

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 portfolio of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau under the 2010-11 Policy Agenda.

Developing the Infrastructure for Economic Growth

New Initiative

The Pyramid Selling Prohibition Ordinance

***Initiative:** Continue our review of the Pyramid Selling Prohibition Ordinance (Cap. 355) with the objective of enabling more effective enforcement over objectionable, deceptive pyramid schemes. Subject to the outcome of the review and public consultation, our plan is to introduce legislative amendments into the Legislative Council within the 2010-11 legislative session.*

2. The Government is committed to prohibiting objectionable and deceptive pyramid schemes. We have conducted a review of the Pyramid Selling Prohibition Ordinance and have come up with initial proposals on how to amend the current definition of pyramid scheme, the regulatory reach and penalty level. We will consult Members at the meeting of the Panel on Economic Development scheduled for the end of this month. We will consult the public on our proposals later. Subject to the outcome of public consultation, our plan is to introduce legislative amendments into this Council within the current legislative session.

On-going Initiatives

Competition Policy

Initiative: Pressing ahead with the enactment of the Competition Bill to prohibit conduct that prevents, restricts or distorts competition in Hong Kong and to establish a Competition Commission and a Competition Tribunal.

3. We have fulfilled our earlier target to introduce the Competition Bill into the Legislative Council within the 2009-10 legislative session. The Bill is crafted to reflect the aspiration of the society for a cross-sector competition law. We are also aware of public response to the Bill, particularly the concerns of SMEs over the impact of the law on business operations and the associated compliance cost. We will continue to listen to the views of the members of the community while working closely with the Legislative Council (LegCo) in their scrutiny of the Bill, with a view to ensuring that the new law will fit Hong Kong's actual needs.

Aviation Weather Services

Initiative: Taking forward a programme aimed at enhancing weather services for the Hong Kong International Airport and upholding aviation safety, including the replacement/upgrading of the Hong Kong Observatory's windshear radar and other meteorological equipment.

4. Aviation safety relies on quality and accurate weather services. In February 2009, the LegCo approved the funds for the Hong Kong Observatory (HKO) to replace and upgrade the meteorological facilities for the Hong Kong International Airport. HKO is acquiring the various equipment and facilities by phases. The first batch is expected to be commissioned by March 2012 as scheduled.

5. We are making preparations for the construction of a station in Tuen Mun to house the new Terminal Doppler Weather Radar, for substituting the existing facilities that would have become due for replacement, for the continued provision of reliable windshear warnings. To ensure timely replacement of the existing radar, we have started geotechnical investigation works, whilst engaging local villagers on the issues raised. We plan to seek funding approval from LegCo in 2011.

Tourism

Initiative: Supporting the Hong Kong Tourism Board (HKTB) in continuing its promotion work in key source markets and strengthening its marketing activities in emerging markets.

6. We continue to support the promotion work of the HKTB in key source markets, and its expanding marketing efforts in emerging markets. The Middle East, India, Russia, the Netherlands and Vietnam are all emerging markets that present considerable potential in tourism. To strengthen Hong Kong's competitiveness, the HKTB plans to set up new representative offices to further establish business network in Vietnam and the Netherlands. The HKTB is also working to extend its marketing efforts in Mumbai and New Delhi of India and Dubai, to reach Bengaluru and Chennai of India and Saudi Arabia of the Middle East.

Initiative: Together with local stakeholders and Mainland tourism authorities, tightening the regulation of the arrangements for Mainland tour groups in Hong Kong and continuing the promotion of honest tourism and hospitality culture to further uplift the quality of Hong Kong's tourism services.

7. Promoting honest tourism requires sustained efforts and has always been one of our priorities. In recent years, we joined hands with the travel trade and related organisations and made progress in stepping up enforcement, enhancing trade self-regulation, liaising with Mainland tourism authorities, imparting consumer rights concepts to Mainland travelers and promoting quality tourism products. This notwithstanding, recent incidents relating to the reception arrangement in Hong Kong for Mainland tour groups reveals the need for further strengthened regulation against zero or negative receiving fare practice and on the behavior of tour guides. The Task Force of the Travel Industry Council of Hong Kong (TIC) has critically examined these areas and made a number of recommendations on enhancing regulation of travel agents, tour guides and shops receiving Mainland tour groups, as well as co-operation with Mainland source markets. We support the proposals of the Task Force and hope the Task Force could determine the implementation details and timetable as soon as possible after further discussions with the trade. As mentioned in the Policy Address, we will review the existing operation and regulatory framework of the entire tourism sector, including the role, powers, responsibilities and operation of the TIC, as well as its working relationship with the Travel Agents Registry. Our overall objective is to promote the healthy and sustainable development of the tourism industry.

