

**Replies to written questions raised by Finance Committee Members in examining
the Draft Estimates of Expenditure 2001-02**

**Bureau Secretary : Secretary for Economic Services
Session No. : 1**

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Bureau Serial No.

ESB001

Question Serial No.

1212

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 28 Civil Aviation Department Subhead (No. & title) :

Programme : 2 Airport Standards

Controlling Officer : Director-General of Civil Aviation

Bureau Secretary : Secretary for Economic Services

Question :

The document has revealed four new targets and one new indicator under the programme of Airport Standards, which cover the processing of applications for carriage of dangerous goods and munitions by air and the inspection of the goods and munitions concerned. The workload in other areas has more or less increased. At the same time, there is a reduction in expenditure amounting to \$0.5 million, or 1.8% of the total amount, as a result of the Enhanced Productivity Programme (EPP). Will the Government inform us of the following:

- (a) Whether the department has employed any professionals with specific skills to process applications for carriage of dangerous goods and munitions and inspect the goods and munitions concerned? If yes, what is the number of such staff employed? Is the number sufficient to cope with the daily operations at the airport to ensure passenger safety?
- (b) While expenditure is reduced through the EPP, the workload of the department has increased. What changes have been made to the daily work flow of the department? Has the number of staff been reduced or working hours extended as a result of the EPP? Will the reduction affect airport safety?

Asked by : Hon IP Kwok-him

Reply :

- (a) Three Operations Officers with suitable training and expertise are deployed to perform the duties of regulating the air transport of dangerous goods (DG) and munitions of war (MUW). This is considered adequate to monitor the day to day operation relating to the safety of air transport of DG and MUW.
- (b) It is anticipated that the working procedures of the Airport Standards Division would not have any significant changes in 2001-02 except for a streamlining of the administrative procedures with a view to enhancing productivity. The increase in workload would be absorbed by the existing staff. There would not be any deletion of posts nor increase in staff working hours resulting from the Enhanced Productivity Programme (EPP). In fact the reduction in expenditure relating to EPP, such as energy-saving measures, will

not impair the operational efficiency of the Division and will not affect the monitoring of the safety standards of the Hong Kong International Airport.

Signature _____

Name in block letters ALBERT K Y LAM

Post Title Director-General of Civil Aviation

Date 14 March 2001

Bureau Serial No.

ESB002

Question Serial No.

1019

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 31 Customs and Excise Department

Subhead (No. & title) : N.A.

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Bureau Secretary : Secretary for Economic Services

Question : In enforcement of the Toys and Children's Products Safety Ordinance and the Consumer Goods Safety Ordinance, is there regular communication between the Customs and the trades? And are officers designated and manpower assigned to assist the trades in avoiding purchase of defaulting goods?

Asked by : Hon Mrs Selina CHOW LIANG Shuk-yee

Reply :

The Trading Standards Investigation Bureau of the Department liaises with the trade on a regular basis and initiates the following measures to enhance the awareness of traders and the public on different aspects of safety of toys, children's products and consumer goods –

- (a) launching from time to time publicity programmes including the distribution of information pamphlets, the conduct of press briefings and the arrangement of television and radio announcements;
- (b) making joint efforts with the Consumer Council in publicising product safety news and information through the publication of articles in the latter's monthly "Choice" magazine; and
- (c) organizing talks since 2000 on product safety for the staff of department stores, chain-shops and amusement centres to help the trade understand better the requirements under the product safety legislation.

Signature _____

Name in block letters _____

LI WAI-MAN

Post Title _____

Commissioner of Customs & Excise
(Ag)

Date _____

15 March 2001

Bureau Serial No.

ESB003

Question Serial No.

1020

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 31 Customs and Excise Department

Subhead (No. & title) : N.A.

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Bureau Secretary : Secretary for Economic Services

Question : Has the Customs and Excise Department allocated adequate resources to ensure test on questionable goods, so as to reduce the duration of the goods detention to a reasonable level?

Asked by : Hon Mrs Selina CHOW LIANG Shuk-yee

Reply :

Customs works in partnership with the Government Laboratory in testing products under investigation. The two departments strive constantly to speed up the testing work with flexible redeployment of resources to minimize the inconvenience caused to concerned parties. In some cases, since it is necessary to extend the follow-up investigations to several parties, including importers, manufacturers and a large number of retailers, the detention period of seizures may be prolonged. Nevertheless, we will always keep the situation under review to ensure that each case is completed within a reasonable time frame.

Signature _____

Name in block letters _____

LI WAI-MAN

Post Title _____

Commissioner of Customs &
Excise (Ag)

Date _____

15 March 2001

Bureau Serial No.

ESB004

Question Serial No.

0947

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY WRITTEN QUESTION**

Head: 42 – EMSD Subhead :

Programme: 1 – Energy efficiency; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Bureau Secretary : Secretary for Economic Services

Question : One of the matters requiring special attention in 2001-02 is to develop safety regulation arrangements for natural gas vehicles. What are the details of the study?

Asked by : Hon Miriam Lau Kin-ye

Reply : In view of the trial run on natural gas vehicles currently conducted by the Hong Kong and China Gas Company Limited and proposed by one of the power companies, EMSD is looking into the necessary regulatory framework and infrastructure for natural gas vehicles, including safety requirements relating to the fuel systems and refilling stations, storage and transport of natural gas etc.

Signature _____

Name in block letters ROGER S. H. LAI

Post Title Director of Electrical and Mechanical Services

Date 15 March, 2001

Bureau Serial No.

ESB005

Question Serial No.

1045

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 42 - EMSD Subhead :

Programme: 1-Energy supply; electrical, gas and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Bureau Secretary : Secretary for Economic Services

Question : What are the financial expenditure, manpower resources and the efficiency and effectiveness regarding the study of introducing a natural gas based common carrier system for Hong Kong in 2000-01? What will they expect to be regarding this work in 2001-02? When will the Government plan to formally finalize the introduction of a natural gas based common carrier system?

Asked by : Hon LAU Chin-shek

Reply : In 2000-01, no additional provision was earmarked by the Electrical and Mechanical Services Department (EMSD) for the study on the possible introduction of a natural gas based common carrier system. The related preparatory work prior to the study was taken up by one Chief Engineer and one Senior Engineer of the Gas and General Legislation Division of the Department in addition to duties of their own. In 2001-02 about \$1.5 m is earmarked by EMSD for the creation of two engineer posts (one Senior Engineer and one Engineer) to study the related matters and provide technical support for the gas consultant to be commissioned by the Economic Services Bureau, the objective being to ascertain the matters to be done to develop an broad institutional, infrastructural and regulatory framework necessary for the possible introduction of a natural gas based common carrier system and to conduct relevant studies. We will decide whether to introduce the natural gas based common carrier system, the timeframe and relevant details subject to the findings of the study.

Signature _____

Name in block letters ROGER S.H. LAI

Post Title Director of Electrical and Mechanical Services

Date 15 March, 2001

Bureau Serial No.

ESB006

Question Serial No.

1046

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 42 - EMSD Subhead : 700 – General Other Non Recurrent

Programme : 1 - Energy supply; electrical, gas, and nuclear safety

Controlling Officer : Director of Electrical and Mechanical Services

Bureau Secretary : Secretary for Economic Services

Question : With respect to Item 708 under Subhead 700, what are the details regarding
“Training programme to core staff for the Electricity Market Reform?”

Asked by : Hon LAU Chin-shek

Reply : As the staff presently responsible for regulating electricity supply are not equipped with the experience in relation to electricity market reform, it is necessary to understand in some depth the experience of such reforms in other places and the pros and cons of different modes and operational arrangements so as to come up with a regulatory structure appropriate to the market in Hong Kong. Therefore, we will by batches arrange part of the key in-house staff who will be responsible for the reform of the electricity supply sector to attend relevant courses, seminars and conferences on the untying of electricity market and related regulation. We will also arrange for their attachments to regulatory authorities and other key players overseas to acquire firsthand regulatory and other experience in markets which have undertaken such reforms.

The estimated provision for the said training programme is about \$1 million and the programme is scheduled to commence in mid 2001.

Signature _____

Name in block letters _____ **ROGER S.H. LAI** _____

Post Title _____ Director of Electrical and Mechanical Services _____

Date _____ 16 March, 2001 _____

Bureau Serial No.

ESB007

Question Serial No.

0486

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 43 – Civil Engineering Department Subhead (No. & title) :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering

Bureau Secretary : Secretary for Economic Services

Question : Has the Government reserved any funds for compensation to the mariculturists for fish kills in some fish culture zones caused by the theme park construction works at Penny's Bay?

Asked by : Hon WONG Yung-kan

Reply : So far there is no evidence showing reclamation works at Penny's Bay have caused fish kills in nearby fish culture zones. We therefore have not reserved funds for this purpose.

According to existing policy, Government would grant ex-gratia allowance (EGA) to mariculturists affected by marine works projects in Hong Kong waters if the suspended solids level at a fish culture zone exceeds the specified limit, or if the shortest water distance between the gazetted zone boundary of a fish culture zone and the designated boundary of a sand dredging or mud disposal operation is 5 kilometres or less. These EGAs will be payable under Head 701.

Signature _____

Name in block letters

Dr. LAU CHING-KWONG

Post Title

Director of Civil Engineering

Date

15 March 2001

Bureau Serial No.

ESB009

Question Serial No.

0515

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head **100 Marine Department** **Subhead(No. & title)** :

Programme : (3) Local Services

Controlling Officer : Director of Marine

Bureau Secretary : Secretary for Economic Services

Question : Please describe the specific measures in respect of the management reform of Public Cargo Working Areas for this year. What is the expenditure required in this respect?

