

**Replies to written questions raised by Finance Committee Members in examining  
the Draft Estimates of Expenditure 2002-03**

**Bureau Secretary/Controlling Officer : Secretary for Economic Services  
Session No. : 5 File name : ESB-e1.doc**

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Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB001

Question Serial No.

0477

Head: 28 Civil Aviation Department                      Subhead(No. & title):                      000 Operational Expenses

Programme:                      (2) Airport Standards

Controlling Officer:                      Director-General of Civil Aviation

Bureau Secretary:                      Secretary for Economic Services

- Question :
- (a) Has the Administration increased provision for improving or reviewing the existing security measures in the next fiscal year in the aftermath of the 911 attacks in US? If yes, how much has been increased and what are the measures? If no, what are the reasons?
  - (b) Provision for 2002-03 (\$31.1m) is 13.1% higher than the revised estimate for 2001-02 due to the creation of 3 posts to handle security matters. What are these posts and what are their responsibilities?

Asked by: Hon. Howard Young

- Reply:
- (a) The Administration has increased provision for reviewing and enhancing aviation security measures taking into account the September 11 tragic events in the US. A provision of \$2.3 million has been included in 2002-03 for the creation of three posts (1 Senior Operations Officer and 2 Operations Officers) to review and to provide advice and guidance to the Airport Authority Hong Kong (AA), airlines and airport organizations concerned to enhance existing security measures at the Hong Kong International Airport.
  - (b) The provision of \$31.1 million for 2002-03 is \$3.6 million (13.1%) higher than the revised estimate for 2001-02 mainly due to increase in personal emoluments for staff responsible for handling security matters, including the creation of the three posts as mentioned in (a) above. The responsibilities of the three additional posts include the following -
    - (i) review the current security standards in the light of new Standards and Recommended Practices introduced by the International Civil Aviation Organization (ICAO) and formulate measures to achieve compliance, including the development and implementation of a Hong Kong Security Quality Control Programme;
    - (ii) increase inspection and monitoring of compliance with ICAO recommended security standards by parties concerned such as the AA, airlines, airport tenant operators and air cargo regulated agents;
    - (iii) participate in increased international and regional activities in the aviation security field so as to enhance co-operation in the sharing of security information and know-how; and
    - (iv) review and propose enactment of legislation for dealing with unruly passengers in the light of new recommendations by the ICAO.

Signature

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Name in block letters

ALBERT K.Y. LAM

Post Title

Director-General of Civil Aviation

Date

20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB002

Question Serial No.

0478

Head : 28 Civil Aviation Department      Subhead (No. & title) : 000 Operational Expenses

Programme : (2) Airport Standard

Controlling Officer : Director-General of Civil Aviation

Bureau Secretary : Secretary for Economic Services

Question: Under Matters Requiring Special Attention in 2002-03, the department will continue to launch a series of Dangerous Goods Awareness Programmes. Will the Administration inform this Council what activities have been launched in 2001 and what new activities will be launched to arouse the awareness of air passengers of the types of dangerous goods which are forbidden to be carried on board aircraft?

Asked by : Hon. Howard Young

Reply : In May 2001, the Civil Aviation Department (CAD) organised a seminar for airlines to reinforce their understanding of the requirements and regulations for transporting dangerous goods and facilitate the development of better handling arrangements by the air transport industry. Educational leaflets on dangerous goods have been produced and distributed to air passengers through travel agents and airlines to arouse their awareness of the types of dangerous goods which are forbidden to be carried on board aircraft. Since February 2002, a video on the subject has been shown in the departure briefing sessions organised by travel agents for package tour air passengers. The Radio Television Hong Kong has also produced an interview with the CAD on dangerous goods awareness. The interview was broadcasted in February 2002.

In 2002-03, display booths will be set up in the departure hall of the Hong Kong International Airport. Video in English, Cantonese and Putonghua on proper carriage of dangerous goods will be shown in the booths as well. CAD will continue to transmit the message through both electronic and print media.

Signature	
Name in block letters	<u>ALBERT K.Y. LAM</u>
Post Title	<u>Director-General of Civil Aviation</u>
Date	<u>20.3.2002</u>

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB003

Question Serial No.

0759

Head: 28-Civil Aviation Department

Subhead(No. & title):

000 – Operational Expenses

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Bureau Secretary: Secretary for Economic Services

Question :

The Civil Aviation Department will continue to review the revised policy on the avoidance of fatigue in aircrews and the policy on avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts in 2002-03. In this regard, will the Administration please inform this Council:

- (a) What is the expenditure on the above two types of work in 2001-02? What items are included in the expenditure? And What is the estimated expenditure for 2002-03?
- (b) How many cases of fatigue in aircrews and cases of drug and alcohol abuse in personnel holding aviation safety-sensitive posts have been found in 2001-02?

Asked by: Hon. LI Wah-ming, Fred

Reply:

- (a) The Civil Aviation Department has set up a Working Group on Flight Time Limitation to review the revised policy on the avoidance of aircrew fatigue and a Working Group on Alcohol and Drugs to review the policy on avoidance of drug and alcohol abuse by personnel in posts relating to aviation safety. The working groups comprised the Chief of the Flight Standards and a Safety Officer of the Civil Aviation Department, an Occupational Health Consultant of the Labour Department and a number of experts in the civil aviation industry. The expenditure for 2001-02 is as follows -

Working Group on Flight Time Limitation: \$131,100

Working Group on Alcohol and Drug: \$46,100

The expenditure covers the salary of the three government officials (5 working days), the consultancy fees for the European Committee for Aircrew Scheduling and Safety to study flight time limitation for ultra-long range flights, and printing charges. The expenditure for 2002-03 is estimated to be the same as that of 2001-02.

- (b) In 2001-02, the Administration received no report of aircrew fatigue. There were 4 reports of personnel in posts relating to aviation safety under the influence of alcohol. The personnel concerned had been ordered to stop flying until their medical reports could satisfy the relevant standards.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Albert K. Y. LAM

Post Title \_\_\_\_\_

Director-General of Civil Aviation

Date \_\_\_\_\_

20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB004

Question Serial No.

0946

Head: 28 – Civil Aviation Department

Subhead(No. & title):

000 – Operational Expenses

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Bureau Secretary: Secretary for Economic Services

Question :

As regards matters requiring special attention in 2002-03, the Civil Aviation Department will continue to regularly review the demand for helicopter services and provide necessary support to heliport development. Is it the case that the demand for helicopter services can no longer be met with the present heliport development? If so, will the Administration provide specific figures for reference? What are the details of the review?

Asked by: Hon. Mrs LAU Kin-ye, Miriam

Reply:

Helicopter services provided in Hong Kong include cross-boundary and domestic services.

At present, cross-boundary services mainly consist of flights between Hong Kong and Macao, and are provided by operators based in the two places. In 2001, there were 18 382 helicopter flights between Hong Kong and Macao, carrying a total of 107 696 passengers. The average annual growth rate of the number of flights and the number of passengers since 1996 are 9% and 22% respectively. Besides Hong Kong and Macao, some helicopter operators are actively planning to introduce helicopter services between Hong Kong and the Pearl River Delta.

Domestic helicopter services are provided by Hong Kong helicopter operators. Services provided include sightseeing trips, aerial survey, aerial photography and lifting. In 2001, there were 4 405 helicopter flights, carrying a total of 10 375 passengers. The average annual growth rate of the number of flights and the number of passengers since 1996 are 17% and 11% respectively.

Cross-boundary helicopters can use the helipad at the Hong Kong-Macao Ferry Terminal and the Hong Kong International Airport for taking off and landing. Customs, immigration and quarantine facilities are available at both locations. Local helicopters mainly use the helipad near Lung Wui Road, Central.

There are two helicopter operators in Hong Kong. A third local operator has successfully obtained an Air Operator's Certificate and plans to provide cross-boundary services soon.

With increasing demand for helicopter services between Hong Kong and Macao and closer economic relations between Hong Kong and the Pearl River Delta there is good opportunity for the further development of cross-boundary helicopter services. The demand for local helicopter services will also increase due to the development of tourism. Although the existing helipads and related facilities can still meet the current demand, the Government needs to conduct a comprehensive review on the need to provide additional helicopter facilities in the urban area to facilitate the future development of helicopter services in view of the rising demand.

In this regard, the Civil Aviation Department has commissioned a consultancy study in April 2001. The

scope of the study include assessing the demand for cross-boundary and domestic helicopter services, determining the need and the cost effectiveness of providing additional helipads in the urban area, as well as exploring possible sites, modes of development and management options for new heliports.

Signature \_\_\_\_\_

Name in block letters ALBERT K. Y. LAM

Post Title Director-General of Civil Aviation

Date 20.3.2002



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB005

Question Serial No.

1276

Head : 28 - Civil Aviation Department      Subhead (No. & title) : 000-Operational expenses

Programme : (2) Airport Standards

Controlling Officer : Director-General of Civil Aviation

Bureau Secretary : Secretary for Security

Question(s) :

The Estimates states that the inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards is one of the indicators for airport standards and the number of inspections will increase from 85 in the previous year to 90 in 2002. As such, will the Government inform this Committee:

- (a) whether the Civil Aviation Department (CAD) has increased its frequency of routine random inspections of dangerous goods in response to the 9-11 incident and whether routine random inspections are included in the standard inspections?
- (b) if the routine random inspections are included in the standard inspections, on what basis does CAD consider it sufficient and make it the indicator? If this is not the case, by what number will the routine random inspections be increased and what is the additional manpower required?

