



香港旅遊業議會
TRAVEL INDUSTRY COUNCIL
OF HONG KONG

Introduction to the Travel Industry Council of Hong Kong and its Major Functions

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10 December 2021

► The tourism industry is one of the major pillars of the economy of Hong Kong which have been the driving force of Hong Kong's economic growth, providing impetus to growth of other sectors and creating employment.

► In 2018, it contributed to around 4.5% of Hong Kong's GDP and employed around 257,000 persons, accounting for about 6.6% of total employment.

► In 2019, total visitor arrivals declined by 14.2% over 2018 to 55.91 million, reflecting the impact of the local social incidents.

► In 2020-2021, the COVID-19 has taken a heavy toll on the tourism industry of Hong Kong, with inbound and outbound travel coming nearly to a complete halt for coming up to 2 years. The travel trade is still in a difficult time.



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The missions and services of the Travel Industry Council of Hong Kong



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The Travel Industry Council of Hong Kong (TIC) was established in 1978 and has been a self-regulatory body of travel agents under the Travel Agents (Amendment) Ordinance since 1988. Its membership includes eight Association Members and about 1,700 travel agents.

Mission:

The TIC is entrusted with the responsibility to regulate outbound and inbound travel agents under the Travel Agents (Amendment) Ordinance.

- ▶ to maintain a high standard of professionalism within the industry
- ▶ to protect the interests of both the trade and travellers

The missions and services of the Travel Industry Council of Hong Kong

Services

For member agents:

Organising various kinds of activities to promote fellowship and understanding within the industry

Organising training courses, seminars, workshops and the like to upgrade the standard of industry members

Publishing regular publications and updating the TIC website to provide various kinds of information for members

Setting down and enforcing various rules and regulations to uphold a high standard of service and fair competition within the industry

Mediating in disputes between members and related sectors of the industry and the public

Promoting communication between members and related organisations outside the industry and providing channels for discussion

Collecting the outbound levy on behalf of the Travel Industry Compensation Fund Management Board

Helping members recruit staff through the TIC website

The missions and services of the Travel Industry Council of Hong Kong

Services

For the public:

Raising awareness of travel safety and travel protection among travellers

Handling enquiries and complaints lodged by outbound travellers and inbound visitors

Providing assistance for those who need to apply for ex gratia payments from the Travel Industry Compensation Fund and financial relief from the Package Tour Accident Contingency Fund Scheme

setting up service hotlines
(outbound travellers: (852) 2969-8188 ; inbound visitors: (852) 2807-0707)

The missions and services of the Travel Industry Council of Hong Kong

Board of Directors

- ◆ The TIC Board of Directors has 29 members, including the Chairman, 8 member-elected directors, 8 Association Member representatives and 12 Government-appointed independent directors.


Committees


- ◆ Under the TIC are more than a dozen committees and the Appeal Board, all ready to discharge different responsibilities of the TIC.
- ◆ Committee and Appeal Board members comprise more than 200 high-ranking people invited from member agents and other professions.
- ◆ In order to increase member agents' participation in the work of the TIC, the TIC invites persons employed by member agents to nominate themselves to be a member of eight committees every year.


The missions and services of the Travel Industry Council of Hong Kong

Association Members

The TIC comprises eight Association Members. Each of them has their unique characteristics and caters for the specific needs of different markets and travel agents. A travel agent shall join one of the Association Members prior to joining the TIC:


 Hong Kong Association of Travel Agents (HATA)

 Hongkong Taiwan Tourist Operators Association (TTOA)
港台旅行社同業商會


 The Federation of Hong Kong Chinese Travel Agents (FHCTA)

 Hong Kong Association of China Travel Organisers (HACTO)

 International Chinese Tourist Association (ICTA)

 外遊會
 Hong Kong Outbound Tour Operators' Association (OTOA)

 Society of IATA Passenger Agents (SIPA)

 Hongkong Japanese Tour Operators Association (HJTOA)

The missions and services of the Travel Industry Council of Hong Kong

Membership

- ▶ According to the Travel Agents Ordinance, travel agents which carry on outbound or inbound travel business must first join the TIC and then obtain a Travel Agent's Licence.
- ▶ The TIC has three types of member, namely Association Member, Ordinary Member and Affiliate Member.
- ▶ Every member of the TIC is bound by the Codes of Conduct promulgated by the Board of the TIC for the purposes of regulating the conduct and business and other practices of travel agents.

