

Paper for
Legislative Council Panel on Commerce and Industry

**Government Programmes and Initiatives
for Improving Business Environment**

At the June meeting of the Panel, during the discussion of the item on “Improving the Business Environment”, members requested the Administration to provide additional information on the programmes and initiatives that the Government had been undertaking to facilitate the operation of businesses or to promote business development in Hong Kong. In particular, members wished to be informed of the objectives, progress made, and achievements of the programmes.

2. This paper sets out, in the Annex, 118 on-going or recent programmes and initiatives of various Government agencies for facilitating business operation or development. For practical reason, only the more significant initiatives are listed.

Commerce, Industry and Technology Bureau
November 2002

**Programmes or initiatives
to facilitate business operation or promote business development in Hong Kong**

Commerce, Industry and Technology Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/1	Consultations with the Central People's Government on the setting up of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA)	To seek better access into the Mainland market for Hong Kong service and manufacturing industries, and to facilitate trade and investment between Hong Kong and the Mainland.	Two rounds of high level consultations have been held so far. Senior Officials and other officials of the two sides have been working closely to take forward the initiative. The proposed CEPA will cover three areas – Trade in Goods, Trade in Services, and Trade and Investment Facilitation. Substantive discussions on all three areas have commenced. On Trade in Goods, work mainly focuses on devising an appropriate set of origin rules. On Trade in Services, initial experts' discussions have been launched on most of the sectors of interest to HK. On Trade and Investment Facilitation, both sides are now working on the scope of cooperation.

