

立法會
Legislative Council

LC Paper No. CB(4)847/19-20

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Panel on Economic Development

Minutes of meeting
held on Monday, 25 May 2020, at 10:45 am
in Conference Room 1 of the Legislative Council Complex

Members present : Hon CHUNG Kwok-pan (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon James TO Kun-sun
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Elizabeth QUAT, BBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon CHAN Chun-ying, JP
Hon LUK Chung-hung, JP
Hon Jeremy TAM Man-ho

Member attending : Hon YUNG Hoi-yan, JP

Members absent : Hon Starry LEE Wai-king, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Kenneth LEUNG

Public Officers attending : Agenda item III

Commerce and Economic Development Bureau

Dr Bernard CHAN, JP
Under Secretary for Commerce and Economic
Development

Miss Katharine CHOI
Deputy Commissioner for Tourism

Miss Maggie CHOW
Assistant Commissioner for Tourism 3

Architectural Services Department

Mr Frank WONG, JP
Project Director 1

Mr KING Kwok-cheung
Chief Project Manager 101

Mr Tony NGAN
Senior Project Manager 123

Civil Engineering and Development Department

Mr Ricky WONG, JP
Deputy Head of Civil Engineering Office (Port and
Land)

Mr Francis LEE
Project Team Leader, Pier Improvement Unit

Drainage Services Department

Ms Carol HO
Chief Engineer/Consultants Management (Acting)

Leisure and Cultural Services Department

Mrs Doris FOK
Assistant Director (Leisure Services)1

Agenda item IV

Commerce and Economic Development Bureau

Mr Edward YAU, GBS, JP
Secretary for Commerce and Economic
Development

Mr Joe WONG, JP
Commissioner for Tourism

Miss Katharine CHOI
Deputy Commissioner for Tourism

**Related
organization**

: Agenda item IV

Hong Kong Tourism Board

Mr Dane CHENG
Executive Director

Ms Cynthia LEUNG
General Manager, Corporate Affairs

Ms Lucy TSUI
Director, Strategic Planning and Insights

Clerk in attendance:

Ms Shirley CHAN
Chief Council Secretary (4)5

Staff in attendance : Ms Shirley TAM
Senior Council Secretary (4)5

Ms Lauren LI
Council Secretary (4)5

Ms Zoe TONG
Legislative Assistant (4)5

Miss Mandy LUI
Clerical Assistant (4)5

Action

I. Information papers issued since the last meeting

(LC Paper No. CB(4)515/19-20(01) — Tables and graphs showing the import and retail prices of major oil products from April 2018 to March 2020 furnished by the Census and Statistics Department

LC Paper Nos. CB(4)509/19-20(01) and CB(4)602/19-20(01) — Letter from Hon YUNG Hoi-yan dated 24 April 2020 regarding the proposed use of the Travel Industry Compensation Fund to help travel agents hard hit by the coronavirus disease-2019 pandemic (Chinese version only) and the Administration's response

LC Paper No. CB(4)516/19-20(01) — Letter from Hon WU Chi-wai dated 27 April 2020 on the permanent set-up and staffing proposals of Air Accident Investigation Authority (Chinese version only)

LC Paper No. CB(4)516/19-20(02) — Letter from Hon WU Chi-wai dated 28 April 2020 on monitoring the auto-fuel market in Hong Kong (Chinese version only)

Members noted the above papers issued since the last regular meeting.

II. Items for discussion at the next meeting

(LC Paper No. CB(4)579/19-20(01) — List of outstanding items for discussion

LC Paper No. CB(4)579/19-20(02) — List of follow-up actions)

2. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 22 June 2020 at 10:45 am –

(a) Update on the development of the three-runway system at Hong Kong International Airport; and

(b) Update on Hong Kong Disneyland Resort

3. Referring to Ms YUNG Hoi-yan's letter (LC Paper No. CB(4)509/19-20(01)) on the use of the Travel Industry Compensation Fund ("TICF") to help travel agents hard hit by the Coronavirus Disease 2019 ("COVID-19") and a submission from the Hong Kong Tourism Association ("HKTA") tabled at the meeting on resumption of people flow between Hong Kong and nearby cities, Mr YIU Si-wing suggested the Panel discuss the relevant matters.

