

For information

Legislative Council Panel on Economic Development

**Tourism Co-operation between Hong Kong
and the Pearl River Delta Region**

Purpose

This paper briefs Members on the latest development on tourism co-operation between Hong Kong and the Pearl River Delta (PRD) Region.

Background

2. With busy movement of people between Hong Kong and the PRD Region, the two sides have been working closely on the tourism front. In 2008, visitors from the PRD Region accounted for about 75% of the 16.86 million Mainland visitor arrivals in Hong Kong.

3. The National Development and Reform Commission (NDRC) released “The Outline of the Plan for the Reform and Development of PRD (2008-2020)” (the Outline) in early 2009. The Outline encourages Guangdong, Hong Kong and Macau to jointly develop tourism. Specifically, it states that “the facilitation of the personnel movement among Guangdong Province and the Hong Kong and Macau regions will be encouraged, and the ‘144-hour visa-free visit’ measure will be optimised”. Furthermore, the Outline states that the PRD Region would deepen and solidly enforce the “Mainland and Hong Kong Closer Economic Partnership Arrangement” (CEPA) and pilot measures, which include tourism-related measures.

4. To strengthen tourism co-operation between Guangdong, Hong Kong and Macau, the Tourism Commission has established regular exchange mechanisms with the Guangdong Provincial Tourism Administration (GDPTA), Shenzhen Tourism Administration (SZTA) and Macau Government Tourist Office (MGTO) respectively. In August 2008, Hong Kong and Guangdong signed a tourism co-operation agreement. The direction and objectives of these efforts are consistent with the Outline. The following paragraphs set out the progress in strengthening tourism co-operation among Guangdong, Hong Kong and Macau.

Facilitation measures for visitors

5. Guangdong, Hong Kong and Macau have taken a number of measures to facilitate residents to visit the three places as well as tourists from other places to visit the PRD Region.

6. Since the second half of 2008, the Central Government has announced and implemented a number of pilot measures facilitating Shenzhen residents to visit Hong Kong. These include:

- (a) allowing eligible Shenzhen non-permanent residents to visit Hong Kong in group tours (implemented on 15 December 2008);
- (b) introducing a one-year multiple-entry Individual Visit Scheme (IVS) endorsement for eligible Shenzhen permanent residents to visit Hong Kong (implemented on 1 April 2009); and
- (c) implementing arrangements for non-Guangdong residents in Shenzhen to apply for IVS endorsements in Shenzhen to visit Hong Kong (the measure is expected to be implemented within this year).

7. These measures further facilitate Mainland residents to visit Hong Kong, thereby driving Hong Kong's tourism and related trades and boosting our economy. The Guangdong Province is Hong Kong's largest visitor source market in the Mainland. Hong Kong, in collaboration with the Guangdong and Macau Governments, will seek to extend these measures to the rest of the Guangdong Province.

8. Separately, the Mainland has implemented the "144-hour visa-free visit" measure which simplifies immigration procedures for group tours organised for foreign visitors in Hong Kong or Macau to visit the nine PRD cities as well as Shantou for not more than six days. Currently, Guangdong is working on arrangements to extend this measure to the entire Province. Hong Kong will step up the promotion of this measure to attract more international visitors to travel to the Guangdong Province via Hong Kong on "multi-destination" itineraries.

9. In addition, Hong Kong seeks to bring greater convenience to visitors coming to Hong Kong. The period of stay for Macau visitors in Hong Kong has been extended since February 2009. Hong Kong and Macau will also roll

out other immigration convenience measures between the two places, which include making automated immigration clearance (namely e-Channels) mutually available for Hong Kong and Macau permanent residents who have enrolled; and allowing permanent residents of the two places to go through immigration clearance at traditional counters with their permanent identity cards only and without having to submit other immigration documents.

10. These measures will encourage residents of Guangdong, Hong Kong and Macau to visit each other and drive tourism spending in the region. They can also help attract more visitors from other places to travel to the PRD Region. Hong Kong will continue to explore more facilitation measures with the Mainland and Macau so as to promote tourism development in the region.