Asked by : Hon. IP Kwok-him

Reply :

- (a) To ensure the safety of air transport, carriage of dangerous goods such as flammable liquid, compressed gas and toxic materials on board aircraft must be undertaken in compliance with the requirements set down by the International Civil Aviation Organization on packaging, labelling and documentation. The Civil Aviation Department (CAD) has carried out frequent inspections to ensure that the air transport industry, including shippers, freight forwarders, airlines and ground handling agents, comply with these requirements when handling dangerous goods. After the "September 11 incident", CAD has stepped up its publicity on the prohibition of contraband goods such as sharp objects, flammable liquid etc. on board aircraft. The industry is also more alert when transporting dangerous goods. As a result, the CAD is satisfied that the industry has successfully maintained a high standard of safety and efficiency in carriage of dangerous goods. Therefore, it is not necessary to increase the frequency of routine random inspections in the wake of the "September 11 incident". Yet it has stipulated some other security procedures to achieve a high level of safety. The number of routine random inspections has already been included in the indicator.
- (b) The number of routine random inspections depends on the number of operators, their performance and the cargo throughput. For 2002-03, CAD expected to undertake 90 inspections. The safety standard of the local air transport industry handling dangerous goods has reached that of advanced countries. CAD does not consider it necessary to increase manpower for the inspection of dangerous goods.

Signature \_\_\_\_\_

Name in block letters      ALBERT K Y LAM

Post Title      Director-General of Civil Aviation

Date      21.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB006

Question Serial No.

0137

Head: 31 Customs and Excise Department      Subhead(No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Bureau Secretary: Secretary for Economic Services

Question : In respect of the spot checks for consumer protection (including weights and measures, toys and children's products safety, consumer goods safety and the Precious Metals Marking Orders), will Government inform the Council:

- (a) why the planned number of spot checks in 2002 is less than the actual number of such in 2000 and 2001?
- (b) the Customs' planned classification of items for spot checks on the safety of consumer goods in the coming year.

Asked by: Hon. LI Wah-ming, Fred

Reply:

- (a) The estimates of spot checks for enforcing various consumer protection legislation are targets set for planning our work in 2002, taking into account a number of factors including the number of new products launched and prevalence of the problem. Past experience shows that the actual number of spot checks conducted is often higher than the estimated number, as was the case in 2000 and 2001, due to our endeavour to conduct more checks as far as possible.
- (b) We shall continue to select products of potential safety risk for spot checks on the basis of the following factors –
  - (i) overseas recalls of unsafe products;
  - (ii) goods involved in complaints against unsafe products;
  - (iii) results of testing of test-purchased products;
  - (iv) accidents, both local and overseas, arising from the use of unsafe products;
  - (v) consumers' favourite choices of consumer goods; and
  - (vi) new products on the market.

Signature \_\_\_\_\_

Name in block letters RAYMOND H C WONG

Post Title Commissioner of Customs & Excise

Date 19 March 2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB007

Question Serial No.

0138

Head: 42 Electrical and Mechanical Services  
Department

Subhead: 700 General other non-recurrent  
Items 692, 695, 711 & 717

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

Controlling Officer: Director of Electrical and Mechanical Services

Bureau Secretary: Secretary for Economic Services

Question :

There are four items of study in the general other non-recurrent account concerning the monitoring of the two power companies. They are (692) Employment of international consultants to conduct studies of the two power companies; (695) Consultancy study on the activities of the two power companies (2000-01); (711) Studies of the two power companies (2001); and (717) Employment of international consultants to conduct studies relating to the activities of the two power companies (2002-04). In this connection, will the Government inform us:

- (a) The frameworks and directions of these four studies.
- (b) The fee charged by the consultancy companies responsible for the studies.
- (c) Is there any overlapping in the contents of these studies and is this work related to the work of the task force of the Economic Services Bureau solely charged with the study of electricity issue?

Asked by: Hon. LI Wah-ming, Fred

Reply :

The four items are for employing consultants to provide independent expert advice for monitoring the technical performance of the two power companies and other related issues. The answers to parts (a) and (b) of the question are as follows –

- (i) In 2001-02, details of the consultancy studies are -

<u>Item number under Head 700</u>	<u>Framework and direction of study</u>	<u>Expenditure of the study (HK\$ million)</u>

Item 692	Site audit of equipment installation under the rebate scheme of the DSM Programme – Phase I	0.500
Item 695 and 711	Term consultant to advise on matters relating to the monitoring of the technical performance of the two power companies in 2000-01 (Item 695) and 2001-02 (Item 711)	0.940

(ii) In 2002-03, the financial provision will be used for the following studies –

<u>Item number under Head 700</u>	<u>Framework and direction of study</u>	<u>Expenditure of the study (HK\$ million)</u>
Item 692	Site audit of equipment installation under the rebate scheme of the Demand Side Management (DSM) Programme - Phase 2	0.314
Item 695 and 711	Term consultant to advise on matters relating to the monitoring of the technical performance of the two power companies in 2000-01 (Item 695) and 2001-02 (Item 711)	1.370
Item 717	A provision for consultancy studies on issues relating to the power companies as and when necessary in the coming two years.	2.000 (\$1 million for each year)

(c) There is no overlap in the scope of studies commissioned under the four items. The studies are to facilitate the Government's monitoring of the technical performance of the power companies and are different from those relating to the post-2008 regulatory regime for the electricity supply sector in Hong Kong undertaken by the Electricity Team in the Economic Services Bureau.

Signature \_\_\_\_\_

Name in block letters MR. ROGER S. H. LAI

Post Title Director of Electrical and Mechanical Services

Date 20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB008

Question Serial No.

0139

Head: 42 Electrical and Mechanical Services  
Department

Subhead: 700 General other non-recurrent

Item 700 Consultancy on  
interconnection capacity between  
Hong Kong's power companies

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

Controlling Officer: Director of Electrical and Mechanical Services

Bureau Secretary: Secretary for Economic Services

Question :

In 2001-02, the government totally spent \$3.5 m on the consultancy on interconnection capacity between Hong Kong's power companies. In respect of this study, will the Government inform us:

- (a) The outline of the study, including which countries' circumstances had been taken into consideration.
- (b) The differences between this study and the study on interconnection of the two companies by the consultant commissioned by the government in 1999?
- (c) How will the government use the \$5 m-odd left over from the approved provision for the study?

Asked by: Hon. LI Wah-ming, Fred

Reply:

- (a) It is a detailed technical study aimed at identifying issues involved in increasing interconnection between the power companies. The study would also examine the impact of interconnection on the existing transmission network of the two power companies, including interconnection transfer capacity, system stability, load flow, routing, timing and issues relating to reliability of electricity supply to consumers. In assessing the generation expansion planning criteria, the consultants have considered international norm adopted in the USA and UK.
- (b) The Study of Interconnection and Competition in the Hong Kong Electricity Supply Sector (the Study) completed in late 1999 was a feasibility study to assess whether additional interconnection between the two power companies and encouragement of competition in the electricity sector would be in the interests of consumers. The consultants of the Study recommended further detailed studies in a number of areas. The current study is a follow-up on the Study's recommendations to examine various technical issues in detail, including options to increase interconnection capacity.

(c) The current study is expected to be completed around June 2002. The balance available under this item will be deployed as necessary to look into economic issues arising from the technical study and need to be followed up.

Signature \_\_\_\_\_

Name in block letters MR. ROGER S. H. LAI

Post Title Director of Electrical and  
Mechanical Services

Date 21.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB009

Question Serial No.

0913

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 : 30,000 m<sup>3</sup> of dioxin-contaminated soil has been discovered at Cheoy Lee Shipyard (CLS). What is the decontamination cost? Will the decontamination works delay the progress of other works associated with the Disney theme park? Has there been any assessment of the damages that may be caused to other works?

Asked by : Hon CHAN Kam-lam

Reply : As recommended in the Environmental Impact Assessment report on the decommissioning of CLS, about 30,000 m<sup>3</sup> of soil which is contaminated predominantly with a combination of dioxins / metals / total petroleum hydrocarbons / semi-volatile organic compounds will be excavated and treated off-site at a thermal desorption plant to be set up at To Kau Wan (TKW). About 600 m<sup>3</sup> of organic oily residue as the end product of the thermal desorption process will be collected and despatched in batches for incineration at the Chemical Waste Treatment Centre in Tsing Yi. The soil after thermal desorption will be solidified by adding cement to immobilise the remaining metals in the soil. The estimated cost of treating the dioxin-contaminated soil is \$350 million in money-of-the-day prices.

As all the dioxin-contaminated soil will be excavated and treated off-site at TKW, the programme of other works associated with the Hong Kong Disneyland project will not be affected.

Signature	_____
Name in block letters	<u>Dr. LAU CHING-KWONG</u>
Post Title	<u>Director of Civil Engineering</u>
Date	<u>20.3.2002</u>

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB010

Question Serial No.

