

立法會
Legislative Council

LC Paper No. CB(1)1945/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ES/1

Panel on Economic Services

Minutes of meeting
held on Monday, 23 April 2007, at 10:45 am
in the Chamber of the Legislative Council Building

- Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Fred LI Wah-ming, JP
Hon CHAN Kam-lam, SBS, JP
Hon SIN Chung-kai, JP
Hon Howard YOUNG, SBS, JP
Hon Vincent FANG Kang, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KWONG Chi-kin
Hon TAM Heung-man
- Member attending** : Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP

**Public officers
attending**

: Agenda Item IV

Ms Eva CHENG
Permanent Secretary for Economic Development and
Labour (Economic Development)

Miss AU King-chi
Commissioner for Tourism

Mr Howard LEE
Deputy Secretary for Economic Development and
Labour (Economic Development)

Ms Kinnie WONG
Assistant Commissioner for Tourism

Mr CHEUNG Sai-yan
Head of Trade Controls
Customs and Excise Department

Agenda Item V

Ms Eva CHENG
Permanent Secretary for Economic Development and
Labour (Economic Development)

Ms Janice TSE
Deputy Secretary for Economic Development and
Labour (Economic Development)

Mr K M FUNG
Chief Assistant Secretary for Economic Development
and Labour (Port, Maritime & Logistics)

**Attendance by
invitation**

: Agenda Item IV

Hong Kong Association of Travel Agents Ltd

Mr Michael WU Siu-ieng
Executive Committee Member

The Federation of Hong Kong Chinese Travel Agents
Ltd

Mr Ricky TSE
Chairman

Mr Simon WU
Vice-chairman

Travel Industry Council of Hong Kong

Mr Ronnie HO
Chairman

Mr Joseph TUNG
Executive Director

Consumer Council

Ms Connie LAU Yin-hing
Chief Executive

Hong Kong Tourism Board

Mr Patrick KWOK
General Manager/Tourism Marketing

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)6

Staff in attendance : Ms Debbie YAU
Senior Council Secretary (1)1

Ms Michelle NIEN
Legislative Assistant (1)9

Action

- I Confirmation of minutes and matters arising**
(LC Paper No. CB(1)1311/06-07 - Minutes of meeting held on
26 February 2007)

The minutes of the meeting held on 26 February 2007 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)1300/06-07(01) - Tables and graphs showing the import and retail prices of major oil products from March 2005 to February 2007 furnished by the Census and Statistics Department)

2. Members noted the above information paper issued since last meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1383/06-07(01) - List of outstanding items for discussion

LC Paper No. CB(1)1383/06-07(02) - List of follow-up actions)

3. Members noted that the Administration had proposed to discuss the following items at the next meeting to be held on Monday, 28 May 2007, at 10:45 am:

- (a) A tourism-related item; and
- (b) An energy-related item

4. As regards the item on "Development of airport infrastructure" originally scheduled for discussion at the meeting, the Chairman invited the Administration to consider scheduling the item for discussion at the next meeting. The Panel agreed that the agenda for the next meeting be finalized in consultation with the Administration.

(Post-meeting note: The Administration subsequently confirmed that the following items be discussed at the next Panel meeting: (a) Development of a landscaped piazza at Ngong Ping, Lantau; and (b) Development of key aviation support services at the Hong Kong International Airport.)

IV Strengthening the protection for Mainland visitors

Briefing by the Administration

(LC Paper No. CB(1)1413/06-07(04) - Information paper provided by the Administration

LC Paper No. CB(1)1438/06-07 - Powerpoint presentation materials issued via email on 23 April 2007 provided by the Administration)

5. At the invitation of the Chairman, the Permanent Secretary for Economic Development and Labour (Economic Development) (PS/ED) remarked that the Government was deeply concerned about recent incidents in which some Mainland

