

**立法會**  
**Legislative Council**

LC Paper No.CB(4)646/20-21(04)

Ref : CB4/PL/EDEV

**Panel on Economic Development**  
**Meeting on 22 March 2021**

**Updated background brief on**  
**the work plan of the Hong Kong Tourism Board**

**Purpose**

This paper provides background information on the establishment and funding arrangements for the Hong Kong Tourism Board ("HKTB"). It also summarizes the major views and concerns expressed by members of the Panel on Economic Development ("the Panel") on the work of HKTB and related matters in previous discussions.

**Establishment of HKTB**

2. HKTB is a statutory body established on 1 April 2001 under the Hong Kong Tourism Board Ordinance (Cap. 302) ("HKTBO"). According to HKTBO, the objectives of HKTB are to –

- (a) endeavour to increase the contribution of tourism to Hong Kong;
- (b) promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination;
- (c) promote the improvement of facilities for visitors;
- (d) support the Government in promoting to the community the importance of tourism;
- (e) support, as appropriate, the activities of persons providing services for visitors to Hong Kong; and
- (f) make recommendations to and advise the Government on measures which may further any of the foregoing objectives.

3. The governing body of HKTB is the Board which consists of 20 members including the Commissioner for Tourism.<sup>1</sup> The detailed plans and programmes of HKTB are implemented by various functional units in the Head Office in Hong Kong as well as HKTB's Worldwide Offices.

#### Funding arrangements for HKTB

4. HKTB's activities are primarily funded by the Government having regard to the needs of HKTB as presented in its work plan and annual budget.<sup>2</sup> The subvention for HKTB forms part of the Appropriation Bill, the passage of which is subject to approval by the Legislative Council ("LegCo"). The Government may provide non-recurrent funding to support HKTB in implementing specific promotional activities.

5. HKTB may also collect fees for its services to achieve cost recovery as appropriate, solicit sponsorship for funding its events, activities and communication materials, and generate revenue by accepting advertisements in its publications and website, as well as in the venue of HKTB's mega events.

#### Monitoring mechanisms

6. HKTB has an established mechanism of financial monitoring and internal audit to ensure cost-effectiveness of its promotional activities. Its work plan, budget, programmes, financial procedures, guidelines and progress of marketing are required to be vetted and monitored by the relevant committees established under the Board.

7. Under section 18 of HKTBO, the annual financial statement of HKTB has to be audited by an external auditor appointed by the Government. A copy of the statement of the audited accounts together with the auditor's report on statement/accounts shall be laid before LegCo as soon as possible. Section 19 of HKTBO provides that HKTB has to submit an annual report of activities to the Chief Executive, and the Secretary for Commerce and Economic Development ("SCED") shall lay the report on the table of LegCo. In addition, HKTB is included in the list of "public bodies" under the Prevention of Bribery Ordinance (Cap. 201), and is subject to the scrutiny of the Director of Audit.

---

<sup>1</sup> The Tourism Commission, a functional unit within the Commerce and Economic Development Bureau and led by the Commissioner for Tourism, works closely with HKTB and some other organizations to promote the development of tourism in Hong Kong.

<sup>2</sup> The HKTB's budgetary cycle dovetails with the Government's annual budgetary process.

8. Under section 17B of HKTBO, HKTB has to submit its annual work plans to SCED for approval. In drawing up the work plans, HKTB conducts extensive consultation with various tourism stakeholders, including travel agents, airlines, hotels, retailers, restaurants, attractions, as well as the academia.

### **Major views and concerns expressed by the Panel**

9. The social events in 2019 followed by the outbreak of the novel coronavirus disease ("COVID-19") and the Government's implementation of border control measures to contain the pandemic outbreak had posed unprecedented challenges to Hong Kong tourism industry. The Panel received an annual briefing by HKTB on its work plan for 2020-2021 as well as an overview of 2019 tourism performance at the meeting on 25 May 2020. Besides, the Panel was briefed on the policy initiatives relating to tourism in the Chief Executive's 2020 Policy Address at the policy briefing on 31 December 2020.

10. At the meeting on 25 May 2020, members expressed grave concern about the impact of the COVID-19 pandemic on the tourism industry and noted that the Government had provided an additional funding of \$791 million in 2020-2021 for HKTB to step up promotion and revive the tourism industry. In this regard, HKTB had devised a three-phase plan, namely Resilience, Recovery, and Relaunch to reinvigorate Hong Kong tourism which would first focus on the local market. HKTB would monitor the developments, such as signs of COVID-19 abating in Hong Kong and key source markets as well as the resumption of normal airline services between Hong Kong and other places, in order to respond to market situation and roll out promotions as soon as possible.

11. In launching tourism promotions, members held the view that resuming cross-border travel was of utmost importance, otherwise the efforts made by HKTB would be in vain. They urged the Administration and HKTB to formulate a comprehensive plan to drive the future recovery of the tourism industry, taking into account the evolving development of COVID-19. They also called on the Administration to devise measures as appropriate to support the trade to tide over the hardship. There was a suggestion that the Administration should consider making use of the Travel Industry Compensation Fund ("TICF") to provide travel agents with financial assistance. The Administration 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.

12. At the policy briefing on 31 December 2020, the Panel noted that the Government would roll out additional relief measures for the tourism industry with a total commitment close to \$600 million benefitting travel agents and their staff, freelance accredited tourist guides and tour escorts whose main occupations were tour guides and tour escorts, and drivers of tour service coaches mainly serving tourists. Coupled with the financial support provided to the tourism industry in the first three rounds of Anti-epidemic Fund, as well as other helping measures rolled out earlier, the cumulative commitment of the Government support to the tourism industry amounted to some \$2.6 billion in total.

