Comparing the travel rules in other countries designing an implementations plan for Taiwan

Ya-Li Hu
Comparing the Travel Rules in other Countries Designing an Implementations Plan for Taiwan

By Ya-Li Hu

A project submitted to the faculty of the School of Hospitality & Service Management at Rochester Institute of Technology In partial fulfillment of the requirements for the degree of Master of Science September, 2000
Statement Granting or Denying Permission to Reproduce Thesis/Graduate Project

The Author of a thesis or project should complete one of the following statements and include this statement as the page following the title page.

Title of Thesis/project: Comparing Travel Rules in other Countries

____________________________________

Designing an Implementations Plan for Taiwan

____________________________________

I, Ya-Li Hu, hereby (grant, deny) permission to the Wallace Memorial Library of R.I.T., to reproduce the document titled above in whole or part. Any reproduction will not be for commercial use or profit.

OR

I, Ya-Li Hu, prefer to be contacted each time a request for reproduction is made. I can be reached at the following address:

____________________________________

____________________________________

____________________________________

Sep. 2000

Date

Signature
Name: Ya-Li Hu 
Date: 9/18/00 
SS# ________________

Title of Research: Comparing the Travel Rules in other Countries

Designing an Implementations Plan for Taiwan

Specific Recommendations: (use other side if necessary)

Thesis Committee: (1) ______________ Dr. James Jacobs (Chairperson)
(2) ____________________________
OR (3) ___________________________

Faculty Advisor: __________________________

Number of Credits Approved: __________ 2

Date ________________ Committee Chairperson’s Signature

Date ________________ Committee Signature

Note: This form will not be signed by the Department Chairperson until all corrections, as suggested in the specific recommendations (above) are completed.

cc. Department Student Record File – Original Student
# Table of Contents

**Chapter 1 The Proposal**
- Introduction ........................................... 4
- Problem Statement ...................................... 7
- Background Development ............................... 7
- Purpose Statement ..................................... 9
- Major Questions .................................... 10
- Literature Review .................................. 10
- Methodology ......................................... 12
- Significance ......................................... 15
- Long Range Consequences .......................... 16
- Format ................................................ 17

**Chapter 2 Literature Review**
- Introduction ........................................... 19
- Tourism Development in Taiwan ...................... 20
- Travel Consumer Protection in Taiwan ................ 24
- World Tourism Policy and Development ............... 28
- World Travel Consumer Protection Trend .......... 40
- Travel Law ........................................... 43
- Conclusion .......................................... 59

**Chapter 3 Result and Findings**
- The Disputes ......................................... 60
- Similarities and Differences .......................... 62
- Pertinent Legislation to Sustain the Travel Chapter 69

**Chapter 4 Summary, Conclusions and Recommendations**
- Summary ............................................... 72
- Conclusions ........................................... 73
- Recommendations .................................... 74
References 76

Appendix

Travel Chapter in Taiwan 81
European Community Travel Package Directive 84
West Germany Travel Contract Law 91

List of Tables

Tables
Table 1.1 14
Table 2.1 32
Table 2.2 34
Table 2.3 47
Table 3.1 61
Chapter 1 The Proposal

Introduction

The newly issued Travel Chapter in Civil Law from Taiwan will become effective in May 2000. Travel industry agents consider that the implementation of the new law will cause direct influences on the economic sector of the travel industry. On the contrary, government and academic researchers regard it as a juncture to consolidate the whole travel industry and enhance the overall quality. Is the new law a catastrophe? Or is good advice that involves changes never pleasant to hear? The newly issued Travel Chapter re-clarifies both the rights and liabilities between consumers and travel agents. However, the new law with more specific standards will also cause more appeal cases. There are rules governing specific areas of tourism, but even these rules have many gray areas.

The Travel Chapter is more attentive and considerate of consumers' rights. Consumers have become more and more conscious of their rights, and the government inevitably protects consumers' rights. According to Consumers' Foundation, Chinese Taipei (CFCT) and Tourism Bureau of R.O.C. (phone interview), the new law should provide more solutions about how to deal with the disputes between consumers and travel
agents. When comparing the new law with the dispute cases that occurred in 1998, both associations claimed that the most controversial item about altering the content of itineraries has been prescribed well in rule 514-5 of the Civil Law. Furthermore, the new law also specifies the rights, liability, and indemnity with clarity.

For instance, 10 percent of the disputes are related to the redemption of travel fees, and 19.5 percent related to the release of the contract before the journey begins. The Civil Law Regulation 514 endows the consumer with rights to alter certain conditions that would probably lessen the inflexibility of substitution for travelers (TTN, 1999).

What's more, scholars believe that travel agents should be encouraging the reformation of the tourism system. Instead of viewing the new law as a constraint, the establishment of a norm could be an opportunity to enhance the competence of the entire industry.

In 1999, the Civil Law was revised with the edition of the new Travel Chapter. The sequence of legalization aroused resentment with travel industry agents. Just like walking on a thin tight rope, travel agents are more afraid of applying the law carelessly. Travel agents sense an unprecedented crisis when conducting their business. They also perceive an invisible resistance lies in gaining customers. The administration of the new law seems prejudiced to one side just like an unbalanced scale. The hidden danger of
enlarging the risks has become a burden for most travel agents.

It cannot be denied that the rising risks threaten most travel agents' confidence in the new law. Seeking insurance protection seems to be the only way to maintain their territory and to disperse the risks, though this solution may have only a small effect. Yet, it is still a contentious concern to decide what should be covered in an insurance contract.

Instead of commanding travel agents to accept the new law reluctantly, would it be more effective to create an implementation that balances both travel agents and customers' needs? What remains to be explored, however, is to compare the rules related to travel industry management in different countries to orient travel agents to the new reform. The comparison will help to establish a code of ethics of sorts that serves an important function by containing the rules that govern the conduct of the members of the profession.

Thus, for travel agents, the new law may be just a pebble on the way to expansion of their business. Moreover, the strict and enforceable implementation strategy can protect the profession. The creation of a process is meant to monitor and promote the profession by setting standards that would grant status and prestige.
Problem Statement

It would be inappropriate to demand the travel industry take the whole risks alone and operate in coordination with the new law and to yield to the issue of protecting consumers alone. Parts of the clauses within the new law are highly disputed. Before the implementation of the new law, no practical cases were utilized as references within the country. It is possible to amend the law to refer to the cases of appeal process later.

Wouldn't it be helpful to be able to see a variety of new points and summarize those views and successful implementations of consumer rights from other countries? This could help the Taiwan government, consumers, and travel providers see more clearly what needs to be added in the future.

Background Development

Based on the newly issued Travel Chapter, travelers are endowed with rights to terminate the travel contract any time if they are not satisfied with quality or price. The new law also gives travel agents the responsibility to accompany travelers to the airport and arrange their planes to return to Taiwan. Travel agents are accountable to prepay the
extra expenses caused by terminating contracts. Yet, this practice will probably bring about further disputes if travelers refuse to pay the extra expenses. Travel agents will face the difficulty of collecting the prepaid expenses.

This example is only the beginning of the problem. From the travel agents' point of view, the new law will be an announcement of a death execution if end up incoming most of the extra expenses. The industry is seeking resolutions for the approaching challenge—to assemble agreements from one-thirds legislators (around 100 legislators) to request the judge to explain the Constitution, business and consumer rights. This action would be a chance to abolish the dreadful parts of the new law. Conversely, some people view this plan as an impossible mission because there is no Constitutional problems with the Travel Chapter. Thus, there's no appropriate reason to plead with its judge to explain the Constitution.

A second solution is to request a letter for reconsideration to the Legislative Yuan. According to Article 57 in Constitution of ROC, the Executive Yuan may request the letter for reconsideration when deemed an enactment, a budget, or a treaty passed by the Legislative Yuan difficult to enforce. The Executive Yuan will never be so rash to request the letter for reconsideration, but only if the enactment influences the people's livelihood significantly. Besides, the President of the Executive Yuan shall either abide
by the Legislative Yuan's resolution or tender his resignation if two thirds of the members
of the Legislative Yuan present at the meeting uphold the original resolution. At the
moment, it seems that the controversial parts within the new law will not be problematic
enough to influence the people's livelihood. Accordingly, the feasibility of the second
solution is extremely minute (TTN, 1999).

Obviously, these two solutions are not sound. Beholding travel agents’ efforts,
the CEO/President of CFCT, Chih-Chun Chiang suggests convening travel industry
agents, Tourism Bureau, the Ministry of Law, Judges, representatives from consumers,
and academia to initiate a symposium to explore potential problems within the new law
through the perspectives of lawgivers and travel industry agents (TTN, 1999). He
advises travel agents to then scrutinize the new law through the symposium if they can
build a case.

Purpose Statement

The purpose of this study is to cultivate the success factors that influence the
implementation of the improvements of the Travel Chapter by comparing regulations and
laws relevant to travel industry management in different countries. The study will also
provide perspectives from government, travel agents, insurance companies, and consumers to generate a balance of protections for both of consumers and the travel industry.

Major Questions

Tourism is undoubtedly the world's largest industry. While we are advocating customers' rights, it is also important to grant the industry a secure environment for tourism investment, operation, and development. The major purpose of this study is to address to these questions:

- Are there examples of success factors in different cultures and countries where protection standards work in harmony?
- Is it possible to build an implementation strategy to make the law work?

Literature Review

It has been over 70 years since the initial Civil Law was issued. During the period, political environment, society structure, economy circumstance, and even world situation have significantly changed. The original content of Civil Law based on
agricultural ecology is no longer fitting for current uses. People put more emphasis on leisure activities as transportation and telecommunication have improved. Nevertheless, there were no specific chapters or rules to deal with relevant travel disputes. Thus, the travel chapter in Civil Law was issued based on the needs identified from a previous period.

The newly issued Travel Chapter was formulated by referring to Civil Law in Germany and the travel contract in Brussels International Convention. However, comparing national conditions, Taiwan's diplomatic dilemmas are not the same as those of European countries. In addition, tourism development in Taiwan has not progressed to the level that Germany currently enjoys. Hence, overall implementation of the rules from the above mentioned Travel Law may not be fair and equitable.

The current implementation of the Travel Chapter is not appealing to most of travel agents. It seems that the action exceeds the proper limits in righting a wrong when only considering the protection of the customers' rights. Hence, some pioneers advocate that getting a clear understanding of Taiwan's diplomatic dilemmas in interacting with foreign countries will be conducive when applying rules from tourism in advanced countries.
On the list of tourism advanced countries, Japan and Germany have high awareness in protecting tourists' rights. They developed ethics codes which must be adhered to by countries that desire tourists from Japan and Germany (Fleckenstein, 1999). These are successful examples of tourism management. However, holistic benchmarking is not always good if ignoring the unique situation of different countries. Miscellaneous comparing of the rules from these successful countries could contribute and generate positive outcomes, balancing and protecting the rights of both consumers and the travel industry in Taiwan in the future.

Methodology

In studying the newly issued law for the purpose of establishing an implementation design about it, the study will use evaluation research method to examine the efficiency and effectiveness of program and make suggestions for its improvement. This study will apply a precision device called the system matrix (see figure 1.1), in which a tabulating method will be used to bring order out of a jumble of data.