8. As regards fostering of hospitality culture, we have been implementing the Hong Kong Young Ambassador Scheme to instill a sense of courteousness and helpfulness to visitors in young people, and to motivate them to promote service excellence both within and outside schools. We also work with the travel and related industries in conducting activities from time to time to encourage further improvement in the quality of service for tourists.

Initiative: Supporting HKTB's dedicated office "Meetings and Exhibitions Hong Kong" and continuing partnership with our local and overseas networks to promote MICE (meetings, incentive travels, conventions and exhibitions) tourism in Hong Kong.

9. The HKTB set up a dedicated office, “Meetings and Exhibitions Hong Kong” (MEHK), in 2008 to strengthen the promotion of Hong Kong as a premier destination for MICE events; provide one-stop professional support for MICE event organisers; and enrich the travel experience of MICE visitors by offering tourism products and support services. Last year, the MEHK provided support to 1 090 MICE events. Amongst them, 590 have been secured through MEHK’s proactive lobbying efforts and will be held in Hong Kong. Large-scale international conventions and exhibitions secured by the MEHK include the Asia Funeral Expo (2009 and 2010), Asian Seafood Exposition (2010 and 2011), Junior Chamber International Asia Pacific Conference 2012 and World Congress of Nephrology 2013. The Government will continue to leverage on its local and overseas networks to maximise synergy between promotional activities and MICE bidding efforts, thereby enhancing the appeal of Hong Kong as a convention, exhibition and tourism capital.

Initiative: Supporting HKTB’s co-operation with tourism organisations and travel trade in the Mainland and around the region in developing “multi-destination” itineraries.

10. Promoting “multi-destination” itineraries is an integral part of HKTB’s promotional strategy. Hong Kong’s advantages in geographical location and connectivity, as well as the unique cultural characteristics possessed by Mainland and other travel destinations in the region greatly facilitates the development of tourism products with “multi-destination” itineraries. These itineraries and products provide much richer travel experience to tourists, and therefore enhance the appeal and attractions of Hong Kong to visitors. We will continue to provide support to HKTB’s work in this aspect.

11. In 2010, the HKTB, together with the Guangdong Provincial Tourism Administration under the latter's "Overseas Chinese Tourism Year" promotion theme, promoted "multi-destination" itineraries featuring Guangdong and Hong Kong in the United States and Canada. Together with Shenzhen, it promoted tourism features of the two places in Sydney, Australia. It also jointly promoted "city and beach holiday" in Russia with Hainan province. Furthermore, the HKTB is planning to launch joint promotion in Southeast Asia together with Macao and Pearl River Delta cities. Seizing the opportunities brought about by the World Exposition 2010 in Shanghai, the HKTB has promoted Hong Kong-Shanghai themed "multi-destination" itineraries in major long-haul markets.

12. Taking advantage of the Mainland's measure to allow tour groups taking cruise vessels homeporting in Hong Kong to travel to Taiwan, and other modes of entry into Taiwan via Hong Kong, HKTB will collaborate with the relevant cruise companies and the travel trade to promote and publicise cruise tourism and itineraries that feature Hong Kong in major Mainland provinces and cities.

Initiative: Continuing the development of the new cruise terminal at Kai Tak as well as supporting HKTB's overseas promotion on cruise tourism; and continuing to work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region.

13. The Government is committed to developing Hong Kong into a leading cruise hub in the region. On hardware, we are developing the new cruise terminal at Kai Tak in full swing. Site formation works of the project commenced in November last year, and terminal building works in May this year. The terminal building and the first berth are expected to start operation in mid-2013. We will lease the terminal to an experienced operator through open tender. We are working on the detailed leasing arrangements, and plan to report to the Panel by the end of this year.

14. On software, the Government will continue to work closely with the Advisory Committee on Cruise Industry and the HKTB on developing cruise itineraries, encouraging manpower training related to cruise tourism and the travel trade, enhancing promotion on cruise tourism as well as capitalising on the completion of the new terminal to attract more cruise deployments to Hong Kong.

Initiative: Co-ordinating efforts of the Government and the tourism industry to facilitate the operation and development of major tourism infrastructure facilities, including –

(a) The planning and co-ordination of enhancement projects at the Lei Yue Mun (LYM) waterfront, Aberdeen and Tsim Sha Tsui.