Asked by : Hon CHAN Kam-lam

Reply : Leases for all PCWA berths which expired in January 2001 have been re-allocated by way of restricted tender to operators for another period of three years with effect from 1 February 2001. Management reform measures, introduced during this round of tendering included standardization of the berth lengths and rezoning from four to three regions for biddings. The reform has moved forward at a pace which is not disruptive to the trade but our objective remains to achieve full open tender as soon as practicable.

Additional resource is not required for the management reform.

Signature

Name in Block Letters

Post Title

Date

S. Y. TSUI

Director of Marine

15 March 2001

Signature
Name in Block Letters
Post Title
Date

S. Y. TSUI

Director of Marine

15 March 2001

Bureau Serial No.

ESB011

Question Serial No.

0517

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head **100 Marine Department** **Subhead(No. & title) :**

Programme : (1) Infrastructure

Controlling Officer : Director of Marine

Bureau Secretary : Secretary for Economic Services

Question : Please give specific description on formulating the standard and setting up of a certification system for Hong Kong vessels engaged in coastal trading. And what is the expenditure required for its implementation?

Asked by : Hon CHAN Kam-lam

Reply : With increasing trade between Hong Kong and Mainland in particular coastal shipping to and from Mainland nearby ports, it is necessary to establish a ship safety standard appropriate for this trade.

It is desirable that broadly comparable standard for coastal trade vessels should be in place to enable the maritime authorities of Hong Kong and Mainland to exercise better control of the safety of the vessels visiting their ports.

The new certification and regulatory system will cover standard of ship safety, environmental protection, competence of crew, examination and certification arrangement.

The development of the proposed coastal standard is progressing on schedule but will require 1 to 2 years before it is fully developed and legislation can be passed to support the implementation. As details of the scheme are still being worked out, it is premature to estimate the exact resource requirement for implementation at this stage.

Signature

Name in Block Letters

Post Title

Date

S. Y. TSUI

Director of Marine

15 March 2001

Bureau Serial No.

ESB012

Question Serial No.

0883

Examination of draft Estimates of Expenditure 2001-02
CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION

Head 100 Marine Department

Subhead (No. & title) :

Programme : (4) Services to Ships

Controlling Officer : Director of Marine

Bureau Secretary : Secretary for Economic Services

Question : (a) During the past three years, how many examinations for seafarers' certification were held? How many candidates sat for the examinations? And how many seafarer certificates were issued?
(b) Is there any provision for pre-employment and in-service training courses for local officers to be jointly organized with vocational training institutes? If yes, what are the details? If no, why not?

Asked by : Hon CHAN Kwok-keung

Reply : (a). The figures for seafarers certificate of competency examinations are as follows:

| Local vessel certificate of competency examinations | 1998 | 1999 | 2000 |
|---|-------------|-------------|-------------|
| Total Number of examinations held | 149 | 171 | 197 |
| Total Number of candidates examined | 5203 | 6366 | 7413 |
| Total Number of candidates passed the examination and were issued with certificates of competency | 2409 | 2936 | 3326 |

| Sea-going and River Trade vessels certificate of competency examinations | 1998 | 1999 | 2000 |
|---|-------------|-------------|-------------|
| Total Number of examinations held | 23 | 23 | 23 |
| Total Number of candidates examined | 175 | 124 | 164 |
| Total Number of candidates passed and issued with certificates of competency | 111 | 52 | 74 |

(b) The Vocational Training Council offers pre-employment and in-service training to local officers. Training courses are mainly provided by the Hong Kong Institute of Vocational Education (Tsing Yi) and the Seamen's Training Centre. Pre-employment training includes Diploma and Higher Diploma courses suitable for the training of deck and marine engineer officers. In-service training includes various short courses of special skills.

Signature

Name in Block Letters

Post Title

Date

S. Y. TSUI

Director of Marine

15 March 2001

Bureau Serial No.

ESB016

Question Serial No.

0025

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat : Economic Services Bureau Subhead (No. & title) :

Programme : (1) Air and Sea Communications

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : In 2001-02, on what indicators will the Administration rely in ensuring that air services meet market demands ? And did the Administration assess the relevant results in the past two years?

Asked by : Hon LAU Kong-wah

Reply : The Government and the Airport Authority have implemented a series of measures to ensure that air services meet market demands. The Government has been negotiating or reviewing relevant traffic arrangements with the aviation partners of Hong Kong so that the airlines will be able to provide services in response to market demand. In order to expand the aviation network of Hong Kong, our targets in 2001-02 are to conduct negotiations on Air Services Agreements with at least 5 new aviation partners, and negotiate or review at least 15 bilateral traffic arrangements under the Air Services Agreements. In the past two financial years, we have conducted negotiations on Air Services Agreements with 11 new aviation partners, and held negotiations on or reviewed 39 bilateral traffic arrangements.

In addition, in order to fully meet airlines' demand for runway slots, the runway capacity of the Hong Kong International Airport (HKIA) has been increased from 37 movements to 45 movements per hour in 1999 and will be increased to 47 movements per hour with effect from 25 March 2001. The capacity will be further increased in response to demand. At present, over 80% of passenger aircraft arrive and depart on time (i.e. within 15 minutes of schedule).

The Airport Authority will ensure that the HKIA will continue to provide efficient services and adequate capacity to meet demand. With the Northwest Concourse coming into operation in January 2000, the HKIA's passenger handling capacity has been increased from 35 million to 45 million passengers per year. The number of aircraft parking stands in the cargo apron area will be increased from 13 to 21 within 2001.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB017

Question Serial No

0026

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 — Government Secretariat: Subhead (No. & title) :
Economic Services Bureau

Programme : (1) Air and Sea Communications

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : What specific plans does the Administration have “to further develop Hong Kong as an international and regional aviation centre”? What is the relevant estimated expenditure? Furthermore, has the Administration studied Hong Kong’s strengths and weaknesses as compared with other competitive countries so as to better achieve the above aim?

Asked by : Hon. LAU Kong-wah

Reply : The relevant government departments and the Airport Authority (AA) have implemented a series of initiatives to further develop Hong Kong into an international and regional aviation centre. For example, the Government is adopting a policy of progressive liberalisation of air services to allow more airlines to provide new services or expand existing ones. In particular, we will implement proactively our liberal policy for air cargo services and adopt a flexible approach in considering airlines’ requests for traffic rights so as to attract more cargo to go through Hong Kong.

To facilitate the transshipment of air cargo, we put into effect the Air Cargo Transshipment (Facilitation) Ordinance in May 2000. The Customs and Excise Department is actively studying how to further streamline customs clearance procedures for cargo entering/leaving Hong Kong.

As regards the AA, a number of initiatives are in hand, which include continuing to enhance the passenger and cargo handling capacity of the airport, conducting the Strategic Overview of Major Airport Developments (SOMAD) Study which would be completed in the second half of 2001, developing intermodal (sea/land/air) freight services and a logistics centre, improving the facilities and services at the passenger terminal for transfer and transit passengers, and studying the feasibility of developing an “Airport City” on the airport island, etc.

The maximum runway capacity of the Hong Kong International Airport (HKIA) has been raised from 37 movements per hour in 1999 to 45 movements per hour,

and will be further increased to 47 movements per hour with effect from 25 March 2001. The Government plans to invest more than \$1 billion in the coming decade to introduce the new satellite-based air traffic management control systems to enhance flight safety and efficiency.

Under “Head 145 — Government Secretariat : Economic Services Bureau”, the estimated expenditure on aviation policy in 2001-02 is \$14.91 million. This does not include the expenditure of other government departments (such as the Civil Aviation Department) on work related to civil aviation.

Compared with other places, Hong Kong is located at the centre of the Asia-Pacific region, with a world-class airport and an extensive aviation network. Our supporting facilities are also comprehensive, which include advanced port facilities and land transport, a sound legal system, as well as efficient financing, e-commerce, and customs clearance services. We are committed to enhancing our competitiveness and further developing Hong Kong into an international and regional aviation centre.

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 14.3.2001

Bureau Serial No.

ESB018

Question Serial No.

0106

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat: Subhead (No. 700 (General other
Economic Services Bureau & title) : non-recurrent)

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

How much resource is expected to be used for implementing the competition policy?

Asked by : Hon Audrey EU Yuet-mee

Reply :

An estimated amount of \$2.26 million under 2001-02 block allocation for the Economic Services Bureau will be used for implementing the competition policy. This amount has included salaries, departmental expenses and non-recurrent expenditure.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 14.3.2001

Bureau Serial No.

ESB019

Question Serial No.

0107

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat: Economic Subhead (No. & title) :
Services Bureau

Programme : (4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : How much resource is expected to be used for consumer protection?

Asked by : Hon. Audrey EU Yuet-mee

Reply : An estimated amount of \$1.528 m under the 2001-02 block allocation for the Economic Services Bureau is expected to be used for consumer protection. This amount includes salaries and departmental expenses.

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 15.3.2001

Bureau Serial No.

ESB020

Question Serial No.

0108

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) : 700 (General
Economic Services Bureau other non-recurrent)

Programme : (2) Posts, Power and Competition Policy
(4) Travel, Tourism and Consumer Protection

Controlling Officer : Economic Services Bureau

Bureau Secretary : Secretary for Economic Services

Question : The commitment under subhead 700 is \$9,237,000, how come that the estimated expenditure under subhead 700 for 2001-02 is \$7,294,000 only? Is it that no provision will be made for some of the commitments this year, if so, what these commitments are?

Asked by : Hon Audrey EU Yuet-mee

Reply : To tie in with the work schedule, \$1.943 million of the approved commitment under subhead 700 will not be required in 2001-02. It is estimated that \$0.535 million of the amount will not be used until 2002-03, including \$0.48 million under item 014 for the engagement of a consultant to advise on competition issues in other economies and \$0.055 million under item 015 for enhancing public awareness of the work of the Competition Policy Advisory Group.

