

立法會
Legislative Council

LC Paper No. CB(1)2489/03-04
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the Administration and cleared by
the Chairman)

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Panel on Commerce and Industry

Minutes of meeting
held on Monday, 12 July 2004, at 4:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Dr Hon LUI Ming-wah, JP
Hon NG Leung-sing, SBS, JP
Hon CHAN Kam-lam, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai, JP
Hon Henry WU King-cheong, BBS, JP
Hon MA Fung-kwok, SBS, JP
- Members absent** : Hon Kenneth TING Woo-shou, SBS, JP (Chairman)
Hon HUI Cheung-ching, SBS, JP (Deputy Chairman)
Hon CHEUNG Man-kwong
- Public officers attending** : **Item III**
- Miss Denise YUE, JP
Permanent Secretary for Commerce, Industry and
Technology (Commerce and Industry)
- Mrs Philomena LEUNG
Principal Assistant Secretary for Commerce, Industry
and Technology (Commerce and Industry)
- Miss Christine Chow
Principal Assistant Secretary for Housing, Planning
and Lands (Planning and Lands)

Dr LI Kui-wai
Director, APEC Study Center, City University of
Hong Kong

Mr LUI Ying-kin, Benny
Research Assistant, APEC Study Center, City
University of Hong Kong

Item IV

Mr Kevin HO, JP
Director-General of Trade and Industry

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

Mr Clement LEUNG
Deputy Director-General of Trade and Industry

Miss Charmaine LEE
Assistant Director-General of Trade and Industry

Ms Florence LAU
Principal Trade Officer, Trade and Industry
Department

Item V

Mr John TSANG, JP
Secretary for Commerce, Industry and Technology

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

Miss Jacqueline WILLIS, JP
Commissioner for Economic and Trade Affairs, USA

Mr Joshua LAW, JP
Permanent Representative of the Hong Kong Special
Administrative Region of China to the World Trade
Organization

Mr Andrew WONG, JP
Special Representative for Hong Kong Economic and Trade Affairs to the European Communities, Brussels and Acting Director-General, Hong Kong Economic and Trade Affairs, London

Mr Alex FONG
Principal Hong Kong Economic and Trade Representative, Tokyo

Miss Sarah WU
Director, Hong Kong Economic and Trade Affairs, New York

Mrs Jenny WALLIS, JP
Director, Hong Kong Economic and Trade Affairs, Sydney

Miss Annie TANG, JP
Director, Hong Kong Economic and Trade Affairs, San Francisco

Mr Peter LEUNG
Director, Hong Kong Economic and Trade Affairs, Guangdong

Mr Bassanio SO
Director, Hong Kong Economic and Trade Affairs, Toronto

Mr Rex CHANG
Director, Hong Kong Economic and Trade Affairs, Singapore

Item VI

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

Mr M J ROWSE, JP
Chairman
Hong Kong IEC Limited

Attendance by invitation : Item VI

Mr Allen HA
Deputy Chief Executive Officer
AsiaWorld-Expo Management Limited

Mr Stanley CHU
Chairman
Hong Kong Exhibition and Convention Industry Association

Mr Daniel CHEUNG
Vice-Chairman
Hong Kong Exhibition and Convention Industry Association

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

Staff in attendance : Mr TSANG Siu-cheung
Senior Council Secretary (1)7

Ms Sharon CHAN
Legislative Assistant (1)6

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V Reports by Heads of Hong Kong Economic and Trade Offices

(LC Paper No. CB(1)2333/03-04(03) -- Information paper provided by the Administration)

28. The Secretary for Commerce, Industry and Technology (SCIT) said that it had been an ongoing practice for the various Heads of the Hong Kong Economic and Trade Offices (ETOs) to report their work to the Panel on their return to Hong Kong each year. SCIT then invited the Commissioner for Economic and Trade Affairs, USA (C, USA), the Permanent Representative of the Hong Kong Special Administrative Region of China to the World Trade Organization (PRG) and the Special Representative for Hong Kong Economic and Trade Affairs to the European Communities, Brussels (SREC) to brief the Panel on the major areas of work of the respective ETO and the latest development on economic and trade related matters under their purview. Members noted that the full set of reports in respect of the 11 ETOs had been provided to Panel members vide LC Paper No. CB(1)2333/03-04(03).

