

立法會
Legislative Council

LC Paper No. CB(1)1319/03-04
(These minutes have been seen by
the Administration)

Ref : CB1/PL/CI/1

Panel on Commerce and Industry

Minutes of meeting
held on Monday, 9 February 2004, at 4:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon Kenneth TING Woo-shou, JP (Chairman)
Hon NG Leung-sing, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai
Hon Henry WU King-cheong, BBS, JP
Hon MA Fung-kwok, JP
- Member absent** : Hon HUI Cheung-ching, JP (Deputy Chairman)
Dr Hon LUI Ming-wah, JP
Hon CHEUNG Man-kwong
- Public officers attending** : **Item IV**

Miss Denise YUE, JP
Permanent Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Mr Raymond YOUNG, JP
Deputy Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Miss Viola CHAN
Principal Executive Officer (Administration)
Commerce, Industry and Technology Bureau

Item V

Mr Donald CHEN
Principal Assistant Secretary for Commerce, Industry
and Technology (Commerce and Industry)

Miss Linda TSUI
Assistant Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Mr Stephen SELBY
Director of Intellectual Property
Intellectual Property Department

Mrs Teresa GRANT
Assistant Director of Intellectual Property
(Registration)
Intellectual Property Department

Item VI

Miss Mary CHOW
Deputy Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Mr Gordon LEUNG
Principal Assistant Secretary for Commerce, Industry
and Technology (Commerce and Industry)

Miss Helen CHUNG
Assistant Secretary for Commerce, Industry and
Technology (Commerce and Industry)

Clerk in attendance : Miss Polly YEUNG
Chief Council Secretary (1)3

Staff in attendance : Miss Anita HO
Assistant Legal Advisor 2 (Item V)

Mr TSANG Siu-cheung
Senior Council Secretary (1)7

Ms Sharon CHAN
Legislative Assistant (1)6

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I Confirmation of minutes of meeting

(LC Paper No. CB(1) 836/03-04 -- Minutes of meeting held on 8 December 2003)

The minutes of the meeting held on 8 December 2003 were confirmed.

II Date of the next meeting and items for discussion

(LC Paper No. CB(1) 933/03-04(01) -- List of outstanding items for discussion

LC Paper No. CB(1) 933/03-04(02) -- List of follow-up actions)

2. The Chairman informed members that the next Panel meeting would be held on Monday, 8 March 2004 at 4:30 pm to discuss the work of Invest Hong Kong (InvestHK).

3. Mrs Sophie LEUNG suggested that the Panel might consider examining issues which would affect Hong Kong's macro commercial and industrial development, instead of discussing specific policies and initiatives relating to commerce and industry.

4. The Chairman advised that any issues relating to the development of commerce and industry could be raised for discussion at the Panel. He pointed out that the item "Improving the business environment" proposed earlier on by Mrs Sophie LEUNG for discussion by the Panel was a topic which covered the macro development of the local commercial and industrial sectors. The Clerk added that the item had already been included in the Panel's list of outstanding items for discussion. Members could decide to discuss the item in due course. Given the wide coverage of the item, non-Panel Members would also be invited to take part in the discussion.

5. The Chairman and Mr SIN Chung-kai agreed with Mrs Sophie LEUNG's suggestion. However, Mr SIN pointed out that apart from macro issues, the discussion of items of specific concerns was also important for the Panel.

6. The Chairman advised that members who would like to propose any items relating to commerce and industry for discussion, should notify the Clerk in advance for follow-up with the Administration.

III Information papers issued since last meeting

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

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IV Review of the Hong Kong Economic and Trade Offices

(LC Paper No. CB(1) 933/03-04(03))

8. The Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry) (PSCIT) briefed members on the review of the Hong Kong Economic and Trade Offices (ETOs) and the relevant staffing proposal, details of which were set out in the information paper provided by the Administration. She added that the number of Deputy Head in the London ETO mentioned in item 4 of Enclosure 7 to the Chinese version of the paper should be one instead of two. The Chairman advised that the revised Chinese version of Enclosure 7 had been tabled at the meeting for members' reference.