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CITB/2	Participation in the new round of multilateral trade negotiations, launched at the 4 th World Trade Organisation Ministerial Meeting in Doha in November 2001	To strive for further liberalization in services and goods trade so as to bring about more business opportunities for our service and manufacturing industries in our external markets.	<p>Substantive negotiations, notably in the area of services, have commenced. We have been actively taking part in the negotiations with a view to bringing them to a successful conclusion by its target date – 1 January 2005.</p> <p>To best represent the interests of the trade, we conducted public consultations earlier this year to assist in the formulation of our stances and priorities in the negotiations.</p>
CITB/3	To develop a world-class exhibition centre in Chap Lap Kok	To provide an additional 80,000m ² to 100,000m ² of net exhibition space in a new facility to meet the needs of the exhibition industry.	The new facility is planned for opening in 2005.
CITB/4	Operating four funding schemes for SMEs with total amount of \$1.9 billion	To help SMEs secure loans to purchase business installations and equipment, provide training for employers and employees, expand markets and enhance the competitiveness of SMEs in general or in specific sectors.	As at 14 September 2002, 10,753 applications have been approved under the four funding schemes, involving more that \$9 billion of subsidies or guarantees.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/5	Implementing more than 30 support measures for SMEs as recommended by the Small and Medium Enterprises Committee	To provide support for SMEs in six areas, namely business environment, financing, corporate governance and culture, human resources, technology application, and market expansion.	The Government is actively implementing the measures in collaboration with support organizations and other relevant parties.
CITB/6	Review of import and export licensing requirements for transshipment cargoes	To reduce or streamline licensing requirements with a view to removing unnecessary burden on the trade, thereby fostering the development of Hong Kong as a logistics hub.	We have completed the review internally and have formulated some proposals. We will consult the industry shortly. We intend to introduce amendments to relevant legislation in 2003.
CITB/7	Provision of facilitative clearance service for air-land inter-modal transshipment cargo arriving in the Hong Kong International Airport to various designated points in the Mainland via the Lok Ma Chau Control Point	To streamline customs clearance procedures and provide one-stop clearance service for air-land inter-modal transshipment cargo, thereby ensuring the speedy movement of cargo and promoting Hong Kong as a major regional logistics hub.	C&ED has been offering one-stop clearance service for air-land inter-modal transshipment cargo since August 2000 for several air cargo operators. C&ED will work with other air cargo operators interested in using the service.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/8	<p>Provision of facilitative clearance service for inter-modal transshipment cargo handled at the Marine Cargo Terminal (MCT) :</p> <ul style="list-style-type: none"> ● Air-sea transshipment cargo between the Hong Kong International Airport and the Pearl River Delta ports; and ● Sea-sea transshipment cargo from Pearl River Delta ports to Kwai Chung Container Terminal for export. 	<p>To streamline customs clearance procedures and provide one-stop clearance service for air-sea and sea-sea inter-modal transshipment cargo, thereby ensuring the speedy movement of cargo and promoting Hong Kong as a major regional logistics hub.</p>	<p>C&ED has been offering one-stop clearance service for sea-to-air inter-modal transshipment cargo since April 2001. Sea-sea inter-modal transshipment service was launched in August 2002, and air-to-sea inter-modal transshipment service was launched in September 2002.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/9	Provision of facilitative clearance service for sea-land inter-modal transshipment cargo between Kwai Chung Container Terminal and the land boundary control points	To provide one-stop clearance service for inter-modal transshipment containers plying between Kwai Chung Container Terminal and the land boundary control points, thereby ensuring the speedy movement of cargo and facilitating trade.	C&ED and one operator are working on the technical and operational details of the service. Pilot launch is scheduled for November 2002.
CITB/10	Establishment of a one-stop website to provide all relevant information on cargo clearance matters in Hong Kong	To facilitate traders and the general public to obtain information on cargo clearance matters.	The website commenced operation on 31 December 2001. The website has been well received, with over 1 000 visits each month.
CITB/11	Appointment of two additional service providers for provision of front-end Government Electronic Trading Services (GETS) for processing certain official trade-related documents from 2004	To introduce market competition in processing certain trade-related documents for the Government upon the expiry of the franchise of Tradelink in end 2003.	We aim to award the service contracts before the end of 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/12	Introduction of electronic data interchange service for cargo manifest submission	To facilitate air, sea and rail cargo carriers in the submission of cargo manifests through electronic means to various Government departments.	The service is expected to be launched in January 2003 after necessary legislative amendments are approved.
CITB/13	Introduction of electronic data interchange service for processing dutiable commodities permits	To facilitate traders of dutiable commodities in submitting applications and obtaining approvals for dutiable commodities permits electronically.	The system commenced operation in early January 2002 and became mandatory in July 2002. The processing time for a permit is substantially reduced from two working days to half a working day.
CITB/14	Introduction of electronic data interchange service for the Textiles Trader Registration Scheme	To facilitate the trade by allowing electronic submission of export, import and transshipment notifications.	Legislative amendments are underway. System development is on schedule. Launch of service is targeted at January 2003.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/15	Re-engineering the process concerning registration of intellectual property rights	<p>To simplify, speed-up and reduce costs to applicants in trademark application, hearing and registration procedures.</p> <p>To remove restrictions on assignment and licensing of trademarks.</p> <p>To allow parallel importation of trademarked goods, provided their condition is not changed or impaired, with a view to developing a freer market with more choices.</p> <p>To outsource building and maintaining of new computer systems with a view to giving better support for the registration process and to providing business opportunity for the private sector.</p>	<p>We have completed the review internally and have formulated some proposals in the draft Trade Marks Rules. These include fixing the non-extendible period for filing notice of opposition at 3 months and providing for case conferences and pre-trial reviews in an attempt to provide the mechanism.</p> <p>We have started another round of public consultation on the Trade Marks Rules in September 2002.</p> <p>We intend to commence the new statutory Trade Marks framework in early 2003.</p> <p>We have been obtaining value for money services from external service providers to fulfil our non-core functions.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/16	Prescribe copyright register(s) for proof of ownership	To facilitate the copyright owners to prove ownership.	We have completed the review internally and have formulated some proposals. We intend to introduce the additional statutory facilitation arrangement in 2003.
CITB/17	Regular review of public forms	To reduce and simplify public forms.	<p>(a) Increased awareness of government departments of the need to reduce and simplify their forms and make them more user-friendly</p> <p>(b) Contained the total number of public forms despite introduction of various new services in the Government.</p>
CITB/18	Establishment of a centralised public forms web site	To provide a centralised web site for the public to access the commonly used public forms electronically.	Some 1400 public forms now available on the Internet for downloading by the public. Monthly average requests for downloads amount to 50 000.
CITB/19	Professional Services Development Assistance Scheme	To provide financial support for projects aimed at increasing the external competitiveness and/or the professional standard of Hong Kong's professional service sector.	The Scheme was launched in February 2002. We have approved funding for 21 projects in the first tranche with a total amount of grants at \$11.53 million. Applications for the second tranche in 2002 are being processed.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/20	The Film Services Office provides one-stop service to the film industry on location filming requests of a more complicated nature	To facilitate location shooting and film production in Hong Kong.	Up to end August 2002, 762 requests have been dealt with since its establishment in 1998, with 99% successful rate.
CITB/21	A new mechanism was instituted in March 2001 to facilitate film makers to apply for lane closure for filming purpose	To facilitate location shooting and film production in Hong Kong.	Up to end August 2002, 69 requests have been dealt with, with 100% successful rate.
CITB/22	Streamlining the licensing framework for telecoms operators	To put in place a progressive, business-friendly telecoms licensing framework.	<p>We have streamlined our licensing framework in the Telecommunications Ordinance in 2000. We will introduce a new class licence by phases. This will lower business cost without affecting transparency and regulatory standards.</p> <p>We are also reviewing the scope for exemption from regulation which will facilitate private use of telecoms services. We aim to update the existing exemption orders in this legislative session.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/23	Review of the Electronic Transactions Ordinance	To ensure that Hong Kong has the most up-to-date legal framework for electronic transactions to facilitate e-business development in Hong Kong.	Public consultation on a set of proposals to improve the Ordinance conducted in March-April 2002. We are now revising the proposals with a view to introducing the necessary legislative amendments into the Legislative Council in 2002-03.
CITB/24	Outsourcing of Government IT projects	To provide more business opportunities and to create a market of sufficient size to encourage the development of the local IT industry.	In 2001, over 80% of our IT projects were outsourced. In 2002-03, we have earmarked \$1.75 billion to meet our capital expenditure in new IT projects. Our target is to outsource at least 80% of these projects. We will also outsource maintenance work currently handled in-house.
CITB/25	Promotion of IT adoption in businesses	To encourage and assist our businesses, in particular SMEs, to adopt IT to enhance efficiency and productivity.	Together with industry support organisations, we have been providing a wide range of support services to our businesses including training, awareness seminars, publication of reference materials and provision of advisory and assessment services.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/26	Exploration of external markets for IT industry	To assist our IT industry to tap business opportunities in external markets.	We have been working with the Hong Kong Trade Development Council and industry support associations to provide market information to the industry, organise exhibitions and conferences, and lead trade delegations to Mainland and other overseas IT events to raise the profile of Hong Kong's IT industry and facilitate networking between the local IT industry and its potential partners.
CITB/27	Implement an Electronic Tendering System for government purchases	<p>To improve service delivery and information exchange between Government Supplies Department (GSD), its suppliers and its customers using Internet and related technologies.</p> <p>To enhance the efficiency of government procurement.</p> <p>To encourage the adoption of e-business by the private sector.</p>	The Electronic Tendering System was developed in early 2000 to provide for on-line registration of suppliers; notification of tenders; issue of tender documents; receiving and responding to enquiries; submission of tender offers; and displaying contract award notices. The system was enhanced in 2001 to support GSD-originated Central Tender Board tenders and to adopt e-Cert issued by Hongkong Post.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/28	<p>Interoperability Framework for e-Government – to specify technical specifications, conventions, procedures, data schema, etc. that bureaux/ departments (B/Ds) have to observe when developing client-centric joined-up E-government systems. The framework applies to both government-to-government interactions and government-to-public interactions but is not binding on electronic interactions among members of the public (including organisations) themselves</p>	<p>To facilitate B/Ds in developing joined-up E-government systems and facilitate businesses to interact and communicate with government systems in a more effective and efficient manner.</p>	<p>We have conducted the second round of consultation with B/Ds and the public in respect of the Interoperability Framework. We are studying the submissions received during the consultation, and expect to promulgate the first version of the framework around Q4 2002.</p> <p>We are forming a XML Coordination Group to help develop a strategy for more effective adoption of the Extensible Mark-up Language (XML) technology which is a key component of the Interoperability Framework.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/29	Portal for government property information	<p>To study the feasibility of establishing a property portal for providing an easy and one-stop access to government property information by the businesses in the property sector and the general public.</p> <p>To promote a free and open market through dissemination of government property information via the Internet.</p>	We are conducting a feasibility study which will be completed later in 2002.
CITB/30	Business portal feasibility study	To study the provision of an entry portal for the business sector to access the different unconnected business-related websites in Hong Kong, with a view to facilitating the business sector to access necessary business-related information.	We are conducting a feasibility study which will be completed later in 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/31	<p>Hong Kong Science and Technology Parks Corporation</p> <p>(a) Science Park</p>	<p>To create a focal point and a conducive environment for applied research and development activities through provision of premises and services.</p>	<p>Science Park Phase One was officially opened on 27 June 2002. It is located in Tai Po with a total site area of 22 hectares. It is being developed along the concept of clustering. The initial four clusters are IT and telecommunications, electronics, biotechnology and precision engineering.</p> <p>As at end August 2002, applications from 18 technology-based companies, both local and overseas, have already been approved for admission into the Science Park (10 in electronics, 6 in information technology and telecommunications, 1 each in biotechnology and in precision engineering respectively). Another 37 applications are being processed.</p>

