

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 875/01-02  
(These minutes have been  
seen by the Administration)

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**Legislative Council**  
**Panel on Financial Affairs**

**Minutes of meeting held on**  
**Monday, 3 December 2001 at 10:30 am**  
**in Conference Room A of the Legislative Council Building**

- Members present : Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)  
Hon Henry WU King-cheong, BBS (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon Eric LI Ka-cheung, JP  
Dr Hon David LI Kwok-po, GBS, JP  
Hon NG Leung-sing, JP  
Hon Bernard CHAN  
Hon CHAN Kam-lam  
Hon SIN Chung-kai  
Hon Jasper TSANG Yok-sing, JP  
Hon Emily LAU Wai-hing, JP
- Non-Panel members attending : Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon CHOY So-yuk  
Hon CHAN Yuen-han, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, JP
- Members absent : Hon James TO Kun-sun  
Dr Hon Philip WONG Yu-hong  
Hon MA Fung-kwok

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Public officers attending : For item III  
Mr Antony LEUNG  
Financial Secretary  
  
Mr K Y TANG  
Government Economist  
  
Mr Howard LEE  
Administrative Assistant to Financial Secretary

For item IV

Mr Antony LEUNG  
Financial Secretary

Mr Kenneth MAK  
Acting Secretary for Commerce & Industry

Mr Howard LEE  
Administrative Assistant to Financial Secretary

Clerk in attendance : Ms Anita SIT  
Chief Assistant Secretary (1)6

Staff in attendance : Ms Pauline NG  
Assistant Secretary General 1  
  
Mr WONG Tin-yau, Anthony  
Senior Assistant Secretary (1)8

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**I Information papers issued since last meeting**

LC Paper No. CB(1)344/01-02 - "The Revised Code of Banking Practice" launched on 15 November 2001 jointly by the Hong Kong Monetary Authority, the Hong Kong Association of Banks, and the Deposit-taking Companies Association, and the accompanying press release issued by these organisations

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LC Paper No. CB(1)322/01-02 - The Securities and Futures Commission Quarterly Report for July to September 2001

Members noted that the above papers had been issued since last meeting.

**II Date and items for discussion for the next meeting**

LC Paper No. CB(1)451/01-02(01) - List of outstanding items for discussion

LC Paper No. CB(1)451/01-02(02) - List of follow-up actions

2. Regarding the items to be included for discussion at the next regular Panel meeting on 7 January 2002, the Chairman recapitulated that when the Inland Revenue (Amendment) (No.2) Bill was considered by the House Committee at its meeting on 23 November 2001, some members raised concern on the security of information contained in the tax returns submitted through the proposed new channels, i.e. by electronic means and by telephone with the use of a password. The House Committee agreed that this subject should first be considered by the Panel before deciding on whether a Bills Committee should be formed to scrutinize the Bill. In this regard, the Assistant Secretary General 1 (ASG1) advised that as the subject to be discussed by the Panel was on the general policy on the submission of returns by electronic means, the agenda item should reflect the subject matter rather than the Bill itself. Members agreed.

3. The Chairman informed members that Mr SIN Chung-kai had written to him with a suggestion to discuss the development of Hong Kong's retail debt market at the Panel in January 2002.

4. The Chairman also advised that the Research and Library Services Division of the Secretariat had produced a draft research report on "Protection for Banking Consumers in the United Kingdom and the United States of America: Fees and Charges". At an informal meeting held on 15 November 2001 to discuss the draft research report, attending members considered it more useful to expand the Panel discussion to cover consumer protection in the banking sector instead of confining it to fees and charges only. To allow sufficient time for discussion, about one and a half hours should be allocated for the discussion.

5. Mr James TIEN raised concern that the Mandatory Provident Fund Schemes (MPF) Advisory Committee had made proposals to adjust the minimum and maximum levels of relevant income for MPF contributions. He suggested that the MPF Authority and the MPF Advisory Committee should be invited to brief the Panel on the background, rationale and other relevant details of the proposals, and the timetable for public consultation and formal presentation of

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the proposals to the Legislative Council (LegCo). In this connection, Mr LEE Cheuk-yan suggested that the MPF Authority should also be requested to give an account of the situation of default contributions to MPF.