Joint promotion

11. Guangdong, Hong Kong and Macau have distinctive and diversified tourism resources, offering ample opportunities for developing more “multi-destination” itineraries. With concerted efforts, the three places can enhance the overall tourism appeal of the PRD Region and step up joint overseas promotion.

12. To this end, the tourism promotion agencies of Guangdong, Hong Kong and Macau have been conducting joint promotion in many long-haul (e.g. Germany and Australia) and short-haul (e.g. Japan and Southeast Asia) markets through participation in travel expos and organisation of familiarisation visits. In future, Guangdong, Hong Kong and Macau will continue to step up co-operation in tourism promotion, jointly explore new source markets and enhance information exchange, with a view to attracting more international visitors.

“Honest and quality tourism”

13. The Governments of Guangdong, Hong Kong and Macau attach great importance to the consumer rights of visitors. Hong Kong has adopted a multi-pronged approach in promoting “honest and quality tourism” through legislative amendments, more stringent enforcement actions, publicity and trade regulation. The Hong Kong Tourism Board has also set up designated counters for “Quality & Honest Hong Kong Tours” in Guangzhou and Shenzhen etc. to promote quality Hong Kong tours which will not impose self-paid activities, designated shopping or surcharges on tour participants. In 2007, the Hong Kong Consumer Council launched the “Shop Smart in

Hong Kong” website to provide Mainland visitors with advice on shopping in Hong Kong. The website has been hyperlinked to those of GDPTA, SZTA and MGTO among others.

14. The newly enacted Mainland “Regulation on Travel Agencies” and the “Detailed Rules for the Implementation of the Regulation on Travel Agencies” took effect in May 2009. Under this framework which serves to better protect visitors’ rights, Hong Kong will co-operate more closely with Guangdong in regulating the travel market and promoting quality tourism products, jointly rooting out market malpractices stemming from the “zero/negative-fare tours”, and maintaining market order, thereby fostering the healthy development of tourism in both places in the long-term.

Facilitation of the operation of Hong Kong travel agents in Guangdong

15. The Central Government, the Guangdong Province and the HKSAR Government have been promoting tourism development in Guangdong and Hong Kong by introducing CEPA measures and pilot measures for implementation in Guangdong. Currently, Hong Kong travel agents can operate domestic and inbound tours in the Mainland as well as group tours to Hong Kong and Macau for Mainland residents in the nine provinces of the Pan-PRD Region. 20 local travel agents have obtained the “Certificate of Hong Kong Service Supplier” and can operate business in the Mainland. A number of local travel agents have also started operation in places such as Guangzhou and Shenzhen.

16. The HKSAR Government has been liaising closely with Mainland authorities on the implementation of various tourism liberalisation measures under CEPA. According to CEPA Supplement V signed last year, the Central Government would delegate to the Guangdong Province the authority to approve applications submitted by Hong Kong service suppliers for establishing travel agencies in Guangdong. We have already suggested the Guangdong side to streamline and expedite the approval procedures, and announce the implementation details as soon as possible. At the same time, we will also continue to pursue with the Central and Guangdong authorities our proposal to expand the scope of business operation for Hong Kong travel agents in the Mainland, so that they could provide quality tourism products and services to Mainland residents.

The National “12th Five-Year Plan” (the Plan)

17. The Chief Executive announced in the “2007-08 Policy Address” that HKSAR would strengthen communication with the Mainland authorities and put in place appropriate working mechanisms, so that HKSAR could take early action in supporting the preparation of the Plan under the principle of “One Country, Two Systems”.

18. In this connection, a HKSAR Government delegation led by the Secretary for Constitutional and Mainland Affairs discussed with NDRC in May this year the preparatory work of the HKSAR Government in complementing the Plan. This will help HKSAR to better position itself to leverage on the latest development of the region to set the stage for Hong Kong’s long-term development.

Conclusion

19. Guangdong, Hong Kong and Macau are close partners in tourism development. Looking forward, we will actively strengthen tourism co-operation with Guangdong and Macau in accordance with the Outline, so as to achieve greater synergy in promoting tourism and economic development in the region.

Tourism Commission

Commerce and Economic Development Bureau

June 2009