Report on major areas of work of ETOs

29. C, USA reported that Hong Kong was the focus of much attention in Washington. As this was also an election year in the US, the US ETOs were monitoring closely election politics and the US Administration's policies which might have implications for Hong Kong. The US Administration continued to be preoccupied by the war on terrorism, the war in Iraq and homeland security. There was strong appreciation of Hong Kong's cooperation with the US in the global fight against terrorism. That, together with other aspects of bilateral relations such as strategic trade controls and the Container Security Initiative, needed to be continually highlighted in the US. C, USA pointed out that there were people in Washington who had grave concerns over recent developments affecting the pace of constitutional developments in Hong Kong and there was a perception that Hong Kong's high degree of autonomy had been eroded. She considered that it was a challenge briefing and educating them on the Basic Law and constitutional reforms. The Washington ETO would continue to reach out to update interlocutors on the work of the Constitutional Development Task Force and the latest developments in Hong Kong. In terms of investment promotion, all three US ETOs were promoting CEPA and this would remain a key element of their work.

30. On issues related to the World Trade Organization (WTO), PRG reported that while WTO had focused on pushing forward the Doha Development Agenda (DDA) during the past year, overall progress had been rather slow due to the collapse of the negotiations at the Fifth WTO Ministerial Conference in September 2003. The immediate task was to reach framework agreements on some key areas of the DDA negotiations by the end of July 2004. In the coming year, the Geneva ETO would liaise closely with the WTO Secretariat and members in preparation for the Sixth WTO Ministerial Conference which would likely be held in Hong Kong in 2005.

31. SREC informed members that following the accession of ten new member states to the EU with effect from 1 May 2004, the market size of the EU was larger than that of the US. He considered this a great opportunity for Hong Kong businesses to tap the EU market, especially the ten new member states. SREC further reported that the Brussels ETO would closely monitor the development in respect of the new European Constitution which would have potential impact not just on the EU but also on the world at large.

Business opportunities in the Pan-Pearl River Delta (Pan-PRD) Region

32. Mr Henry WU remarked that the Hong Kong market alone might be too small to attract ongoing foreign investment. However, in anticipation of the development of the Pan-PRD Region, Mr WU enquired on the strategies, if any, which ETOs would adopt in promoting the business opportunities in the Pan-PRD Region to overseas investors. In response, SCIT invited the various representatives to brief members.

33. C, USA said that to attract an audience, it was necessary to position Hong Kong in the broader context of the region. This was already the approach adopted by her ETOs to tap into the interest in the Mainland. The Pan-PRD represented a new level of regional cooperation which the ETOs would leverage in the promotion of Hong Kong. She then invited her Directors to elaborate on their inward investment activities.

34. The Director, Hong Kong Economic and Trade Affairs, New York (D(NY)) added that the New York ETO was responsible for promoting economic and trade relations between Hong Kong and 31 states in the East Coast region of the US. D(NY) reported that the American investors' interest in the China market had rebounded significantly after the Severe Acute Respiratory Syndrome (SARS) outbreak had subsided. The New York ETO had, in collaboration with relevant business associations, launched a series of business seminars and events in major states to promote Hong Kong as a professional business services hub and a gateway to China. She pointed out that in addition to CEPA, the Pan-PRD concept would start to draw business attention. In its upcoming promotion, the New York ETO would follow up with the business sector and continue to highlight the importance of Hong Kong as a gateway to the Mainland market.

35. The Director, Hong Kong Economic and Trade Affairs, San Francisco (D(SF)) said that after China had joined the WTO, not just large US companies but also the smaller sized US companies were catching up in their interest in the China market. There was also a growing feeling that while they were concerned about risks involved, the time had come that they could not ignore the vast potentials of the China market. As such, the San Francisco ETO promoted Hong Kong as a partner for US companies when they explored the China market, and organized promotional activities like business seminars on Hong Kong and the PRD, CEPA, as well as electronic and media updates.