13. To help the trade tide over the difficulties, the Administration advised that the Government had been making every effort to explore and identify business opportunities for the tourism industry while keeping risks at bay, such as the earlier conditional exemption for licensed travel agents to organize local group tours of not more than 30 persons under the group gathering restrictions as stipulated in the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G). Nonetheless, in view of the development of the epidemic, the Government had to further tighten various social distancing measures. The Government would consider relaunching local group tour activities when the epidemic improved locally and the social distancing measures were relaxed.

14. The Administration advised that it would support the recovery of the tourism industry at an opportune time. Taking into account the latest development of the epidemic, HKTb would continue to promote the "Holiday at Home" platform to maintain local ambience and boost consumption as well as conveying a positive message to the world and increasing visitor's confidence to come to Hong Kong again. Meanwhile, HKTb would leverage on staging events, such as the Hong Kong Wine & Dine Festival to relaunch tourism and drive economic recovery. Apart from providing enjoyment for the locals, HKTb would step up promotions of these events to maintain exposure of Hong Kong in source markets. Besides, HKTb was working on the "Open House Hong Kong" platform. Upon gradual resumption of cross-border travel, HKTb would roll out various offers to attract visitors to Hong Kong. Apart from HKTb, Tourism Commission would be gradually rolling out tourism projects for locals to rediscover Hong Kong and preparing for recovery.

15. On members' concern about resuming cross-border travel, the Administration advised that an inter-departmental task force led by SCED was established to explore with countries that had a relatively stable epidemic situation and close economic and trade relations with Hong Kong. Among the countries the Government had approached since mid-June 2020 to explore the initiative, Hong Kong and Singapore reached an in-principle agreement on

14 October 2020 to establish a bilateral Air Travel Bubble ("ATB"). Yet, in view of the epidemic situation in Hong Kong, the two governments had decided not to implement ATB within 2020. The Administration planned to relaunch ATB with Singapore as soon as possible after the local epidemic situation was under control and continue with the discussion with other overseas economies on resuming cross-border travel in an orderly manner through similar arrangements. At the same time, the Government had been liaising with the governments of Guangdong and Macao to explore the resumption of cross-boundary activities among residents of the three places in a gradual and orderly manner, through the mutual recognition of COVID-19 test results under the health codes, when the epidemic situations in Guangdong, Hong Kong and Macao were under control.

16. On the future positioning of tourism in Hong Kong, the Administration advised that once the epidemic had eased, the Government would tap into more local cultural and green tourism resources to revive the tourism industry with a view to expanding both the Mainland and overseas visitor source markets, as well as offering leisure and travel experience with rich historical and cultural elements to locals and visitors. HKTb was examining Hong Kong's tourism positioning to rise to future challenges.

### **Council questions**

17. At the Council meetings of 20 November, 27 November, 11 December 2019, 15 January, 6 May, 3 June, 8 July, 2 December, 16 December 2020 and 3 February 2021, Hon Holden CHOW, Hon WONG Ting-kwong, Hon YIU Si-wing, Hon Mrs Regina IP, Hon Elizabeth QUAT, Hon Vincent CHENG, Hon KWOK Wai-keung and Hon CHAN Han-pan raised questions covering HKTb's tourism projects, impacts of social disturbances on the tourism industry and measures for supporting the industry. Hyperlinks to the Council questions and the Administration's responses are provided in the **Appendix**.

### **Latest development**

18. At the Panel meeting on 22 March 2021, HKTb will present its work plan for 2021-2022, and brief the Panel on the overview of Hong Kong tourism industry in 2020 and the outlook of 2021.

**Relevant papers**

19. A list of relevant papers available on the LegCo Website (<http://www.legco.gov.hk>) is in the **Appendix**.

Council Business Division 4  
Legislative Council Secretariat  
16 March 2021

## List of relevant papers

Issued by	Meeting date/ Issue date	Paper
Panel on Economic Development	25 May 2020 (Item IV)	<a href="#">Administration's paper</a> <a href="#">Administration's supplementary information</a> <a href="#">Background brief</a> <a href="#">Minutes</a>
	31 December 2020	<a href="#">Administration's paper</a>
Council Meeting	20 November 2019	<a href="#">Council question on "Impacts of social disturbances on the economy and people's livelihood" raised by Hon Holden CHOW</a>
	27 November 2019	<a href="#">Council question on "Impacts of social disturbances on the tourism industry" raised by Hon WONG Ting-kwong</a>
	11 December 2019	<a href="#">Council question on "Assisting the tourism industry in tapping business opportunities" raised by Hon YIU Si-wing</a>
	15 January 2020	<a href="#">Council question on "A proposal to hand out consumption vouchers" raised by Hon Mrs Regina IP</a>
	6 May 2020	<a href="#">Council question on "Relief measures under the Anti-epidemic Fund" raised by Hon Elizabeth QUAT</a>

<b>Issued by</b>	<b>Meeting date/ Issue date</b>	<b>Paper</b>
	3 June 2020	<a href="#"><u>Council question on "Support for the hotel and guesthouse industry" raised by Hon Vincent CHENG</u></a>
	8 July 2020	<a href="#"><u>Council question on "Revitalizing the tourism industry" raised by Hon YIU Si-wing</u></a>
	8 July 2020	<a href="#"><u>Council question on "Measures to boost the economy" raised by Hon KWOK Wai-keung</u></a>
	2 December 2020	<a href="#"><u>Council question on "Measures for supporting the tourism industry" raised by Hon YIU Si-wing</u></a>
	16 December 2020	<a href="#"><u>Council question on "Developing local tourism products" raised by Hon CHAN Han-pan</u></a>
	3 February 2021	<a href="#"><u>Council question on "Development of historical and heritage tourism" raised by Hon YIU Si-wing</u></a>