(Post-meeting note: The HKTA submission was circulated to members vide LC Paper No. CB(4)619/19-20(01) on 25 May 2020.)

4. Noting that the Administration had provided a written response to Ms YUNG Hoi-yan's letter, Mr Frankie YICK supported the discussion on resumption of people flow between Hong Kong and nearby cities which he considered was related to the economic development of Hong Kong.

5. The Chairman suggested that members might follow up on the above issues during the discussion of agenda item IV at this meeting. He also drew members' attention to the fact that issues relating to resumption of people flow between Hong Kong and nearby cities would involve various considerations straddling across different Government bureaux and hence would fall under the purview of different Panels.

III. Lei Yue Mun Waterfront Enhancement Project

(LC Paper No. CB(4)390/19-20(03) — Administration's paper on Lei Yue Mun Waterfront Enhancement Project)

Presentation by the Administration

6. At the invitation of the Chairman, Under Secretary for Commerce and Economic Development ("USCED") briefed members on the proposal to seek Finance Committee ("FC")'s approval of funding totalling \$268.1 million in money-of-the-day prices and to upgrade the associated works items to Category A for the implementation of the Lei Yue Mun Waterfront Enhancement Project ("LYM Project") with a view to enhancing the attractiveness of Lei Yue Mun ("LYM") as a popular tourist attraction. The proposed works under the LYM Project would be funded under the Public Works Programme ("PWP") Items 5444RO and 3409RO. The scope of works of the two PWP Items were respectively the construction of a public landing facility as well as related marine works; and the development of a waterfront promenade as well as related improvement works. Details were set out in LC Paper No. CB(4)390/19-20(03).

Discussion

Project cost and scope

7. Mr CHAN Chun-ying noted that it had been more than 10 years since the Administration carried out extensive consultation on the LYM Project in 2005. The Kwun Tong District Council ("KTDC") and the local community, which were consulted again on the project in 2019, showed support to the project and urged for its early implementation. He also noted that the Administration planned to commence the construction works in the fourth

quarter of 2020 for completion in phases from the second quarter of 2022 to the fourth quarter of 2024. As time might run short for the Administration's application for funding as the current term of Legislative Council ("LegCo") would stand prorogued from July 2020, he enquired if the Administration had assessed the impact on the cost and completion date of the LYM Project if funding could not be approved within the current term of LegCo.

8. Ir Dr LO Wai-kwok expressed support for the LYM Project and opined that it should have come earlier. He shared a similar concern with Mr CHAN Chun-ying on the timing for submitting the funding application, and was worried that the relevant funding application could not be approved before prorogation for the current LegCo term.

9. USCED explained that it took some 10 years to introduce the LYM Project to LegCo as the Administration needed to address the different concerns of society. When KTDC and the local community were consulted again on the latest progress of the LYM Project in 2019, they showed unanimous support. The Administration planned to consult the Panel in the first quarter of 2020, but the plan was delayed due to the outbreak of the Coronavirus Disease 2019. He advised that the Administration would try to kick start the project as soon as possible.

10. Project Director 1 of Architectural Services Department added that delay in funding approval might affect the projected cost of PWP Item 3409RO. However, the Administration had minimized the possible impact on the cost by stating the specifications of the project clearly and by commencing the works in phases. Deputy Head of Civil Engineering Office (Port and Land) of Civil Engineering and Development Department ("DH/CEDD") advised that the tender documents for the proposed public landing facility were prepared with provision on price adjustment for inflation, which could accommodate the delay of funding approval.

11. Ir Dr LO Wai-kwok said that a lot of proposals were pending Members' discussion/approval in the Public Works Subcommittee ("PWSC") as well as in FC. He was worried that the current political atmosphere would be unfavourable for the early approval of funding, which might result in a delay of the LYM Project for more than a few months.

12. Dr Junius HO expressed support for the LYM Project and urged the Administration to expedite the implementation of the project. He considered that the total cost of the project was reasonable, but the consultancy fees

engaged by the Civil Engineering and Development Department ("CEDD") and the Architectural Services Department, which were \$9.0 million and \$7.4 million respectively, were expensive. He queried the need to hire consultants for the project as professionals in the relevant government departments should be able to undertake such consultancy work. Mr WONG Ting-kwong shared a similar concern. He said that many government works projects had engaged consultants and that the LYM Project was of no exception. He considered that careful thought should be given before deciding to engage consultants for government works projects.

