

For information

**Legislative Council Panel on Economic Services
Meeting on 24 October 2000**

**An outline on the Legislative Programme of
Economic Services Bureau (ESB) for 2000-2001
and the organisation of the Bureau**

ESB

The primary responsibility of Economic Services Bureau is to oversee the development of our economic infrastructure and services to support the overall development of Hong Kong. Our specific policy responsibilities cover air and sea transport facilities and services, postal and weather information services, energy supply and safety, tourism, consumer protection and competition policy. The latter two subjects together with the Registrar of Travel Agents were transferred to ESB from the former TIB w.e.f. 1.7.2000.

2. As head of the Economic Services Bureau, the Secretary for Economic Services is underpinned by 16 Directorate Officers, including 3 Deputy Secretaries and the Commissioner for Tourism. An organisation chart is in the Annex A.

3. Apart from the five departments for which we work together i.e. Civil Aviation Department (CAD), Marine Department (MD), Post Office (PO), Hong Kong Observatory (HKO), Electrical and Mechanical Services Department (EMSD), the Bureau also works closely with the Airport Authority, Hong Kong Port and Maritime Board, Hong Kong Tourist Association, Consumer Council and the relevant Boards & Committees to achieve the policy objectives.

Legislative Programme

4. The legislative programme of the Economic Services Bureau for 2000-2001 is outlined for Members' information. It also sets out the purpose and framework of the Hong Kong Tourist Association (Amendment) Bill which will be introduced in December 2000. We will consult the Economic Services Panel on the other amendment bills when we are ready.

Bills to be introduced in the 2000/01 session

5. The ESB currently plans to introduce five amendment bills into Legislative Council in the 2000/01 session, namely, the Hong Kong Tourist Association (Amendment) Bill, the Travel Agents (Amendment) Bill, the Electricity (Amendment) Bill, the Merchant Shipping (Registration) (Amendment) Bill and the Civil Liability for Unsafe Products Bill.

Hong Kong Tourist Association (Amendment) Bill

6. In mid-1997, the Hong Kong Tourist Association Board of Management commissioned a strategic organisation review of the Association with the objective of reviewing the changes in the role of HKTA since its establishment. The review helps to identify HKTA's corporate objectives, review its organisation structure including the governance and the membership scheme.

7. The review concluded that HKTA's main role is to promote Hong Kong as a tourist destination, to facilitate product development and identify areas for participation of the private sector, rather than to implement projects itself. The review also concluded that HKTA should phase out its membership scheme as it should work with all sectors of the tourist industry instead of its member establishments only. The proposed legislation brings about changes to the ordinance to implement the recommendations of the review.

8. A more detailed description of this Amendment Bill is at Annex B. We plan to introduce this Amendment Bill into the Legislative Council in December 2000.

Travel Agents (Amendment) Bill

9. The Travel Agents Ordinance currently provides control and a licensing scheme for travel agents providing travel services in respect of travel outside or outward from Hong Kong. The ordinance however does not cover activities carried out by travel agents providing inward travel services into Hong Kong. Recently, the Administration received a number of complaints regarding the malpractice of some inbound travel agents such as taking visitors to unscrupulous shops which over-charged for their merchandise or left their visitors stranded in Hong Kong unattended.

10. Based on views and comments received from an informal consultation with the trade and concerned associations, our proposal is to introduce legislative changes to require all inbound travel agents to obtain a licence from the Registrar of Travel Agents. Similar to the regulatory framework for outbound travel agents, inbound travel agents will be required to join as a member of the Hong Kong Travel Industry Council (TIC). The licensing system will support and complement the self-regulation exercised by the TIC.

Electricity (Amendment) Bill

11. We plan to propose an Electricity (Amendment) Bill to update the Electricity Supply Regulations and make related amendments to the Electricity Ordinance such that the regulation of the technical and operational standards of electricity supply is in line with developments in electrical technologies and covers the modern methods which the electricity supply industry adopts in the transmission and distribution of electricity.