In addition, since there is an unspent balance of provision under subhead 700 in 2000-01, it enabled the payment of \$1.408 million for item 012 for the management of Tamar Site. As for the remaining requirement of \$2.529 million, it has been included in the 2001-02 Estimates.

| | |
|-----------------------|--|
| Name in block letters | <u>MS SANDRA LEE</u> |
| Post Title | <u>Secretary for Economic Services</u> |
| Date | <u>15.3.2001</u> |

Bureau Serial No.

ESB021

Question Serial No.

0379

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat :Economic Services Bureau

Subhead (No. & title) : 700 Item 012 Management of Tamar Site

Programme : (4)Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Under Programme 4, provision for 2001–02 is \$22.6 million more than the revised estimate for 2000–01. Part of the reason is the requirements for managing the Tamar Site. Under the Capital Account, some \$3,937,000 has been approved to manage Tamar Site. Please provide the detailed breakdown on this item.

Asked by : Hon Bernard CHAN

Reply :

The following is a breakdown of the expenditure for the management of the Tamar Site –

| | Item | HK\$ |
|---|--|-----------|
| 1 | Maintenance of the event area | 1,580,000 |
| 2 | Utilities charges for the event area | 23,000 |
| 3 | Site restoration for the event area | 820,000 |
| 4 | Management of the advertising billboards erected on the site | 1,160,000 |
| 5 | Contingency | 354,000 |
| | Total | 3,937,000 |

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB022

Question Serial No.

0438

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) :
Economic Services Bureau

Programme :

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

From 1999-2000 to 2001-2002, there is an increase of provision for all items under both the recurrent and non-recurrent accounts. The number of posts will also be increased from 89 in 1998 to the estimated 127 in 2002, representing an increase of more than 40%. With the continuous expansion in expenditure and establishment, how will the Administration achieve the targets set under the Enhanced Productivity Programme?

Asked by : Hon HUI Cheung-ching

Reply :

The increase in expenditure and establishment from 1999-2000 onward is mainly due to the following reasons:

- establishment of the Tourism Commission and strengthening its services;
- implementation of the agreement with The Walt Disney Company on the construction of the Hong Kong Disneyland on Lantau Island; and
- transfer of the policy responsibility of competition policy, consumer protection, regulation of travel industry and the work of Travel Agents Registry from the Commerce and Industry Bureau to the Economic Services Bureau.

Despite facing greater responsibility, the Bureau has implemented under the Enhanced Productivity Programme measures such as reviewing and streamlining existing working procedures, redeploying staff, making more extensive use of information technology and economizing the use of consumables etc. through which a saving of \$629,000 in expenditure was achieved in 2000-01. There will be a further saving of \$1,416,000 in 2001-02. The accumulated total savings represents 3% of the recurrent baseline expenditure, which meets the target of the Enhanced Productivity Programme.

Name in block letters

MS SANDRA LEE

Post Title

Secretary for Economic Services

Date

14.3.2001

Bureau Serial No.

ESB023

Question Serial No.

0439

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

- Head : 145 – Government Secretariat Subhead (No. & Title) :
Economic Services Bureau
- Programme : (1) Air and Sea Communications
- Controlling Officer : Secretary for Economic Services
- Policy Secretary : Secretary for Economic Services
- Question : In the Matters Requiring Special Attention 2001-02, ESB states that it will work to improve efficiency in existing port operations and develop logistics services in Hong Kong. What specific work is it? What is the estimated expenditure?

Asked by: The Honourable Hui Cheung Ching

Reply : The Government has been following up on a series of measures to improve port efficiency and competitiveness recommended by the Port and Maritime Board, including dredging of the Rambler Channel to enable the container terminals to handle the larger container vessels, the building of Container Terminal 9 to provide additional handling capacity, maintaining closer liaison with the Mainland authorities to improve cross boundary movement of container trucks, and promoting river trade and the use of barge traffic which could provide a cheaper alternative to road/truck traffic. We will also continue our efforts to undertake promotional roadshows to update transport professionals and consignees the current developments relating to our port infrastructure and logistics services.

To strengthen our position as a transport and logistics hub for the Pearl River Delta region, a number of cross-boundary transport links with the Mainland are in the pipeline. We are planning a 7-km new rail spur line which will be connected to the Shenzhen Metro, as well as a 5-km bridge link to Shekou. These additional boundary crossings will increase the capacity for rail and road traffic between Hong Kong and the Mainland. We have also been stepping up liaison with the mainland port officials to develop a channel to exchange information on port and inter-modal links planning between the Mainland and Hong Kong. We also undertake research studies (e.g. Port Cargo Forecast, Port Development Strategy Review) to develop measures we need to take to ensure our port stays competitive.

The Government is committed to providing an infrastructure that will be favourable to the development of the transportation and logistics sector. In May 2000, the Committee on Logistics Service Development (CLSD) was set up under the Port and Maritime Board to consider how various elements in the supply chain can work more closely together to promote the development of logistics services in Hong

Kong. The CLSD has observed that the key to improving Hong Kong's competitiveness is to increase the connectivity between our cargo source (mainly in the Pearl River Delta Area) and the port and airport of Hong Kong. To support the work of the CLSD, a consultancy study has been carried by the Government to examine Hong Kong's competitiveness as a logistics centre and to make recommendations on a logistics service development strategy.

To support our work, in the current financial year, we have included a provision of HK\$3.6 million for promoting Hong Kong as an international maritime centre, a leading port and transportation and logistics hub. Promotional activities include visits, conferences, production of publication brochures, and audio-visual materials.

Signature : _____

Name in block letters : MS SANDRA LEE

Post Title : Secretary for Economic Services

Date : 15 March 2001

Bureau Serial No.

ESB024

Question Serial No.

0466

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 Government Secretariat : Subhead (No. & title) :
Economic Services Bureau

Programme : (1) Air and Sea Communications
(2) Posts, Power and Competition Policy
(3) Public Safety
(4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : 11 permanent posts will be created by the bureau in 2001-2002. Please list out the ranks and titles of such posts and the expenditure incurred in the increased estimate.

Asked by : Hon Eric LI Ka-cheung

Reply : Our initial plan to strengthen the staffing resources of the Tourism Commission for 2001-02 include the creation of 17 posts. Offsetting by the deletion of 6 posts under the Enhanced Productivity Programme and upon the completion of short-term projects, a net 11 posts will be created. Breakdown of the new posts to be created is as follows:

- 1 Administrative Officer
- 1 Senior Town Planner
- 1 Senior Economist
- 1 Senior Statistician
- 1 Statistical Officer II
- 1 Chief Executive Officer
- 2 Senior Executive Officer
- 3 Executive Officer I
- 1 Senior Chinese Language Officer
- 2 Clerical Officer
- 2 Personal Secretary I
- 1 Personal Secretary II

Provision required for the above new posts is \$9.756m based on notional annual mid-point salary value. We are in the course of reviewing the ranking and grading of the additional posts required before seeking to create these posts.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

aBureau Serial No.

ESB025

Question Serial No

0518

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 - GS : Economic Services Bureau

Subhead (No. & title) :

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

What is the progress of the study of the introduction of a natural gas based common carrier system? How much has been spent on the study so far? How will Hong Kong be affected by the implementation or otherwise of the project?

Asked by : Hon CHAN Kam-lam

Reply :

In the overall provision for the Economic Services Bureau in 2001-02, we have earmarked about \$2.98m for the engagement of a Gas Adviser to identify issues relating to a broad institutional, infrastructural and regulatory framework necessary for the possible introduction of a natural gas based common carrier system, and to assess the impact of the introduction or otherwise of such a system on Hong Kong. We are also considering the administrative support required. The Electrical and Mechanical Services Department has also earmarked about \$1.5m in 2001-02 to create two engineering posts (1 Senior Engineer and 1 Engineer) to assist in the early preparatory work and to provide technical support for the proposed Gas Adviser.

The impact of the introduction or otherwise of a natural gas based common carrier system on Hong Kong can only be ascertained after the completion of the consultancy study.

Name in block letters :

MS SANDRA LEE

Post Title :

Secretary for Economic Services

Date :

14.3.2001

Bureau Serial No.

ESB026

Question Serial No.

0519

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 Government Secretariat Subhead (No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Policy Secretary : Secretary for Economic Services

Question :

Which countries' experience in market restructuring will the Government make reference to when examining the options for future development of our electricity supply sector? When will the options be drawn up? What are the resources required?

Asked by : Hon. CHAN Kam-lam

Reply :

To examine options for a post-2008 regulatory regime for the electricity supply sector, officers of Economic Services Bureau (ESB) and Electrical and Mechanical Services Department (EMSD) have visited the United Kingdom (UK), the United States (US) and Australia to study the electricity market restructuring experience in these places. The UK and the US have restructured their electricity supply market for a relatively longer period of time. In the future, we will also visit other places which have implemented electricity market restructuring, study the pros and cons of different restructuring models and consider local circumstances. We expect to map out the broad direction for future development of the electricity supply sector before the next interim review of the Scheme of Control Agreements scheduled for 2003.

To take forward the above task, ESB will create a non-civil service post of Electricity Advisor (at the equivalent rank of D2/D3) for three years with effect from 1 April 2001. We have allocated about \$3 million for this purpose in 2001/02. Moreover, EMSD has made provision for setting up a support team of eight members, including one Chief Electrical and Mechanical Engineer, with effect from 1 April 2001. The support team will be attached to ESB to form part of a multi-disciplinary team after a period of familiarization in EMSD. The proposal on creation of the Electricity Advisor post and the Chief Electrical and Mechanical Engineer post was supported by the Establishment Sub-committee of the Finance Committee

on 21 February 2001 and approved by the Finance Committee on 9 March 2001. I wish to thank Members' support on this matter.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 13.3.2001

Bureau Serial No.