13. USCED advised that the estimated project cost would cover the construction of a public landing facility and development of a waterfront promenade. The project cost per square metre was comparable to that of other similar government works. DH/CEDD added that CEDD had allocated a total of about \$9.0 million for site investigation works and consultancy studies for the LYM Project, including an Environmental Impact Assessment ("EIA"). The relevant EIA report was approved by the Director of Environmental Protection in October 2018, and the corresponding environmental permit for construction and operation of the LYM Project was issued in December 2018.

14. Mr LUK Chung-hung considered that the improvement works under the LYM Project were worth supporting as LYM was a tourist attraction filled with local characteristics. Expressing concern that the proposed breakwater might obstruct the harbour views of LYM, he asked if it was necessary to construct the breakwater, and sought information on the construction cost of the breakwater. He also enquired if the breakwater would be open for public access.

15. Mr Frankie YICK considered that the buildings in LYM had their own characteristics and he welcomed the LYM Project. Furthermore, he said that the tremendous waves caused by the easterly wind could make it difficult for vessels to berth at LYM. The protruding location of the new public landing facility would make a breakwater even more necessary. He suggested that the construction of the breakwater should not block the harbour views and that visitors should be allowed to access to the breakwater to enjoy the views.

16. USCED advised that according to the result of marine traffic impact assessment, the 30-metre long breakwater would provide sufficient attenuation of wind-driven waves, providing a desirable condition for safe berthing of vessels at the new public landing facility. In addition, the EIA for this Project had assessed the landscape and visual impact of the proposed breakwater. The EIA report indicated that the breakwater would cause limited and negligible

visual impact to the concerned area. Furthermore, the breakwater would be opened to the public round the clock.

17. Mr LUK Chung-hung said that the Old Lei Yue Mun Quarry near Sam Ka Tsuen had important historical value. It was also a good place for enjoying the views. However, the path leading to the site was very narrow and some constructions along the way also affected the walkability of the path. In this connection, he enquired if it was feasible to carry out improvement works in the area concerned without affecting the residents in the vicinity. USCED advised that the LYM Project did not cover the area Mr LUK mentioned. However, the local history of the quarry industry was incorporated in the design of the Project. For example, display panels with QR code providing visitors with information about the industry would be set up along the LYM waterfront.

18. Mr Frankie YICK noted that the Lei Yue Mun (Ma Wan) public toilet and bathhouse was situated in the site area of the LYM Project. As the number of visitors was expected to increase after completion of the LYM Project, he urged the Administration to renovate the toilet concerned to cater for the need of visitors. USCED advised that the Food and Environmental Hygiene Department ("FEHD") kept in view the conditions of the toilet concerned. During a consultation conducted by FEHD in 2019, local residents were generally satisfied with the hygiene conditions of the said toilet and bathhouse. FEHD would conduct similar consultation on the need to renovate the toilet and bathhouse in 2021. In response to Mr YICK's views that it would be too late to renovate the toilet after completion of the LYM Project, USCED advised that other options like portable toilets would be considered if necessary.

Transport, parking spaces and ancillary facilities

19. Mr CHAN Chun-ying said that many visitors would take coaches to LYM. In this connection, he enquired about the Administration's plan to improve land transport at LYM if the LYM Project was able to attract a large number of visitors. He was also concerned about enhancement in parking spaces for heavy vehicles in the vicinity upon completion of the LYM Project.

20. Mr YIU Si-wing, Mr WONG Ting-kwong and Mr Frankie YICK also shared the concern about the provision of parking spaces at LYM. Mr YIU said that visitors to LYM might take land transport to leave LYM after visiting. Therefore, he was concerned about the provision of parking spaces as well as public transport in LYM, and urged the Administration to have better planning on the arrangement of public transport to cater for the need of the increased

number of visitors. He also said that enhancement in such facilities should not affect the daily lives of local residents. Mr WONG considered that the biggest problem of LYM was the lack of parking spaces, and that the Administration should solve the parking problem upon completion of the LYM Project. He also said that the roads in the industrial area between Lam Tin and LYM were always congested with trucks.