In the matrix, the horizontal rows represent basic elements of liabilities, obligations, and rights, the vertical columns display dimensions of tourism-advanced
countries of Germany, Japan and United Kingdom. The matrix displays several types of information graphically and allows comparison. The matrix will not only highlight relationships of elements and their interdependencies but also provide the best assurance of including all necessary details. Table 1.1 presents the matrix in general detail.
<table>
<thead>
<tr>
<th>Elements</th>
<th>EC Travel Package Directive</th>
<th>Taiwan Travel Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EC Travel Package Directive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>U.K. The Package Travel,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Package Holidays and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Package Tours Regulations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Taiwan Travel Chapter</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definition</td>
<td>Article 2</td>
<td>Article 514.1</td>
</tr>
<tr>
<td>Travel consumers</td>
<td>None</td>
<td>Article 514.3 (1)</td>
</tr>
<tr>
<td>Accompanying travelers</td>
<td>Article 4</td>
<td>Article 514.3 (3),</td>
</tr>
<tr>
<td>Performance quality</td>
<td>Article 5</td>
<td>514.5 (4), 514.7 (3)</td>
</tr>
<tr>
<td>Conformance</td>
<td>None</td>
<td>Article 514.6</td>
</tr>
<tr>
<td>Travel consumers</td>
<td>Article 651 j-2</td>
<td>Article 514.9 (1),</td>
</tr>
<tr>
<td>Travel agents: quality assurance</td>
<td>Article 651 c-2</td>
<td>514.10 (2)</td>
</tr>
<tr>
<td>Indemnity scope</td>
<td>Article 651 e-4, f-1,</td>
<td>Article 514.4 (2),</td>
</tr>
<tr>
<td></td>
<td>h-1, i-3</td>
<td>514.5 (2), 514.9 (1)</td>
</tr>
<tr>
<td>Time limit</td>
<td>Article 651 g</td>
<td>Article 514.12</td>
</tr>
<tr>
<td>Substitute</td>
<td>Article 4</td>
<td>Article 514.4 (1)</td>
</tr>
<tr>
<td>Cancellation</td>
<td>Article 5</td>
<td>Article 514.5 (3),</td>
</tr>
<tr>
<td></td>
<td>Article 651 e-1, e-2,</td>
<td>514.9 (1)</td>
</tr>
<tr>
<td></td>
<td>i-1, j-1</td>
<td></td>
</tr>
<tr>
<td>Travel agents</td>
<td>Article 4</td>
<td>Article 514.3 (2)</td>
</tr>
</tbody>
</table>
Significance

According to a statistic announced by World Tourism Organization (WTO) at World Travel Market in London, the number of world travelers had a growth of 4~5% in 1999, and the total number had accumulated from 665 to 670 millions at the end of the year (TTN, vol.214, 2000). Based on a report from the Tourism Bureau in Taiwan, comparing the same period in 1998, there was an 10.93% growth of outbound travelers from January to December in 1999 (TTN, vol.215, 2000). The World Travel and Tourism Council claims that tourism is the world's largest industry.

Since we know that tourism is a beneficial industry to develop, it is vital to create a conducive environment for investment. This study is expected to establish healthy attitudes for travel agents, and government when making and implementing law. Government will manage the industry more effectively, travel agents’ profits will be enhanced, and the image of tourism in Taiwan will be improved.

By comparing the success factors in different countries further, implementation suggestions may be developed for the travel relevant rules in Civil Law. The suggestions in the implementation plan will provide guidance for mediating travel relevant disputes and serve as a norm for travel agents to establish ethics codes. Like
Japan, Germany, United Kingdom and other advanced countries have done, the
suggestions made herein might help to promote planning for a tourist/tour operator code
of ethics for responsible travel.

Long Range Consequences

When we think about an implementation plan for the improvement of the Travel
Chapter, there are several factors that ought to be considered in developing the access—
limited resources, the sociocultural costs of tourism development, service elements, and
tested over time. These factors must be embodied in concrete practicable policy
statement, especially factors that might influence the eco-tourism (Fleckenstein, 1999).

In addition, the plan of joining the World Travel Organization (WTO) will bring
forth certain impacts for the entire industry in Taiwan. How the travel relevant rules in
Civil Law will interact with the rules in WTO will probably become a noticeable issue.
Furthermore, travel agents must be more conscious of foreign competitors on the basis of
sharing the market.
Format

The first travel relevant chapter in Civil Law in Taiwan is a guideline that government hopes to make the subject of customer protection practicable. It is significant to understand the background of Taiwan's travel ecology before jumping into the comparison method. In the Chapter 2, a review of the past history of travel industry, categorizations of management, and analysis of current travel industry market in Taiwan takes place. World tourism policy is also introduced briefly.

With basic knowledge about the literature, a further collection of information about the nature and sources of industry cultural problems and challenges will be gathered. The population for this study will be tourism-advanced countries. The sample will be narrowed down to Germany, Japan, and Canada, which have developed a code of ethics and guidelines for tourists as well as the tourism industry.

The study should provide the means to evaluate the consensus opinions of the most effective implementations that should be considered to obtain a balance when dealing with the Travel Law. The study will use comparison research to display the advantages and common characteristics identified from three countries. Once the comparison is done, the results will be examined to see if they address to the questions. As a
consequence, the findings can be used to build an implementation strategy to make the law work.
Chapter 2 Literature Review

Introduction

The purpose of this chapter is to look at the development of Taiwan tourism's policy during a period of rapid change. Specifically, it will take into account the tourism development occurring over a 10 years period, and the possible awareness of the legislative institutions to include travel law relevant to the Civil Law. Furthermore, tourism policies and governing structures in different countries will be discussed as comparative sectors in this chapter.

Since the newly issued law has been laid down for the consideration of consumer protection, the process about how consumer rights are raised in each phase of tourism development will also be examined. Later, the gist of travel law in each country will be listed for comparison. The data provided in the last part of the chapter will help to build a matrix in Chapter 3, to cultivate advantages and disadvantages of the travel law regulations.
Tourism Development in Taiwan

Leisure travel development in Taiwan has evolved following societal, political, and economic change. According to Jung's (1993), modern tourism business has produced various characteristics in different phases since 1956. Travel relevant rules, trends, and tourism activities of the past 45 years are divided into four main phases described below:

Establishing Phase (1956–1970). During this period, the Taiwanese government was eager to set tourism development into action. Attracting inbound foreign travelers to visit Taiwan became the most urgent issue.

On November 1st, 1956, the Taiwan Province Tourism Business Committee was established to handle, supervise and conduct affairs related to scenery, road construction, hotels, propaganda, and tourism planning.

In 1956, non-government groups set up the Taiwan Tourism Association.

In September 1966, the Tourism Business Subcommittee of the Ministry of Transportation and Communication was reorganized as the Tourism Business Committee to conduct the formulation of tourism regulations and rules. The Tourism Development Regulations was announced and put into effect in July 30th, 1969.
Development Phase (1971–1978). The Tourism Bureau of the Ministry of Transportation and Communication was founded in 1971 and given charge of the tourism business in Taiwan. Travel relevant organizations were encouraged to expand their tourism businesses.

Growing Phase (1979–1987). The travel industry faced two significant impacts in this phase: the deregulation of international outbound tours and tours to mainland China. The Taiwanese government first deregulated outbound tours in 1979. Traveling abroad was no longer restricted to certain activities, e.g. business, employment, invitation, and visiting relatives.

In 1987, the Taiwanese government lifted the travel restrictions of travel to mainland China to visit relatives. An extremely high number of Taiwanese traveling overseas have existed since 1987 when travel restrictions were eased.

Competing and Adapting Phase (1988–1991). In this phase, the number of outbound travelers kept increasing. However, the average ages of travelers have lowered. The importance of consumer protection has been raised as consumers pushed travel agents to provide diversified products. The competition turned white-hot.

The tourism market in Taiwan was reopened to public management in 1988. Four years later, the number of registered travel agents was four times that of 1988. The
Travel Quality Assurance Association (TQAA) was formed in 1989 by travel agents to raise the quality of tourism and protect the consumer rights of travelers.

Taiwan's tourism development has entered the decade of multifarious transformations in both international tourism development and domestic travel market since 1990's (Yang, 1997). However, international visitation to Taiwan has been dropping steadily since 1989 because of a combination of factors including the attraction of mainland China, the appreciation of the Taiwanese currency, and visa restrictions on inbound travelers (Hall, 1994).

From Hall's point of view, the traditional primary objectives of Taiwan's international tourism policy of earning foreign exchange has diminished its importance due to massive accumulation of foreign exchange reserves. According to the annual report from Republic of China Tourist Bureau (1991), like Japan, the emphasis in international tourism policy has now shifted toward outbound tourism. This improves the image of the ROC (Taiwan), strengthens substantive international relations, and meets broad diplomatic objectives (Hall, 1994). Hall also indicated that Taiwan has also utilized overseas tourism to ease pressure on its own domestic recreational resources and to improve economic and political relations with its major trading partners.

Based on the official statement, the current administrative control system for the
tourism industry in Taiwan is divided among the central government and local
government levels (Tourism Bureau). At the central level, the Tourism Bureau operates
under the Railways and Highways Department of the Ministry of Transportation and
Communications. At the local level, the Taiwan Tourism Administration operates under
the Department of Transportation of the Taiwan Provincial Government on July 1, 1999;
however, the Taiwan Tourism Administration is to be merged into the Tourism Bureau.

The current policy goals of Tourism Bureau emphasize a few significant issues
described below:

- Systematic development of tourist and recreational areas so as to provide
domestic and foreign travelers with tourism facilities of good quality and
adequate quantity.

- Creation of a good environment for tourism investment, operation, and
development so as to attract private investment.

- Provision of assistance for the integration of and manifestation of group
strength by tourism-related industries (leisure sites, hotels, travel agencies,
transpiration, etc).

- Provision of a travel consumption market with high quality and assured
safety.
• Establishment of a diversified tourist service information system.

• Education of consumers in correct travel concepts and behavior.

In order to reinforce the implementation of the tourism policy, key points of the administration such as implementation of liability and performance insurance, amendment of travel relevant laws and regulations, and strengthened liaison and cooperation with the tourism academic community and the tourism industry are the major guidelines. The roles of the Tourism Bureau in Taiwan are diversified as supervisor, director, and assistant to administrate its tourism policy thoroughly.

Travel Consumer Protection in Taiwan

While the Taiwanese government was doing its best in developing tourism activities, some relevant regulations or laws that govern the travel industry and protect consumers were consequently formulated in accordance with former conditions.

In 1969, the first travel relevant regulations, the Tourism Development Regulations, took effect. The regulations gave fundamental instructions in travel business management, validity of travel contract, payment of cash deposit for travel agencies, and employee training of the industry. Therein, Article 21 regulates
registration and licensing of a travel agency. The Taiwanese government, through Article 24, sought to reinforce travel consumer protection by coercing the travel agency to issue travel document bearing its signature. Thus, the travel agency shall be liable for any loss or damage resulting from a breach of such travel document. Furthermore, in order to provide security for the refund of money paid to the consumer in the event of insolvency of the travel agency, Article 25 indicates that the travel agency has to pay over a cash deposit. These are recurrent themes across the whole spectrum of the Taiwan's tourism policy.

Since 1987, the number of Taiwanese travelling overseas has had a high growth rate when traveling abroad was opened to the public. The high annual growth rate of overseas travel from Taiwan has earned some of the results from the democratic attitude of the government policy, general economic growth and the increase of family earnings. The accumulated wealth resulted in an important revolution of the structure of the value of consumption. As a result, travelling has become part of life in Taiwan (Jung, 1993).

In addition, the age range of travelers lowered, and the educational status of travelers has been raised. Travel consumers are becoming more aware of the content of travel products, quality assurance, and the image of travel agency when considering purchasing travel services. Consequently, non-official organizations for consumer
protection have been formed to conform to trends.

Among them, Travel Quality Assurance Association R.O.C. (TQAA) is a self-regulating, public service organization formed by the travel agency industry itself to protect consumers. The objective of the establishment of TQAA has been to raise the quality of tourism and protect the consumer rights. It serves as a bridge between consumers and the travel industry that has given consumers full protection and also given reasonable business space to the member travel agents.

Each member travel agent is required to pay a permanent fee for Travel Quality Fund to make the compensation of travel consumers and to fund its publicity activities. According a report from TQAA in the period of 1990 to 1998, the Arbitration Committee had refereed 506 cases related to the alternation of travel contract (TQAA).

Yet, TQAA is not the only organization who is responsible to insure that travelers fully enjoy their rights. The Consumers' Foundation, Chinese Taipei (CFCT), is another independent, non-profit, non-political organization which dedicates itself to the promotion and protection of consumers' rights through education, research and lobbying. Over the past years, CFCT has succeeded in the assistance for consumers' appeals, product testing, and encouraging the implementation of consumer protection law. Based on a statistic data, CFCT arbitrated nearly 300 cases of travel disputes in 1999.
These non-political associations also play a significant role in backing the government to lay down laws to protect consumers. The first noticeable action is the practice of the Consumer Protection Law established in 1994. The Consumer Protection Law has the purpose of ensuring the rights of consumer, promoting a safe environment of civil consumption, and enhancing the consumption quality of all consumers. The law covers all the organized contracts that are concluded between consumers and businesses. Article 12 gives clear definition and standards for the contents of a contract in which undue terms are totally or partially explained.