ESB027

Question Serial No.

0591

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat : Subhead (No. & title) :
Economic Services Bureau

Programme : (4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Provision for 2001-02 is \$22.6 million (87.3%) higher than the revised estimate for 2000-01. One of the reasons for such increase is the creation of 13 posts in 2001-02 to strengthen the support services. What are these posts and what are the staff concerned responsible for?

Asked by : Hon Howard YOUNG, JP

Reply : Our initial plan to strengthen the staffing resources of the Tourism Commission for 2001-02 includes 17 posts. The creation of these posts will be offset by the deletion of 2 time-limited posts and 2 EPP posts. Breakdown of the new posts to be created is as follows:

- 1 Administrative Officer
- 1 Senior Town Planner
- 1 Senior Economist
- 1 Senior Statistician
- 1 Statistical Officer II
- 1 Chief Executive Officer
- 2 Senior Executive Officer
- 3 Executive Officer I
- 1 Senior Chinese Language Officer
- 2 Clerical Officer
- 2 Personal Secretary I
- 1 Personal Secretary II

These additional posts will be created to enhance the policy and professional input into the work of the Tourism Commission in developing tourism strategies and projects. We are in the course of reviewing the ranking and grading of the additional posts required before seeking to create these posts.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB028

Question Serial No.

0592

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat :Economic Services Bureau

Subhead (No. & title) : 700 Item 012 Management of Tamar Site

Programme : (4)Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Under Programme (4), it is stated that part of the provision for 2001–02 will be set aside for the requirements for managing the Tamar Site. How much is it and what is the breakdown?

Asked by : Hon Howard YOUNG

Reply :

The following is a breakdown of the expenditure for the management of the Tamar Site –

| | Item | HK\$ |
|---|--|-----------|
| 1 | Maintenance of the event area | 1,580,000 |
| 2 | Utilities charges for the event area | 23,000 |
| 3 | Site restoration for the event area | 820,000 |
| 4 | Management of the advertising billboards erected on the site | 1,160,000 |
| 5 | Contingency | 354,000 |
| | Total | 3,937,000 |

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB029

Question Serial No.

0593

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat : Subhead (No. & title) : 149 General
Economic Services Bureau departmental expenses

Programme :

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Under Subhead 149 General departmental expenses, the total departmental expenses has increased 162.6% from \$8,222,000 for 2000-01 to \$21,592,000 for 2001-02 due to full-year provision for the activities undertaken by the Bureau. What are these activities and the expenditure to be incurred?

Asked by : Hon Howard YOUNG, JP

Reply : The increase in departmental expenses for 2001-02 is mainly due to -

- provision of over \$6 million for conducting tourism studies and projects;
- provision of around \$6 million for the employment of consultants to examine options for future development of the electricity supply sector and to look into issues relating to the possible introduction of a natural gas based common carrier system; and
- provision of \$0.33 million for the activities relating to the policy responsibility of competition policy, consumer protection and outbound tourism transferred from Commerce and Industry Bureau to Economic Services Bureau

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 14.3.2001

Bureau Serial No.

ESB030

Question Serial No.

0785

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat : Subhead (No. & title) :
Economic Services Bureau

Programme :

Controlling Officer :

Bureau Secretary : Secretary for Economic Services

Question : Regarding consultancy studies for policy making and assessment commissioned by the departments/services under your Bureau.

- (1) Was there any financial provision allocated for commissioning consultancy studies in 2000-01? If yes, please reply with the following details:

| Names of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/in progress/finished) |
|--|------------------|---|
| | | |

- (2) Will there be any financial provision allocated for commissioning consultancy studies in 2001-02? If yes, please reply with the following details:

| Names of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/in progress/finished) |
|--|------------------|---|
| | | |

Asked by : Hon Cyd HO Sau-lan

Reply :

(1) Financial provision allocated for commissioning consultancy studies in 2000-01 is as follows:

Head 145 : Economic Services Bureau

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| GHK (Hong Kong) Ltd | \$1.194 M - Updating of Port Cargo Forecasts | Finished |
| GHK (Hong Kong) Ltd | \$0.3 M - Review of Productivity at Kwai Chung Container Port | Finished |
| GHK (Hong Kong) Ltd | \$1.736 M - Study on Container Port Back-up Facilities and Land Requirements | Finished |
| GHK (Hong Kong) Ltd | \$0.4 M - Study on Bulk Cargo Facilities | Finished |
| PolyU Technology & Consultancy Co. Ltd. | \$0.35 M - Study on Potential of Hong Kong as a Replenishment Port | Finished |

Head : 42 – Electrical and Mechanical Services Department

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| Burns and Roe Enterprises Inc. | \$4.239M - Study on the activities of the two power companies under the Scheme of Control Agreements | In progress |
| | \$0.65M - Study on the activities of the two power companies under the Scheme of Control Agreements | In progress |
| Mott Connell Ltd | \$3.38M - Study on increasing interconnection between Hong Kong's power companies | In progress |

Head : 177 – Hong Kong Tourist Association

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|--|---|
| GML Consulting Ltd. | \$0.1M - Review of the organisation structure | Finished |
| Towers Perrin Forster & Crosby | \$0.238M - Study on retirement fund plans | Finished |
| Watson Wyatt | \$0.505M - Study on compensation package | In progress |
| Watson Wyatt | \$0.155M - Investment consulting | In progress |
| KPMG Hong Kong | \$0.141M - Review of accounting process | In progress |

(2) Financial provision allocated for commissioning consultancy studies in 2001-02 is as follows:

Head 145 : Economic Services Bureau

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| N/A | \$0.72 M - Advice on competition issues in other economies | In plan |

Head : 28 – Civil Aviation Department

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| N/A | \$4M - Study on Helicopter Traffic Demand and Heliport Development | In plan |
| National Air Traffic Services Ltd, U.K. | \$1.2M - Study on Runway Capacity Review | In progress |

Head : 42 – Electrical and Mechanical Services Department

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| N/A | \$1.5M - Study on the activities of the two power companies under the Scheme of Control Agreements | In plan |

Head : 100 – Marine Department

| Name of consultants (if available) | Consultancy fees | Status of consultancy studies (in plan/ in progress/ finished) |
|---|---|---|
| PolyU Technology & Consultancy Co., Ltd | \$ 0.8M - Manpower Survey on the Demand for Ex-seafarers of the Port, Maritime and Related Industry in Hong Kong | In progress |

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB031

Question Serial No.

0852

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Please list the action plan for promoting Hong Kong as a competitive marketplace next year.

Asked by : Hon. Fred LI Wah-ming

Reply :

In 2001-02, we will continue to assist the Competition Policy Advisory Group (COMPAG) in reviewing policies and practices to ascertain to what extent competition can be further enhanced in different sectors, and encourage both the public and private sectors to adopt sector-specific measures to promote competition. We have also earmarked provision in the coming year for hiring a consultant to advise on competition issues in other economies, and for enhancing public awareness of the work of COMPAG.

| | |
|-----------------------|---------------------------------|
| Name in block letters | MS SANDRA LEE |
| Post Title | Secretary for Economic Services |
| Date | 14 March 2001 |

Bureau Serial No.

ESB032

Question Serial No.

0853

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 — Government Secretariat: Subhead (No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Please give details on the number of meetings, discussion items and work progress of the Competition Policy Advisory Group in 2000-01.

Asked by : Hon Fred LI Wah-ming

Reply : The Competition Policy Advisory Group (COMPAG) held three meetings in 2000-01. The major discussion items included the allocation of clinics in public housing estates, ready mixed concrete supply, provision of liquefied petroleum gas (LPG) filling stations in multi-storey buildings, competition in the fuel market, central LPG in public housing estates, overseas experience in electricity market restructuring, vehicle maintenance manuals, driving schools, broadcasting satellite services and newspaper price increase.

The Government reported the work of COMPAG to the then LegCo Panel on Trade and Industry last May. Following the transfer of COMPAG's Secretariat from the previous Trade and Industry Bureau to the Economic Services Bureau, we reported the work progress to the LegCo Panel on Economic Services last November, including the new initiatives to promote competition proposed by various bureaux and departments and their reviews of existing practices.

As in the past, we will publish the COMPAG Report for 2000-01 around the middle of this year.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB033

Question Serial No.

0854

Examination of draft Estimates of Expenditure 2000-01
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY WRITTEN QUESTION**

Head: 145 – Government Secretariat : Subhead (No. & title) :
Economic Services Bureau

Programme: (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Please give a detailed account of the complaints received by the Competition Policy Advisory Group in 2000-01 by types of trade or matter, the investigation conducted and the progress.

Asked by : Hon Fred LI Wah-ming

Reply : In 2000-01, the Competition Policy Advisory Group (COMPAG) received 8 competition-related complaints, including those referred by different bureaux and departments, as well as the Consumer Council. The trades and types of matters involved are listed at Annex. COMPAG has looked into all these complaints, and, having regard to the position of individual cases, has made referrals to the relevant bureaux and departments for follow up actions, and requested them to report progress to COMPAG in due course.

As in the past, we will set out the position of these complaints in the COMPAG Report 2000-01 to be published around the middle of this year.

