

**For Discussion
on 9 April 2001**

LEGISLATIVE COUNCIL PANEL ON COMMERCE & INDUSTRY

Trade and Industry Department - Creation of a permanent AOSGC post

INTRODUCTION

This paper seeks Members' support for the creation of a permanent post of Administrative Officer Staff Grade 'C' (AOSGC) (D2) to head the Asia Division in the Commercial Relations, Controls and Support Group of the Trade and Industry Department (TID), to be offset by the deletion of a permanent post at an equivalent level in the Commerce and Industry Bureau (CIB).

BACKGROUND

2. Financial Secretary announced in his 2000-01 Budget Speech on 8 March 2000 that the Government would reorganise its institutional framework for promoting innovation and technology, attracting external direct investment and supporting industry and commerce.
3. The former Trade Department was reorganised on 1 July 2000 to increase synergy and provide more efficient one-stop services to clients in the trade and industrial sector. The Department was re-titled TID and took over from the disestablished Industry Department (ID) the functions relating to general support for the industrial sector and small and medium enterprises (SMEs).
4. After the reorganisation, the Director-General of Trade and Industry (DGTI), underpinned by two Deputy Directors-General of Trade and Industry (DDGTIs), (was supported by six Assistant Directors-General of Trade and Industry (ADGTIs) (including the one AOSGC post transferred from the disestablished ID responsible for liaison with the industrial sector and support for SMEs) and one Principal Executive Officer (PEO).

Deployment of one AOSGC post from CIB to TID

5. Taking the opportunity of the reorganisation, the TID had reviewed the duties of the directorate posts and the organisational structure with a view to optimizing the use of resources and ensuring that the services will continue to gain strength. The review indicated that ADGTI (Asia and Americas), being the desk officer responsible for the two largest trading partners of Hong Kong (Mainland China and the United States of America), was substantially overloaded. There was a growing demand from the industrial and trade sector for the Government to play a proactive role in promoting trade relationships between Hong Kong and Mainland. The establishment of the Mainland-HKSAR Joint Commission on Commerce and Trade (Joint Commission) in late 1999 and China's imminent accession to the WTO were expected to generate a lot of important work commitments for ADGTI (Asia and Americas).

6. As it was uncertain during the reorganisaiton exercise whether the increase in TID's workload would be permanent and justify the need of an AOSGC, CIB decided to temporarily redistribute the workload of a AOSGC post to two other PASs in the Bureau to enable the creation under delegated authority of one supernumerary AOSGC post for deployment to TID for 12 months beginning 1 July 2000. The intention of this special arrangement was to provide timely relief to the Department to cope with its expanded scope of work and allow time to assess the need for a permanent additional AOSGC post in TID in the light of actual operational demand.

Redistribution of duties among the three ADGTIs

7. The AOSGC post deployed to TID has been designated as Assistant Director-General of Trade and Industry (Asia) (ADGTI(Asia)) responsible for commercial relations with Asia, Mainland trade issues, liaison with Ministry of Foreign Trade & Economic Cooperation (MOFTEC), work pertaining to TID's purview under the Joint Commission and local trade issues. The ADGTI(Asia) also oversees the development and management of major computer systems in the Department, non-restrained textiles licensing, rice control system and reserved commodities licensing. The job description of the post is set out at Enclosure 1.

8. Following the temporary deployment of the AOSGC post [i.e. ADGTI (Asia)] to TID on 1 July 2000, the duties of three existing ADGTI posts, namely ADGTI (Asia and Americas), ADGTI (Systems) and ADGTI (Europe), have been redistributed to achieve a more balanced and rational division of work.

In particular, the ADGTI (Asia and Americas) post has been re-titled as ADGTI(Americas) and given a more focused responsibility for commercial relations with the Americas and control of trade in strategic commodities. The job descriptions of the posts are set out at Enclosures 2 (a) – (c). An organisation chart of TID with the provision of the supernumerary AOSGC post is at Enclosure 3.

JUSTIFICATION

9. We have recently completed a review of the workload of the ADGTIs responsible for commercial relations, especially the schedule of work of the ADGTI(Asia) and ADGTI(Americas). We have come to the conclusion that there is a strong need for a permanent AOSGC post in the TID to cope with the continued expansion of commercial relations work with Mainland. We have also concluded that the workload on commercial relations work with the USA and strategic trade controls calls for the attention of a dedicated full-time AOSGC.