21. Deputy Commissioner for Tourism advised that the Transport Department ("TD") had requested development projects in the vicinity of LYM to provide more parking spaces. For example, the residential development project at Lei Yue Mun Path would provide a public car park with more than 200 parking spaces. Besides, under the development project at Yan Yue Wai, a public car park would provide more than 100 parking spaces, among which 25 would be for coaches and heavy goods vehicles. USCED advised that various bus and mini bus routes were available in Yau Tong for visitors to access to LYM. Visitors could also take a 500-metre walk from Yau Tong MTR Station to LYM. While the Administration would continue to monitor the traffic condition in the district, the Commerce and Economic Development Bureau ("CEDB") would discuss with TD arrangements of various transport as appropriate depending on the increase in visitors brought by the LYM Project.

22. The Deputy Chairman considered it undesirable that there was no improvement on the land traffic from Lei Yue Mun Praya Road to the LYM Project site area under the project. He asked if there would be any enhancements to Lei Yue Mun Hoi Pong Road Central and Lei Yue Mun Hoi Pong Road East, where there were restaurants on both sides and the roads were rather narrow. He also suggested that a footway along the LYM waterfront could be constructed to divert visitors from the said roads. Furthermore, he was of the view that "water taxi" would not be able to relieve the demand for road transport to LYM, as the service would only commence in 2022-2024 and that most visitors would still access the area by land transport. USCED advised that improvement works, including re-paving certain footpaths, had been conducted in LYM in 2003. CEDB would continue to explore possible enhancement measures with the Home Affairs Department in this regard.

23. Mr CHAN Chun-ying noted that in the long run, the LYM waterfront might serve as an extended destination of the "water taxi" service to be introduced by the Government. He enquired about the relevant implementation timetable. USCED advised that there would be synergy among the LYM waterfront, the Kai Tak Cruise Terminal and tourism products related to Harbour Tour if the LYM waterfront could be made an extended

destination of the "water taxi" service. It would be beneficial for the promotion of various local tour products.

24. Mr YIU Si-wing said that there were many tourist attractions in LYM, and urged the Administration to enhance facilities in those tourist attractions while implementing the LYM Project. Besides, he asked if ancillary facilities such as Wi-Fi coverage and signs with QR code in tourist spots of LYM would be enhanced simultaneously with the LYM Project. USCED advised that CEDB would continue to explore the feasibility of Wi-Fi provision in the area. The Administration would endeavor to meet the need of visitors in regards of ancillary information technology facilities.

Environment of Lei Yue Mun

25. Dr Junius HO and Ir Dr LO Wai-kwok were concerned about the seawater odour problem in LYM. Dr HO called on the Administration to look into this matter as nowadays tourists had higher expectation on the environment and hygiene of the places and restaurants they visited. To tackle the seawater odour problem, Ir Dr LO enquired about the measures to improve the water quality at the LYM waterfront under the LYM Project.

26. USCED advised that the construction works of Sewerage to LYM Village, implemented by the Drainage Services Department, commenced in November 2018 with a view to improving the water quality and hygiene conditions in LYM. The construction works were expected to complete before commencement of the LYM Project. Sewage from residents and restaurants in LYM, as well as sewage from works of the LYM Project, would be treated properly by then. He further advised that the mitigation measures recommended in the EIA study for the LYM Project, including use of closed grab dredger and deployment of silt curtains, would be implemented with a view to minimizing the impact of the LYM Project on water quality.

27. In response to Ir Dr LO Wai-kwok's further enquiry about the odour problem caused by the sludge in the seabed, DH/CEDD advised that during the EIA stage of the LYM Project, CEDD had investigated the odour impact related to dredging works through testing the Acid Volatile Sulfide ("AVS") level in sediment samples at the proposed dredging area. The level of AVS in the sediment samples was found to be low. He added that approximately 11 000 m³ of sediment would be dredged to allow berthing of vessels at the new public landing facility. The removal of these marine sediment from LYM would help improve the water quality.