Name in block letters

MS SANDRA LEE

Post Title

Secretary for Economic Services

Date

15.3.2001

| TRADE | Matters of Complaint | Number of Cases |
|----------------------------|--|------------------------|
| E-commerce | Charging arrangement | 1 |
| Newspapers | Uniform price increase | 1 |
| Shipping | Uniform exchange rate adjustment mechanism | 1 |
| Entertainment | Exclusive broadcast arrangement | 1 |
| Transport | Franchised routes | 2 |
| Telecommunication services | Misleading advertisement and sales method | 1 |
| Estate management | Charging arrangement | 1 |

Bureau Serial No.

ESB034

Question Serial No.

0855

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead (No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Please list the ratio of resources allocated for the implementation of competition policy in terms of staffing and financial provision.

Asked by : Hon Fred LI Wah-ming

Reply :

In the staffing provision for Programme (2) of the Economic Services Bureau in 2001-02, 2 directorate posts (1 Deputy Secretary and 1 Principal Assistant Secretary) and 3 non-directorate posts (1 Assistant Secretary, 1 Senior Personal Secretary and 1 Personal Secretary I) are responsible for the work of competition policy and other policies. Resources allocated for competition policy account for 8% of the total allocation for Programme (2), involving personal emoluments of \$1.015m and departmental expenses of \$82,000.

In addition, the non-recurrent expenditure on competition policy in 2001-02 is about \$1.165m, for hiring of a consultant and enhancing the public awareness of the work of the Competition Policy Advisory Group.

Name in block letters

MS SANDRA LEE

Post Title

Secretary for Economic Services

Date

15 March 2001

Bureau Serial No.

ESB035

Question Serial No.

0856

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat : Economic Subhead (No. & title) :
Services Bureau

Programme : (4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :The Consumer Council will explore the feasibility of empowering the Council to institute legal proceedings on behalf of consumers. Has the government any plan to provide funding in 2001/02 to conduct such study ?

Asked by : Hon. Fred LI Wah-ming

Reply : Regarding the Consumer Council's proposal to empower the Council to institute legal proceedings on behalf of consumers, the Government and the Council are conducting the study with existing resources and there is no need to make additional provision in 2001-02.

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 15.3.2001

Bureau Serial No.

ESB036

Question Serial No.

0898

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 Government Secretariat :
Economic Services Bureau

Subhead (No. & title) :

Programme : (4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : The Economic Services has planned for a net creation of 13 non-directorate posts in the coming financial year. Please provide information on the duties and salaries pertaining to these posts.

Asked by : Hon James TIEN Pei-chun

Reply : Our initial plan to strengthen the staffing resources of the Tourism Commission for 2001-02 includes 17 posts. The creation of these posts will be offset by the deletion of 2 time-limited posts and 2 EPP posts. Breakdown of the new posts to be created is as follows:

- 1 Administrative Officer
- 1 Senior Town Planner
- 1 Senior Economist
- 1 Senior Statistician
- 1 Statistical Officer II
- 1 Chief Executive Officer
- 2 Senior Executive Officer
- 3 Executive Officer I
- 1 Senior Chinese Language Officer
- 2 Clerical Officer
- 2 Personal Secretary I
- 1 Personal Secretary II

Provision required for the above new posts is \$9.756m based on national annual mid-point salary value. These additional posts will be created to enhance the policy and professional input into the work of the Tourism Commission in developing tourism strategies and projects. We are in the course of reviewing the ranking and grading of the additional posts required before seeking to create these posts.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 Government Secretariat Subhead (No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Policy Secretary : Secretary for Economic Services

Question : What is the estimate for the expenditure on the demand side
management programmes in the coming year?

Asked by : Hon. James TIEN Pei-chun

Reply :

The Demand Side Management programme is implemented by the two power companies. The expenditure incurred is not Government expenditure and will not be included in the 2001-02 draft Estimates. However, Economic Services Bureau and Electrical and Mechanical Services Department deploy part of its resources for dealing with electricity supply-related matters to monitor the performance of the programmes implemented by the power companies.

Name in block letters _____ MS SANDRA LEE

Post Title _____ Secretary for Economic Services

Date _____ 13.3.2001

Bureau Serial No.

ESB 038

Question Serial No.

0962

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat :Economic Services Bureau

Subhead(No. & title) :

Programme : (4)Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

What is the estimate for expenditure on launching a publicity and public education campaign to promote a hospitality culture in the community next year? How is it compared with the previous year?

Asked by : Hon James TIEN Pei-chun

Reply :

In 2000, the Tourism Commission started a review of the opportunities for stepping up public education for promoting a hospitality culture in the community as a whole. The review is near completion and based on its recommendation, Government intends to launch a territory-wide public education campaign in 2001.

This is a new initiative which will be run over the next two years with a total cost of \$9.6 million. It is estimated that approximately \$4.8 million will be spent in 2001-2002. A major objective of the campaign is to provide initiatives which would bear more sustainable effects. These include the launch of a Young Ambassador Programme and the development of an educational kit for schools. The effectiveness of

the initiatives will be reviewed in two years' time with a view to determining the direction of future initiatives.

This new initiative will complement the ongoing efforts of the Hong Kong Tourist Association in running the Quality Tourism Services Scheme and the "Be a Good Host" Campaign which promote hospitality culture and service quality among the travel and tourism industry.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 16 March 2001

Bureau Serial No.

ESB039

Question Serial No.

1153

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) :
Economic Services Bureau

Programme : (4) Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : The Bureau is preparing legislative amendments to put in place a framework for regulation of inbound travel agents. What is the present progress of work? How long will it take to complete the work?

Asked by : Hon Mrs Selina CHOW LIANG Shuk-ye

Reply : The Economic Services Bureau intends to amend the existing Travel Agents Ordinance (Cap.218) to put in place a licensing scheme for the regulation of travel agents providing inbound travel services. The legislation is at the drafting stage and we plan to introduce the Bill into the Legislative Council in 2001.

Name in block letters

MS SANDRA LEE

Post Title

Secretary for Economic Services

Date

15.3.2001

Bureau Serial No.

ESB040

Question Serial No.

1154

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat Subhead (No. & Title) :
Economic Services Bureau

Programme : (1) Air and Sea Communications

Controlling Officer : Secretary for Economic Services

Policy Secretary : Secretary for Economic Services

Question : Regarding the additional requirements in 2001-02 for a project to promote “Hong Kong as an international maritime centre and leading hub”, what are the details of the project?

Asked by : The Honourable Miriam Lau

Reply : In our programme to promote Hong Kong as an international maritime centre, a leading port and a transportation and logistics hub, we focus on three main themes. In respect of work promoting Hong Kong as a leading port, we seek to encourage more port users to use the port of Hong Kong as their regional port choice. In promoting Hong Kong as an international maritime centre, we carry out visits to shipping companies to attract them to do more shipping business in Hong Kong and to promote the use of the Hong Kong flag. In logistics, we promote Hong Kong as a multi-modal transportation and logistics platform. In the current financial year, we have included a provision of HK\$3.6 million for programmes with such promotional themes. Promotional activities include visits, conferences, and production of publications, brochures and audio-visual materials.

Signature : _____

Name in block letters : MS SANDRA LEE

Post Title : Secretary for Economic Services

Date : 15 March 2001

Bureau Serial No.

ESB041

Question Serial No.

1155

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 – Government Secretariat :Economic Services Bureau

Subhead(No. & title) :

Programme : (4)Travel, Tourism and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

- (a) Of the additional provision of HK\$22.6 million in the estimates, please elaborate on how the amount earmarked for managing the Tamar Site is to be used?
- (b) What are the titles, areas of responsibilities and salaries of the 13 new posts to be created?

Asked by : Hon Kenneth TING Woo-shou

Reply :

- (a) The following is a breakdown of the expenditure for the management of the Tamar Site –

| | Item | HK\$ |
|---|--|-----------|
| 1 | Maintenance of the event area | 1,580,000 |
| 2 | Utilities charges for the event area | 23,000 |
| 3 | Site restoration for the event area | 820,000 |
| 4 | Management of the advertising billboards erected on the site | 1,160,000 |
| 5 | Contingency | 354,000 |
| | Total | 3,937,000 |

- (b) Our initial plan to strengthen the staffing resources of the Tourism Commission for 2001-02 includes the creation of 17 posts. The creation of these posts will be offset by the deletion of four posts. Breakdown of the new posts to be created is as follows:

1 Administrative Officer
1 Senior Town Planner
1 Senior Economist
1 Senior Statistician
1 Statistical Officer II
1 Chief Executive Officer
2 Senior Executive Officer
3 Executive Officer I
1 Senior Chinese Language Officer
2 Clerical Officer
2 Personal Secretary I
1 Personal Secretary II

Provision required for the above new posts is \$9.756m based on notional annual mid-point salary value. These additional posts will be created to enhance the policy and professional input into the work of the Tourism Commission in developing tourism strategies and projects. We are in the course of reviewing the ranking and grading of the additional posts required before seeking to create these posts.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB042

Question Serial No.

1328

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) : 700

Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

Regarding item 014 "To engage a consultant to advise on competition issues in other economies" under subhead 700, what are the content, target expenditure and expected result, and the timeframe of the work of the consultant?

Asked by : Hon LAU Chin-shek

Reply : In the Estimates for 2001-02, a commitment of \$1.2m has been approved for item 014 under subhead 700. It will be used for engaging a consultant to advise us on competition issues in other economies. When handling competition-related complaints or other competition issues, we hope to know more about the stance and measures taken by other economies before deciding what would be appropriate for Hong Kong having regard to the local situation. The consultant will also assist in providing training on promotion of competition for policy bureaux and departments. In 2001-02, we have earmarked an amount of \$720,000 for payment of the consultant's service. The remaining \$480,000 is earmarked for use in 2002-03.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB043

Question Serial No.