The implementation of the Consumer Protection Law is the initiation of the movement of travel consumer protection. Coming in quick succession, the Taiwanese government initiated a draft of Travel Chapter in 1998 that ignited a series of plan of correction on travel relevant regulations and laws. The aim of rectification in regulations or laws was to ensure the interests of travel consumers and effectiveness of the Travel Chapter.

Furthermore, legislation of the Travel Chapter is considered to place travel consumers and travel businesses on a more equal footing in transactions, as it encourages activities of both consumers and businesses based upon self-responsibility. Basically, the Taiwanese government, academia, and consumers feel optimistic about the practice of
the new law. On the other hand, the travel industry has doubts about the effectiveness of the execution of the new travel law because of the misunderstanding and miscommunication of the law. The existing conflict of the travel industry's attitude will become a big challenge for Taiwanese government to reconcile in the recent future.

World Tourism Policy and Development

When reviewing the history of world tourism development, the Industrial Revolution played the most significant role in it. The improvement in transportation such as road constructions, well-designed ships and wagons made the travel industry into an unprecedented era.

After 1840s, the convenience in railroad transport spurred the emergence of businesses in travel industry which some of them. For instance, Thomas Cook and Sons. Co. in United Kingdom and American Express in America have evolved as world famous travel businesses through the endeavor of the years.

By the end of World War Two, the improvement in international political relations, the desire of peace, and rapid progress in transportation from the technology development all contributed to the rise of mass travel. In 1950, tourism became the
major production business (Jung, 1993).

The year 1958 is a milestone in modern international tourism development. The first jet service for business benefited the travel industry by shortening the distance of human travel and created the age of the "global village" (Gee, Makens, and Choy, 1997).

Moreover, the economic recovery after World War II generally enhanced the ability in purchase and created additional leisure time. The travel industry continued to develop. Since the Fair Labor Standard Act of 1938 was launched, a standard work of 40 hours weekly became a basic principle in people's life. The trend of people having more time to spend on leisure travel also caused the prosperity of travel industry.

Today, economic profits generated by international tourism have become essential factors of economic growth and international economic relations for a great many countries (Vallas & Bécherel, 1995). Williams and Shaw (1998) have indicated that two major trends of the economic structure of tourism are considered: internationalization and concentration.

The increasing growth of international tourism, public health and market liberalization policies has made it inevitable that there has been an internationalization of tourism services. A great number of international groups such as Holiday Inns, and Avis
Car rental bears testimony to the importance of internationalization (Williams & Shaw, 1998). According to Thomas (1998), the trend has become more distinct. Since the early 1990s, a number of factors have combined within Europe to facilitate internationalization which include the strategy of Single Market, and the promotional activities of directorate DG XXIII.

Combined with the factors mentioned above, most large corporations operate toward greater internationalization, cooperation and concentration. Williams and Shaw (1998) have categorized the increased concentration to both horizontal (the take-over of similar/competing businesses) and vertical (the take-over of linked or related businesses) expansion. Travel agencies are also subject to concentration and internationalization although, again, most companies operate almost exclusively within national markets. There is also growing evidence of the internationalization of ownership. Recently, Thomas Cook of the UK has been taken over by American Express Travel and the German tour operator LTU.

Vellas and Bécherel (1995) also specify that international inequalities in the tourism sector are even larger than in trade. New approaches to encourage the development of tourism must be based on international cooperation, not only between different states but also between states and firms. They assume that international
and tourism firms) will guarantee the future development of the industry.

Except for tourism agreements with ally countries or tourism firms, various types of international and intergovernmental bodies have promoted tourism development and removed existing restrictions between countries. The principal organizations are the World Tourism Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the Pacific Asia Travel Association (PATA), the Organization of American States (OAS), and the International Civil Aviation Organization (ICAO).

WTO--the only worldwide tourism organization, headquartered in Madrid, is the successor to the former IUOTO (International Union of Tourism Organizations) (see table 2.1) (Edgell, 1999). WTO provides a world clearinghouse for the collection, analysis, and dissemination of tourism statistics and information. It offers technical services on tourism development to national tourism administrations and organizations and provides a forum to debate important tourism issues and policies (Gee, et al., 1997). While it may be overly optimistic to expect that the WTO's motto, "Tourism: passport to peace," will be shared by everyone, it is a step in the right direction. Edgell (1982) noted, "We do know that when peace prevails, tourism flourishes."
Table 2.1  The past history of WTO establishment

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Title of the Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>Hague, Netherlands</td>
<td>International Union of Official Travel Assembly</td>
</tr>
<tr>
<td>1930</td>
<td>Hague, Netherlands</td>
<td>Union International Des Organs Officials De Propaganda Touristique</td>
</tr>
<tr>
<td>1975</td>
<td>Madrid, Spain</td>
<td>The World Tourism Organization</td>
</tr>
</tbody>
</table>


The OECD, headquartered in Paris, is a forum for consultations and discussions by most of the industrialized countries of the world on a broad range of economic issues.

For over 25 years, the Tourism Committee has published the annual report, which describes the main features about what has come to be called the national tourism policies of the OECD member countries (Edgell, 1999). Most recently, the Tourism Committee has devoted considerable attention to lowering international barriers to trade in tourism.

While tourism organizations at the international level will continue to be instrumental in developing international policies relating to tourism and assisting individual nations in their respective tourism development efforts, a national tourism administration (NTA), also known as a national tourism organization (NTO), is the central governmental body
charged with the responsibility of carrying out public policies addressed to the travel and

Among the member states of the WTO, the central role of the NTA is to ensure
tourism interests of a nation (Gee, et al., 1997).

that the country will benefit to the maximum extent possible from the economic and

Indeed, Gee (1997) argues that its role must often be one of the persuasion, compromise,

social contributions of tourism. To fulfill its role, the NTA seldom, if ever, has all of the

and coordination with other agencies within government administration and/or with the

power and authority it requires to implement the goals and policies identified to tourism.

private sector if anything is to be accomplished.

Indeed, Gee (1997) argues that its role must often be one of the persuasion, compromise,

Table 2.2 provides a synopsis of national tourism policies of selected countries

and coordination with other agencies within government administration and/or with the

quoted from Gee's compilation. Because tourism is relatively a recent phenomenon,

most NTAs are late arrivals on the governmental scene and are less powerful than the

traditional department in government.
Table 2.2 National Tourism Policy of Selected Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Sources/Form of Tourism Policy</th>
<th>Key Tourism/Policy Goals/Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Legislative mandate for Dept. of Industry, Science and Technology</td>
<td>Sustain a vibrant and profitable Canadian tourism industry</td>
</tr>
<tr>
<td>Japan</td>
<td>Independent legislative mandate</td>
<td>Support growth of domestic and international tourism; contribute to international tourism; combine to international friendship, development of the economy, and reduction in regional economy, and reduction in regional economic and social differences</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Independent legislative mandate</td>
<td>Encourage visitor traffic to and within Great Britain; encourage provision and improvement of tourism amenities; maximize tourism's contribution to employment and income</td>
</tr>
<tr>
<td>United States</td>
<td>Legislative mandates for U.S. Travel and Tourism Association</td>
<td>Promote travel to and within the U.S.; encourage economic growth and stability; improve international competitiveness; and expand foreign exchange earnings</td>
</tr>
</tbody>
</table>

(Gee's compilation, 1997)

According to Henry's observation of the major functions within worldwide NTAs, seven general missions are involved: promotion, research, regulation/licensing, planning, training, resort operation, and facilitation (Yang, 1999). Therein, 68 percent of the NTAs write out drafts for accommodation rules; 49 percent of them institute travel
agency regulations; 47 percent of them enforce travel agency regulations; and 44 percent of the NTAs issue licenses to travel agencies.

In recent years, many governments have changed the funding structure of their NTAs in response to downsizing many public sector activities. There is a distinct trend towards forging cooperation with private sector interests to promote tourism growth.

Due to the scope of this project, three examples of forms and structures of NTAs of the sampled countries will be reviewed in the following section. These include the Japan National Tourism Organization as a model of a tourism agency within the Ministry of Transport, the British Tourist Authority as a model of a quasi-public tourism organization, and the Deutsche Zentrale für Tourismus (DZT) (German National Tourist Office) as a private association with government funding.

Japan.

In Japan, four agencies share responsibility for the development of tourism. These include the Department of Tourism which is a function of the Transport Policy Bureau, the non-profit, government-subsidized Japanese National Tourist Organization (JNTO) which promotes tourism to Japan, the Liaison Conference in Tourism, and the Council for Tourism Policy (Gee, et al., 1997).

The objectives of the national and general tourism policy set out in the Basic
Japanese Tourism Law are to contribute toward the furtherance of international friendship, the development of the national economy, and the enhancement of the people's life as well as the adjustment of domestic regional differences in economic and social conditions (OECD, 1989).

Hall (1994) points out that outbound tourism is encouraged by the Japanese government as a means of reducing trade imbalances with other nations in the region and to serve broader educative, diplomatic and political goals. With the aim of bettering international understanding and improving the Japanese international balance of payments, the Ministry of Transport (MOT) launched the "Ten Million Programme" in 1987. The target of this programme was to double the annual number of Japanese tourists going abroad. In 1989, Japan became the country with the highest deficit travel account balance in the world ahead of Germany (Japan Travel Bureau, 1991).

In 1995, the Tourism Policy Council submitted a proposal for the "General Direction in Which Japan's Future Tourism Policies Should Be Set." With expectations for tourism running high, this proposal defines tourism as a key industry from various perspectives, including economic development, creation of employment, regional development and enhancement of international understanding and as a core of Japan's economic and social development expected in the 21st century (OECD, 1996).
United Kingdom.

Effective policy-making in UK tourism is left to sub-state agencies which would only be charged with the task of policy implementation. Given that almost all tourism enterprise is currently in the private sector or the voluntary sector, and that most public sector tourism policy is delegated to sub-state agencies, such as the British Tourist Authority (BTA), UK tourism initiatives tend to be distinctly corporatist in nature (Shaw, Thornton, and Williams, 1998).

The English Tourist Board and the Trades Union Congress joint initiative to stress the importance of holidays to disadvantaged and low-income groups highlighted corporatist elements of tourism policy-making during the 1970s. The British Tourist Authority (BTA) is mainly concerned with general strategic planning for tourism and as such advises central government directly. The various national tourist boards of England, Scotland, Wales and Northern Ireland have the role of focusing the broad strategy of central government's response to tourism within their specific national contexts (Shaw, et al., 1998).

In April 1992, responsibility within Government for sponsorship of the British Tourist Authority (BTA) and the English Tourist Board (ETB) passed from the Department of Employment to the new Department of National Heritage (DNH). The
creation of DNH brought together for the first time in England responsibility for tourism policy and many of the factors that make up the tourism product (arts, and museums, etc) (OECD, 1996). Though, the UK government's continuing aim is to create the conditions which will encourage inward and domestic tourism so that the industry can make its full contribution to the economy, the UK is currently a net sender of international visitors rather than a net recipient, a position that has increasingly prevailed over the last 30 years (Shaw, et al., 1998).

Germany.
In Germany, there is no national tourism policy which gives federal structure to the Republic, and there is no regulatory body or public agency in charge of tour operators and travel agencies. At the national level, tourism is the responsibility of two ministries, those for Economics and for Regional Planning, Housing and Urban Affairs (Bundesministerium für Raumordnung, Bauwesen und Städtebau) (Schnell, 1998).

The Federal Minister of Economics has encouraged the Deutscher Reisebüroverband (German Association of Travel Agents) to commission the Deutsches Wirtschaftswissenschaftliches Institut für Fremdenverkehr (DWIF) (German Economic Sciences Institute for Tourism) to undertake a study on "Tourism as an Economic Factor" and gave financial support for this (OECD, 1989).
The economic policy of the Federal Government is aimed at creating appropriate conditions for efficient small and medium-sized businesses, and one of the Federal Government's goals in the tourism policy is to increase the performance and the competitiveness of the German Tourism Sector (OECD, 1989).

Meanwhile the process of restructuring the national tourism organization Deutsche Zentrale für Tourismus e.V. (DZT) has been completed. Thus, Germany has an efficient national marketing organization promoting tourist travel to the Federal Republic of Germany abroad and cooperating with the competent national and international authorities (OECD, 1996).