Merchant Shipping (Registration) (Amendment) Bill

12. In his budget speech on 3 March 1999, the Financial Secretary announced a series of measures to make the Hong Kong Shipping Register (HKSR) more attractive and competitive. By attracting more ship owning and management activities as well as related services such as legal services, insurance, ship financing and ship brokering to Hong Kong, these measures would strengthen Hong Kong's role as an international shipping centre. We intend to introduce the Merchant Shipping (Registration) (Amendment) Bill to streamline procedures for ship registration (e.g. the acceptance of copy instead of original title documents for provisional ship registration, the shortening of the provisional registration period from three to one month, and the confirmation of the mortgagee's awareness that copy instead of original title documents has been used for the provisional registration).

Civil Liability for Unsafe Products Bill

13. Various ordinances currently provide for criminal liability to ensure that products provided to consumers are reasonably safe. Examples of these include the Pharmacy and Poisons Ordinance, Electricity Ordinance, Toys and Children's Product Safety Ordinance, Consumer Goods Safety Ordinance, etc. These ordinances, however, do not automatically enable consumers affected by unsafe products to claim compensation. Consumers seeking compensation have to sue for breach of contract or for negligence.

14. The Law Reform Commission has studied the matter and recommended that the law governing compensation for injury and damage caused by defective or unsafe products should be expanded beyond the existing spheres of contract law and negligence law. Persons liable for the defective or unsafe products should include manufacturers, producers and importers. Wholesalers, distributors and retailers should be liable if they fail to identify their supplier with a reasonable time. The Bill seeks to implement the legislative proposals arising from this review.