group visitors were suspected of being cheated while shopping in Hong Kong. She stressed that the Government would not tolerate any unscrupulous sales malpractices that misled or deceived visitors which had affected Hong Kong's reputation as a shoppers' paradise. The Government, in collaboration with all relevant institutions and organizations, was determined to take action against unscrupulous shops. She explained that in accordance with the existing legislation and established mechanisms, relevant government departments, the Consumer Council (CC), the Travel Industry Council of Hong Kong (TIC) and the Hong Kong Tourism Board (HKTB) had already put in place various measures including law enforcement, industry regulation, as well as publicity and public education, to protect visitors' consumer rights in Hong Kong. For example, TIC had required all shops receiving tour group visitors to comply with the "14 Days 100 Percent Refund Guarantee Scheme" introduced since 2002, and introduced a "demerit point system" to impose penalty on non-compliant shops. HKTB had launched the "Quality Tourism Services (QTS) Scheme" to enhance service quality and to facilitate visitors to identify the quality service providers. CC had collaborated with the China Consumers' Association (CCA) to promote consumer rights in Hong Kong to Mainland visitors in both Hong Kong and in the Mainland, and help visitors follow up their complaints in Hong Kong. Moreover, the Financial Secretary had announced in the 2007-08 Budget the initiative that CC would review existing measures to protect consumer rights, including ways to improve the relevant legislation to combat misleading and undesirable sales practices in order to boost the confidence of tourists and citizens in shopping in Hong Kong.

6. With the aid of power-point presentation, the Assistant Commissioner for Tourism briefed members on new initiatives for enhancing the protection of consumer rights of Mainland tour group visitors. She highlighted the following points:

- (a) The Customs and Excise Department (C&ED) attached great importance to combating counterfeit goods. It had been closely co-operating with the Police in stepping up enforcement action to crack down on the illegal practices of deceiving and misleading consumers. In this regard, the Police, TIC, CC and C&ED had already established a speedy referral system to follow up promptly on consumer complaints lodged in Hong Kong and impose sanctions against breaches of relevant law and regulations. C&ED, in collaboration with TIC, held seminars for TIC-registered shops on the requirement of the Trade Description Ordinance (TDO) (Cap 362) and the liabilities of the retail shops;
- (b) Together with CC, TIC, HKTB, the Police and C&ED, the Economic Development and Labour Bureau (EDLB) was reviewing relevant consumer protection legislation in full speed with a view to strengthening enforcement action against misleading and undesirable sales practices;

- (c) The Tourism Commission (TC) had deliberated with HKTB, CC and TIC to reach a consensus on the strengthening of regulatory measures for trade conduct, and enhancing the service standards of tourist guides;
- (d) On publicity and education on consumer protection and consumer rights, CC and HKTB would work more closely with their Mainland counterparts in stepping up work in this area, in particular at boundary crossings and in the Mainland. Pamphlets promoting smart consumption to Mainland visitors would continue to be distributed at tourist spots and border control points;
- (e) HKTB was stepping up promotion on the Mainland and on its website about the QTS Scheme, as well as the "Honest and Quality Hong Kong Tours" with a view to providing quality tourism products to Mainland visitors to facilitate their making of informed choices; and
- (f) The China National Tourism Administration (CNTA) recognized and fully supported the initiatives devised by the Government and relevant bodies. It would step up publicity and promotion on its policy on "honest and quality tourism" in the Mainland, and would roll out regulatory measures against "zero-/negative-fare tours".

Presentation by deputations

7. The Chairman welcomed deputations to the meeting and invited them to present their views. Members noted the submissions provided by the following parties not attending the meeting:

- (a) Submission from Hong Kong Retail Management Association (HKRMA) (LC Paper No. CB(1)1413/06-07(01));
- (b) Submission from Hong Kong Tour Guides General Union (TGGU) (LC Paper No. CB(1)1437/06-07(01)) (*tabled at the meeting and subsequently issued on 24 April 2007*); and
- (c) Submission from Hong Kong Information Technology Federation Ltd (HKTIF) (LC Paper No. CB(1)1437/06-07(02)) (*tabled at the meeting and subsequently issued on 24 April 2007*).

Hong Kong Association of Travel Agents Ltd (HKATA)

8. Mr Michael WU Siu-ieng, Executive Committee Member of HKATA said that HKATA was concerned that the unscrupulous sales malpractices of the shops concerned had adversely affected the image of Hong Kong tourism industry. He said that "arranged shopping" by travel agents was a very popular programme among overseas tour group visitors. These visitors accounted for about 40% of all visitor arrivals. However, as Mainland tourists were still relatively unfamiliar

about the situation in Hong Kong, unscrupulous retail shops had made use of the opportunities to cheat Mainland visitors. Mr WU was confident that the enhanced measures taken by the Administration and the relevant parties, in particular the stepping up of enforcement action and the extension of the time limit from 14 days to 180 days for visitors to seek refund for purchased products, would be effective in restoring Mainland visitors' confidence in shopping in Hong Kong.

