

Panel on Commerce and Industry

List of outstanding items for discussion
(position as at 17 April 2007)

Proposed timing
for discussion

1. Review of Small and Medium Enterprise (SME) Funding Schemes

In May 2005, the Finance Committee agreed to provide additional funding of \$300 million to extend the operation of the SME Loan Guarantee Scheme (“SGS”), the SME Export Marketing Fund, and the SME Development Fund (and to cease accepting new applications for the SME Training Fund from 1 July 2005). The total funding provision and government commitment are \$2.2 billion and \$12 billion respectively. Of the \$12 billion commitment, \$10.6 billion is for SGS (with expenditure provision of \$800 million) and \$1.4 billion is for the other Schemes. The Administration will update the Panel on the latest utilisation position.

15 May 2007

2. Furthering of Trade Relations between the Mainland and Hong Kong

Following the implementation of various initiatives such as CEPA and PPRD Regional Cooperation, bilateral trade relation between the Mainland and Hong Kong has strengthened. The Administration will update the Panel on the latest position and explore areas that could be further enhanced.

12 June 2007

3. Progress and impact of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

The Panel was briefed on the key findings of a study on the economic impact of CEPA I on Hong Kong's economy on 19 April 2005. The Administration has advised that it will brief the Panel on issues related to the implementation of CEPA from time to time. Members have also agreed that the Administration should report the progress and impact of CEPA to the Panel periodically, say, on an annual basis.

17 July 2007

The Panel discussed issues relating to the implementation

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for discussion**

of CEPA III and the 2006 liberalization measures at its meetings on 15 November 2005 and 18 July 2006 respectively. Members requested the Administration to monitor the impact of CEPA on job creation for the local workforce and report development to the Panel. The Administration has advised that it will conduct a second study on the impact of CEPA on the economy of Hong Kong and will report the outcome to the Panel when the study completes in the first half of 2007.

4. Progress in Asia Pacific Economic Cooperation 2007

The Administration has been participating actively in the Asia Pacific Economic Cooperation (APEC). The major APEC meetings in 2007 in preparation for the APEC Economic Leaders meeting will be completed in late June/early July. The Administration will update members on the progress of the APEC meetings.

17 July 2007

5. Consultation on the Review of Copyright Protection in the Digital Environment

The Administration launched a public consultation exercise in December 2006 on the review of copyright protection in the digital environment. The Administration has briefed the Panel on the consultation document on 16 January 2007. Upon completion of the consultation exercise by 30 April 2007, the Panel will invite the stakeholders and other interested parties to attend the Panel meeting in order to receive their views on the subject so that the Administration can have a more comprehensive picture before deciding on the way forward.

To be confirmed

6. Operation of the Professional Services Development Assistance Scheme (the Scheme) since its last review

At the Panel meeting held on 18 July 2006, members requested the Administration to provide information on the number of applications received under the Scheme and the amount of funding granted (by nature of the applicant organizations) and a comparison between the applications before and after the changes to the application procedures were introduced. The Administration will provide the Panel with the relevant information in due course.

To be confirmed

**Proposed timing
for discussion**

7. New Strategic Framework for Innovation and Technology Development

At the Panel meeting held on 17 May 2005, the Administration undertook to report on the operation and performance of the Research and Development (R&D) Centres and the implementation of the new framework to the Panel annually.

To be confirmed

The Panel discussed the issue on the new framework at its meeting on 21 November 2006 and requested the Administration to inform the Panel of the estimated expenditure of the R&D Centres against the funding approved. The Administration undertook to report to the Panel in six months' time and thereafter annually the income and expenditure of the R&D Centres for members' information.

8. Frontier Closed Area (FCA)

At the Panel meeting on 15 November 2005, members urged the Administration to consider whether the land which would be released as a result of the reduction of FCA would be developed as a production base for Hong Kong manufacturing industries in the light of CEPA.

To be confirmed

As advised by the Administration, the ultimate use of the FCA would be subject to the outcome of the feasibility and planning study of the Administration and the subsequent public consultations. The Administration's information paper on the review of the FCA was circulated to members of the Panel on Security and Panel on Planning, Lands and Works on 7 September 2006. The Administration issued another information paper on the results of public consultation on the recommendations arising from the review of the coverage of the FCA to the Panel on Security, Panel on Planning, Lands and Works and Panel on Environmental Affairs in February 2007.

At the Panel meeting on 12 October 2006, members agreed that the Panel should revisit the issue with the Administration in due course. As arranged, C&I Panel members will be invited to take part in the discussion when relevant Panels discuss the issue.

Council Business Division 1
Legislative Council Secretariat
17 April 2007