6. Members agreed that the following subjects be discussed at the next regular meeting on 7 January 2002-

- (a) Submission of tax returns by electronic means and by telephone with the use of a password;
- (b) Mandatory Provident Fund Schemes - minimum and maximum levels of relevant income for contribution purposes and situation of default contributions; and
- (c) Development of the retail debt market in Hong Kong.

7. Members also agreed that the subject of consumer protection in the banking sector should be discussed at the Panel's regular meeting in February 2002, subject to confirmation at a later date.

### *Meetings in April and July 2002*

8. Members noted that the first Mondays on April and July 2002 were public holidays. As an alternative date for the regular meeting in April 2002 could not be agreed at the meeting, the Chairman asked the Clerk to consult members on the matter after the meeting. For July 2002, members agreed to hold the regular meeting on 5 July 2002 at 2:30 pm.

### **III Briefing by the Financial Secretary on Hong Kong's latest economic situation**

LC Paper No. CB(1)460/01-02(01) - Press releases issued by the Administration on 30 November 2001

LC Paper No. CB(1)460/01-02(02) - Information paper provided by the Administration

9. The Chairman welcomed the Financial Secretary (FS) and his colleagues to the meeting.

10. In briefing members on Hong Kong's latest economic situation, the Government Economist (GE) said that the Government had just released the Third Quarter Economic Report 2001 on 28 November 2001. He also explained the trends and developments of external trade, domestic demand, labour market, consumer prices and financial markets in the recent quarters. GE also provided

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a brief account on the Administration's up-to-date economic forecasts for 2001 with reference to the economic outlook of the United States, the European Union, Japan and the Mainland. GE then concluded his briefing by giving some initial views on the short-term outlook for the Hong Kong economy as follows -

- (a) Due to external economic factors, the overall economic conditions would remain difficult in the near term and a recovery in the early part of 2002 was unlikely.
- (b) Local private consumption expenditure, especially for consumer durables, would continue to slow down with rising unemployment, while investment spending was likely to remain slack amidst an uncertain business outlook.
- (c) While the overall economic outlook in the short term was not optimistic, the Administration expected that there were favourable conditions for Hong Kong's economic development in the medium and longer term. This was much attributed to the robust growth of the Mainland economy, which would continue to be bolstered by the implementation of the 10<sup>th</sup> Five-year Plan and the Mainland's accession to the World Trade Organisation (WTO).
- (d) In addition, the Hong Kong SAR Government's substantial investment in human capital and physical infrastructure, coupled with the on-going drive to enhance the overall business environment, were also conducive to Hong Kong's economic development in the longer term.

11. On the future development of the Hong Kong economy, the Financial Secretary (FS) advised that Hong Kong's major export markets including the United States, Europe, and Japan were suffering from a economic slow down. Hong Kong would inevitably suffer from the adverse impact of these external factors. Notwithstanding this, the Hong Kong economy had fared better than most neighbouring economies. He expected that the continued economic growth and development in the Mainland would have significant positive impacts on the Hong Kong economy in the medium and longer term.

12. Referring to the short-term and long-term economic measures announced by the Chief Executive (CE) in his 2001 Policy Address, ES advised that the Administration was making the best endeavour to accelerate the implementation of these measures to improve the economic conditions and to provide early economic relief to the public. The Administration expected that by early 2002, there would be discernible increase in the number of incoming tourists from the Mainland, benefiting many business sectors. Apart from accelerating the implementation of public works to create job opportunities, additional funds had been earmarked for vocational training/re-training and long-term manpower development programmes to strengthen the adaptability of the

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local workforce to the restructuring economy. While the Administration would continue its efforts on improving the overall business environment, it would work proactively to help the local business sector to capitalize the new business opportunities and to explore the developing markets of the Mainland. ES hoped that the people of Hong Kong and the Government would work together to overcome the current adverse economic conditions and foster the strengths of Hong Kong as an international financial and business centre, the communications and logistics hub and the most popular tourist destination in the Asia-Pacific region.

