

Panel on Commerce and Industry

List of outstanding items for discussion (position as at 5 March 2004)

Proposed timing **for discussion***

1. Re-organization involving Commerce, Industry and Technology Bureau and Financial Services and the Treasury Bureau

Pursuant to the decision in the Chief Executive's 2004 Policy Address, a new high-level body currently titled as the Economic and Employment Council (EEC) has been established under the chairmanship of the Financial Secretary (FS) through reorganization of those committees previously under FS's purview to advise the Government on policies and initiatives for promoting economic activities, encouraging inward investment, facilitating business, and creating employment opportunities.

April 2004

In order to render effective support for the EEC, the Administration plans to merge the Economic Analysis Division currently under the Financial Services and the Treasury Bureau, and Division 4 of the Commerce and Industry Branch (CIB) currently under the Commerce, Industry and Technology Bureau, into a combined unit and place the new unit under the FS's Office. No establishment change and additional financial implications will be involved due to the merger. The Government Economist, who is the existing Head of the Economic Analysis Division, will take charge of the new unit, together with Economic Analysis and Business Facilitation Unit (under Division 4 of CIB before the merger) as its two constituent wings.

The Administration will brief the Panel on the proposal prior to its submission to the Establishment Subcommittee and Finance Committee for consideration. Members of the Panel on Financial Affairs and non-Panel Members will be invited to attend the meeting.

2. Strategic Framework for Innovation and Technology Development

The Administration has recently reviewed its innovation and

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**Proposed timing
for discussion***

technology programme and considered that the programme should focus on key technology areas which match more closely with Hong Kong's research strengths and the market needs. The Administration took the view that there should be greater emphasis on a demand-led, market-driven approach in guiding public sector funded research and development projects, and recognized the need to strengthen coordination among different elements of the innovation and technology programme, including the Innovation and Technology Fund, Applied Research Fund, the Applied Science and Technology Research Institute, the Hong Kong Science and Technology Parks Corporation, the Hong Kong Productivity Council, the universities and the industry, in order to achieve greater synergy and impact. The Secretary for Commerce, Industry and Technology has set up a Steering Committee on Innovation and Technology to this end.

The Administration will brief the Panel on the new strategic framework and the proposed way forward, and also update the Panel on the latest progress of the different elements of the innovation and technology programme.

3. Financial implications for hosting the Sixth World Trade Organization (WTO) Ministerial Conference

Item discussed by the Panel at the meeting on 7 July 2003. The Finance Committee has given its approval in principle for the financial commitment (estimated to be in the region of \$250 to \$300 million) of the project at the meeting on 18 July 2003.

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Although it is still awaiting confirmation from WTO on the timing for the conference, the Administration has advised that according to the Government's agreement with WTO, the conference will be held by the end of 2005. To allow sufficient time for the planning and preparation of the event, the Administration will brief the Panel on a more detailed budget of the project, including a staffing proposal, prior to submission of the relevant proposals to the Establishment Subcommittee and Finance Committee for consideration.

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4. Transition before implementation of electronic submission of cargo manifest (EMAN)

Item referred by the Bills Committee on Import and Export (Electronic Transaction) Bill 2001. The Bill, which was passed by the Legislative Council in July 2002, is to provide the legal framework for processing electronic submission of cargo manifest (EMAN).

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In scrutinizing the Bill, the Bills Committee considered that the transitional period during which both paper and electronic submission of cargo manifest were allowed should be extended to ensure the industry would have ample time to adapt to the new system. The Administration was requested to review the take-up rate by users of the EMAN and to brief the Panel in due course before deciding on the end date of the transitional period.

The Import and Export (Electronic Transactions) Ordinance 2002 and the EMAN have come into operation on 11 April 2003. The Administration has reviewed the take-up rate by users and will brief the Panel before deciding on the end date of the transitional period and submitting relevant subsidiary legislation to the Legislative Council for negative vetting.

5. Policy and role of the Trade Development Council (TDC) in organizing trade fairs

Item discussed at the meeting on 8 December 2003.

April/May 2004

Further to its letters dated 8 October and 20 November 2003 which were addressed to the Panel Chairman and copied to other Panel members, Kenfair International (Holdings) Ltd. (Kenfair) has written to the Secretariat on 29 December 2003 stating its wish to present to the Panel its views on the matter. With the concurrence of the Chairman, the Panel will discuss the matter in April/May 2004. Kenfair as well as other organizations which have earlier on provided submissions to the Panel will be invited to attend the meeting and present views. In line with the usual practice, a general notice for invitation of submissions will also be posted on the website of the Council on the Internet. The Administration and TDC will also be invited to attend the Panel meeting. Members may recall that Kenfair's letter dated 20 November 2003

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addressed to the Panel Chairman and copied to all other Panel members and the Secretariat's reply thereto have been circulated vide LC Paper CB(1)630/03-04 on 22 December 2003.

6. Draft Copyright (Prescription of Copyright Registers) Regulation

Item discussed at the meeting on 12 May 2003. Members noted the Administration's proposal of prescribing the copyright registers maintained by the United States, Canada and India with a view to simplifying the proof of copyright ownership in legal proceedings under section 121(2) of the Copyright Ordinance (Cap.528). Members asked the Administration to consider the setting up of a copyright register in Hong Kong. The Administration undertook to consider members' views and revert to the Panel in due course.

To be confirmed

7. Implementation of Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

The Panel has been briefed on CEPA on 30 June and 13 October 2003. The Administration will brief the Panel on further progress of implementation of CEPA.

May / June 2004

8. Review of the Trade Descriptions Ordinance (TDO) and related subsidiary legislation in the light of the development of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

A Subcommittee was formed at the House Committee meeting on 31 October 2003 to study the Trade Descriptions (Country of Origin) (Watches) (Amendment) Order 2003 (the Amendment Order) and the Trade Descriptions (Place of Manufacture) (Piece-Knitted Garments) Notice (the Notice).

To be confirmed

While scrutinizing the Amendment Order, members questioned whether the current approach of making an Amendment Order to dis-apply the existing Order to certain products was the best approach to provide for the origin of the products in question. While members did not seek to amend the Amendment Order, they urged the Administration to

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critically review the relevant provisions in TDO and related subsidiary legislation with a view to devising a better approach to deal with necessary legislative amendments arising from CEPA origin rules. The Administration noted members' concern and undertook to look into the issue. The Panel will keep in view the Administration's review and follow up where appropriate.

9. Improving the business environment

Issues relating to improving the business environment were last discussed at the Panel meeting on 10 June 2002.

To be confirmed

The same subject has recently been covered in paragraphs 16 to 18 of the Chief Executive's 2004 Policy Address and raised by Mrs Sophie LEUNG at the Panel meeting on 14 January 2004. Mrs LEUNG expressed her view, inter alia, that the Government should strive to provide the business and industrial sectors with an "enabling environment".

Council Business Division 1
Legislative Council Secretariat
5 March 2004

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