

same time, the Government should ensure that participants are satisfied in all other areas. A good business means the capability of pleasing the customers, while a good employee is one who can please his boss. By the same token, the development of society as a whole will be able to strike a balance in future.

MRS SELINA CHOW (in Cantonese): Deputy President, in recent years, our tourism industry has been booming, aptly evident in the substantial increase of arrivals. Various service industries are benefiting from it as a result. But the tourism industry alone is the only exception that cries out with a lot of grievances, why is it so? While we see that the number of outbound package tours has been on the rise, small travel agents operating inbound package tours are complaining. What exactly is the problem?

The purpose of the motion moved by Mr Jeffrey LAM today is to bring various problems faced by the industry into this Council for thorough and serious discussions, allowing Members to understand the plights of the industry, with a view to identifying ways to resolve problems. We should not put pressure on the industry, or to aggravate their internal conflicts by imposing on them some lay and authoritative regulation and penalty. This is not going to help the industry. If we want the tourism industry to go on booming, we must keep the industry healthy. If we want to have good travel agents, good tourist guides and good receptionists, we must have the industry itself taking the lead, with support being given by the Government and society.

Sometime ago, I talked to some experienced industry participants. They told me that they had been most annoyed by the following problems.

The Travel Industry Compensation Fund (the Fund) was established after the former Legislative Council had passed the Travel Agents (Amendment) Bill in 1989. Up to now, the Fund has accumulated about \$480 million. The amount is collected from 0.3% of the qualified outbound tour fare received by local travel agents as levy to the Fund. Half of the money goes to the Fund, while the other half goes to the TIC to meet its daily administrative expenses. Inbound travellers are not required to pay such levy.

The original intention of setting up the Fund was to provide consumer protection to the public joining outbound tours. Nonetheless, in recent years, in particular following the opening up of the Hong Kong and Macao tour market

and the implementation of the Individual Visit Scheme, the TIC has used 70% of its resources to handle complaints and problems in connection with mainland tourists. This has on the one hand exerted a lot of pressure on the operation of the TIC, while attracted criticisms from local travel agents on the other, complaining against it for spending too much time and effort on mainland travellers, thus leaving the needs of the local industry unattended. Given the change of the times, should a review be conducted of the composition and function of the Fund? For instance, should we consider the proposal of the TIC, imposing a levy on tour fare for both inbound and outbound travellers? And should the proportion allocated to the TIC for its daily operation be adjusted upward?

On the other hand, among the some 1 400 existing members of the TIC, the majority of them are small and medium travel agents operating on a small capital, especially those providing ticketing services. In recent years, their operation has become more and more difficult. For instance, they are facing threats posed by the online booking service of airlines. We have heard that the price of tickets offered by the online service of airlines was even lower than those booked through travel agents. In the light of the introduction of a new requirement of Same-Day Void on 1 April this year, the credit period of 15 days has been cancelled. Any changes or cancellation of tickets made after booking on the same day are liable to charges, increasing greatly the cost of small and medium travel agents. Although we understand that it is a world trend, should they be given more time to adapt to this development and make some changes?

As a matter of fact, small sized travel agents are part of our 300 000 small and medium enterprises (SMEs). However, has the Government regarded them as SMEs and given them sufficient support in the past? I believe that the assistance given to these small and medium travel agents should be stepped up, either in the form of granting them subsidy or *ex gratia* loan, thus enabling them to provide more training opportunities or to upgrade their information technology equipment. Most importantly, their competitiveness should be strengthened.

Finally, I want to talk about the issue of tourist guides. While the recent issue of zero-fare package tours has aroused wide concern about the quality of inbound tourist guides, we must not overlook another problem troubling the industry. In the past, tour guides were helped by some so-called co-ordinators.

These co-ordinators would become tour guides after they have completed their training. However, since the TIC required all inbound tourist guides to sit for an examination to acquire a permit in July 2004, co-ordinators ceased to be a stepping stone for becoming tourist guides. The problem reflected here is, it has become more difficult for people to enter the trade, narrowing the scope of recruitment. As people have to obtain a permit before joining the trade, new entrants can no longer join the industry through taking up on-the-job training as they did. Also, people in the industry cannot see any promotion prospects or the so-called career path ahead of them. Currently, the Government is engaging in introducing a Qualifications Framework in various industries. However, for the tourism industry, we do not have a clearcut career path conducive to the professional and regularized development of the industry. The Government should listen to the views of the industry and assist in providing training, so that professional training opportunities are available to different scopes and levels in the trade. As a result, the framework can be built up gradually, whereby co-ordinators can become tour guides, ticketing staff can become managers and managers can become partners. In this way, those who are interested in entering the trade can have a clear idea about their career path. This is the best way to make our tourism services more professional, adding value to the industry and enhancing the local economy.

Thank you, Deputy President.