### 香港特別行政區政府 商務及經濟發展局 工商及旅遊科

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本函檔號 Our Ref: CITB CR 05/08/1 來函檔號 Your Ref: CB4/PL/EDEV

COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU
GOVERNMENT OF THE HONG KONG
SPECIAL ADMINISTRATIVE REGION

COMMERCE, INDUSTRY AND TOURISM BRANCH

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13 June 2016

Ms. Shirley Chan
Clerk to Panel on Economic Development
Legislative Council
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Central, Hong Kong

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BY EMAIL ONLY

Dear Ms. Chan,

# Panel on Economic Development Follow-up to the meeting on 23 May 2016

Thank you for your letter dated 25 May 2016. Please find attached our response to the follow-up issues.

Yours sincerely,

Tony Chan

(Tony Chan)

for Secretary for Commerce and Economic Development

c.c. Commissioner of Customs and Excise (Attn: HTC, AC(II))

Communications Authority (Attn: AD(M))

Internal: ACT1

## LEGISLATIVE COUNCIL PANEL ON ECONOMIC DEVELOPMENT

#### Follow-up to Meeting on 23 May 2016

#### **Purpose**

This paper sets out the Government's overall follow-up response to the Panel on Economic Development's discussion at its meeting on 23 May 2016.

#### Combating problems of coerced shopping involving Mainland tourists

- 2. All along, the Government attaches great importance to the protection of the consumer rights of visitors to Hong Kong and vigorously combats problems of coerced shopping involving Mainland tourists. As the principal enforcement agency of the Trade Descriptions Ordinance ("TDO"), the Customs and Excise Department ("C&ED") has been adopting a three-pronged approach (i.e. compliance promotion, public education and publicity, and enforcement) in prohibiting unfair trade practices deployed by traders against tourists, including aggressive commercial practices.
- 3. C&ED has been maintaining close liaison with the Travel Industry Council of Hong Kong ("TIC") on collaboration and enforcement. It organises seminars on TDO from time to time for trade practitioners, and distributes at boundary control points leaflets printed in traditional Chinese, simplified Chinese and English that promote smart shopping and awareness of unfair trade practices. In addition, C&ED conducts patrols at various popular shopping districts frequented by tourists and steps up such patrols during peak seasons of inbound tourism to combat any unfair trade practices violating TDO. C&ED also has in place a mechanism of quick response teams, served by relevant C&ED officers on a roster basis, and are able to turn out quickly to handle urgent complaints lodged by tourists and local consumers. In 2016, as at May, the quick response teams were deployed 38 times to handle urgent complaints. Of these, 8 cases currently remain under investigation, and the

remaining cases did not require further follow-up action, as no offences were detected or the complainants have retracted their complaints.

- 4. On the other hand, TIC has regulations that prohibit travel agents and tourist guides from compelling or misleading travellers in any way to make purchases or forcing travellers to remain in registered shops<sup>1</sup>. TIC will handle seriously any suspected non-compliance cases found. Any travel agent or tourist guide violating the regulations will be penalised under the disciplinary mechanism of TIC. To strengthen the regulation of Mainland inbound tour groups with a view to protecting the consumer rights of Mainland tourists to Hong Kong, the Government announced in early-November 2015 various measures including requiring travel agents to submit contracts to TIC within two days after TIC's issue of a contract submission notice, providing regularly to the Mainland tourism authorities information on the average costs of the local travel agents for receiving Mainland inbound tour groups, strengthening cooperation with the Mainland tourism authorities, encouraging organisation of "Quality and Honest Hong Kong Tours", etc. The Government will continue to work closely with TIC and relevant law enforcement agencies in implementing the measures concerned and will review them in a timely manner with a view to curbing the problems arising from zero/negative tour fares and coerced shopping.
- 5. The Government also maintains close liaison with the China National Tourism Administration ("CNTA") on the regulation of the tourism markets in both places, and provides CNTA with regular updates on Hong Kong's tourism industry. The Mainland authorities have all along been supportive of our regulatory work. The Government and TIC will inform CNTA of suspected non-compliance cases in Hong Kong so as to facilitate its investigation and follow-up with regard to the Mainland organising agents concerned.

#### Tackling "Non-cooperation Movement"

6. Both the Government and TIC all along firmly oppose any acts that disrupt the order of the tourism industry and stand resolute to tackle them. The Government is deeply concerned about the so-called "non-cooperation

for Inbound Tour Group Shoppers" of TIC.

Travel agents must register the information of those shops with TIC in advance before arranging tour group members to patronise any designated shops (called "registered shops"). Registered shops have to undertake a number of pledges with TIC, including complying with the requirements of the "Refund Protection Scheme (Registered Shops)

movement" launched by a handful of travel trade members early this year, and has been maintaining close liaison with TIC and the trade on how to tackle the incident.

7. In response to the "non-cooperation movement", the Tourism Commission, the Police and TIC conducted a joint operation in early-January this year to inspect if any person operated travel agent business illegally and violated TIC's regulations (including such non-compliance acts as a travel agent's refusal to display its licence number on the tour coach, a tourist guide's refusal to wear on his chest the Tourist Guide Pass issued by TIC, etc.). Relevant operations will continue to be conducted from time to time to TIC has also stepped up spot checks on Mainland generate deterrent effect. inbound tour groups and maintains liaison with the stakeholders of the trade to ensure the orderly operation of the Hong Kong tourism market. We would like to emphasise that TIC is the only approved organisation designated by the Government under the Travel Agents Ordinance. The Government will, as always, fully support TIC in steadfastly carrying out the regulatory work of the trade, and appeal to the trade for fully cooperating with TIC on its regulatory measures, joining hands in protecting the rights of tourists visiting Hong Kong and safeguarding the reputation of Hong Kong's tourism industry.

Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau
Customs and Excise Department
June 2016