The Federation of Hong Kong Chinese Travel Agents Ltd (FHKCTA)

9. Mr Ricky TSE, Chairman of FHKCTA commended the efforts of the Government and the tourism industry in establishing Hong Kong's reputation as a shoppers' paradise. He expressed full support for the Administration's enhanced measures in combating a small group of unscrupulous retailers selling counterfeit goods. He highlighted FHKCTA's suggestion as follows:

- (a) Publicity efforts about the "180 Days 100 Percent Refund Guarantee Scheme" should target at Mainland visitors. Shopping from Mainland visitors currently made up of about 50% of business of registered shops receiving tour group visitors;
- (b) C&ED and the Police should step up surveillance on retail shops targeting at Mainland tour group visitors; and
- (c) The Mainland designated agents (DAs) of the Mainland tour group visitors which were suspected of being cheated should be held responsible.

Travel Industry Council of Hong Kong (TIC)

(LC Paper No. CB(1)1413/06-07(02) - Submission)

10. Mr Ronnie HO, Chairman of TIC said that the TIC Board of Directors (TIC Board) had agreed on measures proposed in conjunction with TC, HKTB and CC to restore the confidence of Mainland tourists in local shops. In the weeks ahead, TIC would discuss with the industry and the retail sector in working out the details of the measures for tightening regulation on registered shops.

Consumer Council (CC)

(LC Paper No. CB(1)1413/06-07(03) - Submission)

11. Ms Connie LAU Yin-hing, Chief Executive of CC highlighted the views of CC as follows:

- (a) CC had set up a working group to review consumer protection legislation with the aim to, inter alia, provide better protection to tourists shopping in Hong Kong. The review would also study the feasibility and introduction of a trade practices law embracing all aspects of misleading, deceptive and unfair sales practices;

- (b) A tripartite mutual referral arrangement between the Police, C&ED and CC had been set up to enable relevant consumer complaints from Mainland tourists be dealt with swiftly and effectively by respective parties;
- (c) CC would continue to liaise with its counterparts in the Mainland in the dissemination of consumer advice and pre-shopping information. For instance, with the co-operation of CCA, a series of shopping advice and alerts had been posted on the consumer bodies' websites in some 46 provinces and cities in the Mainland, and issued to the media there; and
- (d) Subject to availability of additional fund, a special task force of Putonghua-speaking Complaints Officers would be assigned to handle consumer complaints from Mainland visitors.

Hong Kong Tourism Board (HKTB)

12. Mr Patrick KWOK, General Manager/Tourism Marketing of HKTB highlighted the measures taken by HKTB to protect visitors' consumer rights in Hong Kong as follows:

- (a) HKTB had launched the QTS Scheme to enhance service quality in sectors of catering, retail and visitors accommodation, as well as to facilitate visitors identifying the quality service providers in order to provide consumer protection to visitors;
- (b) HKTB would enhance liaison with Mainland tourism authorities (including CNTA and Shenzhen Tourism Bureau) in stepping up publicity and education on consumer rights through the distribution of promotional materials and other activities in the Mainland; and
- (c) HKTB had rolled out "Honest and Quality Hong Kong Tours" and set up designated counters in a number of Mainland cities covered by Individual Visit Scheme, including Beijing, Shanghai, Nanjing, Hangzhou, Guangzhou and Shenzhen to promote these quality tours.

Discussion

13. Mr James TIEN declared that he was the Chairman of HKTB. Mr Vincent FANG declared that he was a member of HKTB, QTS Association and HKRMA. Mr Howard YOUNG declared that he was a non-executive director of a travel agent which did not involve in business for Mainland tour group visitors. The Chairman also declared that he was a shareholder of a travel agent which he did not participate in the daily operation.

Regulatory regime for the travel trade

14. Mr CHAN Kam-lam noted with concern the recent tourism-related shopping scams in Hong Kong. Noting that C&ED would step up surveillance to combat counterfeit goods, he was concerned that retail shops receiving Mainland tour group visitors were made scapegoat since the incidents also involved travel agents and tourist guides. Mr CHAN further opined that the problem had revealed the ineffectiveness of the present regulatory framework of the travel industry under which various bodies were tasked with different regulatory functions. He considered it timely for the Government to undertake a comprehensive review of the regulatory regime.