## Discussion with members

### *Measures to ease unemployment*

13. Mr LEE Cheuk-yan said that as the community would continue to suffer from adverse economic conditions in 2002 before any realistic economic rebound, the Administration should refrain from pursuing salary cuts or layoff plans for the civil service, which he considered would adversely affect the overall economy by further dampening private consumption spending and generate a confidence crisis among civil servants. Highlighting his grave concern about the unemployment problem, Mr LEE criticised that 20 000 new jobs to be created for the construction sector as pledged by the Administration through the accelerated implementation of public works should be qualified. The new jobs created with the commencement of new projects might somehow be offset by the termination of employment upon completion of current projects. Mr LEE said that the Administration should act proactively to create more employment opportunities and to cut Rates, fees and charges of the Government and public utilities.

14. Noting that the latest economic data revealed a more pessimistic outlook for the Hong Kong economy, Miss Emily LAU asked whether apart from the measures announced in CE's 2001 Policy Address, the Administration would consider formulating additional relief measures in view of the worsened economic situation.

15. In response, ES said that the current economic situation had already been taken into account in the economic forecast in the 2001 Policy Address. The work plans and economic measures contained therein were formulated to tackle the current economic situation. On fees and charges of public utilities, ES said that the Administration had been holding discussions with various parties concerned in this regard, bearing in mind the established regulatory principles and the effect on people's livelihood of possible adjustments of these fees and charges. As regards fiscal measures which would directly impact on the fiscal situation, he said that the Administration had to take a very prudent approach and balance a number of factors when deliberating on these measures. He cited that on various occasions, CE and ES himself had alerted Members and the public of the prospect of a large fiscal deficit for the current fiscal year. As the Hong

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Kong economy was undergoing restructuring and given the adverse economic conditions, the revenue from several sources for the current fiscal year would be markedly lower than the relevant forecasts made in the 2001-02 Budget. As a result, the Administration had to carefully evaluate the short-term and long-term financial implications on the Government when considering any fiscal measures to provide economic relief.

16. Highlighting the acute unemployment problem faced by Hong Kong people, Miss CHAN Yuen-han considered that the problem should be given full attention by a Bureau Secretary and suggested that a separate Policy Bureau should be set up to tackle the unemployment problem. ES replied that he would convey Ms CHAN's suggestion to CE for consideration in the context of the plan to restructure the Administration under a new accountability system for principal officials. As regards Members' suggestion for creation of further employment opportunities in addition to the 30 000 jobs announced in the 2001 Policy Address, ES said that he would discuss this further with LegCo Members in the consultation meetings with Members on the 2002-03 Budget.

17. Referring to a recent press report that a new job in public works projects would cost tax payers \$400,000, Miss CHAN considered that this message, if coming from the Government, would be very damaging and misleading, giving the public an impression that a substantial amount of public money had to be spent for the sake of creating a new employment vacancy. ES responded that without relevant information on hand, he would not comment on the matter. He however affirmed the Administration's policy to accelerate the implementation of public works to create new job opportunities, and that the Administration had no intention to disseminate a message as perceived by Miss CHAN.

18. Mr Abraham SHEK said that although CE had announced in his 2001 Policy Address that the Government and the two railway corporations planned to invest \$600 billion in various infrastructure projects, the actual construction works for many of the projects would not commence in 2002. Emphasising that many small to medium sized construction companies were on the verge of winding up, he suggested that the Administration should contract out the planning and design of more public works projects to the private sector to accelerate the implementation of these projects.

19. ES replied that for most public works projects, it had all along taken a long lead time from inception to commencement of construction. Having critically reviewed the relevant administrative and planning procedures, the Administration had recently shortened the normal lead time from inception to commencement of construction for public engineering projects from seven years to about 3.5 years, and the total project period from ten years to seven years. Notwithstanding this improvement, he was working closely with the Chief Secretary to examine the desirability and feasibility of shortening the time frame for certain statutory procedures required of public works projects so that the planning process could be further streamlined.

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20. As regards the suggestion of contracting out the planning and design of more public works projects to the private sector, ES said that this was one of the directions being pursued by the Administration to accelerate project implementation. Recently, he had held internal discussions with the Architectural Services Department to examine how best the Department could make use of private consultancy services to accelerate the planning and design process for public building projects.