(Post-meeting note: The revised Chinese version of Enclosure 7 to the paper was issued for members' reference vide LC Paper No. CB(1) 964/03-04 on 10 February 2004.)

9. Mr Henry WU expressed concern about the difference in the ranking of the Heads of ETOs in different places and enquired whether the respective ranks had been determined with reference to the economic influence of the territories on Hong Kong. In addition, he requested the Administration to provide information on the establishment, including both directorate and non-directorate staff, and the operational expenditure of individual ETOs.

Admin 10. PSCIT advised that the Administration would be pleased to provide information on the current establishment and operational expenditure of individual ETOs after the meeting for members' reference. PSCIT said that instead of pitching all Heads of individual ETOs at the same rank, consideration had been given to the economic and trade relations between Hong Kong and the countries concerned, as well as their respective influence on Hong Kong's economy, when determining the ranking of the Heads of ETOs concerned. She pointed out that the Administration had kept under review the ranks of the Heads of individual ETOs. For instance, after a review in 1996, the posts of the Commissioner for Economic and Trade Affairs, USA (C,USA), and the Director-General, London (DGL) were downgraded from D8 to D6 rank in the light of practical needs. On the other hand, the post of Director-General, Tokyo was upgraded from D4 to D6 rank.

(Post-meeting note: The Administration's response on the current establishment and operational expenditure of individual ETOs was circulated for members' reference vide LC Paper No. CB(1)1098/03-04(01) on 24 February 2004.)

11. PSCIT pointed out that in the current review, the Administration had examined the need or otherwise to revise the existing ranks of the Heads of ETOs. After the review, the Administration considered that the existing ranking of the various Heads of ETOs was still appropriate. Despite the increase in the number of member states of the European Union (EU) from 15 to 25 with effect from 1 May 2004, as pointed out by Mr Henry WU, PSCIT confirmed that

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maintaining the rank of the Head of the Brussels ETO at D4 level was still considered adequate to enable the postholder to perform the function of promoting Hong Kong's economic and trade interests in Continental Europe.

12. Mr Henry WU opined that as ten more countries would become member states of EU on 1 May 2004, the Administration should consider including under the purview of the Brussels ETO the bilateral economic and trade relations between those countries and Hong Kong. The Administration should also consider upgrading the rank of the Head of the Brussels ETO to cope with the possible increase in the number of EU member states in future.

13. In response, PSCIT advised that the Brussels ETO was currently responsible for liaison with EU and for the bilateral economic and trade relations between Hong Kong and 14 of the 15 existing EU member states, with the exception of the United Kingdom (UK). The London ETO was responsible for promoting Hong Kong's economic and trade interests in 16 non-EU member states and the UK as an EU member state. In consideration of the geographic location and the air services network of the new member states which would join EU on 1 May 2004, PSCIT said that it would be more appropriate for the London ETO to handle issues relating to the bilateral economic and trade relations between the new EU member states and Hong Kong. She further explained that as London was an international financial centre with an extensive multi-national media network, it was justified to pitch the existing rank of the Head of the London ETO at D6 level. She reiterated that the Administration would review the situation from time to time to see whether it was necessary to adjust the jurisdiction and the ranking of the various Heads of ETOs.

14. Given that the bilateral economic and trade relations between Hong Kong and the ten newly-joined EU member states (e.g. Romania and Bulgaria etc.) to be handled by the London ETO were still at the initial stage while those between Hong Kong and other EU member states including France, Germany, Finland and Denmark currently under the purview of the Brussels ETO were increasingly close, Mr CHAN Kam-lam opined that the Administration should seriously consider the feasibility of upgrading the rank of the Head of the Brussels ETO to D6 level and at the same time, consider whether it was necessary to downgrade the rank of the Head of the London ETO to D4 level.