0914

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

Programme :                      (2) Port and Marine Facilities

Controlling Officer :      Director of Civil Engineering

Bureau Secretary :      Secretary for Economic Services

Question :

The value of projects under planning for port and marine facilities is decreased from \$35.467 billion in 2001 to \$4.784 billion in 2002.

- (a) Is the decrease due to the substantial completion of those projects under planning and design? If the answer is in the affirmative, how many projects are still remaining in the programme?
- (b) With the decrease in the value of projects under planning, there should be a corresponding decrease in expenditure. However, the estimated expenditure has increased from \$58M in 2001 to \$60M in 2002. Please clarify.

Asked by :      Hon. CHAN Kam-lam

Reply :

- (a) The substantial decrease in the value of projects under planning arises mainly from the latest development in respect of the West Tuen Mun Port Development project. According to the original plan, the \$30 billion project was assigned to the Civil Engineering Department (CED). Subsequently, it was decided that the project should be examined in the context of the Study on the Master Plan for Port Development to be undertaken by the Port and Maritime Board of the Economic Services Bureau. Hence, the value of the above project has been excluded from the 2002 estimated value of projects under planning under Head 43 Programme (2).
- (b) The value of projects under planning does not have a direct bearing on expenditure. The construction of projects currently under planning and design will take two years or more to commence. At present, the expenditure on port and marine works is mainly attributed to pier re-construction works. These reconstruction works have commenced and will continue in 2002. Hence, the estimated expenditure in 2002 will be at a similar level as that in 2001.

Signature

Name in block letters      Dr. LAU CHING-KWONG

Post Title      Director of Civil Engineering

Date      20 March 2002





Examination of Estimates of Expenditure 2002-03

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

Reply Serial No.

ESB012

Question Serial No.

1028

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

Programme:                    (5) Government Fleet

Controlling Officer: Director of Marine

Bureau Secretary:    Secretary for Economic Services

Question: During 2002-03, the Marine Department will continue to implement a series of improvement measures, including the hiring of commercial vessels as work boats and launches. However, it is estimated that nine new vessel projects will be undertaken. Can more commercial vessels be hired instead of procuring new vessels? If not, what are the reasons?

Asked by: Hon. Mrs LAU Kin-yee, Miriam

Reply:                    The Marine Department continues to outsource its marine transport services by hiring work boats and launches. The nine vessel projects planned to be undertaken in 2002-03 are not for the provision of marine transport services. They are to meet the special operational needs of the Hong Kong Police Force (4 projects), Fire Services Department (2 projects), Agriculture, Fisheries and Conservation Department (1 project), Immigration Department (1 project) and Leisure and Cultural Services Department (1 project). The vessels to be built under these projects are for specific purposes and are either unavailable or unsuitable (owing to security reasons) for hiring from the commercial sector.

Signature \_\_\_\_\_

Name in block letters                    S. Y. TSUI

Post Title                    Director of Marine

Date                    20 March 2002



Reply Serial No.

ESB014

Question Serial No.

0006

Examination of draft Estimates of Expenditure 2002-03

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

Head : 145 Government Secretariat : Subhead: 700  
Economic Services Bureau  
177 Subventions : Non-departmental 429, 443, 870 and 955  
Public Bodies  
28 Civil Aviation Department 000  
42 Electrical and Mechanical 700  
Services Department  
100 Marine Department 700

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

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question :

Regarding consultancy studies for policy making and assessment commissioned in relation to the above four programmes by your bureau and departments/offices under your bureau –

- (1) please provide the following details of the consultancy studies for which financial provision have been allocated in 2001-02:

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)

- (2) will there be any financial provision allocated for commissioning consultancy studies in 2002-03? If yes, please provide the following details:

Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)

Asked by : Hon. HO Sau-lan, Cyd

Reply :

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

Head 145 Government Secretariat: Economic Services Bureau  
Subhead 700 General other non-recurrent

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)
McCluer Corporation	Bridging II Study for the Implementation Master Plan for Hong Kong as the Preferred International and Regional Transportation and Logistics Hub  (Item 013)	\$0.531 m	In progress	Reference will be made to the findings in formulating the Integrated Operational Plan of the "Logistics Hong Kong" initiatives.
GHK (Hong Kong) Ltd	Study on the Implications of South China Infrastructure Development on Cargo Flowing to and from Hong Kong  (Item 011)	\$1.284 m	In progress	Findings will be fed into the study on Hong Kong Port – Master Plan 2020 study
Nexant, Inc.	Consultancy studies on issues relating to demand forecast and electricity costs for the purpose of the task for developing the future regulatory and market restructuring framework of the electricity supply industry in Hong Kong  (Item 017)	\$1.440 m	In progress	Views of the consultant would be considered in the context of the overall review.
Pacific Power International	Consultancy study on operational issues relating to considerations for developing the regulatory and market restructuring framework of the electricity supply industry in Hong Kong  (Item 017)	\$0.398 m	In progress	Views of the consultant would be considered in the context of the overall review.

Head 177 Non-departmental Public Bodies  
 Subhead 870 Hong Kong Tourism Board

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)
City Planning Consultants Ltd. (lead consultant)	Study for the Improvement and Further Development of the Peak as a Visitor Attraction  (Item 107)	\$3.00 m	The study was funded by the Tourism Development Fund and undertaken by Hong Kong Tourism Board (HKTB). It has been completed in February 2002 and has made a number of recommendations on the improvements to maintain the Peak as a key visitor attraction.	The Tourism Commission will identify actionable projects and draw up a plan for implementation.
Shankland Cox Asia Ltd. (lead consultant)	Planning Study on the Harbour and its Waterfront Area – an assessment of the Potential of the Harbour for tourism purpose  (Item 107)	\$2.89 m	The study was funded by the Tourism Development Fund via HKTB and managed by the Planning Department. The study has now reached the final stage. The next public consultation is targetted to take place in mid 2002 and the study will be completed by the 3rd quarter this year.	Upon completion of the study, the Government will consider implementation of the action area plans as proposed.

Head 28 Civil Aviation Department  
 Subhead 149 General departmental expenses

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)
MVA Hong Kong Limited	Helicopter Traffic demand and heliport development  (Item 549)	\$2.8 m	In progress	Subject to the results of the consultancy.
European Committee for Aircrew Scheduling and Safety	Study on flight time limitation for ultra-long range flights  (Item 549)	Euro12,500 (equivalent to about HK\$85,000)	In progress	Subject to the results of the consultancy.

Head 42 Electrical and Mechanical Services Department  
 Subhead 700 General other non-recurrent

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)
Nexant, Inc.	Site audit of equipment installation under the rebate scheme of the DSM Programme - Phase I  (Item 692)	\$ 0.500 m	Finished	Findings taken up with power companies to improve implementation of the DSM Programmes
Nexant, Inc.	Term consultant to advise on matters relating to the monitoring of the technical performance of the two power companies  (Items 695 and 711)	\$0.940 m	In progress	Advice of the consultant taken into account when dealing with relevant ad hoc issues.
Mott Connell Ltd.	Consultancy on interconnection capacity between Hong Kong's power companies  (Item 700)	\$3.500 m	In progress	Study to be completed around June 2002

Head 100 Marine Department  
Subhead 700 General other non-recurrent

Name of consultants (if available)	Contents of the studies	Consultancy fees	Progress and follow-up action (in plan/ in progress/ finished)	Government's follow-up action (if available)
Hong Kong Polytechnic University Technology & Consultancy Company Limited	Manpower survey on the demand for ex-seafarers of the port, maritime and related industries in Hong Kong  (Item 549)	\$0.8 m	Finished	The Hong Kong Port and Maritime Board has considered the study report. The industry has set up a task force with the participation of Marine Department to consider ways to take forward the recommendations of the study.

(2) Financial provision allocated for commissioning consultancy studies in 2002-03 is as follows:

Head 145 Government Secretariat: Economic Services Bureau  
Subhead 700 General other non-recurrent

Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)
To be determined	Study for the development of a Digital Trade and Transportation Network (DTTN) System to support the development of Hong Kong as an International Logistics Hub  (Item 018)	To be determined upon engagement of consultant	In plan
To be determined	Study on Hong Kong Port – Master Plan 2020  (Item 019)	To be determined upon engagement of consultant	In plan
To be determined	Consultancy studies on specific issues relating to developing the future regulatory and market restructuring framework of the electricity supply industry in Hong Kong  (Item 017)	To be determined upon engagement of consultant	In plan



Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)
To be determined	Consultancy studies on implementation of competition policies in other economies  (Item 014)	To be determined upon engagement of consultant	A standby provision for consultancy studies as and when necessary.

Head 177 Non-departmental Public Bodies  
Subhead 443 Hong Kong Tourism Board

Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)
To be determined	<b>India Market Study</b> It is a market research study in the form of focus group discussion to obtain a better understanding of the needs and expectations of Indian visitors.	To be determined upon engagement of consultant	Research proposal has been finalized and is to be signed off. The study will start in end March 2002 and results will be ready by end April 2002.
To be determined	<b>Cruise Market Study</b> It is a consultancy study for business strategy development (i.e. market potential forecasting and business strategy recommendation)	To be determined upon engagement of consultant	Request for proposal has been sent out and HKTB is awaiting reply due by end of March 2002. The project is expected to complete within four months.

