

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2250/02-03  
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by the Administration)

Ref : CB1/PL/FA/1

**Panel on Financial Affairs**

**Minutes of special meeting held on  
Thursday, 29 May 2003 at 8:30 am  
in the Chamber of Legislative Council Building**

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

- Public officers Attending** :
- Mr Henry TANG  
Secretary for Commerce, Industry and Technology
  - Dr Patrick HO  
Secretary for Home Affairs
  - Miss Denise YUE  
Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry)
  - Miss Yvonne CHOI  
Director of Information Services
  - Mr M J T ROWSE  
Director-General of Investment Promotion
  - Ms Eva CHENG  
Commissioner for Tourism
  - Ms Janet WONG  
Director of Home Affairs
  - Ms Anissa WONG  
Director of Leisure and Cultural Services
  - Ms Lolly CHIU  
Deputy Secretary for Home Affairs (3)
  - Ms Clara CHONG  
Executive Director, Hong Kong Tourism Board
  - Ms Ophelia TSANG  
Associate Director-General of Investment Promotion
- Clerk in attendance** : Ms Connie SZETO  
Chief Assistant Secretary (1)4
- Staff in attendance** :
- Ms Pauline NG  
Assistant Secretary General 1
  - Ms Rosalind MA  
Senior Assistant Secretary (1)9

Ms Christina SHIU  
Legislative Assistant

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Action

**I Briefing by the Administration on the campaign to re-launch Hong Kong's economy**  
(LC Paper No. CB(1) 1804/02-03(01))

Briefing by the Administration

At the Deputy Chairman's invitation, the Director-General of Investment Promotion (DGIP) informed members that the Economic Relaunch Working Group (ERWG) and the Economic Relaunch Strategy Group (ERSG) had been working in full gear since early May to work on the proposals for relaunching Hong Kong's economy following the outbreak of the Severe Acute Respiratory Syndrome (SARS). A comprehensive framework with promotion and publicity programmes at a total commitment of \$1 billion was set out in the paper. The proposed \$1 billion commitment formed part of the \$11.8 billion of the economic relief package announced by the Chief Executive as a result of SARS. In view of the urgency to implement the special campaign to relaunch Hong Kong's economy, the Administration intended to seek funding approval from the Finance Committee on 30 May 2003. The Invest Hong Kong would coordinate the implementation of the campaign and relevant bureaux and departments would be involved in organizing the various activities.

Declaration of interests

2. Mr Henry WU declared interest as the Chairman of the Hong Kong Dance Company. Mr Howard YOUNG declared interest as the director of a travel agency and an employee of an airline. Mrs Selina CHOW declared interest as the Chairman of the Hong Kong Tourism Board.

Discussion with members

*Effectiveness of measures in the campaign*

3. Members generally supported the campaign to relaunch Hong Kong's economy. Some members however considered it difficult to assess the effectiveness of the measures due to the lack of a breakdown of the expenses for different programmes. Mr SIN Chung-kai requested the Administration to provide such details to facilitate members' consideration of whether they should support the funding proposal at the Finance Committee. In reply, the Secretary for Commerce, Industry and Technology (SCIT) said that the Administration had endeavoured to respond expeditiously to the need to move the economy back to its

normal development track. Nevertheless, given that the World Health Organization had just lifted the travel advisory against Hong Kong on 23 May 2003, the Administration had only been able to map out the initial programmes at the present stage. Breakdown of expenses for individual programmes would be provided when details had been finalized. He said the Administration would revert to the respective Panels and brief members on the details of the various programmes in due course.

4. Mr MA Fung-kwok was also concerned about details of the programmes and asked when the bureaux secretaries would be ready to brief respective Panels in this regard. DGIP advised that various bureaux secretaries would arrange to brief relevant Panels when details of the programmes under their purview were ready. The first progress update on the proposals was expected in about a month's time.