15. On the Administration's proposal to merge the C,USA's Office and the Washington ETO, Mr CHAN Kam-lam observed that the proposed merger would not bring about any substantive establishment changes and savings in resources. He therefore suggested that the Administration should review the existing establishment of the three ETOs in the United States (US) and examine the feasibility of reducing the number of staff. Mr CHAN pointed out that the future global economic and trade development would focus on Asia, in particular Southeast Asia, and that the Mainland was planning to set up a free trade zone with other countries of the region. As such, Mr CHAN was of the view that the

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Administration should consider strengthening the functions of the existing ETOs in Asia, including the ones in Japan and Singapore, and upgrading the ranks of individual Heads.

16. In response, PSCIT said that individual ETOs would make the best endeavour to perform their functions under limited resources. Regarding the Administration's proposal to merge the C,USA's Office and the Washington ETO, PSCIT pointed out that the proposal would result in the deletion of one directorate post and two non-directorate posts. On Mr CHAN Kam-lam's concern about the need for three ETOs in US, PSCIT highlighted that the responsibilities of the ETOs in Washington, New York and San Francisco were different in nature. The Washington ETO was primarily responsible for monitoring the US government policies and legislation which might have implications on Hong Kong's economic and trade interests and maintaining communication with the US Administration, the Congress and think tanks with a view to safeguarding the interests of Hong Kong. The Washington ETO was also responsible for coordinating visits by Hong Kong officials to the US. The ETOs in San Francisco and New York were mainly tasked to promote Hong Kong to the US business sector with a view to facilitating the economic and trade relations between Hong Kong and individual American states.

17. Regarding the need to set up an ETO in New York and San Francisco respectively, PSCIT explained that the distance between the East Coast and the West Coast in North America was the main consideration. The presence of two offices could ensure effective promotion of economic and trade relations between Hong Kong and different regions in the US. She said that in the current review, the Administration had examined the possibility of strengthening manpower support for individual ETOs in US with a view to reducing the total number of ETOs in US. Nevertheless, following to the review, the Administration considered that retaining the existing three ETOs in US would more effectively facilitate the economic and trade exchanges between Hong Kong and various American states. She supplemented that at present, an ETO was also set up in Toronto, Canada. Due to geographical reasons, it was not desirable for any one of the existing ETOs in US to take up the responsibilities of the ETO in Canada.

18. Regarding the London ETO which would be responsible for the bilateral economic and trade relations with the ten new EU member states after 1 May 2004, PSCIT noted that the development potentials of these countries were expected to be considerable although at present, their economic influence and importance to Hong Kong were less than significant. In this connection, the Administration would make the best endeavour to establish good economic and trade relations with these countries through the London ETO. PSCIT also stressed that close economic and trade relations could only be achieved after a long period of communication and fostering.

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19. Mr CHAN Kam-lam enquired whether the Administration would consider downgrading the rank of the Head of the London ETO to D4 level. In response, PSCIT advised that as London was an international financial centre, the post of the Head of the London ETO should be taken up by a well qualified and experienced senior officer who was familiar with Hong Kong affairs. This would ensure that the incumbent would be able to communicate and liaise successfully with the local politicians and financial practitioners to promote Hong Kong's economic and trade interests. As such, the Administration maintained its view that pitching the rank of the Head of the London ETO at D6 level was justified and appropriate.

20. On ETOs' mission of promoting the overall image of Hong Kong and facilitating the economic and trade development between Hong Kong and overseas countries, Mrs Sophie LEUNG was concerned whether the Administration had established any objective criteria for selecting a suitable candidate to take up the post of Head of ETO responsible for handling and promoting Hong Kong's external economic and trade relations. Mrs Sophie LEUNG considered it inappropriate to appoint an officer as Head of ETO merely on the basis of his/her seniority. In response, PSCIT stressed that this had never been the case. The Administration had all along followed stringent selection procedures and formulated a series of objective criteria for selecting candidates well-experienced in promoting economic and trade relations for taking up the posts of Head of ETO. To effectively monitor the effectiveness of the work of individual ETOs, the Administration required each ETO to provide bi-monthly reports which were also submitted to Legislative Council (LegCo) Members for information.

(Post-meeting note: Under the established arrangement, individual ETOs would submit bi-monthly reports to the LegCo Secretariat for onward forwarding to all LegCo Members electronically for information.)