36. SREC remarked that small and medium enterprises (SMEs) in Europe were interested in the China market. In this connection, Hong Kong had an important role to play as SMEs in Europe could partner with SMEs in Hong Kong and benefit from the latter's familiarity with the Mainland market and the sharing of business risks. He stressed that Hong Kong's importance as a strategic partner for European businesses to access the Mainland market would be promoted.

37. The Principal Hong Kong Economic and Trade Representative, Tokyo (PRT) briefly explained that the activities of the ETO could be grouped into "visible" and "not visible" categories. On the "not visible" category, PRT said that the Tokyo ETO had disseminated information on the business opportunities arising from CEPA and Pan-PRD regional cooperation and development through day to day contacts, both official and unofficial, with the relevant ministries, the business sector and the media. On the "visible" category, he reported that the Tokyo ETO had arranged for a delegation comprising representatives from the public and private sectors in Japan to visit Hong Kong and PRD in December 2003 to study the business collaboration model amongst Japan, Hong Kong and

the Mainland, especially the role played by CEPA. The Tokyo ETO was currently discussing with the Japanese Chamber of Commerce on how the report on the visit should be disseminated to the industrial and business sectors in Japan, in particular SMEs. Meanwhile, PRT had also contributed an article to the Japan Times which was published on 1 July 2004 highlighting the economic and trade development between Hong Kong and Japan in the light of CEPA and the Pan-PRD regional cooperation. A Japanese version of the article would also be prepared. In addition, PRT reported that he disseminated information on CEPA and Pan-PRD to think-tanks and research institutes. For example, the representatives of the Samsung Research Institute in South Korea had expressed great interest in this subject.

Provision and analysis of information

38. Mrs Sophie LEUNG noted that in accordance with the WTO Agreement on Textiles and Clothing, all quantitative restrictions on textiles and clothing products would be eliminated by 1 January 2005. In the run-up to the new era marked by the end of the textiles control arrangements, Mrs Sophie LEUNG expressed appreciation for the efforts made by ETOs throughout the years in promoting Hong Kong's economic and trade interests. She looked forward to ETOs' continued support in the new era.

39. Mrs Sophie LEUNG said that the people of Hong Kong had often been criticized as too "insulated" from the outside world. With the growing importance of "regionalization" and "globalization", she considered that it was necessary for Hong Kong people to broaden their perspective. As such, she suggested that various ETOs should be invited to collect information on the latest development of different places/regions and disseminate such information on a monthly basis together with an analysis to the Hong Kong community, in particular to the business sector, through the media.

40. Noting Mrs LEUNG's suggestion, SCIT remarked that information relating to the latest developments in the host countries where the ETOs were located might be obtained from the Internet. In this connection, PSCI pointed out that the mass media such as newspapers or magazines, which operated on a commercial basis, might wish to consider whether the publication of information assembled and provided by the ETOs on a periodic basis would be of interest to their readers before deciding whether or not to publish the materials. However, in the light of Mrs Sophie LEUNG's remark that the recipients she had in mind were those in the business sector, PSCI said that the Administration would need to give further consideration to Mrs Sophie LEUNG's suggestion to ascertain its feasibility and practicability.

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Broadcast of the Harbour Fest video overseas

41. Referring to the one-hour television special on the highlights of the Harbour Fest to promote Hong Kong, Mr Henry WU asked whether ETOs could assist in arranging for the broadcast of the television special in overseas networks.

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In reply, PSCI explained that pursuant to the contract entered into between the American Chamber of Commerce in Hong Kong and the performing artistes, the broadcast of the television special was subject to certain conditions. For instance, the television special could only be broadcast thrice in the US. There was also a quantitative restriction on the number of times this special might be broadcast in Hong Kong, Australia, other parts of Asia, etc. In light of this restriction, PSCI advised that it would be more appropriate for the Administration to centrally coordinate and strive to secure the broadcast of this video in different places outside Hong Kong instead of requesting individual ETOs to do this work in their respective host countries. She understood that the Information Services Department and Invest Hong Kong were in the process of liaising with various overseas television networks to secure the wider broadcast of this television special overseas. Mr WU opined that the broadcasting arrangement should be expedited in order to maximize the promotional effect of the television special.

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