5. In response to Mr NG Leung-sing and Mr MA Fung-kwok regarding the assessment of the effect of the campaign, DGIP said that a number of factors could be involved in the process including the speed and extent of resumption of normal economic activities and the number of overseas visitors. He advised that given the possible fluctuation in SARS situation, it would be impractical to set a timetable for achieving the target of the campaign at the present stage. The Commissioner for Tourism (C for T) pointed out that the priority task would be to reassure overseas visitors that Hong Kong had succeeded in containing SARS and was a safe place to visit. Nonetheless, it would take some time to rebuild the confidence of visitors but the number of tourists coming from neighbouring places should be picking up sooner than that from other regions.

#### *Strategy and timing for implementing the campaign*

6. While the spread of SARS was being contained, Mr NG Leung-sing asked if the Administration had any contingency plan in the event that the situation fluctuated in the coming months. Mr Bernard CHAN also echoed that premature relaunching efforts would be counter-productive. DGIP responded that promotional and publicity programmes under the campaign aimed at reassuring Hong Kong's business partners around the world that Hong Kong was a safe city as a first step. The Administration would remain vigilant in guarding the situation and closely monitoring the number of infections. He pointed out that the Administration recognized the importance of timely implementation of the promotional and publicity programmes and would not launch the activities prematurely.

#### *Stimulating local consumption*

7. Mrs Selina CHOW also pointed out the importance of implementing appropriate measures at the appropriate time. She expressed concern about the timing for boosting local consumption. Pointing out that the retail industry had

been badly hit during the SARS outbreak and would unlikely recover within a short period of time, Mrs CHOW opined that the implementation of promotional activities should not be restricted to June and July only. Moreover, she suggested the Administration make appropriate arrangements to boost local consumption during the tax rebate in July.

8. C for T responded that one of the major focuses of relaunching the economy was to boost local consumption. Referring to the Action Checklist at Enclosure A of the paper, C for T pointed out that a lot of activities were being organized by the private sector, coordinated and promoted by the Government, including initiatives such as “We Love Hong Kong Phases I and II”. There could be flexibility in the duration for carrying out the promotional programmes. The Government would work out the details of the programmes in close collaboration with the business sectors.

9. The Secretary for Home Affairs supplemented that initiatives to rebuild the confidence of local people would be helpful to demonstrate that Hong Kong had returned to its normal track of development. He advised that the Home Affairs Bureau would organize a wide range of activities to boost the local community economy, including cultural, sports and recreational programmes. The Director of Home Affairs (DHA) informed members that these activities included “Starry Starry Night Street Party”, “Park to Park Ride from Shatin to Tai Po” and “Computer Festival in Sham Shui Po”. DHA remarked that the activities were tailor-made for different districts to reflect their individual characteristics and complement with their community facilities.

10. Mrs Selina CHOW welcomed the plan to organize a wide range of programmes to boost local consumption. She urged the Administration to solicit support and sponsorship from big companies in the private sector for the promotional activities and not only to rely on the retailing sector to offer promotional sales or discounts to attract consumers.

11. Mr NG Leung-sing referred to the intention of the Leisure and Cultural Services Department (LCSD) to promote community spirit by offering free admission to sports centre, museums and swimming pools on public holidays in July. He expressed concern over the control on number of admissions, in particular on the safety of users of swimming pools if the facilities became overcrowded on the free admission days. In reply, the Director of Leisure and Cultural Services assured that LCSD would control the number of admissions to the facilities in line with the maximum capacity and deployed sufficient number of lifeguards to service swimming pools to ensure safety of users. Moreover, LCSD had stepped up cleansing and water quality control for all swimming pools since the outbreak of SARS.

*Financial assistance provided to SARS impacted business sectors*

12. While expressing support to the proposed campaign to relaunch Hong Kong's economy, Mr Howard YOUNG enquired about the extent of financial assistance available to travel agencies in marketing activities, including participation in overseas trade shows and advertising. In response, C for T advised that the participation fees for agencies taking part in trade shows organized by the Hong Kong Tourism Board would be waived. Participants nevertheless had to pay for their own costs, such as air tickets and accommodation. There would not be any additional assistance for advertising overseas as no funding was earmarked under the relaunch programme for such a purpose.