Worth noting is that, the Europe of today is a huge market of over 425 million consumers, organized into 15 members of the European Union (EU) which the last two models are among. As part of the increasing co-operation on a Europe-wide basis, a broad European legal dimension has been added to this industry which is exemplified by the EC (European Community) Directive on Package Travel. The impacts of the travel plans cover almost every traveler whose trip originates within the European Union (Lipton, 1997). The details of the implementation of EC Directive will be introduced in the final section.

Following the emphasis on the international economic cooperation, international
tourism is not only a source for entertainment, but also expansion of the union of politics, economics and diplomatic affairs. Furthermore, the increasing awareness of consumer's rights has aroused worldwide attention (Jung, 1993). This part will be discussed in the following section.

World Travel Consumer Protection Trend

The OECD report (1996) notes that the poor macroeconomic situation in the early 1990s had a damaging impact on tourism. During this period, the growth rate of international tourism within the OECD area declined. Security and environmental problems led to changes in the behavior of consumers and forced both the industry and governments to adjust policies. Today's consumers have become better informed and pay closer attention to the quality of tourism products, aiming for the best value for money.

Quality in tourism is becoming a decisive strategic element. It entails improved tourism supply, better trained staff, and broader distribution of tourism flows both in time and space. Considering consumer policy, the European countries are moving forward with the European Union Directive on package travel, intended to
guarantee better consumer protection and to establish a common fund providing competition for problems with tour holidays (OECD, 1996). The aim of the EU's policy on consumer rights is summed up as follows:

*Helping and encouraging consumers and, in particular, tourism consumers to be informed of their economic and legal rights and where and how they can access representation and consumer protection is an important role of the Community (Commission, 1994).*

Leslie (1996) states that consumer policy can be considered to take two forms, namely legislation and guidance—the encouragement of what is considered to be best practice.

Japan has recently introduced legislation relating to travel agencies. The Travel Agency Law (1952) provides legislation destined to maintain fair practices in the travel agency business and to promote travelers' conveniences, etc (OECD, 1989). The Travel Agency Law is essentially form for a consumer protection law. The ultimate purpose of the registration system is to protect consumers from vicious commercial transactions (OECD, 1996).

In the U.K., common rules and procedures for failed tour operators to make payments to customers were agreed upon the Civil Aviation Authority (CAA), the
Association of British Travel Agents (ABTA), the Tour Operators Study Group (TOSG), and the Air Travel Trust in 1987 (OECD, 1989). The Package Travel Regulations were set out in 1992 which extended the type of financial protection available under the Air Travel Organisers' Licensing (ATOL) to the package travel industry without introducing a licensing system of general applications (Bedford, Taylor, Parratt, Yaqub, and Turkington, 1997).

The growing national and international tourism market made it necessary to create laws complying with the needs of the industry and its customers. In Germany, the first steps were made in 1979 when the German Civil Code (Bürgerliches Gesetzbuch--BGB) was substantially amended. The legal questions connected with the implementation of 11 articles are considered to be "the travel law." This travel law has been changed recently as a consequence of the EC Directive on package tours (Hasche, 1997).

As mentioned before, the U.K. and Germany both participate in the EC's tourism management, advisory and consultative committees. The purpose of the EC Directive is to approximate the laws relating to package holidays and package tours, and to establish common minimum standards of protection. Furthermore, Member States of the EC are also permitted to adopt more stringent provisions to protect the consumers in
the field covered by the Directive (Yaqub, 1997). In the next section, implementations of travel law among these countries will be discussed further.

Travel Law

The objective of this project is to build an implementation plan for the future improvement in responding to the Travel Chapter in Taiwan by comparing regulations and laws relevant to travel industry management in different countries. Variables will be measured across countries which are advanced in travel industry management. These comprise Japan, Germany, and U.K. The following sections will go through the background of how travel relevant laws were made and why they are necessary. Regulations and laws related to travel industry will be represented as well.

The Travel Chapter in Taiwan took effect in May 2000. Based on the ascertainment from M. J. Wang, a member of the Regulatory Committee of the Taipei Association of Travel Agents, the institution of the Travel Chapter in Civil Law is necessary to adjust the changes since the living standards have been enhanced by a wide margin. In the past, yet, there are no stipulations in Civil Law which govern the cases of travel disputes. In order to ensure the rights of numerous travel consumers, the law was
Groups that are involved in revising the law are CFCT, the Ministry of Law, the Ministry of Transportation and Communications, Consumer Protection Committee of Administration Yuan, TQAA, Certified Travel Councilors Association, Association of Tour Managers, Tourist Guide Association, and local associations of travel agents. In accordance with the draft provided by the Judiciary Yuan, the newly issued travel law was formulated by referring to Civil Law in Germany and the International Convention on the Travel Contract (CCV) in 1970.

The objective of the CCV in 1970 was to stipulate the obligations and liabilities of the travel industry and travelers. West Germany, with a similar legal system to Taiwan, however, didn't take part in the CCV. It revised the Civil Law in 1979 and added the stipulation a-k 11 after Article 651 which related to travel industry management. Taiwan, though, joined the CCV; the Convention was slighted after Taiwan broke off diplomatic relations with other countries involved in the CCV (Hsu, 1988). General speaking, the Convention didn't have a great effect upon the regulation of the travel industry.

The Travel Contract in the CCV sets out the general obligations of tour organizers, travel intermediaries and travelers. However, the only EC member states to
ratify the Convention were Belgium and Italy. In order to further the cause on appropriate consumer protection, the European Commission (EC) later carried out a number of studies, looking in particular at how the services provided by tour operators and travel agents were regulated by the CCV (Downes, 1993).

The Convention contains a number of shortcomings, pointed out by the EC. It lessens tour operators of their contractual obligations too easily. On the contrary, the practice of strict provisions regulating liabilities in Germany influenced the EC in drafting the Directive. In 1982, the EC transmitted its *Initial Guidelines for a Community Policy on Tourism* to the Council of Ministers and indicated that it would introduce proposals for the protection of consumers taking package tours (Downes, 1993). The final draft of the Directive was made by the Commission on April 12, 1988, and was adopted by the Council on June 13, 1990.

As Downes mentioned in his research, the Directive provides only some common rules, rather than a uniform law governing packages. For example, Bedford, et al (1997), has described the relationship between United Kingdom and the EC. The U.K. joined the EC in 1972 and by an Act of Parliament, ceding sovereignty to the EC, undertook that laws created by the Community would form part of the law of the U.K. Though a Member State must implement a Directive issued by the EC, the Member State
will implement the Directive by passing domestic legislation.

Following the implementation of the Directive by the Package Travel Regulations in 1992, there is now a specific legislation code to regulate the travel industry in the U.K., and the conditions now exist for the emergence of a distinct body of law which may come to known as tourism law (Bedford, et al, 1997).

In the matrix (see Table 2.3) which will be discussed in the next chapter, all information obtained from each travel law/regulations will be classified into elements and their interdependencies, and three dimensions. The four major elements are definitions, obligations, liabilities, and rights. The scope of dimensions is limited to Germany, U.K., and Taiwan. The travel law in Japan is distinguishable of its frame from others. The content of Japanese travel law will be demonstrated in an independent section later. The details of the provisions are as below:
<table>
<thead>
<tr>
<th>Countries</th>
<th>EC Travel Package Directive</th>
<th>U.K. The Package Travel, Package Holidays and Package Tours Regulations</th>
<th>Taiwan Travel Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>West German Travel Contract Law</td>
<td>Chapter</td>
</tr>
<tr>
<td>Definition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Article 2</td>
<td></td>
<td>Article 514.1</td>
</tr>
<tr>
<td>Travel consumers</td>
<td>None</td>
<td></td>
<td>Article 514.3 (1)</td>
</tr>
<tr>
<td>Accompanying</td>
<td>Article 4</td>
<td></td>
<td>Article 514.3 (3),</td>
</tr>
<tr>
<td>travelers</td>
<td></td>
<td></td>
<td>514.5 (4), 514.7 (3)</td>
</tr>
<tr>
<td>Performance</td>
<td>Article 5</td>
<td></td>
<td>Article 514.6</td>
</tr>
<tr>
<td>quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conformance</td>
<td>Article 3</td>
<td></td>
<td>Article 514.2</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel consumers</td>
<td>Article 651 j-2</td>
<td></td>
<td>Article 514.9 (1),</td>
</tr>
<tr>
<td>Travel agents:</td>
<td></td>
<td></td>
<td>514.10 (2)</td>
</tr>
<tr>
<td>quality assurance</td>
<td>Article 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Article 651 c-2</td>
<td></td>
<td>Article 514.7 (1)</td>
</tr>
<tr>
<td>Indemnity scope</td>
<td>Article 4 &amp; 5</td>
<td></td>
<td>Article 514.4 (2),</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>514.5 (2), 514.9 (1)</td>
</tr>
<tr>
<td>Time limit</td>
<td>Article 651 g</td>
<td></td>
<td>Article 514.12</td>
</tr>
<tr>
<td>Substitute</td>
<td>Article 4</td>
<td></td>
<td>Article 514.4 (1)</td>
</tr>
<tr>
<td></td>
<td>Article 651 b-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellation</td>
<td>Article 5</td>
<td></td>
<td>Article 514.5 (3),</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>514.9 (1)</td>
</tr>
<tr>
<td>Travel agents</td>
<td>Article 4</td>
<td></td>
<td>Article 514.3 (2)</td>
</tr>
</tbody>
</table>
Definitions. Article 514.1 of the Travel Chapter in Civil Law in Taiwan contains the definition of terms used. The "tour operator" is used to describe the role of the tour operator who provides travel services and charges for the traveler and for a travel sum. In EC Directive, the term "organiser" is adopted so as to avoid linguistic and legal confusions (Downes, 1993). The EC defines the term as the person who, other than occasionally, organizes packages and sells or offers them for sale, whether directly or through a retailer (Article 2). In U.K., the term "organiser" in regulation 2 (1) is defined as the person who organizes the package on a regular basis, even if it is done infrequently. It also specifies that the Regulations apply to selling and offering for sale. Germany doesn't identify in this part.

Obligations.

Travel Consumers. Neither the EC nor Germany and the U.K. had stipulated consumers' obligations. In Taiwan, Article 514.3 requires travelers to bear the liability to assist the tour operator to furnish all necessary information specially requested from him.

Tour Operators/Organisers. In this scope, three sub-elements including accompanying travelers, performance quality, and conformance are considered essential. In order to ensure the traveler's safety, the Travel Chapter in Civil Law especially states
that the tour operator should provide the traveler with equivalent transport back to the place of departure if either of the operator or the traveler cancels the contract (Article 514.3 (3), 514.5 (4), 514.7 (3)). The EC Directive also made a similar provision in Article 4 (7), second paragraph. The organiser shall, where appropriate, provide the consumer, at no extra cost, with equivalent transport back to the place of departure, or to another return-point to which the consumer has agreed and shall, where appropriate compensate the consumer. The Civil Law in Germany also enforces the tour operator to provide the traveler with equivalent transport back to the place of departure in Article 651 e.4. Extra costs will be bore by the tour operator.

The second essence of the tour operator/organiser’s obligation is related to the performance quality of travel products. Article 514.6 in Travel Chapter in Taiwan stresses that the tour operator shall provide the services with general value and agreed quality. In EC Directive, the Member State should ensure that the services for which the consumer has contracted are rendered punctually and efficiently, whether they are performed by the organiser or by a third party (Article 5). The tour operator must construct the package in such a way that the services to be performed are, in fact, performed in the manner agreed (Downes, 1993). In Germany, Article 651 c.1 indicates that the tour operator should ensure that the services for which the traveler has contracted
are rendered for the proper performance and a significant proportion of the services. In the U.K., the relevant provision has been imposed in regulation 15 (1) that the tour operator is liable for the proper performance of the obligations under the contract, irrespective of whether such obligations are performed by the tour operator himself, or by another supplier of services such as the hotel.