15. In response, PS/ED reiterated that the Administration would not tolerate unscrupulous malpractices by shops such as using misleading trademarks and false trade descriptions, and selling counterfeit goods. To this end, C&ED had stepped up enforcement action to crack down on illegal practices. The Administration had deliberated with HKTB, CC and TIC to strengthen the regulatory measures for trade conduct. The Administration and CC had also commenced the review of concerned consumer protection legislation to address the problem of misleading and undesirable sales practices in the long run. The Commissioner for Tourism (C for Tourism) supplemented that the organization of Mainland inbound tours involved many parties, including local travel agents and tourist guides, Mainland DAs and TIC-registered shops etc. It would be undesirable and difficult for these parties to be regulated by a single body. TIC as a representative body of the tourism industry and being familiar with the industry practices, was in a better position to regulate the travel industry.

16. Miss TAM Heung-man expressed concern that industry self-regulation could not adequately protect visitors' interests. She called on the Administration to enhance TIC's credibility by introducing more independent directors to its board or to set up an independent body to regulate the travel industry.

17. In response, C for Tourism remarked that there were eight non-trade independent directors appointed by the Government in TIC Board, who were professional people representing the interests of the general public. These independent directors were invited to chair or join the deliberation committees on non-compliance under the TIC Board. Moreover, the membership of TIC Board's many committees also included members from outside the travel trade.

Enhancement for the 100 Percent Refund Guarantee Scheme

18. Mr CHAN Kam-lam expressed concern that extension of the time limit for refund under the 100 Percent Refund Guarantee Scheme from 14 days to 180 days might not help restore the confidence of Mainland visitors. Referring to an incident where a Mainland visitor sought refund for a NTSC video recorder she purchased because the technical standard in the Mainland was PAL was unsuccessful, Mr Fred LI expressed concern that many Mainland visitors could not claim refund due to various reasons or difficulties posed by the retailers.

19. In response, C for Tourism said that besides extending the time limit for refund to 180 days under the 100 Percent Refund Guarantee Scheme, TIC would also give demerit points to those registered shops which received frequent requests for refund. It would also "name and shame" these shops as well as those DAs and local reception agents (RAs) which continued to arrange their group tours to these shops by uploading their information onto the website of TIC. Moreover, the information of all parties involved in the cases would be forwarded to CNTA for its information and follow-up.

20. Mr Ronnie HO of TIC added that to provide better safeguard for Mainland consumers, a registered shop would be given demerit points if refund was arranged only after intervention by TIC, CC or HKTB. Moreover, C&ED, in collaboration with TIC, had held seminars for TIC-registered shops on the requirements of the TDO, inter alia, the provision of detailed specifications of products to consumers.

21. Mr SIN Chung-kai expressed concern that the extension of time limit for refund would be abused by visitors. He pointed out that in order to maintain a harmonious relationship with the tourist guides, Mainland visitors joining "zero- or negative-fare tours" would purchase some products but seek refund later. With the extended time limit for refund, more tourists would adopt this practice which would in turn bring about loss to honest retailers, in particular those selling trendy products such as mobile phones. Mr SIN further referred to the submission by HKTIF (LC Paper No. CB(1)1437/0607(02)) which had expressed concern about allowing refund for trendy electronic products, the price of which might drop in six months' time or which would no longer be available in the market. Mr Vincent FANG expressed similar concern that some electronic appliances might become obsolete within a short period of time. He suggested that consideration be given to shortening the refund time limit to two months.

22. In response, Mr Ronnie HO of TIC said that according to TIC's general observation, visitors who had allegedly abused the refund system usually sought refund before they left Hong Kong. It was believed that the extension of refund time limit would not lead to abuse. Nevertheless, TIC was examining the details of the new measure, such as the conditions of products eligible for refund. Mr Joseph TUNG, Executive Director of TIC supplemented that under the current system, refund would not be arranged for used or damaged products.

23. In this connection, Mr SIN Chung-kai considered it difficult to prove whether an electronic product had been used. He urged TIC to consult the retailers' associations, in particular those selling electronic products, before implementing the new refund arrangement. Mr Ronnie HO and Mr Joseph TUNG took note of the view.