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CITB/32	Applied Research Fund	To encourage technological ventures through a venture capital fund managed by private sector venture capital firms.	The Government has injected a total of \$750 million into the Fund. As of 30 August 2002, \$423 million was made available for funding 46 projects. IT is a major investment sector of the ARF.
CITB/33	Hong Kong Applied Science and Technology Research Institute Co. Ltd. (ASTRI)	To enhance our research capability for Hong Kong's technological development and stimulate the growth of technology-based industry in Hong Kong.	ASTRI performs relevant and high quality research and development (R&D) and transfers the technologies and results developed from its R&D projects to industry for commercialisation. Its initial research areas focus on photonics, software, wireless communications and integrated circuits design. So far, four research projects have been launched.
CITB/34	Hong Kong Jockey Club Institute of Chinese Medicine Ltd. (HKJCICM)	To spearhead the development of Chinese medicine as a high value industry for Hong Kong through promotion and coordination of related activities and strategic support for scientific and evidence-based development programmes.	HKJCICM has set its programme directions to steer Chinese medicine development embracing standardisation, technology and product development, safety appraisal and evidence-based clinical studies. HKJCICM has launched its first R&D project and will continue to identify suitable R&D projects which meet its programme directions.

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CITB/35	Review of Innovation and Technology Fund (ITF)	<p>To further improve the operation of the ITF through –</p> <p>adopting a more top-down approach in funding applied R&D activities through identifying key technology areas for priority development; and</p> <p>introducing an innovative product development assistance programme on a trial basis to help promote innovation in product design and development.</p>	<p>We have completed the review in 2002, and are in the process of identifying the technology areas for priority development and devising the details of the trial scheme on the innovative product development assistance programme. We intend to introduce the new funding approach and new programme in end 2002/early 2003.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
CITB/36	Review of Hong Kong Productivity Council (HKPC)	Examine how HKPC could better promote productivity excellence to enhance the value added content of Hong Kong products and services and to increase their international competitiveness.	The consultancy study to review the role, management and operation of HKPC has completed. The Consultants have recommended that HKPC's future role should be to provide integrated support to innovative and growth oriented Hong Kong firms across the value chain. The main sectoral focus should be on manufacturing, particularly in Hong Kong's foundation industries, and related service activities, while the main geographical focus should be Hong Kong and the Pearl River Delta. HKPC has initiated actions to realign its services and activities with its new role and focus.
CITB/37	Hong Kong Design Centre (HKDC)	To promote the Hong Kong design industry and its competitiveness in the region as a service industry.	We assisted in the setting up of HKDC by providing the heritage building at 28 Kennedy Road for its accommodation and a grant of \$10 million to support its initial operating costs. It commenced operation in September 2002. In addition, with funding support from the Innovation and Technology Fund, HKDC organised the 'Business of Design Week', the first ever multi-disciplinary international event on design in Hong Kong, from 14 to 17 September 2002.

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Department of Justice

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
DoJ/1	Hong Kong as a dispute resolution centre	To promote Hong Kong as a dispute resolution centre; explain the attributes of the local legal services in this respect; encourage parties to foreign investment contracts to agree that in case of disputes, Hong Kong laws should be the applicable law and Hong Kong should be the venue for litigation or arbitration.	In collaboration with the Bar Association and Law Society, as well as other government departments (including Beijing Office), professional bodies and HKTDC, we have organised and participated in symposiums, talks, visits and exchange programmes held in Hong Kong, the Mainland and overseas. Feedback from the legal profession and the business sector has been encouraging. We will continue to undertake these activities.
DoJ/2	Hong Kong lawyers as ideal partners in business operations	To help local legal practitioners promote their services with a view to expanding their market in the Mainland and overseas.	We have helped the Law Society and the Bar Association promote their services by - (i) lining up briefings and meetings with their counterparts and business operators; (ii) giving briefings to their counterparts and business operators in collaboration with the relevant authorities in the Mainland and overseas, as well as other Departments and functional bodies in Hong Kong;

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			<p>(iii) making submissions to the Mainland authorities on the setting up of local law firms in the Mainland; and</p> <p>(iv) establishing and maintaining contacts overseas and in the Mainland.</p> <p>D of J has been organizing and participating in a number of meetings locally, overseas and in the Mainland to explain and discuss how best HK legal services can be provided, and can contribute to the opening up of the economy of the Mainland, including the Western region, particularly after the accession to the WTO and in the run-up to hosting the 2008 Beijing Olympics.</p> <p>The number of local law firms operating in the Mainland, and that of local practitioners receiving instructions and retentions from the Mainland have increased, including retentions as legal advisers to the 2008 Beijing Olympics projects. On 26 September 2002, agreements on co-operation were signed between the Qingdao Bureau of Justice/Lawyers Association and the Bar Association, the Law Society, and the D of J.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
DoJ/3	Mutual Legal Assistance on civil and commercial matters with the Mainland	To consult on, facilitate and help enforce and promote mutual legal assistance on civil and commercial matters.	S for J agreed the arrangements and promoted the enactment of relevant legislation to facilitate the service of judicial documents between the courts of Hong Kong and the Mainland, as well as the reciprocal enforcement of arbitral awards. Currently, D of J is actively involved in proposing arrangements for the reciprocal enforcement of court judgments between Hong Kong and the Mainland with a view to reinforcing the position of Hong Kong as a centre for dispute resolution, whereby Hong Kong's legal services market could be further expanded.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
DoJ/4	Review on legal education and training	To ensure that there are continuous improvements to the legal system, including the quality of, and services provided by the local legal practitioners.	D of J has actively participated in the work of the Steering Committee on the Review of Legal Education and Training, which was established in November 1999. Chaired by the Solicitor General, the Steering Committee advises on the requirements of a system best capable of meeting the challenges of legal practice and the needs of Hong Kong society into the 21st century. A report, prepared by two distinguished consultants, was published in early August 2001. In conjunction with the Steering Committee, D of J is considering the way forward. Two progress reports on the considerations by the Steering Committee were submitted to the Administration of Justice and Legal Services Panel earlier this year. The Steering Committee recommended, inter alia, that a new statutory body to oversee legal education should replace the Advisory Committee on Legal Education.