15. The Government has been pursuing improvement projects on tourism facilities in different districts, and will continue to liaise closely with the travel industry and the local community to ensure that these projects meet the expectations of residents, while also satisfy the needs of visitors and enrich their visiting experience.

16. LYM is renowned for its pleasant waterfront ambience and excellent seafood. The LYM Waterfront Enhancement Project aims to leverage on the strengths of LYM and enhance its attractiveness. We expect to firm up the detailed design and estimated cost of the project as soon as possible, and seek funding approval from the Finance Committee of the Legislative Council next year. Works are expected to commence earliest in 2011 for phased completion from end 2012 onwards.

17. In respect of the improvement works for the Aberdeen Tourism Project, we have been proceeding with the design which is approaching completion. We plan to consult the Southern District Council again on the design and works schedule shortly. Having finalised the design, we anticipate to seek funding approval from the Finance Committee of the LegCo within the current legislative session, with a view to commencing the improvement works in 2011 for estimated completion in phases from 2012-13 onwards.

18. The Government plans to develop the existing public transport interchange adjacent to the Tsim Sha Tsui Star Ferry Pier into a piazza with a view to linking up the various tourist attractions in the vicinity, and providing a leisure space for public enjoyment. The statutory process on the turnaround scheme as part of the project is ongoing. We shall continue with our public engagement efforts.

(b) Liaising closely with the Ocean Park and relevant parties to ensure smooth implementation of the Park's redevelopment and hotel projects.

19. We will continue to facilitate the Ocean Park in the implementation of its redevelopment project. Upon completion of this project by 2012, it will become a world-class marine-themed park featuring more than 70 attractions. New attractions opened in 2007-2009 include "SkyFair", "Amazing Asian Animals" and "Ocean Express". Another new attraction, "Aqua City" which consists of the largest aquarium in Asia and an aquarium restaurant, will be completed by early next year. Other upcoming new attractions include "Rainforest", "Thrill Mountain" and "Polar Adventure".

(c) Overseeing the implementation of the Hong Kong Disneyland expansion plan to ensure its timely completion.

20. The expansion project of the Hong Kong Disneyland (HKD) commenced in December 2009. Under the expansion plan, there will be three new themed areas. "Grizzly Gulch" and "Mystic Point" will be exclusive to HKD amongst Disney theme parks worldwide and "Toy Story Land" will be exclusive amongst Disney theme parks in Asia. After the expansion, the area of the existing theme park will be enlarged by about 23% with more than 30 new attractions added, bringing the total number of attractions in HKD to over 100. The new attractions are expected to be completed in phases by mid-2014. The first new themed area, "Toy Story Land", is expected to be completed by the end of 2011. We will oversee the implementation of the expansion project to ensure its timely completion.

Investing for a Caring Society

On-going Initiative

Consumer Protection

Initiative: *Consulting the public on legislative proposals to enhance protection for consumers against unfair trade practices. We will consider public views received and prepare legislative amendments. Our target is to introduce the legislative amendments into the Legislative Council within the 2010-11 legislative session. We will continue publicity and education efforts.*

21. The Government is committed to enhancing protection for consumers. On 15 July this year, we launched a public consultation exercise on legislative proposals to better tackle the problem of unfair trade practices. The consultation period will last until the end of October. The aim of the legislative proposals is to adequately safeguard the interests of consumers, and at the same time avoid imposing unnecessary compliance costs on businesses or adversely affecting their daily operations and promotional activities.

22. At present, the Trade Descriptions Ordinance only prohibits the application of false trade descriptions to goods. We propose that its regulatory reach be extended to cover false trade descriptions of services. Besides, we propose to introduce criminal provisions to prohibit some commonly seen unfair trade practices, including misleading omissions, aggressive tactics, “bait-and-switch”, and the practice of accepting payments without the intention or ability to supply contracted goods or services.

23. The public views that we have received so far unanimously indicate support for enhancing legislative control over unfair trade practices. There are however different views on practical details. We will finalise the legislative proposals after analysing in detail and considering the public views received during the consultation period. Our target is to introduce the legislative amendments into this Council within the current legislative session.

24. In parallel with working on the legislative proposals, we will collaborate with the Consumer Council, the Police and other organisations (including major chambers of commerce, schools and the media) to enhance consumers' awareness and knowledge of various unfair trade practices through different channels.

Commerce, Industry and Tourism Branch
Commerce and Economic Development Bureau
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