28. The Deputy Chairman said that the seawater odour problem in LYM was most serious in Sam Ka Tsuen Typhoon Shelter. He was of the view that the problems of sewage from boat dwellers in Sam Ka Tsuen Typhoon Shelter and accumulation of sludge in the typhoon shelter should be addressed in order to solve the odour problem in LYM. He therefore enquired about the Administration's measures to transfer sewage from boat dwellers in Sam Ka Tsuen Typhoon Shelter to the sewage treatment system with a view to avoiding the discharge of such sewage to Sam Ka Tsuen Typhoon Shelter. In response, Chief Engineer/Consultants Management (Acting) of Drainage Services Department advised that nine dry weather flow interceptors and sewerage system would be constructed in LYM so that sewage could be intercepted and conveyed to the sewage treatment works during dry season. However, there were currently no specific measures to treat sewage from boat dwellers at the said typhoon shelter.

29. Mr WONG Ting-kwong said that LYM was a popular tourist attraction for both local and overseas visitors. The tourism merits of the area should be enhanced with some reforms. He expressed concern about the lack of holistic planning, the environment and transport in LYM. In this regard, he suggested that the Administration should consider constructing a municipal building to which all the restaurants in LYM could be relocated.

30. Mr YIU Si-wing was concerned about the Administration's planning and assistance provided to operators in improving public hygiene of the seafood restaurants in LYM. He opined that the seafood street in LYM had its characteristics but was wet and slippery. Problems relating to underground drainage and garbage handling by restaurants should be addressed. He urged the Administration to devise measures to ensure the hygiene conditions and cleanliness of restaurants in LYM with a view to building up distinguishing features for the place and providing a pleasant environment for visitors. USCED replied that the hygiene and sewage problem in LYM would be improved after the completion of Sewerage to LYM Village.

Conclusion

31. The Chairman concluded that the Panel did not object to submitting the funding proposal under the agenda item to PWSC and FC.

IV. Hong Kong Tourism Board Work Plan for 2020-2021

(LC Paper No. CB(4)320/19-20(04) — Administration's paper on Hong Kong Tourism Board Work Plan for 2020-21

LC Paper No. CB(4)390/19-20(04) — Administration's supplementary information on Hong Kong Tourism Board Work Plan for 2020-21

LC Paper No. CB(4)579/19-20(03) — Paper on the work plan of the Hong Kong Tourism Board prepared by the Legislative Council Secretariat (updated background brief)

Presentation by the Administration and the Hong Kong Tourism Board

32. At the invitation of the Chairman, SCED briefed members that the social events in 2019 followed by the outbreak of the COVID-19 as well as the subsequent closure of major borders had posed unprecedented challenges to Hong Kong tourism. Visitor arrivals had recorded a drastic drop by near 99% in March 2020 over the same period last year. While the Government had been taking vigilant anti-epidemic measures, it also acknowledged the difficult situation faced by the travel trade. Hence, it had collaborated with the Hong Kong Tourism Board ("HKTB") to roll out measures to help the trade overcome this difficult situation. Meanwhile, HKTB had also drawn up a plan to revitalize the tourism sector when the pandemic was over.

33. With the aid of the powerpoint presentation materials, Mr Dane CHENG, Executive Director of HKTB briefed members on an overview of Hong Kong's tourism industry in 2019 and the outlook for 2020. The Panel noted that visitor arrivals had recorded a 14% growth in the first half of 2019 but dropped by almost 40% in the second half of the year as a result of the social events, with the overall visitor arrivals of the year registering a decline by 14.2%. He also introduced a three-phase marketing plan, namely Resilience, Recovery and Relaunch, to reinvigorate tourism starting from the local market. Details of the briefing were set out in the papers provided by the Administration (LC Paper Nos. CB(4)320/19-20(04) and CB(4)390/19-20(04)) and the powerpoint presentation material.

(*Post-meeting note:* The powerpoint presentation material provided by HKTB was issued to members vide LC Paper No. CB(4)617/19-20(01) on 25 May 2020.)