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DoJ/5	Enhancing the competitiveness of the legal services industry	To help local practitioners increase their competitiveness in providing professional services.	<p>On various occasions, especially those in relation to the discussion about WTO issues, S for J and other members of D of J have given briefings on the need and ways to increase the competitiveness of the local legal practitioners. Special lectures and courses on Mainland laws, Mainland affairs, WTO related issues and the impact of China's accession were, in collaboration with various professional bodies, given to practitioners.</p> <p>In January 2002, two new web pages on WTO related issues and Mainland legal information were launched by D of J. The databases are updated regularly and linked to over 300 web sites in the Mainland.</p>

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Economic Development and Labour Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/1	Expansion of air services network	To strengthen Hong Kong's position as an aviation hub for passenger, cargo and logistics services.	To date, we have signed a total of 51 air services agreements with our aviation partners. Currently, our air services network covers over 130 destinations worldwide, with about 3 900 flights operating at the Hong Kong International Airport (HKIA) per week.
EDLB/2	Further development of the HKIA's passenger and cargo handling facilities and the connectivity of the HKIA	To ensure that the HKIA's facilities are able to meet increasing traffic demands.	Since its opening in 1998, the HKIA has remained the world's number one airport in terms of international cargo tonnage throughput and ranked 5th in terms of international passenger throughput. The Airport Authority and its business partners have been developing inter-modal connectivity for HKIA in terms of sea-air links and road-air links.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/3	Examination of the development of high-value added logistics park	To attract enterprises to use Hong Kong as the base for supporting low-inventory modes of production	We have commissioned a consultancy study on the business viability of physical infrastructure projects to support logistics development (including value-added logistics parks). The study is expected to be completed soon.
EDLB/4	Study on the feasibility of establishing a common information technology platform in the logistics sector	To facilitate data exchange among participants in the logistics industry to enhance efficiency	We have commissioned consultants to conduct a feasibility study on the Digital Trade and Transportation Network (DTTN) System, which is expected to be completed by the end of 2002.
EDLB/5	Tendering out tourism infrastructure projects to the private sector and subsequent support during implementation. Examples include the Tung Chung Cable Car Project, and the former Marine Police Headquarters Project	To involve the private sector in tourism development projects	The Cable Car Project has been awarded to MTR Corporation Limited after an open and competitive tendering process. We are planning to tender out other tourism projects.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/6	Provision of training programme for serving tour guides (\$16 million allocated from the Skills Upgrading Scheme)	To upgrade the skills and knowledge of tour guides so that they can deliver better services to visitors. This is expected to raise the standard of the tourism industry.	The programme has commenced in July 2002. We aim to complete the training of all serving tour guides in around 2 years.
EDLB/7	Tourism Orientation Programme – provision of a structured one-year orientation programme to provide tourism-related training and practical experience to participants	To train up a cadre of professional and customer-oriented personnel to provide value-added services to visitors, thus raising the overall standard of the tourism industry.	The programme has commenced in April 2002 and will be run for two years. Around 200 participants have been recruited this year.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EDLB/8	Enhancement and repackaging of existing tourist attractions in various districts	To give a facelift and add more life to the existing popular tourist areas with a view to enriching the visitors' experience and enticing their spending.	Enhancement works in Central and Western District, Sai Kung Waterfront, Lei Yue Mun Waterfront and the visitor signage system in all districts are in good progress and will be completed by 2003. Other improvement projects in the pipeline include those in Tsim Sha Tsui Promenade, Stanley Waterfront and the Peak. Most of these projects will be completed by 2005/06. We are also planning to develop the site outside the Tsim Sha Tsui Star Ferry Pier into an open plaza after the relocation of the public transport interchange to Tsim Sha Tsui East.
EDLB/9	Leveraging on events of tourism value in Hong Kong	To support and facilitate the staging of more signature events in Hong Kong, thereby reinforcing its position as the events capital.	The Tourism Strategy Group (TSG) has formed a Task Group to review the present state of events tourism and recommend the way forward. The Task Group will submit a report to TSG by the end of this year.

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EDLB/10	Development and promotion of eco-tourism	To optimize the use of our natural heritage to enhance the diversity of Hong Kong's attractiveness, and create business and employment opportunities for the local communities.	We have commissioned a consultancy study into the development of tourism in the Northern New Territories. The consultants will submit a report by the end of this year.
EDLB/11	Launching of the Labour Department's Cyber Resource Centre for Business web site	To provide one-stop information on labour matters for the business community, including both local and overseas investors.	The web site was set up in November 2000.

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EDLB/12	Enhancing the contents and functions of the Interactive Employment Service (iES) website of the Labour Department	To provide more comprehensive recruitment services to employers on the web and to facilitate the dissemination of employment information to specific clientele groups.	<ul style="list-style-type: none"> • Employers can locate suitable candidates through the new search engine and more detailed information of job registrants is now available on the iES. • Webpage on local domestic helpers was enhanced in January 2001. Dedicated webpages on educational organisations' vacancies and employment in the Mainland were introduced in February and May 2002 respectively. • In 2001, the iES recorded over 124 800 000 page views with an average of 340 000 page views per day.

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Education and Manpower Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
EMB/1	Skills Upgrading Scheme	To provide focused skills training for in-service workers with secondary or lower education levels to upgrade their skills so as to maintain their competitiveness in the labour market.	The Scheme now covers thirteen industries including printing, Chinese catering, retail, import and export trade, transportation, wearing apparel/textile, tourism, hairdressing, property management, insurance, electrical and mechanical engineering trade, hotel and real estate agents. As at end September 2002, over 700 classes involving over 14 000 trainees have been held.
EMB/2	Continuing Education Fund	To assist people to pursue continuing education so as to prepare Hong Kong's workforce for the knowledge-based economy	As at the end of September, there are over 11 000 applications.
EMB/3	Workplace English Training Funding Scheme	To help individual employees to upgrade their English and for professional bodies to develop English training courses which are not readily available in the market.	As at October 2002, about 9,000 individuals have reached the English benchmark relevant to their job types, and another 9,000 are pursuing their studies.

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Environment, Transport and Works Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/1	Streamlined procedure for applications for excavation permits	Highways Department is coordinating with Transport Department, the Traffic Police, Environmental Protection Department and Leisure and Cultural Services Department to implement a streamlined procedure such that all related approvals are given to the applicant when the excavation permit is issued.	The streamlined procedure is currently being implemented in the Hong Kong Region of Highways Department and will be extended to the whole Territory when proven successful.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/2	Re-engineering of Architectural Services Department (ArchSD)	To re-prioritise the functions of ArchSD to enable it to focus more on strategic roles through an extensive outsourcing programme, thereby generating more business for the private sector and creating more job opportunities.	ArchSD will outsource up to 90% of all its new building projects approved in 2001 and onwards, and up to 100% of a range of maintenance activities by 2008/09. Out of the 93 new projects approved in 2001 and Injected Projects of a total value of \$26.2 billion, 81 of these projects, of a total value of \$24.8 billion have been identified for outsourcing. Appointment of consultants is in progress in accordance with the respective programmes of the project. As at end September 2002, about 52% of the Department's capital works projects and certain maintenance functions, such as coordination, reporting and account checking, have been outsourced to consultants. Consultation with bureaux / departments / quasi-government organizations is in progress with a view to devolving maintenance responsibilities to them.

