

**Replies to supplementary questions raised by Finance
Committee Members in examining the Estimates of Expenditure 2007-08**

**Director of Bureau : Secretary for Commerce, Industry and Technology
Session No. : 6**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
S-CITB(CI)01	SV012	TONG Ka-wah, Ronny	152	Commerce and Industry
S-CITB(CI)02	S002	WONG Kwok-hing	79	Investment Promotion
S-CITB(CI)03	SV011	WONG Kwok-hing	79	Investment Promotion

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Head : 152 Government Secretariat:
Commerce, Industry and Technology Bureau
(Commerce and Industry Branch)

Subhead (No. & title) : -

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce, Industry and Technology
(Commerce and Industry)

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

On the estimate of expenditure for 2007-08 which is 11.8% higher than the original estimate for 2006-07 as raised by Hon Ronny TONG, the Administration undertook to provide detailed information on the specific areas/activities to which the additional funding resources sought will be allocated. (follow-up to reply serial no. CITB(CI)013)

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

Under Programme (2), the estimate for 2007-08 of \$167.2 million is \$17.7 million (11.8%) higher than the original estimate for 2006-07 of \$149.5 million. This is mainly due to the pooling of resources among the Commerce, Industry and Technology Bureau and its departments for internal deployment to enable the Bureau to pursue additional initiatives, activities and work under its purview so as to achieve the policy objectives more effectively. Based on our preliminary thinking, the relevant items and estimates are as follows:

	<u>Estimate (\$million)</u>
(i) Following up on the strategic proposals made by the Focus Group on Trade and Business formed under the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong". They include cooperation with Hong Kong Trade Development Council and other relevant organizations to promote Hong Kong brand products and services to inject new impetus to the "Brand Hong Kong" programme.	8.0
(ii) Commissioning a consultancy study to review the current strategies of promotion of inward investment, which would include reviewing the role and mission of Invest Hong Kong and the relevance of its existing nine priority sectors for focused promotion in the context of Hong Kong's overall economic development.	4.0

	<u>Estimate</u> <u>(\$million)</u>
(iii) Implementing a series of promotional and civic education programmes (such as the production of APIs/TV documentaries, and booklets and guidelines for specific sectors) upon enactment of the Copyright (Amendment) Bill 2006. This is to help ensure that the community understand the new copyright exemptions and is well aware of the new civil/criminal liabilities before the relevant provisions are brought into operation. These programmes are additional to the on-going public education programmes run by IPD to promote respect for intellectual property rights.	3.0
(iv) Leveraging on the celebration of the 10th Anniversary of the establishment of the Hong Kong Special Administrative Region to stage symposiums, forums and seminars to promote Hong Kong in major overseas cities including London, Washington, New York, Tokyo and Toronto.	2.5
Total	<u>17.5</u>

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry)
Date	26.3.2007

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Head : 79 Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

Would the Director-General of Investment Promotion please provide the details of the overseas visit programme for 2007-08, including the countries/regions to be visited, the aims and duration of the trips, and the estimated costs to be borne by public funds? Please also evaluate the effectiveness of the programme for 2007-08.

Asked by : Hon. WONG Kwok-hing

Reply :

Business plans for Invest Hong Kong (InvestHK) are developed on a calendar year basis. A list of the duty visits by the Director-General of Investment Promotion (DGIP) planned for 2007 is attached at Annex. While the actual expenditure on each of these visits is unknown at present, we have set aside a budget of \$600,000 for meeting the related expenses for 2007-08, estimated on the basis of the actual expenditure in 2006-07.

Invest Hong Kong was set up to spearhead the Government's efforts in attracting to Hong Kong foreign direct investment. As the head of the department, DGIP's responsibility is to ensure that the department achieves its mission. Each of DGIP's trips is usually planned to involve a combination of investment promotion activities in the markets visited. A typical duty trip normally comprises visits to four to five target companies per day (on average); investment promotion seminars and conferences targeting the local business community; speaking engagements with business organisations; and media interviews. InvestHK actively promotes the advantages of Hong Kong as a destination for investment and the services offered by the department. DGIP's participation is important as it is difficult to secure the limited number of speaking slots in major international conferences and seminars, which inevitably go to those holding top posts in recognised organisations. Overseas speaking engagements and media interviews by DGIP have significantly raised the profile and visibility of Hong Kong.

DGIP has developed specialised knowledge, experience and skills that often prove crucial in a company's decision to invest in Hong Kong. In cases in which potential investors are in the stage of making decisions on the business location in Asia, it frequently is important for DGIP to meet the top executives of the company and to personally provide in-depth knowledge of the investment environment and competitive advantages of Hong Kong in the investors' respective sectors.