10. On the Mainland front, with the increasingly close economic ties between Hong Kong and Mainland, coupled with the eventual accession of China to the World Trade Organisation (WTO) and the development of her Western Region, the demand for TID to strengthen its services has continued to grow. To cope with this, the Department needs to step up liaison with Mainland authorities on commerce and trade, and to expand its network for more effective reflection of the views of the local business community. It also needs to collect and disseminate information on the latest developments in the Mainland, identify commercial relations issues for necessary follow-up, and co-ordinate such follow-up actions effectively and efficiently with the appropriate authorities. In addition, there will be more frequent exchanges of views on trade issues of common interest among the Department, Mainland officials and local business community through the Trade Working Group of the Joint Commission.

11. The workload on commercial relations work and bilateral trade negotiation with the USA has also increased substantially in the last two years especially in the areas of combating illegal textiles transshipment and control of trade in strategic commodities. Textiles export control has become a major area of concern in the Hong Kong-US commercial relations which requires on-going attention. With the new political landscape evolving after the Presidential and Congressional elections, the Department needs to develop a new liaison network with the new Republican Government and to build up rapport on a wide range of trade issues. Strategic trade control also demands

constant attention on the US front. Given the lead that the US is taking in non-proliferation regimes and the large share of import of strategic commodities from that source, the Department needs to maintain close partnership and co-operation with the US in ensuring Hong Kong's continued access to the high-tech products and in sustaining Hong Kong's economic development.

12. Because of the volume and complexity of work on both the Mainland and US fronts, we consider it no longer practicable to keep the work of these two most important trading partners under a single desk as was the case before the reorganisation on 1 July 2000 i.e. one AOSGC attending to both Mainland and US commercial relations issues. The addition of a permanent AOSGC post to the Department is essential for the Department to respond practically and efficiently to the growing demand for better services to the local business community, as well as the need for enhanced economic and trade relationships with our two most important trading partners, namely Mainland China and the United States. The organisation chart of TID after the creation of the proposed permanent AOSGC post is at Enclosure 4.

Deletion of one permanent AOSGC post in the CIB

13. Following the reorganisation of CIB, the Deputy Secretary (1) is responsible for external commercial relations, support for trade, industry and SMEs, overseas Economic and Trade Offices, management of the Trade Officer grade, as well as bureau administration. He/she was to supervise four functional divisions each headed by an AOSGC, departmentally designated as PAS(1), PAS(2) and PAS(3) and PAS(4), and an Administration Division, headed by a PEO.

14. In response to the TID's urgent need for strengthening the support at ADGTI level as set out in paragraph 5, the Bureau agreed to deploy one AOSGC post, viz PAS(4), to TID commencing 1 July 2000, for one year. This was made possible essentially by the Bureau's redistribution of responsibilities between the heads of two functional divisions under the charge of Deputy Secretary (1), namely PAS(2) and PAS(3). The job descriptions for the posts of PAS(2) and PAS(3) are at Enclosures 5(a) to (b). The existing organisation chart of CIB is at Enclosure 6. It was agreed that this temporary arrangement would also be subject to review in one year's time.

15. We have now completed this review in the light of actual experience since July 2000. We have concluded that the redistribution of responsibilities has substantially increased the workload of the two PASs concerned but with enhanced support at Assistant Secretary level, we should be able to cope with the workload. Accordingly, we propose the deletion of one

AOSGC post (PAS(4)) and redistribution of responsibilities between PAS(2) and PAS(3) on a permanent basis to take on the workload of PAS(4) with enhanced support at the Assistant Secretary level.

FINANCIAL IMPLICATIONS

16. The creation of the permanent directorate post in the TID will not incur additional expenditure as it will be offset by the deletion of a post at (an) equivalent level in the CIB.

17. In parallel with the creation of the proposed permanent AOSGC post in TID, we will create a Personal Secretary I post to provide secretarial support, at a notional annual mid-point salary cost of \$291,840 and a full annual average staff cost of \$461,280.