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ETWB/3	Contracting out transport services of the Water Supplies Department (WSD)	To enhance efficiency and cost-effectiveness of the existing transport services of WSD, thereby generating more business for the transport industry and creating more job opportunities.	WSD proposes to outsource part of its transport services currently provided by its fleet of vehicles in 2003. WSD is conducting a detailed financial viability assessment based on market information collected from potential contractors prior to firming up on the proposal, which may involve up to 65 vehicles.
ETWB/4	Review of admission criteria for inclusion in the Architectural and Associated Consultants Selection Board (AACSB) List of Consultants, and the method of shortlisting of consultants for public building projects	To ensure that the admission criteria are not unduly stringent so that more consulting firms could participate in public building projects, and that the shortlisting method could provide consultants with good performance and good quality proposals better opportunities in being selected for government consultancy assignments.	We completed the review, consulted the industry, and implemented the improvement measures in August 2002. The effectiveness of these new initiatives is being monitored.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/5	Implement a computerized Project Delivery System (PDS) for delivery of works projects	<p>To improve efficiency and shorten turn around time for message exchange in project delivery, thereby speeding up information flow among project participants.</p> <p>To provide a secured and authenticated communication platform for exchanging electronic messages, thereby increasing the legal admissibility of the electronic messages.</p> <p>To facilitate the sharing and re-use of works project data among project participants.</p>	A consultancy study related to the PDS has just been completed. The construction industry has been consulted and has expressed strong support. We are bidding for funds to implement the PDS.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/6	Establishment of a one-stop-shop vehicle type approval mechanism	To provide more user-friendly vehicle type approval service through strengthened coordination among relevant government departments and streamlining of existing type approval procedures.	Transport Department has formulated initial proposals for discussion with relevant departments. We intend to introduce one-stop-shop service in 2003.
ETWB/7	Provision of transport system to support HK's development	To provide a safe, efficient, reliable and environmentally friendly transport system which meets the economic, social and recreational needs of the community, and is capable of supporting sustainability and the future development of HK.	<p>We have set out the "Transport Strategy for the Future" in 1999 which aims to integrate transport into land use planning, to use railways as the major transport mode, to improve public transport services, to use advanced technologies to manage the system, and to focus on environmental protection.</p> <p>We are implementing the above strategy to improve the transport system in HK, which will benefit the whole community and also the business sector.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/8	Provision of cross-boundary transport infrastructures	To provide cross-boundary transport infrastructures in a timely manner to meet both the traffic and strategic development needs of HK.	<p>We are pressing ahead with the implementation of the Shenzhen Western Corridor (SWC) which is targeted to complete in 2005. The capacity of road crossings would be increased by 80% upon SWC's completion.</p> <p>Sheung Shui to Lok Ma Chau Spur Line, the second rail crossing, is expected to complete in 2007.</p> <p>The Government is also studying the need for other additional boundary crossings in the context of "Hong Kong 2030".</p>
ETWB/9	Review of import and possession licensing requirements for species listed under the Animals and Plants (Protection of Endangered Species) Ordinance	To reduce and streamline licensing requirements to facilitate conduct of business without compromising our obligations under the related international convention.	We have completed the review and are working on the legislative proposals.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/10	Helping the Restaurant Trade Environmental Programme	To assist the trade in achieving better environmental performance and complying with environmental legislation.	<ul style="list-style-type: none"> • We have launched the “Environmental Help Desk for the Restaurant Trade” to provide technical advice and assistance for the trade. The Help Desk comprises hotline service, a dedicated website, and a regularly updated list of suppliers and contractors of pollution control equipment. • We have held regular meetings with representatives of the trade to maintain communication with management and operators. • We have provided the trade with information on good environmental practices through educational and publicity programmes, including seminars and workshops. • We have published guidebooks and posters for restaurant operators and chefs. • We have provided technical advice on the local development of new pollution control technology and equipment that suit the requirements of local business.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<ul style="list-style-type: none"> We have provided technical advice for professional institutions in developing structured training courses for the practitioners and personnel of the trade.
ETWB/11	Outsourcing design, building and operation of waste management facilities to the private sector	To provide business opportunities to the waste management industry.	All government-owned waste management facilities are operated by the private sector.
ETWB/12	Inviting expressions of interest from the local and international waste management industry in providing waste management facilities	To help assess the level of private sector interest in providing waste management facilities in Hong Kong.	We have received 59 submissions from local and international organizations. We are considering the submissions.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
ETWB/13	Providing land for the recycling industry	To facilitate development of the recycling industry by providing affordable land for their operation.	In the past few years, 25 pieces of short term tenancy (STT) land have been let to the recycling trade. We will continue to identify new STT sites for the trade. Separately, a Recovery Park in Tuen Mun which would provide long-term land for the recycling industry is being planned.