21. PSCIT supplemented that to enable the public to better understand the work of ETOs, the Administration had quantified ETOs' work as far as practicable in the Annual Estimates of Expenditure. For example, the Administration would provide information on the number of seminars organized by individual ETOs in the previous year and the number intended to be organized in the forthcoming year.

22. Mrs Sophie LEUNG considered that apart from quantifying the work of ETOs, the Administration should also explore ways to conduct qualitative assessments on ETOs' effectiveness in facilitating Hong Kong's economic and trade relations with overseas countries. In this regard, she opined that the Administration should consider establishing a mechanism to evaluate the performance of respective ETOs in promoting economic and trade relations.

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23. While expressing concern about the strategy adopted by ETOs to promote Hong Kong's external economic and trade relations, Mr NG Leung-sing enquired whether there were any objective data to indicate the effectiveness of ETOs' work, in particular the actual economic benefits brought about to Hong Kong. In reply, PSCIT advised that InvestHK would provide members with information on the number of regional offices and headquarters established by foreign companies in Hong Kong when it briefed the Panel on its work on 8 March 2004. She stressed that although the data could serve as reference, there was no definitive causal relationship between the data and the outcome of the existing work of ETOs in promoting Hong Kong's external economic and trade relations. Similarly, the Administration could also provide the Panel with trade statistics between Hong Kong and foreign countries. However, the outcome as revealed from the statistics might not necessarily be attributable to the work of ETO. Nevertheless, the Administration was prepared to provide information on the number of regional offices and headquarters established by foreign companies in Hong Kong and the trade statistics between Hong Kong and foreign countries for members' reference.

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(Post-meeting note: The Administration's response on the number of regional offices and headquarters established by foreign companies in Hong Kong and the trade statistics between Hong Kong and foreign countries was circulated for members' reference vide LC Paper CB(1) 1098/03-04(01) on 24 February 2004.)

24. Notwithstanding the Administration's review on the division of responsibilities and ranking of the Heads of ETOs, Mr NG Leung-sing considered that the review was not sufficiently thorough. To strengthen ETOs' efforts in promoting Hong Kong's economic and trade relations with foreign countries, Mr NG Leung-sing suggested that the existing 11 ETOs should be re-aligned. His specific suggestions included merging the existing four ETOs in US and Canada into two ETOs in North America; placing the responsibility of handling the economic and trade relations between Hong Kong and all European countries under one ETO; establishing one ETO in Asia to deal with economic and trade relations between Hong Kong and Singapore, Japan, Korea and other Southeast Asian countries; and setting up an ETO for Australia and New Zealand and another one in the Mainland. Mr NG opined that under the auspices of the six major ETOs, the Administration could establish sub-offices in different places according to practical needs so as to strengthen Hong Kong's economic and trade ties with the respective areas. To enhance the status of individual Heads of ETOs, Mr NG suggested that the Administration might consider conferring special titles on the Heads of ETOs in order to facilitate their liaison with political leaders and business sector representatives in promoting Hong Kong's external economic and trade relations. In addition, Mr NG expressed reservation on the appropriateness of the wordings of "to establish allies", "direct" and "oversee" in the main duties and responsibilities of the C,USA set out in items (e) and (f) of Enclosure 2 of the paper. He considered that such wordings implied a very high level of responsibility which might not be commensurate with that of the C,USA.

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25. In this regard, PSCIT remarked that Mr NG Leung-sing's proposed re-alignment of ETOs was not substantially different from the existing set-up in terms of networking and division of responsibilities. Regarding Mr NG's suggestion to merge the four ETOs in US and Canada, PSCIT considered the current arrangement more appropriate given the vast area of North America. She supplemented that the three ETOs in USA and the one in Canada had not been established all at the same time. Instead, they were set up at different points of time having regard to the actual needs of different places. On Mr NG Leung-sing's suggestion of conferring a special title on the Heads of ETOs to facilitate their communication with overseas political and business leaders so as to promote Hong Kong's external economic and trade relations, PSCIT expressed reservation and pointed out that in the light of operational experience, apart from post titles, it was also necessary to pitch the ranking of the Heads of ETOs at the appropriate level in order to facilitate the postholders in performing their duties.