24. While appreciating the good intention of extending the time limit for refund by registered shops to restore Mainland visitors' confidence, Mr WONG Ting-kwong was concerned about the impact of the new measure on non-registered shops as they would also be expected by consumers to provide the same

arrangement. Echoing the view, Mr Vincent FANG urged that clarification should be made on the coverage of the new measure. The Chairman shared the view.

25. Mr Ronnie HO of TIC remarked that the measure was devised to target at the 57 TIC-registered shops receiving mainly Mainland tour group visitors. TIC would take note of members' view and arrange publicity to clarify the scope of the new refund measure to avoid confusing consumers. In this connection, C for Tourism added that at a forthcoming workshop to be held for the Mainland travel industry in Beijing, HKTB and TIC would clarify between "free shopping" and "arranged shopping" at the 57 TIC-registered shops to which the 180 days refund measure would apply. They would also step up publicity on QTS retail shops to provide more information for Mainland visitors.

Problems related to "zero-/negative-fare tours"

26. Noting the concerns expressed by tourist guides about the lack of basic salaries and that the extension of time limit for refund would delay the release of their commissions by shops, Miss TAM Heung-man called on the travel industry to review the salary structure and commission arrangement for tourist guides. Given that "arranged shopping" was the root of the problem of unscrupulous sales malpractices, Miss TAM urged that consideration should be given to canceling the activity.

27. Acknowledging the concerns of tourist guides, C for Tourism said that there were contractual relationships between the travel agents and registered shops. The travel agents had a role in working out a better arrangement with the tourist guide unions in the release of commissions to tourist guides. On "arranged shopping", C for Tourism explained that it was a popular programme organized for group tours and was particularly welcomed by inbound tour groups from overseas. As such, it was inappropriate to adopt an across-the-board approach to prohibit travel agents from arranging shopping activities as part of the itinerary. To enhance information for visitors, the Tourism Commission had proposed to CNTA that Mainland DAs should be required to provide details including shopping itineraries to visitors before their departure.

28. Mr KWONG Chi-kin expressed grave concern about the impact of extending the refund time limit on the livelihood of tourist guides. He urged the Administration and TIC to study the submission of TGGU (LC Paper No. CB(1)1437/06-07(01)) and address the concerns raised, in particular, the need to review the existing arrangement so as to provide tourist guides with basic salary to relieve them from relying on commissions as income.

29. Mr Ronnie HO of TIC clarified that as far as he understood, the tourist guides did not receive commissions from registered shops direct. Registered shops would settle payment with the travel agents according to agreements entered into previously. Such settlement should not take up to 180 days. He reiterated that the new refund measure was taken with the aim to combat the unscrupulous sales malpractices by shops which offered high commissions by selling counterfeit

goods and/or goods marked up at much higher prices to Mainland tour group visitors. It was hoped that the measures for tightening regulation of the travel industry could help change the existing practice of some travel agents over-relying on commissions as returns and eliminate problems associated with "zero-/negative-fare tours". As regards the concern about provision of basic salary, or fees for tourist guides, TIC would continue to coordinate with the travel agents and tourist guide unions in pursuing the matter.

30. Mr Fred LI commended the concerted efforts made by various parties to enhance the protection of consumer rights of Mainland visitors in Hong Kong. He however considered that self-regulation by the travel industry could not adequately address the problem of market malpractices arising from "zero-/negative-fare tours". As the tourist guides receiving these tours were not provided with any basic salary or even required to pay for the reception service costs, they would press visitors to make more purchases in order to earn more commissions.

31. PS/ED said that the Administration was aware of the problems arising from "zero-/negative-fare tours", such as the practice of high commissions. The collaborative efforts of regulatory authorities in Hong Kong and the Mainland were essential to effectively combat the malpractices to restore market order. In this regard, CNTA would soon roll out regulatory measures against "zero-/negative-fare tours". The Chairman of HKTBC and C for Tourism would attend meetings with relevant authorities in Beijing to discuss measures to tackle related problems.

32. Mr Michael WU of HKATA highlighted the effectiveness of TIC in regulating both inbound and outbound tours. He said that majority of tourist guides were employees of travel agents, who were provided with basic salaries, guide fees, service charges and allowances as appropriate. Those tourist guides who relied on commissions alone constituted only a small proportion and were usually servicing Mainland tour group visitors. Mr WU opined that the credibility of TIC should not be undermined by isolated incidents caused by a small number of disgraceful players in the industry.