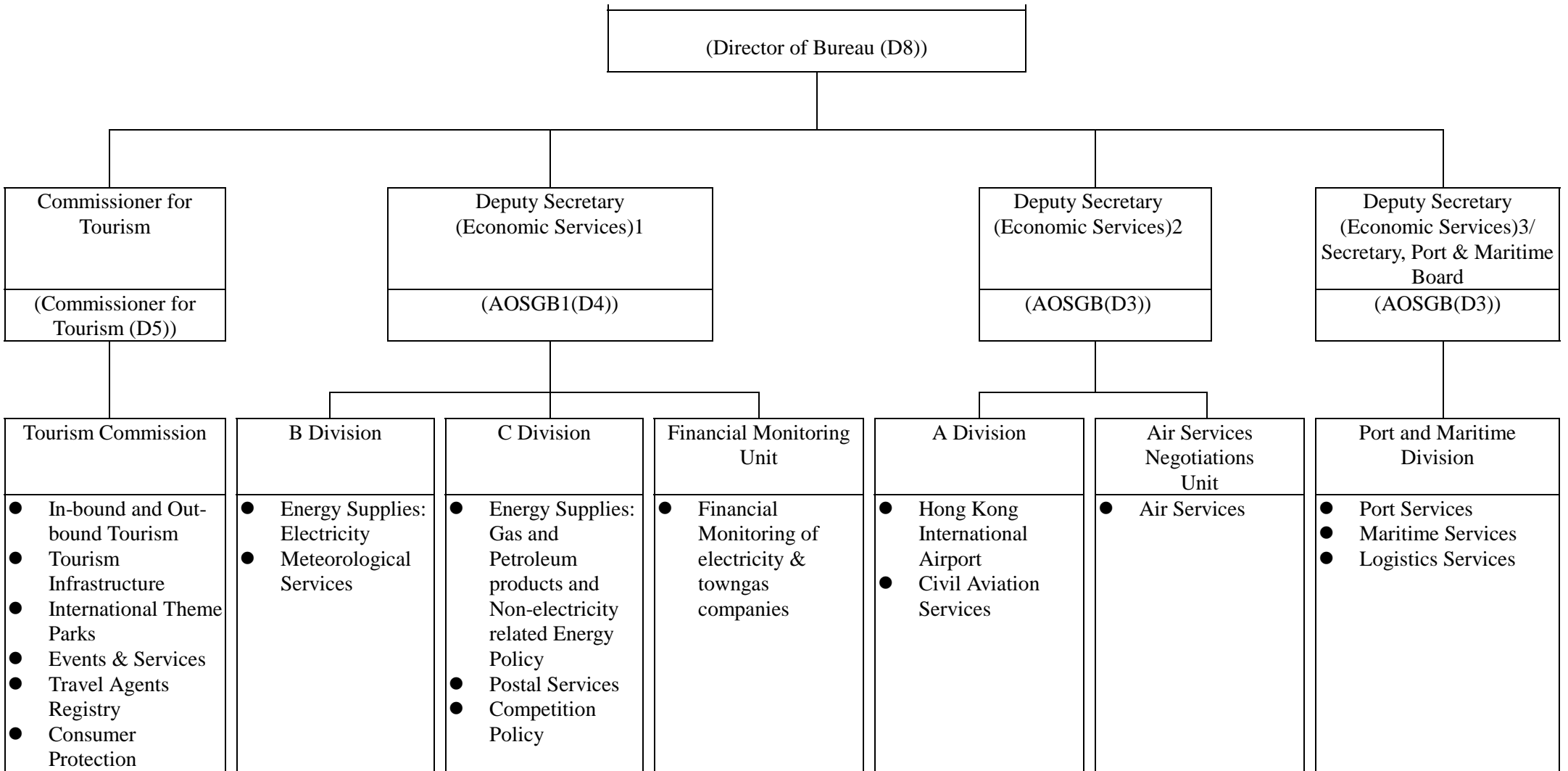
Subsidiary Legislation

15. In addition to the five bills, the Economic Services Bureau is planning to introduce a number of subsidiary legislation to the 2000/2001 session. A majority of them are related to the Merchant Shipping (Local Vessels) Ordinance enacted in July 1999. Some are legislative amendments concerning merchant shipping and freight container safety matters, mainly to bring the local requirements in conformity with the latest internationally recognized standards. Other proposals include amendments to regulations under the Electricity Ordinance, the Gas Safety Ordinance, the Civil Aviation Ordinance, the Toys and Children's Products Safety Ordinance and the Travel Agents Ordinance.

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ECONOMIC SERVICES BUREAU

Organization Chart



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Hong Kong Tourist Association (Amendment) Bill 2000

The Strategic Organisation Review (SOR) of the Hong Kong Tourist Association concluded that its main role is to promote Hong Kong as a tourist destination, to facilitate product development and identify areas for participation of the private sector, rather than to implement projects itself. The review also concluded that -

- (a) HKTA should phase out its membership scheme as it should work with all sectors of the tourist industry instead of its member establishments only;
- (b) The size of the Board of Management should also be expanded from 11 to 20 so that the Board can carry out its functions more effectively; and
- (c) HKTA should continue to remain as a quasi-government body enjoying the flexibility of working independently from Government. It should continue to leverage additional private sector resources to pay for specific marketing and promotion activities.

2. To better reflect its new role and with the cessation of the membership system, the HKTA Board of Management also recommended to change the name of the Association to “Hong Kong Tourism Board” (香港旅遊發展局).

3. Recommendations of the SOR were also made available to members of the HKTA and key industry bodies, and were received positively in general.

Hong Kong Tourist Association (Amendment) Bill 2000

4. To implement the recommendations of the SOR as set out at paragraphs 1 to 3 above, we propose to introduce changes to the Hong Kong Tourist Association Ordinance (Cap. 302). Major amendments proposed to the Ordinance include –

- (a) amending the objects of the Association and its name to “Hong Kong Tourism Board” (香港旅遊發展局) to reflect its role to facilitate and support the tourism industry;
- (b) repealing provisions related to the membership system to be abolished as recommended in the SOR; and
- (c) expanding the size of the Board of Management from 11 to 20 members with the inclusion of a Deputy Chairman.

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