Ordinary Member (Licence: 35XXXX)	Affiliate Member (Licence: 24XXXX)
It is a limited company incorporated or registered in Hong Kong.	He may be a sole proprietorship or partnership.
It has a minimum paid-up capital of HK\$500,000, plus an additional HK\$250,000 for each branch office.	He shall provide a bank guarantee of HK\$150,000 in favour of the TIC.
Its only business is travel-related and tourism	
It is a member of one of the eight Association Members.	
It conducts its travel-related and tourism business within separate and independent commercial premises / buildings or with other members according to the rules	
It employs at each premises at least a manager who has a minimum of two consecutive years' relevant practical experience within the recent five years and another full-time staff member.	

Travel Industry Compensation Fund and Package Tour Accident Contingency Fund Scheme

Protection under the Travel Industry Compensation Fund

- ▶ The requirements in relation to the levy (consisting of the Fund levy and the Council levy) as stipulated in the Travel Agents Ordinance may be summarised as travel agents having to pay the levy in respect of every outbound fare received and outbound fares referring to:
 - ▶ (1) the payments (including the deposits, balance, etc) received by travel agents for providing any two or all of the following services or arrangements:
 - transport from Hong Kong to any other places;
 - accommodation at any places outside Hong Kong;
 - activities at any places outside Hong Kong during a journey, and
 - ▶ (2) the payments related to the journey: air passenger departure tax, security charges, visa application fees, travel insurance premiums, fuel surcharges, and supplements for single rooms, additional beds and breakfast, etc.

Travel Industry Compensation Fund and Package Tour Accident Contingency Fund Scheme

Protection under the Travel Industry Compensation Fund (TICF)

- ▶ According to the requirements, travel agents need not pay the levy for travel products which are merely a single item of the above (a), (b) or (c), such as a one-day trip which begins and ends in Shenzhen, and the travellers are not protected by the Travel Industry Compensation Fund (including the Package Tour Accident Contingency Fund Scheme).
- ▶ “Receipts” refer to any documents proving payment of outbound fares to members by customers. A levy equal to 0.15% of the outbound fare must be franked on all those receipts.

Travel Industry Compensation Fund and Package Tour Accident Contingency Fund Scheme

- ▶ Outbound package tour travellers with receipts with levy stamps are protected by the Travel Industry Compensation Fund (TICF) (including the Package Tour Accident Contingency Fund Scheme).
- ▶ In the unfortunate case that the travel agent goes bankrupt, affected travellers are entitled to receive from the TICF an ex gratia payment of up to 90% of the outbound fare paid.
- ▶ Financed by the TICF, the Package Tour Accident Contingency Fund Scheme renders financial relief of up to HK\$300,000 to tour accident victims and their relatives.

Travel Industry Compensation Fund and Package Tour Accident Contingency Fund Scheme

The Package Tour Accident Contingency Fund Scheme under the Travel Industry Compensation Fund (TICF)

- ▶ The TICF provides protection to outbound travellers who may claim: reimbursement up to HK\$300,000 in ex gratia payment, in case of injury or death in an accident during an outbound activity provided or organised by a licensed travel agent, of expenses incurred in the place of accident, subject to the maximum limit for each item:

Medical expenses incurred in the place of accident (outside Hong Kong)	up to HK\$100,000
Expenses incurred in the place of accident (outside Hong Kong) in the funeral or return of the dead body or ashes to Hong Kong	up to HK\$100,000
Expenses incurred by relatives of the outbound traveller in visiting the place of accident for a purpose connected with the traveller's death or injury	up to HK\$100,000 (up to HK\$25,000 per relative)

Travel Industry Compensation Fund and Package Tour Accident Contingency Fund Scheme

The Package Tour Accident Contingency Fund Scheme under the Travel Industry Compensation Fund (TICF)

- ▶ An outbound traveller means a person who has paid to a licensed travel agent for any two or all of the following services:
 - carriage from Hong Kong to places outside Hong Kong;
 - accommodation outside Hong Kong;
 - arrangements for an activity outside Hong Kong (by a licensed travel agent).