13. Responding to Mr Howard YOUNG's enquiry, SCIT added that with a view to further helping small and medium enterprises (SME) to tide over the difficulties of SARS outbreak, the Administration had proposed improvement measures to the existing four SME funding schemes. These included the proposed increase of the maximum amount of grant a SME might receive under the SME Export Marketing Fund from \$40,000 to \$80,000. The maximum amount of grant for each successful application would be the lesser of \$30,000 (instead of \$20,000) or 50% of the total expenditure on fundable items.

*Trade shows, exhibitions and international conferences*

14. Mr Bernard CHAN suggested that as part of the relaunch campaign, special activities should be planned to complement with the annual meetings of the Asia-Pacific Economic Co-operation (APEC) to be held in October this year. SCIT took note of Mr CHAN's suggestion and said that the Administration was working out plans to make good use of the opportunity of the APEC meetings to invite political leaders as guests of honour to attend business conventions in Hong Kong.

15. Mrs Selina CHOW shared Mr Bernard CHAN's view and sought information on the political and business celebrities to be invited for the forthcoming business events. In response, DGIP said that a number of high profile business events would be held in Hong Kong later this year. He advised that the Administration was working with the organizers of these events to raise the level of attendance both in terms of number and profile of the guests invited. He assured members that a number of high profile business celebrities would be invited to attend the business events to be held in Hong Kong and details would be released at a later stage when acceptance of invitations had been confirmed.

16. Referring to the incident of refusal of Hong Kong exhibitors to participate in the World Jewellery and Watch Fair 2003 in Basel in early April, Mr Kenneth TING expressed concern about measures to avoid disturbance to upcoming local/overseas trade fairs/exhibitions due to the outbreak of SARS.

SCIT advised that \$90 million was earmarked for initiatives to boost business, trade and investment. The Economic and Trade Offices would arrange promotional and publicity programmes to attract business visitors overseas. The Administration was also planning a series of promotional packages with the cooperation of airlines and hotels to promote the exhibitions and fairs to be held in Hong Kong shortly, such as the Books Fair and the Gifts and Premium Fair in July. He advised that additional health and medical measures had been implemented for local trade fairs and exhibitions after the outbreak of SARS. He stressed that there had not been any case of SARS generated from these fairs. There was also no case of SARS exported to overseas as a result of these fairs.

17. In reply to Mr Henry WU, DGIP advised that the Government was exploring measures to rebuild the image of Hong Kong as an international financial centre. SCIT added that while the proposed promotional and publicity activities were not specifically designed for boosting the financial services industry, the industry would benefit from the various trade and business events under the campaign.

*The role of the two relaunching bodies*

18. In response to Mr Jasper TSANG's enquiry, DGIP advised that ERWG comprised of Government officials including the Secretaries of relevant Bureaux and relevant Heads of Departments to prepare for and oversee implementation of programmes. ERSG on the other hand was made up of representatives of relevant sectors, major chambers of commerce, academics, think-tanks and relevant Government officials to advise on measures to relaunch Hong Kong. He undertook to provide the membership lists and terms of reference of the two bodies for members' information after the meeting.

*(Post-meeting note: The requested information was circulated to members vide LC Paper No. CB(1)1826/02-03 on 29 May 2003)*

19. Mr Jasper TSANG sought information on the operation of ERWG and ERSG, including the dissemination of information on the discussion/decisions of the two bodies. DGIP said that the Administration sought advice of ERSG regularly on its work progress. The Director of Information Services advised that the Information Services Department would coordinate the release of information on the decisions and work of ERWG and ERSG to the public and the press. She added that as ERSG comprised of members from different sectors of the community, members might also pass on the ideas discussed at ERSG meetings to their respective sectors.

**II Any other business**

20. There being no other business, the meeting ended at 9:45 am.

Council Business Division 1  
Legislative Council Secretariat  
21 July 2003