Head 28 Civil Aviation Department  
Subhead 000 Operational Expenses

Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)
MVA Hong Kong Limited	Helicopter Traffic demand and heliport development  (Item 549)	\$0.5 m – Retention money	In progress
European Committee for Aircrew Scheduling and Safety	Study on flight time limitation for ultra-long range flights  (Item 549)	Euro12,500 (equivalent to about HK\$85,000)	In progress

Head 42 Electrical and Mechanical Services Department  
 Subhead 700 General other non-recurrent

Name of consultants (if available)	Contents of studies	Consultancy fees	Status of consultancy studies (in plan/ in progress/ finished)
Nexant, Inc.	Site audit of equipment installation under the rebate scheme of the DSM Programme - Phase 2  (Item 692)	\$0.314 m	In plan
Nexant, Inc	Term consultant to advise on matters relating to the monitoring of the technical performance of the two power companies  (Items 695 and 711)	\$1.370 m	In plan
To be determined	Consultancy on interconnection capacity between Hong Kong's power companies  (Item 700)	To be determined upon engagement of consultant	A standby provision for further detailed studies as and when necessary.
To be determined	Consultancy studies on issues relating to the power companies  (Item 717)	To be determined upon engagement of consultant	A provision for consultancy studies as and when necessary.

Signature \_\_\_\_\_  
 Name in block letters MS SANDRA LEE  
 Post Title Secretary for Economic Services  
 Date 20.3.2002

Reply Serial No.

ESB015

Question Serial No.

0126

Examination of draft Estimates of Expenditure 2002-03

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

Head : 145 – Government Secretariat : Economic Services Bureau

Subhead (No. & title) : 014 – To engage a consultant to advise on competition issues in  
700 other economies

015 – To enhance public awareness of the work of the Competition  
Policy Advisory Group

Programme : (2) Posts, Power, Competition and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

The Government spent \$480,000 under subhead 014 in 2001-02 to engage a consultant to advise on competition issues in other economies, what advice had been offered by the consultant to the Government? Please give a detailed breakdown and explain how the Government had utilized the remaining approved provision.

Asked by : Hon LI Wah-ming, Fred

Reply :

The provision was for conducting specific studies as and when necessary. No study was commissioned in 2001-02.

Signature

Name in block letters

Post Title

Date

\_\_\_\_\_  
Ms Sandra Lee

\_\_\_\_\_  
SES

\_\_\_\_\_  
18 March 2002

Reply Serial No.

ESB016

Question Serial No.

0127

Examination of draft Estimates of Expenditure 2002-03

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

Head : 145 – Government Secretariat : Economic Services Bureau

Subhead (No. & title) : 014 – To engage a consultant to advise on competition issues in  
700 other economies

015 – To enhance public awareness of the work of the Competition  
Policy Advisory Group

Programme : (2) Posts, Power, Competition and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

The Government spent \$400,000 under subhead 015 in 2001-02 to publicize the work of the Competition Policy Advisory Group, how will the Government assess its effectiveness on a value-for-money basis?

Asked by : Hon LI Wah-ming, Fred

Reply :

In 2001-02, about \$67,000 was spent on the preparation and publication of Competition Policy Advisory Group Annual Report. Copies of the Report were distributed to the Legislative Council, District Councils, Chambers of Commerce, overseas offices, tertiary institutions, and made available to the general public at the various Public Enquiry Service Centres of the Home Affairs Department. The Report had contributed to promoting and making the community more aware of the work of COMPAG and the Government's policy on competition.

Signature

Name in block letters

Post Title

Date

Ms Sandra Lee

SES

18 March 2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB017

Question Serial No.

0128

Head : 145 – Government Secretariat : Economic Services Bureau

Subhead : 700 General other non-recurrent

Item 014 – To engage a consultant to advise on competition issues in other economies

Item 015 – To enhance public awareness of the work of the Competition Policy Advisory Group

Programme : (2) Posts, Power, Competition and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

As regards the expenditure and work of the Competition Policy Advisory Group (COMPAG), the Government is requested to provide the following information:

- (a) What was the total expenditure in 2001-02? What were the main items paid for? What is the estimated total expenditure for 2002-03?
- (b) Please give an account of the work carried out by COMPAG in 2001-02.

Asked by : Hon LI Wah-ming, Fred

Reply :

- (a) Resources required to support the COMPAG have been included in the overall provision for competition policy under ESB, and could not be readily and separately quantified. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700.
- (b) In 2001-02, the work carried out by COMPAG included the following –
  - (1) encourage new initiatives for promotion of competition in Hong Kong. For example, the Commerce and Industry Bureau introduced a Bill into the Legislative Council in December 2001 to propose removing the criminal and civil liabilities relating to the parallel importation of and subsequent dealings in computer software;
  - (2) identify areas that may not be fully compatible with our competition policy, and review scope for refinement. For instance, the Treasury has reviewed its use of bank

services and proposed to acquire more services on a competitive basis;

- (3) keep under review the various competition-related issues examined in previous years;
- (4) keep track of competition-related cases or complaints received from different sources, and review, on a need basis, those cases which have policy or systemic implications. Examples of cases examined include alleged discrimination in the provision of access services by a telecommunications network operator, concerns about promotional sale of electrical appliances by power companies, etc.;
- (5) monitor trends and developments in discussions on competition policy in international fora that may have a bearing on Hong Kong. A major issue in 2001-02 was whether the World Trade Organisation should proceed to launch negotiation on trade and competition; and
- (6) plan for training and publicity on competition policy, including development of a COMPAG website.

The COMPAG Report to be published around mid-2002 will give a more detailed account of the above.

Signature	_____
Name in block letters	<u>MS SANDRA LEE</u>
Post Title	<u>SES</u>
Date	<u>19 March 2002</u>

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB018

Question Serial No.

0129

Head: 145 - Government Secretariat : Economic Services Bureau

Subhead: 700 General other non-recurrent

Item 017 Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong

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

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

G4. Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong :

- (a) What is the main purpose of the consultancy studies?
- (b) What are the findings of the studies at present?
- (c) This item has a balance of \$6 m, how will the government utilise this sum of money?

Asked by: Hon. LI Wah-ming

Reply:

(a) Work on the post-2008 regulatory regime for the electricity supply sector in Hong Kong is a complex undertaking. Consultancies will be commissioned to study specific issues relating to this exercise. The main purpose of these consultancy studies is to provide additional information and expert advice to complement and assist in the work of the Electricity Team.

(b) We have to date commissioned studies into matters relating to demand forecast, electricity costs and operational issues. The studies are still underway. Advice of the consultants would be considered in the context of the overall electricity market review.

(c) The provision is for three years up to 2003-04. The balance of \$6 million under this item will be for studies on specific subjects as circumstances so require as well as for possible follow-up studies to further consider the economic implication of particular options. Actual issues to be looked into would be determined as the review progresses.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MS SANDRA LEE \_\_\_\_\_

Post Title \_\_\_\_\_ SECRETARY FOR ECONOMIC SERVICES \_\_\_\_\_

Date \_\_\_\_\_ 18.3.2002 \_\_\_\_\_



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB019

Question Serial No.

0130

Head 145: Government Secretariat :  
Economic Services Bureau

Subhead 700:  
Item: 012

General other non-recurrent  
Management of Tamar Site

Programme: (4) Travel and Tourism

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question : The Government's revised estimate for managing the Tamar Site in 2001-02 was about HK\$2.36m, what were the items paid for under this expenditure?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The following is a breakdown of the revised estimate of the expenditure for managing the Tamar Site in 2001-02:

Item	HK\$
1. Event Area – Maintenance costs	600, 000
2. Event Area – Utilities charges	14, 000
3. Event Area – Site restoration <sup>1</sup>	350, 000
4. Advertising Billboards – Management fees	470, 000
5. Manpower	530, 000
6. Contingency	400, 000
Total :	2,364, 000

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 19.03.2002

<sup>1</sup> Some of the restoration works include the removal of utility facilities, temporary structures, etc.

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB020

Question Serial No.

0131

Head: 145 - Government Secretariat :      Subhead:  
Economic Services Bureau

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

Controlling Officer: Secretary for Economic Services

Bureau Secretary:      Secretary for Economic Services

Question :

- G6. In 2001-02, the Economic Services Bureau established a multi-disciplinary team and commenced studies on options for the regulatory regime for the electricity supply sector after the expiry of the current Scheme of Control Agreement in 2008. Would the Government provide details in this connection including :
- (a) How many members does the team comprise? What are their professions? What is the annual salary of each individual member?
  - (b) What is the scope of their studies? What are their research topics? Do they also refer to the experiences of other countries and regions in carrying out reforms? If they do, what are these countries and regions?
  - (c) What is the progress of their work at present?

Asked by: Hon. LI Wah-ming, Fred

Reply:

In 2001 – 2002, the Economic Service Bureau (ESB) set up a multi-disciplinary Electricity Team to conduct studies with the view to drawing up the framework for regulating the electricity supply sector in Hong Kong, on expiry of the existing Scheme of Control Agreements in 2008.