1329

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145-Government Secretariat: Subhead(No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

In the Matters Requiring Special Attention in 2001-02, it is stated that "the bureau will continue to ensure the successful operation of the Post Office Trading Fund and take measures to improve customer services and productivity where appropriate". In 2001-02, what measures will be taken by the Post Office to improve customer services and productivity? What is the progress of the plan for collecting government fees and charges at post offices in all districts? What types of government fees and charges are included in the plan and when will it be implemented?

Asked by : Hon Fred LI Wah-ming

Reply : In 2001-02, Hong Kong Post plans to take a series of measures to improve service quality and efficiency. These include re-engineering the sorting process of local and international mail, streamlining the procedures for pick-up service for Speedpost items, re-arranging collection routes for street post boxes and exploring the introduction of a computerized fleet management system for postal service vehicles.

As regards the plan to collect government fees and charges at district post offices, Hong Kong Post has prepared a proposal and a service level agreement. The types of fees planned to be covered include tax, water charges, sewage charges, rates and rent, etc. The Finance Bureau is actively considering the proposal.

| | |
|-----------------------|---------------------------------|
| Name in block letters | MS SANDRA LEE |
| Post Title | Secretary for Economic Services |
| Date | 15.3.2001 |

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 15.3.2001

Bureau Serial No.

ESB045

Question Serial No.

1481

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head 145 - Government Secretariat Subhead (No. & title): 700
Economic Services Bureau

Programme : (1) Air and Sea Communications

Controlling Officer : Secretary for Economic Services

Policy Secretary : Secretary for Economic Services

Question : Has the Economic Services Bureau included in its provision for the coming financial year expenditure on additional staff to step up monitoring of the terminal handling charge that shipping companies collect from Hong Kong consignors, so as to ensure that it is kept at a reasonable level acceptable to the consignors? If yes, how many additional staff will be deployed? If not, what new measures will be introduced to step up monitoring of the terminal handling charge?

Asked by : The Honourable Kenneth TING Woo-shou

Reply : Terminal handling charges (THC) are charges collected by shipping lines to recover from the shippers the cost of paying the container terminals or mid stream operators for the loading and unloading of the containers, and other related costs borne by the shipping lines. For containers shipped on FOB (Free-on-board) terms, the shippers are responsible for paying the THC from the point of outgoing, while the buyers (consignees) are responsible for paying the freight rate and the THC (or equivalent) on the port of destination. The charges are recommended by international liner conferences or "agreements". Liner conferences and "agreements" are formed amongst shipping lines serving major trading routes. Their objective is to stabilise freight rates and agree on THC, so as to avoid disruption to international shipping market and international trade.

Concern has been expressed by shippers and some members of the LegCo ES Panel that the process of how THCs are set is not transparent enough. Although the setting of the THCs is a commercial matter between the shippers and the shipping lines, ESB has been playing the role of facilitating discussions amongst the parties

concerned to resolve their differences on the question of THC.

The Conferences have undertaken since May 1998, not to increase the level of THC provided there is no change in market conditions. In addition to providing a table of cost components to the THC to the shippers, the liners have also agreed:

- (i) to increase the notification period for any rate changes from 30 days to 45 – 60 days. Recent freight rate changes were given 60 days in advance;
- (ii) current THC levels are to remain unchanged until May 2001, when the issue will be further reviewed.

The Government will continue to play the role of facilitating a dialogue amongst the parties concerned. This activity will be covered by existing staff complement in ESB.

Signature : _____

Name in block letters : MS SANDRA LEE

Post Title : Secretary for Economic Services

Date : 15 March 2001

Bureau Serial No.

ESB046

Question Serial No.

1482

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 145 Government Secretariat Subhead (No. & title) :
Economic Services Bureau

Programme : (2) Posts, Power and Competition Policy

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Has the Economic Services Bureau included in its provision for the coming financial year expenditure on additional staff to step up monitoring of fuel and electricity prices to ensure that the prices are set at reasonable and acceptable levels? If yes, how many additional staff will be deployed? If not, what new measures will be introduced to step up monitoring of energy prices?

Asked by : Hon. Kenneth Ting Woo-shou

Reply :

In accordance with the Scheme of Control Agreements, the Government will examine and approve the estimated basic tariff rate in the periodic financial review conducted jointly with the power companies. The Government will also conduct annual tariff review with the power companies to ensure that electricity is provided at a reasonable cost.

As Hong Kong is a free market economy, we do not regulate fuel prices. However, we are continuing with general trend monitoring in respect of the retail/wholesale prices of three major fuels, namely, unleaded petrol, automotive diesel/ultra low sulphur diesel and cylinder liquefied petroleum gas by comparing them against the average import prices compiled by Census and Statistics Department, world crude oil prices and other international indicators. Besides, we have frequent discussions with oil companies on local fuel prices to apprehend that they are in line with the overall trend. We have also been conducting regular analysis of the price of the aforementioned fuels based on information provided by oil companies.

We will continue to carry out the above tasks with existing resources. On the regulation of electricity supply, we will map out the broad direction for regulating Hong Kong's future electricity supply sector before the next interim review of the Scheme of Control Agreements in 2003.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 14.3.2001

Bureau Serial No.

ESB047

Question Serial No.

0467

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 168 Hong Kong Observatory Subhead (No. & title) : 661 Minor plant, vehicles and equipment (block vote)

Programme : (1) Weather Services and (3) Time Standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Bureau Secretary : Secretary for Economic Services

Question :

The approved estimate for the year 2000-01 was \$300,000, but the revised estimate has been increased to \$1,990,000, and the estimate for 2001-02 would be as much as \$2,230,000. I would like to know the allocation of the expenditure for the year 2000-01 and that for 2001-02?

Asked by : Hon Eric LI Ka-cheung

Reply :

The provision in 2000-01 is for modification of the telephone information enquiry system to add an automatic calling capability (\$300,000), acquisition of a basic server cluster to consolidate servers of the main computer system (\$700,000) and upgrading existing computers for trial of next-generation numerical models for weather prediction (\$990,000). The second and third items were funded by savings in the Department's recurrent expenditure.

The provision for 2001-02 will be for replacement of the tube of the caesium beam clock (\$470,000) and conducting trials on aviation weather data exchange under the satellite-based Communications, Navigation, Surveillance and Air Traffic Management Systems (\$1,760,000).

| | |
|-----------------------|---|
| Name in block letters | <u>DR H K LAM</u> |
| Post Title | <u>Director the Hong Kong Observatory</u> |
| Date | <u>14.3.2001</u> |

Bureau Serial No.

ESB048

Question Serial No.

0589

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-Departmental Public Bodies

Subhead (No. & title) : 443 Hong Kong Tourist Association

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

- Question :
- (a) The 'City of Life: Hong Kong Is It!' project will be implemented by the Hong Kong Tourist Association, Tourism Commission, the Home Affairs Department, the Leisure and Cultural Services Department and the District Councils. What is the provision allocated for each department to implement the project? Have any targets been set to measure its effectiveness?
 - (b) What provision has been allocated to improve Hong Kong's tourist friendliness through the 'Be a Good Host' campaign and the Quality Tourism Services Scheme? What are the performance targets to measure the effectiveness of these programmes?

Asked by : Hon Howard Young

- Reply :
- (a) The "City of Life : Hong Kong Is It" is a two-year campaign initiated by the Hong Kong Tourist Association to provide a new focus for the promotion of Hong Kong as a visitor destination in overseas markets. In addition, it is envisaged that the campaign will help induce and enhance a hospitality culture in the community through the involvement of the community under the leadership of the 18 District Councils. The campaign has the full support of the Government, including the Tourism Commission, Home Affairs Department and Leisure and Cultural Services Department.

The campaign will comprise a few mega events organized as highlights. Resources required to fund these major events and general publicity for the campaign would be raised through sponsorship. The Hong Kong Tourist Association and the key Government departments will support and co-

ordinate other programmes and components of the campaign using their existing resources.

Details of the campaign and complementary marketing efforts in overseas markets are being mapped out. Performance indicators would be determined after these details are confirmed.

- (b) The Hong Kong Tourist Association has budgetted \$1 million and \$4.7 million for the “Be a Good Host” Campaign and the “Quality Tourism Services (QTS) Scheme” in 2001–02 respectively.

The HKTA plans to produce eight television episodes to promote the “Be a Good Host” Campaign in 2001. It will also organise roadshows and other publicity activities to publicise the Campaign. As for the QTS Scheme, the Association aims to recruit 200 new organisations and renew the status of 90% of the existing QTS organisations per annum after checking their compliance with the preset criteria such as product/service quality, safety and hygienic conditions.

| | |
|-----------------------|---------------------------------|
| Signature | _____ |
| Name in block letters | MS SANDRA LEE |
| Post Title | Secretary for Economic Services |
| Date | 16 March 2001 |

Bureau Serial No.

ESB049

Question Serial No.

0600

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-Departmental Public Bodies

Subhead(No. & title) : 443 Hong Kong Tourist Association

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

- Question :
- (a) Under Measures Requiring Special Attention in 2001-02, it is stated that the HKTA will establish new overseas representative offices to develop potential markets. How much provision has been allocated for establishing new overseas representative offices and where are they? How can these new offices help to promote Hong Kong?
 - (b) Has any provision for 2001-02 been set aside for improving the mechanism for handling tourists complaint. Are there any targets to measure the performance? Has any provision been set aside for setting up multi-language hotlines to handle tourist complaints?

Asked by : Hon Howard Young

- Reply :
- (a) The Hong Kong Tourist Association has budgetted \$2.94 million in 2001-02 for new offices overseas. Its current plan is to step up its current representation in India and appoint a new representative agency in the Middle East.

