

LC Paper No. CB(1)2397/02-03

(These minutes have been seen by the Administration and cleared by the Chairman)

Ref: CB1/PL/CI/1

Panel on Commerce and Industry

Minutes of special meeting held on Monday, 7 July 2003 at 2:30 pm in Conference Room A of the Legislative Council Building

Members present	:	Hon Kenneth TING Woo-shou, JP (Chairman) Hon HUI Cheung-ching, JP (Deputy Chairman) Hon NG Leung-sing, JP Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP Hon SIN Chung-kai Hon Henry WU King-cheong, BBS, JP
Members absent	:	Dr Hon LUI Ming-wah, JP Hon CHEUNG Man-kwong Hon CHAN Kam-lam, JP Hon MA Fung-kwok, JP
Public officers attending	:	Item I Mr Henry TANG Secretary for Commerce, Industry and Technology Miss Denise YUE Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry) Mr Kevin HO Director-General of Trade and Industry
Clerk in attendance	:	Miss Polly YEUNG Chief Assistant Secretary (1)3

Staff in attendance : Mr S C TSANG Senior Assistant Secretary (1)7

Ms Sharon CHAN Legislative Assistant 6

Action

I Hosting of the Sixth Ministerial Conference of the World Trade Organization

(LC Paper No. CB(1) 2142/02-03(01))

The Secretary for Commerce, Industry and Technology (SCIT) explained to members that the Administration intended to seek the approval in principle of the Finance Committee (FC) of the Legislative Council for proposed funding to host the Sixth Ministerial Conference (MC6) of the World Trade Organization (WTO) in 2004 or 2005. The details were set out in the information paper provided by the Administration.

Cultural performances and other meeting arrangements for MC6

2. While expressing support for the proposal, Mrs Selina CHOW opined that Hong Kong could take this opportunity to rebuild its international image after the outbreak of Severe Acute Respiratory Syndrome (SARS) and promote the development of the local tourism industry. She pointed out that in the past, local cultural performances arranged for some major themed activities, such as exhibitions and forum, were not appealing. To a certain extent, the image of Hong Kong among overseas visitors, particularly government officials, had been She took the view that as senior officials from different countries affected. would attend MC6, the Administration should consider allocating resources to organizing high quality cultural performances which portraited the characteristics This would enhance the officials' understanding and knowledge of Hong Kong. of Hong Kong, thus achieving the objective of promoting Hong Kong. SCIT noted Mrs Selina CHOW's views and advised that when organizing the cultural performances concerned, the Administration would seek the assistance of the Hong Kong Tourism Board (HKTB) in order to enhance the attractiveness of the performances.

3. <u>Mrs Sophie LEUNG</u> supported the Government's proposal to host MC6. Although the hosting of MC6 might attract different organizations around the world to Hong Kong to express their discontent with certain issues and policies, she believed that the Hong Kong Police Force was capable of controlling the situation and would take appropriate security measures to ensure the smooth conduct of the conference in Hong Kong. Since MC6 would be a major event which had a high international profile, she urged for meticulous planning and proper arrangements in the course of preparation. To ensure the quality of the conference, she suggested that the Administration should consider engaging <u>Action</u>

companies which were experienced in organizing international conferences to participate in the detailed planning. Recalling her experience in attending the Second MC of WTO in Mexico, she pointed out that unique traditional handicrafts and creative artistic products were highly useful in attracting overseas visitors and enhancing their understanding of the local culture. As such, she suggested that in the long run, the Government should consider identifying characteristic cultural sites and performances to attract overseas visitors. To reinforce Hong Kong's reputation and position in the international arena, she urged the relevant bureaux and departments to make concerted efforts to ensure the smooth conduct of MC6 in Hong Kong.

4. On ways to deal with protests which might take place in Hong Kong during MC6, <u>SCIT</u> responded that the Hong Kong Police Force would certainly make careful manpower deployment and adopt effective contingency measures. WTO Secretariat had indicated that it had great confidence in the security arrangements of Hong Kong. He added that the Administration had tentatively earmarked resources for the implementation of the relevant security arrangements. As Hong Kong rarely had the opportunity to receive ministers of all WTO members in the international events held in the past, <u>SCIT</u> undertook that the Administration would not treat the hosting of MC6 lightly. He informed members that if the Administration was successful in bidding the hosting right, the WTO Secretariat would issue relevant guidelines in due course for the Administration to implement the necessary arrangements.

5. Regarding Mrs Sophie LEUNG's view that Hong Kong lacked characteristic cultural sites and performances to attract overseas visitors, <u>SCIT</u> appreciated her concern. Although this issue was outside the policy area of the Commerce, Industry and Technology Bureau, he was willing to work with other relevant bureaux, such as the Home Affairs Bureau, to identify cultural sites and performances which could promote the image of Hong Kong.

The bid to host the conference, estimated costs and time-table

6. <u>Mr HUI Cheung-ching</u> opined that if the Administration was successful in its bid to host MC6, it would bring honour to Hong Kong while raising its international profile. In response to Mr HUI Cheung-ching's enquiry about whether any other WTO members were interested in hosting MC6, <u>SCIT</u> replied that according to his understanding, only Hong Kong had unofficially indicated such an intention so far.