ADVICE SOUGHT

18. Members are invited to support the creation of one permanent post of AOSGC to head the Asia Division in the Commercial Relations, Controls and support Group of the TID to be offset by the deletion of a permanent post at an equivalent level in the CIB.

WAY FORWARD

19. Subject to Members' views on the proposal, we will seek the approval of the Establishment Sub-Committee on 2 May 2001 and the Finance Committee on 25 May 2001 to formally create the proposed permanent AOSGC post in TID, offset by the deletion of a permanent post at an equivalent level in CIB.

Commerce and Industry Bureau
April 2001

Job Description

Post Title : **Assistant Director-General of Trade and Industry (Asia)**

Rank : **Administrative Officer Staff Grade C (D2)**

Responsible to : **Deputy Director-General of Trade and Industry
(Commercial Relations, Controls and Support)**

Main Duties and Responsibilities:

1. To be responsible for the planning, co-ordination and conduct of bilateral commercial relations between the Hong Kong Special Administrative Region and countries in Asia. This involves contacts with the local Consulate Generals; receiving delegations from relevant trading partners; liaison with the relevant Economic and Trade Offices overseas; monitoring the developments of trade policies in these countries; assessments of the implications of these policies on Hong Kong and formulation of strategies and development of Hong Kong position in response to the changes.
2. To develop and implement activities of the Mainland Desk; to develop communication channels with counterparts in the Mainland; and to lead, co-ordinate or participate in delegations for visits and/or briefings for Mainland officials on specific issues.
3. To support Director-General of Trade and Industry and Deputy Director-General of Trade and Industry (Commercial Relations, Controls and Support) on the work of the Mainland/Hong Kong Joint Commission on Commerce and Trade, particularly that of the Trade Working Group under it; and lead ad hoc research activities into specific subjects of interest or concern to HK's trade sector, e.g. the liberalisation of the Mainland market.
4. To oversee the development and implementation of Electronic Data Interchange on essential trade documents including the restrained textiles licences, the certificate of origin and manifests and to oversee the development of computer system backing up the enhanced textiles export control system.
5. To develop and operate the control system for reserved commodities including the Rice Control Scheme; oversee the operation of the Textiles Trader Registration Scheme and the licensing system for textiles products to non-restrained markets.

Job Description

- Post Title** : **Assistant Director-General of Trade and Industry (Americas)**
- Rank** : **Administrative Officer Staff Grade C (D2)**
- Responsible to** : **Deputy Director-General of Trade and Industry (Commercial Relations, Controls and Support)**

Main Duties and Responsibilities:

1. To plan, co-ordinate and conduct bilateral commercial relations between the Hong Kong Special Administrative Region and countries in the Americas. This involves monitoring the developments and changes of trade policies in these countries; assessments of the implications of these policies on Hong Kong; and formulation of strategies and development of Hong Kong position in response to the changes.
2. To assist in devising strategies to take part in negotiating and dealing with the USA in bilateral textiles consultations regarding origin compliance and matters relating to the implementation of the WTO Agreement on Textiles and Clothing.
3. To maintain close liaison with Economic and Trade Offices overseas, to represent Hong Kong and take part in delegations in trade negotiations with these countries.
4. To maintain and enhance trading partners' confidence in Hong Kong's strategic trade control system and to maximise Hong Kong's access to higher technology. This involves monitoring developments and, where necessary, devising strategies to lobby against overseas legislative attempts to downgrade Hong Kong's export control status; planning and co-ordinating bilateral trade discussions with trading partners; representing the interest of the Hong Kong Special Administrative Region in international forum in major strategic trade control regimes and developing information database and intelligence for enforcement of strategic trade control.
5. To oversee the operation of the licensing system for strategic commodities including chemical weapons, to review its effectiveness from trade control and trade facilitation angle, and to ensure compliance with international control standards. To keep in view developments of international standards and timely update Hong Kong's legal system of controls to reflect these changes. To plan and co-ordinate out-reach programme to keep traders and carriers abreast of developments in order to facilitate compliance.