26. Mr MA Fung-kwok suggested that the Administration should expand the jurisdiction of Hong Kong ETOs to cover promoting cultural exchanges. In response, PSCIT advised that the Government of the Hong Kong Special Administrative Region (HKSAR Government) was fully aware of the importance of facilitating cultural exchange. In fact, despite resource constraints, ETOs had provided assistance in cultural exchange activities in the course of promoting Hong Kong's economic and trade relations with foreign countries. For example, the Washington ETO organized the Hong Kong Film Festival on an annual basis. From January to February 2004, the Brussels ETO organized Spring Receptions in major European cities for local businessmen, government officials and Members of Parliaments at which students of the Hong Kong Academy of Performing Arts were also invited to stage performances. PSCIT said that according to her understanding, the Home Affairs Bureau (HAB) had been working actively with the Consulate-Generals of foreign countries in Hong Kong on cultural exchanges. ETOs were prepared to render appropriate assistance if necessary and would explore the opportunities of facilitating cultural exchanges between Hong Kong and foreign countries. Mr MA Fung-kwok urged the Administration to consider stipulating explicitly in the terms of reference of ETOs their roles in facilitating cultural exchanges. He further suggested that HAB should consider posting its staff to individual ETOs for promoting cultural exchanges with the respective places.

27. While supporting in principle the recommendations in the current review, Mr SIN Chung-kai considered it necessary to retain the Washington ETO. However, he expressed reservation on the ranking of the Head of the London ETO and of the Brussels ETO, which was pitched at D6 and D4 level respectively. In view of the increasing number of EU member states, he saw the need to upgrade the rank of the latter while the rank of the Head of the London ETO could be downgraded. PSCIT noted Mr SIN's view and reiterated that the ongoing requirements of individual ETOs were kept under review in determining their appropriate establishment.

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28. Mr SIN Chung-kai suggested that the HKSAR Government should consider strengthening the role of the Office of the Government of HKSAR in Beijing (the Beijing Office) in promoting Hong Kong's economic and trade relations with the Mainland and providing support for Hong Kong's commercial and industrial sectors when expanding into the Mainland, especially in Beijing. In response, PSCIT pointed out that to a certain extent, the Beijing Office was also engaged in the promotion of economic and trade relations. She said that Mr SIN's views would be conveyed to the Constitutional Affairs Bureau for consideration.

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29. The Chairman concluded that the Panel had taken note of the review and the relevant staffing proposal. He also referred to the Administration's earlier proposal to make permanent the supernumerary post of the Head of the Hong Kong Guangdong Cooperation Coordination Unit (HKGCCU). Given that no suitable directorate post could be identified for offsetting purpose when the proposal was submitted to the Finance Committee for approval, the Administration had only sought to extend the duration of the supernumerary post for three years. As the current review recommended the deletion of two directorate posts, the Chairman said that the Administration should consider in due course or in any future review the feasibility of using the directorate posts proposed for deletion under the current review or those to be deleted subsequently to offset the proposed creation of a permanent post of the Head of HKGCCU. PSCIT undertook to convey the Chairman's views to the Civil Service Bureau.

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V Commencement Notice of the Intellectual Property (Miscellaneous Amendments) Ordinance 2001, Patents (General) (Amendment) Rules 2004, Registered Designs (Amendment) Rules 2004 and Trade Marks (Amendment) Rules 2004 (LC Paper No. CB(1) 933/03-04(04))

30. The Principal Assistant Secretary for Commerce, Industry and Technology (Commerce and Industry) (PASCIT) briefed members on the proposed Commencement Notice of the Intellectual Property (Miscellaneous Amendments) Ordinance 2001, Patents (General) (Amendment) Rules 2004, Registered Designs (Amendment) Rules 2004 and Trade Marks (Amendment) Rules 2004.

