 100 Percent Refund Guarantee Scheme). So far, these shops had been able to fulfill the service requirements.
- 50. <u>Dr Fernando CHEUNG</u> requested the Administration to collate the requested information with TIC for members' reference.

Overseas experience

- 51. Mr YIU Si-wing said that the Tourism Law would not only affect Hong Kong, but also other South East Asian tourist destinations (such as Thailand and Taiwan) where the local practitioners also relied heavily on commissions from tourists' shopping purchase. Mr YIU said that the Administration should draw reference from how these countries responded to the Tourism Law and consider similar measures in Hong Kong.
- 52. <u>C for T</u> said that the Administration would draw reference from overseas experience in formulating policies and measures to promote and develop the tourism industry in the light of the Tourism Law.

Improving the conditions of service of tour guides

- 53. Mr YIU Si-wing suggested that the Administration should introduce suitable measures to help tour guides and other practitioners to improve their professional skills. He commented that many of the improper practices in the tourism sector could be attributed to the low remuneration of tour guides that many had to rely on commissions from tourists' shopping purchase. Mr YIU said that the Administration should take the opportunity of the implementation of the Tourism Law to work with the sector for rectifying the situation.
- 54. <u>C for T</u> said that the Administration would continue to work with the sector as well as frontline practitioners to address the needs of tour guides and to improve their training.
- 55. The Chairman said that notwithstanding the implementation of the Tourism Law, the Administration and TIC should stay vigilant in ensuring proper conduct of the tourism sector, and in promoting the healthy development of the tourism industry in Hong Kong.

VI Any other business

56. There being no other business, the meeting was adjourned at 12:27 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
15 November 2013