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Financial Services and the Treasury Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/1	Outsourcing of the annual vacancy survey exercise covering all major property categories	To outsource appropriate tasks to the private sector thereby improving efficiency and cost-effectiveness. This initiative also helps to increase job opportunities in the private sector.	<p>The initiative was first implemented in end-2001. Apart from achieving savings for the Government, it created more job opportunities in the private sector.</p> <p>We will have a similar outsourcing arrangement for the 2002 year-end survey.</p>
FSTB/2	On-line access to the Valuation List and Government Rent Roll	To provide an additional means of convenient access for rates and rent payers, including the business sector, to the rateable values of their properties.	<p>The Valuation List and Government Rent Roll containing rateable values of all properties in Hong Kong are normally available for public inspection in printed format every year in April and May following the annual revaluation. From April 2001, on-line access to the List and Rent Roll has been made available. The facility was improved in April 2002 to incorporate additional search functions.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/3	Outsourcing of rating work for village type houses in the remote areas of the NT	To farm out labour-intensive work to the private sector thereby improving efficiency and cost-effectiveness.	A pilot study is being conducted and two contracts were awarded in September 2002 covering the rating work for 1,000 village lots. We will review the results of the pilot study in early 2003 to consider further outsourcing some 8,000 village lots.
FSTB/4	Implementation of the open bond system, i.e. audit-based control, for bonded warehouses storing dutiable liquor or tobacco, replacing the current mode under which Customs officers have to attend the bonded warehouses and physically supervise all operations concerning the movement of dutiable goods	To facilitate the trade by lowering their compliance costs and providing more flexibility to warehouse operations as no Customs attendance fee will be charged and opening hours of the bonded warehouses will be at the full discretion of the traders.	Consultation and a pilot scheme have been conducted with positive response from the trade. Legislative proposals for implementing the open bond system were introduced into the LegCo on 30 January 2002. Subject to the passage of the Bill, C&ED will implement the Open Bond System in 2003.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/5	Removal of the prescribed standards of quality for Chinese type spirits from the Dutiable Commodities Regulations	To eliminate unnecessary restrictions on the trade by removing the outdated standards prescribed for Chinese-type spirits.	We consulted the trade and LegCo Panel on Financial Affairs in July 2002 on the proposal and received positive response. Legislative proposals for implementing the initiative are being prepared.
FSTB/6	More readily accessible business information to the business sector	To shorten the issue of extract of information on Business Register from 2 days to 1.	We plan to implement the initiative on 1 April 2003.
FSTB/7	Alternative option for stamping chargeable instruments in respect of property transactions, without presentation of the original documents	To streamline and automate the stamping process of property transactions with the provision of a quick and convenient electronic stamping service to the public.	The proposed new service had the support of the interest groups consulted and members of the Legco Panel on Financial Affairs. We plan to introduce relevant amendments to the Stamp Duty Ordinance by the end of 2002. In the meantime, the technical feasibility study of the new stamping system has started in September 2002 and is anticipated to be completed by February 2003.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/8	Electronic lodgment of Profits Tax Returns	To provide an alternative method of filing Profits Tax Returns through the Internet, so as to reduce the taxpayers' cost of compliance.	The service has been made available since April 2002.
FSTB/9	Financial Market Development Task Force	To provide a high-level forum to coordinate new initiatives on the development of Hong Kong's financial markets.	The Task Force submitted its first report to the Financial Secretary in June 2002 putting forward a number of quick win recommendations to facilitate the issuance of retail debt and equity and to increase liquidity in the securities and futures markets.
FSTB/10	Review of the existing market entry criteria and the three-tier authorization system for the banking sector	To relax certain market entry criteria for the banking sector to attract a broader range of domestic and international institutions to participate in the banking sector. This would be conducive to maintaining Hong Kong's status as an international financial centre.	<p>The branching restrictions imposed on overseas-incorporated banks licensed in or after 1978 and overseas-incorporated restricted licence banks authorized in or after 1990 were fully relaxed in November 2001. These institutions are now allowed to operate as many branches as they wish to.</p> <p>Market entry criterion further relaxed in May 2002. Asset size criterion for overseas-incorporated bank applicants was lowered from US\$16 billion to the same criterion applicable to locally incorporated bank applicants, which are HK\$3 billion for customer deposits and HK\$4 billion for total assets.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
			<p>The requirement that a locally incorporated bank applicant must have been a restricted licence bank (RLB) or deposit-taking company (DTC) in Hong Kong for at least 10 continuous years was reduced to 3 years in May 2002. The requirement that the applicant must in the opinion of the HKMA be “closely associated and identified with Hong Kong” has been dispensed with.</p> <p>The minimum capital requirement for locally incorporated bank applicants has been increased from HK\$150 million to HK\$300 million. The adjustment aims to strike a balance between making it easier for institutions to enter the market as a full licensed bank and avoiding a multiplicity of small banks. Same requirement has been extended to overseas-incorporated bank.</p> <p>The general requirement for overseas-incorporated banks to have maintained a local representative office in Hong Kong for a period of 1-2 years before its authorization request will be considered has been removed.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/11	<p>The Privacy Commissioner for Personal Data issued consultation document on 28 August 2002 proposing amendments to the Code of Practice on Consumer Credit Data under the Personal Data (Privacy Ordinance) to introduce the sharing of positive consumer credit data in Hong Kong</p>	<p>Positive data sharing is proposed by the banking industry as one of the measures to address the problem of high rates of personal bankruptcy.</p> <p>The sharing of positive consumer credit data would benefit banks by improving their credit assessment and controlling growth in bad debt. This is conducive to the healthy development of the consumer credit market in the long term.</p> <p>Greater sharing of credit data would also promote market competition which would eventually be beneficial to consumers who would enjoy more options in the choice of credit facilities at a lower cost.</p>	<p>Consultation document issued on 28 August 2002. Consultation period ended on 25 October 2002. Results being examined.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/12	To amend the Bills of Exchange Ordinance to enable cheques to be presented for payment other than by physical presentment	<p>(a) To enhance efficiency and security and to reduce the cost of cheque clearing and settlement process in Hong Kong;</p> <p>(b) To enhance market infrastructure and bolster Hong Kong's position as a financial centre in the region, as Hong Kong will be amongst the first to introduce the new system.</p>	We intend to introduce the proposal to the LegCo in early 2003 and implement the new system in mid-2003.
FSTB/13	Review of the operational and administrative aspects of the Mandatory Provident Fund (MPF) System	The objective of the review is to simplify and streamline the administrative work of employers and MPF service providers, thus facilitating smooth scheme administration and reducing their operation costs, without materially affecting the interests of the scheme members.	<p>The Mandatory Provident Fund Schemes Authority (MPFA) reviewed the administrative and operational aspects of the MPF System after the commencement of the System in December 2000. The first phase of the review was completed in late 2001, and a number of proposals to enhance the efficiency and effectiveness of the MPF System were made. These have been implemented through the Mandatory Provident Fund Schemes (Amendment) (No.2) Ordinance 2002.</p> <p>The MPFA is currently proceeding with the second phase of the Review to further streamline the operations of MPF schemes.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/14	To consistently review the regulatory regime for the insurance industry in the light of operational experience and market development, and to enhance the regime in line with international standards	To protect the interests of the insuring public and at the same time to facilitate the healthy development of the insurance industry, thereby enhancing the status of Hong Kong as a regional insurance centre.	<p>The Office of the Commissioner of Insurance (OCI) introduces new initiatives from time to time. The initiatives introduced recently include the prescribing of professional standards for appointed actuaries; setting of reserve standards for insurance products with investment guarantees; enhancing transparency of the insurance industry through timely release of insurance statistics; and promulgating guidance notes on corporate governance of authorized insurers and the use of internet for insurance activities.</p> <p>Moreover, in the light of feedback from the industry, OCI has started the review on the requirements under the Continuing Professional Development Programme under the Insurance Intermediaries Quality Assurance Scheme.</p>
FSTB/15	Outsourcing the administration of court ordered winding-up cases	To outsource to private sector liquidators the administration of all court ordered winding-up of companies.	Action completed. The winding-up cases are now administered by the liquidators in the private sector.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
FSTB/16	Review of the Companies Ordinance	To simplify, update and improve the Companies Ordinance, which will facilitate business operations.	Recommendations of the review are being pursued in phases by a number of amendment bills to the Companies Ordinance.
FSTB/17	Corporate Governance Review	To improve our corporate governance regime, which will enhance Hong Kong's status as an international financial and business centre.	Recommendations in Phase I of the review are being followed up. Phase II of the review is nearing completion.
FSTB/18	Development of an Integrated Companies Registry Information System (ICRIS)	To enable the Companies Registry to receive, process, store and disseminate information electronically.	Contracts have been awarded. Phase I and Phase II of the ICRIS will be completed by end-2003 and end-2004 respectively.

