

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2458/01-02  
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by the Administration)

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**Panel on Commerce and Industry**

**Minutes of meeting**  
**held on Monday, 10 June 2002, at 4:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon Kenneth TING Woo-shou, JP (Chairman)  
Hon HUI Cheung-ching, JP (Deputy Chairman)  
Dr Hon LUI Ming-wah, JP  
Hon NG Leung-sing, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon CHAN Kam-lam  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon SIN Chung-kai  
Hon Henry WU King-cheong, BBS  
Hon MA Fung-kwok
- Members absent** : Hon CHEUNG Man-kwong  
Hon CHOY So-yuk
- Public officers attending** : **For Item IV**  
Mr Philip CHAN  
Principal Assistant Secretary for Commerce and Industry  
  
Mr Simon WONG  
Assistant Commissioner of Customs and Excise  
(Administration and Exercise)
- For Item V**  
  
Mrs Sarah KWOK  
Deputy Commissioner for Innovation and Technology

Mr Tony LAM  
Assistant Commissioner for Innovation and Technology  
(Infrastructure)

Ms Annie CHOI  
Principal Assistant Secretary for the Environment and  
Food (B2)

**For Item VI**

Mr Kenneth MAK  
Deputy Secretary for Commerce and Industry

Miss Anita CHAN  
Principal Assistant Secretary for Commerce and Industry

**Clerk in attendance :** Ms Connie SZETO  
Chief Assistant Secretary (1)4

**Staff in attendance :** Mr TSANG Siu-cheung  
Senior Assistant Secretary (1)7

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Action

**I Confirmation of minutes of previous meetings**  
(LC Paper Nos. CB(1) 1925/01-02 and 1926/01-02)

The minutes of the special meeting and meeting held on 10 January and 8 April 2002 respectively were confirmed.

**II Information papers issued since last meeting**

2. Members noted that no information paper had been issued since the last meeting.

**III Date of the next meeting and items for discussion**  
(LC Paper Nos. CB(1) 1923/01-02(01) and 1923/01-02(02))

3. Members agreed that the next regular meeting would be held on Monday, 8 July 2002 at 4:30 pm to discuss the progress of the work of the Hong Kong Guangdong Cooperation Coordination Unit. As there was only one discussion item for the meeting, the Chairman advised that members who wished to propose other discussion items could inform the Clerk after the meeting.

**IV Proposed new Customs Headquarters Building**  
(LC Paper No. CB(1) 1923/01-02(03))

4. The Principal Assistant Secretary for Commerce and Industry (PAS(CI)) briefed members on the proposed new Customs Headquarters Building (the new Customs Building). Details were set out in the information paper provided by the Administration.

The construction area, costs and facilities of the new Customs Building

5. Referring to the new Customs Building's total area of 27 636.9m<sup>2</sup> and 66 314 m<sup>2</sup> respectively referred to in Annex B and paragraph 14 of the paper, Mr Henry WU expressed concern about the discrepancies between the two. In response, the Assistant Commissioner of Customs and Excise (Administration and Excise) (AC(C&E)) replied that the area of 27 636.9m<sup>2</sup> mentioned in Annex B was the exact usable floor area of the new Customs Building, while the area of 66 314m<sup>2</sup> referred to in paragraph 14 was the construction floor area (CFA) which included the area of other ancillary and common facilities. PAS(CI) supplemented that the Architectural Services Department had already vetted the area and facilities of the new Customs Building project, which were also complied with the specifications and standards of office buildings of disciplined services in general. He was prepared to provide detailed information on the area of the new Customs Building in subsequent submission to the Public Works Subcommittee (PWSC) of the Legislative Council (LegCo).

6. The Chairman and Mr Henry WU expressed reservation about PAS(CI)'s suggestion. They opined that the Administration must provide a justifiable explanation regarding the enquiries raised by members on the construction area of the new Customs Building. Otherwise the Panel would not support the Administration in submitting the proposal for PWSC's scrutiny.