Discussion

HKTB's plan to drive tourism recovery

34. Mr SHIU Ka-fai shared the HKTA's concern expressed in its submission (LC Paper No. CB(4)619/19-20(01)) about the sustainability of the travel trade amid the halt of tourism activities in Hong Kong, and called on the Administration to drive the revival of the travel trade with the greatest efforts. Supporting HKTB's recovery plan to first focus on the local market, he enquired about the details of this initiative which might also bring benefits to the retail sector.

35. Mr CHAN Chun-ying was concerned if there would be enough resources for HKTB to launch promotions in the local market. He considered that in contrast, fewer resources would be required for promoting mega events which would become less frequent in the short-term. Referring to the decline of Hong Kong's global ranking as a safe city from the ninth position in 2017 to twentieth in 2019 according to the Economist Intelligence Unit, he enquired about the measures to be taken in future promotion to make up such a negative change.

36. Mr Dane CHENG of HKTB replied that to drive a tourism revival gradually, HKTB would launch a series of tourism promotion initiatives to stimulate spending and promote positive ambience in Hong Kong by encouraging locals to rediscover the tourism characteristics of different neighbourhoods and communities to send a positive message to visitors and restore their confidence in the city. Hence, HKTB had budgeted \$40 million for the "Hello Hong Kong" campaign to introduce some 11 000 enticements covering food, shopping, hotels and attractions, among others, from the middle of June 2020. With about \$300 million allocated for promoting events and thematic tourism, HKTB would be cautious in using the fund to promote mega events to attract the international spotlight and convey a positive message to potential travellers from the world. It would prepare for the organization of the international rugby event, i.e. the Hong Kong Sevens, in October 2020 depending on the pandemic situation. He also said that safety was always the priority concern of travellers. Hong Kong was good at its public health safety in view of a stable pandemic situation which would be duly promoted.

37. SCED added that the Government strived to ensure the safety of travellers in Hong Kong. While the measures on enhancing public health safety were considered effective, the Government would strengthen its efforts to deal with social events which had affected the travellers' desire to visit Hong Kong. Meanwhile, all sectors of Hong Kong should make preparations for minimizing the risk of COVID-19 infection when cross-boundary flow of people resumed.

38. In response to Mr SHIU Ka-fai's further enquiry about the long-term plan to revive tourism, SCED advised that tourism activities would be recovered gradually starting from the local market, followed by certain traveller segments like business travellers. To this end, the Administration had allocated \$1.02 billion under the Anti-epidemic Fund to, amongst others, encourage participation in exhibitions organized by the Hong Kong Trade Development Council. Travelling simply for shopping and sightseeing would be resumed at a later stage.

39. Mr LUK Chung-hung said that the social events in previous months had tarnished Hong Kong's image resulting in a slump of visitor arrivals from all source markets. Sharing the concern about the sustainability of the travel trade, he suggested extending the application period of and increasing the subsidy amount under the Green Lifestyle Local Tour Incentive Scheme ("the Scheme"), strengthening the promotion on local events such as the fire dragon dance in Tai Hang and the Tin Hau Festival in Yuen Long, and stepping up efforts to draw Mainland travellers once the border restriction was lifted.

40. SCED replied that the Scheme had been extended to the end of December 2020 to allow more time for the trade to apply for cash incentives. Focusing on the local market in the near-term, HKTb would draw on its experience on promoting local districts such as Wan Chai and Sham Shui Po and devise suitable marketing programmes. It was expected that the inbound tourism market would take quite some time for a gradual recovery.

41. Ms YUNG Hoi-yan opined that HKTb should not just repeat the previous marketing programmes which might no longer be effective. Instead, it should formulate new and tailor-made plans to address the needs of the short- and long-haul inbound markets under the current situation. Concerning the sustainability of the travel trade if social events persist coupled with the current epidemic, and pointing out that it was impossible to subsidize the trade continuously by public funds, she urged the Administration to formulate effective measures to revive the tourism industry.

42. SCED said that the Administration understood that the tourism industry had borne the brunt of the negative impact arising from the social events and current epidemic. However, even if the epidemic was over, any persistence of social events would definitely reduce travellers' desire to visit Hong Kong. The Hong Kong Special Administrative Region ("HKSAR") Government was in support of the Decision passed by the National People's Congress on establishing and improving the legal system and enforcement mechanisms for HKSAR to safeguard national security.