*Exploring business and employment opportunities in the Mainland*

21. Mr LEE Cheuk-yan said that the Administration should be cautious in advocating among the people of Hong Kong the pursuit of employment and business opportunities in the Mainland, as in so doing, the Administration might impress upon Hong Kong people that Hong Kong offered no further economic prospect. If the Administration indeed considered that the local community would benefit in the long term by seeking out employment and business opportunities in the Mainland, it should qualify its messages with clear explanation on how and what economic benefits it would bring to Hong Kong.

22. Miss Emily LAU also sought clarification on the Administration's message regarding the pursuit of employment opportunities by Hong Kong people in the Mainland. She questioned whether the Administration would expect the unemployed low-skilled workers in Hong Kong to secure jobs in the Mainland.

23. In response, ES said that he hoped the community would take the message from a positive angle. The Hong Kong economy had hitherto been outward-looking and in the past, Hong Kong people seeking business and employment opportunities in overseas places and in the Mainland had proved to be beneficial to the Hong Kong economy. Citing the United States (US) as an example, ES pointed out that there were numerous US companies conducting business outside the US and even on a global basis, and it was common among US people to go abroad to take up employment. These economic activities contributed to fostering the strength of the US economy. He further explained that Hong Kong companies and professionals would reinvest their earnings from the Mainland in their operations in Hong Kong. Additionally, many companies seeking to start business in the Mainland would establish their functional headquarters in Hong Kong for support, thus creating employment opportunities for Hong Kong. In this regard, some surveys had revealed that creation of a senior position in a company normally cause the consequential creation of up to five supporting positions in the same company. Thus, senior professionals who went to the Mainland to work or do business would create opportunities for younger professionals in Hong Kong.

24. ES hoped that Hong Kong people would adopt a broad perspective in respect of business and work opportunities and make use of their strengths to



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capitalize opportunities in the Mainland as well as in overseas places. ES also clarified that the Administration had not suggested that a particular category of persons should seek employment opportunities in the Mainland, but the Administration did hold the view that given the potentials of the Mainland economy, the Mainland offered a lot of opportunities to a wide spectrum of Hong Kong businesses. While he acknowledged that it would not be realistic to expect low-skilled workers to secure jobs in the Mainland, he emphasized that the Administration had accorded high priority to developing Hong Kong's tourism, which would create opportunities for the low-skilled workers in Hong Kong.

25. Mr James TIEN said that Hong Kong had experienced difficult times in the past. Being a small and open economy, it had been able to garner strength to overcome difficult times through exploring new opportunities in overseas markets. He did not agree that developing business in other markets entailed less opportunities for the local workforce, as local enterprises would usually re-invest a portion of their earnings in Hong Kong. He therefore supported the notion that Hong Kong people should be open to business and employment opportunities outside Hong Kong, and compared with other places, the Mainland offered more business and employment opportunities, at least in the short term.

*Free Trade Agreement between HKSAR and the Mainland*

26. Mr James TIEN enquired about the Administration's position regarding the proposal of establishing a Free Trade Agreement (FTA) between the Hong Kong Special Administrative Region (HKSAR) and the Mainland, taking care of the need to abide by the rules and regulations of the World Trade Organization (WTO). He considered such an agreement would benefit not only Hong Kong's commerce and industry, but also local professionals and hoped that the idea could materialise as soon as possible. Mr TIEN believed that the FTA idea would be favourably considered by the Mainland authorities as it would benefit both Hong Kong and the Mainland.

27. In response, ES advised that the Administration considered the idea of establishing a FTA between HKSAR and the Mainland worth pursuing and in fact, the Chief Executive was discussing this proposal with the Central Government. On another front, the Administration had held discussions with the Hong Kong General Chamber of Commerce to identify the possible way forward in this direction. ES however remarked that it was a complex matter and the Administration needed some time to work out the details with the Mainland authorities. Issues arising from the fact that HKSAR was part of the People's Republic of China but Hong Kong and the Mainland were separate signatory members of the WTO needed to be carefully addressed. Moreover, the WTO rules governing the establishment of FTA between its members had to be taken into account. ES assured members that the Administration would be working closely with the Central Government on this matter.

