

SCED speaks on support measures for tourism sector

The Secretary for Commerce and Economic Development, Mr Edward Yau, met the media today (October 23) on support measures for the tourism sector. Following is the transcript of his remarks:

Reporter: In formulating this "cash scheme", did the Government think of attracting more Hong Kong people to go on holidays, so that they could perhaps forget about the violence in Hong Kong and support the Government in stopping the violence? Secondly, can both chairmen comment how effective is the "cash scheme" in going to help the industry? Thank you.

Secretary for Commerce and Economic Development: As I stated in the opening remarks, the entire scheme is a cash incentive aiming at helping the travel agents who are hard-hit at this difficult time, so the whole purpose is in fact to help them tide over this difficult time. The design of the scheme is to give them a small cash incentive for whatever number of visitors they are able to get hold of. We will give them this small incentive. This is very much needed at this point of time because of the very drastic reduction in (the number of) visitors to Hong Kong. We also hope that this would provide a pass-on effect to some of the other industries which are related to tourism. But of course, this is not the only measure. This would need to be considered in the overall context of other measures. For instance, when law and order are being restored, we should be mounting a more massive and extensive campaign overseas to invite visitors to come again. Also, there are measures targeting and helping people in the trade, particularly employees, which were announced some days ago. When talking to the industry in recent weeks, as also confirmed by Jason, the Chairman of the TIC (the Chairman of the Travel Industry Council of Hong Kong, Mr Jason Wong), the industry as a whole is suffering from a very difficult situation. They are basically in the doldrums of the economic situation, so any short-term relief of this nature will hopefully provide them with certain relief and also serve as an incentive for them to sustain the business.

Reporter: The deep issue now is that Hong Kong is no longer regarded by many as a safe place, so how does Hong Kong rebuild its reputation as one of the safest places in the world? The second question is that the industry players say the subsidies on tour groups are too little to make an impact, so why does the Government still do it? The third one is, will the Government downgrade its four-year forecast on tourist arrival figures, and what will that be?

Secretary for Commerce and Economic Development: You are exactly right that our reputational status is at stake because of all the things happening in Hong Kong, particularly when it concerns about safety. So far, for the countries that have given travel advisories to their own people in visiting Hong Kong, a few of them are "on alert". Fundamentally I think we all know

that we need to restore order to make sure that Hong Kong remains a safe city. This is of paramount importance to the entire Government, to the entire community and obviously to the trade being affected. We don't spare effort in achieving that goal, but in the meantime, certain sectors, particularly the travel industry, are being hard-hit. In discussion with them, they want to have some short-term relief that, on the one hand, can help them to tide over this difficult time, but at the same time collectively provide the trade as a whole with a certain incentive for moving on and moving forward. This incentive scheme, among other things, is an additional measure to help them. You have heard that last time when the Financial Secretary rolled out a package of economic relief, we already launched certain measures to reduce the cost of the travel trade business, including exempting their licence fees. The Hong Kong Tourism Board is also sponsoring some of their outgoing promotions. The TIC also waived certain membership (fees). These are collective measures helping them. What we are proposing now is to help them (with cash incentive) and tie that to the number of visitors they are bringing in or taking out. This is an additional measure in helping amid the current situation. I believe that in this difficult time, we need to leave no stone unturned. Whenever possible, particularly those measures that are acceptable and considered workable, we would not spare any effort in working together with the trade, and that is exactly what we have achieved after a few weeks of efforts. One of the emphases given by the trade is that these measures should have a more immediate effect, and should be able to be deployed by the whole (industry). The benefit should be able to be filtered through, not just the companies but also people working in the trade. By supporting enterprises, we hope that jobs can also be kept.

(Please also refer to the Chinese portion of the transcript.)