43. To rebuild the tourism image of Hong Kong after the epidemic subsided, Mrs Regina IP considered it important to develop new and attractive promotion videos for broadcast in different source markets so as to showcase Hong Kong's beauty and features. Meanwhile, to strengthen Hong Kong's position as a "Shopping Paradise", the retail sector should provide a wide variety of worldwide brands and products which were value-for-money. She suggested that HKTb formulate new promotion tactics, such as coordinating with the Hong Kong Retail Management Association to organize a mega shopping festival with special privileges and offers to attract visitors.

44. Mr Dane CHENG of HKTb responded that a new promotional video for Hong Kong would be launched when appropriate. HKTb had also planned to conduct a review of Hong Kong's tourism brand in accordance with the latest travel trends and Hong Kong's unique strengths in tourism. It would then launch a new branding campaign supplemented by a range of promotions to rebuild the tourism industry with the details to be released in early 2021. He added that Hong Kong's status as a "Shopping Paradise" was facing a big challenge due to the increase of large shopping malls in the Mainland and reduction of related customs duties. HKTb would enhance its promotion of the Quality Tourism Services Scheme to encourage local retailers to continue to improve their service quality. HKTb would also consider organizing a shopping festival in late 2020 after the pandemic subsided.

45. Dr Junius HO said that the tourism industry was important to Hong Kong's economy, accounting for some 4% of the local Gross Domestic Product. To revive the tourism industry, HKTb should put the resources to promote Hong Kong in suitable markets, such as the Mainland and the South East Asia, where the people had a high spending power and might prefer short-haul breaks and shorter itineraries after the pandemic. He also suggested enhancing the appeal of Ocean Park with reference to the theme parks in Dubai, improving the accessibility to and accommodation facilities at local country parks, subsidizing

the retail sector to renovate shopping malls, and building escalator links and elevator systems to facilitate local tours.

46. Mr Frankie YICK was of the view that on driving the local tourism market, the lack of parking space in Hong Kong might undermine some people's desire to go out. As some people preferred personalized and point-to-point transport instead of public transport, he suggested that HKTB coordinate with hire car service providers to strengthen the service. HKTB could also collaborate with transport and catering sectors to organize packaged day-tours to incentivize local people touring around the city and outlying islands.

47. Mr Dane CHENG of HKTB replied that HKTB acknowledged the possible shift in preference and behaviour when people toured around Hong Kong in the post-pandemic world. For example, there would be fewer group tours with many participants, more usage of personalized transport service, and a tendency to pursue in-depth tourism products related to nature and local features. HKTB would coordinate with relevant sectors to address the tourism needs and preferences accordingly. He also said that some hotels had been providing accommodation packages with attractive activities to draw local visitors.

48. In response to Ms Claudia MO's enquiry about the promotion plan for the Muslim segment and cruise business, Mr Dane CHENG of HKTB advised that HKTB would support the travel trade in enhancing their capacity to receive Muslim visitors, create a Muslim-friendly webpage on the HKTB website, and step up promotions in Southeast Asia and the Gulf Cooperation Council countries. He added that cruise business was under severe challenge in the short run due to the public health concerns. HKTB would coordinate with cruise liners to strengthen the hygienic measures of cruise vessels in order to restore the confidence of cruise passengers.

Resumption of people flow between Hong Kong and other jurisdictions

49. The Chairman raised concern that in launching tourism promotion for any source markets, the primary condition was lifting Hong Kong's immigration restrictions and relaxing quarantine requirements on inbound travellers. Otherwise the efforts made by HKTB would be in vain. He enquired about the timetable and considerations for relaxing Hong Kong's quarantine requirements.

50. Mr YIU Si-wing pointed out that the travel trade had been anticipating an early resumption of tourism activities between Hong Kong and other

jurisdictions. Referring to the travel bubble arrangement that certain countries had been adopting, he asked about the Administration's plan in this regard, especially the places/countries to cover, the progress of developing a mutual recognition system on travellers' health and supporting measures to be provided by the Administration.

51. Mr Jeremy TAM referred to the HKTB's plan for Hong Kong to develop travel bubble arrangements with neighbouring jurisdictions so as to resume the short-haul tourism activities. He asked about the latest development of this measure, including the implementation timetable, the progress of amending the law concerned, and the timing for commencing the arrangements with nearby countries such as Thailand and South Korea.