Job Description

Post Title : **Assistant Director-General of Trade and Industry (Systems)**

Rank : **Administrative Officer Staff Grade C (D2)**

Responsible to : **Deputy Director-General of Trade and Industry (Commercial Relations, Controls and Support)**

Main Duties and Responsibilities:

1. To oversee the implementation of the textiles export control system in respect of restrained markets, including review on its effectiveness in combating illegal transshipment, and develop an enhanced control system with more integrated, targeted and factory based enforcement control with a view to strengthening export control and facilitating legitimate textiles trade.
2. To oversee and advise on issues relating to textiles export control in respect of the European Union, USA and Canada including the operation of the Textiles Controls Branches, data discrepancy issues etc.
3. To conduct bilateral commercial relations between Hong Kong and countries/customs unions in Europe on textiles.
4. To oversee the operation of the Certification Branch and conduct review on the Production Notification Scheme in conjunction with the overall review on the textiles export control system.
5. To review the restrained textiles licensing system in the light of the integration and liberalisation of quota under the WTO Agreement on Textiles and Clothing.
6. To oversee, develop and steer programmes and activities promoting a stronger customer oriented service and helping business culture.
7. To provide secretariat and support services to the Textiles Advisory Board, and to serve as a Member of the Trade Development Council's Garment Advisory Committee.

Job Description

Post Title : **Assistant Director-General of Trade and Industry (Europe)**

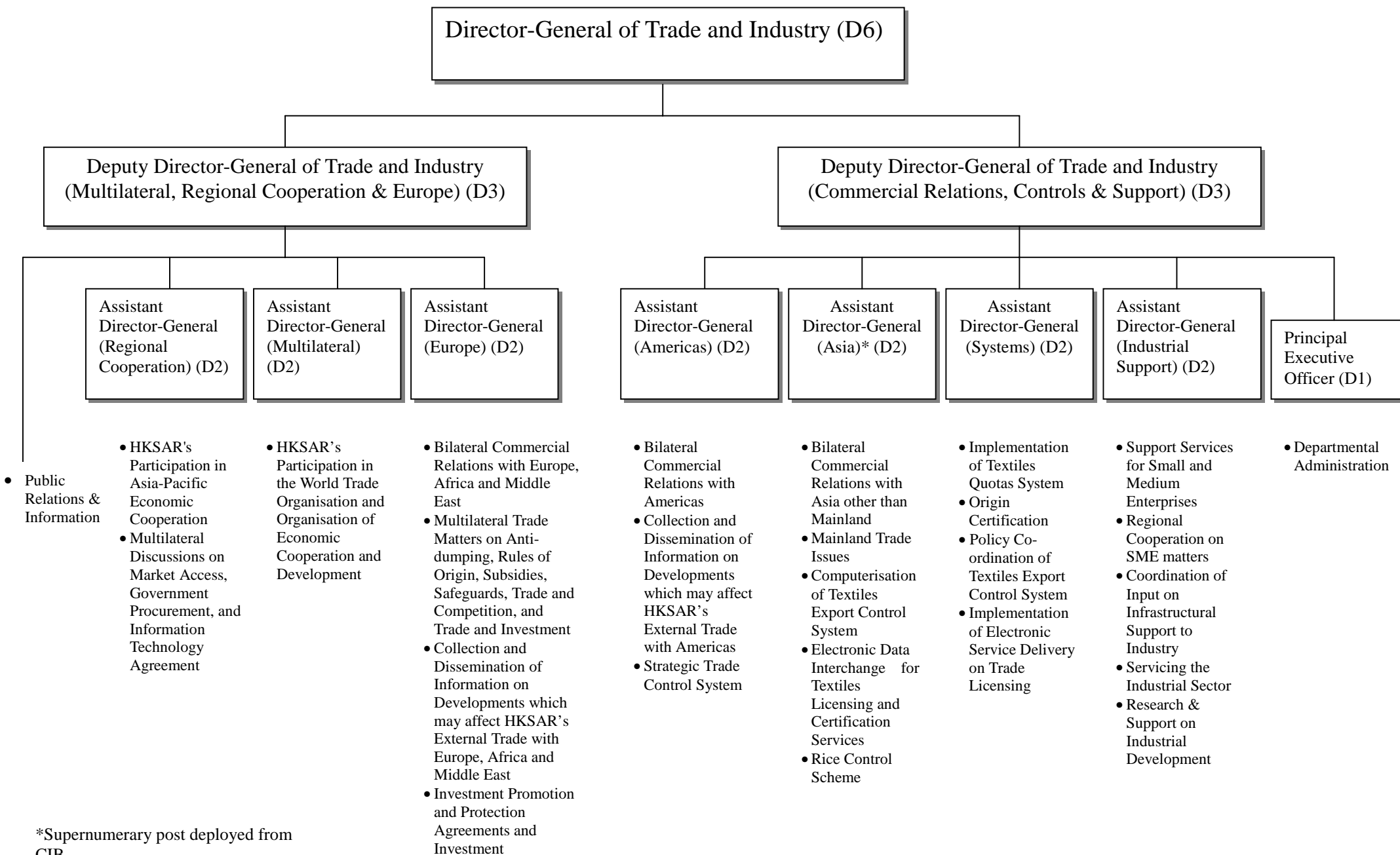
Rank : **Administrative Officer Staff Grade C (D2)**