- ▶ The Scheme does not cover:
 - medical expenses not arising from injury or death caused by an accident (e.g. illness);
 - injury or death caused by an accident in an activity which is not provided or organised by a licensed travel agent; and
 - individual travellers who have an accident while staying behind after a group tour.

The cooperation of TIC with Tourism Commission and the related government bodies

- ▶ The TIC works closely with the Tourism Commission and the tourism related institutions to promote the development of tourism in Hong Kong:



- 2018 Hong Kong International Tourism Convention
- 2019 Tourism Platform for Belt and Road and Greater Bay Area
- 2018-2020 Delegation to Greater Bay Area
- “Spend-to-Redeem Free Tour” Programme
- Promotional webinar on “Beautiful China
- Green Lifestyle Local Tour Incentive Scheme
- Resumption of conditional exemption for licensed travel agents to organise local group tours
- Travel Agents Incentive Scheme
- Online training platform

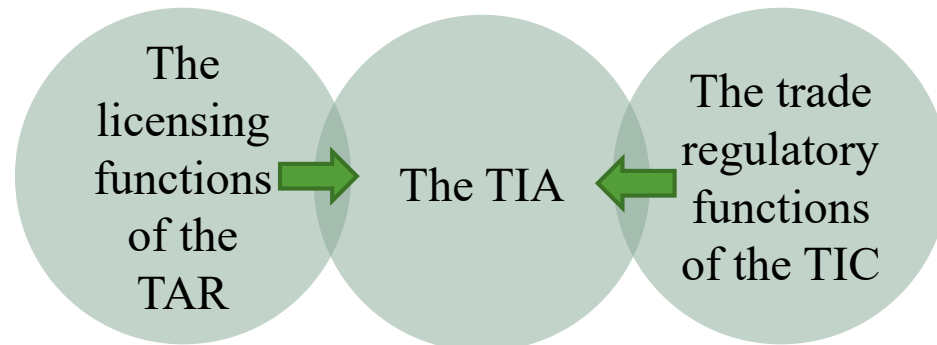
The cooperation of TIC with Tourism Commission and related government bodies

- ▶ Work with the other Government departments and public sectors
 - https://www.tichk.org/en/latest-news?combine=&field_publish_date_start=&field_publish_date_end=&field_who_can_read_value=News+For+Public&field_category_target_id=142

- ▶ Work with the other organisations:
 - https://www.tichk.org/en/latest-news?combine=&field_publish_date_start=&field_publish_date_end=&field_who_can_read_value=News+For+Public&field_category_target_id=143

The changing roles of TIC after the establishment of Travel Industry Authority (TIA)

- ▶ Established under the [Travel Industry Ordinance \(Cap. 634\)](#) in January 2020, the TIA is a new regulatory body of the travel industry established under the Travel Industry Ordinance which is primarily responsible for the licensing and regulation of travel agents, tourist guides and tour escorts.
- ▶ The licensing and trade regulatory functions from the Travel Agents Registry (TAR) and the TIC will be taken over respectively to TIA for the full implementation of the new regulatory regime in 2022.
- ▶ The TIC has been proactively preparing for the transition to the new regulatory regime and the transformation into a federation of travel trade associations. Its work will by then be more focused on promoting development of the trade and training of industry personnel.



The changing roles of TIC after the establishment of Travel Industry Authority

Serving for more than 40 years, the TIC will continually act as a bridge between travel agents and their business partners and the Government, speaking up and fighting for their rights and interests, and maintaining close contact with mainland and overseas tourism departments and associations, related local organisations and enterprises in order to seek for members, tour escorts and tourist guides business promotion, career development and professional enhancement opportunities.