(a) The Electricity Team includes 8 permanent civil service posts - 1 Chief Electrical and Mechanical Engineer, 2 Senior Electrical and Mechanical Engineers, 1 Senior Economist, 2 Electrical and Mechanical Engineers, 1 Personal Secretary II and 1 Assistant Clerical Officer. The notional mid-point annual salaries of the posts are –

	Annual Salary ( <u>Notional Annual Salary at Mid-Point</u> )
Chief Electrical and Mechanical Engineer	about \$1.27 million
Senior Electrical and Mechanical Engineer	about \$1.03 million
Senior Economist	about \$1.03 million
Electrical and Mechanical Engineer	about \$0.66 million
Personal Secretary II	about \$0.186 million
Assistant Clerical Officer	about \$0.175 million

(b) In considering proposals for a post-2008 regulatory regime, the Team will consider both technical (primarily engineering) and economic regulation issues. The technical issues include system stability and reliability, planning and logistics issues of different market structures, and planning criteria for power systems under an increased interconnection scenario. On economic regulation, the Team will study the market restructuring and operating experiences in electricity markets in countries such as the United States, Canada, UK, Australia etc., which include modalities and systems of open and regulated markets, and evaluate different market design and implementation arrangements in the light of local circumstances. The Team will then consider options for modifying the market structure and the advantages and constraints of each option.

(c) Since the establishment of the Electricity Team in May 2001, members of the Team have attended training on electricity market restructuring and met with regulatory authorities and other players in the electricity supply sector in various overseas countries. The team has also researched into materials on the Internet, books and journals. It has also commissioned consultancies to obtain expert advice and input on specific issues.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MS SANDRA LEE

Post Title \_\_\_\_\_ SECRETARY FOR ECONOMIC SERVICES

Date \_\_\_\_\_ 18.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB021

Question Serial No.

0458

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 :

The 2002-03 Estimates is higher than the revised estimate for last year by 45.4%. How much is for the full-year provisions for the creation of posts?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

The full-year provision for 2002-03 for the posts created to strengthen the support on aviation and logistics matters is \$3.3 million. The additional posts include four non-directorate posts, viz. one Senior Marine Officer, one Senior Administrative Officer and two Administrative Officers. Except for one Administrative Officer post which is funded by additional resources, the remaining three posts are funded by redeployment of resources from the Economic Service Bureau and the Marine Department.

Signature \_\_\_\_\_

Name in block  
letters \_\_\_\_\_ Ms Sandra LEE

Post Title \_\_\_\_\_ Secretary for Economic Services

Date \_\_\_\_\_ 19.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB022

Question Serial No.

0473

Head: 145

Subhead (No. & title):

Programme: (4) Travel and Tourism

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question : How much resource has been allocated to the enhancements of the Sai Kung Waterfront and Lei Yue Mun Waterfront areas? What are these enhancements and when will the enhancements be completed?

Asked by: Hon. YOUNG, Howard

Reply:

**Sai Kung Waterfront**

The project involves renovating Wai Man Road Rest Garden, which includes providing space and facilities for outdoor refreshment, performances and retail kiosks. There will also be repaving and streetscaping work along the promenade and Fuk Man Road. The estimated cost of the whole project is around \$24m. This will be funded by the Architectural Services Department and Highways Department. Works will be completed in December 2002.

**Lei Yue Mun Waterfront**

The improvement works involve beautifying the Sam Ka Tsuen Waterfront Sitting-Out Area (SOA), repaving the SOA and landscaping; erection of a Pai Lau (牌樓); repaving sections of Lei Yue Mun Praya Road and footpath serving the seafood restaurants; provision of taxi-stand, coach layby and covered walkway. The estimated cost of the project is \$14.84m. This will be funded by the Architectural Services Department and Highways Department. Some of the early deliverables can be completed before September 2002, and the others in early 2003.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MS SANDRA LEE

Post Title \_\_\_\_\_ Secretary for Economic Services

Date \_\_\_\_\_ 20 March 2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB023

Question Serial No.

0474

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

Programme:                    (4) Travel and Tourism

Controlling Officer:      Secretary for Economics Services

Bureau Secretary:        Secretary for Economics Services

Question :

How much resource has been allocated to carry out a feasibility study on development of a heritage tourism project at the Central Police Station, the Central Magistracy and the Victoria Prison? When will the study be completed and findings announced?

Asked by:    Hon. YOUNG, Howard

Reply:

The Government has commissioned a consultancy study to examine the potential for involving the private sector in a project for preserving, converting and developing this historical monument into a heritage-tourism themed development. The study, at a cost of about \$1.27m funded under Head 106 - Miscellaneous Services, Subhead 182 - Expenses for the appointment of financial and management consultants, is expected to be completed by mid 2002. In parallel, we are examining the reprovisioning requirements of existing users in the compound if the project goes ahead.

The Government will take into consideration findings of these studies in determining the way forward, and will announce a decision as soon as practicable.

Signature \_\_\_\_\_

Name in block letters      MS SANDRA LEE

Post Title      Secretary for Economic Services

Date      19.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB024

Question Serial No.

0475

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

700 General other non-recurrent

Item 016 A “Hospitable Hong Kong” Campaign

Programme: (4) Travel and Tourism

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

Under subhead 700-016, the balance for a “Hospitable Hong Kong” Campaign is HK\$3,406,000. Will the Administration inform this Council what activities will be held to promote a hospitality culture in the coming fiscal year and the expenditure to be incurred ?

Asked by: Hon. YOUNG, Howard

Reply:

In 2002, we plan to organise the following activities under the “Hospitable Hong Kong Campaign” and the related expenditure for the coming fiscal year is :

<u>Activities</u>	<u>Estimated Expenditure</u> <u>(\$m)</u>
(i) To continue to implement the Hong Kong Young Ambassador Scheme (HKYAS), including the 2 <sup>nd</sup> intake.	0.7
(ii) To design and produce an education kit on hospitality culture for use in secondary schools.	0.8
(iii) To stage a series of short TV episodes to promote a hospitality culture.	1.0
(iv) To sponsor activities organised by outside organisations which promote a hospitality culture in Hong Kong.	0.8

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 19.3.2002

Examination of Estimates of Expenditure 2002-03

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

Reply  
Serial No.

ESB025

Question  
Serial No.

0476

Head 145:  
Government Secretariat:  
Economic Services Bureau

Subhead 149:  
Departmental Expenses

Programme: (4) Travel and Tourism

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

How much provision was used to hold a Tourism Symposium in 2001? Will the Administration consider organizing a similar forum in the coming fiscal year or periodically in future?

Asked by: Hon. YOUNG, Howard

Reply:

About \$158,000 was used for the organization of the "Tourism Symposium 2001 – Challenges and Opportunities" at the Hong Kong Convention and Exhibition Centre on 3 November 2001.

The Symposium provided a useful opportunity for various sectors of the tourism industry to exchange ideas and discuss issues. We will consider organizing similar events should the need and opportunity arise. Meanwhile, we will continue to work closely with the relevant sectors through various channels.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 19.03.2002



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB026

Question Serial No.

0883

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 :

Please give details of the specific use of the estimated increase of \$15.2m in expenditure under Programme 14501, the posts created to strengthen the support on aviation and logistics matters, remuneration and scope of duties.

Asked by: Hon. TING Woo-shou, Kenneth

Reply:

The increase of \$15.2 million in expenditure under Programme (1) : Air and Sea Communications is mainly due to –

- (i) provision for undertaking research projects and promotional work for developing and promoting Hong Kong as an international maritime centre, a leading port and the preferred international and regional transportation and logistics hub, as well as a study on Competitive Strategy and Master Plan for the Time Definite Sector in Supply Chain (now retitled as “the study on Hong Kong Port – Master Plan 2020”). This accounts for \$13.4 million; and
- (ii) additional provision for funding the posts created to strengthen the support on aviation and logistics matters. This accounts for \$1.8 million. The additional posts include four non-directorate posts, viz. one Senior Marine Officer, one Senior Administrative Officer and two Administrative Officers. Additional resources required for the above posts will partly be funded by internal resources redeployment. Details of the above posts are as follows -

<u>Post</u>	<u>Number</u>	<u>Monthly salary</u>	<u>Scope of duties</u>
Senior Marine Officer	1	HK\$80,300 – 92,510	Provide support to the development of port and shipping infrastructure in Hong Kong, and the Port and Maritime Board Secretariat
Senior Administrative Officer	1	HK\$80,300 – 92,510	Assist in policy development, review of regulatory framework and processing of legislative proposals for civil aviation management

Administrative  
Officer

2

HK\$28,075 –  
77,500

One is responsible to provide support to the Hong Kong Logistics Development Council and policies on logistics development. The other one is responsible for providing research support to air services negotiations and secretarial support to the Air Transport Licensing Authority, and co-ordinating Hong Kong's participation in regional and international activities relating to aviation and transportation matters.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB027

Question Serial No.

0927

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 :

In establishing plans to strengthen Hong Kong as the preferred international and regional transportation and logistics centre in the coming financial year, what are the Economic Services Bureau's measures to solve the problem of high terminal handling charge, including the details of the funding and human resources involved. The local trade and manufacturing sector is severely hit by the high terminal handling charge which has not been lowered following the deflation. As such, please state whether the measures will include forming a task group to study the method to lowering the terminal handling charge. If not, is the reason related to resources?