7. As regards Mrs Selina CHOW's comment on the high estimated construction cost of the new Customs Building, PAS(CI) pointed out that the construction unit cost was only \$11,886 per m<sup>2</sup>, which was lower than that of other comparable government offices. For example, the respective construction unit costs of the New Territories South Regional Police Headquarters, the Police Headquarters and the North Point Government Offices Building were about \$12,000, \$13,000 and \$17,000. He stressed that the proposed facilities in the new Customs Building were basic facilities and were certainly cost-effective. In response to Mrs Selina CHOW's further enquiry, PAS(CI) clarified that the Administration intended to seek the approval of PWSC and the Finance Committee (FC) for \$1,143.3 million for the project. As for the project estimate of \$788.2 million stated in paragraph 14 of the paper, the figure represented the costs of building and building services.

8. Mrs Selina CHOW requested the Administration to further clarify the calculation of the construction cost and area of the proposed new Customs Building. PAS(CI) said that the estimated total capital cost of \$1,143.3 million included costs for major items, such as piling, building, building services, drainage and external works, furniture and equipment, reprovisioning of refuse collection point, consultancy fees and contingencies. Since the Administration could not provide a clear explanation on members' enquiries regarding the construction costs and area, the Chairman requested the Administration to provide the Panel with detailed papers, information and analysis on the area and cost items concerned to facilitate members' further consideration of the proposal.

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9. Dr LUI Ming-wah opined that centralizing the dispersed offices in one location i.e. the new Customs Building, could enhance operational efficiency. In response to Dr LUI's enquiry, AC(C&E) advised that except for those located at the airport and individual border control points, the Customs and Excise Department (C&ED) would relocate most of its offices (as indicated in Annex A) to the new Customs Building. He confirmed that there were no special operational reasons behind the dispersed location of existing C&ED offices. Dr LUI Ming-wah asked the Administration whether future demands had been taken into account when planning the new Customs Building project. He also requested the Administration to assess for how many years the new Customs Building could cope with C&ED's operational needs. In addition, he further suggested that the Administration should consider providing a stronger foundation for the new Customs Building to allow for future expansion having regard to actual needs.

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10. Expressing concern about the high construction cost of the new Customs Building, Mr CHAN Kam-lam considered that the Administration should provide more detailed information. Responding to Mr CHAN Kam-lam's enquiry about the additional video interview rooms, AC(C&E) replied that C&ED had 10 video interview rooms at present. Five of them were located at C&ED offices while the remaining were provided at border control points. In the proposed new Customs Building, there would be 15 video interview rooms (including 10 new rooms and 5 reprovisioned rooms). Upon completion of the project, C&ED would have 20 video interview rooms altogether. PAS(CI) added that the use of video interview rooms could effectively avoid unnecessary disputes that might arise during the taking of statement from suspects and ensure that the entire process was conducted in a fair and impartial manner. He said that video interview rooms were basic facilities for disciplined services. As the statement-taking process would be recorded by camera from different angles, these interview rooms generally required larger area.

11. Mr CHAN Kam-lam questioned about the urgency of the substantial increase in the number of video interview rooms and requested the Administration to provide the existing utilization rate of these rooms for the

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Panel's reference. AC(C&E) explained that due to the inadequacy of existing facilities, the use of video interview only covered more serious cases such as those to be dealt with by the High Court and District Court. However, he advised that the Administration planned to extend such arrangements to Magistracy cases in the long run. As such, there would be higher demand for video interview rooms.

CIB 12. Mr CHAN Kam-lam was also concerned about the increase in the area of changing facilities and night duty rooms in the new Customs Building from 160m<sup>2</sup> to 845m<sup>2</sup>. He requested the Administration to provide justifications. PAS(CI) replied that in general, C&ED offices would only be equipped with night duty rooms while changing facilities were not available to duty officers at present. The officers need to change clothes in their offices or toilets, which caused them much inconvenience.

