



22/11/2006 09:32

To competition@edlb.gov.hk  
cc  
bcc  
Subject HK Tourism competitiveness

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Dear Sir/Madam,  
I would like to submit my opinion below that draws a lesson learnt for Customer Protection from the recent incident on Oasis' inaugural flight .  
If needed, I can be contacted via this email

Regards,  
C Chan (Ms)  
-- opinion --

I heard an opinion in RTHK 1 radio program on 25 October that Civil Aviation Department (CAD) should screen all the necessary approvals obtained by Oasis beforehand. A spokesman from CAD responded and explained it was not industrial practice to do so. As an ex-practitioner and a tax-payer, I do not see the value of introducing another CAD section which cannot !¥guarantee!| against future recurrence. I do not question the quality of the management in Oasis nor their crisis management response to date. Yet if I am asked who is responsible for the incident last week, it will still be the air operator .

The history of low fare carrier can be traced back to the success of Southwest Airlines in the US which flew their maiden voyage in 1971. The wind of change then blew from North America to other continents . In Asia, notable ones include Malaysia, Singapore, India, Philippines, Thailand . There are also few start-ups in the mainland in the recent past . If our government do perceive !¥open sky!| as the global trend and desire to capitalize on this, they should make HK as the preferred base for the entrepreneurs on one side and as the preferred place for flying for the passengers . How?

For the first part, there is infrastructure in place for inter -modal transfer at Chek Lap Kok such as cross -boarder ferries and coaches and few current projects such as Macau-Zhuhai-HK bridge. Like traditional carriers, the low fare carriers will not eye only on HK domestic population but the larger catchment area in the PRD and beyond .

For the latter part, I do see a role our government can play in making  
!Yfly-via  
HK!| a quality product !V regardless of high fare or low fare . The same  
rationale that people from the mainland come and shop in HK for our product  
quality.

As an ex-practitioner, I have to say there are genuine commercial reasons  
for  
airlines to promote and sell tickets in advance in the face of competitive  
response from existing players . In so doing, there is risk before seeing  
the  
necessary black and white permits on hand . Having said that, the risk has  
to be  
!Yanticipated!|. What do I mean by that? In the old days, we used the term  
!Yprotection!|. That is to fly pax/cargo from one destination to another  
in a  
safe and expeditious manner to fulfill the contractual obligation in the  
air  
ticket / airwaybill. What are the ways to protect? Numerous : re-routing  
flight  
path, using alternative destination, buying seats /space from competitors,  
chartering flights from existing permit holders, etc . There is a different  
cost  
associated with each of these contingency options and its payback in terms  
of  
salvaging damage to the brand name, product reliability, subsequent legal  
disputes from dissatisfied customers, etc .

I believe Oasis has their part of learning . For our government, I do hope  
to see  
that it will start research into ways to build in the !Yquality!| mark  
into any  
air operator certificates it will issue in future . For ensuring appropriate  
and  
adequate fall back plans are in place for flying via HK, it may take more  
than  
just the CAD to look into that . Will that be the Economic Development and  
Labour Bureau, the Consumer Council or a special task force?

If we could brand fly-via-HK a quality product, that will increase the  
attractiveness of HK to the entrepreneurs as well as the traveling public  
to  
the broader ends of making HK a successful aviation hub .

-- end --