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Health, Welfare and Food Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/1	Review the licensing regime for food businesses	To streamline procedures and to improve co-ordination between departments in the licensing regime for food businesses in a bid to create a user-friendly environment for the trade.	A number of improvement measures have been introduced, such as the introduction of a case manager scheme to provide 'one-stop' service to applicants and the establishment of a Provisional Food Business Licences Issue Office. We have also set up a Licensing Improvement Committee to explore other measures to improve our licensing regime.
HWFB/2	Streamline the processing of applications for outside seating accommodation (OSA) of restaurants	To streamline application procedures and improve co-ordination among relevant departments in an effort to promote OSA operation.	We provide 'one-stop' service for OSA application by assigning case managers to take charge of applications. Where necessary, case conferences will be arranged so that relevant departments can resolve problems together.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/3	Review the licensing requirement for marine fish culture under the Marine Fish Culture Ordinance	To facilitate mariculture development by allowing the transfer of mariculture licence.	The Ordinance was amended in June 2002 to allow for the transfer of mariculture licence.
HWFB/4	Conduct a trial scheme to allow recreational fishing in fish culture zones	To open up a new business option for mariculturists and to promote fishing as a leisure activity.	The trial scheme has commenced since mid-August 2002.
HWFB/5	Review of import and export licensing process for pharmaceutical products	To shorten the time for approval of import and export licences for pharmaceutical products from two days to one.	Implemented in September 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/6	Review of the drug sample analysis requirement for registration of pharmaceutical products	To shorten the time required for registration of pharmaceutical products, through accepting drug sample analysis by accredited laboratories in lieu of analysis by Government Laboratory.	Implemented in September 2002.
HWFB/7	To streamline its operations in finance, human resources management, and procurement and inventory management, the Hospital Authority (HA) will introduce a new “Enterprise Resource Planning” (ERP) system. HA is exploring the feasibility of involving the private sector in financing, implementing and operating the new ERP system	To create business opportunities for the private sector. The proposal will also enable HA to outsource some of its non-core business systems to the private sector.	HA is preparing an “Expression of Interest” document which will be issued in the fourth quarter of 2002 to private companies interested in the project.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/8	To use a partnership approach with contractors and consultants for the implementation of HA's major capital works projects	To approach minimize disputes among different parties and to achieve higher standards on quality and safety.	HA has used this partnership approach in several major projects in Haven of Hope Hospital, United Christian Hospital, North District Hospital, and Tseung Kwan O Hospital. The Pok Oi Hospital redevelopment project is currently being implemented by HA using this partnership approach.
HWFB/9	To consider the possibility of adopting a public-private partnership approach for the provision of HA's central food production service	To achieve greater cost effectiveness in the provision of meal services to inpatients and to create business opportunities for the private sector.	HA has appointed a technical adviser to evaluate the possibility of using public-private partnership approach to implement the project.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HWFB/10	<p>In the past, welfare services were allocated among Non-Governmental Organizations (NGOs) only.</p> <p>In 2001, SWD introduced competitive bidding for residential care services for elders. Under the initiative, new services will be allocated through a bidding process open to both NGOs and the private sector on the basis of quality and cost-effectiveness.</p>	<p>To enhance the quality, cost-effectiveness, responsiveness and planning of welfare services and to increase choices for elders and their families.</p> <p>The initiative also allows participation of the private sector in providing quality subsidized and non-subsidized services.</p>	<p>SWD has allocated two new Residential Care Homes for the Elderly (RCHEs) through competitive bidding, involving both NGOs and the private sector. Contracts of the two RCHEs were awarded in December 2001 and July 2002 respectively. SWD will continue to allocate future RCHEs, some of which are integrated projects providing also community services for elders, through competitive bidding.</p>

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Home Affairs Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HAB/1	Promotion of Local Community Economy (LCE)	To stimulate domestic consumption, create employment opportunities and highlight Hong Kong's cultural characteristics.	<p>An inter-bureau working group chaired by FS has been set up to oversee the development of LCE.</p> <p>The 18 District Councils have either set up LCE working groups or extended the scope of its existing committees to include the promotion of LCE.</p> <p>More than a hundred LCE proposals have been received from individuals or organisations.</p> <p>Relevant departments have been following up on promising items.</p> <p>Projects that have been implemented or will soon be implemented include: alfresco dining on Hoi Pong Street, recreational fishing in mariculture areas in Sai Kung, Sheung Wan Gala Point, etc.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HAB/2	Outsourcing of the back-end ticketing system for Urban Ticketing System (URBTIX)	To invite private sector participation in a project to develop and maintain a new and advanced ticketing system with enhanced features to replace the existing URBTIX.	A Request for Information exercise was conducted in early 2002 where positive feedback from the ticketing industry was gathered. Work is in hand to call for an open tender by early 2003 to select a suitable service provider to develop an improved and advanced ticketing system.
HAB/3	Outsourcing security, horticultural maintenance, cleansing and support services in leisure venues	To involve private sector and to bring in commercial modes of operation in the delivery of public services with a view to enhance the quality of services to the public and in a more cost-effective manner.	As at 1 September 2002, there were already 48 services contracts involving commercial contractors providing services related to security, horticultural maintenance, cleansing and support services in leisure venues. The total contract value involved in these 48 contracts is about \$810 million.
HAB/4	Outsourcing the management of sports centres and public swimming pool complex	To involve the private sector in the management and delivery of recreational services with a view to achieving better quality of service in a cost-effective manner.	We have already contracted out management of six sports centres. We plan to further contract out the management of four sports centres and one public swimming pool complex in 2003/04.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HAB/5	Introduction of multiple year licensing system for hotels and guesthouses whereby hotel/guesthouse operators can apply for licences with validity period of up to seven years	To simplify the original licensing process which requires annual renewal of licences, and to achieve economies of scale in the issue and renewal of licences.	The new arrangement was implemented in December 2001. As of October 2002, the Licensing Authority has issued 504 multiple year licences with validity period ranging from 2 to 7 years.

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Housing, Planning and Lands Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HPLB/1	Establishment of a Business Opportunity Centre for leasing of retail premises in public housing estates	To facilitate retail business start-ups and operation by providing one-stop services for the leasing of retail premises in public housing estates.	Since its establishment on 4 August 2002, the Centre has received 3 985 telephone enquiries and conducted 1 421 interviews. A total of 135 premises were let in August, doubling the number of average monthly lettings in the past year.
HPLB/2	Enhancing retail leasing terms including – (a) rent re-assessment for existing commercial tenants; (b) greater flexibility on trade types; (c) reduction of rent deposit; and (d) introducing short-term lettings to encourage business start-up.	To assist existing commercial tenants to tide over economic downturn and to facilitate business entry through introduction of greater flexibility into lease arrangements.	Rents for 13 345 commercial tenancies, or 99% of the applications received, have been granted a rental reduction averaging at 19% since November 2001 as a result of the rent re-assessment exercise. Moreover, prospective tenants can now propose new trade types for consideration by Housing Department. Rent deposits for the commercial tenants will also be reduced from 3 or 4 months to 2 months from October 2002. Moreover, short-term leases of less than 1 year have been allowed apart from the standard 3-year tenancies since March 2002.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
HPLB/3	Outsourcing of estate management and maintenance services for public housing estates	To achieve greater cost efficiency and increase private sector involvement in Housing Authority's estate management and maintenance services.	The Housing Authority launched the "Private Sector Involvement" programme in October 2000 for gradual transfer of the management and maintenance services for public housing estates to private property management companies. A total of 268 000 flats or 41% of all rental flats have been outsourced to 26 companies.
HPLB/4	Re-engineering the building approval process	To simplify procedures and accelerate the plan approval process with a view to making the development process as simple and user-friendly as possible, thereby facilitating the building industry and reducing development cost.	The revised procedures were implemented in July 2002.