31. PASCIT informed members that the relevant professional and legal bodies had been consulted on the proposed Rules. The Intellectual Property Department (IPD) had also published the draft Amendment Rules on its website for public consultation and met with representatives of organizations which had given comments in this regard. Members were given to understand that the consulted parties in general supported the introduction of the proposed amendments and that the Administration had duly revised the proposed rules in the light of the outcome of the consultation.

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32. The Chairman enquired whether applicants would all be referred to file their applications for patent and design registrations electronically if the amendment rules were enacted and came into operation.

33. The Director of Intellectual Property (DIP) replied that the applications could still be filed on paper. However, as far as he understood, most of the applications were filed by solicitors acting as agents for the applicants. In general, solicitors' firms were already equipped with the necessary computer systems. Hence, DIP did not envisage serious difficulty in connection with the electronic filing of applications for patents and design registrations.

34. DIP added that in order to tie in with the electronic processing of applications for patent and design registrations, IPD had outsourced the design of the computer system for the provision of electronic services to a private contractor. For applications filed on paper instead of through electronic means, the contractor would input the data on the application documents into the computer for further processing by IPD.

35. Mr CHAN Kam-lam supported the proposal as the Amendment Rules would bring about simplified application procedures and reduce the fees payable by applicants. Moreover, Mr CHAN also supported the technical amendments made by the Administration to the Patents (General) (Amendment) Rules 2004. Mr MA Fung-kwok also expressed support for the proposed Amendment Rules. He considered that if necessary, a subcommittee might be set up to examine the provisions of the Amendment Rules in detail.

VI Agreements with Tradelink on the provision of Government Electronic Trading Services for certain official trade-related documents (LC Paper No. CB(1) 933/03-04(05))

36. The Deputy Secretary for Commerce, Industry and Technology (Commerce and Industry) DSCIT briefed members on the agreements signed with Tradelink Electronic Commerce Limited (Tradelink) for the continued provision of Government Electronic Trading Services (GETS) after 2003.

37. The Chairman declared that the Federation of Hong Kong Industries was one of the existing shareholders of Tradelink.

38. In response to the concern of Mr MA Fung-kwok and the Chairman about the non-time limited services provided by Tradelink during the contract period, DSCIT advised that Tradelink had committed to continue to provide throughout the contract period the discount packages available in 2003 and that the user fees charged could not be higher than those stipulated in the agreement.

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39. Mr MA Fung-kwok further enquired whether the existing fees charged by Tradelink for the provision of GETS had reached the upper limit stipulated in its agreement with the Government. In response, DSCIT said that she was not in a position to disclose the relevant information which was part of the commercial agreement between the Government and Tradelink. Nevertheless, she reiterated that Tradelink could not charge fees in excess of the upper limit stipulated in the agreement.

40. The Chairman was concerned whether the other service provider, i.e. Global e-Trading Services Limited (Ge-TS), was aware that Tradelink has committed to continue to provide throughout the contract period the discount packages it provided in 2003. DSCIT advised that as the information concerned was in the public domain, Ge-TS should be aware of the arrangement between the Government and Tradelink.

41. Regarding the Chairman's concern about how Ge-TS promoted its services to users, the Principal Assistant Secretary for Commerce Industry and Technology (Commerce and Industry) advised that according to his understanding, Ge-TS had commenced its ongoing marketing and promotion work before 1 January 2004 for the services to be provided. In this regard, the Chairman hoped that competition between Tradelink and Ge-TS would enhance the quality of services and this would benefit the industrial and commercial sectors.

42. Mr CHAN Kam-lam noted that as stipulated in paragraph 5(d) of the paper, if at any time during the contract period, all other operators had withdrawn from providing any specific service resulting in Tradelink becoming the only provider of that service, Tradelink would adopt the then prevailing prices and discount packages for that service as the ceiling until the Government could complete a new tender exercise for appointing new operator(s) to launch the concerned service. He was concerned whether the aforesaid arrangement would be equally applicable to the Government's agreement with Ge-TS. In response, DSCIT advised that the Administration was currently negotiating with Ge-TS to include similar terms in the agreement so that the aforesaid arrangement would also apply.

VII Any other business

43. There being no other business, the meeting ended at 5:55 pm.