Responsible to : **Deputy Director-General of Trade and Industry
(Multilateral, Regional Cooperation & Europe)**

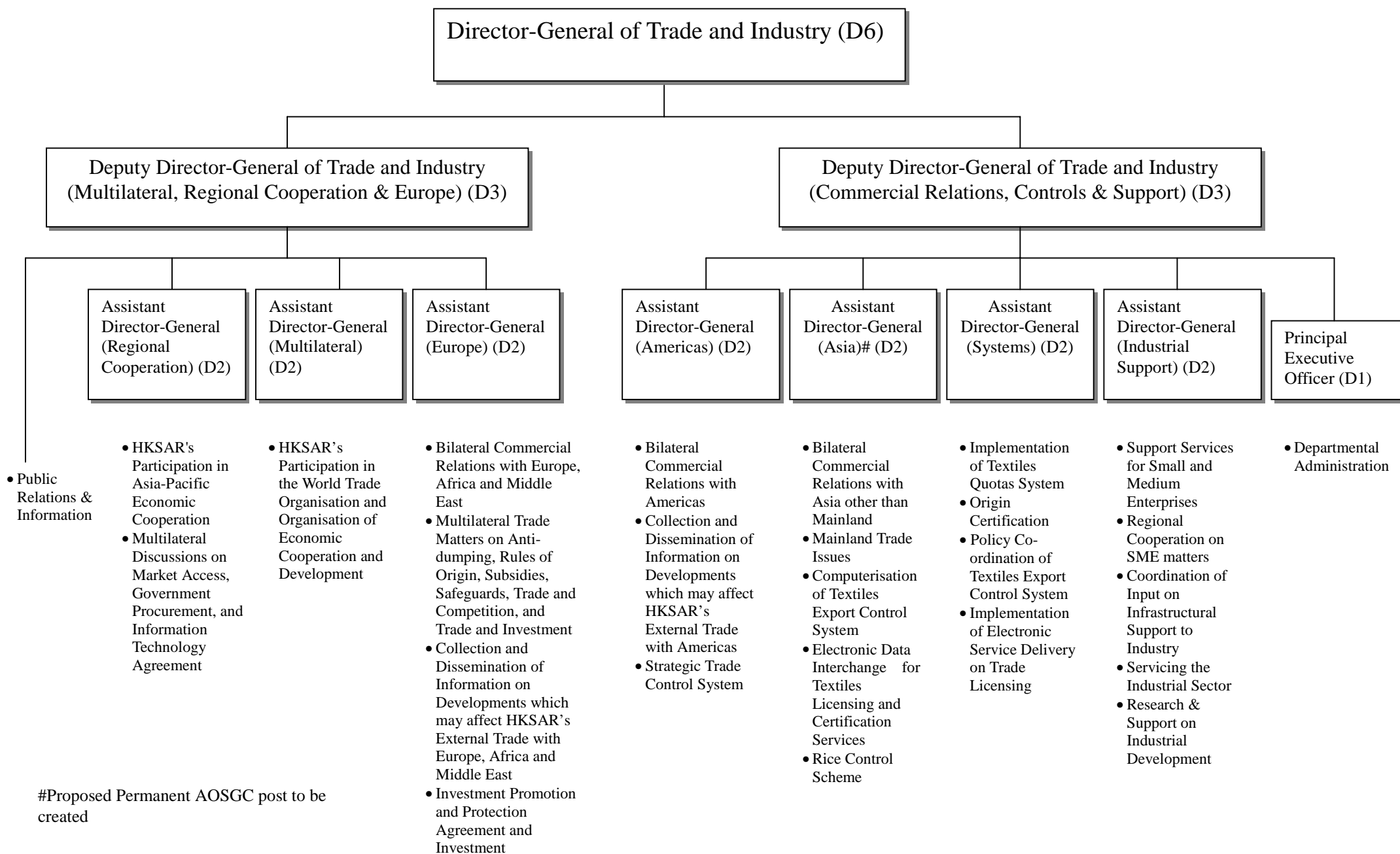
Main Duties and Responsibilities:

1. To conduct bilateral commercial relations between Hong Kong and countries/customs unions in Europe, Africa and the Mid-East with particular attention to anti-dumping and technical regulations. This involves monitoring the developments of trade policies in these countries and changes, assessments of the implications of these policies on Hong Kong, formulation of strategies and development of Hong Kong position in response to the changes.
2. To maintain close liaison with the Economic and Trade Offices overseas, and take part in delegations in trade negotiations with these countries, and represent Hong Kong at these meetings.
3. To be responsible for matters relating to the implementation of the WTO Anti-Dumping (AD) Agreement including Hong Kong's participation in the WTO AD Committees and conduct of informal negotiations on Anti-circumvention. Also responsible for analytical and policy work relating to AD in regional and multilateral fora.
4. To be responsible for matters relating to the implementation of the WTO Agreement on Rules of Origin including Hong Kong's participation in the WTO Committee on Rules of Origin, the Technical Committee on Rules of Origin and the Harmonized Work Programme on Non-preferential Rules. Also responsible for analytical and policy work relating to rules of origin matters in other regional and multilateral fora.
5. To be responsible for matters relating to discussion on trade and competition and trade and investment in regional and multilateral fora, notably Hong Kong, China's participation in the WTO Working Group on the Interaction between Trade and Competition Policy, and the Working Group on the Relationship between Trade and Investment.
6. To be responsible for analytical work relating to Investment Promotion and Protection Agreements, as well as matters relating to implementation of the WTO Agreements on Trade-related Investment Measures, Safeguards, and Subsidies and Countervailing Measures.

Organisation Chart of Trade and Industry Department after the deployment of one supernumerary AOSGC post from CIB on 1 July 2000



Proposed Organisation Chart of Trade and Industry Department after the creation of one permanent AOSGC post



Job Description

Post Title : **Principal Assistant Secretary (2)**
Rank : **Administrative Officer Staff Grade C (D2)**
Responsible to : **Deputy Secretary (1)**

Main Duties and Responsibilities:

1. overseeing and monitoring Hong Kong's bilateral commercial relations with economies in North, Central and South Americas, as well as Europe;
2. monitoring trade relations between USA and the Mainland that may have an impact on Hong Kong;
3. dealing with policy matters related to control of trade in strategic commodities and trade in textiles;
4. dealing with general trade-related policy matters;
5. dealing with major policy matters related to overseas economic and trade offices;
6. dealing with policy matters related to bilateral investment promotion and protection agreements as well as multilateral investment rules;
7. dealing with policy and housekeeping matters related to Hong Kong Trade Development Council; and
8. dealing with policy and housekeeping matters related to Export Credit Insurance Corporation.