CIB 13. Mr HUI Cheung-ching opined that as the new Customs Building was not located at a commercial centre, the construction cost should not be that high. PAS(CI) stressed that the Administration had already made reference to the construction costs of other similar projects when working out the present proposal. As to how the proposed new Customs Building would enhance C&ED's operational efficiency, Mr HUI Cheung-ching requested the Administration to provide specific justifications in this respect.

14. On the provision of an indoor firing range in the new Customs Building, Mr NG Leung-sing was concerned about the number of duty officers who were required to do firearm practices and urged the Administration to assess the utilization rate of the new firing range. The Chairman considered that in order to minimize the cost, the Administration should examine the feasibility of upgrading and improving the existing outdoor firing range at Tai Lam. AC(C&E) said that the non-standard six-lane outdoor firing range at the Tai Lam Training School had already reached its capacity. Over the years, C&ED had been relying on the training facilities of other disciplined services which was not a desirable arrangement. The new Customs Building would provide an eight-lane firing range with facilities meeting up-to-date standards. He advised that some 3 800 C&ED officers need to receive annual firearm training. The Administration estimated that the usage of the existing and new firing ranges would exceed 200 days.

15. Mr NG Leung-sing was concerned whether the inadequacy of firearm training facilities in the past had affected the standard of C&ED officers in using firearm. AC(C&E) replied that the existing firing range at the Tai Tam Training School could still provide basic firearm training for C&ED officers which met the safety requirements of armed officers. More advanced firearm training could be provided only after the completion of the new Customs Building.

CIB 16. Responding to the Chairman's enquiry about upgrading and improving the facilities of the existing firing range, PAS(CI) advised that the Administration had already considered the feasibility and the cost-effectiveness of such a proposal. He would provide the relevant information for the Panel's reference.

17. In view of members' queries on the new Customs Building project, in particular the calculation of the construction area and construction cost, Mrs Selina CHOW considered that the Administration should provide a clear explanation to the Panel before seeking PWSC and FC's funding approval for the project. PAS(CI) noted Mrs Selina CHOW's view.

#### Location of the new Customs Building and public consultation

18. Given that the majority of C&ED control points, such as the container terminal, airport and land border control points, were located in the western part of Hong Kong, Mr MA Fung-kwok expressed reservation about the choice of North Point as the site of the new Customs Building. AC(C&E) replied that having regard to various factors, the Administration considered that the accessibility of the present site could facilitate the effective discharge of duties by different action teams and task forces, as well as providing appropriate logistics support in administration and information technology. He further added that the existing staff establishment of C&ED was 5 200, among which 1 800 would be relocated to the new Customs Building while the remaining staff would be stationed at various border control points and offices over the territory. Mr MA Fung-kwok did not agree with the Administration's analysis.

19. Mr Henry WU was concerned that although C&ED and the Planning Department had consulted the Eastern Provisional District Board on the proposed new Customs Building in November 1988, which was already four years ago, he was worried that the Eastern District Council (EDC) might have different views due to some other considerations. Citing the proposal of the Independent Commission Against Corruption (ICAC) to construct an office building in the Eastern District as an example, he said that EDC had expressed views when consulted that the height of the proposed building was not compatible with the environment in the vicinity. As a result, ICAC had to identify another site in the district for the project. Therefore, Mr WU suggested that the Administration should consult EDC on the new Customs Building project.

20. On the need to consult EDC on the proposed new Customs Building project, PAS(CI) advised that the Administration had already assessed the location of the Building and considered that the location would not affect its adjacent environment. As for private housing estates, the owners of Island Place and Healthy Gardens were concerned that the new Customs Building would block their view. PAS(CI) said that as the proposed Building would be some 100m away from these housing estates, the Administration believed that the resultant implications would be rather minor. It was therefore considered

unnecessary to consult EDC on the project. In fact, the Administration had identified an alternative site in Chai Wan but did not pursue the option further given its large size and low accessibility.