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Security Bureau

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/1	Re-engineering of Customs clearance procedures at Customs kiosks in the land boundary control points	To shorten customs processing time at kiosks, thereby increasing the overall vehicle throughput and facilitating cross boundary truckers.	Previously, Customs officer took an average of 45 seconds to process one goods vehicle at kiosks of land boundary control points. By applying a series of simplification of Customs clearance procedures at kiosks since March 2002, the average vehicle processing time has recorded a remarkable reduction of 12 seconds from 45 seconds to 33 seconds. Moreover, Customs will try out further process re-engineering at kiosks with a view to reducing the processing time to 15 seconds.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/2	Lok Ma Chau Control Point Improvement Project	To cope with the persistent growth in cross-boundary vehicular and passenger traffic, the Administration implemented a 2-phase expansion project at Lok Ma Chau Control Point. Project items include construction of 10 new vehicular kiosks, demolition and rebuilding of the old vehicular kiosks, expansion of the passenger hall and boundary crossing facilities, expansion of the freight examination platform and installation of 2 sets of fixed x-ray vehicle scanning system.	The first phase of the project which mainly comprised the construction of new vehicular kiosks was completed towards the end of 1999. The remaining works which are included in the phase 2 project, are underway. They are expected to be completed by September 2003.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/3	Application of technology in Customs clearance at control points	To reduce the time required for clearance and thereby enhance the throughput capacity at land boundary control points.	C&ED has started to install a total of 42 sets of "Automatic Vehicle Recognition System" at the land boundary crossings (Lok Ma Chau, Man Kam To and Sha Tau Kok) in phases. Installation works at Man Kam To have been completed while that at the other 2 crossings will be completed by early 2003. In addition, fixed X-ray vehicle scanning systems are being installed at the freight examination platform at Lok Ma Chau Control Point to provide more speedy clearance service for cross-boundary freight vehicles. The systems will be commissioned early next year.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/4	Improvement works and enhanced arrangements at Boundary Control Points, in particular at the Lok Ma Chau and Lo Wu Control Points	To facilitate the smooth flow of people and cargo between Hong Kong and the Mainland, contributing to the economic activities between the two places and Hong Kong as a logistics hub.	<p>The improvement works at the Lok Ma Chau Control Point is in good progress; the expansion of the passenger hall and Vehicle Holding Area have been completed. The whole project will be completed in September 2003 by phases.</p> <p>At Lo Wu, we have started works to replace old side-facing counters for the arrival hall and to relocate the Police Reporting Centre to widen the passageway. Works will start in May 2003 to build a new passageway and further expand the departure hall, to be completed in 2005 by phases.</p> <p>Recently, enhancement arrangements have been introduced at the Lok Ma Chau and Lo Wu Control Points as follows: (i) For vehicle traffic, the number of inspection lanes at Huanggang will be increased from 3 (1 northbound and 2 southbound) to 5 (1 northbound and 4 southbound) between midnight and 7:00 a.m. There will be corresponding adjustments on the Hong Kong side; (ii) For passenger traffic, dedicated counters have been introduced at Luo Hu and Huanggang on the Shenzhen side to facilitate the smooth crossing of foreign tourists and businessmen.</p>

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/5	Entry for investment	Existing immigration policy allows the entry of persons coming to Hong Kong to set up or join a business operation. Government is reviewing existing policy with a view to permitting the entry of capital investment entrants, i.e. those who will bring capital to Hong Kong but would not otherwise be engaged in the running of any business.	Review in progress
SB/6	Review of the Admission of Mainland Professionals Scheme	Government is reviewing the operation of the Mainland Professionals Scheme with a view to deciding whether its scope should be expanded to cover other sectors apart from information technology and financial services.	Review in progress

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/7	Business Visit Scheme (BVS) for Mainland business visitors coming to Hong Kong	The BVS is implemented by the Mainland public security authorities to regulate Mainland business visitors going to Hong Kong. After discussion with the HKSARG, the Mainland authorities agreed to extend the validity period of multiple business visit endorsement issued under the scheme from 6 months to up to a maximum period of 3 years. Fourteen days are allowed on each visit.	The new measure was introduced in December 2001. Mainland business visitors with valid travel documents issued by the Mainland authorities do not need to apply for separate entry permits from Imm D. They will be allowed to enter Hong Kong after normal immigration clearance. The daily average arrival of Mainland business visitors increased from some 3 000 in 2001 to over 4 800 in the first seven months of 2002.
SB/8	Introduction of iPermits for Taiwan visitors	The objective of the iPermit Scheme is to use information technology to shorten the processing time for entry applications from Taiwan visitors.	The iPermit scheme was introduced in March 2002. On average some 440 applications are processed automatically by the iPermit system every day.
SB/9	To discuss with other countries with a view to securing visa-free access for holders of HKSAR passport	To maximise travel convenience for holders of HKSAR passport.	As at 1 July 1997 when HKSAR passport came into use, 37 countries granted visa-free access to HKSAR passport holders. As at 26 September 2002, 118 countries / territories have agreed to grant HKSAR passport holder visa-free access for a stay ranging from 7 days to 6 months.

Item no.	Brief description of programme or initiative	Objective	Progress or achievement made
SB/10	To introducing amendments to Dangerous Goods Ordinance, Cap.295	To align the local regulatory regime with international requirements on the classification, labelling and packing of dangerous goods, thereby reducing operating costs of the import and export trades.	<p>The Dangerous Goods (Amendment) Ordinance 2000 was passed by LegCo on 13 March 2002.</p> <p>The Administration is now actively preparing the subsidiary legislation to provide for the details of the new regime.</p>
SB/11	The Fire Services Department continues to adopt a fire engineering approach in processing the fire safety plans of large-scale building / infrastructure projects	To increase flexibility for consultants/Authorised Persons to address fire safety aspects in building/infrastructure projects of special nature and magnitude without strictly following the prescriptive fire safety code.	Given the flexibility, many consultants/Authorised Persons have been able to come up with innovative designs for buildings/infrastructure projects and cut down the time and cost of the construction without compromising fire safety.