The representative offices will maintain close liaison with airlines, travel agents, tour operators and other tourism-related organisations in the respective markets to promote Hong Kong as a key tourist destination. They will provide information on Hong Kong and recommend travel packages to the trade to facilitate their planning. The representative offices will also provide support in organising overseas trade shows as well as media familiarisation visits to Hong Kong. They will assess the market situation and collect feedback to the HKTA for devising specific marketing strategies.

- (b) The HKTA has earmarked \$3 million to strengthen local services, including improvement to the visitors' complaints handling mechanism in 2001–2002. The Association has set up a task force to explore ways to improve the existing mechanism for handling visitors' complaints. The HKTA has been operating a multi-language hotline information for visitors. The operating cost is estimated to be \$1.81 million in 2001–02.

The HKTA will continue to handle and refer complaints lodged by visitors to relevant organisations for follow up. Acknowledgements and referrals will be made within two working days upon receipt of complaints. The HKTA will also approach the concerned organisations in two weeks' time to keep track of the progress.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB050

Question Serial No.

0601

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-Departmental Public Bodies

Subhead(No. & title) : 443 Hong Kong Tourist Association

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

- Question :
- (a) How much provision for 2001–2002 has been allocated to conduct research or new feasibility studies on the development of new tourist products to better meet the market needs and enhance the competitiveness of Hong Kong tourism?
 - (b) What activities, apart from publications of guidebooks, will be launched to promote heritage and green tourism? How much resources will be allocated?

Asked by : Hon Howard YOUNG

- Reply :
- (a) The Hong Kong Tourist Association (HKTA) has budgetted \$3.7 million to conduct the International Market Research Study (Stage 3) and \$2 million for development of tourist products in 2001-02.
 - (b) Apart from publication of guidebooks, the HKTA pursues initiatives to promote heritage and green tourism. Examples of such initiatives include the development of a trail of military sites, operating a “Meet the People” programme whereby visitors can meet and interact with masters of local culture such as fung shui, antiques and tea-making or to participate in traditional festivals to enrich their travel experience; and operating a museum shuttle service covering five museums to facilitate visits by tourists.

Initiatives which will be undertaken in 2001-02 include continuing work with the travel industry and other relevant organizations to provide training for tour co-ordinators and front-line staff; exploring the feasibility of extending the museum shuttle service and the “Meet the People” programme; and exploring the feasibility of developing new special interest do-it-yourself itineraries as well as tour products for visitors to appreciate the natural heritage of Hong Kong.

| | |
|-----------------------|--|
| Signature | _____ |
| Name in block letters | <u>MS SANDRA LEE</u> |
| Post Title | <u>Secretary for Economic Services</u> |
| Date | <u>16 March 2001</u> |

Bureau Serial No.

ESB051

Question Serial No.

0678

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-Departmental Public Bodies

Subhead(No. & title) : 443 Hong Kong Tourist Association

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question : Please list the estimate for promoting Hong Kong as the main tourist destination in Asia for 2001-02.

Asked by : Hon Eric LI Ka-cheung

Reply : One of the major responsibilities of the Hong Kong Tourist Association (HKTA) is to promote Hong Kong as the main tourist destination in Asia. In its Budget for 2001-02, the HKTA has earmarked about \$359 million for worldwide marketing activities and administrative support.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Secretary for Economic Services

Date _____ 15 March 2001

Bureau Serial No.

ESB052

Question Serial No.

0893

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-Departmental Public Bodies

Subhead(No. & title) : 443 Hong Kong Tourist Association

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

- Question :
- (a) In what places has the Hong Kong Tourist Association set up its current overseas representative offices? What is the expenditure in this respect?
 - (b) In what places is the Hong Kong Tourist Association planning to set up additional overseas representative offices? What will be the estimated expenditure?

Asked by : Hon James TIEN Pei-chun

- Reply :
- (a) At present, the Hong Kong Tourist Association (HKTA) maintains offices in 14 cities outside Hong Kong, namely Beijing, Shanghai, Singapore, Tokyo, Osaka, Los Angeles, San Francisco, Chicago, New York, Toronto, London, Frankfurt, Paris and Sydney. The HKTA also has representative agencies in another six cities including Seoul, Auckland, Turin, Barcelona, Taipei and New Delhi. The total expenditure is estimated to be \$91.3 million in 2001-02.
 - (b) The HKTA has budgetted \$2.94 million in 2001-02 for new offices. Its current plan is to step up its current representation in India and appoint a new representative agency in the Middle East.

Signature

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15 March 2001

Bureau Serial No.

ESB053

Question Serial No.

0521

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177-Subventions:
Non-departmental Public Bodies

Subhead (No. & title) : 429 & 955
Consumer Council

Programme : Subvention: Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

It is recommended that the Consumer Council be empowered to institute legal proceedings on matters of crucial consumer interests. What are these crucial matters? If the Consumer Council is empowered to do so, will it be necessary to augment the fundamental staff and to recruit legal personnel? If consultants are entrusted with the task, what is the estimated yearly consultancy fee? And will it be necessary for supporting amendments to be made to existing legislation?

Asked by : Hon. CHAN Kam-lam

Reply :

The Consumer Council is studying the feasibility of its proposal to empower the Council to institute legal proceedings, on behalf of consumers, on matters of crucial consumer interests. The Council's initial thinking is that it should exercise such power only in respect of complaints which involve unfair trade practices or unconscionable contract terms. Since the feasibility of the proposal is still under study, we have not yet assessed its possible staffing and financial implications on the Council. If the decision is taken eventually to adopt the Council's proposal, amendment to the relevant legislation would be required.

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 15.3.2001

Bureau Serial No.

ESB055

Question Serial No.

0849

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 - Subventions: Non-departmental Subhead (No. & title) : 429 & 955 Consumer Council Public Bodies

Programme : Subventions: Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Please give a breakdown of the distribution of its staff and financial resources by the five statutory duties of the Consumer Council (collecting information, examining complaints, tendering advice to the Government, conducting product tests and research, and encouraging the establishment of codes of practice).

Asked by : Hon Fred LI Wah-ming

Reply :

Under the Consumer Council Ordinance, the functions of the Council are to protect and promote the interests of consumers of goods and services and purchasers, mortgagors and lessees of immovable property by -

- collecting, receiving and disseminating information concerning goods, services and immovable property;
- receiving and examining complaints by and giving advice to consumers of goods and services and purchasers, mortgagors and lessees of immovable property;
- taking such action as it thinks justified by information in its possession, including tendering advice to the Government or to any public officer;
- encouraging business and professional associations to establish codes of practice to regulate the activities of their members;
- undertaking such other functions as the Council may adopt with the prior approval of the Chief Executive in Council.

The above tasks are undertaken by the concerted efforts of various departments of the Council office with a view to making the most effective use of resources. Resources are not allocated according to the tasks listed in the Ordinance.

Name in block letters : MS SANDRA LEE
Post Title : Secretary for Economic Services
Date : 15.3.2001

Bureau Serial No.

ESB058

Question Serial No.

0986

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-departmental Subhead(No. & title) : 429 and 955 Consumer Council
Public Bodies

Programme : Subvention: Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for the Economic Services

Bureau Secretary : Secretary for the Economic Services

Question :

Does the Consumer Council have any plan to conduct a study on strengthening consumer safeguards in the area of electronic commerce? How much provision will be involved?

Asked by : Hon James TIEN Pei-chun

Reply :

In order to enhance consumer protection in the area of electronic commerce, the Consumer Council is engaged in the following research:

- (1) The Council has conducted research on e-banking and other e-financial services in order to acquire a better understanding of the on-line business practices concerned and to provide pertinent advice to consumers.
- (2) The Council plans to search worldwide web sites which have Chinese people as their main target of promotion (such as web-based marketing of Chinese medicinal products which the promoters claim to have special health benefits), and study ways to improve relevant policies on consumer protection.
- (3) As a member of the Consumers International (CI), the Council actively participates in CI's studies on electronic commerce by researching and compiling reports on consumer protection issues in electronic commerce which have been raised by various countries and territories, such as the issues of privacy and the disclosure of information in on-line shopping.
- (4) As a member of the International Market Supervision Network, the Council actively monitors electronic commercial activities that cause concern, such as the promotion of on-line investments which are alleged short cuts to wealth, or the marketing of products alleged to have special health benefits. This helps the Council to study ways to enhance consumer protection.

Research on enhancing consumer protection is part of the Council's regular responsibilities. No additional provision is required for research on electronic commerce.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB059

Question Serial No.

1413

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 – Subventions : Non-departmental Public Bodies Subhead (No. & title) : 429 & 955 Consumer Council

Programme : Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Please specify how Government bureaux work with the Consumer Council in promoting competition. What work is being done and what are the specific future plans?

Asked by : Hon. Fred LI Wah-ming

Reply : Government bureaux and departments have all along been working closely with the Consumer Council in promoting competition. To further enhance our co-operation, as from April 2000, the representative of the Consumer Council has become a full member of the Competition Policy Advisory Group (COMPAG), and is directly involved in its work in monitoring the progress of new initiatives to promote competition and reviews of existing practices carried out by various bureaux and departments; offering its views on relevant matters; and following up on all competition-related cases and complaints. Government bureaux and departments have always attached great importance to all cases and complaints referred by the Council, as well as the suggestions to promote competition made by its Trade Practices Division, and will take active follow-up actions.

Name in block letters MS SANDRA LEE
Post Title Secretary for Economic Services
Date 15.3.2001

Bureau Serial No.

ESB060

Question Serial No.