21. Mr Henry WU said that in principle, he did not object to the proposal of constructing the new Customs Building to centralize the dispersed offices. However, he reiterated the need to consult EDC so as to safeguard the interest of the residents in the district. The Chairman requested the Administration to consider Mr WU's view.

22. In respect of planning, Mrs Selina CHOW agreed that the new Customs Building should be built in the urban area. However, she was concerned whether the building would be subject to any statutory construction and planning restrictions applicable to private development, in particular the building height.

CIB 23. PAS(CI) replied that the proposed new Customs Building would not be subject to any statutory limit in respect of building height. On Mrs Selina CHOW's enquiry about whether the Planning Department had made reference to the height limit of private development when vetting and approving the present proposal, he undertook to provide more detailed information after the meeting.

#### Conclusion

CIB 24. The Chairman concluded that in principle, the Panel supported the proposal of constructing a new Customs Building to centralize dispersed offices in one location with a view to enhancing operational efficiency. In view of members' concerns, he requested the Administration to review the project taking into account members' views, and to provide detailed information before submitting the project to PWSC and FC for funding approval.

### **V Consultancy study on environmental technology industry in Hong Kong** (LC Paper No. CB(1)1923/01-02(04))

25. The Deputy Commissioner for Innovation and Technology (DCIT) briefed members on the findings of the consultancy study on environmental technology industry (ETI) in Hong Kong. Details were set out in the information paper provided by the Administration.

#### The environmental technology industry market

26. As the Chinese Government had planned to turn the 2008 Beijing Olympics into "environmentally-friendly Olympic Games", Mr NG Leung-sing believed that ample business opportunities would be available to ETI both in and

outside China. In this connection, he was concerned whether the Administration had formulated any measures to help local establishments capitalize on the business opportunities so arose.

27. DCIT replied that the Consultant had conducted studies on the ETI market in the Mainland, including the business opportunities brought about by the 2008 Beijing Olympics and the infrastructural projects to be taken forward. She advised that the Administration would pay close attention to ETI activities which had development potentials in the Mainland and maintain close liaison with the industry to provide relevant information for its reference, thus enabling them to grasp the business opportunities. In reply to Mr NG Leung-sing's enquiry, she said that apart from the bureaux and departments concerned (such as the Environment and Food Bureau, the Environmental Protection Department, etc), the Innovation and Technology Commission was also willing to provide advice and assistance to establishments in the industry in promoting the development of ETI.

28. Mr MA Fung-kwok expressed reservation about the number of business establishments and the size of workforce engaged in the local ETI (i.e. 370 companies and 22 770 employees) stated in the paper. Commenting that the figures represented an overestimation of the actual market situation, he enquired about the definition of ETI business establishments. DCTI replied that according to the survey among local enterprises conducted by the Consultant, some ETI establishments also operated other businesses, such as the supply of industrial equipment, and the provision of mechanical and electronic services. She advised that the Administration would provide the Panel with further information on the definition of ETI establishments in the consultancy study after the meeting.

*(Post-meeting note: The information provided by the Administration on the definition of ETI establishments was circulated for members' reference vide LC Paper No. CB(1) 2255/01-02(01) on 10 July and 21 August 2002 respectively.)*

29. On Mr MA Fung-kwok's enquiry about the strengths of local ETI, DCTI replied that the consultancy study pointed out that establishments engaged in the industry possessed good technical capability in several specialized areas, particularly the pollution control technology, waste recycling/recovery activities consultancy services, etc. Some establishments also had excellent experience in both the local and Mainland markets and maintained good business ties with relevant establishments in places including the Mainland and South East Asia. Notwithstanding, she stressed that Hong Kong's ETI still had its inadequacies. For example, the relatively small size of ETI establishments, insufficient research and development (R&D) and lack of exposure to foreign markets. All these factors would hinder the development of ETI.