The request of a written document for the traveler is quite different between Taiwan and the EC. In Taiwan, Article 514.2 describes the content of a written document which the tour operator shall consent to provide the traveler. The information shall contain the name and address of the tour operator's, the name list of travelers, the time and places of the journey, rank and quality of the services provided, types and amount of the travel insurance covered, and date of issue. Article 4 of the Directive prescribes a compulsory standard form of written contract for package travel. The Directive requires the organiser to provide the consumer with the information in good time before the start of the journey (Article 4.1). The Member State shall ensure that all the terms of the contract are set out in writing or such other form as is comprehensible and accessible to the consumer and must be communicated to him before the conclusion of the contract. Finally, the consumer is given a copy of these terms (Article 4.2).
Liabilities.

Travel Consumers. Article 514.9 (1) and 514.10 (2) of the Travel Law in Taiwan specify that the traveler is liable to pay damage compensation to the tour operator when he cancels the contract on the way of the tour. The traveler shall bear the extra costs caused from untoward events that cannot be attributed to the tour operator. EC doesn't clarify this portion. The Civil Law in Germany elucidates that the traveler is responsible for the half of the extra costs of transportation fee caused by a cancellation and for the rest of other additional expenses.

Tour Operator/Organiser. In order to assure the quality of travel products, Travel Chapter in Taiwan entitles the traveler to request the tour operator to improve his services if such value is not provided. When failure to perform services with general value and agreed quality, the tour operator must accept traveler's request for deduction of travel sum or cancellation (Article 514.7 (1)). The EC Directive stipulates relevant provision in Article 4.7 that after departure, a significant proportion of the services contracted for is not provided or the organiser perceives that he will be unable to procure a significant proportion of the services to be provided, the organiser shall make suitable alternative arrangements, at no extra cost to the consumer. In Germany, the traveler must communicate any failure in the performance of the contract to the supplier of the
services concerned for improvement. However, the tour operator can refuse the request of improvement if an unreasonable extra cost is involved (Article 651 c-2).

**Indemnity Scope.** The condition of indemnification is illustrated in Article 514.4 (2), 514.5 (2), 514.8, and 514.9 (1) of the Travel Chapter in Civil Law in Taiwan.

When the travel contract is transferred to a third person, the traveler shall not request for a reimbursement if the travel sum is reduced. The tour operator shall reimburse the traveler the reduced monetary amount of the travel sum when an alternation made to the content of the contract, and the tour operator cannot collect the additional costs caused by an alternation of the contract from the traveler. The traveler shall request a compensation for time wasted when the tour operator doesn't proceed the tour by the agreement.

The relevant provisions in EC Directive are concluded in Article 4.6, 4.7 and 5. The consumer is entitled to be compensated for non-performance of the contract except for reasons of unusual and unforeseeable circumstances beyond the control of the party. In the matter of damages arising from the non-performance or improper performance of the services, the Member States may allow compensation to be limited in accordance with the international conventions governing such services. If the damage is other than personal injury resulting from the non-performance of the services, the Member States
may allow compensation to be limited under the contract.

Germany indicates that the tour operator shall bear the extra costs of transportation fee caused by the cancellation of the contract (Article 651 e-4). The tour operator shall compensate the traveler for improper performance of the contract if such failure is attributable to the tour operator (Article 651 f-1). However, the tour operator is entitled to limit the compensation to three times of the travel sum.

In the Package Travel Regulations in the U.K., the consumer shall be entitled to request compensation by the organiser for the non-performance of the original package (regulation 12, and 13). The tour operator can limit his liability for other loss or damage resulting from the non-performance or improper performance of the services involved in the package provided (regulation 15).

**Time Limit.** In Taiwan, the prescription of request for an additional, reduced or reimbursed sum, damage compensation, and advanced additional sum will be extinguished in one year since the day of the journey is ended (Article 514.12). The pleading prescription of the traveler in German Civil Law is counted for one month since the date of the tour is ended. The duration of validity of the pleading is extinguished after six months of the practice of the tour (Article 651 g). In the U.K., the periods within which the consumer must make any complaint about the failure to perform or
inadequate performance of the contract is described in the contract (regulation 9).

**Rights.**

**Consumers.** Consumers are endowed two major rights; substitution and cancellation. In Taiwan, Article 514.4 (1) provides the traveler with rights to transfer his booking to another person. The tour operator cannot reject such request without rational reasons. The Directive of EC entitles the consumer to transfer the booking if he or she is prevented from proceeding with the package (Article 4.3). The Civil Law of Germany accepts a substitute of the booking. However, the tour operator has the right to reject the substitute if the person doesn't satisfy all conditions applicable to the package or violate a law (Article 651 b-1). The U.K. Package Travel Regulations also accept the traveler's request to transfer the booking to another person. Where the consumer cannot use the package due to circumstances beyond his control, he may transfer his booking to a person who satisfies all the conditions applicable to the package, provided the consumer gives reasonable notice of his intention to transfer before the date when departure is due to take place (regulation 10).

In Taiwan, the traveler is entitled to cancel the contract if an alternation of the contract is not accepted (514.5 (3)), or to cancel the contract after the beginning of the tour (514.9 (1)). The EC Directive doesn’t detail in this portion. The German traveler
is allowed to cancel the contract when a significant proportion of the services contracted for is not provided (Article 651 e-1). He is able to cancel the contract when the tour operator is unable to make suitable alternative arrangements in a limited time (Article 651 e-2). The traveler is given the right to withdraw the contract before the departure (Article 651 i-1). And both the traveler and the tour operator have the right to cancel the contract in case an unforeseeable accident is beyond the control of the party (Article 651 j-1).

**Travel Agents.** The tour operator in Taiwan has the right to cancel the contract and plead for damage compensation when the traveler doesn’t comply with Article 514.3 (1). As mentioned above, the tour operator in Germany is given the right to cancel the contract in case an unforeseeable accident is beyond the control of the party (Article 651 j-1).

**The Specification of Japanese Travel Agency Law.**

Japanese Travel Agency Law, first introduced in 1952, is different in style when comparing with the other three dimensions. Article 1 describes that the purposes of this law are to maintain fair practices in the travel agency business, to promote security and safety in travel and the development of the travelers' convenience. These goals are achieved through implementation of a system of registration of person operating a travel
agency, through ensuring of correct practices in business by persons operating a travel agency, and through encouragement of proper activities of their organizations.

According to the current amendments of the Japanese Travel Agency Law in 1995, the law is based on the following five pillars: system for registration, system for Business Guarantee Bonds, system for certified travel supervisors, regulations for maintaining fair trading practices by travel agents, and system for the association of travel agents. The Travel Agency Law is dedicated to prevent unfair business transactions by providing necessary regulations to govern persons, who having complied with the necessary requirements, have been given permission to engage in travel business.

Article 2 gives a definition of the scope of business covered. Chapter II Travel Agencies (Article 3 ~ Article 22-1) constrains the travel agencies to conduct their businesses by yielding to the requirements of registration, Business Guarantee Bonds, and certified travel supervisors. Any person who intends to register shall submit to the Ministry of Transport an application stating the matters required (Article 4). However, the Ministry of Transport shall, in case the applicant for registration falls under any of the circumstances stated, disapprove the registration. These include that a cancellation of registration which has not been passed five full years since the date of the cancellation, any person who has been sentenced to penal servitude of imprisonment or fined for a
violation of the provisions of the Travel Agency Law, any person who has committed an
unlawful act in connection with the travel agency business with five years before the
application, or any person who intends to operate a travel sub-agency dealing in travel
agency business on behalf of more than two travel agencies as their agents.

The law stipulates the term of validity of the registration of a general travel
agency and a domestic travel agency to be three years (Article 6-2). And any person
who intends to continue to operate a general travel agency or domestic travel agency
registered after expiration of the term of validity of its registration shall obtain the
registration of renewal of the term of validity to be made by the Ministry of Transport
(Article 6-3.1).

Article 7 to Article 11-2 details the regulations of the deposit of Business
Guarantee Bond. Any person who has obtained registration of a general travel agency
or a domestic travel agency shall deposit a Business Guarantee Bond. A general travel
agent or a domestic travel agent shall not commence his business until he has made the
notification with a copy of the deposit document mentioning the receipt of the said
deposit.

The Travel Agency Law requires the travel agent to assign one or more certified
travel service supervisors for each office. This certified travel service supervisor is
required to attend to the business of administration or supervision that is necessary to ensure certainty in rendering of services for travel clarification of terms and conditions and other fairness in transactions. A certified travel services supervisor shall be the person who has passed the examination for certified general travel service supervisor or the examination for certified domestic travel service supervisor administrated by the Ministry of Transport on knowledge and ability needed.

General terms and conditions for travel contracts are defined in Article 12-2 that a general travel agent or domestic travel agent shall set general terms and conditions for travel contracts and submit them to the Ministry of Transport for his authorization. A travel agent is liable to make an explanation to the travelers on the terms of the transaction. In order to ensure that the agent-organized tour involved is smoothly operated, a general travel agent or domestic travel agent shall take action to ensure that the transportation and accommodation services are rendered to travelers, replacement services are arranged when there has developed the necessity of changing the original travel plan (Article 12-10).

Article 13 stipulates that a travel agent shall not receive any payment which is excess of the fees displayed in his office. Article 14 states that a travel agent shall not let another person operate a travel agency in his name by assigning his business in any
other way.

Worth noting is that Article 18-3 illustrates the role of government. The Ministry of Transport has jurisdiction, if it ascertains the facts of being detrimental to fair transactions, safety in travel or the travelers' convenience on the part of a travel agent operating a travel business, to instruct the travel agent to take appropriate measure. These are comprised of releasing his certified travel services supervisor(s), altering fees received from travelers for handling the travel agency business or agent-organized tours, effecting an insurance contract to secure the necessary payment covering damages to travelers, or taking necessary action in order to improve business operations.

Conclusion

The literature review has reflected the history of tourism development in Taiwan and other countries. From the material mentioned, consumer protection issue does correlate to the institutions of travel relevant laws. The articulation of travel laws in travel-advanced countries has indicated potential or purported benefits to the design and implementation of improvements of the Travel Chapter. The results of the comparison will be discussed in Chapter 3.
Chapter 3 Result and Findings

The Disputes

The Travel Chapter took effect in May 2000. The new law clarifies the obligations and liabilities between the travel agents and travel consumers. The re-edited provisions ensure the travel consumers with more comprehensive protection. However, the announcement of the Travel Chapter also aroused resistance from the travel agents. Hence, the Tourism Bureau, in order to ensure that the law is smoothly implemented, entrusts the CFCT to undertake a series of symposiums and relevant research.

Comparing the doubts generated from the Travel Chapter, the CFCT compiles a corpus of questions from the symposiums and sums up as the following (Tourism Bureau, 2000):

- The vagueness of the term "tour operator" and "travel services" (Article 514.1).

- The risk of advancing on the additional expenses to transport the traveler back to the place of departure (Article 514.3 (3)).

- The definition of "rational reasons" for a substitute (Article 514.4).
• The prohibition of collecting extra costs caused by an alternation of the contract from the traveler (Article 514.5 (2)).

• The definition of "general value" (Article 514.6).

• The scope of failure to perform services with general value can be attributed to the tour operator (Article 514.7 (2)).

• The suitability of the travel consumer's right to cancel a contract (Article 514.9 (1)).

Furthermore, a statistical analysis of travel disputes since 1999 shows that the most disputable cases consist of the poor services presented by the tour leader or tour guide, an extemporaneous alternation in transportation and accommodation, a change of departure date and itinerary, and incompleteness in set up procedures (CFCT).

The aim of this study is to focus on designing an implementation plan that is able to reduce the travel disputes and enable the travel agents to operate their business smoothly. The literature of the travel relevant laws in Germany, U.K., Japan, and Taiwan has been reviewed thoroughly in Chapter 2. The following section will list the miscellaneous features of each law.
Similarities and Differences

The provisions in each category of elements have been detailed in Chapter.