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*Measures to assist the business sector to explore the Mainland markets*

28. Mr NG Leung-sing referred to the arrangements announced by the Mayor of Beijing on 23 October 2001 to facilitate closer economic collaboration between Hong Kong and Beijing, and asked if the Administration would seek to negotiate with other cities and provinces in the Mainland for similar arrangements. He also enquired if the Administration would seek to collaborate with Hong Kong's business associations and industry bodies in pursuing closer economic ties with the Mainland.

29. ES said that to enable Hong Kong companies to enjoy a head start in developing their business in the Mainland, the Administration was proactively exploring ways to enable early access of local business and professional services into the Mainland within the ambit of the WTO. The work on establishing a FTA with the Mainland was an example of the Administration's efforts in this direction. In this connection, he reported that recently he had held a meeting with relevant government bureaux/departments and public bodies including the Trade Development Council (TDC) to identify their respective roles in assisting Hong Kong's commerce and industry and professional sectors to conduct business in the Mainland and to attract investment and tourists from the Mainland. Care had also been taken to ensure that all areas which offered potential for developing economic ties with the Mainland were covered. ES said that the Administration would be discussing further details with various business associations and industry bodies to explore how best the Administration could provide assistance in this regard. The Administration would then proceed to hold meetings with the Mainland authorities of the provinces and cities which had substantial economic ties with Hong Kong to work out the detailed arrangements.

30. Mr NG Leung-sing acknowledged that in view of the many provinces and cities in the Mainland, it would not be realistic to expect the Administration to develop government-to-government links with all of them, while at the same time there were many Hong Kong companies anxious to enter the Mainland market or expand their business in particular provinces and cities. He asked if the Administration would consider it viable for industry bodies to initiate discussions and set up connections with provinces and cities in the Mainland, and for the Administration to follow up at a later stage.

31. ES replied that he welcomed industry bodies to take the lead, while the Administration gave its support where needed. For certain provinces and cities, the relevant Mainland authorities would expect a corresponding unit representing the Government of the HKSAR to communicate with them. In this regard, he pointed out that there were some areas, such as trade disputes in the Mainland, which could not be resolved by the Administration, but could be dealt with through industry bodies.

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32. Mr WU king-cheong said that the focus for Hong Kong had shifted from a global to a regional perspective in regard to finance and tourism. He agreed this would be the right direction for Hong Kong. He was however concerned that Hong Kong's small to medium sized enterprises (SMEs) might lack the resources to compete with larger corporations and conglomerates in establishing their business in the Mainland. He asked whether the Administration had any plans to assist SMEs in this regard.

33. ES acknowledged that for SMEs, conducting business in the Mainland posed greater challenges and difficulties. He advised that TDC regularly organized seminars and courses to help Hong Kong businesses to better understand the working of the Mainland market both in general terms and in specific sectors. TDC also provided expert advisory service to local businessmen wanting to set up business in the Mainland. ES further said that TDC had been promoting co-operation between foreign companies and Hong Kong companies in developing their business in the Mainland, as the former would benefit from the latter's experience in doing business with the Mainland. ES also suggested that SMEs in certain industries, such as the financial services sector, might consider consolidating their strengths by means of mergers and acquisitions so as to better position themselves in exploring the Mainland market.

*Trade relationship with other economics*

34. In response to Mr CHAN kam-lam's enquiry about the initiatives to strengthen trading relationships with overseas economies, ES said that while in the past Hong Kong had focused on establishing multi-lateral trading relationships, the Administration would consider establishing more bilateral trading relationships in future having regard to the changing world economic order. At present, the Administration was negotiating with the New Zealand government to establish a bilateral agreement on closer economic co-operation. While the Administration would continue to pursue negotiations with other economies in this direction, ES stressed that this would not be an easy process, because while there were barriers against the entry of Hong Kong businesses into overseas markets, many countries were already enjoying free entry into Hong Kong's markets.

35. Mr Albert HO considered that apart from the Mainland, Taiwan also offered a lot of business opportunities for Hong Kong. He enquired whether the Administration had any plans to strengthen the economic ties between the HKSAR and Taiwan. He also enquired about the Administration's assessment of the economic relationship among Hong Kong, the Mainland, and Taiwan after the latter two had entered the WTO.