33. Mrs Selina CHOW remarked that persons escorting Mainland visitors, in particular those joining "zero-/negative-fare tours", to arranged shopping venues were not professional tourist guides, but only "salesmen" who, through aggressive lobbies, earned very high commissions per month. Nonetheless, she supported measures to combat malpractices from unscrupulous shops and tourist guides and address problems arising from "zero-/negative-fare tours". She further opined that the 180 days refund arrangement should target at those TIC-registered shops which were involved in receiving Mainland visitors from "zero-/negative-fare tours". In this connection, Mrs CHOW urged that those travel agents receiving "zero-/negative-fare tours" should not be allowed to charge tour members for leaving the tour group.

34. In response, Mr Joseph TUNG of TIC advised that according to TIC's guidelines, member agents were not allowed to charge tour group visitors for leaving the tour group, or on the basis of visitors' age or occupation, etc. Those

who violated the guidelines would be subject to sanctions. C for Tourism said that issues relating to charging tour group visitors for leaving the tour group would be discussed at the forthcoming meeting with CNTA. In this connection, Mr Michael WU of HKATA said that Mainland was immature in terms of tourism. CNTA might draw on the experience of TIC to approve only those tours that had set reasonable itineraries and fares.

Complaints and law enforcement

35. Mr Howard YOUNG considered that Mainland visitors who encountered problems during outbound travel should turn to the Mainland DAs for assistance instead of reporting the matter to the media. Regarding the channel of complaints, Mr YOUNG enquired whether the Economic and Trade Offices set up in the Mainland could help refer tourism-related complaints for the follow up of TIC or HKTB.

36. C for Tourism said that according to the agreement between TIC and CNTA, all inbound travel agents in Hong Kong should receive only tour groups organized by Mainland outbound travel agents authorized by CNTA and the list of authorized agents would be updated regularly for reference of TIC. Member agents that received Mainland tours from unauthorized DAs would be sanctioned by TIC. In this connection, Mr Ronnie HO of TIC said that it was a worldwide norm that DAs would be accountable for the poor performance of the tours they had organized.

37. Ms Connie LAU of CC highlighted the consumer complaint referral system set up with individual Mainland authorities at provincial or town levels. CC was in the process of discussing with CCA and other consumer bodies to hold DAs concerned responsible in handling the complaints from Mainland tour group visitors.

38. Mr Ronny TONG was concerned that while there was legislation such as TDO to penalize illegal practices of deception or false trade descriptions, enforcement actions or prosecutions had seldom been taken. As tourist guides escorting visitors to TIC-registered shops were the "agents" of the visitors, any agent who received commissions from the registered shops should therefore be subject to section 9 of the Prevention of Bribery Ordinance (PBO) (Cap 201). Pointing out that other metropolitan cities had enacted consumer protection legislation, Mr TONG urged that the Administration should consider introducing similar legislation in Hong Kong to safeguard consumers' interests.

39. PS/ED acknowledged the need to protect consumers' rights in law. She stressed that the EDLB, together with the Police, C&ED, CC, TIC and HKTB, was reviewing relevant consumer protection legislation in full speed with a view to strengthening enforcement action against misleading and undesirable sales practices. CC was examining the current consumer protection laws and exploring the feasibility of incorporating the relevant provisions in one piece of legislation. While taking note of Mr TONG's view on the possible breach of section 9 of PBO

by those tourist guides escorting Mainland visitors to registered shops, PS/ED advised that many of these tourist guides were self-employed persons.

40. On law enforcement, PS/ED reflected the Police's view about difficulties encountered in collecting evidence to substantiate prosecution against unscrupulous retailers. In this connection, the Deputy Secretary for Economic Development and Labour (Economic Development) cited an example to illustrate the difficulty for the Police to ascertain the retailers' intent to defraud. Nevertheless, he assured members that the Administration would draw on overseas experience in reviewing the consumer protection legislation. As regards enforcement actions by the C&ED, Head of Trade Controls, C&ED said that it had filed a charge against one of the jewellery shops involved in the recent incidents. To facilitate investigation, Customs officers went to the Mainland and interviewed victims to collect evidence direct.

41. Mr WONG Ting-kwong considered it more effective to step up enforcement and surveillance on retail shops targeting at Mainland tour group visitors. He enquired about the number of complaints received by C&ED against shops selling counterfeit goods and the number of inspections taken on retail shops in the past few years.