Industry Training

- Continuously improve the service quality of trade practitioners by organising training courses and workshops, etc;
- Online Training Platform

Government Funding Scheme

- Resumption of conditional exemption for licensed travel agents to organise local group tours
- Green Lifestyle Local Tour Incentive Scheme;
- Travel Agents Incentive Scheme;
- Training Programme Subsidy Scheme (for tourist guides);
- Development Fund (Training Activities), etc.

Engagement

- Engage in active communication with the mainland and overseas tourism departments and organisations to promote mutual cooperation and to seek development opportunities for the members and the trade;
- Web-based Tourism Resource Platform on Belt & Road Related Countries and Regions and Guangdong-Hong Kong-Macao Greater Bay Area Cities

Adapt to the “new normal”

- ▶ COVID-19 has changed the way we travel and brought significant challenges to the global travel industry.
- ▶ Epidemic prevention and quarantine policies are constantly being adjusted in response to the development of the epidemic. Service providers and the public must have contingency plans and enhance the awareness of risk management.

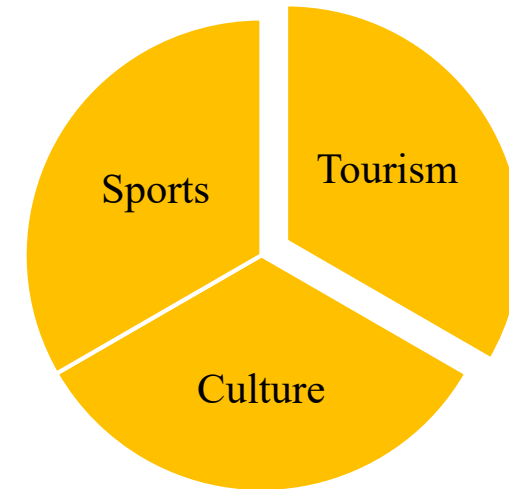
Changes in travel behavior after the epidemic

- ▶ With an aim to facilitate the trade to plan and prepare for the recovery, an “Online Survey on Post-Pandemic Travel” was conducted by TIC and the organiser of Hong Kong International Travel Expo in May.
- ▶ The findings show “pent-up travel demand” among the travellers who mainly concern more about travel restrictions, quarantine period and hygiene measures than about price concession or flexible cancellation/refund policies when selecting their destinations. Most of them consider quarantine both at destination and upon returning to Hong Kong unacceptable which constitutes a major deterrent to travel but are willing to take COVID-19 tests at least once a week.

Reference: <https://www.tichk.org/en/latest-news/2021-05-20-2>

The integrated development of Culture, Sports and Tourism

- ▶ Promulgated in December 2020 by the Ministry of Culture and Tourism, the Culture and Tourism Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區文化和旅遊發展規劃》) sets out:
 - the directions for the overall cultural and tourism development of the Greater Bay Area; and
 - guides the development of the Greater Bay Area into an exchange hub for culture of the East and the West and a world-class tourism destination; and
 - helps strengthen the positions of Hong Kong as an international cultural metropolis and an international tourism hub.
- ▶ In 2021, the Chief Executive, when unveiling the Policy Address, announced that she will set up a Culture, Sports and Tourism Bureau (文化體育及旅遊局) to oversee the policies regarding the creative industries and tourism portfolio, which will spearhead the development of Hong Kong as an East-meets-West centre for international cultural exchange.



Looking ahead in the recovery track

- ▶ It is foreseeable that short haul market, especially in the Guangdong-Hong Kong-Macao Greater Bay Area, might be as the first step to resume after the epidemic, with an aim to achieve the goal of the resumption of quarantine-free travel between the Mainland and Hong Kong in a gradual and orderly manner.

- ▶ The HKSAR Government shall set up task forces to study
 - the interface, code conversion and operation issues of the health code systems of Hong Kong and the Mainland; and
 - the management of and cooperation as well as joint prevention and control mechanism at boundary control points, ensuring a smooth and orderly operation with effective risk management.

Q&A Session