Asked by : The Hon Kenneth Ting, JP

Reply :

In developing Hong Kong as the preferred international and regional transportation and logistics centre, the government is committed to providing a conducive environment and the necessary infrastructure. Container terminals in Hong Kong are wholly owned and operated by private entities. The operators have to fund the land cost and the construction cost of the terminals with no direct or indirect government involvement in investment and management. Therefore, the costings of local terminal operators are different from those of their counterparts elsewhere. Furthermore, terminal handling charge is collected by shipping lines from the shipper. It is not the fee levied by the terminal operators in providing service to shipping lines for loading and discharging containers from the ships. When a dispute in the terminal handling charge occurs, the role of the government is to liaise with the parties concerned to facilitate resolution of the dispute through dialogue. The objective in the discussions is to increase the transparency of the process. The government further ensures that sufficient port facilities are available to handle cargo.

In this regard, the Economic Services Bureau (ESB) has regularly conducted port cargo forecasts and reviewed the port development strategy to assess the future needs in port facilities. In August 2002, the ESB will commission a consultancy to conduct a study on Hong Kong Port – Master Plan 2020 for mapping out the long term development and competitiveness of the port.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 19.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB028

Question Serial No.

0931

Head:

Subhead(No. & title):

145 - Government Secretariat : Economic Services Bureau

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

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

Regarding Programme (2), what resources have been earmarked by the Economic Services Bureau for 2002-03 on devising measures so that electricity tariffs can be maintained at reasonable levels? What are the details of such work? In paragraph 8 under Brief Description of Programme (2), it have been mentioned that the Bureau established a multi-disciplinary team and commenced studies on options for regulatory regime for the electricity supply sector. What professional grades have been included in the team? Please provide details of the work schedule of the studies.

Asked by: Hon. TING Woo-shou, Kenneth

Reply:

Pursuant to the Scheme of Control Agreements, the Government examines and approves the projected basic tariff rate in periodic reviews of the financial plans of the two power companies. The Government also conducts annual tariff reviews with the power companies to ensure that electricity supply services are provided at a reasonable cost. Tariff reviews are part and parcel of the work of the Economic Services Bureau (ESB) under electricity supply policy. In 2002-03, \$ 8.4 million has been earmarked for work in this policy area.

The multi-disciplinary Electricity Team is set up to conduct studies to draw up a broad direction and viable framework for the development of Hong Kong's electricity supply sector. The Team is tasked to complete the studies in 2003 and draw up viable framework to regulate the electricity supply sector in Hong Kong on the expiry of the existing Scheme of Control Agreements in 2008. The team includes 8 permanent civil service posts - 1 Chief Electrical and Mechanical Engineer, 2 Senior Electrical and Mechanical Engineers, 1 Senior Economist, 2 Electrical and Mechanical Engineers, 1 Personal Secretary II and 1 Assistant Clerical Officer. The Team was established in May 2001 and has since initiated studies into various issues relating to electricity supply.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB029

Question Serial No.

0943

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 :

*Under the Programme : -Air and Sea Communications, the provision for 2002-03 draft estimate is 45.4% higher than the revised estimate for 2001-02, please provide details of work involved and the respective % of expenditure.*

Asked by:    Hon. TIEN Pei-chun, James

Reply:

The provision for 2002-03 estimate is 45.4% higher than the revised estimate for 2001-02. This is mainly due to –

- (i) provisions for undertaking research projects and promotional work for developing and promoting Hong Kong as an international maritime centre, a leading port and the preferred international and regional transportation and logistics hub, as well as a study on Competitive Strategy and Master Plan for the Time Definite Sector in Supply Chain (now retitled as “the study on Hong Kong Port – Master Plan 2020”). This accounts for 40% of the increase in provision; and
- (ii) additional provision required to fund the posts created to strengthen the support on aviation and logistics matters. This accounts for 5.4% of the increase in provision. The additional posts include four non-directorate posts, viz. one Senior Marine Officer, one Senior Administrative Officer and two Administrative Officers. Additional resources required for the above posts will partly be funded by internal resources redeployment.

Signature \_\_\_\_\_

Name in block letters        MS SANDRA LEE

Post Title    Secretary for Economic Services

Date                                20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB030

Question Serial No.

0944

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

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

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

Under Programme (2) Posts, Power, Competition Policy and Consumer Protection, the provision for 2002-03 draft estimate is 38.5% higher than the revised estimate for 2001-02, please provide details of work involved and the respective % of expenditure.

Asked by: Hon. TIEN Pei-chun, James

Reply:

The provision for 2002-03 estimates is 38.5% higher than the revised estimate for 2001-02. This is mainly due to -

- (i) full-year provisions for the engagement 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. These account for 32% of the increase in provision; and
- (ii) provisions for consultancy studies on specific issues relating to consideration of a regulatory and market restructuring framework for the electricity supply industry in Hong Kong and consultancies to advise on competition issues. These account for 6.5% of the increase in provision.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002

Reply Serial No.

ESB031

Question Serial No.

0964

Examination of draft Estimates of Expenditure 2002-03

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

Head : 145 – Government Secretariat : Economic Services Bureau

Subhead (No. & title) : --

Programme : 14502 Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

How many resources have been earmarked by the Administration for reviewing policies and practices with a view to enhancing competition in the coming year? Please give an account of the work.

Asked by : Hon LEUNG Yiu-chung

Reply :

Promotion of competition is the responsibility of the Government as a whole and an integral part of policy bureaux's and departments' responsibilities when they formulate/implement their policies and conduct their businesses. Manpower and resources involved in the review of policies and practices for the purpose of promoting competition are therefore included in the overall provision of the various policy bureaux and departments, and they cannot be separately quantified.

The work involved is diverse and the approaches different, depending on which government initiatives or practices or enquiries/investigation into complaints are at issue. As a matter of practice, bureaux and departments review existing arrangements from time to time, and as appropriate draw up sector-specific measures to enhance competition. For example, in 2001-02 the Commerce and Industry Bureau introduced a Bill into the Legislative Council to propose removing the criminal and civil liabilities relating to the parallel importation of and subsequent dealings in computer software. This is an example of competition being taken into account in the proposal. For the same consideration, the Treasury has reviewed its use of bank services and proposed to acquire more services on a competitive basis, as a measure to promote competition.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

SES

20 March 2002





In respect of developing new tourist attractions and facilities, we are constructing the Hong Kong Wetland Park at Tin Shui Wai as an eco-tourism initiative, the project cost of which is \$518.2 million \* funded under Head 703. Where the opportunity arises, we involve the private sector in the development of tourism projects, such as the Tung Chung Cable Car Project for which a franchise will be granted to private sector investors and the former Marine Police Headquarters Project in which private sector investors will be invited to preserve, convert and develop the structures as a heritage tourism development project. On the other hand, Phase 1 of the Hong Kong Disneyland is making good progress. The total project cost for land formation and infrastructure is \$13.569 billion funded under Head 705.

Conducting consultation and liaison with local organisations and government departments is an integral part of the work of the Tourism Commission. No additional cost will be incurred.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB034

Question Serial No.

1081

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 :

To strengthen the support on aviation and logistics matters, how many posts have to be created and what is the estimated expenditure?

Asked by: Hon. CHAN Kam-lam

Reply:

Four additional non-directorate posts, including one Senior Marine Officer, one Senior Administrative Officer and two Administrative Officers have been created in the Economic Services Bureau to strengthen the support on aviation and logistics matters. Except for one Administrative Officer post which is funded by additional resources, the remaining three posts are funded by redeployment of resources from the Bureau and the Marine Department. The full-year provision for the above posts is \$3.3 million.

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB035

Question Serial No.

1082

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 :

There is an increase in the estimated expenditure for the year. Apart from creating posts, it is mainly for promoting Hong Kong as an international maritime centre, a leading port and the preferred international and regional transportation and logistics hub as well as for conducting studies on logistics issues. As for the first three items, provision is only needed to improve on existing facilities. On studies on logistics issues, the only thing that has been done is the setting up of a Logistics Development Council. What are the major plans for the coming year that require additional provision of 45.4%?

Asked by: Hon. CHAN Kam-lam

Reply:

The Bureau will continue to pursue initiatives to strengthen Hong Kong's position as a leading port, maritime centre, transportation and logistics hub. Most of the additional expenditure will be spent on promotion and research projects covering various aspects of port, maritime and logistics development. On maritime development, Hong Kong will participate in Posidonia 2002 International Shipping exhibition, the largest shipping exhibition in the world, to be held in Piraeus, Greece. This will help to raise the profile of Hong Kong as an international trading and maritime centre. On port development, we will conduct a project to refine our Port Cargo Forecasts and will undertake a consultancy study on Hong Kong Port – Master Plan 2020 so as to formulate a competitive strategy and master plan for the port development in the coming 20 years. Following the establishment of the Steering Committee on Logistics Development and Hong Kong Logistics Development Council in November and December 2001 respectively, 5 Project Groups have been set up under the LOGSCOUNCIL to pursue projects to improve our logistics infrastructure. Additional funding has been set aside to fund research projects including Phase II of the McClier Report (which deals with the physical infrastructure), a study on the feasibility of developing a Digital Trade and Transportation Network System (which deals with e-logistics infrastructure), and measures to enhance the cost effectiveness of SMEs in the transport logistics sector.