Job Description

Post Title : **Principal Assistant Secretary (3)**

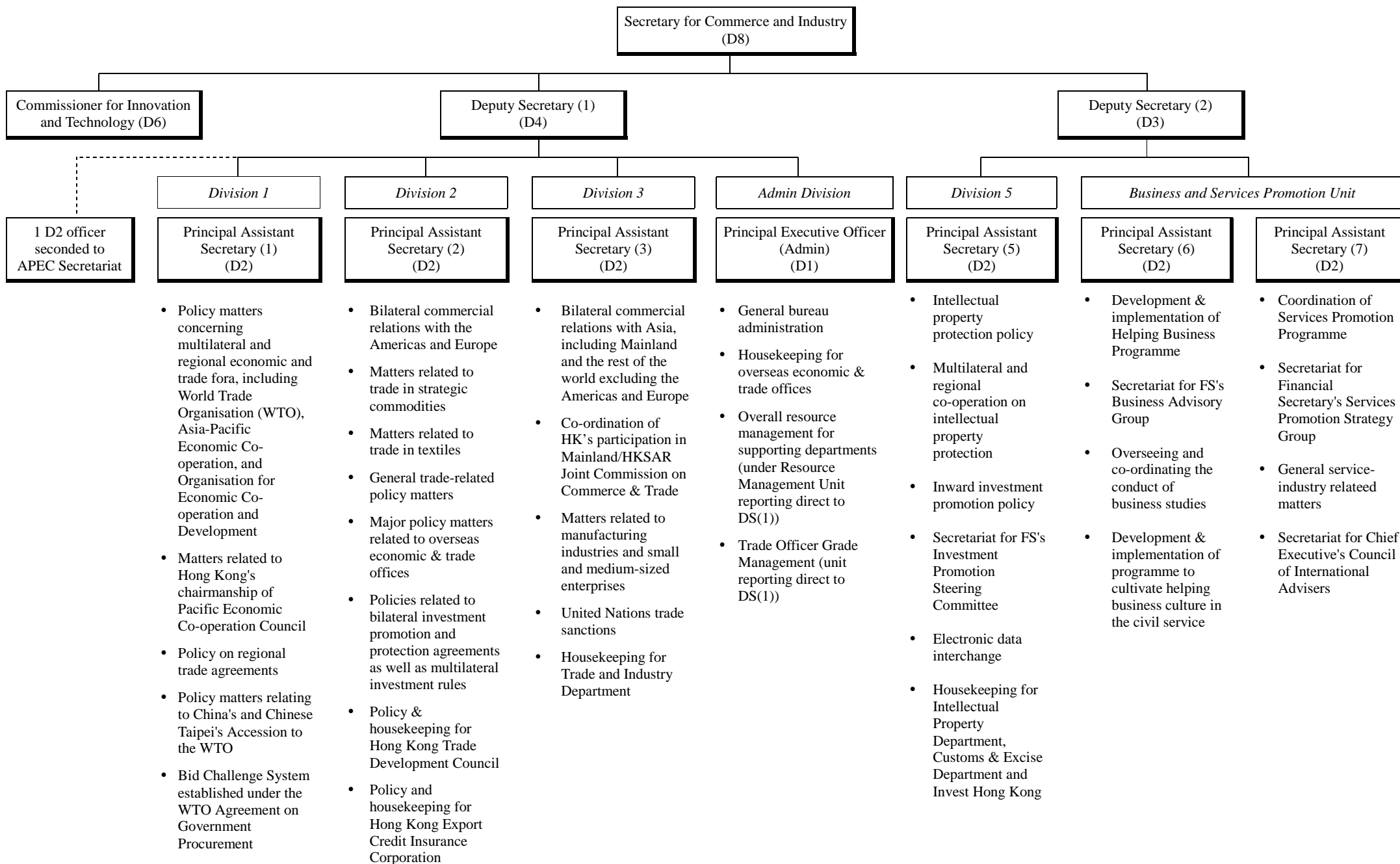
Rank : **Administrative Officer Staff Grade C (D2)**

Responsible to : **Deputy Secretary (1)**

Main Duties and Responsibilities:

1. overseeing and monitoring Hong Kong's bilateral commercial relations with Asia and the rest of the world excluding the Americas and Europe;
2. dealing with policy matters to do with Mainland-Hong Kong trade and commercial relations;
3. co-ordinating Hong Kong's participation in the Mainland-HKSAR Joint Commission on Commerce & Trade;
4. dealing with policy matters related to small & medium-sized enterprises(SMEs);
5. dealing with policy matters related to general support for the industrial sector;
6. dealing with policy and legislative matters to do with United Nations trade sanctions; and
7. dealing with housekeeping matters for the Trade and Industry Department.

Existing Organisation Chart of Commerce and Industry Bureau



Note

One supernumerary post of AOSGC held against PAS(4) was created under delegated authority from 1.7.2000 for one year. The supernumerary post was deployed to TID.