The following matrix will present the similarities and differences of the travel law of each country (see table 3.1).
<table>
<thead>
<tr>
<th>Countries</th>
<th>EC Travel Package Directive</th>
<th>U.K. The Package Travel, Package Holidays and Package Tours Regulations</th>
<th>Taiwan Travel Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>West German Travel Contract Law</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>U.K. The Package Travel, Package Holidays and Package Tours Regulations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taiwan Travel Chapter</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Definition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tour organiser: person who organizes packages &amp; sells or offers them for sale.</td>
<td>Tour operator: person who provides travel services.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>Tour organiser: person who organizes the package on a regular basis.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Travel consumers</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The organizer shall transport the traveler back to the place of departure at no extra cost if an alternation of the package is not accepted.</td>
<td>The traveler is liable to provide the assistance required.</td>
</tr>
<tr>
<td></td>
<td>Accompanying travelers</td>
<td>The tour operator should transport the traveler back at no extra cost if a cancellation of the contract is caused by improper performance.</td>
<td>The tour operator provides the traveler, advancing on the additional expenses, with transport back to the place of departure.</td>
</tr>
<tr>
<td></td>
<td>Performance quality</td>
<td>The services should be rendered punctually and efficiently whether they are performed by the organiser or by a third party.</td>
<td>The tour operator should provide the services with general value and agreed quality.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The services should be rendered for the proper performance and a significant proportion of the services.</td>
<td>A written document containing the information requested by the traveler should be provided to the traveler.</td>
</tr>
<tr>
<td></td>
<td>Conformance</td>
<td>Before a contract is concluded, the consumer must be provided in writing or other appropriate form.</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.1
<table>
<thead>
<tr>
<th>Countries</th>
<th>EC Travel Package Directive</th>
<th>U.K. The Package Travel, Package Holidays and Package Tours Regulations</th>
<th>Taiwan Travel Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel consumers</td>
<td>The traveler has to pay half of the extra costs of the transportation caused by a cancellation and the rest of other additional expenses.</td>
<td>None</td>
<td>The traveler has to pay damage compensation caused by canceling the contract on the way of the tour.</td>
</tr>
<tr>
<td>Travel agents: quality assurance</td>
<td>The tour organiser should make suitable alternative arrangements, at no extra costs to the consumer, if he is unable to procure the quality of services.</td>
<td>None</td>
<td>The tour operator should improve his services if quality service is not provided.</td>
</tr>
<tr>
<td>Indemnity scope</td>
<td>The tour operator can take alternative action to improve a poor service.</td>
<td>A. Non-performance: consumers can be compensated (except unforeseeable circumstances). B. Scope: the compensation can be limited under the contract.</td>
<td>A. Alternation of the contract: no extra fee can be collected from the traveler. B. Time wasted: the traveler can be compensated for time wasted.</td>
</tr>
<tr>
<td>Substitute</td>
<td>If the traveler is prevented from proceeding with the package, he can transfer the booking.</td>
<td>Conditional acceptance of a substitute of a third person.</td>
<td>The traveler can transfer his booking to another person.</td>
</tr>
<tr>
<td>Cancellation</td>
<td>The substitute is permitted to a person who satisfies all the conditions applicable to the package.</td>
<td>None</td>
<td>The traveler can cancel the contract based on: A. An alternation of the contract is not accepted. B. No other reasons.</td>
</tr>
<tr>
<td>Travel agents</td>
<td>The tour operator can cancel the contract when an unforeseeable accident is beyond control.</td>
<td>None</td>
<td>The tour operator can cancel the contract when the traveler fails to comply with Article 514.3.</td>
</tr>
</tbody>
</table>
The differences have been distinguished in blue print from the similarities in the matrix (Table 3.1), and the features will be illustrated briefly below.

**Definition.** Most travel agents in Taiwan argue that the definition of terms of "travel services" and "tour operator" are hazy. Comparing the terms defined in EC Directive and the U.K. Package Regulations, the role of the tour operator/organiser is well clarified as a person who organizes packages and who sells or offers them for sale on a regular basis. The Travel Chapter should strengthen and redress the provision to explain the extent of travel services contained. Furthermore, a comprehensive definition of terms can be stipulated in the Tourism Development Regulations to support the Travel Chapter.

**Obligations.**

**Agents: Accompany the traveler.** Regarding the provision of advancing on the additional expenses in Travel Chapter, most travel agents worry that the risk of not being able to collect the money from the traveler and how practicable the plan is for the tour leaders or the tour operators. The EC Directive and German Civil Law, however, only constrain the tour operator/organiser to collect extra costs from the traveler when flaws can be attributed to the tour operator/organiser. The CFCT, based on its research, suggests that the associations of the travel agents and the associations of the insurance
companies should deliberate a method to share the risk of the advancing money.

Moreover, in order to prevent the occurrence of the cancellation of the contract, the CFCT also proposes that the travel agents should educate the tour leader in dealing with a contingency or emergency.

**Agents: Performance quality.** The four travel laws all regulate the travel agents to provide services with proper performance or good quality. However, the travel agents response that the terms of “general value” and “agreed quality” are too ambiguous to identify. Therefore, an explanation should be appended in the future redress by pointing out the extent of a significant proportion of the services that should be rendered under the contract. Furthermore, the rank of the transportation or accommodation used should be proclaimed in the travel contract as a reference.

**Agents: Conformance.** In Travel Chapter, Article 514.2 states that the travel agent only gives the traveler the information he requested. The EC Directive and the U.K. Package Travel Regulations indicate that a compulsory standard form of written contract should be given to the traveler. The Travel Chapter should clarify that the written form should be rendered under the contract in the future redress. Furthermore, the standard form of travel contract should, considering other travelers’ privacy, put in a provision related to the name list agreement as the CFCT recommends.
Liabilities.

**Indemnity scope.** All four travel laws enforce the travel agents to bear the responsibilities of compensating the traveler for providing non-performance services. However, most of them do not clarify the allowable causes that can be attributed as unforeseeable circumstances. As Pim (1997) indicated, for accurate compensation in cases of minor complaints, a scale would be practical and preventative because it would help the traveler and the tour operator to determine what compensation would be obtained—in effect, reimbursement. The U.K. Package Travel Regulations, however, specify what circumstances a holiday or travel arrangement may be canceled, altered or substituted. These conditions are subjected to both the Package Travel Regulations and the Unfair Contract Terms Act 1977 (Yaqub, et al., 1997). Thus, the Taiwan government should think about revising the relevant trading laws to strengthen the effectiveness of the Travel Chapter.

On the other hand, the EC Directive and German Civil Law entitle the tour operator/organizer to restrict his liability. By agreement with the customer, the German tour operators can limit his liability to a maximum of three times the price for the tour. The Travel Chapter is indistinguishable in the range of indemnity. This vulnerability can be improved through an amendment of travel relevant regulations, or revision of the current insurance system. Thus, the rights of the travel agents can also be considered.
Rights.

Consumers: Substitute. All four travel laws entitle the traveler with the right to transfer his booking to a third person. However, the Travel Chapter does not specify the suitability of the circumstances the substitute allowed. At least, the U.K. Package Travel Regulations clarify that the third person must meet all conditions applicable to the package. Hence, the allowable conditions for the substitution should be defined as an appendix in the travel contract.

Consumers: Cancellation. The EC Directive does not entitle the traveler the right to cancel the contract. However, the traveler can be compensated for any change of the contract or improper performance provided by the tour organizer. For most of the travel agents in Taiwan, Article 514.9 entitles the traveler with the right to cancel the contract at will. The provision can endanger the operation of the tour. The tour could be affected significantly by a cancellation of a traveler. The suitability of this provision is disputed a lot. It will be better to modify the provision and to append the conditions allowable for the traveler to cancel the contract in the travel contract. Or as Hasche (1997) suggests that the traveler may insure the risk of being liable for fees after canceling the travel contract. This insurance only applies if the customer had a good reason for the cancellation.
Pertinent Legislation to Sustain the Travel Chapter

The features listed above show guidance for the future revision of the Travel Chapter. Yet, the objective will not be able to be achieved without the auxiliary of the pertinent legislation or revision of the current travel relevant regulations. The Japanese experiences in governing the travel agents give the Taiwanese government a norm to prevent the travel disputes through a stricter guard on the application procedures of travel agents. The Tourism Bureau in Taiwan instituted a similar law—Tourism Development Regulations, to regulate travel agents. The regulations are not as strict when compared with the Japanese Travel Agency Law.

The travel agents in both countries are given the right to register as an agent. The Ministry of Transport in Japan also has the right to disapprove the registration if the applicant falls under any of the prohibited circumstances. The Japanese government censors the qualification of an applicant to procure the travel consumer’s right indirectly. Furthermore, a registered travel agent is required to renew the term of validity of the registration every three years. The three year period gives the Ministry of Transport a chance to observe the performance of the travel agent. Any person who is interested in running a travel agency in Taiwan can register as a travel agent easily. The Taiwanese
government should consider adopting the method that the Japanese government exercises to encourage the registration of well-behaved travel agents.

Worth noting is that the Tourism Development Regulations in Taiwan stipulate that the travel agent to assign one or two tour managers in each office. The Japanese Travel Agency Law makes it more stringent to require the travel agent to be assigned one or more certified travel service supervisors for each office. The major assignment for a certified travel service supervisor is to attend to the business of administration or supervision to ensure certainty in rendering of services for travel clarification of terms and conditions and other fairness in transactions. The certified travel service supervisor is required to pass the examination administrated by the Ministry of Transport. To remedy the inadequacy of the functions of tour managers, the Tourism Bureau in Taiwan should direct periodical inspections to guarantee the proper performance of travel agents.

Another key issue that is important in opening the door to a higher quality tourism experience is education and training. According to Edgell's (1999) point of view, the success of the travel and tourism industry in the global environment will depend on its degree of professionalism. Though a tour leader has to pass the certification examination to conduct a tour, post training is insufficient to enable a tour leader to deal with disputes efficiently and properly. It is important that workers in the tourism
industry have the right and duty to acquire appropriate initial and continuing training.

In addition, Langer (1997) indicates that in services, both customer satisfaction and loyalty are largely determined by invariable quality of customer-contact personnel. Thus, high employee turnover rate can seriously affect this area of quality consistency.

Regarding Langer's theory, failure costs can be the result of ineffective internal operations as well as unsatisfactory external actions opposite the customer. If it is true, improving and providing the employees adequate social protection and a safer working environment should be a priority for most of the travel agents because good quality can generate increase in demand. Furthermore, higher quality leads to consumer price-increase willingness (pp. 29-30).
Chapter 4 Summary, Conclusions and Recommendations

Summary

The comparison of travel laws in different countries for this project provides the government and travel agents in Taiwan with a simple approach to the future amendment of the Travel Chapter. From the results of this comparison, it can be assumed that the travel industry will address many of the issues presented here and they will be able to explore other issues in the future.

The study describes how the features drawn from the comparison can benefit and implement a plan for the travel industry in Taiwan. The cross-cultural analysis generates miscellaneous benefits to remedy the deficiency of the Travel Chapter.

This study demonstrates that the implementation for the future amendment will back up the travel agents in operating their businesses. Instead of regarding the Travel Chapter as a resistance, the implementation will assist travel agents in developing their businesses. Tourism professionals should show concern in co-operation with public authorities. Likewise, they should accept the reporting obligations prescribed by national regulations. They can develop their businesses with the support of the public authorities.
This chapter is further broken down into conclusions from research data, and recommendations from the researcher. Results from this project can be used to design and implement a plan for the government and the travel industry in Taiwan.

Conclusions

Tourism is undoubtedly the world’s largest industry. While we are advocating customers’ rights, it is also important to grant the industry a secure environment for tourism investment, operations, and development. The findings of this study have proved that an implementation can be built to make the law work through strengthening the stipulations in the aspects of definition, obligations, liabilities and rights. The study also provides the information management needed to put the emphases on employees education and training, and self-regulation of their activities.

The results of this study show that Taiwan’s travel agents can procure a sheltered environment for investment if the new implementation drawn from the comparison will be adopted. In the future, a complete and comprehensive amendment of the Travel Chapter will raise the development in the tourism industry. If the practices of travel laws in compared countries are successful, the Travel Chapter can also dedicate
itself as catalyst to the achievement.

From the point of view of the government and representatives of Consumer Protection Association, the conception of instituting the Travel Chapter is based on enhancing the service quality to be competitive. As Edgell (1999) states consumers will be more sophisticated in tomorrow's market. Also quality tourism products and services will dominate the international tourism marketplace in the new century. The Taiwanese government is inclined to back up the travel industry and offer assistances. Not only the relevant travel laws should be revised to sustain the Travel Chapter, but the government should also study a program to help the travel industry for employee training and service quality maintenance.

Recommendations

In the future, the travel industry in Taiwan may consider putting into practice the findings suggested in Chapter 3. The government and the travel industry may seek to sustain the Travel Chapter by amending the relevant travel laws or regulations.