1414

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177-Subventions: Non-Departmental Public Subhead (No. & title) : 429 & 955 Consumer
Bodies Council

Programme : Subvention: Hong Kong Tourist Association, Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

What specific measures would the government take to assist the Consumer Council in examining ways of combating trade malpractice and misleading advertisements? (including provision of legal advice and drafting of legislation)

Asked by : Hon Fred LI Wah-ming

Reply :

The Consumer Council is studying issues relating to unfair trade practices and misleading advertisements and a report is expected to be published in the near future. We look forward to receiving the report, which would assist us in considering ways to facilitate the Council's work in tackling these issues.

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 15.3.2001

Bureau Serial No.

ESB061

Question Serial No.

0173

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 702 – Port and Airport Development Subhead (No. & title) : 2108AP
Northshore Lantau Port development feasibility study and site investigation

Programme :

Controlling Officer : Director of Civil Engineering

Bureau Secretary : Secretary for Economic Services

Question : Regarding Item 2108AP, what are the progress and findings of the study?
When will the Project be completed?

Asked by : Hon LAU Chin-shek

Reply : The Northshore Lantau Development Feasibility Study aims at identifying appropriate land uses in the North-East Lantau area including Penny's Bay. The Study puts forward conceptual proposals for developing North-East Lantau into a tourism and recreational area, and is near completion.

The development of an international theme park with ancillary facilities at Penny's Bay was proposed as a catalyst project at the initial stage of the Study. Subsequently, the technical feasibility of proposal was confirmed and Government reached an agreement with The Walt Disney Company to develop Hong Kong Disneyland Phase 1 at Penny's Bay. The Outline Zoning Plan (OZP) for North-East Lantau was approved in 2000 to reflect the latest planning theme for tourism and recreation uses at Penny's Bay.

Upon completion of the Study, the Planning Department will proceed to further amend the OZP to reflect the specific land use recommended by the Study for other parts of the area, and to exhibit the amended OZP for public inspection under the Town Planning Ordinance.

| | |
|-----------------------|-------------------------------|
| Signature | _____ |
| Name in block letters | Dr. LAU CHING-KWONG |
| Post Title | Director of Civil Engineering |
| Date | 15 March 2001 |

Bureau Serial No.

ESB062*

Question Serial No.

0174

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 702 - Port and Airport Development

Subhead :

Programme :

Controlling Officer : Director of Architectural Services

Bureau Secretary : Secretary for Economic Services

Question : For Head 702, under the revised estimate for 2000-01 in respect of "Projects Completed, Cancelled or Curtailed", what are the details for each project, such as its title, provision involved, the amount of curtailment, etc.? What are the reasons for cancellation or curtailment of each project?

Asked by : Hon LAU Chin-shek, JP

Reply : Only one project entitled 2046GI : Government facilities at the Chek Lap Kok new airport - studies and investigations with a revised estimate of \$96,000 for 2000-01 is included under the heading of "Projects Completed, Cancelled or Curtailed" for Head 702. This project has been completed and therefore no expenditure is expected to be incurred in 2001-02.

Signature _____

Name in block letters _____ S.H. PAU

Post Title _____ Director of Architectural Services

Date _____ 26 March 2001

*Please refer to the following for a full reply to this question - SB161, ESB065 and PLB083

Bureau Serial No.

ESB063
SB159

Question Serial No.

0368

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 702 - Port and Airport Development Subhead : 2054GI Procurement of air traffic control, meteorological and postal mechanisation equipment and systems and related construction works for the new airport at Chek Lap Kok.

Programme :

Controlling Officer : Director of Architectural Services

Bureau Secretary : Secretary for Economic Services (for Subhead 2054GI and 2052GI)
Secretary for Security (for Subhead 2057GI)

Question : Please state the reasons for the big difference between the estimates and the revised estimates for the following subheads :

Subhead 2054GI

- (a) The estimate for 2000-01 was \$2.441m but the revised estimate is \$28.1m. What is the reason for the big difference?

Subhead 2052GI

- (b) The estimate for 2000-01 was \$3.068m but the revised estimate is \$52.19m. What is the reason for the big difference?

Subhead 2057GI

- (c) The estimate for 2000-01 was \$49.065m but the revised estimate is \$76.83m. Why is there a difference of \$27.765m?

Asked by : Hon Eric LI Ka-cheung

Reply : All the concerned projects have been completed. The revised estimate 2000-01 exceeds the original estimate because of better than expected progress in finalisation of accounts relating to various projects, including those managed by the Airport Authority (AA), Civil Aviation Department (CAD) and Postmaster General (PMG) Trading Fund. They include the following :

- (a) 2054GI - (1) Supply and installation of the postal mechanization system (managed by PMG Trading Fund).
- (2) Modification and enhancement items for various air traffic control systems (managed by CAD).
- (3) Construction of microwave link relay station and construction of automatic weather stations for windshear detection.
- (b) 2052GI - (1) Building works entrusted to the AA for the operation of the first runway.
- (2) Provision of electronic system entrusted to the AA for various government departments for operation of the first runway.
- (3) Modification and additional works for the existing traffic control complex and tower at the new airport.
- (c) 2057GI - (1) Building works entrusted to the AA for the operation of the first runway, other than those covered under 2052GI.
- (2) Provision of electronic system entrusted to the AA for various government departments for operation of the first runway, other than that covered under 2052GI.
- (3) Detailed design, documentation and execution of the fitting out works entrusted to the AA for government accommodation in the passenger terminal building.

Signature _____

Name in block letters _____ S.H. PAU

Post Title _____ Director of Architectural Services

Date _____ 15 March 2001

Bureau Serial No.

ESB064
SB160
WB009

Question Serial No.

0370

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 702 - Port and Airport Development Subhead : 2054GI Procurement of air traffic control, meteorological and postal mechanisation equipment and systems and related construction works for the new airport at Chek Lap Kok.

2057GI Stand-alone government buildings, fitting-out works within Passenger Terminal Building and remaining equipment and systems.

2060GI Government facilities for the second runway of the new airport at Chek Lap Kok.

Programme :

Controlling Officer : Director of Architectural Services

Bureau Secretary : Secretary for Economic Services (for Subhead 2054GI)
Secretary for Security (for Subhead 2057GI)
Secretary for Works (for Subhead 2060GI)

Question : There are substantial differences between 2000-01 Estimate and Revised Estimate 2000-01 for subheads 2054GI, 2057GI and 2060GI. The Estimates of 2001-02 for these three subheads are all \$10 million. Please give the bases for making the estimates.

Asked by : Hon Eric LI Ka-cheung

Reply : All three projects have been completed. Settlement of final accounts is in progress. This process depends, to a certain extent, on the submission of evidence and substantiation from contractors. The estimates for all three projects were based on information available at the time of preparation of the 2001-02 Estimate. Further payments may be made for these projects after 2001-02 subject to the result of negotiations with contractors.

Signature _____

Name in block letters _____ S.H. PAU

Post Title _____ Director of Architectural Services

Date _____ 15 March 2001

Bureau Serial No.

ESB 065*

Question Serial No.

0391b

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 702 - Port and Airport Development Subhead (No. & title) : 2110AP –
Study on Tonggu Waterway

Programme :

Controlling Officer : Director of Civil Engineering

Bureau Secretary : Secretary for Economic services

Question : Please list out the original 2000-01 estimate of the following item and
provide explanations for the revised 2000-01 estimate :

(b) 2110AP

Asked by : Hon Eric LI Ka-cheung

Reply : The item 2110AP refers to the Study on Tonggu Waterway. The main
purpose of the Study was to investigate the environmental impact brought
about by the proposed establishment of the Tonggu Waterway. The Study
commenced in 1996.

Original 2000-01 estimate : \$0
Revised 2000-01 estimate : \$30,000

The revised estimate of \$30,000 is required to cover minor additional work scheduled
for completion in 2000-01.

Signature _____

Name in block letters Dr. LAU CHING-KWONG

Post Title Director of Civil Engineering

Date 15 March 2001

* Please refer to the following for a full reply to this question — SB161, ESB065 and PLB083.

Bureau Serial No.

ESB066

Question Serial No.

1462

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 703 - Buildings

Subhead : 3047AP Improvements to
Government Dockyard -
remaining works

Programme :

Controlling Officer : Director of Architectural Services

Bureau Secretary : Secretary for Economic Services

Question : The actual expenditure as at 31 March 2000 was \$163.076m while that as at 31 March 1999 was \$77.589m. In other words, the actual expenditure for 1999 was \$85.487m, while the revised estimate for 1999-2000 was \$85m. Please explain why the actual expenditure exceeded the revised estimate by \$487,000 in that year.

Asked by : Hon Eric LI Ka-cheung

Reply : The actual expenditure of \$85.487m for 1999-2000 exceeds the revised estimate of \$85m by \$487,000. This is because the revised estimate was an estimation based on information available at the time of preparation of the 2000-2001 Estimates.

Signature _____

Name in block letters _____ S.H. PAU

Post Title _____ Director of Architectural Services

Date _____ 13 March 2001

Bureau Serial No.

ESB067

Question Serial No.

1463

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 703 - Buildings

Subhead : 3047AP Improvements to
Government Dockyard -
remaining works

Programme :

Controlling Officer : Director of Architectural Services

Bureau Secretary : Secretary for Economic Services

Question : Please explain why the revised estimate (\$11.247m) for 2000-01 has been greatly reduced by \$23.909m comparing with the estimate (\$35.156m) for 2000-01.

Asked by : Hon Eric LI Ka-cheung

Reply : The 2000-01 Original Estimate of \$35.156M allows for finalisation of accounts following completion of the works in early 2000. The estimate takes into account the claims submitted by the contractor for variation works and expenses. Current assessment of the justified claim is in the order of \$11.247M.

Signature _____

Name in block letters _____ S.H. PAU

Post Title _____ Director of Architectural Services

Date _____ 13 March 2001