52. SCED explained that the travel bubble, or called the travel corridor, was a bilateral arrangement between places considered to be safe and with mutual recognition of arrangements allowing travellers to travel freely without undergoing quarantine. If it was to be implemented, it was necessary to amend the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) and the Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation (Cap. 599E) which imposed immigration restrictions and quarantine arrangements on people arriving at Hong Kong. The Government had been closely monitoring the pandemic situation and would amend Cap. 599C and Cap. 599E as appropriate. Meanwhile, discussion with the governments of Guangdong and Macao was under way on issues related to relaxing cross-boundary flow of people between Hong Kong and the two places, including the arrangement for mutual recognition of COVID-19 test results and exemption of designated cross-boundary travellers from compulsory quarantine.

53. Ms Claudia MO opined that it was too early to consider resuming people flow across borders having regard to the persistent social events in Hong Kong. She said that such events, especially the Police's enforcement actions, had affected travellers' confidence in Hong Kong's safety and undermined the efforts of HKTB on promotions. She also commented that Hong Kong had placed heavy reliance on the Mainland inbound market in the past decade leading to grave public concerns and problems.

54. SCED responded that the travel bubble arrangement would be pursued progressively between Hong Kong and other jurisdictions by relevant health and tourism authorities. Considerations would be given to whether the places had brought the pandemic under control and the relevant protocol to be put in place

for such arrangement, etc. It was necessary for HKTB to prepare for the resumption of tourism activities while regional tourism authorities and travel trades of various destinations were also gearing up for intensive promotions to vie for visitors. He also said that the social events since 2019 had largely affected the travellers' desire to visit Hong Kong.

(At 12:33 pm, the Chairman directed that the meeting be extended for 15 minutes.)

Disbursing Travel Industry Compensation Fund ("TICF") to travel agents

55. Mr YIU Si-wing appreciated the Government's support measures for the tourism trade under the Anti-epidemic Fund. However, he considered such measures insufficient to support the trade which was struggling hard to survive. He suggested exploring further measures such as extending the Travel Agents Incentive Scheme to cover participants of local tours and disbursing part of TICF to travel agents. The Chairman raised a similar enquiry.

56. SCED explained that TICF was established under section 32C of the Travel Agents Ordinance (Cap. 218) with the purpose of providing protection to outbound travellers. Making payment out of TICF to assist travel agents was not within the ambit of Cap. 218, and was contrary to the intent of Cap. 218. In addition, any change to TICF's original purpose required amendment to Cap. 218, involving changing the use of TICF, considerations about consumer protection, whether the Legislative Council's approval could be obtained, etc. In fact, the Government had rolled out a number of schemes to support the tourism industry through the two rounds of the Anti-epidemic Fund, with total funding of \$1,360 million which was far greater than the current balance of TICF. Such measures could provide timely support for the enterprises and practitioners in the travel trade affected by the epidemic.

57. Ms YUNG Hoi-yan did not subscribe to the explanation. She said that the TICF Management Board was empowered under Cap. 218 to refund in its absolute discretion the whole or part of the monies received and such refund might be made to the related travel agents. Considering that the balance of TICF was far more than that required to address the possible need of outbound travellers applying for ex gratia payments, Ms YUNG requested the Administration to review all possible means to disburse TICF to the travel trade as far as possible.

58. SCED said that the Administration acknowledged the adverse situation

currently faced by the travel trade. However, in view of the austere economic environment plagued by a plunge in visitor arrivals, coupled with the COVID-19 epidemic, the tourism industry had been facing huge challenges, hence bolstering the need to maintain TICF's financial stability to cope with more applications for ex gratia payments. If payment was made out of TICF to travel agents, the fund balance would be reduced, compromising the ability of TICF Management Board to meet its statutory obligations in ex gratia payments. According to the Department of Justice, it was neither appropriate nor practicable to make use of TICF to provide travel agents with financial assistance.

V. Any other business

59. There being no other business, the meeting ended at 12:57 pm.

Council Business Division 4
Legislative Council Secretariat
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