7. Referring to the paper which mentioned that the estimated costs for MC6 were in the rough order of \$250 to \$300 million and that the Hong Kong Government had to pay the expenses of the delegations from the least developed members of WTO (about 50), <u>Mr HUI Cheung-ching</u> was concerned whether such expenses had been included in the estimated costs. <u>SCIT</u> advised that the subsidies for those delegations had already been included. According to WTO's usual practice, the organizer had to subsidize the expenses (such as

accommodation and travel expenses) of the delegations from the least developed members. This could ensure that they would not be deterred from attending the conference due to insufficient resources. He stressed that the above arrangements aimed at avoiding individual members being deprived of the right to attend the conference.

As MC6 would be held at the end of 2004 or early 2005, Mr HUI Cheung-8. ching asked whether the Administration had considered that the conference might be affected by another outbreak of SARS in Hong Kong. In response, SCIT said that such a possibility could not be ruled out. However, he stressed that the Administration would adopt effective measures to prevent the recurrence and spread of the epidemic. In addressing the concern of Mr HUI Cheungching and Mrs Selina CHOW about the specific time-table of MC6, SCIT advised that the timing of MC6 would depend on the progress of the new round of the "Doha Development" (DD). WTO intended to conclude the discussion of DD before January 2005. However, given DD's wide coverage and that many items (including agriculture, market access, tariff system, etc.) were still under negotiation, he anticipated that the negotiations concerned could only be completed by the end of 2004 at the earliest. It was understood that WTO might take into account DD's latest development when deciding whether the time-table of MC6 would be announced in advance during the Fifth MC to be held in September 2003 in Mexico.

9. <u>Mr SIN Chung-kai</u> had no objection to the Government's proposal to host MC6. To facilitate Members' thorough consideration of the proposal, he asked the Administration to include as far as possible further details of the proposed estimated costs in its paper to be submitted to FC on 18 July 2003. In response, <u>SCIT</u> remarked that the current estimated costs of the conference were only rough estimates. Since the Administration had not yet formally bid to host MC6, it was only seeking FC's funding approval in principle at this stage. If FC supported the proposal and the bid to host the conference was endorsed by all members at the Fifth MC of WTO to be held in Mexico in September 2003, the Administration would liaise with WTO Secretariat to obtain the various details and the actual expenses to be incurred in organizing MC6. It would then submit a detailed funding proposal to FC.

The participation of non-governmental organizations (NGOs)

10. <u>Mr SIN Chung-kai</u> opined that although the Government's offer to host MC6 might enhance Hong Kong's international profile and promote trade development, he was concerned about the room for local NGOs' participation. In response, <u>the Director-General of Trade and Industry</u> advised that many NGOs around the world had been very concerned about trade and other related issues, such as labour, employment and environmental protection. During past MCs of WTO, NGOs had sent representatives to attend or observe certain meetings. Although they could not directly participate in the discussion or express their views on the agenda items of concern to them, they could still take the

opportunity, such as attending the briefing sessions arranged for them by the organizer, to understand and keep track of the latest international trend and development of the relevant issues. Like the NGOs from other WTO members, NGOs in Hong Kong might also attend MC6 as observers. He anticipated that the local tourism industry would benefit from the hosting of MC6. Moreover, NGOs could also take the opportunity to make formal or informal exchanges with visiting ministers on issues of concern during MC6. The Administration might also invite individual NGOs to assist in some related activities.

11. <u>Mr SIN Chung-kai and Mrs Selina CHOW</u> urged the Administration to consider making appropriate arrangements to promote exchanges between visiting overseas NGOs and local NGOs. <u>SCIT</u> believed that if the Government succeeded in its bid to host MC6, local NGOs would likely take the initiative and opportunity to liaise with their overseas counterparts. If necessary, the Administration would try its best to provide assistance.

12. <u>Mrs Selina CHOW</u> hoped that after WTO had announced its acceptance of Hong Kong's bid to host MC6, the Administration would have approximately one year to make the preparatory arrangements. The relevant bureaux/departments and organizations, such as the Home Affairs Bureau, could plan performances with local cultural characteristics for MC6 to promote Hong Kong. <u>SCIT</u> concurred with Mrs Selina CHOW's suggestion and reiterated that the Administration would invite HKTB to provide appropriate assistance at that time.

Conclusion

13. <u>The Chairman</u> concluded that the Panel supported in principle the Administration's proposal to host MC6. He agreed that the proposal could sustain Hong Kong's international profile, and highlight its high degree of autonomy in economic and trade matters under the principle of "one country, two systems". <u>The Chairman</u> urged the Administration to include as far as possible further details on the estimated costs in its paper to be submitted to FC on 18 July 2003 to facilitate members' consideration.

Admin

II Any other business

14. The meeting ended at 3:10 pm.

Council Business Division 1 Legislative Council Secretariat 1 September 2003