30. Given that the Hong Kong ETI scene was dominated by the public sector, Mr MA Fung-kwok considered the scope for private sector participation in the development of ETI rather limited. He asked how the Government would assist the private sector in developing ETI. The Principal Assistant Secretary for Environment and Food (PAS(EF)) responded that the Government shared some 75% of expenditure in the local environmental technology market, because the Administration invited private sector to participate in the design and operation of environmental infrastructural projects, such as the construction of waste management facilities and landfills, so as to create more business opportunities for the private sector. Mr MA Fung-kwok was concerned about the constraints on the promotion of local ETI given Hong Kong's obligation under the Government Procurement Agreement (GPA) of the World Trade Organisation (WTO) whereby no preferential treatment should be offered to local enterprises. In this connection, PAS(EF) advised that in implementing environmental infrastructural projects, the Government would invite tenders from private sectors both local and overseas. Many infrastructural projects were undertaken by joint ventures of local and overseas contractors.

#### Government's support and role in the development of ETI

31. Mr CHAN Kam-lam was concerned about how the Administration could assist in the development of local ETI, particularly in terms of lowering the operating costs to enhance competitiveness of the industry. DCIT said that the Consultant was also aware that both cost and non-cost competitiveness of local ETI were ranked lower than those of the ETIs in South East Asia. In order to facilitate the further development of local ETI, the Consultant recommended to focus on developing local market and tapping into the business opportunities in the neighbouring region. It would also strengthen R&D work at local universities and accelerate the commercialization of research results. This would provide the market with high value-added products and services, which would in turn enhance the competitiveness of local ETI. In addition, the Administration would actively study ways to address the shortage of ETI manpower and encourage ETI establishments to apply for training grant under the New Technology Training Scheme.

32. PAS(EF) added that the Administration placed great emphasis on the development of local ETI. Taking the recycling industry as an example, given its land intensive nature, the Administration had reserved land in Tuen Mun for the establishment of a Recovery Park to facilitate the development of the industry. In fact, certain local and overseas companies had already expressed interest in developing their recycling industry in the Recovery Park. The Administration expected that the development of the recycling industry in the direction of a high value-added and high technology industry might help reduce the operating costs. Mr CHAN Kam-lam requested the Administration to provide details on the Recovery Park for members' reference.

(*Post-meeting note:* The information provided by the Administration on the development of Recovery Park was circulated for members' reference vide LC Paper No. 2255/01-02(02) on 10 July and 21 August 2002 respectively.)

33. Mrs Sophie LEUNG said that at present, advanced countries had produced many ETI research results and opined that the Government should consider introducing the relevant technologies as appropriate. DCIT pointed out that when conducting research on environmental technology, local research institutions also made reference to overseas and Mainland research results.

34. Mrs Sophie LEUNG further advised that while promoting the development of ETI, the Government should formulate corresponding policies and measures as well. Citing the Landfill Charging Scheme (LCS) as an example, she pointed out that the Government should first implement waste separation policy and explore outlets for recycled wastes to ensure the smooth operation of the Scheme. In response, PAS(EF) said that the Government attached great importance to the policies and measures for supporting the development of ETI, including ways to enhance social awareness regarding waste separation and disposal, as well as the outlets for recycled wastes. On the introduction of overseas environmental technology, she advised that recently, the Administration had openly invited technology suppliers worldwide to provide detailed information on waste management technology and submit expressions of interest. Then the Administration would select the technology Hong Kong required. The Administration would report to the LegCo Panel on Environmental Affairs (EA Panel) the technology being recommended for adoption in Hong Kong in due course. She stressed that the entire process would be highly transparent and discussion with the industry would also be welcomed.