In addition, the travel industry should raise more consciousness in enhancing the services provided. The success factors in managing a travel business in other countries
can be borrowed as models for the future amendment. Or, just as Edgell (1997) mentioned, adopting the new approach “coopetition” to locally orient “cooperative” needs of the industry with the global “competitive” strategies. The achievement of the EC has improved the general economic development in Europe. Asian countries may consider an alliance of the travel industry to promote travel businesses and unite the market policy to create a greater profit. This advice may be addressed to the government as an important issue to work on.
References:


Consumers' Foundation Chinese Taipei (CFCT). Founded in 1980, CFCT is an independent, non-profit, non-political organization. CFCT dedicates to the promotion and protection of consumers' rights through education, research and lobbying.


John Wiley & Sons Ltd.

Hasche, C. Dr. (1997). Germany. In Zahd Yaqub, & Becket Bedford (Eds),

*European Travel Law* (pp.251-259). England: John Wiley & Sons Ltd.


London: Cassell.

Lipton, M. D. QC. (1997). Foreword. In Zahd Yaqub, & Becket Bedford (Eds),

*European Travel Law* (pp.xiii-xiv). England: John Wiley & Sons Ltd.

Tourism Policy and International Tourism: in OECD Member Countries.
Paris: OECD.


Paris: OECD.


Travel Quality Assurance Association (TQAA). Established in 1989, TQAA as a community public legal is homo organized by the travel industry for consumer protection.


Appendix

1. Travel Chapter in Taiwan 81

2. European Community Travel Package Directive 84

3. West Germany Travel Contract Law 91
Article 514.1
(1) The term "tour operator" means the person who provides travel services for the traveler and charges for travel sum.
(2) The prior services refer to tour arrangement, transport, accommodation, guide, or other relevant services.

Article 514.2
(1) The tour operator shall consent to provide the traveler in writing form, with the following information:
   (i) the name and address of the tour operator's
   (ii) the name list of travelers
   (iii) the time and places of the journey
   (iv) rank and quality of the services provided such as transport, accommodation, guide, or other relevant services
   (v) the type and amount of travel insurance covered
   (vi) other relevant information
   (vii) date of issue

Article 514.3
(1) For the purpose of the traveler act as the participant in the journey, the traveler is reliable to furnish all necessary information specially requested from him. The tour operator shall urge the traveler to comply with the regulations in a time limit.
(2) Pursuant to the prior content, the tour operator can cancel the contract and plead for damage compensation when the traveler doesn't comply with Article 514.3 (1).
(3) The traveler shall request the tour operator to provide him, advancing on the additional expenses, with equivalent transport back to the place of departure. The traveler shall pay back with interests when arrive the place of departure.

Article 514.4
(1) Before the departure, the traveler can transfer his booking to another person. The
tour operator cannot reject such request without rational reasons.

(2) The transferee of the contract shall be jointly and severally liable to the tour operator to the contract for any additional costs arising from such transfer. The traveler shall not request for a reimbursement if the travel sum is reduced.

Article 514.5
(1) The tour operator shall not alter any of the essential terms except there are reasonable basis existed.

(2) The tour operator shall reimburse the traveler the reduced monetary amount of travel sum when an alteration made to the content of the contract. The tour operator cannot collect the additional costs of alteration of the contract from the traveler.

(3) The traveler can cancel the contract Pursuant to Article 514.5 (1) if such an alternation is not accepted.

(4) The traveler shall request the tour operator to provide him, advancing on the additional expenses, with equivalent transport back to the place of departure. The traveler shall pay back with interests when arrive the place of departure.

Article 514.6
(1) The tour operator shall provide the services with general value and agreed quality.

Article 514.7
(1) The travelers shall request the tour operator to improve his services if such value or quality is not provided. He can ask for the reduction of the travel sum when the tour operator is unable to make suitable alternative arrangements, or he may cancel the contract if such request is unable to achieve.

(2) When failure to perform services with general value and agreed quality is attributable to the tour operator, the traveler shall request the damage compensation except reduction of travel sum or cancellation.

(3) When the traveler cancels the contract pursuant to the prior causes, the tour operator shall transport him back to the place of departure and bear the additional costs from such cancellation.

Article 514.8
(1) The traveler shall request a compensation of time waste when the tour operator doesn't proceed the tour by the agreement. The monetary amount of compensation shall be calculated by days if such failure is attributed to the tour operator.
(2) The daily monetary amount of compensation shall not exceed average daily amount of total travel sum of the contract.

Article 514.9
(1) The traveler is entitled to cancel the contract on the way of the tour, however, a caused damage compensation shall be paid to the tour operator from such a cancellation.
(2) The traveler shall request the tour operator to provide him, advancing on the additional expenses, with equivalent transport back to the place of departure. The traveler shall pay back with interests when arrive the place of departure.

Article 514.10
(1) The tour operator is reliable to provide assistance for the traveler if untoward events occurred physically or monetarily during his visit.
(2) The traveler shall bear the extra costs caused from such events that cannot be attributed to the tour operator.

Article 514.11
(1) The tour operator is reliable to assist the traveler to deal with flawed products when such products were purchased in an arranged shop. The traveler has to plead for assistance within one month after the purchase.

Article 514.12
(1) The prescription of request for an additional, reduced or reimbursed sum, damage compensation, and advanced additional sum will be extinguished in one year since the day of the journey is ended.
90/314/EEC  
of 13 June 1990  
on package travel, package holidays and package tours

A4.1  THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 100a thereof,

Having regard to the proposal from the Commission,1

In co-operation with the European Parliament,2

Having regard to the opinion of the Economic and Social Committee,3

Whereas one of the main objectives of the Community is to complete the internal market, of which the tourist sector is an essential part;

Whereas the national laws of Member States concerning package travel, package holidays and package tours, hereinafter referred to as 'packages', show many disparities and national practices in this field are markedly different, which gives rise to obstacles to the freedom to provide services in respect of packages and distortions of competition amongst operators established in different Member States;

Whereas the establishment of common rules on packages will contribute to the elimination of these obstacles and thereby to the achievement of a Common Market in services, thus enabling operators established in one Member State to offer their services in other Member States and Community consumers to benefit from comparable conditions when buying a package in any Member State;

Whereas paragraph 36 (b) of the Annex to the Council resolution of 19 May 1981 on a second programme of the European Economic Community for a consumer protection and information policy4 invites the Commission to study, inter alia, tourism and, if appropriate, to put forward suitable proposals, with due regard for their significance for consumer protection and the effects of differences in Member States’ legislation on the proper functioning of the Common Market;

Whereas in the resolution on a Community policy on tourism on 10 April 19845 the Council welcomed the Commission’s initiative in drawing attention to the importance of tourism and took note of the Commission’s initial guidelines for a Community policy on tourism;

Whereas the Commission communication to the Council entitled 'A New Impetus for Consumer Protection Policy', which was approved by resolution of the Council on 6 May 1986,6 lists in paragraph 37, among the measures proposed by the Commission, the harmonization of legislation on packages;

Whereas tourism plays an increasingly important role in the economies of the Member States; whereas the package system is a fundamental part of tourism; whereas the package travel industry in Member States would be stimulated to greater growth and productivity if at least a minimum of common rules were adopted in order to give it a Community dimension; whereas this would not only produce

---

1 OJ No C 96, 12. 4. 1988, p. 5.
3 OJ No C 102, 24. 4. 1989, p. 27.
6 OJ No C 118, 7. 3. 1986, p. 28.
benefits for Community citizens buying packages organized on the basis of those rules, but would attract tourists from outside the Community seeking the advantages of guaranteed standards in packages;

Whereas disparities in the rules protecting consumers in different Member States are a disincentive to consumers in one Member State from buying packages in another Member State;

Whereas this disincentive is particularly effective in deterring consumers from buying packages outside their own Member State, and more effective than it would be in relation to the acquisition of other services, having regard to the special nature of the services supplied in a package which generally involve the expenditure of substantial amounts of money in advance and the supply of the services in a State other than that in which the consumer is resident;

Whereas the consumer should have the benefit of the protection introduced by this Directive irrespective of whether he is a direct contracting party, a transferee or a member of a group on whose behalf another person has concluded a contract in respect of a package;

Whereas the organiser of the package and/or the retailer of it should be under obligation to ensure that in descriptive matter relating to packages which they respectively organise and sell, the information which is given is not misleading and brochures made available to consumers contain information which is comprehensible and accurate;

Whereas the consumer needs to have a record of the terms of contract applicable to the package; whereas this can conveniently be achieved by requiring that all the terms of the contract be stated in writing or such other documentary form as shall be comprehensible and accessible to him, and that he be given a copy thereof;

Whereas the consumer should be at liberty in certain circumstances to transfer to a willing third person a booking made by him for a package;

Whereas the price established under the contract should not in principle be subject to revision except where the possibility of upward or downward revision is expressly provided for in the contract; whereas that possibility should nonetheless be subject to certain conditions;

Whereas the consumer should in certain circumstances be free to withdraw before departure from a package travel contract;

Whereas there should be a clear definition of the rights available to the consumer in circumstances where the organizer of the package cancels it before the agreed date of departure;

Whereas if, after the consumer has departed, there occurs a significant failure of performance of the services for which he has contracted or the organiser perceives that he will be unable to procure a significant part of the services to be provided, the organiser should have certain obligations towards the consumer;

Whereas the organiser and/or retailer party to the contract should be liable to the consumer for the proper performance of the obligations arising from the contract; whereas, moreover, the organiser and/or retailer should be liable for the damage resulting for the consumer from failure to perform or improper performance of the contract unless the defects in the performance of the contract are attributable neither to any fault of theirs nor to that of another supplier of services;

Whereas in cases where the organiser and/or retailer is liable for failure to perform or improper performance of the services involved in the package, such liability should be limited in accordance with the international conventions governing such services, in particular the Warsaw Convention of 1929 on International Carriage by Air, the Berne Convention of 1961 on Carriage by Rail, the Athens Convention of
1974 on Carriage by Sea and the Paris Convention of 1962 on the Liability of Hotel-keepers; whereas, moreover, with regard to damage other than personal injury, it should be possible for liability also to be limited under the package contract provided, however, that such limits are not unreasonable;

Whereas certain arrangements should be made for the information of consumers and the handling of complaints;

Whereas both the consumer and the package travel industry would benefit if organisers and/or retailers were placed under an obligation to provide sufficient evidence of security in the event of insolvency;

Whereas Member States should be at liberty to adopt, or retain, more stringent provisions relating to package travel for the purpose of protecting the consumer,

HAS ADOPTED THIS DIRECTIVE:

A4.5 Article 1

The purpose of this Directive is to approximate the laws, regulations and administrative provisions of the Member States relating to packages sold or offered for sale in the territory of the Community.

A4.6 Article 2

For the purposes of this Directive:

1. "package" means the pre-arranged combination of not fewer than two of the following when sold or offered for sale at an inclusive price and when the service covers a period of more than 24 hours or includes overnight accommodation:
   (a) transport;
   (b) accommodation;
   (c) other tourist services not ancillary to transport or accommodation and accounting for a significant proportion of the package.

The separate billing of various components of the same package shall not absolve the organiser or retailer from the obligations under this Directive;

2. "organiser" means the person who, other than occasionally, organises packages and sells or offers them for sale, whether directly or through a retailer;

3. "retailer" means the person who sells or offers for sale the package put together by the organiser;

4. "consumer" means the person who takes or agrees to take the package ("the principal contractor"), or any person on whose behalf the principal contractor agrees to purchase the package ("the other beneficiaries") or any person to whom the principal contractor or any of the other beneficiaries transfers the package ("the transferee");

5. "contract" means the agreement linking the consumer to the organiser and/or the retailer.

A4.7 Article 3

1. Any descriptive matter concerning a package and supplied by the organiser or the retailer to the consumer, the price of the package and any other conditions applying to the contract must not contain any misleading information.

2. When a brochure is made available to the consumer, it shall indicate in a legible, comprehensible and accurate manner both the price and adequate information concerning:

   (a) the destination and the means, characteristics and categories of transport used;

   (b) the type of accommodation, its location, category or degree of comfort and its main features, its approval and tourist classification under the rules of the host Member State concerned;

   (c) the meal plan;

   (d) the itinerary;
(e) general information on passport and visa requirements for nationals of the Member State or States concerned and health formalities required for the journey and the stay;

(f) either the monetary amount or the percentage of the price which is to be paid on account, and the timetable for payment of the balance;

(g) whether a minimum number of persons is required for the package to take place and, if so, the deadline for informing the consumer in the event of cancellation.

