

**Presentation by Secretary for Commerce and Industry
at the Special Meeting of the Finance Committee
on Thursday, 22 March 2001**

Mr Chairman,

The following are the key areas of work of the Commerce and Industry Bureau for the new financial year.

Promoting Free Trade

On the external trade policy front, we will actively promote free and open trade and investment, including pushing for the launching of a new round of multilateral trade negotiations at the fourth ministerial meeting of the World Trade Organisation to be held in Qatar from 9 to 13 of November this year.

Support for Our Businesses

2. As a business facilitator, we are committed to helping our business and professional sectors capitalize on the immense business opportunities arising from the further development of the Mainland and strengthening our support to small and medium enterprises (SMEs). In this connection, we are actively considering the setting up an Economic and Trade Office in Guangdong. Meanwhile, we will continue to work through the Mainland and Hong Kong Joint Commission on Commerce and Trade to promote economic and trade cooperation between the two places and to strengthen communication between our businessmen and the concerned Mainland authorities. The Hong Kong Trade Development Council will be introducing new measures to help the business and professional sectors tap the market in the Mainland. One of these measures is to set up a China Business Advisory Unit to provide businesses operating in Guangdong with one-stop services.

3. As regards support for SMEs, the Small and Medium Enterprises Committee is now actively exploring new measures to help SMEs under the themes of "starting up, building and expanding businesses" as announced in the Chief Executive's Policy Address. The SME Committee will submit a report to the Chief Executive by the end of June. The report will put forward recommendations, among other things, on the operation of the \$300m training fund announced by the Financial Secretary, including the scope of training, the eligibility criteria and the amount of subsidy.

Innovation and Technology

4. As for innovation and technology, the Innovation and Technology Commission will continue to promote innovation and technology development so as to enhance the productivity and competitiveness of our manufacturing and service industries. The Innovation and Technology Fund (ITF) solicited applications on

specific themes for the first time in November last year. This arrangement has enabled a more focused approach in funding research and development (R&D) projects. In the coming financial year, we will increase the proportion of solicited applications for funding under the ITF to encourage applicants to design and plan their projects in more focused areas.

5. We are now actively taking forward the establishment of the Applied Science and Research Institute (ASTRI). The detailed planning of the ASTRI, including the direction and programme plan of its R&D activities, is expected to be finalised and implemented within the next financial year. The Institute of Chinese Medicine, a subsidiary of the ASTRI, will also be set up soon. The scrutiny of the Bill on the merger of the Hong Kong Science Park, the Hong Kong Industrial Estates Corporation and the Hong Kong Industrial Technology Centre Corporation is near completion. Phase 1 of the Science Park will be opened by the end of this year.

Attracting External Direct Investment

6. In the area of attracting external investment, Invest Hong Kong (InvestHK) will continue its promotion work vigorously and proactively, targeting at the priority sectors. One of InvestHK's key areas of work is to encourage foreign companies already established here to increase their investments. Apart from this, InvestHK is embarking on a series of public relations and image building activities such as hosting the *Fortune* Global Forum in May this year.

Protection of Intellectual Property Rights

7. In the coming year, the Government will keep up with its legislative, publicity and educational, as well as enforcement efforts to enhance the protection of intellectual property rights. The amendments to the Copyright Ordinance and Prevention of Copyright Piracy Ordinance will come into effect in April. These amendments will strengthen our efforts in combating corporate piracy and preventing bootlegging of copyright works. Besides, we are examining the need for tightening the law in face of infringement problems arising from the advance in information technology. The Intellectual Property Department will continue to organise publicity and educational activities for the general public and students to enhance their awareness of the importance of protecting intellectual property.

8. Finally, on law enforcement, the Customs and Excise Department will continue to do all it can to combat illegal transshipment of goods and copyright infringement activities. Last year, for example, our remarkable law enforcement efforts have brought about a drastic reduction in copyright infringement and trade mark counterfeiting activities.

9. Thank you.