35. In reply to Mrs Selina CHOW's view on LCS, PAS(EF) advised that the proposal might provide economic incentive for enterprises to reduce generating wastes. She supplemented that the EA Panel would discuss the Scheme in detail at its meeting on 24 June 2002. Subject to members' support, the Administration would amend the legislation concerned in due course to implement the Scheme.

36. Mrs Selina CHOW was concerned that the Government dominated the local ETI market. She also considered that in promoting the development of ETI, the Administration should play the role of a middle-man. While providing business opportunities for ETI through the establishment of environmental protection standards, it should also assist business enterprises in meeting the required standards through cost-effective means.

37. DCIT emphasized that the public sector currently dominated a major share of ETI market. Echoing Mrs Selina CHOW's view, she said that the Administration would strengthen its support for ETI in provision of information, technology and marketing. PAS(EF) supplemented that providing environmental infrastructure facilities was the Government's responsibility. However, the Administration had also established environmental protection standards in different areas for compliance by the industries concerned, for example, the effluent standards. This would create demand for environmental technology and promote the development of ETI.

38. In response to Mr HUI Cheung-ching's enquiry, DCIT advised that local ETI establishments might apply for funding support under the Innovation and Technology Fund, and the Small and Medium Enterprises Funding Schemes to undertake R&D activities pertaining to environmental technology.

39. As the development of ETI and improvement of business environment were closely related to environmental protection policies, members suggested that the Panel on Commerce and Industry and the EA Panel should discuss the issue in due course.

## **VI Improving the Business Environment** (LC Paper No. CB(1)1923/01-02(05))

### Infrastructure facilities to improve the business environment

40. On the Administration's remark that Hong Kong had developed an excellent transport infrastructure to support itself as a major trading and logistics hub in the region, Mr CHAN Kam-lam considered this disputable. He was particularly concerned about the details of the high value-added logistics park proposed by the Administration and asked whether the Administration had made an analysis and comparison of the proposed logistics park with those in the neighbouring region. Mr CHAN opined that while developing the local logistics industry, the Administration should be highly alert to the competition and threats posed by neighbouring logistics parks, such as the one in Shenzhen. He urged the Administration to accelerate the study on the logistics park in order to tap into the business opportunity and to provide appropriate support for its development.

41. The Deputy Secretary for Commerce and Industry (DSCI) pointed out that the establishment of the logistics park was under the purview of the Economic Services Bureau (ESB). According to his understanding, many countries, such as the Philippines and China, had already established logistics parks. He emphasized that the local logistics park would be developed in the high value-added direction. DSCI added that the Administration had already set up the Logistics Development Council (LDC) in 2001. The LDC was actively

studying various issues, including the matching infrastructure facilities, information communications, etc.. He undertook to convey Mr CHAN's concern to ESB.

42. In response to Mr CHAN Kam-lam's concern about the high fees charged by local container terminals, DSCI said that the Administration was aware of the industry's concern and the issue had been discussed by the relevant LegCo Panel on several occasions. As container terminals were run by private operators, their fee level was a commercial decision regulated by supply and demand in the market. Instead of exercising intervention, the Government sought to play the role of middle-man to facilitate discussion between consignors and container terminal operators for a solution.

#### Efforts to improve the business environment

43. Mrs Selina CHOW was concerned about the consultation with the business sector on improving the business environment and the assessment on the competitiveness of the overall business environment in Hong Kong. In addition, she was concerned about the measures put in place for improving the business environment, as well as their progress and effectiveness. DSCI said that the Administration had set up institutions and organizations, including LDC, the Trade and Industry Advisory Board, the Investment Promotion Strategy Group, the Business Advisory Group (BAG), etc., to consult the business sector on policies and measures to improve the business environment. These organizations would also assess the threats brought about by external competition. For example, having consulted the industry on the licensing system for restaurants and food premises, BAG had launched the streamlined "one-stop" licensing services under the Helping Business Programme (HBP). Now food premises which met the requirements could normally obtain a temporary licence within one day and commence operation immediately. Other examples included streamlining the licensing systems for massage parlours, tutorial schools and kindergartens. Regarding the specific plans and measures the Administration had implemented under HBP, DSCI undertook to provide further information in writing after the meeting.