The particulars contained in the brochure are binding on the organiser or retailer, unless:

changes in such particulars have been clearly communicated to the consumer before conclusion of the contract, in which case the brochure shall expressly state so,

changes are made later following an agreement between the parties to the contract.

**Article 4**

1. (a) The organiser and/or the retailer shall provide the consumer, in writing or any other appropriate form, before the contract is concluded, with general information on passport and visa requirements applicable to nationals of the Member State or States concerned and in particular on the periods for obtaining them, as well as with information on the health formalities required for the journey and the stay;

(b) The organiser and/or retailer shall also provide the consumer, in writing or any other appropriate form, with the following information in good time before the start of the journey:

(i) the times and places of intermediate stops and transport connections as well as details of the place to be occupied by the traveller, e.g. cabin or berth on ship, sleeper compartment on train;

(ii) the name, address and telephone number of the organiser’s and/or retailer’s local representative or, failing that, of local agencies on whose assistance a consumer in difficulty could call.

Where no such representatives or agencies exist, the consumer must in any case be provided with an emergency telephone number or any other information that will enable him to contact the organiser and/or the retailer;

(iii) in the case of journeys or stays abroad by minors, information enabling direct contact to be established with the child or the person responsible at the child’s place of stay;

(iv) information on the optional conclusion of an insurance policy to cover the cost of cancellation by the consumer or the cost of assistance, including repatriation, in the event of accident or illness.

2. Member States shall ensure that in relation to the contract the following principles apply:

(a) depending on the particular package, the contract shall contain at least the elements listed in the Annex;

(b) all the terms of the contract are set out in writing or such other form as is comprehensible and accessible to the consumer and must be communicated to him before the conclusion of the contract; the consumer is given a copy of these terms;
(c) the provision under (b) shall not preclude the belated conclusion of last-minute reservations or contracts.

3. Where the consumer is prevented from proceeding with the package, he may transfer his booking, having first given the organiser or the retailer reasonable notice of his intention before departure, to a person who satisfies all the conditions applicable to the package. The transferor of the package and the transferee shall be jointly and severally liable to the organiser or retailer party to the contract for payment of the balance due and for any additional costs arising from such transfer.

4. (a) The prices laid down in the contract shall not be subject to revision unless the contract expressly provides for the possibility of upward or downward revision and states precisely how the revised price is to be calculated, and solely to allow for variations in:

- transportation costs, including the cost of fuel,
- dues, taxes or fees chargeable for certain services, such as landing taxes or embarkation or disembarkation fees at ports and airports,
- the exchange rates applied to the particular package.

(b) During the 20 days prior to the departure date stipulated, the price stated in the contract shall not be increased.

5. If the organiser finds that before the departure he is constrained to alter significantly any of the essential terms, such as the price, he shall notify the consumer as quickly as possible in order to enable him to take appropriate decisions and in particular:

- either to withdraw from the contract without penalty,
- or to accept a rider to the contract specifying the alterations made and their impact on the price.

6. If the consumer withdraws from the contract pursuant to paragraph 5, or if, for whatever cause, other than the fault of the consumer, the organiser cancels the package before the agreed date of departure, the consumer shall be entitled:

(a) either to take a substitute package of equivalent or higher quality where the organiser and/or retailer is able to offer him such a substitute. If the replacement package offered is of lower quality, the organiser shall refund the difference in price to the consumer;

(b) or to be repaid as soon as possible all sums paid by him under the contract.

In such a case, he shall be entitled, if appropriate, to be compensated by either the organiser or the retailer, whichever the relevant Member State's law requires, for non-performance of the contract, except where:

(i) cancellation is on the grounds that the number of persons enrolled for the package is less than the minimum number required and the consumer is informed of the cancellation, in writing, within the period indicated in the package description; or

(ii) cancellation, excluding overbooking, is for reasons of force majeure, i.e. unusual and unforeseeable circumstances beyond the control of the party by whom it is pleaded, the consequences of which could not have been avoided even if all due care had been exercised.

7. Where, after departure, a significant proportion of the services contracted for is not provided or the organiser perceives that he will be unable to procure a significant proportion of the services to be provided, the organiser shall make suitable alternative arrangements, at no extra cost to the con-
sumer, for the continuation of the package, and where appropriate compensate the consumer for the difference between the services offered and those supplied.

If it is impossible to make such arrangements or these are not accepted by the consumer for good reasons, the organiser shall, where appropriate, provide the consumer, at no extra cost, with equivalent transport back to the place of departure, or to another return point to which the consumer has agreed and shall, where appropriate, compensate the consumer.

**Article 5**

1. Member States shall take the necessary steps to ensure that the organiser and/or retailer party to the contract is liable to the consumer for the proper performance of the obligations arising from the contract, irrespective of whether such obligations are to be performed by that organiser and/or retailer or by other suppliers of services without prejudice to the right of the organiser and/or retailer to pursue those other suppliers of services.

2. With regard to the damage resulting for the consumer from the failure to perform or the improper performance of the contract, Member States shall take the necessary steps to ensure that the organiser and/or retailer is/are liable unless such failure to perform or improper performance is attributable neither to any fault of theirs nor to that of another supplier of services, because:

   - the failures which occur in the performance of the contract are attributable to the consumer,
   - such failures are attributable to a third party unconnected with the provision of the services contracted for, and are unforeseeable or unavoidable,
   - such failures are due to a case of force majeure such as that defined in Article 4 (6), second subparagraph (ii), or to an event which the organiser and/or retailer or the supplier of services, even with all due care, could not foresee or forestall.

In the cases referred to in the second and third indents, the organiser and/or retailer party to the contract shall be required to give prompt assistance to a consumer in difficulty.

In the matter of damages arising from the non-performance or improper performance of the services involved in the package, the Member States may allow compensation to be limited in accordance with the international conventions governing such services.

In the matter of damage other than personal injury resulting from the non-performance or improper performance of the services involved in the package, the Member States may allow compensation to be limited under the contract. Such limitation shall not be unreasonable.

3. Without prejudice to the fourth subparagraph of paragraph 2, there may be no exclusion by means of a contractual clause from the provisions of paragraphs 1 and 2.

4. The consumer must communicate any failure in the performance of a contract which he perceives on the spot to the supplier of the services concerned and to the organiser and/or retailer in writing or any other appropriate form at the earliest opportunity.

This obligation must be stated clearly and explicitly in the contract.

**Article 6**

In cases of complaint, the organiser and/or retailer or his local representative, if there is one, must make prompt efforts to find appropriate solutions.

**Article 7**

The organiser and/or retailer party to the contract shall provide sufficient evidence of security for the refund of money paid over and for the repatriation of the consumer in the event of insolvency.
A4.14  

**Article 8**

Member States may adopt or return more stringent provisions in the field covered by this Directive to protect the consumer.

A4.15  

**Article 9**

1. Member States shall bring into force the measures necessary to comply with this Directive before 31 December 1992. They shall forthwith inform the Commission thereof.

2. Member States shall communicate to the Commission the texts of the main provisions of national law which they adopt in the field governed by this Directive. The Commission shall inform the other Member States thereof.

**Article 10**

This Directive is addressed to the Member States.

Done at Luxembourg, 13 June 1990.

For the Council  
The President  
D J O’MALLEY

---

**ANNEX**

A4.17  

Elements to be included in the contract if relevant to the particular package:

(a) the travel destination(s) and, where periods of stay are involved, the relevant periods, with dates;

(b) the means, characteristics and categories of transport to be used, the dates, times and points of departure and return;

(c) where the package includes accommodation, its location, its tourist category or degree of comfort, its main features, its compliance with the rules of the host Member State concerned and the meal plan;

(d) whether a minimum number of persons is required for the package to take place and, if so, the deadline for informing the consumer in the event of cancellation;

(e) the itinerary;

(f) visits, excursions or other services which are included in the total price agreed for the package;

(g) the name and address of the organizer, the retailer and where appropriate the insurer;

(h) the price of the package, an indication of the possibility of price revisions under Article 4 (4) and an indication of any dues, taxes or fees chargeable for certain services (landing, embarkation or disembarkation fees at ports and airports, tourist taxes) where such costs are not included in the package;

(i) the payment schedule and method of payment;

(j) special requirements which the consumer has communicated to the organiser or retailer when making the booking, and which both have accepted;

(k) periods within which the consumer must make any complaint concerning failure to perform or improper performance of the contract.
West Germany Travel Contract Law
Emended on October 1st, 1979
Translated by Ya-Li

Article 651 a. Travel Contract
(1) Based on the travel contract, the tour operator is responsible to provide a combination of travel service at an inclusive price for the traveler. The traveler shall have the obligation of paying the agreed price stated in the contract.
(2) ......

Article 651 b. Participation and Substitute
(1) Before the departure, the traveler may transfer his booking to another person. The tour operator has the right to reject the substitute only if the person doesn't satisfy all the conditions applicable to the package or if he violates the law or administration commands.
(2) The tour operator could charge the transferee for any additional costs arising from such transfer.

Article 651 c. Relief
(1) The travel operator should ensure that the services for which the traveler has contracted are rendered for the proper performance and a significant proportion of the services.
(2) The traveler must communicate any failure in the performance of a contract to the supplier of the services concerned. The tour operator can refuse the request of improvement if an unreasonable extra cost is involved.
(3) If the tour operator doesn't make suitable alternation arrangements in a limited time, the traveler shall rectify himself and ask for compensation of extra costs....

Article 651 d. Reduction of Travel Sum
(1) Pursuant to Article 651 c (2), the payment of the travel contract shall be reduced during the period of improper performance. The revised price is to be calculated based on the standard of Article 472.
(2) The traveler shall not able to request to reduce the price if the failures are attributable to traveler himself.
Article 651 e. Cancellation for Improper Performance

(1) Regarding with Article 651 c, the traveler is entitled to cancel the contract when a significant proportion of the services contracted for is not provided. The cancellation is also for reasons of unusual and unforeseeable circumstances beyond the control of the party.

(2) The traveler is entitled to cancel the contract when the tour operator is unable to make suitable alternative arrangements in a limited time……

(3) Once the contract is canceled, the tour operator cannot plead for the payment of contract from the traveler. However, the tour operator shall request a compensation of practiced services pursuant to Article 471….

(4) If the contract is canceled, the tour operator shall provide the traveler with equivalent transport back to the place of departure. Extra costs should be bore by the tour operator.

Article 651 f. Damage Compensation

(1) When the failures to perform are attributable to the tour operator, except canceling the contract or reducing the travel sum, the traveler can ask for the damage compensation of improper performance of the contract.

(2) ……..

Article 651 g. Prescription

(1) Based on Article 651 c to Article 651 f, the pleading prescription of the traveler is counted for one month since the date of the tour is ended……

(2) Based on Article 651 c to Article 651 f, the duration of validity of pleading is extinguished after six months of the practice of the tour. The extinguished date is counted since the date of the contract is ended…

Article 651 h. Limits of the Liability

(1) The tour operator can make an agreement with the traveler to make the compensation payable limited to three times the travel sum of each contract based on the cases as below:

1. When such failures are due to a case of force majeure which the tour operator could not foresee or forestall, or

2. When the tour operator is reliable to compensate because the failure is attributable to a third party (service suppliers).

(2) About the regulations to service suppliers……..
Article 651 i. Withdraw

(1) The traveler is entitled to withdraw the contract before the departure.
(2) Once the contract is withdrawn, the tour operator cannot plead for the payment of travel sum of the contract from the traveler......
(3) The amount of compensation is calculated by percentage of the travel sum according to the general expenses, and general value.

Article 651 j. Cancellation Based on Unforeseeable Reasons

(1) Both the traveler and the tour operator have the right of canceling the contract if an unforeseeable accident which causes failure of performance, danger, or disturbance is beyond the control of the party.
(2) The contract is canceled pursuant to prior content,...... The extra costs of transporting the traveler back to the place of departure should be split to equal half for the traveler and the tour operator. The traveler is responsible for the rest of other additional expenses.