36. The ES replied that there were already a lot of economic and commercial activities between Hong Kong and Taiwan. As the Three Direct Links (direct transportation, trade and postal links) between Taiwan and the Mainland had not been established, Hong Kong was currently the major conduit

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for the export of goods and services from Taiwan to the Mainland. With the prospect that both Taiwan and the Mainland would be WTO members, it was anticipated that there would be direct trade between Taiwan and the Mainland. As a result, Hong Kong's current status as an entrepot would be weakened. The Administration was closely monitoring the situation and looking into ways to entrench Hong Kong's advantageous position to attract companies from overseas places, including Taiwan, to set up head offices in Hong Kong to develop trade with the Mainland.

37. Mr SIN chung-kai observed that the process for granting entry permits and visas for Taiwan people to visit Hong Kong was too long and inconvenient to visitors. He said that Macau had attracted over a million Taiwan tourists in 2001, while Hong Kong had attracted only about two million. He asked whether the Administration had any measures to attract more Taiwan tourists to Hong Kong. ES replied that in 2002, the Administration would put in place the electronic entry permit processing system, which would streamline the processing of entry permits and visas for Taiwanese visitors. He added that he would give further deliberation on strengthening and increasing the economic ties between Hong Kong and Taiwan.

### *Measures to boost the financial markets*

38. Referring to the slackened turnover of the Hong Kong's stock market over the past months, Mr NG Leung-sing asked if the ES had any plans to boost the Hong Kong stock market. In response, ES advised that the Administration was putting in place a number of measures to develop the financial markets in Hong Kong. Firstly, the Administration sought to improve corporate governance to enhance the confidence of overseas investors in Hong Kong's listed companies. Secondly, efforts were made to improve Hong Kong's clearing and settlement system to facilitate and enhance programme trading i.e. trading on the internet. Thirdly, the Administration was looking into ways to attract the inflow of capital into Hong Kong, especially from the Mainland. The press had pointed out that introducing a "Qualified Domestic Institutional Investors" scheme might facilitate people in the Mainland to participate in security transactions in Hong Kong.

39. The Chairman thanked ES and GE for their briefing and discussion with members on the latest economic situation of Hong Kong.

## **IV Briefing by the Financial Secretary on his recent visit to Beijing**

LC Paper No. CB(1)451/01-02(03) - Press releases issued by the Administration covering the speech and comments made by the Financial Secretary during his visit to Beijing

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40. In response to the Chairman, FS said that he did not have new points to add to the press releases covering his recent visit to Beijing but he would be pleased to answer Members' questions.

Discussion with members

41. Mrs Emily LAU said that as far as she could recall, at a recent meeting of the House Committee, it had been agreed that FS would be invited to brief LegCo Members each time upon return from his duty visit to the Mainland. She said that while FS's duty visits to the Mainland included important discussions with the Mainland authorities which in turn had important bearing on Hong Kong, FS should not expect that media reports covering bits and pieces of his remarks during and after his duty visits would provide adequate information for LegCo and the public. She therefore hoped that FS would agree that in future, each time after he had made a duty visit to the Mainland or overseas, he would take the initiative to liaise with the Secretariat to arrange for a briefing to Members.

42. In response, FS said that each time during and after his duty visit to the Mainland and overseas, he had consciously disclosed as much details as possible to the media so that the public could be informed of these details at the earliest opportunity. As evidenced in the past, the local media had done a good job in disseminating information about his duty visits promptly and comprehensively from different angles to the public. Moreover, the Administration had also made conscious efforts to upload his speeches and transcripts of his conversations with the media onto the website of the Government. He therefore did not consider it necessary for him to conduct a briefing on his duty visits on every occasion.

43. Miss Emily LAU expressed disagreement with FS that reporting by the media and uploading of his speeches and transcripts onto the Internet were adequate for the purpose of discharging his duty of being accountable to LegCo for his work. She reiterated that the House Committee had agreed that FS and other principal officials of the Administration should brief LegCo Members on their duty visits to the Mainland or overseas. She said that she would raise this matter again at the House Committee.

44. Mr CHAN kam-lam said that he hoped FS would brief Members on important matters arising from his duty visits. While he agreed that FS should be accountable to LegCo, he considered that FS should be at liberty to decide if a briefing for LegCo on his duty visits was required having regard to the different circumstances of individual occasions.