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44. Responding to Mrs Selina CHOW's concern about the studies undertaken by the Transport Department ("TD") and the Environmental Protection Department ("EPD") to improve their services to the business community, DSCI responded that EPD's study had already commenced at the end of 2001 and would be completed by mid 2002. TD's study, which would commence in mid 2002, was expected to be completed by the end of 2002.

45. On the various funding programmes to improve the business environment, including the Innovation and Technology Fund, the four funding schemes to help small and medium enterprises (SME), the Professional Services Development Assistance Scheme (PSDAS), etc., DSCI advised that the Administration would

conduct regular reviews on their effectiveness and report the outcome to the Panel. As far as he understood, the funding schemes for SMEs were well-received by the business sector. Given that PSDAS had only been operated for a short time, it was too early to evaluate its overall effectiveness at this stage.

46. Mrs Sophie LEUNG commented that the measures mentioned in the paper were not the right solution to improve the business environment. Regarding the role of the Government in the economy, she shared the view of the Financial Secretary (FS) in his Budget Speech that the Government should have a clear vision of the direction of economic development and be a proactive market enabler. She emphasized that while formulating policies and measures to improve the overall business environment, the Administration should also strengthen the coordination among bureaux and departments. It should actively consult the business sector in order to implement the policies and measures in a practical way.

47. In response, DSCI said that the paper elaborated from a macro point of view the Administration's understanding and interpretation of the role of the Government in the economy in the context of FS's 2002 Budget Speech. Regarding the ways to embrace the direction of economic development and to function as a proactive market enabler, this would rely on individual bureaux in the formulation of corresponding policies and measures. He emphasized that the Government had been actively exploring various options to achieve the above objective.

48. Mr NG Leung-sing was concerned about the effectiveness of the measures in place to enhance Hong Kong's human capital and doubted whether such measures could achieve the objective of improving the business environment. DSCI responded that as it took time for the improvement measures on basic education to produce any effect, it was impossible to quantify the effectiveness of such measures in the short run. On the other hand, the results of training and re-training programmes were more obvious.

49. Regarding the Administration's effort in securing better access for local enterprises to foreign markets through economic and trade negotiations, Mr NG Leung-sing was concerned about the progress of such measures and asked whether the economic and trade agreements concluded could bring about business opportunities to local enterprises as well as improvement to the business environment. He considered that detailed information including the categories of the enterprises benefited, and the number and amount of the trade contracts being signed should be obtained in order to assess the effectiveness of such work. DSCI replied that the Administration had been actively engaged in multilateral negotiations with different countries through WTO to promote free trade and market liberalization, and to reduce trade barriers for the benefit of local enterprises. Taking WTO's Government Procurement Agreement (GPA) as an example, as Hong Kong was a signatory to GPA, local manufacturers and

products were protected against the discrimination of other member states. In addition, the Administration would also prepare for the new round of WTO multilateral trade negotiations. Moreover, it was actively negotiating with the Mainland authorities to establish a closer economic partnership arrangement between the two places with a view to helping local enterprises to gain access to the Mainland market. Mr NG Leung-sing urged that while fulfilling its obligations under WTO's GPA, the Administration should balance the interests of local and foreign enterprises as far as practicable. For the benefit of local enterprises, they should be given more opportunities to participate in development projects, such as the construction of the new Central Government Complex.

CIB 50. As the paper did not provide a comprehensive and detailed analysis of various measures to improve the business environment, as well as their objectives, progress and effectiveness, members requested the Administration to provide more information to facilitate further discussion on this subject by the Panel. DSCI advised that he would liaise with various bureaux to obtain the relevant information.

## **VII Any other business**

51. There being no other business, the meeting ended at 7:25 pm.