To strengthen the support on port and logistics development, two additional non-directorate posts, including one Senior Marine Officer and one Administrative Officer have been created in the Bureau. The full-year provision for the above posts is about \$1.7 million.

Signature \_\_\_\_\_

Name in block letters                    MS SANDRA LEE

Post Title                    Secretary for Economic Services

Date                    20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB036

Question Serial No.

1236

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 :

As far as work to improve efficiency in existing port operation and work to develop logistics services are concerned, please provide their respective allocation arrangements and their specific implementation programmes and measures.

Asked by : Hon. LEUNG Lau Yau-fun, Sophie

Reply :

The Bureau will continue to pursue initiatives to strengthen Hong Kong's position as a leading port and transportation and logistics hub. Most of the additional expenditure will be spent on promotion and research projects covering various aspects of port and logistics development. On port development, we will conduct a project to refine our Port Cargo Forecasts and will undertake a consultancy study on Hong Kong Port – Master Plan 2020 so as to formulate a competitive strategy and master plan for the port development in the coming 20 years. Following the establishment of the Steering Committee on Logistics Development and Hong Kong Logistics Development Council in November and December 2001 respectively, 5 Project Groups have been set up under the LOGSCOUNCIL to pursue projects to improve our logistics infrastructure. Additional funding has been set aside to fund research projects including Phase II of the McClier Report (which deals with the physical infrastructure), a study on the feasibility of developing a Digital Trade and Transportation Network System (which deals with e-logistics infrastructure), and measures to enhance the cost effectiveness of SMEs in the transport logistics sector.

To strengthen the support on port and logistics development, two additional non-directorate posts, including one Senior Marine Officer and one Administrative Officer have been created in the Bureau. The full-year provision for the above posts is about \$1.7 million.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Secretary for Economic Services
Date	20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB037

Question Serial No.

1118

Head: 168 Hong Kong Observatory      Subhead(No. & title):

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Bureau Secretary: Secretary for Economic Services

Question : Will the Government inform the Council of the following:

Concerning the adoption of the next-generation numerical weather prediction model to forecast rainstorms, before implementing the new model, how does the Administration assess the effectiveness of the new model and the additional provision required? What merits does the new model have over the existing one? What preparation has to be undertaken before the adoption of the new model?

Asked by: Hon. CHAN Kam-lam

Reply:

The next-generation numerical weather prediction model is expected to enhance the reliability of rain forecast around Hong Kong through better simulation of the atmospheric condition. Before finalizing the plan for the adoption of the next-generation numerical weather prediction model, the Hong Kong Observatory will put a prototype model into trial operation to evaluate the effectiveness of the model and will also study the technical issues involved. Such research and development work is currently undertaken with existing resources and no extra provisions are required now. If it is decided to implement the new model, the costs would depend heavily on the evolution of the computer market.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Dr H K LAM

Post Title \_\_\_\_\_

Director of the Hong Kong Observatory

Date \_\_\_\_\_

20 March 2002

Reply Serial No.

ESB038

Question Serial No.

0568

Examination of draft Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-department Public bodies

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

Programme : 17701 - Subvention : Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

As regards the Consumer Council's work on "product tests", "consumer surveys" and "in-depth studies", please provide a breakdown of the actual expenditure for 2000-01 and 2001-02 and the estimated expenditure for 2002-03. It can be seen that the actual and estimated numbers for the above three indicators are just the same for the year 2000 and 2001, what is the reason for that? Does that imply that no matter what the consumer demand would be, fixed quantities of work should be performed as regards the above three items? If so, what is the rationale behind it?

Asked by : Hon. NG Leung-sing

Reply :

Direct expenditures on "product tests", "consumer surveys" and "in-depth studies" are accounted for as "research and testing" expenditures in the Consumer Council's estimates. The figures for the 3 years in question are as follows:

<u>2000-01 Expenditure</u>	<u>2001-02 Expenditure</u>	<u>2002-03 Estimated Expenditure</u>
\$3,742,000	\$3,491,000	\$3,240,000

In addition, staff in the Council's "Research and Survey Division" are also involved in doing the tests, surveys and studies. The manpower resources, however, cannot be separately quantified, as the Division is also involved in various other research and survey projects.



The number of projects quoted in the Controlling Officer's Report only reflects the number of survey and testing reports published in the "Choice" magazine. The Consumer Council in fact also carries out other survey and testing projects, findings of which are submitted through other channels to the relevant authorities for their reference. Thus, while the number of projects undertaken might appear to be the same in the past few years, these numbers alone do not fully reflect the work undertaken by the Council in these areas or the effectiveness of the work done. This is because –

- (1) the complexity of individual research / testing projects, hence the workload, varies with the type of product involved;
- (2) as products available in the market become more diverse, the number of models tested increases even though the number of projects undertaken remains the same. The number of models tested in 2001-02, for instance, has increased by 15% over that in 2000-01; and
- (3) the Council has, since 2001-02, actively participated in joint product tests with overseas consumer organizations. The Council can therefore test products (including hi-tech products, test of which cannot as yet be conducted in Hong Kong) with less resources. While reducing the need for developing additional test projects on its own, the Council may still provide more comprehensive information to consumers.

Signature	_____
Name in block letters	<u>MS SANDRA LEE</u>
Post Title	<u>SES</u>
Date	<u>20 March 2002</u>

Reply Serial No.

ESB039

Question Serial No.

0569

Examination of draft Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 177 Subventions: Non-department Public bodies

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

Programme : 17701 - Subvention : Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) : Please provide the estimate and details of the Consumer Council's plan in enhancing the quality of its work in performing product tests for 2002-03.

Asked by : Hon. NG Leung-sing

Reply :

In 2002-03, the Consumer Council will make use of its existing resources to enhance the quality of its research and product testing work. The Council's "Research and Survey Division" will provide the necessary manpower, and part of the provisions earmarked for "research and testing" will also be deployed for this purpose. Resources involved, however, could not be separately quantified. The Council's plan with regard to work in this area in the coming year is as follows -

- (1) participate more actively in joint testing programmes with overseas organisations, and purchase more new models from the market for testing, so that timely tests could be conducted on new models;
- (2) be responsive to changes in the market and provide consumers with updated information. Adopt a continuous testing approach to products which use state-of-the-art technology, including new models as they come on stream, and publish the test results more frequently; and

- (3) collaborate with Government departments and statutory bodies in pooling resources for conducting more research and testing projects, so that consumers will be provided with more comprehensive information.

Signature	_____
Name in block letters	<u>MS SANDRA LEE</u>
Post Title	<u>SES</u>
Date	<u>20 March 2002</u>

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB040

Question Serial No.

0926

Head : 177 – Subventions: Non-department Public bodies

Subhead : 429 – Consumer Council  
955 – Consumer Council

Programme : 17701 Subvention : Consumer Council

Controlling Officer : Secretary for Economic Services

Bureau Secretary : Secretary for Economic Services

Question(s) :

Among the manpower and resources the Consumer Council put in handling complaints, how many of them are involved in handling complaints from tourists for 2001-02 and 2002-03? How many complaints of this kind were received in 2001? What are the performance pledges in handling this kind of complaints? How many resources have been earmarked in the coming year for ensuring tourist complaints are to be handled in line with the performance pledges?

Asked by : Hon. Mrs CHOW LIANG Shuk-yee, Selina

Reply :

In 2001, the Consumer Council received 810 complaints from tourists, representing about 4% of the total number of complaints received by the Council.

At present there are 12 Complaints Officers on the Council's establishment responsible for handling consumer complaints. To cope with the increasing workload, the Council will create 1 additional Complaints Officer post in April 2002. To ensure flexible and efficient use of resources, and that complaints are attended to as soon as possible, the Complaints Officers are required to handle complaints as they come along, and are not given designated portfolios.

Nonetheless, it is the practice of the Consumer Council to attend to complaints from tourists in the first instance, with a view to having them resolved before the tourists leave Hong Kong. If necessary, the Council will also assist tourists in lodging claims with the Small Claim Tribunal.

Signature	_____
Name in block letters	<u>MS SANDRA LEE</u>
Post Title	<u>SES</u>
Date	<u>20 March 2002</u>

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB041

Question Serial No.

0479

Head : 177 Subventions : Non Non-departmental Public Bodies    Subhead : 443 Hong Kong Tourism Board

Programme:

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question : In 2002-03, will there be any increase in provision for strengthening tourism promotion in our two major markets – the Mainland and Taiwan? What promotion activities will be launched to attract visitors from these two markets?