42. In response, Head of Trade Controls, C&ED advised that most visitors who had been deceived had turned to TIC or CC for refund assistance. Having obtained refund, these visitors would most unlikely lodge complaints with C&ED. Nevertheless, C&ED had all along attached great importance to combating counterfeit goods by conducting surveillance on retail shops, particularly those popular among tourists. Since 2003, C&ED had conducted some ten major enforcement actions and had seized counterfeit goods worth more than \$100 million. He said that the newly established speedy referral system would enable C&ED to promptly respond to complaints of suspected selling counterfeit goods and to take follow up enforcement action.

Motion passed at the meeting

43. Mr Howard YOUNG read out the following motion he intended to move:

"促請政府加強措施維持香港購物天堂的聲譽"的議案

"近期有內地旅客投訴在本港某些專門接待團體旅客的店鋪購物時遭受誤導或欺騙，已損害香港的購物天堂的聲譽。經濟事務委員會認為不能姑息欺騙旅客和消費者的不良銷售手法，並促請政府有關部門聯同香港旅遊發展局、消費者委員會及旅遊業界，加快制訂措施，齊心協力打擊有關行為，以保障旅客及消費者的權益；同時加強與內地合作，致力處理由零負團費引伸的不良經營手法，以助業界長遠穩健發展。"

(Translation)

Motion on "Urging the Government to enhance measures to uphold Hong Kong's reputation as shoppers' paradise"

"Some mainland tourists have recently complained about being misled or cheated while shopping at certain retail shops in Hong Kong frequented by group tourists, which has ruined Hong Kong's reputation as a shoppers' paradise. The Panel on Economic Services considers that unscrupulous sales practices cheating tourists and consumers shall not be tolerated, and urges the relevant government departments together with the Hong Kong Tourism Board, Consumer Council and the travel trade to expeditiously formulate measures and take concerted actions against such acts, so as to safeguard the interests of tourists and consumers; as well as to step up co-operation with the Mainland and make efforts to combat the unscrupulous business practices arising from "zero-fare" and "negative-fare" tours, in order to facilitate the healthy development of the trade in the long run. "

44. Mr Fred LI moved amendments to Mr YOUNG's motion as follows:

"促請政府加強措施維持香港購物天堂的聲譽"

"近期有內地旅客投訴在本港某些專門接待團體旅客的店鋪購物時遭受誤導或欺騙，已損害香港的購物天堂的聲譽。經濟事務委員會認為不能姑息欺騙旅客和消費者的不良銷售手法，並促請政府有關部門聯同香港旅遊發展局、消費者委員會及旅遊業界，加快制訂措施，齊心協力打擊有關行為，以保障旅客及消費者的權益；同時加強與內地合作，致力處理由零負團費引伸的不良經營手法，以助業界長遠穩健發展，並立即研究設立一個旅遊業議會以外的架構以更有效地監管旅遊業，避免出現由業界自我監管而出現的問題。"

45. Mr Fred LI explained his proposed amendments that HKTB was tasked to promote Hong Kong tourism in the Mainland and overseas and was not responsible for combating malpractices in the travel industry. He also urged the Administration to consider establishing a body outside TIC for regulating the travel trade to avoid problems associated with self-regulation. Mr Howard YOUNG highlighted the effectiveness and credibility of TIC in taking up the regulatory role for the travel industry. He did not support the amendments moved by Mr Fred LI to his motion.

46. The Chairman put the motion as amended by Mr Fred LI to vote. Of the members present, four members voted in favour of the motion and four voted against. The Chairman declared that the motion was negatived.

47. The Chairman put the motion moved by Mr Howard YOUNG to vote. Of the members present, five members voted in favour of the motion and two members abstained from voting. The Chairman declared the motion passed.

(Post-meeting note: The Administration's reply to the motion passed was circulated to members vide LC Paper No. CB(1)1716/06-07(01) on 25 May 2007.)