In many cases, the top executives and other management board members of prospective investors will only meet with DGIP in his capacity as head of the department responsible for investment promotion – and are only available to meet in their home country offices. DGIP’s meetings with top executives can lead to further, more extensive contacts between the company, InvestHK and the overseas and Mainland representation of the Government at different levels that provide the basis for successfully completing the project.

In situations where Hong Kong competes with other cities in bringing in the companies, DGIP’s presence definitely adds value. For example, at the opening ceremony of a major regional headquarters in Hong Kong last year, a member from the company’s board of directors from Germany mentioned that the company had considered different cities for the location of the company’s consolidated regional headquarters. During the decision making process, DGIP paid a visit to the company’s global headquarters in Germany and met with the top executives. The company’s board director stated that he and his colleagues were impressed by the sincerity of the Government of the Hong Kong Special Administrative Region and willingness of DGIP to travel to the company’s headquarters specifically to meet with the board and said it was one of the key reasons influencing the company’s decision to choose Hong Kong. There are similar examples that show the importance and results of duty visits by DGIP and other senior officials at InvestHK.

Signature	_____
Name in block letters	M J T Rowse
Post Title	Director-General of Investment Promotion
Date	23.3.2007

**Duty Visits by DGIP
2007 Programme**

January – March (Approved visits already conducted)

Dates and Duration	Cities Covered	Purpose and Nature of the Visit
9-10 January	Chengdu	Meeting with Chengdu Mayor and Sichuan Government Officials.
16-21 January	Washington and Mexico	To attend the Hong Kong-Shenzhen Investment Promotion Seminar in Washington DC on 17 January and to conduct investment promotion (IP) visit in Mexico City.
30-31 January	Shenyang	To attend the 2007 HK-Shenyang Forum of Industrial, Commercial and Service Sectors and conduct a media roundtable.
13-16 March	Shanghai	To attend Invest Hong Kong Day and conduct IP visits in Shanghai.

March – December (Planned Visits)

Dates and Duration	Cities Covered	Purpose and Nature of the Visit
27-29 March	Chengdu and Chongqing	To attend the opening of Invest Hong Kong Service Centre in the Economic and Trade Office in Chengdu and to conduct IP visits in Chengdu. To attend a seminar jointly organised by InvestHK and the Hong Kong Productivity Council in Chongqing.
16-26 April	Savannah, Richmond, Chicago, Dallas, San Francisco, Toronto and Montreal	To attend the Hong Kong-Huizhou Investment Promotion Seminar in Dallas on 19 April and the Hong Kong-Fujian Investment Promotion Seminar in Toronto on 23 April. Speaking engagements, media interviews and company visits.
14-18 May	Rosario, Santiago, Sao Paolo and Caracas	To conduct speaking engagements and IP visits.

Dates and Duration	Cities Covered	Purpose and Nature of the Visit
11-20 June	Gothenburg, Amsterdam, Hamburg, Milan, UK and Paris	To attend the Hong Kong-Dongguan Investment Promotion Seminar in Amsterdam on 12 June and Paris Airshow on 19 June. Speaking engagements, media interviews and company visits.
2-6 July	Osaka, Tokyo and Seoul	To attend the Hong Kong-Fujian Investment Promotion Seminar in Osaka on 3 July, the Hong Kong-Zhaoqing Investment Promotion Seminar in Tokyo on 5 July and to conduct IP visits in those cities and Seoul.
27-31 August	Christchurch, Melbourne, Sydney and Singapore	To conduct speaking engagements and IP visits.
September	North America	To conduct speaking engagements and IP visits.
October	Europe	To conduct speaking engagements and IP visits.
November	India/Gulf	To conduct speaking engagements and IP visits.

In addition, there will be a 1 day visit to Taiwan, probably in September, plus a number of 1 or 2 day visits to the Mainland.

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Head : 79 Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce, Industry and Technology

Question :

In response to Hon WONG Kwok-hing, the Administration undertook to provide details of the plan for overseas visits by the Director-General of Investment Promotion in 2007-08, including countries/places to be visited, purpose and duration of each visit, and estimated expenditure to be incurred, and to assess the effectiveness of such visits for investment promotion.

Asked by : Hon. WONG Kwok-hing

Reply :

Business plans for Invest Hong Kong (InvestHK) are developed on a calendar year basis. A list of the duty visits by the Director-General of Investment Promotion (DGIP) planned for 2007 is attached at Annex. While the actual expenditure on each of these visits is unknown at present, we have set aside a budget of \$600,000 for meeting the related expenses for 2007-08, estimated on the basis of the actual expenditure in 2006-07.

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Post Title	Director-General of Investment Promotion
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