45. Mr Eric LI expressed appreciation to FS for accepting the Panel's invitation to brief Members on his recent visit to Beijing on this occasion. He commented that while the media could provide the public with information promptly, briefings for LegCo served a different purpose. The briefings provided a forum for detailed discussions with the Legislature.

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46. FS said that the media was a very effective means for him to disseminate information on his duty visits to the public promptly. He did not mean that he would not brief LegCo Members on his duty visits. However, he did not consider it necessary to give a briefing on each occasion; he would conduct such briefings if there was such a need.

47. Miss Emily LAU noted that according to media reports, the Beijing Mayor had announced six measures to increase the scope of co-operation between Hong Kong and Beijing. She requested the FS to elaborate on the details and the latest status of the measures. FS said that the Administration was maintaining close contacts with the relevant Beijing authorities, gathering information and establishing communication channels to disseminate the information to the relevant industries in Hong Kong. In this regard, the Administration was waiting for more comprehensive information from the Beijing Municipal Government on its plans.

48. Mr Eric LI enquired whether during FS's recent visit to Beijing, there had been discussions with relevant Mainland authorities on measures to facilitate the flow of investment capital from the Mainland to Hong Kong and to encourage more Mainland tourists to visit Hong Kong. FS said that the main event he had attended during his recent trip to Beijing was the Fifth Beijing Hong Kong Economic Co-operation Symposium (the Symposium) hosted by the Beijing municipal government. The focus of the Symposium was on how Hong Kong's industries and professionals could participate in projects in preparation for the 2008 Beijing Olympics. He therefore felt that it might not be the appropriate forum and timing for discussing matters relating to attracting investments from the Mainland to Hong Kong, and therefore this subject had not been raised on this occasion.

49. Mr NG Leung-sing referred to FS's speech made on 23 October 2001 in Beijing in which FS mentioned that Hong Kong was an international financial centre and could provide one-stop financial services for corporations to actively participate in projects in preparation for the 2008 Beijing Olympics. He asked if FS had requested a list of the relevant projects from the Beijing authority in this regard. FS replied that Beijing in fact used the opportunity of the Symposium to introduce some selected projects to various Hong Kong industries, and information had been distributed to the attending representatives of business associations from Hong Kong. The information was available to interested Members and members of the public through TDC.

50. Miss CHAN Yuen-han enquired about the Administration's overall plan regarding 24-hour passenger and cargo clearance at boundary control points. FS said that it might be more appropriate for the Chief Secretary (CS) to provide the details. Generally speaking CS was responsible for "hard" infrastructure such as passage at boundary while FS himself was responsible for "soft" infrastructure including visa arrangements for Mainland tourists to come to Hong

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Kong. He also noted that CS would conduct a briefing session on this matter for Members shortly. He added that the crucial issue was not so much 24-hour clearance but rather the rate and quality of clearance at peak hours. He assured members that the matter was given priority consideration by the Administration.

51. Miss Emily LAU referred to a transcript which recorded that when FS was asked by a reporter on 23 October 2001 about the setting up of a dedicated communication channel between Beijing authorities and the HKSAR Administration, FS had replied he was not aware of such plan. Miss Emily LAU enquired about the latest development in this regard. FS acknowledged that he was not made aware of any such plan before he met with the Beijing Municipal Government. The Administration was still awaiting further details from Beijing in this regard. He however remarked that the Beijing Office had hitherto been the main communication channel between Beijing authorities and the HKSAR Administration.

52. The Chairman thanked the Administration for attending the meeting and briefing the Panel.

**V Any other business**

53. ASG1 reported that as agreed at the special meeting on 8 November 2001, the LegCo Secretariat had discussed with the Census and Statistics Department (C&SD) regarding the provision of further information collected from the 2001 Population Census on respective policy areas for various LegCo Panels. A circular paper had been issued to Members setting out the policy areas on which additional information from the Census was available. The Clerks to relevant Panels would consult Panel members on whether a presentation by C&SD on the Census information should be arranged and if so, the timing of the presentation. ASG1 added that according to C&SD, information on the general economy and the financial services sector was limited in the 2001 Population Census.

54. There being no other business, the meeting ended at 12:40 pm.

Legislative Council Secretariat  
21 January 2002