Asked by: Hon. YOUNG, Howard

Reply:

In its budget for 2002-03, the Hong Kong Tourism Board (HKTB) has earmarked the following provisions for tourism promotion and marketing in the Mainland and Taiwan:

Mainland : \$34.7 million, representing an increase of 23% over 2001-02

Taiwan : \$31.1 million, representing an increase of 16% over 2001-02

Some of the major promotional activities/strategies planned by HKTB for the Mainland and Taiwan in 2002-03 include (but not limited to):

Mainland

- To open two additional offices in Chengdu and Guangzhou to strengthen presence and promotion;
- To conduct joint exhibitions and activities with the SAR Government in a large-scale promotional programme in Shandong;
- To adopt a focused-marketing approach to target promotions at high-growth market segments and introduce new products such as family package and mega events under “City of Life: Hong Kong is it!”;
- To help the trade of Hong Kong establish relationship with the newly authorized Mainland travel agents under the “Hong Kong Group Tour Scheme”; and
- To conduct publicity activities to target at a wider audience, such as TV advertisements.

Taiwan

- To adopt a focused-marketing approach to target promotions at high-growth market segments and introduce diversified products to meet the needs of different segments;
- To promote the convenience provided by the iPermit Scheme; and
- To identify new trade partners to extend the market in central and southern regions.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MS SANDRA LEE \_\_\_\_\_

Post Title \_\_\_\_\_ Secretary for Economic Services \_\_\_\_\_

Date \_\_\_\_\_ 19.03.2002 \_\_\_\_\_



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB042

Question Serial No.

0480

Head: 177 Subventions: Non-departmental Public Bodies

Subhead: 443 Hong Kong Tourism Board

Programme:

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question : Under matters requiring special attention in 2002-03, it is stated that the Hong Kong Tourism Board will enhance information distribution channels to deliver useful and timely information to visitors. How much provision has been allocated for this enhancement and what are the details?

Asked by: Hon. YOUNG, Howard

Reply:

The Hong Kong Tourism Board (HKTB) has earmarked \$1.15 million in 2002-03 for possible enhancement in the following areas:

Virtual Visitor Service Booths

With the latest information technology, the HKTB is developing virtual visitor service booths, with video conferencing capability. These booths can be positioned in different locations but served by one centralised team. This method of delivery can deliver personalised service at much lower cost than fully manned centres.

Multimedia Itinerary Planner with PDA Downloading Capability

The HKTB plans to develop software that can generate tailored itinerary recommendations based on a visitor's input and preference. This will provide further opportunity to market Hong Kong products and attractions, according to an individual's needs.

Distribution of information in hotels, points of entry and other places frequented by visitors

The HKTB is reviewing the need to upgrade information services at entry points and strengthen presence in hotels, with the objective to maximize reach and minimize duplication of effort.

In addition, the Tourism Orientation Programme, for which \$20 million has been earmarked in 2002-03, will also involve stationing Tourism Hosts in selective entry points, attractions and facilities, shopping malls, front office of hotels, HKTB's visitor centres and popular places visited by tourists to provide better assistance and service.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MS SANDRA LEE

Post Title \_\_\_\_\_ Secretary for Economic Services

Date \_\_\_\_\_ 19.03.2002



Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB043

Question Serial No.

0935

Head: 177 – Subventions: Non- departmental Public Bodies      Subhead(No. & title): 443 & 870 – Hong Kong Tourism Board

Programme: Subvention : Hong Kong Tourism Board

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

Please reply the following questions in respect of the Hong Kong Tourism Board –

- (a) On stimulating visitors' spending in dining and shopping, what concrete plans does the Hong Kong Tourism Board have and what are the expenditure?
- (b) What is the specific content and expenditure of the "City of Life: Hong Kong is it!" project of the Hong Kong Tourism Board?

Asked by: Hon. TIEN Pei-chun, James

Reply:

In respect of the above questions, the Hong Kong Tourism Board has the following promotional plans –

- (a) There are two major programmes coming up under the "City of Life: Hong Kong is it!" Campaign to stimulate visitors' spending, particularly on shopping and dining –

Mega Hong Kong Sale

The HKTB will hold four themed-shopping events and a major lucky draw. Participating retailers will offer extra discounts to stimulate visitors' and consumers' spending. More than 2,000 outlets are expected to participate in this programme. The HKTB will also launch a "Hong Kong Must Buy" campaign to encourage tourists to purchase Hong Kong's signature products. Local and overseas PR activities will be conducted in May to support the programme.

"City of Life" Street Carnival

This event is scheduled for the end of 2002. The HKTB plans to turn streets and public spaces into venues for live entertainment with stalls selling food and beverages. In addition to participation of restaurants in the vicinity, a series of promotions in major dining areas throughout Hong Kong are planned.

There are two other initiatives, the "Gourmet Delights" programme and Best of the Best Culinary Awards, which will take place this year to promote the culinary experience in Hong Kong.

In 2002-2003 the HKTB has earmarked \$18.1 million for the above initiatives.

(b) City of Life: Hong Kong is it! Campaign

The “City of Life : Hong Kong is it!” is a two-year campaign launched in April 2001 to strengthen the appeal of Hong Kong and to stimulate visitors’ spending. The Campaign comprises two series of events. A series of mega-events are co-organised by the HKTB, the Home Affairs Department and Leisure and Cultural Services Departments, the Tourism Commission and other organisations, comprising five programmes:

- CLP Lights Up Hong Kong (*completed*)
- Cathay Pacific International Chinese New Year Parade and Fiesta (*completed*)
- Hong Kong Flower Extravaganza (*completed*)
- Mega Hong Kong Sale (to commence in June 2002)
- City of Life Street Carnival (to commence in late 2002)

The other series comprises activities conducted by the 18 Districts. Since September 2001, the HKTB has been working with the 18 Districts to promote tourist attractions in each district as a “Recommendation of the Month”.

The HKTB has allocated approximately \$15 million from subvented funds in 2001-02 and 2002-03 to finance part of the costs of the campaign. The total amount of resources committed in the campaign, including sponsorship from various sources and contribution from other government departments and District Councils in the form of activities and programmes, is estimated to be around \$240 million

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002

Examination of Estimates of Expenditure 2002-03  
**CONTROLLING OFFICER'S REPLY TO  
WRITTEN/SUPPLEMENTARY QUESTION**

Reply Serial No.

ESB044

Question Serial No.

1064

Head: 177 – Subventions: Non-  
departmental Public Bodies

Subhead: 443 & 870 – Hong Kong Tourism Board

Programme: Subvention : Hong Kong Tourism Board

Controlling Officer: Secretary for Economic Services

Bureau Secretary: Secretary for Economic Services

Question :

Provision for 2002-03 is \$22.7 million (4.5%) higher. This is mainly due to the one-off funding of \$9.9 million and a time-limited provision of \$20 million for the tourism orientation programme. Please provide details of expenditure of the said provision.

Asked by: Hon. WU King-cheong, Henry

Reply:

The details of the one-off funding of \$9.9 million to enhance information technology and the time-limited provision of \$20 million for the Tourism Orientation Programme are as follows:

\$9.9 million for enhancement of information technology

In order to strengthen and develop its capability in information collection and information-based strategic planning/marketing, the Hong Kong Tourism Board (HKTB) proposes to establish a data warehouse as a core part of the information infrastructure at a cost of \$9.9 million. The costs will cover the design and development cost, software licence, hardware cost, systems interfaces, data transformation and cleansing cost, etc.

With the data warehouse, HKTB will be able to organize different types of data including tourism statistics, marketing, financial, administration and other operational data together into a central repository. It will enable them to amalgamate and correlate different mix of data for fulfilling organizational-wide data enquiry and reporting requirements. The data warehouse will also provide the necessary platform for the data analysts to carry out data mining activities and to pick up important information that is necessary for formulation of critical strategies.

\$20 million for Tourism Orientation Programme

The Tourism Orientation Programme (TOP) is a two-year programme to be run from April 2002 until March 2004. It will provide practical working experience to graduates of tourism-related courses in different sectors of the industry. The programme is divided into two sessions, each lasting for one year. The objective is to build greater awareness of tourism issues among this important group as well as to provide better services to visitors to Hong Kong.

Each year 200 candidates, preferably those who have had full time or part-time training in tourism, will be recruited to work as Tourism Hosts to welcome visitors and provide assistance that visitors may require. The

Tourism Hosts will be attached to the workplace of tourism industry partners which include border control points, attractions and facilities, shopping malls, front office of hotels, and HKTB's visitor centres. They will also participate in events organised by HKTB. At the same time, the Tourism Hosts will be provided with training and nurturing throughout the year by HKTB. The practical working experience and training programme forms a useful orientation programme for the Tourism Hosts.

The Tourism Hosts will be employed under a one-year contract by HKTB. They will be provided with a monthly allowance, MPF, and workmen's compensation insurance. The performance of Tourism Hosts will be monitored and evaluated under a structured performance evaluation management system. The industry is encouraged to give employment preference to the Tourism Hosts at the end of the programme.

Breakdown of provision for 2002-03	<u>HK\$'m</u>
Hiring of the 200 Tourism Hosts	14.25
Monthly allowance, MPF contribution, workmen's compensation insurance, uniform, transportation allowance	
Training and nurturing programme	1.76
Programme launching, publicity and recruitment	1.50
Co-ordination office	1.89
Contingency	0.60
	<u>      </u>
Total	<u>20.00</u>

Signature \_\_\_\_\_

Name in block letters MS SANDRA LEE

Post Title Secretary for Economic Services

Date 20.3.2002