

(Translation)

LegCo's Special Finance Committee Meeting on 13 March 2006

Speaking Note for the Secretary for Commerce, Industry and Technology

Chairman,

I would like to introduce briefly the key areas of the work of the Commerce and Industry Branch of the Commerce, Industry and Technology Bureau in the new financial year.

Doha Development Agenda

2. The Sixth Ministerial Conference of the World Trade Organization was successfully held in Hong Kong last year. As an active Member of WTO, we will continue to participate constructively in the multilateral trade negotiations under the Doha Development Agenda in accordance with the timetable set out in the Hong Kong Ministerial Declaration. We will continue to work closely with all WTO Members to attain the target of completing the negotiations by the end of this year so as to bring about further liberalization in international trade, including lowering tariffs and reducing barriers to trade in services, for the benefit of Hong Kong.

Strengthening Hong Kong's representation in Europe

3. Apart from the Mainland and the U.S., the European Union is Hong Kong's largest trading partner. To strengthen Hong Kong's relations with the 25 EU-member states and other European countries, and to assist Hong Kong businessmen in capitalising on business opportunities in these countries, we plan to establish a new Economic and Trade Office (ETO) in Berlin in the third quarter this year. We will shortly invite the Establishment Subcommittee to recommend to the Finance Committee the necessary internal redeployment of a directorate post to implement the proposal.

Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

4. CEPA, which is now in its third year of implementation, has brought about significant economic benefits to Hong Kong. The merchandise trade

between Hong Kong and the Mainland has now been fully liberalized. We have also secured substantial preferential market access for our services industries in a total of 27 services sectors. We will continue to work closely with the Mainland authorities to ensure the smooth and effective implementation of CEPA. We will also continue to actively promote the opportunities under CEPA among local and overseas business communities.

Strengthening Economic Cooperation with the Mainland

5. The HKSAR Government will set up two new ETOs in Chengdu and Shanghai later this year, and the current coverage of Guangdong ETO will be expanded to include Guangxi, Fujian, Jiangxi and Hainan. The strengthening of the HKSAR Government's network in the Mainland will facilitate the enhancement of economic and trade relationship with our Mainland counterparts. We will continue to work closely with the other "9+2" members under the Pan Pearl River Delta Regional Cooperation Framework Agreement with a view to maximising economic efficiency and promoting Hong Kong as a hub for foreign enterprises to tap the Mainland market.

Promotion of Inward Investment

6. We will continue to attract and retain direct investments from overseas and the Mainland to Hong Kong so as to consolidate Hong Kong's position as the leading international business centre in Asia. Invest Hong Kong's target for 2006 is to assist 240 foreign and Mainland companies to invest here. To achieve this target, Invest Hong Kong will promote Hong Kong's investment environment and advantages in the Mainland more actively, and continue to join hands with Guangdong Province and the Pearl River Delta cities in organizing overseas promotional events to highlight the combined strength of Hong Kong and these areas.

Support for Small and Medium Enterprises (SMEs)

7. The Government attaches great importance to providing SMEs with the necessary support. Since the launch of the SME Funding Schemes, more than 48 000 SMEs have directly benefited from the Schemes, involving a total guarantee and grant of over \$8.1 billion. We will continue to work closely with the Small and Medium Enterprises Committee to monitor the operation of the Schemes.

Protection of Intellectual Property Rights

8. We are committed to protecting intellectual property rights to facilitate the development of a knowledge-based economy in Hong Kong. To this end, we are preparing legislative amendments to improve the Copyright Ordinance so as to ensure that our copyright protection and exemption regime can reflect the latest social and technological developments. We will soon submit the amendment bill to the Legislative Council for its scrutiny. We will continue to take vigorous enforcement actions against piracy and counterfeiting activities, including piracy activities in the digital environment. Effective enforcement actions must be complemented by efforts to educate the public. Our efforts in this aspect have been highly acclaimed locally and internationally. This year, the Intellectual Property Department and Customs will continue to join forces with intellectual property rights-holders to roll out public education programmes. These programmes will be targeted at the general public, SMEs and the youth with a special focus on the illegal distribution of infringing copyright works over the Internet.

Facilitating Trade

9. We will continue with our work in facilitating trade. Having consulted the stakeholders concerned, we have commenced the procedures to amend the necessary legislation for mandating the electronic submission of cargo manifests in respect of ocean and river modes of transport in mid June 2006 in order to enhance the overall efficiency of submission and processing of trade related documents. We will also continue to work on a revised proposal for electronic submission of advance cargo information for cross-boundary vehicles and to monitor closely global developments in anti-terrorism measures and their possible impact on the trading of Hong Kong goods.

10. Thank you.