V Manpower training in the maritime industry

(LC Paper No. CB(1)1383/06-07(03) - Information paper provided by the Administration)

Briefing by the Administration

48. At the invitation of the Chairman, the Deputy Secretary for Economic Development and Labour (Economic Development) (DS/ED) briefed members on the measures taken by the Government to ensure the continued supply and development of maritime professionals to meet the needs of the industry and the proposed Hong Kong Maritime Scholarship Scheme. She explained that due to rapid growth and diversification of the Hong Kong economy leading to a wider choice of job opportunities in many sectors, a sea-going career had become increasingly unattractive for young people joining the workforce in Hong Kong. There was also a general misconception that the maritime industry offered mainly sea-going employment. In fact, the maritime service cluster provided a wide range of shore-based job opportunities. DS/ED further advised that at present, there were a number of full-time maritime related courses provided at tertiary and post-secondary level by universities and training institutions. In addition, there were short term professional training courses to cater for the different needs of maritime professionals. However, it was noted that the number of student intake for maritime studies was fairly limited. To help meet the manpower demand of the industry, the Administration proposed to launch the Hong Kong Maritime Scholarship Scheme (the Scholarship Scheme) aiming at attracting local and Mainland talents to take up maritime related post-graduate programmes in Hong Kong and, subsequently join the shipping and maritime industry.

Discussion

49. Mr CHAN Kam-lam noted from Annex 1 to the Administration's paper (LC Paper No CB(1)1383/06-07(03)) that the value added to the two maritime service sectors, viz. ship owners or operators of sea-going vessels and shipbrokers, had seen substantial increases over other logistics services sectors. He was concerned that the logistics industry had not benefited from the economic development of Hong Kong and employment in the relevant services sectors had actually dropped. Mr CHAN sought information on the measures taken or planned to tackle the problem.

50. DS/ED acknowledged that the value added per capita in the maritime services sector was the highest among the different sectors in the logistics industry. However, the increase in the value added to ship owners, operators of sea-going vessels or shipbrokers did not necessarily mean that more ships were using Hong Kong Port. Indeed, the logistics services sectors were facing increasingly fierce competition from neighbouring ports. To sustain growth in the logistics industry and to further strengthen Hong Kong's position as an international maritime centre, it was thus important to ensure the continued supply and development of sufficient professionals to meet the demand of the industry.

51. Noting that the Scholarship Scheme would be opened to both local and Mainland university graduates, Mr CHAN Kam-lam considered it more appropriate to offer the Scholarship Scheme to local students only. DS/ED assured that applications from both local and Mainland university graduates would be considered and assessed using the same criteria. An important condition of the scholarship required successful applicants to work full time in Hong Kong's maritime industry for a period of not less than one year after completion of the study programme. The requirement would ensure Mainland awardees would stay in Hong Kong to work in the maritime industry and, hence ensure the cost-effectiveness of the Scholarship Scheme. It was believed that awardees from the Mainland would likely continue to work in Hong Kong after the first year.

52. Mr KWONG Chi-kin conveyed the concerns of the labour unions on the Scholarship Scheme, which they considered tantamount to schemes for importing foreign labour or admitting Mainland talents and professionals. He considered the concerns legitimate. To help meet the manpower demand of the maritime industry, he further called on the Administration to devise long-term policy and programmes for training and upgrading the local work force.

53. DS/ED clarified that under the Scholarship Scheme, both eligible local and Mainland university graduates could apply for the scholarship for the programme of "Master Degree in International Shipping and Transport Logistics" which might reasonably be completed in two years before the scholarship awardees could start to work. While acknowledging the concern of the unions, she assured that there was no intention of importing labour/talents by way of offering scholarships. On manpower planning at different levels, DS/ED highlighted that the Administration had launched the Ship Repair Training Incentive Scheme and the Sea-going Training Incentive Scheme to offer training to local people.

54. In reply to Mr KWONG Chi-kin's further enquiry about whether union representatives had been invited to join the Steering Committee set up for the Scholarship Scheme, DS/ED advised that the Steering Committee was chaired by Hon Miriam LAU and comprised members from the maritime industry, Hong Kong Polytechnic University (Poly U) and the Government. Nevertheless, union representatives had been invited to join the human resources project group set up under the Hong Kong Logistics Development Council.

Concluding remarks

55. The Chairman highlighted the strategic role of logistics in the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong". He urged the Administration to carefully assess and address the manpower need in the maritime industry to avoid the problems associated with the resultant need to importing labour or admitting talents from the Mainland.

VI Any other business

56. There being no other business, the meeting ended at 12:50 pm.

Council Business Division 1
Legislative Council Secretariat
22 June 2007